



# Interim Financial Report 2021

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## Excellent first-half results

### Chargeurs profited from the recovery and accelerated its expansion strategy Recurring operating profit and operating cash flow above expectations, at €34 million (up 50% from H1 2019) and €58 million

- The high quality of the Group's assets has allowed it to outperform all its markets
  - ◆ Second best 6-month performance since 2015
  - ◆ Revenue of €372.4 million, reflecting like-for-like growth of 11.6% compared with H1 2019
  - ◆ Excellent performances by Chargeurs Protective Films and Chargeurs Healthcare Solutions
  - ◆ Significant sales success by Chargeurs Museum Solutions
  - ◆ EBITDA margin at 12.4% of revenue, up 240 basis points from H1 2019
  - ◆ Reduction in net debt to €88.7 million; almost €400m of available financial resources
- Increased visibility for fashion and luxury activities and a promising order book for cultural services
- Strengthened Executive Committee with two new General Managers at Chargeurs Protective Films and Chargeurs\*PCC Fashion Technologies
- Upcoming accelerated acquisitions by business lines or in sectors with very high potential
- Interim dividend in respect of the 2021 financial year set at €0.48 per share

€m	H1 2021	H1 2019	change
<b>Revenue</b>	<b>372.4</b>	<b>326.1</b>	<b>+14.2%</b>
<b>EBITDA</b>	<b>46.3</b>	<b>32.5</b>	<b>+42.5%</b>
<i>As a % of revenue</i>	<i>12.4%</i>	<i>10.0%</i>	
<b>Recurring operating profit</b>	<b>34.0</b>	<b>22.7</b>	<b>+49.8%</b>
<i>As a % of revenue</i>	<i>9.1%</i>	<i>7.0%</i>	
<b>Attributable net profit</b>	<b>24.7</b>	<b>8.3</b>	<b>+197.6%</b>
<b>Net cash from operating activities</b>	<b>58.0</b>	<b>0.5</b>	<b>x 116</b>

"With this additional outperformance, Chargeurs has, once again in this six-month period, demonstrated the quality of its assets and its management model, despite the lockdowns. In spite of the exceptional health-related events, all our business lines were profitable in the first half of the year, and together allowed the Group to achieve its best-ever 18-month performance in terms of cash generation.

This operational momentum and the resulting financial robustness have ideally positioned the Group to fully profit from the recovery and generate the embedded performance that is at the heart of the Leap Forward 2025 strategic program. The appointment of two new executive officers with strong international reputations at Chargeurs Protective Films and Chargeurs\*PCC Fashion Technologies will accelerate the Group's expansion into new markets and strengthen the leadership of these business lines. With significant levels of available cash and increased visibility, the Group is also preparing to accelerate its external growth, the second driver of its Leap Forward program. This will involve targeted opportunities being seized in its current business lines, with complementary acquisitions being made in other high-potential business lines.

Now stronger in human, operational and financial terms, Chargeurs intends to capitalize on its excellent performances to accelerate and fully benefit from the broadening recovery", said **Michaël Fribourg**, Chairman and Chief Executive Officer.

Paris, September 9, 2021

## Highlights

- ◆ **New high-caliber talents have joined the group and business line management teams have been strengthened**, with the promotion of Etienne Petit to the position of General Manager of CPF and the hire of Gianluca Tanzi as General Manager of CFT\*PCC;
- ◆ **Entry into the hygiene and well-being sector with the acquisition of Fournival Altesse, the European leader in high-end hairbrushes;**
- ◆ **Acquisition of a leading British luxury products business that has designed, manufactured and distributed iconic accessories (leather goods, umbrellas and hats) under the prestigious Swaine Adeney, Brigg and Herbert Johnson brands for more than 270 years;**
- ◆ **Chargeurs Museum Solutions: start of the Diriyah Gate Development Authority (DGDA) contract in Saudi Arabia, won by Design PM, with a value of more than €20 million over 5 years;**
- ◆ **Start of an ambitious partnership with the EPFL science and technology institute in Lausanne (Switzerland) to extend the innovation capabilities of all of the Group's business lines.**

## Outlook

The Group considers that the ongoing health crisis and restrictions mean that the most exposed sectors will only experience a gradual economic recovery over the coming months, with a full recovery not expected to materialize before 2022. Chargeurs is not ruling out local lockdowns between now and end-2021 and remains cautious. The full re-opening of economies and the future return to unrestricted travel will enable the Group to accelerate significantly in its traditional business lines.

The quality of the results achieved in the first half of the year and the momentum of the various business lines have already given the Group increased confidence in its outlook and its ability to look beyond the crisis. This confidence is demonstrated by the Board of Directors' decision to distribute an interim dividend of €0.48 per share in respect of the 2021 financial year, the largest interim dividend since 2015. The level of the dividend is evidence that 2021 is now expected, after an atypical 2020, to be one of the best years in Chargeurs' recent history, in terms of revenue, recurring operating profit and net profit.

On the assumption that the recovery will broaden to all sectors and regions between now and the start of next year, Chargeurs is very confident about its prospects for 2022, and should benefit from the accelerated changes introduced during the crisis. In addition, Chargeurs will seek to take advantage of its significant available cash to step up targeted and highly value-enhancing acquisitions.

The Group therefore confirms the 2025 objectives of its Leap Forward program, namely revenue of at least €1.5 billion and recurring operating profit of €150 million, with the level of indebtedness remaining under tight control.

## Performance in H1 2021

### Consolidated financial statements for the six months ended June 30, 2021

The consolidated financial statements for the six months ended June 30, 2021 were approved for issue by Chargeurs' Board of Directors at its meeting held on June September 8, 2021.

€m	H1 2021	H1 2019	H1 2021 vs. H1 2019	H1 2020	H1 2021 vs. H1 2020
<b>Revenue</b>	<b>372.4</b>	<b>326.1</b>	<b>+14.2%</b>	518.5	-28.2%
Gross profit	99.7	85.0	+17.3%	131.8	-24.4%
<i>As a % of revenue</i>	26.8%	26.1%		25.4%	
<b>EBITDA</b>	<b>46.3</b>	<b>32.5</b>	<b>+42.5%</b>	71.2	-35.0%
<i>As a % of revenue</i>	12.4%	10.0%		13.7%	
<b>Recurring operating profit</b>	<b>34.0</b>	<b>22.7</b>	<b>+49.8%</b>	59.5	-42.9%
<i>As a % of revenue</i>	9.1%	7.0%		11.5%	
<b>Operating profit</b>	<b>31.6</b>	<b>17.3</b>	<b>+82.7%</b>	45.3	-30.2%
Net financial expense	-2.6	-5.8		-7.4	
Tax	-4.9	-3.2		-7.7	
<b>Net profit</b>	<b>24.2</b>	<b>8.3</b>	<b>+191.6%</b>	28.9	-16.3%
<b>Attributable net profit</b>	<b>24.7</b>	<b>8.3</b>	<b>+197.6%</b>	29.0	-14.8%
Earnings per share	1.06	0.36	+194.4%	1.28	-17.2%

#### REVENUE

Revenue totaled €372.4 million in the first half of 2021, up by 14.2% compared with the first half of 2019. Compared with the atypical first half of 2020, in which Chargeurs Healthcare Solutions recorded very high sales of masks in the second quarter of 2020 as a result of the health crisis affecting that period, revenue fell by 28.2%. This performance reflects like-for-like growth of 15.1% of revenue in the Americas and 8.5% in Asia compared to 2020, and a fall of 44.1% in Europe, where CHS generated the majority of its business in H1 2020. Excluding the CHS business, like-for-like growth in Europe, compared with 2020, was 15.0%.

#### RECURRING OPERATING PROFIT

The gross margin was 26.8% of revenue, the strongest first-half performance since 2015. It was the result of improvements in the quality of the business lines and efficiency programs. The Group's EBITDA was €46.3 million, representing 12.4% of revenue, up 42.5% from 2019. Recurring operating profit was €34 million, the second highest figure for the Group since 2015, and represented 9.1% of revenue. It principally reflects the increased operating profitability of all the businesses (stable profitability for CFT\*PCC) and tight control of fixed costs.

## ATTRIBUTABLE NET PROFIT

Attributable net profit for the period was €24.7 million, i.e. 6.6% of revenue, compared with 5.6% in H1 2020. This increase is the result of a fall in other operating income and expenses, the improvement seen in financial profit, despite the rise in interest expense, and a decline in the effective tax rate (16.9%) due to a favorable geographic mix for taxable profit. Net earnings per share came to €1.06, the second best six-month performance in the Group's recent history.

## Revenue by division

### 2nd quarter of 2021

€m	Q2 2021	Q2 2020	Q2 2019	chg. 2021 vs. 2020		chg. 2021 vs. 2019	
				reported	like-for-like	reported	like-for-like
Protective Films	<b>92.0</b>	62.8	72.9	+46.5%	+49.4%	+26.2%	+28.8%
PCC Fashion Technologies	<b>34.2</b>	20.3	54.7	+68.5%	+78.3%	-37.5%	-30.9%
Museum Solutions	<b>14.8</b>	13.7	10.0	+8.0%	+8.0%	+48.0%	-53.0%
Luxury Materials	<b>21.0</b>	10.3	27.3	+103.9%	+101.9%	-23.1%	-22.3%
<b>Chargeurs excl. Healthcare Solutions</b>	<b>162.0</b>	<b>107.1</b>	<b>164.9</b>	+51.3%	+54.6%	-1.8%	-4.4%
Healthcare Solutions	<b>29.6</b>	253.9	-	-88.3%	-88.3%		
<b>Chargeurs</b>	<b>191.6</b>	<b>361.0</b>	<b>164.9</b>	<b>-46.9%</b>	<b>-45.9%</b>	<b>+16.2%</b>	<b>+13.5%</b>

### H1 2021

€m	H1 2021	H1 2020	H1 2019	chg. 2021 vs. 2020		chg. 2021 vs. 2019	
				reported	like-for-like	reported	like-for-like
Protective Films	<b>168.5</b>	133.7	142.1	+26.0%	+28.9%	+18.6%	+21.0%
PCC Fashion Technologies	<b>65.8</b>	65.5	107.7	+0.5%	+7.3%	-38.9%	-32.9%
Museum Solutions	<b>27.4</b>	25.0	18.1	+9.6%	-4.4%	+51.4%	-51.9%
Luxury Materials	<b>39.4</b>	40.4	58.2	-2.5%	-2.7%	-32.3%	-31.6%
<b>Chargeurs excl. Healthcare Solutions</b>	<b>301.1</b>	<b>264.6</b>	<b>326.1</b>	+13.8%	+15.6%	-7.7%	-10.2%
Healthcare Solutions	<b>71.3</b>	253.9	-	-71.9%	-71.9%		
<b>Chargeurs</b>	<b>372.4</b>	<b>518.5</b>	<b>326.1</b>	<b>-28.2%</b>	<b>-27.3%</b>	<b>+14.2%</b>	<b>+11.6%</b>

In the first six months of 2021, revenue was €372.4 million, down 28.2% from the first six months of 2020, which had been driven by very high sales of masks at the peak of the health crisis. Compared with H1 2019, like-for-like growth was 11.6%. It reflects the dynamic management of a broad and high-performing portfolio of activities with the creation, in 2020, of two new profitable business lines, Chargeurs Museum Solutions and Chargeurs Healthcare Solutions.

Revenue benefited from a scope effect of 0.9%, fully attributable to Chargeurs Museum Solutions and corresponding to the consolidation of D&P and Hypsos, companies acquired in the first half of 2020. The currency impact was -1.8%, essentially linked to the depreciation of the US dollar against the euro.

## Analysis by business line

### Chargeurs Protective Films

€m	H1 2021	H1 2020	H1 2021 vs. H1 2020
Revenue	<b>168.5</b>	133.7	+26.0%
<i>Like-for-like growth</i>			+28.9%
EBITDA	<b>19.8</b>	12.7	+55.9%
<i>As a % of revenue</i>	<b>11.8%</b>	9.5%	
Recurring operating profit	<b>14.1</b>	6.9	+104.3%
<i>As a % of revenue</i>	<b>8.4%</b>	5.2%	

Chargeurs Protective Films' performance was a record for the business line, with revenue of €168.5 for the six-month period, i.e. like-for-like growth of 28.9% as well as a significant increase in operating profitability. The momentum that began in Q4 2020 gradually accelerated in H1 2021 and was sustained across all continents by a significant increase in demand, particularly in the building and household appliance sectors.

The impact of the significant and rapid rise in the price of polyethylene was controlled through contractual indexation clauses on sale prices and, more generally, the pricing power enjoyed by CPF as a result of its technological leadership in its sector.

The CPSM – specialty machines for films application – business line also recorded a good level of activity, benefiting from renewed investment by its customers in new technologies.

The increased number of orders, as a result of demand, in overall terms, in excess of pre-Covid levels, ensures clear visibility for the business line for the second half of the year, at a time when orders are plateauing at high levels. The high price of polyethylene will continue to have a negative effect on the business line's operating margin.

### Chargeurs\*PCC Fashion Technologies

€m	H1 2021	H1 2020	H1 2021 vs. H1 2020
Revenue	<b>65.8</b>	65.5	+0.5%
<i>Like-for-like growth</i>			+7.3%
EBITDA	<b>5.8</b>	5.2	+11.5%
<i>As a % of revenue</i>	<b>8.8%</b>	7.9%	
Recurring operating profit	<b>2.3</b>	2.3	+0.0%
<i>As a % of revenue</i>	<b>3.5%</b>	3.5%	

Chargeurs\*PCC Fashion Technologies posted revenue of €65.8m, representing like-for-like growth of 7.3% compared with H1 2020. This performance reflects the varying nature of the recoveries experienced in the various regions, which were closely linked to the pace at which economic regions reopened. As a result, in the second quarter, sales, in overall terms, increased in all regions compared with the first quarter, reflecting a recovery in demand for certain major US brands and strong growth trends in Asia. In Europe, where lockdowns and the closure of "non-essential" retail were in place for longer, trends are improving more gradually. In overall terms, the order book gradually grew, in particular from the start of summer onwards. At the end of August, it was larger than it was in August 2019.

The business line took advantage of this period of gradual recovery to expand its offering in two fast-growing segments: eco-friendly interlinings and technical fabrics required to manufacture sportswear and casual wear.

A number of European luxury and high-end ready-to-wear brands have, as a result of the key challenge posed to the fashion sector by CSR issues, been attracted by the Sustainable 360° interlining range, which has been used effectively by CFT\*PCC to increase sales to businesses in the fashion industry that are keen to develop eco-friendly procurement channels.

CFT\*PCC has also strengthened the digital marketing of its offering. At the beginning of July, the business line launched its virtual showroom aimed at

promoting its “Fusion” range of technical fabrics designed for the manufacture of soft and comfortable clothing. Its exclusive partnership with CLO, the world leader in the digital prototyping of models became operational, allowing designers to integrate CFT\*PCC’s interlinings at the digital design stage, offering a number of benefits in terms of the environment, speed to market and visibility for the range’s interlinings.

### Chargeurs Luxury Materials

€m	H1 2021	H1 2020	H1 2021 vs. H1 2020
Revenue	<b>39.4</b>	40.4	-2.5%
<i>Like-for-like growth</i>			-2.7%
EBITDA	<b>0.6</b>	-0.9	
<i>As a % of revenue</i>	<b>1.5%</b>	-2.2%	
Recurring operating profit	<b>0.5</b>	-1.0	
<i>As a % of revenue</i>	<b>1.3%</b>	-2.5%	

Chargeurs Luxury Materials recorded revenue of €39.4 million, representing a slight like-for-like fall versus H1 2020 — with the very negative price effect linked to the past decline in wool selling prices nearly fully offset by the marked rebound in volumes. This performance also reflects sharply contrasting trends between the first quarter, which was penalized by very high comparatives, and the second, which saw very high growth and strong momentum in volumes sold and a significant increase in the order book.

In line with the regional sequencing of the global economic recovery, CLM sales benefited from the high levels of activity in New Zealand to meet outerwear production needs and from strong momentum in the United States.

In parallel, the business line stepped up its Nativa™ label development programs for brands that want to promote eco-responsible sourcing. In addition to the growing number of certified sheep farms, the label has increased initiatives with recognized partners, including Vivienne Westwood and Reformation, in regenerative agriculture with the goal of reducing

greenhouse gas emissions linked to sheep farming. The business line is also continuing to develop a recycled wool offering and is developing pilot projects with a number of brands, including Madewell.

The business line also improved its operating profitability, capitalizing on the growth in volumes and the simplification of its cost structure.

### Chargeurs Museum Solutions

€m	H1 2021	H1 2020	H1 2021 vs. H1 2020
Revenue	<b>27.4</b>	25.0	+9.6%
<i>Like-for-like growth</i>			-4.4%
EBITDA	<b>4.6</b>	2.1	+119.0%
<i>As a % of revenue</i>	<b>16.8%</b>	8.4%	
Recurring operating profit	<b>2.7</b>	0.8	+237.5%
<i>As a % of revenue</i>	<b>9.9%</b>	3.2%	

Chargeurs Museum Solutions posted revenue of €27.4 million, up 9.6%. This growth was driven by the scope effect associated with the acquisition of D&P and Hypsos in the first half of 2020. The growth in recurring operating profit also benefited from the performance of D&P, which remained high.

Museum activities achieved slight like-for-like growth, as operational difficulties linked to the health crisis delayed the completion of certain signed projects. Against this backdrop, sales were underpinned by the significant contribution, both in terms of revenue and operating profit, made by the D&P contract with the National Air & Space Museum in the United States. The first half of 2021 also saw the start of the Diriyah Gate Development Authority (DGDA) contract in Saudi Arabia, won by Design PM, for more than €20 million, which aims to transform part of the historic center of the town of Diriyah into a cultural environment and tourism area, of a nature unprecedented in Saudi Arabia. This contract, which has a term of 5 years, offers DPM and, more broadly, the business line, high visibility. It also shows the strength of the expertise platform model, since MET Studio competed for and won part of the DGDA project managed by DPM.

The historic activities linked to retail, specifically those of Senfa and Leach, continued to be adversely affected by lockdown measures in Europe. The easing of these restrictions at the end of the period resulted in a slight increase in business activity, particularly in the United Kingdom, and growth in Leach's order book. The recovery in this market will be closely linked to the easing of remaining local restrictions and the reopening of borders, which are necessary conditions for the resumption of trade fairs, as well as the activities of duty-free networks and retail chains in general.

## Chargeurs Healthcare Solutions

€m	H1 2021	H1 2020	H1 2021 vs. H1 2020
Revenue	<b>71.3</b>	253.9	-71.9%
<i>Like-for-like growth</i>			-71.9%
EBITDA	<b>18.5</b>	55.4	-66.6%
<i>As a % of revenue</i>	<b>25.9%</b>	21.8%	
Recurring operating profit	<b>18.1</b>	54.3	-66.7%
<i>As a % of revenue</i>	<b>25.4%</b>	21.4%	

Chargeurs Healthcare Solutions posted revenue of €71.3 million in the first half as a result of the contribution made by significant contracts. These enabled the business line to demonstrate and strengthen its leadership in the production of high-quality health equipment, one year after being established. The innovation and diversity of its ranges designed for different uses – sport, medical use, professional use, outdoor leisure, etc. – are differentiating factors for the Lainière Santé™ brand. A good example is provided by the new Oxygène range, launched in July 2021, of uniquely light and breathable masks manufactured in France with 99% filtration efficiency.

These successes mean that Chargeurs Healthcare Solutions is now set to generate revenue at the top end of the €50-100 million range, which was the target set for 2021.

CHS also entered into a partnership with the laboratory Rivadis, which develops, manufactures, packs and sells health and personal care products. Under this agreement, Chargeurs Healthcare Solutions' products will be distributed in medical establishments, hospitals, creches and nursing homes supplied by Rivadis.

The business line is continuing with plans to diversify into the complementary and promising sector of well-being and hygiene. The acquisition of Fournival Altesse, the European leader in high-end hairbrushes, has broadened the offering to include personal care and well-being products, with a view



to pooling distribution channels. In this same segment, CHS signed an agreement with Sockwell, the US leader in the compression socks segment, and a customer of Chargeurs Luxury Materials. CHS will distribute Sockwell's products in the French

market, in particular through its [lainiere-sante.com](http://lainiere-sante.com) website and leveraging its pharmacy network penetration.

### **Progress made on initiatives linked to Group CSR policy**

As part of its Leap Forward 2025 program, the Group stepped up its efforts to reduce its carbon footprint and improve the sustainability of its products.

The business lines have developed unique and high-performing eco-friendly ranges that meet the increasing requirements of their customers in terms of sustainability. The expansion of the eco-friendly Sustainable 360™ range of interlinings at CFT\*PCC is also fully consistent with the development of ethical fashion. In this respect, the business line has launched products manufactured using an innovative dyeing process, "Dope Dyeing", which reduces water consumption by between 70% and 80% compared to traditional dyeing methods.

At Chargeurs Protective Films, the OXYGEN eco-friendly range of protective tapes was rolled out at the same time as it introduced a new waste collection and recycling service for its direct customers, focusing on sustainability at all levels of the value chain. Similar initiatives are also underway in the other business lines.

The Group also began a full carbon audit of its business activities, covering scope 3 on indirect greenhouse gas emissions, working with the business lines' CSR teams. The Group's development strategy can now include a low carbon trajectory, which is in the process of being defined.

With societies still severely impacted by the health crisis, the Group continued to show solidarity with the regions in which it operates. More than 45,000 bottles of hand sanitizer were donated to associations in France and the rest of the world.

## Change in net debt

€m	H1 2021	H1 2020	H1 2019
<b>EBITDA</b>	<b>46.3</b>	<b>71.2</b>	<b>32.5</b>
<i>Non-recurring – cash</i>	-2.7	-4.1	-4.2
<i>Financial expenses – cash</i>	-6.8	-5.9	-5.3
<i>Tax – cash</i>	-0.2	-1.6	-0.4
<i>Other</i>	-	3.6	0.2
<b>Cash flows provided by operating activities</b>	<b>36.6</b>	<b>63.2</b>	<b>22.8</b>
Change in working capital at constant exchange rates	21.4	8.3	-22.3
<b>Net cash from operating activities</b>	<b>58.0</b>	<b>71.5</b>	<b>0.5</b>
Acquisition of property, plant and equipment and intangible assets, net of disposals	-4.6	1.4	-16.3
Acquisitions	-1.5	-54.6	0.0
Dividends paid in cash	-12.6	-2.5	-5.1
Other	-2.0	-2.5	-1.6
<b>Total</b>	<b>37.3</b>	<b>13.3</b>	<b>-22.5</b>
Effect of changes in exchange rates on cash and cash equivalents	-0.7	0.5	-0.5
<b>Opening net cash/(net debt)</b>	<b>-126.7</b>	<b>-122.4</b>	<b>-92.2</b>
<b>Closing net cash/(net debt)</b>	<b>-88.7</b>	<b>-109.6</b>	<b>-115.2</b>

The excellent operating and financial performance allowed the Chargeurs group to reduce its net debt by €38 million in the first half of 2021.

This performance resulted in high cash flow from operating activities of €36.6 million, to which all business lines contributed positively. It also reflects a €21.4 million reduction in operating working capital requirements. In the context of very sustained business levels, the Chargeurs Protective Films and Chargeurs Healthcare Solutions business lines successfully optimized their inventory levels and trade receivables.

In overall terms, operating cash flow was €58 million, which is the second highest figure in the Group's recent history, after the record achieved in the first half of 2020. In this way, Chargeurs has demonstrated its ability to generate high levels of liquidity in turbulent economic environments. In the 18 months beginning on January 1, 2020 and ending on June 30, 2021, the period of the health crisis, Chargeurs generated a total of €131 million in cash flow from operating activities, i.e. almost double the aggregate amount generated in 2017, 2018 and 2019 (€71 million).

As a result, net debt at the end of the period was reduced to €88.7 million, corresponding to a debt ratio of 1.1x, an improvement from the end of 2020 (1.2x). It should be noted that the leverage ratio improved significantly from end-2019 (2.0x), despite three acquisitions (D&P, Hypsos and Fournival Altesse) and the payment of a particularly high dividend in 2020 and 2021. The gearing ratio – net debt/equity – was 0.35x, down from the end of 2020 (0.5x).

With a supplementary tranche of €20 million subscribed to by Eiffel Group under the Euro PP program issued in December 2020, bringing the total amount raised to €120 million, the average maturity of Chargeurs' debt remained above four years. The Group therefore has a robust balance sheet and a high level of available financial resources (€390,4 million of which €133,8 million of undrawn facilities), meaning that it will be able to fund its internal and external development projects in the coming months.

## **Subsequent events**

In the third quarter of 2021, Chargeurs acquired a British company that has designed, manufactured and distributed luxury accessories for more than 270 years. The company sells a wide range of very high-end items under its iconic brands that include Swaine Adeney (luggage and briefcases), Brigg (umbrellas) and Herbert Johnson (hats). It owns garment workshops, where age-old craftsmanship is continued, and a flagship store in Piccadilly Arcade, central London. Chargeurs intends to make it an iconic international brand based in the United Kingdom.

## **Strengthened Executive Committee**

Chargeurs has significantly strengthened its Executive Committee and its business lines' executive management teams, by appointing two managers who contribute significant expertise and in-depth international experience.

Etienne Petit, who joined Chargeurs at the beginning of 2021 to take up the position of Executive Vice-President, Transformation, Acquisitions and Innovation, has been promoted to General Manager of Chargeurs Protective Films. As a graduate of Paris Dauphine University, Mr. Petit developed extensive international experience at Veolia group. In particular, he spearheaded the Group's activities in Germany following his contribution to the robust growth of the Group in Central Europe. Before joining Chargeurs, he was Group Chief Procurement Officer at Veolia and was a member of the Executive Committee. He provides Chargeurs with globally-oriented expertise, specifically as regards the circular economy and international development. He will also continue in the role of Group Vice-President, Innovation.

On October 11, Gianluca Tanzi will become General Manager of Chargeurs' Textiles division, comprising Chargeurs\*PCC Fashion Technologies and Chargeurs Luxury Materials. He takes over from Audrey Petit, who, since January 1, has been carrying out the role of interim Chief Executive Officer of Chargeurs\*PCC, and will oversee the business activities of Chargeurs Luxury Materials with a view to accelerating the commercial synergies between the two business lines. In this new structure, which will optimize the Group's sales offering, Federico Paullier, renowned for the very high standards of his leadership in the field of fibers, will continue as General Manager of Chargeurs Luxury Materials.

With a degree from the Polytechnic University of Milan, Gianluca Tanzi was most recently Chief Operating Officer at Brooks Brothers, having previously held various strategic positions at

international eyewear and ready-to-wear clothing groups such as Luxottica, United Colors of Benetton, and Geox.

Audrey Petit will fully resume all of her duties as Group Chief Strategy and Integration Officer.

## Interim dividend for 2021

In view of the Group's strong performance in the first half of 2021 and its outlook, the Board of Directors has decided to pay an interim dividend of €0.48 per share in respect of 2021 profits, with the option to reinvest the interim dividend in Chargeurs shares.

In accordance with article L. 232-19 of the French Commercial Code and the resolution of the Board of Directors of September 8, 2021, the issue price of the new shares delivered as payment for the final dividend will be equal to 90% of the average of the opening prices quoted for the Company's shares during the 20 trading days preceding the date of the meeting of the Board of Directors, less the net amount of the interim dividend to be distributed per share and rounded up to the nearest euro cent, i.e. €19.95 per share.

The payment timeline for the interim dividend is:

Ex-dividend date:	September 15, 2021
Start of reinvestment option period:	September 17, 2021
End of reinvestment option period:	October 1, 2021
Announcement of reinvestment results:	October 5, 2021
Delivery date of shares and payment of cash interim dividend:	October 7, 2021

## Major risks and uncertainties

Please refer to Chapter 2 entitled "Risk factors and the control environment" of the 2020 Universal Registration Document. The main risks to which the Group is exposed are classified based on their impact and the likelihood of them occurring.

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## Glossary of financial terms

**Like-for-like change** from one year to the next is calculated:

- by applying the average exchange rates for year Y-1 to the period in question (year, half-year, quarter);
- and based on the scope of consolidation for Year Y-1.

**EBITDA** corresponds to recurring operating profit (as defined below) restated for the depreciation of property, plant and equipment and the amortization of intangible assets.

**Recurring Operating Profit** corresponds to gross profit, distribution costs, administrative expenses and research and development costs. It is stated:

- before amortization of intangible assets linked to acquisitions; and
- before other operating income and expense, which correspond to material non-recurring items that are unusual in nature and occur infrequently, and therefore distort assessments of the Group's underlying performance.

The **recurring operating margin** is equal to the recurring operating profit divided by revenue.

**Cash Flow** corresponds to the flow of net cash from operating activities net of any change in working capital.

**Operating cash flow** is defined as cash flows generated by operating activities, including changes in working capital requirements.

### Breakdown of revenue by business line

€m	2021	2020	2019	Change 2021 vs. 2020
<b>First quarter</b>				
Chargeurs Protective Films	76.5	70.9	69.2	+7.9%
Chargeurs*PCC Fashion Technologies	31.6	45.2	53.0	-30.1%
Chargeurs Museum Solutions	12.6	11.3	8.1	+11.5%
Chargeurs Luxury Materials	18.4	30.1	30.9	-38.9%
Chargeurs Healthcare Solutions	41.7	-	-	
<b>Chargeurs</b>	<b>180.8</b>	<b>157.5</b>	<b>161.2</b>	<b>+14.8%</b>
<b>Second quarter</b>				
Chargeurs Protective Films	92.0	62.8	72.9	+46.5%
Chargeurs*PCC Fashion Technologies	34.2	20.3	54.7	+68.5%
Chargeurs Museum Solutions	14.8	13.7	10.0	+8.0%
Chargeurs Luxury Materials	21.0	10.3	27.3	+103.9%
Chargeurs Healthcare Solutions	29.6	253.9	-	-88.3%
<b>Chargeurs</b>	<b>191.6</b>	<b>361.0</b>	<b>164.9</b>	<b>-46.9%</b>
<b>Third quarter</b>				
Chargeurs Protective Films	-	67.1	69.8	-
Chargeurs*PCC Fashion Technologies	-	32.9	48.4	-
Chargeurs Museum Solutions	-	13.2	6.7	-
Chargeurs Luxury Materials	-	9.8	21.5	-
Chargeurs Healthcare Solutions	-	46.7	-	-
<b>Chargeurs</b>	<b>-</b>	<b>169.7</b>	<b>146.4</b>	<b>-</b>
<b>Fourth quarter</b>				
Chargeurs Protective Films	-	69.6	66.2	-
Chargeurs*PCC Fashion Technologies	-	33.4	54.4	-
Chargeurs Museum Solutions	-	13.4	12.6	-
Chargeurs Luxury Materials	-	14.4	20.5	-
Chargeurs Healthcare Solutions	-	3.0	-	-
<b>Chargeurs</b>	<b>-</b>	<b>133.8</b>	<b>153.7</b>	<b>-</b>
<b>Full-year total</b>				
Chargeurs Protective Films	-	270.4	278.1	-
Chargeurs*PCC Fashion Technologies	-	131.8	210.6	-
Chargeurs Museum Solutions	-	51.6	37.3	-
Chargeurs Luxury Materials	-	64.6	100.2	-
Chargeurs Healthcare Solutions	-	303.6	-	-
<b>Chargeurs</b>	<b>-</b>	<b>822.0</b>	<b>626.2</b>	<b>-</b>

## Breakdown of revenue by geographic region

€m	2021	2020	2019	Change 2021 vs. 2020
<b>First quarter</b>				
Europe	103.5	71.2	78.4	+45.4%
Americas	41.2	39.3	38.4	+4.8%
Asia	36.1	47.0	44.4	-23.2%
<b>Chargeurs</b>	<b>180.8</b>	<b>157.5</b>	<b>161.2</b>	<b>+14.8%</b>
<b>Second quarter</b>				
Europe	99.7	291.2	72.9	-65.8%
Americas	46.2	39.4	38.8	+17.3%
Asia	45.7	30.4	53.2	+50.3%
<b>Chargeurs</b>	<b>191.6</b>	<b>361.0</b>	<b>164.9</b>	<b>-46.9%</b>
<b>Third quarter</b>				
Europe	-	96.3	63.0	-
Americas	-	38.1	36.3	-
Asia	-	35.3	47.1	-
<b>Chargeurs</b>	<b>-</b>	<b>169.7</b>	<b>146.4</b>	<b>-</b>
<b>Fourth quarter</b>				
Europe	-	53.2	59.8	-
Americas	-	39.8	36.4	-
Asia	-	40.8	57.5	-
<b>Chargeurs</b>	<b>-</b>	<b>133.8</b>	<b>153.7</b>	<b>-</b>
<b>Full-year total</b>				
Europe	-	511.9	274.1	-
Americas	-	156.6	149.9	-
Asia	-	153.5	202.2	-
<b>Chargeurs</b>	<b>-</b>	<b>822.0</b>	<b>626.2</b>	<b>-</b>

## 2021 Financial Calendar

Wednesday, November 10, 2021 (before market) Third-quarter 2021 financial information

### ABOUT CHARGEURS

CHARGEURS is a world leader of niche technologies and services, offering integrated, high value-added solutions to its B2B and B2C customers. Active in 90 countries with nearly 2,500 employees, the Group, whose global signature is High Emotion Technology®, develops its manufacturing and technological expertise across a range of sectors including premium materials protection, fashion and luxury goods, museum services and healthcare.

As the Group begins a new chapter in its history of nearly 150 years, the Leap Forward 2025 strategic plan is aimed at seizing market opportunities linked to developments in production, distribution and consumption methods and widespread demand for sustainable manufacturing solutions. Recognized for their highly responsive, agile manufacturing and their global footprint, Chargeurs' many areas of expertise are intended to support its profitable and sustainable growth. In 2020, the Group generated revenue of €822m.



**CHARGEURS**

**CONSOLIDATED FINANCIAL STATEMENTS**

*Six months ended June 30, 2021*



## First-half 2021 Consolidated Financial Statements

## Consolidated Income Statement (in €m)

	Note	Six months ended June 30	
		2021	2020
<b>Revenue</b>	4	<b>372.4</b>	<b>518.5</b>
Cost of sales		(272.7)	(386.7)
<b>Gross profit</b>		<b>99.7</b>	<b>131.8</b>
Distribution costs		(37.8)	(39.5)
Administrative expenses		(25.1)	(30.2)
Research and development costs		(2.8)	(2.6)
<b>Recurring operating profit</b>		<b>34.0</b>	<b>59.5</b>
Amortization of intangible assets acquired through business combinations		(2.7)	(1.7)
Other operating income	5	3.3	-
Other operating expense	5	(3.0)	(12.5)
<b>Operating profit</b>		<b>31.6</b>	<b>45.3</b>
Cost of net debt		(6.3)	(5.4)
Other financial expense		(0.5)	(2.8)
Other financial income		4.2	0.8
<b>Net financial expense</b>	7	<b>(2.6)</b>	<b>(7.4)</b>
<b>Pre-tax profit for the period</b>		<b>29.0</b>	<b>37.9</b>
Share of profit/(loss) of equity-accounted investees	13	0.1	(1.3)
Income tax expense	8	(4.9)	(7.7)
<b>Profit from continuing operations</b>		<b>24.2</b>	<b>28.9</b>
<b>Net profit</b>		<b>24.2</b>	<b>28.9</b>
<b>Attributable to owners of the parent</b>		<b>24.7</b>	<b>29.0</b>
Attributable to non-controlling interests		(0.5)	(0.1)
Earnings per share (in euros)	9	<b>1.06</b>	1.28
Diluted earnings per share (in €)	9	<b>1.06</b>	1.28

## Consolidated Statement of Comprehensive Income (in €m)

	Note	Six months ended June 30	
		2021	2020
<b>Net profit</b>		<b>24.2</b>	<b>28.9</b>
Exchange differences on translating foreign operations		7.9	(5.4)
Cash flow hedges		(1.3)	(0.2)
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>6.6</b>	<b>(5.6)</b>
Other comprehensive income for the period		(0.7)	(2.9)
Actuarial gains and losses on post-employment benefit obligations	18	1.5	(0.4)
<b>Total items that will not be reclassified to profit or loss</b>		<b>0.8</b>	<b>(3.3)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>7.4</b>	<b>(8.9)</b>
<b>Total comprehensive income for the period</b>		<b>31.6</b>	<b>20.0</b>
<b>Attributable to:</b>			
Owners of the parent		<b>32.1</b>	<b>20.2</b>
Non-controlling interests		(0.5)	(0.2)

The accompanying notes are an integral part of the consolidated financial statements.

## First-half 2021 Consolidated Financial Statements

## Consolidated Statement of Financial Position (in €m)

Assets	Note	06/30/2021	12-31-20
Intangible assets	10	231.7	228.7
Property, plant and equipment	11	81.0	83.1
Right-of-use assets	12	35.4	38.1
Investments in associates and joint ventures	13	7.2	7.0
Deferred tax assets	8	35.6	35.6
Financial assets	14	10.2	8.3
Other non-current assets		1.9	2.0
<b>Net non-current assets</b>		<b>403.0</b>	<b>402.8</b>
Inventories and work-in-progress	15	137.2	139.1
Long-term contract assets	15	4.4	1.8
Trade receivables	15	71.2	64.1
Derivative financial instruments	15	0.1	1.1
Miscellaneous receivables <sup>(1)</sup>	15	33.6	40.6
Short-term tax receivables	15	4.9	1.2
Other short-term financial receivables	14	11.9	20.3
Cash and cash equivalents	17	256.6	209.0
<b>Net current assets</b>		<b>519.9</b>	<b>477.2</b>
<b>Total assets</b>		<b>922.9</b>	<b>880.0</b>

Equity and liabilities		06/30/2021	12-31-20
Attributable to owners of the parent <sup>(1)</sup>	9	252.7	233.0
Non-controlling interests		(1.4)	(0.8)
<b>Total equity</b>		<b>251.3</b>	<b>232.2</b>
Medium and long-term borrowings	17	316.8	309.5
Medium and long-term lease liabilities	12	25.0	27.6
Deferred tax assets	8	5.2	5.1
Pension and other post-employment benefit obligations	18	15.6	16.8
Provisions for other liabilities	19	0.4	0.4
Other non-current liabilities	20	14.0	14.8
<b>Net non-current liabilities</b>		<b>377.0</b>	<b>374.2</b>
Short-term portion of long-term borrowings	17	30.6	38.3
Short-term portion of lease liabilities	12	9.5	10.5
Short-term portion of provisions for other liabilities	19	15.9	17.3
Trade payables	15	147.7	110.8
Long-term contract liabilities	15	5.9	8.3
Other payables	15	65.9	72.8
Current income tax liabilities	15	8.6	6.3
Derivative financial instruments	15	0.7	1.1
Short-term bank loans and overdrafts	17	9.8	8.2
<b>Net current liabilities</b>		<b>294.6</b>	<b>273.6</b>
<b>Total equity and liabilities</b>		<b>922.9</b>	<b>880.0</b>

(1) Restated amounts at December 31, 2020 pursuant to IAS 8 (see Note 24).

The accompanying notes are an integral part of the consolidated financial statements.

## First-half 2021 Consolidated Financial Statements

## Consolidated Statement of Cash Flows (in €m)

	Note	Six months ended June 30	
		2021	2020
<b>Cash flows from operating activities</b>			
Pre-tax profit of consolidated companies		29.0	37.9
Adjustments to reconcile pre-tax profit to cash generated from operations		7.8	26.9
- Depreciation and amortization expense	10 & 11 & 12	15.1	13.5
- Provisions and pension and other post-employment benefit obligations		(1.0)	13.9
- Fair value adjustments		(4.1)	(0.9)
- Impact of discounting		-	0.1
- Exchange (gains)/losses on foreign currency receivables and payables		(0.6)	0.3
- other non-cash adjustments		(1.6)	-
Income tax paid		(0.2)	(1.6)
<b>Cash generated by operations</b>		<b>36.6</b>	<b>63.2</b>
Change in operating working capital	15	21.4	8.3
<b>Net cash from operating activities</b>		<b>58.0</b>	<b>71.5</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries, net of the cash acquired (1)		(1.5)	(54.4)
Acquisition of intangible assets	10	(0.4)	(0.5)
Acquisition of property, plant and equipment	11	(4.7)	(2.8)
Proceeds from disposals of intangible assets and property, plant and equipment		0.5	4.7
Net change in other short-term financial receivables (2)	17	11.9	(12.0)
Other movements		(1.2)	0.4
<b>Net cash used in investing activities</b>		<b>4.6</b>	<b>(64.6)</b>
<b>Cash flows from financing activities</b>			
Cash dividends paid to owners of the parent		(12.6)	(2.5)
(Purchases)/sales of treasury stock		-	(0.1)
Proceeds from new borrowings	17	25.2	145.6
Repayments of borrowings	17	(23.9)	(0.9)
Repayments of lease liabilities	12	(5.6)	(5.1)
Change in short-term bank loans and overdrafts	17	1.3	(1.2)
Other movements		(0.5)	1.5
<b>Net cash from financing activities</b>		<b>(16.1)</b>	<b>137.3</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>46.5</b>	<b>144.2</b>
Cash and cash equivalents at beginning of period	17	209.0	93.9
Effect of changes in foreign exchange rates on cash and cash equivalents		1.1	(0.7)
<b>Cash and cash equivalents at end of period</b>	<b>17</b>	<b>256.6</b>	<b>237.4</b>

(1) Mainly includes the acquisition of Fournival Altesse during the first half of 2021 (see Note 1.3).

(2) Change in shares of listed companies (see Note 14).

The accompanying notes are an integral part of the consolidated financial statements.

## First-half 2021 Consolidated Financial Statements

## Consolidated Statement of Changes in Equity (in €m)

	Share capital	Share premium account	Other reserves and retained	Translation reserve	Cash flow hedges	Actuarial gains and losses on post-	Treasury stock	Group total	Non-controlling interests	Total
<b>At December 31, 2019 (1)</b>	<b>3.7</b>	<b>69.1</b>	<b>175.4</b>	<b>6.1</b>	<b>1.3</b>	<b>(7.4)</b>	<b>(20.2)</b>	<b>228.0</b>	-	<b>228.0</b>
Issue of share capital	0.1	1.9	-	-	-	-	-	2.0	-	2.0
Changes in treasury stock	-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Share-based payment	-	-	0.1	-	-	-	-	0.1	-	0.1
Payment of dividends	-	-	(4.5)	-	-	-	-	(4.5)	-	(4.5)
Profit for the period	-	-	29.0	-	-	-	-	29.0	(0.1)	28.9
Other comprehensive income/(loss) for the pe	-	-	(2.8)	(5.4)	(0.2)	(0.4)	-	(8.8)	(0.1)	(8.9)
<b>At June 30, 2020</b>	<b>3.8</b>	<b>71.0</b>	<b>197.2</b>	<b>0.7</b>	<b>1.1</b>	<b>(7.8)</b>	<b>(20.3)</b>	<b>245.7</b>	<b>(0.2)</b>	<b>245.5</b>
<b>At December 31, 2020 (1)</b>	<b>3.8</b>	<b>74.0</b>	<b>203.0</b>	<b>(21.3)</b>	<b>1.0</b>	<b>(7.2)</b>	<b>(20.3)</b>	<b>233.0</b>	<b>(0.8)</b>	<b>232.2</b>
Issue of share capital	0.1	11.3	-	-	-	-	-	11.4	-	11.4
Changes in treasury stock	-	-	-	-	-	-	-	-	-	-
Share-based payment	-	-	0.2	-	-	-	-	0.2	-	0.2
Payment of dividends (3)	-	-	(24.0)	-	-	-	-	(24.0)	(0.1)	(24.1)
Profit for the period	-	-	24.7	-	-	-	-	24.7	(0.5)	24.2
Other comprehensive income for the period	-	-	(0.7)	7.9	(1.3)	1.5	-	7.4	-	7.4
<b>At end-June 2021</b>	<b>3.9</b>	<b>85.3</b>	<b>203.2</b>	<b>(13.4)</b>	<b>(0.3)</b>	<b>(5.7)</b>	<b>(20.3)</b>	<b>252.7</b>	<b>(1.4)</b>	<b>251.3</b>

(1) Restated amounts at December 31, 2020, pursuant to IAS 8 (see Note 24).

(2) During the period ended June 30, 2020, the Group included in its consolidated financial statements the impact of the "Amédée Paris" business. This impact represented an aggregate €3.4m, of which €2.6m was recognized directly in equity (€1.8m for 2019 and €0.8 for prior years) and €0.8m was recognized in net financial expense.

(3) The €24.0m paid in first-half 2020 corresponds to the balance of the 2020 dividend, with €12.6m paid in cash and €11.4m in shares.

The accompanying notes are an integral part of the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**Chargeurs and its subsidiaries (the Chargeurs group) are organized around five business lines:**

- *Chargeurs Protective Films (CPF)*, which develops, manufactures and markets (i) technical solutions to protect steel, aluminum, plastic and other surfaces during the production process and (ii) laminators for temporary surface protection films (*Chargeurs Protective Specialty Machines, CPSM*);
- *Chargeurs\*PCC Fashion Technologies (CFT-PCC)*, which manufactures and markets garment interlinings;
- *Chargeurs Luxury Materials (CLM)*, which manufactures and markets premium Wool Tops (Top making);
- *Chargeurs Museum Solutions (CMS)* comprises a services arm – Chargeurs Creative Collection – which is a global standard-setter for services to cultural establishments and a manufacturing arm made up of Senfa, which specializes in functionalized technical textiles;
- *Chargeurs Healthcare Solutions (CHS)* develops, produces and markets technologies and solutions dedicated to healthcare and personal protective equipment.

Chargeurs is a *société anonyme* governed by the laws of France. Its registered office is located at 7 Rue Kepler, 75116 Paris, France.

Chargeurs shares are listed on Euronext Paris.

The consolidated financial statements for the six months ended June 30, 2021 were approved by the Board of Directors on September 8, 2021.

## 1 Significant events of the period

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### 1.1 Key information concerning the impact of the Covid-19 crisis on the Group

After a record 2020 in which the Group very quickly adapted to the health crisis and structured its new Chargeurs Healthcare Solutions business line, Chargeurs maintained its strong momentum in the first half of 2021.

The performance confirms the success of the strategy to diversify business activities and the efficiency of new low capital-intensive business models. In particular, CPF, CMS and CHS have continued to build on the strong demand for high-quality products and solutions in their respective markets to deliver very good results. CFT\*PCC and CLM, hampered by lockdown measures, strengthened their product portfolios and achieved a number of commercial successes, which have increased their capacity for recovery compared with the pre-crisis period. The latter are expected to materialize with the gradual reopening of the economy and the government's stimulus plans.

#### **Protective Films:**

Chargeurs Protective Films generated revenue of €168.5m in first-half 2021, up 26.0% year on year. Operating profit stood at €14.1m.

Like-for-like growth came to 28.9%, an acceleration of the momentum started in Q4 2020. Demand was steady on all continents, with a sharp rebound reported in major European countries. In particular, demand was driven by the strength of the construction sector, linked to robust growth in building permit allocations. In line with customer commercial agreements, CPF began adjusting its prices to reflect the sharp increase in the price of polyethylene in recent months.

**First-half 2021 Consolidated Financial Statements*****Fashion Technologies:***

Chargeurs\*PCC Fashion Technologies posted first-half 2021 revenue of €65.8m, representing like-for-like growth of 7.3%.

The lockdown measures introduced in several countries throughout the world continued to weigh heavily on the clothing industry. Nevertheless, thanks to buoyant consumer trends in Asia, the business line's global orderbook is gradually recovering.

The business line had sales success with French and Italian luxury brands as a result of promoting its eco-friendly Sustainable 360 interlining range. Operating margin was stable.

***Luxury Materials:***

Chargeurs Luxury Materials reported €39.4m in revenue for first-half 2021, down 2.5% year on year.

Although this business line continues to suffer from the health crisis, it is benefiting from the rebound in wool prices and a gradual recovery in demand, particularly in Europe. The Nativa™ certified and traceable wool range enjoyed new marketing successes, directly with internationally renowned brands who prioritize sustainable development criteria.

CLM returned to positive recurring operating profit, which stood at €0.5m.

***Museum Solutions:***

At €27.4m, Chargeurs Museum Solutions' first-half revenue was up 9.6% on the same period of 2020, led by the consolidation of recent acquisitions, notably Design and Production Incorporated (D&P) since February 29, 2020 and Hypsos since April 22, 2020.

Museum activities achieved slight like-for-like growth, as operational difficulties linked to the health crisis delayed the completion of certain signed projects. Like-for-like growth was underpinned by a certain number of major projects, including the D&P contract with the National Air & Space Museum.

Activities excluding museums linked to retail, specifically those of Senfa and Leach, continued to be adversely affected by the lockdown measures in Europe. The easing of these restrictions at the end of the period resulted in a slight increase in business activity, particularly in the United Kingdom, and growth in Leach's order book.

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### *Healthcare Solutions:*

The business line achieved revenue of €71.3m as of June 30, 2021, down on 2020, which was an atypical year, but still at a high level. This performance is particularly owing to the perfect execution of the significant tenders won in the fourth quarter of 2020.

#### **1.2 Strengthened Group liquidity**

The private placement bond (Euro PP) for €100m with an 8-year maturity, signed by the Group end-2020, was increased with an additional subscription of €20m, by the health-sector specialized fund of Eiffel Investment Group, bringing total funds raised to €120m.

This new placement contributes to securing the liquidity required to roll out the Leap Forward 2025 strategic development program.

Thus, at end-June 2021, the Group had significant liquidity, with €256.6m in available cash and €133.8m in confirmed undrawn financing facilities.

Information about the Group's net debt is presented in Note 17.

#### **1.3 Acquisitions in the Healthcare Solutions segment**

In April 2021, the Group finalized the acquisition of Fournival Altesse (see Note 14), the specialist in high-end Made in France hairbrushes. The company joins the Chargeurs Healthcare Solutions business line, expanding its offering into healthcare, wellness and hygiene products to pool distribution channels – pharmacies, selective distribution and travel retail, on the one hand, and e-commerce on the other.

This acquisition is the first stage in CHS' product extension strategy to consolidate the business line, with the active involvement of Fournival Altesse's management. Factoring in the company's size and the accounting principles described in section 2.3.4 of the 2020 Universal Registration Document (URD), the company is not consolidated.

## **2 Summary of significant accounting policies**

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### **2.1 Basis of preparation**

The first-half 2021 consolidated financial statements of the Chargeurs group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). These standards can be downloaded from the European Commission's website [https://ec.europa.eu/info/index\\_en](https://ec.europa.eu/info/index_en).

The summary financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and therefore do not contain all of the information and disclosures required in annual consolidated financial statements. Consequently, they should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

The consolidated financial statements are presented in millions of euros (€m).

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving the highest degree of judgment or estimation complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.



## 2.2 List of new, revised and amended IFRS standards and interpretations

### ***2.2.1 New standards, interpretations and amendments to existing standards whose application was mandatory for the first time in the period ended June 30, 2021:***

Adopted by the European Union:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Phase 2 Interest Rate Benchmark Reform;
- Amendment to IFRS 4 – Insurance Contracts – Extension of the temporary exemption from applying IFRS 9.

Other new standards, interpretations and amendments to existing standards whose application was mandatory for the first time in the period ended June 30, 2021:

- None.

The above amendments did not have a material impact on Chargeurs' consolidated financial statements at June 30, 2021.

### ***2.2.2 New standards, interpretations and amendments to existing standards applicable in future periods and not adopted early by the Group:***

Adopted by the European Union:

- Several amendments to IFRS 3 – Business Combinations, IAS 16 – Property, Plant and Equipment, IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and 2018-2020 annual improvements;
- IFRIC decision on the attribution of benefits to periods of service (IAS 19 – Employee Benefits). Considering the late publication of this decision, the Group's analysis is ongoing and it will determine any impacts for December 31, 2021.

Not yet adopted by the European Union:

- IFRS 17 – Insurance Contracts;
- Amendments to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1 - Presentation of Financial Statements - Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 16 – Covid-19-Related Rent Concessions beyond June 30, 2021

## **3 Critical accounting estimates and judgments**

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The preparation of financial statements under IFRS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The critical accounting estimates and assumptions that could result in a material adjustment to the carrying amount of assets and liabilities during subsequent periods are analyzed below.

## First-half 2021 Consolidated Financial Statements

**3.1 Impairment of goodwill**

Goodwill is tested for impairment on an annual basis as described in Note 2.11.1 of the 2020 URD. The recoverable amounts of cash-generating units (CGUs) are determined based on calculations of value in use, which require the use of estimates (see Note 10).

**3.2 Income tax expense**

Deferred tax assets are recognized for tax loss carryforwards only if it is considered probable that there will be sufficient future taxable profit against which the loss can be utilized.

Deferred tax assets are recognized in the accounts to the extent that their recovery is considered probable. The amount of these assets is assessed based on taxable profit projections over a period of five or seven years depending on the tax jurisdiction concerned.

The exercise of judgment is therefore required in assessing the consequences that new events will have on the value of deferred tax assets, notably changes in the estimates of future taxable profit and the timings for utilizing the assets.

In addition, tax positions may depend on interpretations of legislation, and such interpretations may be uncertain.

**3.3 Other significant estimates**

The other main estimates made by management for preparing the consolidated financial statements primarily related to the assumptions used for:

- measuring intangible assets (brands, customer relationships, non-compete clauses, etc.);
- measuring right-of-use assets and lease liabilities;
- provisions for disputes;
- post-employment benefit obligations;
- uncertain tax treatments representing material amounts;
- impairment of assets;
- provisions for contingencies and charges;
- liabilities related to acquisitions of consolidated companies.

## First-half 2021 Consolidated Financial Statements

## 4 Segment reporting

### 4.1 Information by operating segment

In accordance with IFRS 8 – Operating Segments, the segment information presented below is based on the internal reporting used by management to assess performance and allocate resources to each segment.

The Chargeurs group operates in five operating segments. Their performance is presented below.

#### 4.1.1 Income statement by operating segment

Six months ended June 30, 2021 (in €m)	Protective Films	Fashion Technologies	Luxury Materials	Museum Solutions	Healthcare Solutions	Non- operating	Consolidated
<b>Revenue</b>	<b>168.5</b>	<b>65.8</b>	<b>39.4</b>	<b>27.4</b>	<b>71.3</b>	-	<b>372.4</b>
<b>EBITDA</b>	<b>19.8</b>	<b>5.8</b>	<b>0.6</b>	<b>4.6</b>	<b>18.5</b>	<b>(3.0)</b>	<b>46.3</b>
Depreciation and amortization	(5.7)	(3.5)	(0.1)	(1.9)	(0.4)	(0.7)	(12.3)
<b>Recurring operating profit</b>	<b>14.1</b>	<b>2.3</b>	<b>0.5</b>	<b>2.7</b>	<b>18.1</b>	<b>(3.7)</b>	<b>34.0</b>
Amortization of intangible assets acquired through business combinations	-	(1.0)	-	(1.7)	-	-	(2.7)
Other operating income and expense (note 5)	(0.4)	2.9	-	(0.4)	(0.5)	(1.3)	0.3
<b>Operating profit</b>	<b>13.7</b>	<b>4.2</b>	<b>0.5</b>	<b>0.6</b>	<b>17.6</b>	<b>(5.0)</b>	<b>31.6</b>
Net financial expense							(2.6)
<b>Pre-tax profit for the period</b>							<b>29.0</b>
Share of profit/(loss) of equity-accounted investees							0.1
Income tax expense							(4.9)
<b>Profit for the period</b>							<b>24.2</b>

Six months ended June 30, 2020 (in €m)	Protective Films	Fashion Technologies	Luxury Materials	Museum Solutions	Healthcare Solutions	Non- operating	Consolidated
<b>Revenue (1)</b>	<b>133.7</b>	<b>65.5</b>	<b>40.4</b>	<b>25.0</b>	<b>253.9</b>	-	<b>518.5</b>
<b>EBITDA</b>	<b>12.7</b>	<b>5.2</b>	<b>(0.9)</b>	<b>2.1</b>	<b>55.4</b>	<b>(3.3)</b>	<b>71.2</b>
Depreciation and amortization	(5.8)	(2.9)	(0.1)	(1.3)	(1.1)	(0.5)	(11.7)
<b>Recurring operating profit</b>	<b>6.9</b>	<b>2.3</b>	<b>(1.0)</b>	<b>0.8</b>	<b>54.3</b>	<b>(3.8)</b>	<b>59.5</b>
Amortization of intangible assets acquired through business combinations	-	(1.1)	-	(0.6)	-	-	(1.7)
Other operating income and expense (note 5)	(1.8)	(0.7)	(0.0)	(2.1)	(0.2)	(7.7)	(12.5)
<b>Operating profit</b>	<b>5.1</b>	<b>0.5</b>	<b>(1.0)</b>	<b>(1.9)</b>	<b>54.1</b>	<b>(11.5)</b>	<b>45.3</b>
Net financial expense							(7.4)
<b>Pre-tax profit for the period</b>							<b>37.9</b>
Share of profit/(loss) of equity-accounted investees							(1.3)
Income tax expense							(7.7)
<b>Profit for the period</b>							<b>28.9</b>

(1) In the first half of 2021, D&P and Hypsos (acquired in the first half of 2020) contributed €13.0m to the revenue generated by Museum Solutions.

#### 4.1.2 Assets and liabilities by operating segment

Six months ended June 30, 2021 (in €m)	Protective Films	Fashion Technologies	Luxury Materials	Museum Solutions	Healthcare Solutions	Non- operating	Total
Assets <sup>(2)</sup>	256.3	140.3	56.9	146.7	27.8	26.5	654.5
Liabilities <sup>(3)</sup>	123.5	47.9	31.4	51.0	24.1	35.1	313.0
<b>Capital employed</b>	<b>132.8</b>	<b>92.4</b>	<b>25.5</b>	<b>95.7</b>	<b>3.7</b>	<b>(8.6)</b>	<b>341.5</b>
Capital expenditure	1.8	0.9	-	0.2	0.8	1.4	5.1

## First-half 2021 Consolidated Financial Statements

Full year ended December 31, 2020 (in €m)	Protective Films	Fashion Technologies	Luxury Materials	Museum Solutions	Healthcare Solutions	Non- operating	Total (1)
Assets <sup>(2)</sup>	220.5	127.5	53.1	141.0	36.1	72.5	650.7
Liabilities <sup>(3)</sup>	97.8	51.5	26.1	52.3	30.8	32.5	291.0
<b>Capital employed</b>	<b>122.7</b>	<b>76.0</b>	<b>27.0</b>	<b>88.7</b>	<b>5.3</b>	<b>40.0</b>	<b>359.7</b>
Capital expenditure	3.9	3.3	0.1	0.3	5.8	1.5	14.9

(1) Restated amounts at December 31, 2020, pursuant to IAS 8 (see Note 24).

(2) Excluding cash and cash equivalents and other short-term financial receivables.

(3) Excluding equity attributable to owners of the parent, borrowings (long-term borrowings, short-term portion of long-term borrowings and short-term bank loans and overdrafts).

## 4.1.3 Additional information

Six months ended 06/30/2021 (in €m)	Protective Films	Fashion Technologies	Luxury Materials	Museum Solutions	Healthcare Solutions	Non- operating	Consolidated
Depreciation of property, plant and equipment	(4.0)	(2.0)	-	(0.9)	(0.4)	(0.1)	(7.4)
Impairment:							
- Inventories	(1.6)	(0.8)	-	0.1	(2.3)	-	(4.6)
- Trade receivables	-	0.4	-	0.1	-	-	0.5
Restructuring costs (note 5)	(0.3)	(0.2)	-	(0.4)	-	(0.2)	(1.1)

Six months ended 06/30/2020 (in €m)	Protective Films	Fashion Technologies	Luxury Materials	Museum Solutions	Healthcare Solutions	Non- operating	Consolidated
Depreciation of property, plant and equipment	(4.0)	(1.5)	-	(0.6)	-	(0.2)	(6.3)
Impairment:							
- Inventories	(1.6)	(11.2)	-	(0.6)	-	-	(13.4)
- Trade receivables	-	(0.5)	-	-	-	-	(0.5)
Restructuring costs (note 5)	(0.6)	(0.4)	-	(0.5)	-	(6.0)	(7.5)

## 4.2 Information by geographical area and by stage of revenue recognition

## 4.2.1 Revenue

Revenue by customer location breaks down as follows:

Six months ended 06/30/2021 (in €m)	Protective Films	Fashion Technologies	Luxury Materials	Museum Solutions	Healthcare Solutions	Consolidated
<b>GEOGRAPHICAL AREA</b>						
Europe	88.6	17.8	17.2	8.3	71.3	203.2
Americas	49.9	7.3	15.4	14.8	-	87.4
Asia-Pacific and Africa	30.0	40.7	6.8	4.3	-	81.8
<b>Total</b>	<b>168.5</b>	<b>65.8</b>	<b>39.4</b>	<b>27.4</b>	<b>71.3</b>	<b>372.4</b>
At a given date	168.5	65.8	39.4	7.1	71.3	352.1
On completion	-	-	-	20.3	-	20.3
<b>Total</b>	<b>168.5</b>	<b>65.8</b>	<b>39.4</b>	<b>27.4</b>	<b>71.3</b>	<b>372.4</b>

## First-half 2021 Consolidated Financial Statements

Six months ended 06/30/2020 (in €m)	Protective Films	Fashion Technologies	Luxury Materials	Museum Solutions	Healthcare Solutions	Consolidated
<b>GEOGRAPHICAL AREA</b>						
Europe	65.6	17.8	22.0	8.8	248.1	362.3
Americas	44.8	6.4	10.5	12.8	4.3	78.8
Asia-Pacific and Africa	23.3	41.3	7.9	3.4	1.5	77.4
<b>Total</b>	<b>133.7</b>	<b>65.5</b>	<b>40.4</b>	<b>25.0</b>	<b>253.9</b>	<b>518.5</b>
At a given date	133.7	65.5	40.4	8.4	253.9	501.9
On completion	-	-	-	16.6	-	16.6
<b>Total</b>	<b>133.7</b>	<b>65.5</b>	<b>40.4</b>	<b>25.0</b>	<b>253.9</b>	<b>518.5</b>

The main countries where the Group's customers are located are the following:

(in €m)	Six months ended June 30			
	2021		2020	
France	87.8	23.6%	259.7	50.1%
United States	69.5	18.7%	64.2	12.4%
Italy	34.7	9.3%	33.0	6.4%
Mainland China and Hong Kong	30.9	8.3%	27.8	5.4%
Germany	23.4	6.3%	20.6	4.0%
<b>Top 5 countries</b>	<b>246.3</b>	<b>66.1%</b>	<b>405.3</b>	<b>78.2%</b>
Other countries	126.1	33.9%	113.2	21.8%
<b>Total</b>	<b>372.4</b>	<b>100.0%</b>	<b>518.5</b>	<b>100.0%</b>

## 5 Other operating income and expense

Other operating income and expense can be analyzed as follows:

(€m)	Six months ended June 30	
	2021	2020
Restructuring costs (1)	(1.1)	(7.5)
Acquisition-related expenses (2)	(0.5)	(2.3)
Other operating expense (3)	(1.4)	(2.7)
Other operating income (4)	3.3	-
<b>Total</b>	<b>0.3</b>	<b>(12.5)</b>

(1) In the first half of 2021, the Group carried out and scheduled reorganizations for certain business lines.

(2) Acquisition-related expenses correspond to costs incurred in connection with external growth programs in progress or completed within the Group's various business lines.

(3) Costs of €1.4m linked to various disputes.

(4) Compensation received in settlement of a historic dispute.

## 6 Number of employees and payroll costs

### 6.1 Number of employees

The average number of employees of fully consolidated subsidiaries was as follows in first-half 2021 and 2020:

	Six months ended June 30	
	2021	2020
Employees in France	608	586
Employees outside France	1 613	1 695
<b>Total employees</b>	<b>2 221</b>	<b>2 281</b>

### 6.2 Payroll costs

(€m)	Six months ended June 30	
	2021	2020
Wages and salaries	45.5	44.9
Payroll taxes	12.9	15.9
Discretionary profit sharing	2.4	1.6
<b>Total</b>	<b>60.8</b>	<b>62.4</b>

## 7 Financial income and expense

(€m)	Six months ended June 30	
	2021	2020
- Finance costs	(6.3)	(5.4)
<b>Cost of net debt</b>	<b>(6.3)</b>	<b>(5.4)</b>
Interest on lease liabilities	(0.5)	(0.5)
- Interest expense on employee benefit obligations	(0.1)	(0.1)
- Exchange gains and losses on foreign currency receivables and payables	0.1	(1.1)
- Unrealized capital gains in other short-term financial receivables <sup>(1)</sup>	3.5	0.8
- Other financial expense	-	(0.8)
- Other	0.7	(0.3)
<b>Other financial income and expenses</b>	<b>3.7</b>	<b>(2.0)</b>
<b>Net financial expense</b>	<b>(2.6)</b>	<b>(7.4)</b>

(1) Capital gains recorded in cash investments in shares of listed companies (see Note 14.2).

## 8 Income tax

### 8.1 Income tax

The income tax expense reported in the income statement can be analyzed as follows:

(€m)	Six months ended June 30	
	2021	2020
Current taxes	(4.9)	(7.8)
Deferred tax assets	-	0.1
<b>Total</b>	<b>(4.9)</b>	<b>(7.7)</b>

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No deferred tax assets have been recognized for a significant portion of the evergreen losses of the various tax groups (see Note 8 to the consolidated financial statements for the year ended December 31, 2020).

The Covid-19 crisis did not have a material impact on the amount of deferred tax assets recognized at June 30, 2021.

### 9 Earnings per share

Basic earnings per share are calculated by dividing profit from continuing operations attributable to owners of the parent by the weighted average number of shares outstanding during the period.

Basic earnings per share amounted to €1.06 in first-half 2021.

Diluted earnings per share takes into account the weighted average number of performance shares granted to employees, interim dividends and dividends paid in the form of shares. Diluted earnings per share have been restated for the expense recognized in respect of performance shares for €0.2m.

Diluted earnings per share were the same as basic earnings per share in first-half 2021 as there was no dilutive impact during the period.

(in €m)	Six months ended June 30			
	2021		2020	
	Basic	Diluted	Basic	Diluted
From continuing operations	24.7	24.7	29.0	29.0
Weighted average number of shares	23 357 982	23 357 982	22 727 362	22 727 362
<b>Earnings per share from continuing operations (in euros)</b>	<b>1.06</b>	<b>1.06</b>	<b>1.28</b>	<b>1.28</b>

Based on a par value of €0.16 per share, the shares outstanding at June 30, 2021 represented issued capital of €3,883,977.92.

#### Double voting rights:

Chargeurs' bylaws provide that shares registered in the name of the same owner for at least two years carry double voting rights. Consequently, in accordance with article L.225-124 of the French Commercial Code (*Code de commerce*), holders of said shares are entitled to double voting rights at Chargeurs Shareholders' Meetings. At June 30, 2021, 1,144,830 shares carried double voting rights.

### 10 Intangible assets

#### 10.1 Goodwill

##### **10.1.1 Movements in goodwill**

The table below provides a breakdown of goodwill by cash-generating unit (CGU).

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(€m)	Protective Films	Fashion Technologies	Museum Solutions	Total
<b>31/12/2019</b>	<b>73.3</b>	<b>36.6</b>	<b>26.0</b>	<b>135.9</b>
Additions	-	-	70.3	70.3
Translation adjustment	0.2	0.2	(2.1)	(1.7)
Other (1)	-	-	0.4	0.4
<b>30/06/2020</b>	<b>73.5</b>	<b>36.8</b>	<b>94.6</b>	<b>204.9</b>
<b>31/12/2020</b>	<b>67.6</b>	<b>33.8</b>	<b>75.4</b>	<b>176.8</b>
Translation adjustment	2.0	1.0	2.2	5.2
Other (2)	-	-	(0.4)	(0.4)
<b>06/30/2021</b>	<b>69.6</b>	<b>34.8</b>	<b>77.2</b>	<b>181.6</b>

(1) Adjustment of the allocation of goodwill relating to MET and DPM.

(2) Adjustment of the acquisition price for D&P.

**PROTECTIVE FILMS**

The Protective Films segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a single cash-generating unit (CGU).

Substantially all of Protective Films' goodwill is denominated in US dollars and the appreciation in the dollar against the euro between December 31, 2020 and June 30, 2021 resulted in a €2.0m increase in its carrying amount.

**FASHION TECHNOLOGIES**

The Fashion Technologies segment also has a global management structure that is aligned with local needs.

A portion of Fashion Technologies' goodwill is denominated in Bangladesh taka, Hong Kong dollars and US dollars, and changes in the value of these currencies against the euro in the first half of 2021 resulted in a €1.0m increase in the segment's goodwill.

**MUSEUM SOLUTIONS**

The Museum Solutions operating segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a single cash-generating unit (CGU).

A portion of Museum Solutions' goodwill is denominated in GBP and USD. Changes in the value of these currencies against the euro in first-half 2021 resulted in a €2.2m increase in the carrying amount of that segment's goodwill.

**10.1.2 Goodwill impairment tests**

As of June 30, 2021, the Chargeurs group considers that the assumptions used to calculate the recoverable amount of goodwill as of December 31, 2020 have not been materially amended.

As of June 30, 2021, the Group assessed whether there was any indication that any of its cash-generating units (CGUs) may have become impaired at that date. Management concluded that there were no triggering events that would indicate any reduction in the value of any CGU or groups of CGUs, compared to December 31, 2020. The Group will also carry out impairment tests on the carrying amount of goodwill and other intangible assets on the annual reporting date.



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**10.2 Other intangible assets**

(€m)	Brands, portfolio customers and patents	Development costs	Other	Total
<b>12/31/2019</b>	<b>33.5</b>	<b>0.7</b>	<b>3.0</b>	<b>37.2</b>
Acquisitions	-	-	0.5	0.5
Changes in scope of consolidation	0.1	-	-	0.1
Depreciation	(1.7)	-	(0.5)	(2.2)
Translation adjustment	(0.5)	-	-	(0.5)
<b>June 30, 2020</b>	<b>31.4</b>	<b>0.7</b>	<b>3.0</b>	<b>35.1</b>
<b>12/31/2020</b>	<b>47.7</b>	<b>0.6</b>	<b>3.6</b>	<b>51.9</b>
Acquisitions	-	-	0.4	0.4
Depreciation	(2.8)	(0.1)	(0.5)	(3.4)
Other	0.1	-	(0.4)	(0.3)
Translation adjustment	1.5	-	-	1.5
<b>06/30/2021</b>	<b>46.5</b>	<b>0.5</b>	<b>3.1</b>	<b>50.1</b>

**11 Property, plant and equipment**

Changes in the carrying amount of property, plant and equipment can be analyzed as follows:

(€m)	Land	Buildings	Furnishings installations	Equipment and Tools	fixed assets pending	Total
<b>31/12/2019</b>	<b>4.5</b>	<b>13.5</b>	<b>42.0</b>	<b>7.9</b>	<b>19.5</b>	<b>87.3</b>
Additions (1)	0.1	0.1	(1.9)	0.2	4.3	2.8
Disposals	-	(4.5)	-	-	-	(4.5)
Changes in scope of consolidat	-	0.1	0.5	0.4	-	1.0
Depreciation	(0.2)	(0.7)	(4.8)	(0.6)	-	(6.3)
Other	-	(0.1)	1.0	0.7	(1.6)	-
Translation adjustment	(0.2)	0.1	-	(0.1)	-	(0.2)
<b>30/06/2020</b>	<b>4.2</b>	<b>8.5</b>	<b>36.8</b>	<b>8.5</b>	<b>22.2</b>	<b>80.1</b>
<b>31/12/2020</b>	<b>4.0</b>	<b>8.8</b>	<b>54.1</b>	<b>9.7</b>	<b>6.6</b>	<b>83.1</b>
Additions (1)	0.3	0.1	1.6	0.1	2.6	4.7
Disposals	-	-	(0.3)	-	(0.1)	(0.4)
Depreciation	(0.2)	(0.6)	(5.8)	(0.8)	-	(7.4)
Other	-	0.2	1.0	0.5	(1.2)	0.5
Translation adjustment	0.1	0.1	0.2	0.1	-	0.5
<b>06/30/2021</b>	<b>4.2</b>	<b>8.6</b>	<b>50.8</b>	<b>9.6</b>	<b>7.9</b>	<b>81.0</b>

(1) In the first halves of 2020 and 2021, the Group received subsidies related to a new production line in Italy for €3.3m and €0.8m, respectively.

## 12 Right-of-use assets and lease liabilities

### 12.1 Right-of-use assets

The carrying amounts of right-of-use assets related to property, plant and equipment break down as follows:

(€m)	Land	Buildings	Furnishings installations	Equipment and Tools	Total
<b>12/31/2019</b>	<b>1.6</b>	<b>12.6</b>	<b>11.6</b>	-	<b>25.8</b>
New contracts	-	4.4	0.5	-	4.9
End of contracts	-	(0.1)	(0.2)	-	(0.3)
Changes in scope of consolidation (1)	-	11.8	0.4	-	12.2
Depreciation	-	(2.6)	(2.4)	-	(5.0)
Other	(0.2)	-	0.2	-	-
Translation adjustment	-	(0.3)	-	-	(0.3)
<b>June 30, 2020</b>	<b>1.4</b>	<b>25.8</b>	<b>10.1</b>	-	<b>37.3</b>
<b>12/31/2020</b>	<b>2.0</b>	<b>26.7</b>	<b>9.5</b>	<b>(0.1)</b>	<b>38.1</b>
New contracts	-	0.8	0.7	0.1	1.6
End of contracts	-	(0.3)	0.1	-	(0.2)
Depreciation	-	(2.8)	(1.5)	-	(4.3)
Other	-	-	(0.3)	-	(0.3)
Translation adjustment	-	0.4	0.1	-	0.5
<b>06/30/2021</b>	<b>2.0</b>	<b>24.8</b>	<b>8.6</b>	-	<b>35.4</b>

(1) As part of the Company's external growth strategy, the main changes concern the entities, D&P and Hypsos.

### 12.2 Lease liabilities

Changes in lease liabilities were as follows:

(€m)	06/30/2021	June 30, 2020
<b>Lease liabilities at December 31</b>	<b>38.1</b>	<b>26.4</b>
Cash movements		
Decrease	(5.6)	(5.1)
Non-cash movements		
First-time adoption of IFRS 16	-	-
Transfer linked to IFRS 16	-	-
New contracts	1.6	4.9
End of contracts	(0.3)	(0.1)
Changes in scope of consolidation		12.2
Changes in exchange rates	0.7	(0.3)
<b>Lease liabilities at December 30</b>	<b>34.5</b>	<b>38.1</b>

Interest expense on lease liabilities amounted to €0.5m in first-half 2021.

At June 30, 2021, the maturities of the Group's lease liabilities were as follows:

(€m)	06/30/2021	12/31/2020
Due in less than one year	9.5	10.5
Due in one to two years	6.4	7.6
Due in two to three years	4.8	5.0
Due in three to four years	4.4	4.0
Due in four to five years	2.8	3.3
Due in more than five years	6.6	7.7
<b>Total</b>	<b>34.5</b>	<b>38.1</b>

## 13 Associate and joint venture interests

### 13.1 Companies

#### Fashion Technologies segment

Following the acquisition of the PCC Interlining group, the Fashion Technologies segment now has associates: Ningbo Textile Co Ltd. (25%-held) and Weemeet Korea (20%-held).

#### Luxury Materials segment

CW Uruguay, comprising Lanás Trinidad SA and its subsidiaries.

CW Argentina, comprising Chargeurs Wool Argentina and its subsidiary, Peinadura Rio Chubut.

In 2020, Chargeurs sold 31% of its stake in the Chinese company, Zhangjiagang. The sale resulted in the loss of control of Zhangjiagang Yangtse Wool Combing Co. Ltd. and its subsidiary, Yangtse (Australia) PTY Ltd. As of December 31, 2020, these two subsidiaries are no longer accounted for using the equity method and the share retained by the Group is recognized under investments in non-consolidated companies.

#### Museum Solutions segment

Following the acquisition of the Hypsos group in fiscal 2020, the Museum Solutions business line includes four companies accounted for using the equity method, including Hypsos Leisure Asia LTD.

Changes in associates can be analyzed as follows:

(in €m)	12/31/2020	Share of profit/(loss)	Translation adjustment	Scope changes	Other	06/30/2021
CW Uruguay	4.3	-	0.2	-	-	4.5
CW Argentine	0.5	(0.1)	(0.1)	-	-	0.3
<i>Total Chargeurs Luxury Materials</i>	<i>4.8</i>	<i>(0.1)</i>	<i>0.1</i>	-	-	<i>4.8</i>
Hypsos Leisure Asia Ltd	0.6	(0.1)	-	-	-	0.5
Hypsos Moscow	0.2	-	-	-	-	0.2
<i>Total Chargeurs Museum Solutions</i>	<i>0.8</i>	<i>(0.1)</i>	-	-	-	<i>0.7</i>
<b>Total joint ventures</b>	<b>5.6</b>	<b>(0.2)</b>	<b>0.1</b>	-	-	<b>5.5</b>
Wool USA	-	0.2	-	-	-	0.2
Ningbo Textile Co Ltd	0.5	-	-	-	-	0.5
Weemeet Korea	0.9	0.1	-	-	-	1.0
<b>Total associates</b>	<b>1.4</b>	<b>0.3</b>	-	-	-	<b>1.7</b>
<b>Total equity-accounted investees</b>	<b>7.0</b>	<b>0.1</b>	<b>0.1</b>	-	-	<b>7.2</b>

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(in €m)	12/31/2019	Share of profit/(loss)	Translation adjustment	Scope changes	Other <sup>(1)</sup>	06/30/2020
CW Uruguay	7.1	(0.2)	-	-	-	6.9
CW Argentina	1.3	(0.2)	(0.1)	-	-	1.0
Zhangjiagang Yangtse Wool Combing Co Ltd	2.2	(0.5)	(0.1)	-	(1.0)	0.6
<b>Total Chargeurs Luxury Materials</b>	<b>10.6</b>	<b>(0.9)</b>	<b>(0.2)</b>	<b>-</b>	<b>(1.0)</b>	<b>8.5</b>
Hypsos Leisure Asia Ltd				0.8		0.8
Hypsos Moscow				0.1		0.1
<b>Total Chargeurs Museum Solutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>0.9</b>
<b>Total joint ventures</b>	<b>10.6</b>	<b>(0.9)</b>	<b>(0.2)</b>	<b>0.9</b>	<b>(1.0)</b>	<b>9.4</b>
Wool USA	0.5	(0.4)	-	-	-	0.1
Ningbo Textile Co Ltd	0.6	-	(0.1)	-	-	0.5
Weemeet Korea	0.9	-	-	-	-	0.9
<b>Total associates</b>	<b>2.0</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>1.5</b>
<b>Total equity-accounted investees</b>	<b>12.6</b>	<b>(1.3)</b>	<b>(0.3)</b>	<b>0.9</b>	<b>(1.0)</b>	<b>10.9</b>

(1) In late June 2020, Chargeurs signed a letter of intent to sell 31% of its stake in Zhangjiagang, representing €1.0m of the overall amount recognized for this associate. The transaction was completed in the second half of 2020. This amount has been reclassified to "Non-current assets held for sale" in the statement of financial position.

## 13.2 Key figures for the main associates

Key figures for material associates are presented below (on a 100% basis):

(in €m)	Six months ended June 30, 2021			Full year ended December 31, 2020		
	Chargeurs Luxury Materials			Chargeurs Luxury Materials		
	CW Uruguay	CW Argentina	Total	CW Uruguay	CW Argentina	Total
Non-current assets	2.0	1.4	3.4	2.0	1.3	3.2
Current assets	37.4	15.9	53.3	34.0	14.7	48.7
Cash and cash equivalents	1.9	0.1	2.0	0.3	0.5	0.8
Other non-current liabilities	0.1	-	0.1	0.1	-	0.1
Current financial liabilities	24.5	10.2	34.7	22.0	10.6	32.6
Other current liabilities	7.7	6.6	14.3	5.4	4.9	10.3
<b>Total net assets</b>	<b>9.0</b>	<b>0.6</b>	<b>9.6</b>	<b>8.8</b>	<b>1.0</b>	<b>9.7</b>
% interest	50%	50%	n.a.	50%	50%	n.a.
Group share	4.5	0.3	4.8	4.3	0.5	4.8
<b>Carrying amount</b>	<b>4.5</b>	<b>0.3</b>	<b>4.8</b>	<b>4.3</b>	<b>0.5</b>	<b>4.8</b>

(in €m)	Six months ended June 30, 2021			Six months ended June 30, 2020		
	Chargeurs Luxury Materials			Chargeurs Luxury Materials		
	CW Uruguay	CW Argentina	Total	CW Uruguay	CW Argentina	Total
Revenue	15.1	6.8	21.9	12.5	5.1	24.1
Depreciation, amortization and impairment	(0.2)	-	(0.2)	(0.2)	-	(0.6)
Finance costs, net	(0.4)	(0.6)	(1.0)	(0.5)	(1.1)	(1.7)
Income tax expense	-	-	-	-	-	-
<b>Profit/(loss) from continuing operation</b>	<b>-</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(1.8)</b>
% interest	50%	50%	n.a.	50%	50%	n.a.
<b>Group share of profit/(loss)</b>	<b>-</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.9)</b>

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**13.3 Transactions with associates**

In the first half of 2021, the main transactions with the Group's associates (Lana Trinidad and Chargeurs Wool Argentina) were as follows:

- purchases booked in cost of sales for €10.6m;
- trade receivables for €0.1m and trade payables for €6.6m.

**14 Financial assets (non-current and current)****14.1 Financial assets**

Financial assets mainly comprised the following:

- deposits for €8.1m;
- and investments in non-consolidated companies of €2.1m.

The carrying amounts of the Group's main investments in non-consolidated companies can be analyzed as follows:

(€m)	06/30/2021	12/31/2020
Interests of over 50%	1.0	-
Interests of between 20% and 50%	-	-
Interests of less than 20%	1.1	1.1
<b>Total</b>	<b>2.1</b>	<b>1.1</b>

Over the period, the Healthcare Solutions business line acquired 60% of the shares in Fournival Altesse, the specialist in Made in France hairbrushes, for €1.0m. The Group agreed to acquire the remaining 40% of the shares in second-half 2021 for €0.7m.

**14.2 Other short-term financial receivables**

As of June 30, 2021, the value of shares in listed companies was €11.9m. They are included in the determination of net debt (see Note 17).

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## 15 Working capital

## 15.1 Analysis of change in working capital

(€m)	12/31/2020	Change in operating working capital (2)	Other changes	Translation adjustment	Impact of changes in scope of consolidation	06/30/2021
Inventories and work-in-progress	139.1	(3.0)	(0.2)	1.3	-	137.2
Long-term contract assets	1.8	2.5	-	0.1	-	4.4
Trade receivables	64.1	6.1	(0.2)	1.2	-	71.2
Derivative financial instruments	1.1	-	(1.0)	-	-	0.1
Miscellaneous receivables (1)	40.6	(0.7)	(6.7)	0.4	-	33.6
Current income tax receivables	1.2	-	3.7	-	-	4.9
<b>Assets</b>	<b>247.9</b>	<b>4.9</b>	<b>(4.4)</b>	<b>3.0</b>	<b>-</b>	<b>251.4</b>
Trade payables	110.8	36.1	(0.1)	0.9	-	147.7
Derivative financial instruments	1.1	0.1	(0.5)	-	-	0.7
Other payables	72.8	(7.3)	-	0.4	-	65.9
Long-term contract liabilities	8.3	(2.6)	-	0.2	-	5.9
Current income tax liability	6.3	-	2.3	-	-	8.6
<b>Liabilities</b>	<b>199.3</b>	<b>26.3</b>	<b>1.7</b>	<b>1.5</b>	<b>-</b>	<b>228.8</b>
<b>Working capital</b>	<b>48.6</b>	<b>(21.4)</b>	<b>(6.1)</b>	<b>1.5</b>	<b>-</b>	<b>22.6</b>

(€m)	12/31/2019	Change in operating working capital (2)	Other changes	Translation adjustment	Impact of changes in scope of consolidation	06/30/2020
Inventories and work-in-progress	126.1	24.9	(0.5)	(2.3)	0.1	148.3
Long-term contract assets	-	2.1	0.4	-	0.6	3.1
Trade receivables	73.5	69.5	(0.3)	(1.3)	5.9	147.3
Derivative financial instruments	1.4	-	(0.2)	-	-	1.2
Miscellaneous receivables (1)	23.4	6.8	(0.2)	(0.6)	0.9	30.3
Current income tax receivables	1.3	-	(1.3)	-	-	0.0
<b>Assets</b>	<b>225.7</b>	<b>103.3</b>	<b>(2.1)</b>	<b>(4.2)</b>	<b>7.5</b>	<b>330.2</b>
Trade payables	105.6	42.1	-	(0.9)	6.1	152.9
Derivative financial instruments	0.1	0.9	(0.1)	-	-	0.9
Other debt (3)(4)	44.8	70.5	2.1	(0.6)	2.3	119.1
Long-term contract liabilities	-	(1.9)	(0.2)	(0.1)	12.0	9.8
Current income tax liability	5.9	-	3.9	-	-	9.8
<b>Liabilities</b>	<b>156.4</b>	<b>111.6</b>	<b>5.7</b>	<b>(1.6)</b>	<b>20.4</b>	<b>292.5</b>
<b>Working capital</b>	<b>69.3</b>	<b>(8.3)</b>	<b>(7.8)</b>	<b>(2.6)</b>	<b>(12.9)</b>	<b>37.7</b>

(1) Restated amounts pursuant to IAS 8 (see Note 24).

(2) Reported in the consolidated statement of cash flows under "Net cash from operating activities."

(3) Until December 31, 2019, the short-term portion of provisions for other liabilities was included in "Other payables." The Group changed reporting by creating a separate line in the statement of financial position. Consequently, the €0.7m recorded for this item under "Other payables" at January 1, 2021 has been reclassified to "Provisions for other liabilities - Current" (see Note 19).

(4) At June 30, 2020 "Other payables" included €48.4m in contract downpayments relating to CHS' business, mainly arising from the highly specific operating context in first-half 2020 due to Covid-19.

## 16 Factoring

Chargeurs SA and a number of its subsidiaries have negotiated with banking and financial institutions the terms and conditions of the Group's factoring programs in Europe and the United States.

The new programs provide for no-recourse sales with the transfer of substantially all of the risks and rewards of ownership of the sold receivables. Only the non-material risk of dilution is not transferred to the purchaser. Consequently, the sold receivables have been derecognized.

The amount of receivables sold under these programs totaled €61.4m at June 30, 2021 versus €42.3m at December 31, 2020.

## 17 Long- and short-term debt, cash and cash equivalents

### 17.1 Net debt

(€m)	12/31/2020	Cash movements		Non-cash movements		06/30/2021
		Increase	Decrease	Changes in exchange rates	Other	
of which bank borrowings	347.8	25.2	(23.9)	0.1	(1.8)	347.4
Short-term bank loans	6.5	-	(0.4)	0.2	-	6.3
Overdrafts	1.7	1.7	-	0.1	-	3.5
<b>Total gross debt</b>	<b>356.0</b>	<b>26.9</b>	<b>(24.3)</b>	<b>0.4</b>	<b>(1.8)</b>	<b>357.2</b>
Cash and cash equivalents	209.0	48.2	(1.1)	1.1	(0.6)	256.6
- Term deposits	16.6	40.0	(1.1)	-	-	55.5
- Cash at bank	192.4	8.2	-	1.1	(0.6)	201.1
Other short-term financial receivables (1)	20.3	1.2	(13.1)	-	3.5	11.9
<b>Net cash position/(net debt position)</b>	<b>126.7</b>	<b>(22.5)</b>	<b>(10.1)</b>	<b>(0.7)</b>	<b>(4.7)</b>	<b>88.7</b>

(1) Cash investment in the shares of listed companies (see Notes 7 & 14).

There were no restrictions on the use of the cash and cash equivalents held by the Group at June 30, 2021.

In first-half 2021, the Chargeurs group issued a further €20m subscription in private placement bonds (Euro PP), with a maturity of eight years, as part of the program issued at end-2020, thereby increasing the total amount of this Euro PP financing to €120m.

The following main changes were made to bank financing arrangements during this period:

- the repayment of a €7.5m short-term bilateral financing facility;
- the €10m amortization of its syndicated loan credit facility.

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## 17.2 Change in net debt

(€m)	Six months ended June 30	
	2021	2020
EBITDA	46.3	71.2
Other operating income and expense (1)	(2.7)	(4.1)
Cost of net debt and interest on leases	(6.8)	(5.9)
Income tax paid	(0.2)	(1.6)
Other	-	3.6
<b>Cash flows provided by operating activities, before changes in net working capital</b>	<b>36.6</b>	<b>63.2</b>
Change in operating working capital	21.4	8.3
<b>Operating cash flow</b>	<b>58.0</b>	<b>71.5</b>
Acquisition of PPE and intangible assets, net of disposals	(4.6)	1.4
Acquisitions of subsidiaries, net of cash acquired	(1.5)	(54.6)
Other investing cash flows	(1.2)	0.4
Share buybacks	-	(0.1)
Cash dividends paid to owners of the parent	(12.6)	(2.5)
Repayment of lease liabilities	(5.6)	(5.1)
Unrealized capital gains in other short-term financial receivables (2)	3.5	0.8
Other	1.3	1.5
<b>Change in net cash/(net debt)</b>	<b>37.3</b>	<b>13.3</b>
Opening net cash/(net debt)	126.7	122.4
Changes in exchange rates	(0.7)	0.5
<b>Closing net cash/(net debt)</b>	<b>88.7</b>	<b>109.6</b>

(1) The reporting of the financial statements for the period ended on June 30, 2021 differs from that of the financial statements published as of June 30, 2020, and is in line with the reporting adopted as of December 31, 2020.

(2) This line only includes cash items relating to other non-operating income and expense (see Note 5).

(3) see Notes 7 & 14.

## 17.3 Financial covenants

The bank financing negotiated in December 2018 and the Euro PP (€242.0m) are not subject to leverage covenants. They are, however, subject to a gearing covenant of  $\leq 1.2x$ , calculated on a half-yearly basis.

This ratio was respected at June 30, 2021.

The new financing negotiated in first-half 2021 is also not subject to leverage covenants. It is, however, also subject to a gearing covenant of  $\leq 1.2x$ , calculated on a half-yearly basis.

## 17.4 Debt by maturity and interest rate

## 17.4.1 Analysis of long-term and medium-term debt by maturity and interest rate

(€m)	06/30/2021			12/31/2020		
	Total	Of which fixed rate	Of which variable rate	Total	Of which fixed rate	Of which variable rate
Due in less than one year	30.6	9.9	20.7	38.3	9.1	29.2
Due in one to two years	50.6	30.0	20.6	26.3	6.1	20.2
Due in two to three years	39.7	19.1	20.5	64.7	44.6	20.1
Due in three to four years	64.8	43.4	21.4	35.1	3.6	31.5
Due in four to five years	31.9	31.9	-	41.7	41.7	-
Due in more than five years	129.8	129.8	-	141.7	141.7	-
<b>Total</b>	<b>347.4</b>	<b>264.1</b>	<b>83.3</b>	<b>347.8</b>	<b>246.8</b>	<b>101.0</b>

The carrying amount of fixed-rate debt, after hedging, was €264.1m. The average proportion of debt at fixed rates of interest was 76.0% in first-half 2021 versus 71.0% for full-year 2020.

The carrying amount of variable-rate borrowings approximates their fair value in view of the interest rates applied.



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**17.4.2 Maturities of the Group's confirmed credit facilities**

The maturities of the Group's confirmed credit facilities are as follows:

(€m)	06/30/2021	Average maturity	12/31/2020	Average maturity
Drawn financing facilities	353.7	4.3	354.3	4.4
Undrawn financing facilities	133.8	3.5	141.3	3.8
<b>Total confirmed financial resources</b>	<b>487.5</b>	<b>4.2</b>	<b>495.6</b>	<b>4.3</b>

During the period, a €7.5m short-term financing facility (undrawn as of 12/31/2020) was not renewed by Chargeurs.

**17.5 Analysis of debt by currency**

(€m)	06/30/2021	12/31/2020
Euro	348.2	346.1
US dollar	7.3	7.5
Chinese yuan	1.1	1.0
Other	0.6	1.4
<b>Total</b>	<b>357.2</b>	<b>356.0</b>

**18 Pension and other post-employment benefit obligations**

Employee benefits expense for first-half 2021 totaled €0.5m, of which €0.4m was recognized in recurring operating profit and €0.1m in net financial expense.

United States: actuarial gains and losses arising during the first half of 2021 were estimated based on sensitivity tests performed on December 31, 2020 using a discount rate of 2.83% (compared with 3.26% in 2020). A net actuarial gain of €0.9m was recognized for the period.

Europe: actuarial gains and losses arising during the first half of 2021 were estimated based on sensitivity tests performed on December 31, 2020 using a discount rate of 0.87% (compared with 0.25% in 2020). A net actuarial gain of €0.6m was recognized for the period.

## 19 Provisions for other liabilities

Provision for other liabilities	Provision for other liabilities		Total
	Non-current	Current	
(€m)			
<b>12/31/2019</b>	<b>0.4</b>	<b>0.7</b>	<b>1.1</b>
Additions	0.7	13.2	13.9
Changes in scope of consolidation	0.7	0.6	1.3
Other	-	1.3	1.3
<b>06/30/2020</b>	<b>1.8</b>	<b>15.8</b>	<b>17.6</b>
<b>12/31/2020</b>	<b>0.4</b>	<b>17.3</b>	<b>17.7</b>
Additions	-	0.2	0.2
Reversals of provisions used	-	(1.0)	(1.0)
Reversals of surplus provisions	(0.2)	(0.1)	(0.3)
Other	0.2	(0.5)	(0.3)
<b>06/30/2021</b>	<b>0.4</b>	<b>15.9</b>	<b>16.3</b>
(€m)	<b>06/30/2021</b>	<b>12/31/2020</b>	
Provisions for losses on completion	0.5	0.5	
Provisions for miscellaneous contingencies	15.8	17.2	
<b>Total</b>	<b>16.3</b>	<b>17.7</b>	

In particular, provisions for other contingencies include risks related to supplier disputes (€6.3m) and the risk of litigation (€6.5m).

Cash outflows covered by provisions for other contingencies will amount to €4.4m in 2021 and €11.9m in subsequent years.

## 20 Other non-current liabilities

At June 30, 2021, "Other non-current liabilities" mainly include debt linked to the acquisition of consolidated companies for €8.6m and guarantees for €4.5m received in respect of a license.

## 21 Related-party transactions

Related-party transactions with joint ventures and associates are presented in Note 13.3.

There were no material changes in related-party transactions between December 31, 2020 and June 30, 2021.

## 22 Commitments and contingencies

### 22.1 Commercial commitments

At June 30, 2021, Chargeurs and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €2.1m.

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**22.2 Guarantees**

Chargeurs and its subsidiaries had given guarantees for a total of €17.7m related to the Group's financing.

**22.3 Collateral**

At June 30, 2021, Chargeurs and its subsidiaries had granted collateral representing a total of €1.0m.

**23 Seasonal fluctuations in business**

Seasonal fluctuations in the Group's long-standing businesses do not have a material impact on its financial statements.

**24 Error correction**

During the period ended June 30, 2021, an error in the consolidated financial statements was corrected to record an impairment loss on receivables held by a subsidiary in South America.

Under IAS 8, adjustments made as a result of material error must be recognized in a retrospective restatement as if the error had not been made, i.e., by correcting the recognition, measurement and disclosures in the notes (IAS 8.42 and 8.43). Accordingly, if the error affects one or more of the periods presented, the affected amounts must be adjusted in respect of those same periods (restatement of comparative information). If the error was committed in relation to a period prior to the periods presented, the opening values of assets, liability and shareholders' equity for the earlier period presented must be corrected. The corrected error results in the opening balances being adjusted (IAS 8.42).

The receivables in question, of an aggregate amount of €4.4m, arose prior to fiscal 2019 and should have been recognized as expenses over a number of fiscal years.

The application of IAS 8 to the consolidated financial statements with retroactive effect to January 1, 2020, has the following impacts:

- decrease of €4.4m in equity attributable to owners of the parent;
- decrease of €4.4m in the "Miscellaneous receivables" item.

As a result, the corrected error has the following impact on the consolidated financial statements for the year ended December 31, 2020:

(€m)	12/31/2020 (reported)	Adjustment	12/31/2020 (adj)
Other receivables	45.0	(4.4)	40.6
Equity attributable to owners of the parent	237.4	(4.4)	233.0

This correction has no impact on the Group's cash position.

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**25 Subsequent events**

In the third quarter, Chargeurs acquired a British company that has designed, manufactured and distributed luxury accessories for more than 270 years. The company sells a wide range of very high-end accessories under its iconic brands that include Swaine Adeney (luggage and briefcases), Brigg (umbrellas) and Herbert Johnson (hats). It has a number of garment workshops, where age-old craftsmanship is continued, and a flagship store in Piccadilly Arcade, central London.

**26 Main consolidated companies**

At June 30, 2021, 91 companies were fully consolidated (compared with 91 in 2020), and 14 were accounted for by the equity method (14 in 2020). During fiscal 2020, all the assets of Chargeurs Entoilage SA were transferred to Chargeurs SA.

<b>Parent company</b>	<b>Chargeurs SA</b>
France	Chargeurs Boissy SARL – Chargeurs Textiles SAS – Chargetex 35 – Chargeurs Cloud
Germany	Chargeurs Deutschland GmbH – Leipziger Wollkämmerei AG
Switzerland	Chargeurs Développement International – Chargeurs Diversification SA
North America	Chargeurs Inc. (USA) – Chargeurs USA Holding (USA)

**Protective Films segment**

<b>Holding company for the segment</b>	<b>Chargeurs Films de Protection SA</b>
France	Novacel SA – Asidium (Somerra)
Italy	Boston Tapes S.p.A. – Boston Tapes Commercial S.r.l. – Novacel Italia S.r.l. – Omma S.r.l.
Germany	Novacel GmbH
United Kingdom	Novacel UK Ltd.
Spain	Novacel Iberica S.p.a.
Belgium	S.A Novacel Belgium N.V
North America	Novacel Inc. (USA) – Main Tape Inc. (USA) – Novacel Performance Coatings (USA) – Walco Machines Company (USA)
Central America	Novacel Mexico S.a de C.v (Mexico)
Asia	Novacel Shanghai Co. Ltd. (China)

**Fashion Technologies segment**

<b>Holding company for the segment</b>	<b>Fitexin</b>
France	Lainière de Picardie BC SAS – Intissel
Italy	Chargeurs Interfodere Italia
Germany	Lainière de Picardie Deutschland GmbH
United Kingdom	Chargeurs Interlining (UK) Ltd.
Portugal	Chargeurs Entretelas (Iberica) Ltd.
Romania	Lainière de Picardie Insertii S.r.l.
North America	Lainière de Picardie Inc. (USA)
South America	Lainière de Picardie Golaplast Brazil Textil Ltda (Brazil) – Entretelas Americanas SA (Argentina) – Lainière de Picardie DHJ Chile SA (Chile)
Africa	Stroud Riley (Proprietary) Limited (South Africa) – ADT Chargeurs Entoilage Tunisie SARL (Tunisia) – Chargeurs Fashion Technologies Ethiopia (Ethiopia)
Asia	Chargeurs Interlining Limited (HK) – LP (Wujiang) Textiles Co. Ltd. (China) – Lainière de Picardie Korea Co. Ltd. (South Korea) – DHJ Interlining Limited (China) – Etacol Bangladesh Ltd. (Bangladesh) – Chargeurs Interlining Singapore PTE Ltd. (Singapore) – Intissel Lanka PVT Ltd. (Sri Lanka) – Lantor Lanka (Sri Lanka) – Intissel China Ltd. (China)

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– PCC Asia LLC (China) – PCC Guangzhou Trading Co Ltd. (China) – Weemeet Korea (20%) (South Korea) – Ningbo Textile Co Ltd. (25%) (China)

**Museum Solutions segment**

Holding company for the segment	Chargeurs Museum Solutions
France Senfa	
United Kingdom	A.H Leach & Company Limited – Leach Colour Limited – Design PM Limited – Design PM (International) Limited – MET London Studio Design Ltd. – Oval Partnership (36%) – Hypsos London Ltd.
Asia	MET Studio Design Ltd. HK / MET Studio Singapore Pte Ltd. / Hypsos Leisure Asia Ltd. (50%) (Hong Kong)
North America	D&P Incorporated
Netherlands	Hypsos Holding BV – Hypsos National BV – Hypsos International BV – Hypsos BV – Hypsos Russia BV (50%) – Retail is Detail BV (50%)
Russia	Hypsos Moscow (50%)

**Luxury Materials segment**

Holding company for the segment	Chargeurs Wool Holding GmbH
France	Chargeurs Wool (Eurasia) SAS
Italy	Chargeurs Wool Sales (Europe) S.r.l.
New Zealand	Chargeurs Wool (NZ) Limited
North America	Chargeurs Wool USA Inc. (USA) – USA Wool (35%)
South America	Alvissey (Uruguay) – Nuovalane (Uruguay) – Lanas Trinidad SA (50%) (Uruguay) – Lanera Santa Maria (50%) and its subsidiary Hart Newco SA (50%) – Chargeurs Wool (Argentina) SA (50%) and its subsidiary Peinaduria Rio Chubut (25%)

**Segment Healthcare Solutions**

France	CHS – EMEA
North America	Lainière Health Inc.

The percentages indicated correspond to Chargeurs' percentage of control at June 30, 2021, for companies that are not almost or entirely wholly owned by the Group.

## **Statement by the person responsible for the interim financial report**

I declare that, to the best of my knowledge, (i) the condensed half-year consolidated financial statements for the six months ended June 30, 2021 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the consolidated companies, and (ii) the interim management report includes a fair review of significant events of the past six months, their impact on the interim financial statements and the main related party transactions for the period, as well as a description of the main risks and uncertainties in the second half of the year.

Paris, September 8, 2021

**Michaël FRIBOURG**

Chairman & Chief Executive Officer

**CHARGEURS**

**Statutory Auditors' report  
on the interim financial statements**

**(for the six months ended June 30, 2021)**

PricewaterhouseCoopers Audit  
63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

Crowe HAF  
A member of Crowe Global  
85 Rue Edouard Vaillant  
92300 Levallois

**Statutory Auditors' report  
on the interim financial statements**

**(for the six months ended June 30, 2021)**

To the Shareholders,  
**CHARGEURS**  
7 RUE KEPLER  
75116 Paris

In compliance with the assignment entrusted to us by your shareholders 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 interim consolidated financial statements of Chargeurs for the six months ended June 30, 2021;
- the verification of the information contained in the interim management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed interim consolidated financial statements have been prepared and reviewed under special conditions. The crisis and exceptional measures adopted in the context of a health emergency have had multiple consequences for companies. In particular, it has impacted their business and financing and caused growing uncertainty as regards their future prospects. Some of these measures, which include restrictions on movement and remote working, have also affected companies' internal organizations as well as arrangements for carrying out our work.

These condensed interim consolidated financial statements have been 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 more limited in scope than an audit conducted in accordance with professional standards generally accepted in France. Accordingly, a review provides only moderate assurance that the financial statements as a whole are free of material misstatement, as opposed to the higher level of assurance provided by an audit.



**CHARGEURS**

**Statutory Auditors' review report on the interim financial information  
For the six months ended June 30, 2021 - Page 2**

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Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union.

Without qualifying the conclusion expressed above, we draw your attention to Note 24, which discusses the correction of the error that was discovered and its effects on the financial statements for the year ended December 31, 2020.

**II - Specific verification**

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

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

The Statutory Auditors

PricewaterhouseCoopers Audit

Crowe HAF  
Member of Crowe Global

Dominique Ménard

Marc de Prémare