UNIVERSAL REGISTRATION DOCUMENT 2020

INCLUDING THE ANNUAL FINANCIAL REPORT, THE MANAGEMENT REPORT, THE EXTRA-FINANCIAL PERFORMANCE STATEMENT AND THE CORPORATE GOVERNANCE REPORT

CONTENTS

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This English version of Thermador Groupe's universal registration document contains almost the same information as the French version, but it should not be considered as completely accurate as the French version is the official one, approved by AMF.

1. EXTRACTS OF THE INTEGRATED ANNUAL REPORT

CHAIRMAN'S STATEMENT

'Our teams have been the most important pillar of our resilience.'

Never in the course of the past 10 years has our multi-channel, multi-market strategy felt so right. It was clearly a strong pillar of our resilience during the 2020 crisis, which was as brutal as it was unexpected. Indeed, the performance of our consumer, swimming pool, e-commerce and renewable energy businesses offset our declines in the new housing, industrial and international sectors.

Our teams have been the second and most important pillar of our resilience. They have been exemplary, courageous, responsive, committed, supportive and forward-looking when the indicators have been in a fall-and-rise frenzy.

A vital support in such circumstances, our IT specialists implemented across-the-board home-working in record time, enabling us to maintain service to our customers during lockdowns.

Finally, the quality of our stocks and the reliability of our industrial partners undoubtedly made the difference in periods of very high demand.

As a result, and despite a particularly chaotic context, we managed to increase our sales (2.6%) and net profit (10.1%) on a like-for-like basis.

With Distrilabo and Thermacome, which joined the group on January 1 and May 1, 2020, respectively, our turnover increased by 7.2% and our net profit by 11.8%. The onboarding of these two fine companies is under way, in line with our forecasts. In this respect, we would like to thank Laurence and Denis Straub for their cooperation in the handover to Anne-Sophie Bultey at the head of Distrilabo, as well as our new partner Acome for its loyal support to Thermacome, whose Managing Director, Florent Kieffer, remains in place.

In accordance with commitments made at the beginning of 2020, we do not plan any external growth operations in excess of €5 million in 2021, preferring to concentrate our resources on our many and varied onboarding operations.

Our stock level fell from 190 to 173 days of purchases consumed, a decrease that needs to be put into perspective given the unexpected increases in turnover during the second half of the year. This indicator once again underlines the prowess of our teams in an extremely volatile situation.

At December 31, 2020, our net cash position was €39.9 million, our bank debt at €39.4 million and our shareholders' equity after allocation of profits, at €224.8 million. These figures show our excellent financial solidity.

This means that 2021 can get under way with a degree of serenity, and we are ready to manage the inevitable vagaries of the markets. The context remains broadly the same as in the fourth quarter of 2020, assuming a slowdown in sales to the general public, which cannot continue to rise indefinitely. The recovery of our export sales depends largely on how the pandemic evolves in Europe. In France, we can count on the government's household energy subsidy MaPrimeRénov' to compensate for the erosion of sales of accessories linked to fossil fuels and our accessory ranges, used notably with renewable energies in buildings. Our 10-year strategic plan, laid out on pages 10 and 11 of this document, has been slightly modified to show our willingness to take long-term action to protect the environment.

2020 was marked by a very sharp increase in trading volumes on our share. Also, the influx of new small investors onto the stock market, and our good results, have encouraged the arrival of new ones, whom we warmly welcome. 7,116 of you now have a stake in our capital, which is also a guarantee of our resilience. In December 2020, institutional investors held 46% of the capital, individual shareholders 40% and our employees 9%, getting close to the 10% target we set ourselves, thanks in particular to the 1% capital increase you approved at the 2020 AGM. In line with our distribution policy and aware of the very uncertain nature of the year ahead, we are proposing a dividend of €1.82, up 1.1% on last year.

Unless the pandemic forces us to repeat the digital version of this event, our AGM will be held in Lyon on April 6 at 5 p.m. at Hôtel Dieu. We are counting on your presence or your votes to exceed a 70% attendance rate, a symbolic threshold that would demonstrate the vitality of this democratic body. As far as possible, we will also organise an information meeting in Paris on April 8 at 4 p.m. at Salons Hoche.

Guillaume Robin

1.2 OUR MARKETS

Although the ‘professions’ of our different subsidiaries are fairly similar, our organisation per market ensures good risk distribution. Most of the markets where we are present are not overly exposed to economic-climate type risks. 43% of our turnover is from materials for the building sector of which only 20% are installed in new houses; the remaining 80% serves the maintenance and renovation market.

1. FLUID CIRCUITS IN CONSTRUCTION

43% OF OUR TURNOVER

80% of our sales
in maintenance and renovation

36.3 million
housing units in france

5 million
5 million private houses benefitted from energy renovations in 2018
Source: ADEME (French environmental agency).

We offer the private housing, collective housing and tertiary sector building markets all the accessories and equipment they need for effective water circulation in heating and sanitation facilities. We also offer comprehensive ranges to control inside air quality and temperature. Our subsidiaries respectively serve wholesalers, DIY superstores, web platforms and certain manufacturers.

Changes to the regulations which target water and energy savings, whilst ensuring comfort and security of housing and users, is stimulating innovation and has led us to propose higher value-added solutions.

Most of our business is in maintenance and renovation; these are resilient ‘needs’ markets on which we are very well placed and highly reactive.

DIPRA / Edouard Rousseau: See p. 92-93
ISOCEL: See p. 94
thermador: See p. 97
PB tub / THERMACOME: See p. 98-99
Axelair / VORTICE: See p. 100
sferaco: See p. 101
DISTRILABO: See p. 103
SYVECO: See p. 105

2. DOMESTIC PUMPS (WATERING - SWIMMING POOL - LIFTING)

20% OF OUR TURNOVER

17 million
gardens in France, one or more pumps per garden

1.3 million
sunken pools in France

Domestic waste water lifting:
5 million housing units in non-collective sanitation, 2 million of which to be made compliant

We are a major player on the French market for domestic pumps for professional distribution circuits and in DIY superstores. Whether it be watering, irrigation, water supply to private houses, transfer and lifting of fresh and waste water or swimming pools, the pumps market is, and will remain, important to us. Successive heatwaves and floods over recent years have contributed to increasing needs, although they do remain subservient to the vagaries of the weather.

Our return to the swimming pool market has seen us bring a very wide range of equipment to professionals who build and renovate pools, as well as to private individuals who install and maintain them.

DIPRA: See p. 92-93
aello: See p. 95
Jetly: See p. 96

Back to CONTENTS

For several years, the share of turnover from industrial markets has increased, which makes us less dependent on France's new-build housing market. This progression faltered in 2019 further to the acquisition of Ets Edouard Rousseau at the end of 2018. It is however expected to return to growth over the next ten years, since our market shares in the industry sector are lower.

3. HEAVY TOOLING FOR PUBLIC, PROFESSIONAL AND INDUSTRIAL CUSTOMERS

11% OF OUR TURNOVER

€100m
The DIY superstore market for compressors, generators and welding units

€85m
The market for high-pressure cleaners in DIY superstores

€100m or 110,000 compressors
The air compressor market via the pro channel

We sell air compressors, generators, welding units, chargers and high-pressure cleaners to major retail and via the Web to well-informed DIYers.

To differentiate the product offering targeting the different actors of the DIY sector, we use our own brands (Mecafer), those of our customers, and also brands used under licence by our suppliers (Michelin, Stanley).

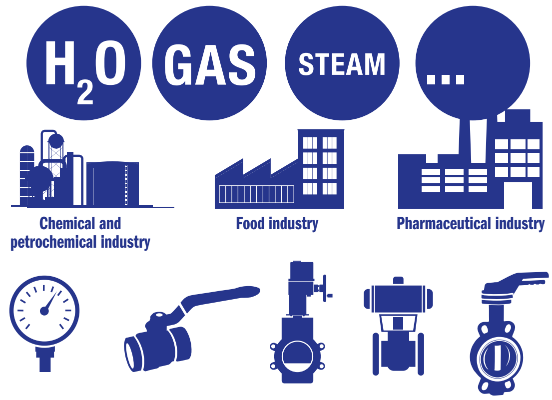
Under the Nuair and Fini brands, we also sell our piston and screw compressor to professionals in the industry, which complete the reservoir and valve ranges already distributed to wholesalers of industrial supplies, compressed air specialists and distributors of supplies for the automotive industry.

See p. 91

See p. 102

4. FLUID CIRCUITS IN INDUSTRY

26% OF OUR TURNOVER



Fluids circulate on most industrial sites in liquid or gas form.

Six of our subsidiaries distribute manual and motorised valves, flaps, filters, connectors and regulation and control accessories for maintenance work or new installations.

We are present with almost all the specialised retailers, wholesalers in industrial valves and industrial supplies, and we are progressively building our product range. We also carry out specifier campaigns in factories to raise awareness about our ranges and establish our brands.

Sodeco Valves, based in Belgium, primarily targets major industrial sites.

See p. 101

See p. 102

See p. 103

See p. 104

See p. 105

See p. 106

Back to CONTENTS

1.3 OUR BUSINESSES

Our subsidiaries are useful and efficient interfaces between a large number of manufacturers scattered throughout the world, and increasingly demanding wholesalers, superstores, factories, swimming pool professionals, commercial websites and market places.

OUR SUPPLIERS

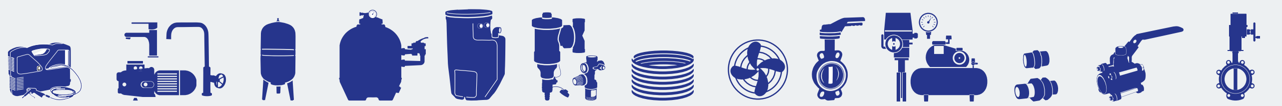
691 manufacturer-partner factories ensure prodution.
We guarantee the distribution of their products in Europe via a highly efficient sales and logistics organisation.

OUR SUBSIDIARIES

Thermador Groupe

Distribution in France

Distribution internationally



mecafer, domac, DIPRA, Edouard Rousseau, ISOCEL, aello, Jetly, thermador, PB tub, THERMACOME, Axelair, VORTICE, sferaco, SECTORIEL, NUAIR FRANCE, DISTRILABO, FGinox, SYVECO, SODECO valves

We offer our customers a very wide range of products adapted to their markets, available immediately from stock.

OUR CUSTOMERS

ORIGINAL EQUIPMENT MANUFACTURERS

DIY SUPERSTORES & FOOD
COMMERCIAL WEBSITES
MARKET PLACES
AGRICULTURAL SELF-SERVICE STORES

WHOLESALERS
COMMERCIAL WEBSITES
MARKET PLACES

WHOLESALERS
COMMERCIAL WEBSITES
MARKET PLACES

SWIMMING POOL PROFESSIONALS

PLUMBERS
INSTALLERS
ADMINISTRATIONS
PUBLIC WORKS

HVAC OPERATORS

NEW WORKS AND MAINTENANCE IN INDUSTRY

PRIVATE INDIVIDUALS

Back to CONTENTS

EXPECTATIONS OF **OUR SUPPLIERS**

- Market share in our trading areas
- Transparency
- Security of payment
- Regularity and scheduling of orders
- Qualitative feedback on market expectations
- Product co-development
- Brand reputation
- Simplicity in business relationships

OUR **STRENGTHS**

- A wide range of appropriate products
- Very highly-skilled commercial teams who are omnipresent in the field
- Marketing adapted to each market
- Immediately-available stock
- Extremely efficient logistics
- Delivery in 24-72 hours in France, 2-6 days anywhere in Europe
- Strong brands, whether they belong to the manufacturers or to Thermador Groupe

OUR COMPETITION

Each of our commercial subsidiaries can name dozens of competitors, primarily importers or commercial subsidiaries of manufacturers. Some of these competitors are common to several of our subsidiaries, but none covers all our ranges.

Amongst the best known are Watts Industry and Aalberts who both have an industrial activity and supply French wholesalers, and Eriks Econosto internationally. The very large number and great diversity of competitors who compete only with a very small portion of our products reduces our risk.

The pure-players of the Web are potential competitors of our customers. Some of our products are present on their platforms (Leroy Merlin, Amazon, Cdiscount, ManoMano, etc.). It is up to us to act and increase our skills to master and utilise this digital channel with discernment and intelligence.

Furthermore, a lot of our products are niches and sell thanks to the technical expertise of our sales people and after-sales service. The giants of the Web do not have this type of skill and know-how.

CUSTOMER **EXPECTATIONS**

THE BASICS

- A clear commercial policy
- A clear, coherent pricing policy
- Competitive pricing
- High-quality products
- Very broad product ranges
- Innovation
- Short, reliable deadlines
- Complete orders

THE RELATIONSHIP – THE SERVICE

- Stability of commercial teams in the field and in the offices
- Presence in the field and at regional trade shows
- Technical advice: recommendation, installation
- Simple, data-rich websites
- After-sales and spare parts service

AID TO SALES

- Distributor brands
- Recommendation
- Good packaging
- Promotions
- Joint sales actions by phone
- Sales pitch

1.4 OUR COMPANY HISTORY

THE STAGES OF OUR DEVELOPMENT

1968

Thermador founded: The initial capital was FRF300,000 (€45,735). Importing and distributing central heating accessories.

Founders:
Guy Vincent, Jacques Borde, Hubert Fournier, Geneviève Boreil and Marc de Sereys.

1973

Creation of Thely.
Property company.

1977

Creation of Jetly.
Sale of domestic pumps and pump accessories.

1978

Creation of Sferaco,
Sale of valves to the construction business and industry.

1992

Creation of Isocel.
Sale of parts to boiler manufacturers.

2002

Creation of Opaline.
Communications agency.

2006

Creation of Thermador International.
Distribution of the group's products on international markets.
Change of name in 2019 for **Syveco**.

2013

Creation of Axelair
Specialised distribution of ventilation equipment and accessories.

2013

Creation of a Thewa taps business
within the Thermador subsidiary.

2017

Acquisition of FGinox by Thermador Groupe.
Sale of stainless steel connectors, flanges, valves and accessories.

2017

Acquisition by Axelair of the Vortice France business.

2017

Acquisition by Mecafer of Domac.
Sale of air compressors, generators, welding stations and battery chargers.

2017

Acquisition of Groupe Valfit by Sferaco.
Sale to specialised wholesalers of a targeted range of connectors, meters and valves.

1986

Creation of Dipra.

Sale to DIY superstores: pumps, household valves, plumbing.

1986

Creation of Thermador Groupe.

Capital: FRF66,320,000 (€10,110,418).

1987

Thermador Groupe listed on the stock exchange.

1989

Creation of Sectoriel.

Motorised valves.

1989

Creation of PBtub.

Distribution of pipes in synthetic materials, underfloor heating and domestic water distribution.

2015: the beginning of our external growth policy

2015

Creation of Aello.

Specialised distribution of swimming pool equipment and accessories.

2015

Acquisition of Nuair France by Sectoriel.

Distribution of screw and reciprocating compressors for professionals and for industry.

2015

Acquisition of Mecafer by Thermador Groupe.

Sale of air compressors, pneumatic tools, generators, welding stations and chargers to DIY stores.

2017

Acquisition of Sodeco Valves by Thermador Groupe.

Industrial valves in Belgium, Holland, Germany, France and Switzerland.

2018

Acquisition of Ets. Edouard Rousseau by Thermador Groupe.

Sales to DIY superstores and supermarket retail in France and Spain of a range of taps for bathrooms and kitchens.

2019

Acquisition of Distrilabo by Thermador Groupe.

Distribution of technical materials for pressure, temperature, level and flow measurement and control for industrial processes and air-treatment engineering.

2020

Acquisition of Thermacome by Thermador Groupe.

Radiant surface and hydrodistribution systems for housing and buildings.

Back to CONTENTS

1.5 OUR STRATEGY

CHALLENGES 2021-2026

- Attract and hold onto talent at every level of the group.
- Promote parity in all governing bodies.
- Better understand and satisfy our customers' expectations.
- Increase the proportion of international business.
- Foster and support internal initiatives to protect the environment and to commit ourselves more specifically by building the relevant indicators to measure our progress.
- Continue the integration process for recently-acquired companies.
- Develop our digital skills and tools so that our products can be sold via digital channels.
- Ensure the integrity of our information systems.

Thermador Groupe owns, controls, groups together and drives companies distributing:
- **materials and accessories for fluid circulation in buildings and industry,**
- **large tooling for the retail and pro markets.**

Our objective is to pursue growth at a similar pace to that of the past ten years whilst respecting our employees, shareholders, customers, suppliers, other stakeholders and the environment.

We continue to prioritise trust, transparency, simplicity, sobriety and conviviality in human relations, whilst continuing to be highly demanding and alert to the best possible efficiencies. We ask everybody to work well and do things properly, to 'get it right first time', so as not to have to do them again.

We want to offer our staff excellent working conditions and coherent, fixed earnings. Some of the profits are shared in the subsidiaries. The Thermador Groupe FCPE (mutual fund) is the Group's incentive tool.

We expect our executives to perform highly, to be exemplary, communicate effectively and be primarily driven by the collective interest.

Our choice of opening up our capital very broadly imposes upon us the obligation of satisfying our shareholders through exemplary communication, management and behaviour, regular results and dividends, a high level of transparency and flawless accountability. We continue to pursue a determined policy to ensure that our employees and executives own a substantial share of capital.

Our model involves a high-performance information system, large amounts of stock and suitable buildings we are able to own thanks to our very solid financial structure, which we must continue to defend.

We seek to increase our sales and logistics efficiency by:
- the continued improvement of our information systems by increasing our degree of autonomy and development capacity,
- the collection, storage, analysis and exploitation of data useful to our business by adding appropriate algorithms to our information systems,
- the gradual introduction of mechanised storage systems.

The model relies on specialist commercial subsidiaries performing sales, marketing and logistics in their geographical areas, and with the customers and distribution channels agreed with their manufacturing partners. Their purchasing price and cost control policies ensure good profitability whilst keeping them competitive.

They are differentiated by:
- the stability, quality and commitment of their staff,
- taking customer satisfaction into account at every turn,
- the breadth, depth and incessant adjustment of product ranges,
- permanent, high-performance sourcing,
- product expertise in after-sales service,
- efficiency and consistency in after-sales service,
- excellence of logistics and operational processes,
- mastery of digital tools at their disposal,
- the pertinence of information sent to the market to effectively feed the digital channels,
- an ability to adapt and innovate.

Executives have substantial autonomy as to the conduct of their business activities and man-management.

We can act on several levers to ensure our growth.

Organic growth. Each subsidiary acts on three levers to develop sales through:

- the development of market share for product ranges where it is below 30%,
- the price increases where market conditions allow it,
- extension of product ranges without ever competing with another subsidiary of the Group.

International. From France, we focus on markets that are accessible to our logistics organisation and product ranges for which we have a competitive advantage. Subsidiaries physically present abroad apply the conventional levers of organic growth.

Creation of subsidiaries. This is possible in a segment that is close to what we do already, as long as we can find the men and women to lead the project and the industrial partners to provide the basic offer.

External growth. We study opportunities by fixing a number of prerequisites: distribution companies which work in a way that is compatible with our model and our market, a proven strategic interest, a reasonable price which is acceptable to our shareholders, honesty, professionalism and commitment of the executives and management teams, 100% control of capital in time, upholding of operational excellence in the medium term. We announced a break in 2020 and 2021 on external growth operations that are time-consuming or above €5m so that our resources can be dedicated to implementing synergies and operational efficiencies.

1.6 SALES ACTIVITY

56% OF STAFF IN PERMANENT CONTACT WITH OUR CUSTOMERS IN THE FIELD OR ON THE PHONE

38,612 visits to **34,324** customers

97 customers have visited our group,

495,241 calls are received per year:
Advice, prices, availability, after-sales service

The CEOs, Sales Directors, Itinerant Sales and Office Technical Sales staff have permanent contact with our customers, both in the field and on the phone. Some of our wholesaler customers can receive representatives from several of the Group's subsidiaries in the same day, without ever complaining that they are wasting their time. Indeed, our colleagues have a duty to gain an in-depth understanding of the ranges they promote and thereby demonstrate their efficiency.

Each week, training actions are led in the field or in our offices with our customers' staff members. They also consult our websites for easy access to technical information.

Our office-based technical sales teams are also contributing by telephone to process all types of requests very quickly: price, availability, after-sales, technical information, etc.

WEB

5,613,911 CONSULTED PAGES ON OUR WEBSITES IN 2020

4,115 PAGES OF CATALOGUES AND PRODUCT REFERENCES

Some of our wholesale customers have developed web-based activities.

At the same time, pure-web players and marketplaces have emerged on our fields. We welcome this new distribution channel as an opportunity and are investing so that our technical resources and our teams' knowhow are up to the task. Modern websites, enrichment and distribution of product data, referencing of our brands, adjustment of our pricing policies, digital marketing, online video, social networks, influencers, etc.

Back to CONTENTS

1.7 OUR LOGISTICS

78,380 ITEMS IN STOCK

43,024 tonnes
of product sold

24/72 hrs
for delivery in France,
2 to 6 days everywhere in Europe

99,019 m²
of warehouse space

35.9%
of our orders are paperless

The merchandise we buy is delivered to our warehouses on trucks (36% being delivered by container). The total volume represents the equivalent of 2,072 20-foot containers. We have 99,019 m² of storage area, with a capacity of 108,936 pallets. There are 224 forklift trucks coming from 3 hand-picked manufacturers. We keep 78,380 items in stock. Our teams of 166 warehousemen have prepared and shipped 506,183 orders coming from 3,240,029 product lines. Our customers' purchasing processes are computerised: their orders are integrated into their system and then sent to us primarily by electronic data interchange. 35.9% of our orders are now processed by EDI, character recognition and our commercial websites, thus reducing manual entry.

Average turnover per order is 895 euros; 43,024 tonnes or 60 millions of products have been sold!

Each of our subsidiaries has a single storage centre from whence they ship their orders to their customers in France, Europe and Africa.

They guarantee customers that their orders will be delivered complete in **98%** of cases according to the following delivery deadlines:

- **24/72 hours for France.**
- **2 to 6 days for overseas depending on the destination.**
- **Sodeco Valves, based in Belgium, can deliver in 4 hours in its trading area.**

This implies:

- Stock management ensuring 'zero stock-out', a crucial requirement for our purchasing departments.
- Agreements with reliable transport companies.

SUPPLY CHAIN MANAGEMENT

In a very quickly-changing context in terms of logistics, with the arrival of new actors and new technologies, we made the decision to create a Supply Chain Director position (sourcing, storage and distribution) to identify and improve our excellence in this field.

Subsequently, Anaïs Der Hagopian-Virieux left her position as Sectoriel's Administrative Director to join Thermador Groupe on September 1, 2020, as Supply Chain Director. Her mission is now to support the subsidiaries and the group through a process of continuous improvement of the tools, resources and flows to improve supply chain performance. Her in-depth knowledge of our businesses and the group will enable her to bring in the necessary changes by onboarding our teams and managers in the process. An innovative project to equip the subsidiaries with a sophisticated sourcing software tool has already been launched with the aim of further improving customer service and stock rotation. The estimated budget for this project is €340k, targeting an initial operational roll-out to 4 pilot subsidiaries during the second quarter of 2021.

OUR TRANSPORT COMPANY PARTNERS

Our customers also judge us on the quality of service offered by transport companies delivering our merchandise. And even if they are neither our drivers nor our trucks, here again we want to meet customer needs exactly in terms of cost control.

Lionel Monroe leads the group that negotiates operating conditions annually with our transport company partners (courier and express delivery). We bring them considerable regular volumes from our warehouses and in return expect high-quality services and the best possible commercial conditions.

In 2020, 7 companies delivered for us by express delivery, 10 by courier and 21 freight.

Our main service providers have for several years been committed to reducing the environmental impact of their activities. They detail their approach and progress made in their own annual reports: CSR commitments, CO_2 emissions, efficiency ratios, ISO 14001 and accident rates. Some are signatories of the ADME charter (French environmental agency).

1.8 OUR SUPPLIERS

40 YEARS' PARTNERSHIP FOR 24% OF OUR SUPPLIERS

Our biggest supplier: 7.7% of our merchandise purchases
The top 5 account for 23.6%
The top 10 account for 34.3%

63% of our purchases come from European manufacturers

+ 691 manufacturer partners throughout the world

€252m of goods purchased in 2020
(in 2019: €235m, in 2018: €197m)

PURCHASES OF THE GROUP IN 2020
DISTRIBUTION BY COUNTRY

CHINA + TAIWAN	35%	37% IN 2019	34% IN 2018
ITALY	34%	34% IN 2019	36% IN 2018
FRANCE	13%	9% IN 2019	10% IN 2018
SPAIN	6%	6% IN 2019	7% IN 2018
GERMANY	5%	5% IN 2019	5% IN 2018
Other countries	7%	9% IN 2019	8% IN 2018

Distribution by CURRENCY in 2020

EURO	65%	62% IN 2019	66% IN 2018
US DOLLAR	33%	36% IN 2019	33% IN 2018
OTHER FOREIGN CURRENCIES	2%		

It is the responsibility of the CEO of each subsidiary to choose his/her suppliers and maintain trusting relationships with them.

Although some suppliers are common to several subsidiaries, we do not feel it is useful to have a centralised purchasing department for the group.

We prefer to ask each subsidiary to focus on its market priorities and to share information on 'group' partners.

Our suppliers are manufacturers we have selected from amongst the best in their profession. We work very closely with them over the long term, ensuring that their products meet all our prevailing technical and safety standards.

From the outset the Group's development has been based on Italian industrialists who are very well known for their know-how in the valve and pump fields. Today, they represent 34% of our supplies. In 2020, Caleffi and DAB consolidated their positions as respectevely n°1 and n°2 of our suppliers.

For fifteen years or so, we have also developed relationships with Chinese and Taiwanese manufacturers having visited more than 691 factories working in our professions. Today, 35% of our purchasing is from China and Taiwan, where we have around a hundred regular high-quality suppliers. If they are not prevented by health constraints such as those we experienced in 2020, our teams make 20 to 30 visits to the country each year, often accompanied by a Chinese colleague who lives in France. She is also responsible for assisting and advising the subsidiaries to develop and facilitate relationships with our industrial partners and their managers.

Etablissements Edouard Rousseau has for several years had a commercial branch in Shanghai, where a very loyal team performs controls in the factories and in logistics to optimise container filling.

In general terms, these are in-depth site visits: we pay particular attention to employees' working conditions and ensure that no children are present in our partners' workshops and factories (see our EFPS on page 74 of this universal registration document).

Back to CONTENTS

1.9 OUR FRENCH CUSTOMERS

34,000
CUSTOMERS IN
FRANCE AND ABROAD

1

Our biggest customer:
6.2%
of turnover
The 5 biggest represent 24.3%
The 10 biggest represent 36.9%

Our customers are wholesalers in heating and sanitation, pumps, plumbing fittings, industrial supplies, OEMs, swimming pool professionals, industrialists and all DIY players.

Some of our customers have grown through external growth operations. Others opt for organic growth.

In any event, they are very diverse:

- Independent or subsidiaries of listed or family groups.
- International, national or regional in terms of organisation and logistics.
- Grouped or independent for purchasing, marketing and communications.

They include:

Adeo, Saint-Gobain Distribution, Pompac Développement, Les Mousquetaires, Mr Bricolage, Descours et Cabaud, Qérys, Kingfisher, Richardson, Fransbonhomme, Rexel, Leclerc BBJ, members of Algorel and Socoda.

We have very active commercial presence at the national decision-making centres and points of sale (sales activities, training, etc.).

The organisation of our sales force involves small teams of highly professional and responsive salespeople.

Thermador references at a wholesaler.


Jetly references at a wholesaler.

Promotion of the Tallas range in a DIY superstore sector.

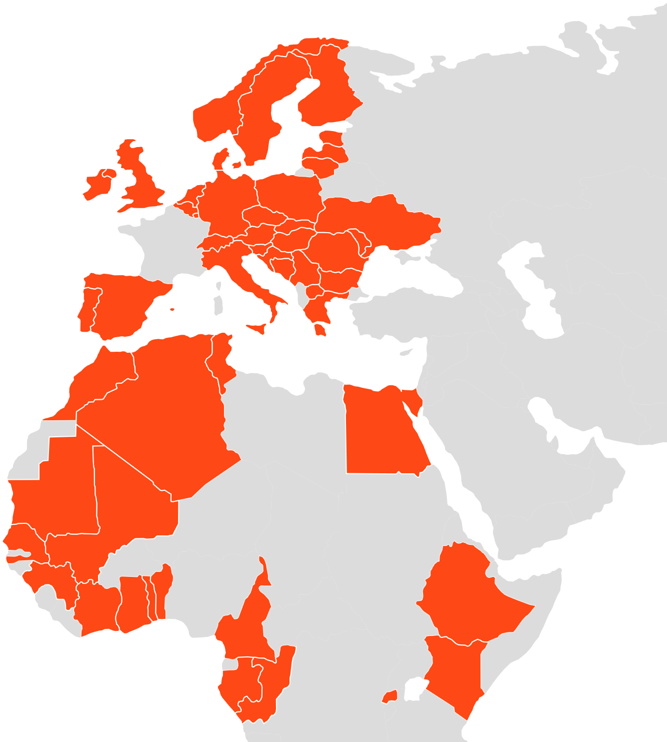

Thewa products layout in a showroom.

1.10 OUR CUSTOMERS ABROAD

51 COUNTRIES VISITED

EXPORT BUSINESS **18.2%**

22 LANGUAGES SPOKEN by our teams.



- Algeria
- Austria
- Belgium
- Benin
- Bosnia and Herzegovina
- Bulgaria
- Cameroon
- Congo
- Croatia
- Czech Republic
- Denmark
- Egypt
- Eire
- Estonia
- Ethiopia
- Finland
- Gabon
- Germany
- Ghana
- Greece
- Guinea
- Hungary
- Italy
- Ivory Coast
- Kenya
- Latvia
- Lituania
- Luxembourg
- Mali
- Mauritania
- Moldova
- Montenegro
- Morocco
- Netherlands
- North Macedonia
- Norway
- Poland
- Portugal
- Romania
- Rwanda
- Senegal
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Togo
- Tunisia
- Ukraine
- United Kingdom

In 2020, the portion of our export activity as a whole fell from 19.2% to 18.2%, because of external growth in the French market (Distrilabo and Thermacome) and the difficulties encountered by Syveco and FGinox sales teams in physically visiting their customers in Europe and Africa.

Overseas departments and regions and overseas authorities (DROM-COM) account for 2.5% of the group's turnover, an activity performed by several subsidiaries.

International business now accounts for 15.7% of the group's turnover. From the end of the 1960s through to the middle of the 2000s, the group's subsidiaries bought in Europe to sell in France. Today, they buy throughout the world to sell in Europe and Africa via our subsidiaries Syveco, Sodeco Valves, FGinox and Edouard Rousseau.

Syveco, set up in 2006, contributed 40.4% of our international turnover in 2020. Sodeco Valves, FGinox and Edouard Rousseau accounted for 51.9% of this business, the remainder coming from our other subsidiaries.

Syveco delivers wide ranges of products perfectly suited to market needs to wholesalers from our main stock in Saint-Quentin-Fallavier and to short deadlines. Progress with logistics and shortening in delivery times have simply pushed back our borders, since we are now able to deliver the whole of Europe in 2-6 days.

For our African customers, orders are submitted in full and immediately to forwarding agents who ship the merchandise in two or three weeks to the markets concerned.

Sodeco Valves, whose head office is in Belgium, delivers in 24-48 hours to its industrial customers, mainly in Belgium, Holland, Germany and Switzerland (there is a commercial branch in each country, with local sales staff).

FGinox has an export department and sells its ranges of stainless steel connectors to industrial customers and specialised wholesalers in Europe and Africa.

Ets Edouard Rousseau has a sales subsidiary in Spain which stocks and distributes tap ranges for DIY superstores in that country.

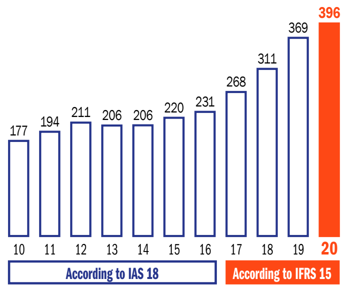
Our future potential growth margin is immense, judging by the current and future needs of high-development-potential countries and commercial synergies that are gradually emerging between the different subsidiaries concerned.

1.11 OUR KEY FINANCIAL FIGURES

REGULAR, WELL-CONTROLLED GROWTH

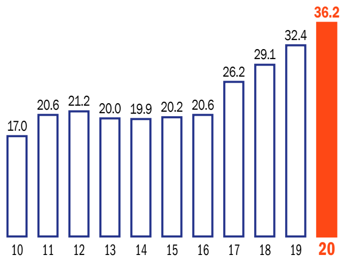
CONSOLIDATED TURNOVER
(in millions of euros)

€395.5m



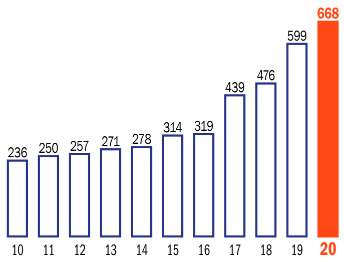
CONSOLIDATED NET PROFIT AS A PORTION OF THE GROUP
(in millions of euros)

€36.2m



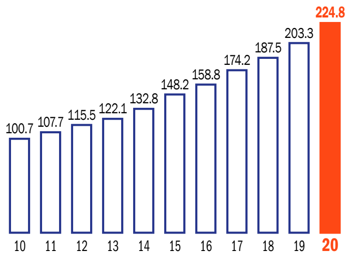
EMPLOYEES

668 people



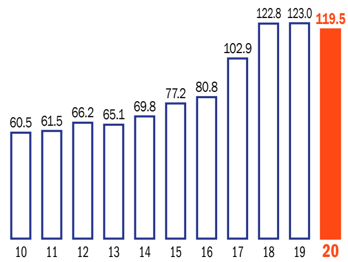
SHAREHOLDERS' EQUITY AFTER DISTRIBUTION OF NET PROFIT
(in millions of euros)

€224.8m



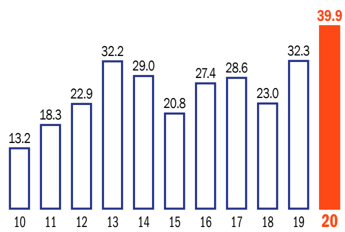
STOCK
(in millions of euros)

€119.5m



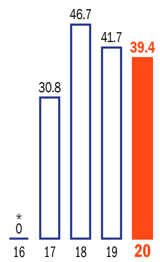
CASH
(in millions of euros)

€39.9m



LOANS AND FINANCIAL DEBT
(in millions of euros)

€39.4m



* 2016 and previous years: no loans or debts.

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
PROFITABILITY RATIOS (%)											
Staff costs / Turnover	11.7	11.5	11.1	10.5	11.0	10.5	10.8	10.5	9.8	10.2	10.2
Operating profit / Turnover	12.8	12.8	14.0	13.9	13.7	14.1	15.2	15.4	15.7	16.2	15.0
PORTION OF NET PROFIT ALLOCATED TO THE GROUP / TURNOVER	**9.0**	**8.7**	**9.2**	**9.7**	**8.9**	**9.2**	**9.7**	**9.7**	**10.1**	**10.6**	**9.6**
Pre-tax return on equity (ROE)	16.1	15.9	15.5	15.1	13.0	13.6	14.9	16.4	18.4	19.1	16.9
Cash flow from operations / Turnover	10.7	10.2	10.4	11.0	9.9	10.2	11.0	11.1	11.6	11.8	11.4
RETURN ON CAPITAL EMPLOYED BEFORE TAXES (ROCE)	**20.6**	**20.2**	**18.8**	**19.2**	**21.2**	**21.2**	**25.3**	**29.3**	**29.8**	**29.4**	**25.9**
PRODUCTIVITY RATIOS (IN THOUSANDS OF EUROS)											
Turnover per employee	599	623	662	729	725	727	740	759	819	776	751
FINANCIAL RATIOS AFTER DISTRIBUTION (%)											
Cash flow from operations / Equity	19	18.7	17	17	14	15	17	18	21	21	20
Non-current assets + stock / Equity	113	121	125	117	96	101	93	92	97	101	104
Long-term capital / Non-current assets	167	165	168	172	219	206	249	261	252	227	227
Long-term capital / Stocks	188	165	153	169	197	192	190	188	175	175	166

Since the key financial figures are for a 10-year period, we worked out the ratios based on a turnover level calculated according to IAS 18 (ie: before reprocessing the IFRS 15 impact).

ROCE means Return On Capital Employed, the latter being the aggregate of non-current assets including goodwill and working capital. We have not taken the impact of IFRS 16 restatements into account in these aggregates.

Back to CONTENTS

1.12 OUR KEY NON FINANCIAL FIGURES

GROWTH THAT RESPECTS PEOPLE, THE ENVIRONMENT AND STAKEHOLDERS

GOVERNANCE

Board meeting **attendance rate: 96.9%** in 2020 (96.1% in 2019 - 96.4% in 2018)

Annual General Meeting **attendance rate: 65.8%** of voting rights in 2020 (70.30% in 2019 - 69.66% in 2018)

A Board member represents employee and former employee shareholders on the Board of Directors, i.e. 9% of capital in 2020 (8.7% in 2019 - 8.6% in 2018)

HUMAN

PLACE OF WOMEN

PROFESSIONAL EQUALITY INDEX

87/100 IN 2020

66/100 IN 2019

MANAGEMENT POSITIONS HELD BY WOMEN 34% IN 2020

35% IN 2019 - 37% IN 2018

AVERAGE SERVICE

9.76 YEARS IN 2020

8.88 IN 2019 - 8.85 IN 2018

TRAINING WAS DELIVERED TO

59% OF EMPLOYEES IN 2020

86% IN 2019 - 67% IN 2018

ABSENTEEISM 3.9%* IN 2020

4.0% IN 2019 - 3.2% IN 2018

*Ewxcluding absences related to the health crisis

ENVIRONMENTAL

SCOPE 1

DIRECT EMISSIONS

(IN TONNES OF CO_2 EQUIVALENT)

966 IN 2020

812 IN 2019 - 730 IN 2018

SCOPE 2

SHARE OF RENEWABLE ENERGIES

65% IN 2020

61% I N 2019 - 36% IN 2018

PROPORTION OF LED LIGHTING IN OUR BUILDINGS

59% IN 2020

48% IN 2019 - 22% IN 2018

WASTE **RECOVERY**

85% IN 2020

81% IN 2019 - 58% IN 2018

SOCIETAL

AUDITED SUPPLIERS

14% OF OUR PURCHASES IN 2020

ISO 9001

PROPORTION OF OUR SUPPLIERS WHO ARE ISO 9001 CERTIFIED

55% OF OUR PURCHASES IN 2020

All our indicators can be found on pages 76 and 77 of our extra-financial performance statement.

Back to CONTENTS

1.13 OUR REAL ESTATE

303,052 m^2
OF LAND

123,074 m^2
OF BUILDINGS

Our real estate is the property of S.C.I. Thely which is 99.9% owned by Thermador Groupe.

It is our Group's policy to own our real estate so as to better accompany the development of our subsidiaries' businesses. This means that our buildings comply with prevailing regulations. Our office spaces are welcoming and functional and offer a pleasant working environment for our employees.

Our offices are located 25 km east of Lyon in the Chesnes Tharabie business park in Saint-Quentin-Fallavier (Isère-38).

This business park is home to the biggest terrestrial logistics platform in France and the third biggest in Europe.

Further to the acquisition of Domac, Sodeco Valves and Etablissements Edouard Rousseau, our real estate has expanded.

Our Domac subsidiary owns a building in Vierzon of 3,857 m^2 on a plot of 9,993 m^2.

Sodeco Valves has a 5,340 m^2 building in Ternat (Brussels) on a plot of 8,450 m^2.

Etablissements Edouard Rousseau owns 9,345 m^2 of buildings located in Etigny (Sens) on a plot of 47,766 m^2.

SCI Thely also acquired a new building (office and warehouse) located in Saint-Quentin-Fallavier for €1,037,000, with a surface area of 1,622 m^2 on a 6,886 m^2 plot.

Our property portfolio is healthy. Running it will not give rise to any major charges for operations such as dismantling or decontamination, etc.

S.C.I. THELY Real estate company created in 1973 to manage the group's properties.

- Capital of €3,100,000 owned 99.9% by Thermador Groupe.
- Total equity at 31/12/2020: €30,829,000.
- Loans to Thermador Groupe at 31/12/2020: €17,770,000.
- Estimated value of all properties: €56.9m
  (see Note 11 chapter 6.3 Appendix to the annual consolidated accounts, p. 123).
- Net accounting value of all properties: €46,187,000.
- **2020 profit: €2,003,000 (€1,957,000 in 2019).**

Back to CONTENTS

Logistics platform in Saint-Quentin-Fallavier (France)

1 Jetly
2 Sectoriel, Nuair France, Fini
3 Thermador
4 Thermador Groupe
5 Sferaco
6 Syveco, Isocel
7 PBtub, Axelair
8 Aello, Opaline
9 New Dipra building
10 Aello and Axelair building under construction
11 External tenant
12 Future logistics unit for FGinox
13 New building acquired in 2020

PROPERTY RESERVE

A Land on rue du Ruisseau near to Sectoriel
B Land on rue du Ruisseau opposite Thermador

1 Jetly

2 Sectoriel, Nuair France and Fini

3 4 Thermador Groupe and Thermador

5 Sferaco

6 Syveco and Isocel

7 PBtub and Axelair

8 Aello and Opaline

9 New Dipra building

10 Future Axelair / Aello building

12 Future FGinox warehouse

Ets. Edouard Rousseau (Etigny, France)

Sodeco Valves (Ternat, Brussels)

1.14 OUR BOARD OF DIRECTORS

Our Board members are chosen for their personalities (straightforward, not self-serving, engaged) and their knowledge of distribution, e-commerce, social networks, innovation triggers and the decision-making processes of institutional and private investors. The diversity of ages, origins and careers guarantees an open-minded approach and protects us from one-track thinking. Of our 11 Board members, 5 are women, 5 are independent and one (female) member represents our employees (see pages 29 to 31).

Guillaume Robin

Chairman & CEO
since June 30, 2011.

Board member since April 12, 2010.
End of current mandate: April 2022.

Jean-François Bonnefond

Deputy CEO
since April 1, 2016.

Board member since April 2, 2007.
End of current mandate: April 2021.

Audit committee member.

Patricia Mavigner

Deputy CEO
since May 1, 2016.

Secretary of the Board since 2016.

Lionel Grès

CEO of Axelair since 2015.

Board member since April 6, 2020.

End of current mandate: April 2023.

Yves Ruget

CEO of Thermador since 2014.

Board member since April 6, 2020.

End of current mandate: April 2023.

Janis Rentrop

Board member not free of interests since April 10, 2017. End of current mandate: April 2021.

Independent member of the earnings committee.

Olivier de la Clergerie

Independent board member
since April 5, 2016.
End of current mandate: April 2022.

Independent audit committee member.

Karine Gaudin

Independent board member since April 4, 2011.
End of current mandate: April 2022.

Chairwoman and independent member
of the audit committee.

Caroline Meignen

Independent board member
since April 10, 2017.
End of current mandate: April 2021.

Independent member of the earnings committee.

Laurence Paganini

Independent board member
since April 10, 2017.
End of current mandate: April 2021.

Chairwoman and independent member
of the earnings committee.

Noémie Gonin

Employee board member
since April 6, 2020.
End of current mandate: April 2024.

Member of the earnings committee.

Mathilde Yagoubi

Independent board member
since April 8, 2019.
End of current mandate: April 2023.

Chairwoman and independent member
of the sustainable development committee.

Back to CONTENTS

1.15 OUR EXECUTIVE COMMITTEE

9.2% OF THE COMPANY'S CAPITAL

IN ALL, THE MEMBERS OF THE **EXECUTIVE COMMITTEE** OWN 847,497 SHARES

Christophe Arquillière
CEO of Sferaco
since 2016.

Arlette Berliocchi
CEO of Opaline
since 2002.

Philippe Bernardet
CEO of FGinox
since 2009.

Fabienne Bochet
CEO of Isocel
since 2008.

Jean-François Bonnefond
Deputy CEO of Thermador Groupe
since 2016.
Chairman of Jetly since 2000.
Board member.

Philippe Bories
Chairman of Mecafer
since 2016.
Chairman of Domac
since 2017.

Frank Bourgois
CEO of Jetly
since 2020.

Jérôme Chabaudie
CEO of Aello
since 2016.

Emmanuelle Desecures
CEO of Dipra
since 1999.

Laure Empereur *
Chairwoman of Dipra
since 2020.
CEO of Ets Edouard Rousseau
since January 1, 2020.

Lionel Grès
CEO of Axelair
since 2015.
Board member.

Xavier Isaac
CEO of Sectoriel since 2008.
Chairman of Distrilabo
since January 1, 2020.

Éric Mantione
CEO of PBtub since 1995.
Chairman of Thermacome
since May 1, 2020.

Patricia Mavigner
Deputy CEO of Thermador Groupe
since 2016.
Secretary of the Board of Directors.

Lionel Monroe **
CEO of Syveco
since 2008.

Guillaume Robin
Chairman & CEO of Thermador Groupe since 2011.
Board member.

Yves Ruget
CEO of Thermador
since 2014.
Board member.

Peter Wartel
CEO of Sodeco Valves
since 2019.

* Laure Empereur was appointed CEO of Dipra on January 1, 2021, replacing Emmanuelle Desecures. ** Lionel Monroe will become Deputy CEO of Thermador Groupe in place of Jean-François Bonnefond on April 1, 2021.

Back to CONTENTS

1.16 GOVERNANCE ORGANISATION CHART

In Thermador Groupe, each and every one of us takes ownership of our rights, duties and responsibilities. Shareholders invest and vote, Board members supervise and challenge, executives create, organise and execute. A key thing about our organisation is that the subsidiary management teams take responsibility for their staff, customers, suppliers, objectives and strategies. This devolved set-up allows space for initiative and gives everyone the chance to grow in their work whilst developing their skills and their expertise.

Sovereign power

Annual General Meeting of shareholders

7,116 individuals and corporate entities

Supervisory power

Board of Directors of Thermador Groupe

11 Board members + Deputy CEO

Executive power

Executive Committee

18 CEOs

16 management teams

17 commercial subsidiaries, 1 communications agency, 1 real estate company

Human capital: 668 employees

Back to CONTENTS

2. REPORT ON CORPORATE GOVERNANCE

Back to CONTENTS

2.1 ORGANISATION CHART

Thermador Groupe

- **Guillaume Robin** – Chairman & CEO
- **Jean-François Bonnefond** – Deputy CEO
- **Patricia Mavigner** – Deputy CEO
  - **IT system**

Shares held by Thermador Groupe

HEATING, SANITARY, PLUMBING, VENTILATION

thermador	**Yves Ruget**, CEO, Page 97	100%
PBtub	**Éric Mantione**, Chairman of Thermacome, CEO of PBtub, Page 98-99	100%
Thermacome	**Florent Kieffer**, CEO, Page 98-99	100%
Axelair / Vortice	**Lionel Grès**, CEO, Page 100	100%
sferaco	**Christophe Arquillière**, CEO, Page 101	100%

INDUSTRY

Sectoriel / Nuair France	**Xavier Isaac**, Chairman of Distrilabo, CEO of Sectoriel, Page 102	100%
Distrilabo	**Denis Straub***, CEO, Page 103	100%
FGinox	**Philippe Bernardet**, CEO, Page 104	100%
Syveco	**Lionel Monroe**, CEO, Page 105	100%
Sodeco valves	**Peter Wartel**, CEO, Page 106	100%

DIY

mecafer / domac	**Philippe Bories**, Chairman of Mecafer, Chairman of Domac, Page 91	100%
Dipra	**Emmanuelle Desecures**, CEO, Page 92-93	98%
Edouard Rousseau	**Laure Empereur** **, Chairwoman of Dipra, CEO of Ets Edouard Rousseau, Page 92-93	100%

MANUFACTURERS

Isocel	**Fabienne Bochet**, CEO, Page 94	100%

PUMP COLD WATER, SWIMMING POOL

aello	**Jérôme Chabaudie**, CEO, Page 95	100%
Jetly	**Jean-François Bonnefond**, Chairman, Page 96; **Frank Bourgois**, CEO, Page 96	100%

COMMUNICATION

Opaline	**Arlette Berliocchi**, CEO, Page 107	100%

REAL ESTATE

Company	Management	Shares held
Thely	**Patricia Mavigner**, Managing partner, Page 18	100%

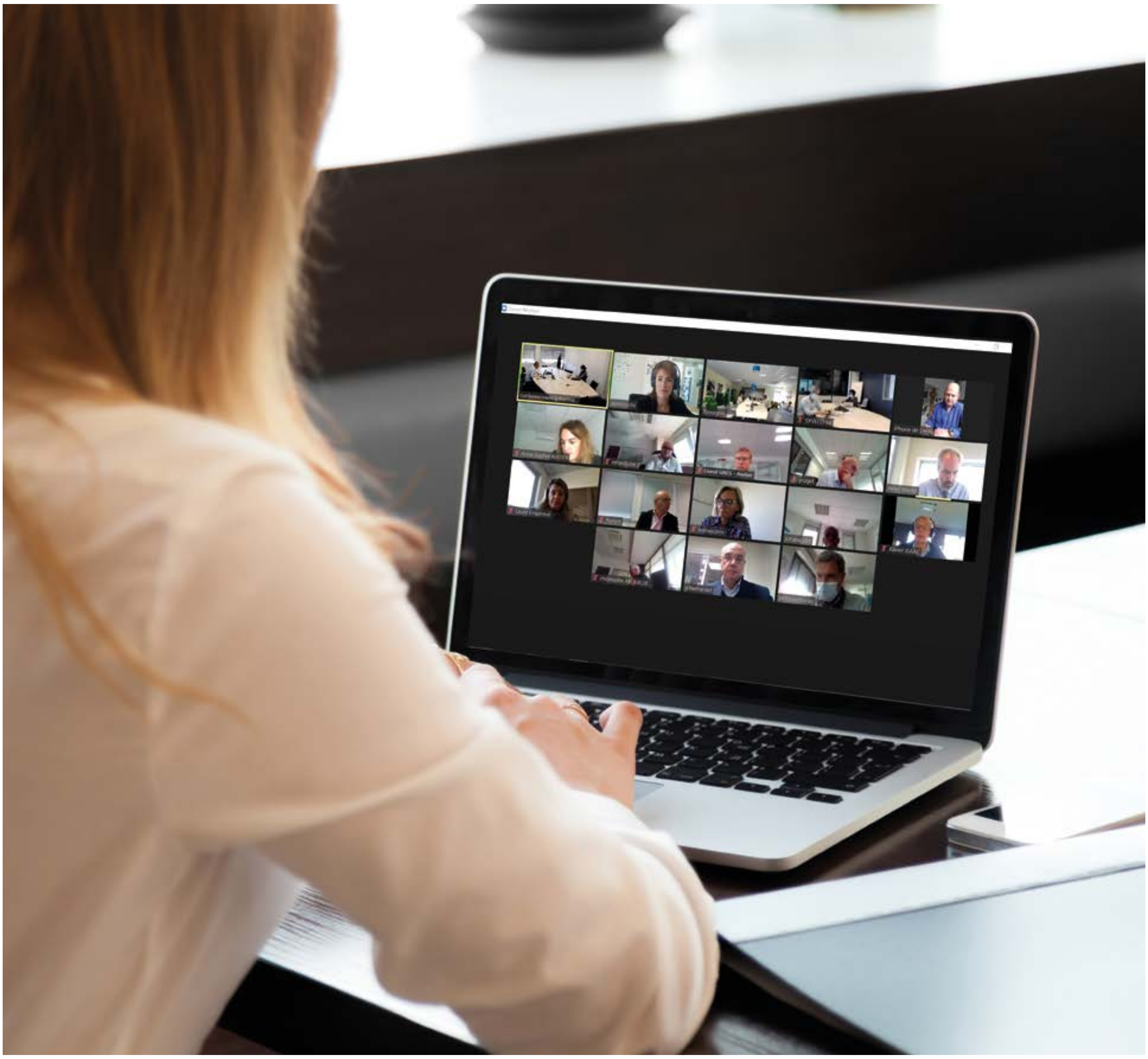
OTHERS

Company	Management	Shares held
Tagest	**Patricia Mavigner**, Managing partner	100%

* Anne-Sophie Bultey was appointed CEO of Distrilabo on January 1, 2021, replacing Denis Straub.

** Laure Empereur was appointed CEO of Dipra on January 1, 2021, replacing Emmanuelle Desecures.

2.2 EXECUTIVE COMMITTEE



A Comex meeting by videoconference.

People sometimes ask us about the suitability of our organisation chart, which depicts as many management teams as subsidiaries. Is this not overly-expensive, they ask?

We believe, on the contrary, that the proven efficiency of small, specialised and highly-motivated groups is a source of productivity and savings.

The 18 Chairman & CEOs, management teams of subsidiaries indeed do have maximum freedom to develop their companies, benefiting from the support of Thermador Groupe which provides them with the financial, real estate and IT resources they need. They are in very close touch with the market, have numerous years of experience in the group and in-depth knowledge of their professions.

Day-to-day, Guillaume Robin relies on Jean-François Bonnefond and Patricia Mavigner to manage the group.

Twice per month, the managers get together during executive Committee lunches to talk about group news from the group. Twice a year, they spend one or two days together offsite to reflect on and discuss our objectives, strategy, implementation, environment, issues and organisation.

The strategy and possible options are written in collaborative mode so as to obtain total buy-in and heightened operational efficiency when decisions are taken.

We meet with 112 managers and supervisors from the group in February at the 'Objectives, Strategies, Projects and Challenges' presentations made by each subsidiary. The audience – 35.7% women – is then invited to question the subsidiary managers on their visions, analyses, decisions and forecasts. The Board members and auditors are also involved in these events.

Finally, the Comex members run transversal groups per market (construction, industry and DIY) and per function, in which managers and supervisors from all the group's companies can intervene.

Back to CONTENTS

2.2 EXECUTIVE COMMITTEE

Christophe Arquillière

- CEO of Sferaco since 2016.
- Joined in 2007.
- Born in 1968.
- French nationality.
- **11,212 shares held.**

Education and professional background:

- 1992: Graduate of EM Lyon business school.
- 1994-2005: Site Director, Darty.
- 2005-2007: Site Director, Lapeyre Saint-Gobain.

Arlette Berliocchi

- CEO of Opaline since 2002.
- Joined in 2002.
- Born in 1970.
- French nationality.
- **9,025 shares held.**

Education and professional background:

- 1993: Graduate of HEC business school.
- 1994-1996: Product Manager at Henkel France.
- 1997-2001: Marketing Manager at Joker Fruit Juices.

Philippe Bernardet

- CEO of FGinox since 2009.
- Joined in 2017.
- Born in 1958.
- French nationality.
- **364 shares held.**

Education and professional background:

- 1981: Business School Diploma Clermont-Ferrand.
- 1987-2006: Director of subsidiaries and regions of Kloëckner Distribution Industrial (Kloëckner & Co group).
- 2006-2009: Experience in taking over companies.
- 2009-2011: CEO of FGinox and GMR (Groupe FAREX).

Fabienne Bochet

- CEO of since 2008.
- Joined in 2001.
- Born in 1974.
- French nationality.
- **85,065 shares held.**

Education and professional background:

- 1996: Graduate of Toulouse Business School.
- 1997-1999: Caritas Lebano.
- 1999-2001: Sales Administration in a distribution SME.

Jean-François Bonnefond

- Chairman of Jetly since 2000.
- Deputy CEO of Thermador Groupe since 2016.
- Board member.
- Joined in 1993.
- Born in 1957.
- French nationality.
- **112,229 shares held.**

Education and professional background:

- See page 29.

Philippe Bories

- Chairman of Mecafer since 2016.
- Chairman of Domac since 2017.
- Joined in 2015.
- Born in 1961.
- French nationality.
- **47,292 shares held.**

Education and professional background:

- 1984: Graduate of EM Lyon business school.
- 1985-1989 : Regional Key Accounts Manager for Cogesal (Unilever).
- 1990-1996: Marketing and Key Account Management functions at Black & Decker.
- 1996-2015: Sales Director and M.D of Mecafer.

Frank Bourgois

- CEO of Jetly depuis 2020.
- Joined in 2002.
- Born in 1968.
- French nationality.
- **5,348 shares held.**

Education and professional background:

- 1993: Institut Commercial de Nancy graduate.
- 1998-2000: Regional Director for West Paris at Kraft Foods.
- 2000-2019: Sales Director at Jetly.

Jérôme Chabaudie

- CEO of Aello since 2016.
- Joined in 2015.
- Born in 1965.
- French nationality.
- **8,890 shares held**

Education and professional background:

- 2001: Graduate, ICG business school.
- 1993-2015: Sales and Marketing Director of CEC Piscine.

Emmanuelle Descecures

- CEO of Dipra since 1999.
- Joined in 1994.
- Born in 1970.
- French nationality.
- **125,774 shares held.**

Education and professional background:

- 1991: Graduate, EM Lyon business school.
- 1991-1994: Auditor at Coopers & Lybrand.

Laure Empereur*

- Chairwoman of Dipra since 2020.
- CEO of Ets Edouard Rousseau since 2020.
- Joined in 2019.
- Born in 1981.
- French nationality.
- **50 shares held.**

Education and professional background:

- 2004: Graduate of Grenoble School of business.
- 2005-2011: Various commercial functions at Microsoft France.
- 2011-2014: Procurement and Supply Chain Director at Spigraph.
- 2015-2019: Sales and Operations Director at Addev Materials.

* Laure Empereur took over as CEO of Dipra on January 1, 2021.

Back to CONTENTS

Lionel Grès

- CEO of Axelair since 2015.
- Board member.
- Joined in 2013.
- Born in 1967.
- French nationality.
- **6,391 shares held.**

Education and professional background:

- See page 30.

Xavier Isaac

- CEO of Sectoriel since 2008.
- Chairman of Distrilabo since 2020.
- Joined in 2000.
- Born in 1969.
- French nationality.
- **78,442 shares held.**

Education and professional background:

- 1992: Graduate of the National Polytechnic Institute in Grenoble.
- 2006: ICG Diploma.
- 1993-1996: Export Sales Engineer for Heidelberger Zement (HeidelbergCement) in Germany.
- 1996-2000: Valves Product Manager at Spirax Sarco.

Éric Mantione

- Chairman of Thermacome since May 1, 2020.
- CEO of PBtub since 1995.
- Joined in 1990.
- Born in 1959.
- French nationality.
- **148,449 shares held.**

Education and professional background:

- 1982: Graduate, EM Lyon business school.
- 1982-1987: Sales Manager of a subsidiary of the Descours and Cabaud group.
- 1987-1990: Regional IDF Director, Hachette Groupe livre.

Patricia Mavigner

- Deputy CEO of Thermador Groupe since 2016.
- Secretary of Thermador Groupe's Board since 2016.
- Joined in 2000.
- Born in 1968.
- French nationality.
- **17,907 shares held.**

Education and professional background:

- See page 29.

Lionel Monroe

- CEO of Syveco since 2008.
- Joined in 2006.
- Born in 1967.
- French nationality.
- **82,192 shares held.**

Education and professional background:

- 1990: Graduate of ISC Business School, Paris.
- 1992-1996: Regional Sales Manager at Mars.
- 1996-2006: Director of the Export Zone for the Deveaux Textiles group (including 3 years in the US).

Guillaume Robin

- Chairman & CEO of Thermador Groupe since 2011.
- Board member since 2010.
- Joined in 1999.
- Born in 1965.
- French nationality.
- **103,568 shares held.**

Education and professional background:

- See page 29.

Yves Ruget

- CEO of Thermador since 2014.
- Board member.
- Joined in 2012.
- Born in 1971.
- French nationality.
- **4,863 shares held.**

Education and professional background:

- See page 30.

Peter Wartel

- CEO of Sodeco Valves since 2019.
- Joined in 2017.
- Born in 1968.
- Belgium nationality.
- **436 shares held.**

Education and professional background:

- 1989: Bachelor in Marketing, Honim, Brussels.
- 1993: Masters in Industrial Psychology, VUB, Brussels.
- 1993-2012: Career in various sales sectors.
- 2012-2019: Commercial Director at Sodeco Valves.

2.3 BOARD OF DIRECTORS

FEMALE
REPRESENTATION
45%

A work meeting of the Board.

2.3.1 PRINCIPLE OF GOVERNANCE AND CONSTITUTION

In writing this report, the Chairman referred to the Middlenext corporate governance code published in December 2009 and updated in September 2016. All Board members are aware of the vigilance points appearing in this code.

The quality and beneficial effects of this code were emphasized by the AMF in a report published in November 2013.

It has now been adopted by over 200 listed and unlisted companies and is freely accessible on the Middlenext website, in French and in English.

In-house regulations of the Board of Directors are available on the group's website.

From the outset, towards the end of the 1960s, the five founders (G. Vincent, J. Borde, H. Fournier, M. de Sereys and G. Boreil) decided that their children would not have positions of responsibility within the company. Thermador Holding was created in 1986 with a view to a listing on the Stock Exchange in 1987 on Lyon's second market. The main objectives going public were:

- to ensure the durability and development of the group's companies,
- to facilitate the liquidity of the founders' equity for the present and moving forward,
- to satisfy and incentivize a large number of outside shareholders to allow a suitable degree of independence to the minority executive directors.

Today, according to Euronext, our float represents 70% of the group's capital. The 20 executives own 9.2% of the capital. Excepting unusual circumstances, we expect that this share will continue to fall with the departure of the old guard and the arrival of younger CEOs.

Employees own 4.7% of the capital directly and via the Thermador Groupe FCPE (mutual fund), investors 46.2%, and individual shareholders 39.8%.

This distribution of capital and the rapid development of our professions encouraged us to change our Board of Directors in 2016 and 2017.

The Board members who have arrived during the period have been chosen for their personalities (straightforward, not self-serving, committed) and for their knowledge of the distribution, e-commerce, social media, innovation catalysts and decision processes in institutional and individual investment fields. Their diversity of ages, origins and careers guarantee greater openness and protect us from the dangers of one-track thinking on the Board of Directors. Amongst the 11 Board members, 5 are women and 5 are independent.

Seats on the Board are distributed as follows:

- One Board member, Chairman and CEO of Thermador Groupe.
- One Board member and Deputy CEO of Thermador Groupe.
- One Secretary of the Board and Deputy CEO of Thermador Groupe.
- One Board member not free of interest, proposed by our biggest shareholder and representing institutional investors more generally.
- Two Board members not free of interest, operational managers of two of the Group's trading subsidiaries.
- One Board member not free of interests representing the employees.
- Four independent Board members.
- One independent Board member representing individual shareholders.

This balance will give all shareholders the assurance of permanent surveillance of orientations and strategic decisions proposed by the operational managers and the proper functioning of the Board of Directors.

So as to maintain permanent contact with the reality of business on the ground, Board members will be involved in the 'Objectives, Strategies, Projects and Challenges' day during February, during which the subsidiary CEOs outline their vision for the year ahead. Each month, they receive reports written by each subsidiary CEO and can question the management of the group on their content. For the same reason, we organize direct meetings between Board members and members of the executive Committee, concurrent with Board meetings.

Since 2016, every year we have confirmed the **succession process** for the Chairman and CEO in the event of an accident or sudden unavailability. To date, Jean-François Bonnefond, Chairman of Jetly and Deputy CEO of Thermador Groupe, has carried that responsibility. Planning ahead for his retirement and the end of his term of office as Board member in April 2021, Thermador Groupe's executive Committee met for the first time in **conclave** in July 2020 to collectively choose the person among them with the qualities to succeed him and the will to replace him. After three rounds of voting, a majority emerged in favour of Lionel Monroe, currently CEO of Syveco. The Board members, involved in this new process from the outset to define the target profile, approved this decision at the Board meeting held on July 29. As a result, Lionel Monroe candidature as a Board member will be proposed to you at the AGM scheduled for Tuesday April 6, 2021 and appointed Deputy CEO of Thermador Groupe for a period of 4 years at the Board meeting scheduled for April 7, 2021.

The rules of procedure of the conclave are available for consultation on our website.

Back to CONTENTS

2.3.2 **MAKE-UP OF OUR BOARD OF DIRECTORS**

- Born in 1968
- French nationality
- **Number of shares held: 17,907**

Patricia Mavigner

- Deputy CEO of Thermador Groupe since May 1, 2016.
- **Secretary of the Board since 2016.**
- Joined the group in 2000 as Sferaco's Administrative Director.
- Managing partner of SCI Thely, Tagest, Deco Holding BVBA and Sodalis Investment COMM VA.
- Member of the Supervisory Board of Deco Holding BVBA.
- No other mandate is exercised outside the group.

Education and professional background:

- 1991: Graduate of EM Lyon Management School.
- 1996: DECF (chartered accountant).
- 1991-2000: Auditor and Senior Manager at PriceWaterhouseCoopers (including 2 years in the United Kingdom).

BOARD MEMBERS **NOT FREE OF INTERESTS**

- Born in 1965
- French nationality
- **Number of shares held: 103,568**

Guillaume Robin

- Chairman and CEO of Thermador Groupe since June 30, 2011.
- Board member since April 12, 2010. End of current mandate: April 2022.
- Joined the group in 1999 as Sales Manager at PBtub.
- CEO of Thermador Groupe from April 13, 2010 to June 30, 2011.
- Permanent representative of Thermador Groupe on the Boards of Aello, Jetly, Sferaco, Thermador, Sectoriel and Axelair.
- Chairman of FGinox, PBtub, Isocel, Syveco, Sferaco, Thermador and Sectoriel.
- Representative of Thermador Groupe, Chairman of Etablissements Edouard Rousseau and Opaline.
- Representative of Thermador Groupe, sole Board member of Rousseau SA (Spain).
- General representative of Etablissements Edouard Rousseau's branch in Shanghai.
- Representative of Thermador Groupe for Tagest.
- Board member of Middlenext.
- Chairman of Lyon Pôle Bourse association.
- No other mandate is exercised outside the group.

Education and professional background:

- 1989: Graduate of the UTC Compiègne Engineering School, specialising in mechanical engineering.
- 1991: CESMA MBA graduate, EM Lyon.
- 1991-1998: Sales Manager for a subsidiary of the Descours and Cabaud group.

- Born in 1957
- French nationality
- **Number of shares held: 112,229**

Jean-François Bonnefond

- Deputy CEO of Thermador Groupe since April 1, 2016.
- Board member since April 2, 2007. End of current mandate: April 2021.
- Joined the group in 1993 as Sales Manager of Jetly.
- Chairman of Jetly since 2000.
- Board member of Aello.
- **Audit committee member.**
- No other mandate is exercised outside the group.

Education and professional background:

- 1980: Graduate of EM Lyon Management School.
- 1982-1985: Finance Director of Schneider group's Prodipact.
- 1986-1988: High intensity, low voltage Product Manager for Schneider group.
- 1989-1992: Sales Manager of Schneider group's company Crouzet.

2.3 BOARD OF DIRECTORS

BOARD MEMBERS NOT FREE OF INTERESTS

- Born in 1971
- French nationality
- **Number of shares held: 4,863**

Yves Ruget

- Board member since April 6, 2020. End of current mandate: April 2023.
- Joined the group in 2012 as Director of Trade and Development of Thermador.
- CEO of Thermador since 2014.
- No other mandate is exercised outside the group.

Education and professional background:

- 1995: UTC Engineering Graduate.
- 1997: MBA Graduate, EM Lyon business school.
- 1998-2005: Development department, Forsym Groupe.
- 2005-2012: Sales management, Group JBT.

- Born in 1967
- French nationality
- **Number of shares held: 6,391**

Lionel Grès

- Board member since April 6, 2020. End of current mandate: April 2023.
- Joined the group in 2013 as Project Manager.
- CEO of Axelair since 2015.
- No other mandate is exercised outside the group.

Education and professional background:

- 1990: Graduate Engineer Arts & Métiers Paris Tech.
- 2003: Graduated with an MBA from EM Lyon.
- 1991-1995: Applications Engineer at Johnson Controls France - refrigeration components.
- 1995-2001: Product Manager Europe JCI Regelungstechnik (Essen - Germany) - motorised valves and regulation.
- 1998-2001: Product Marketing Director Europe Johnson Controls (Milan - Italy) - HVAC products.
- 2001-2005: Director Rhône Alpes Johnson Controls - air conditioning, industrial refrigeration, regulation and BMS.
- 2005-2013: Executive Manager: Emat France (Heating for large volumes).

- Born in 1989
- German nationality
- **Number of shares held: 420**

Janis Rentrop

- Board member since April 10, 2017. End of current mandate: April 2021.
- Since 2020: Lawyer at DLA Piper in Cologne.
- 2018-2020: Legal courses in preparation for the Second State exam at the regional court of Cologne, within Germany's permanent representative's office to the EU in Brussels and at Allen & Overy LLP in Düsseldorf.
- Since 2015: Research assistant at Cologne University.
- 2012-2019: Appointed representative of Investmentaktiengesellschaft für langfristige Investoren TGV at several European companies' AGMs.
- **Independent member of the earnings committee.**
- No other mandate is exercised outside the group.

Education and professional background:

- 2010-2014: Masters in law from the University of Paris I Panthéon-Sorbonne and LL.B from Cologne University.
- 2016: First State Exam for legal professions in Cologne.
- 2020: Second state examination for the legal profession in Düsseldorf.

SALARIED BOARD MEMBER

- Born in 1991
- French nationality
- **Number of shares held: 10**

Noémie Gonin

- Board member since April 6, 2020. End of current mandate: April 2024.
- Joined the group in 2017 as Syveco's Sales Executive for the United Kingdom and Ireland.
- Elected as employee representative on the Supervisory Board of Thermador Groupe FCPE (mutual fund) in 2019.
- **Member of the earnings committee.**
- No other mandate is exercised outside the group.

Education and professional background:

- 2013-Professional Master's Degree: Trilingual Negotiator in International Trade - Stendhal Grenoble 3 University.
- 2014-2016: Manager of Ostria Lefkada Hotel, Greece.

INDEPENDENT **BOARD MEMBERS**

Olivier de la Clergerie

- Board member since April 5, 2016. End of current mandate: April 2022.
- Since 2001: CEO of Groupe LDLC.
- **Independent audit committee member.**
- No other mandate is exercised outside the group.

- Born in 1972
- French nationality
- **Number of shares held: 850**

Education and professional background:

- 1994: Graduate, ECAM engineering school.
- 1996: Graduate, EM Lyon business school.

Karine Gaudin

- Board member since April 4, 2011. End of current mandate: April 2022.
- Since 2020: Founder of 2econde LIGNE
- Since 2021: Co-Manager of Pep's Advisory.
- **Chairwoman and independent member of the audit committee.**
- Mandate exercise outside the group: Board member of Serge Ferrari group.

- Born in 1966
- French nationality
- **Number of shares held: 1,044**

Education and professional background:

- Graduate of Audencia, Nantes Business School.
- Qualified chartered accountant.
- 2018-2019: Director Norimagerie.
- 2015-2017: Director of Innovation & Supply Engineering - COVED.
- 2001-2015: Deputy Managing Director, in charge of change management - Lamy Lexel.

Caroline Meignen

- Board member since April 10, 2017. End of current mandate: April 2021.
- Since 2006: active management of a stock exchange portfolio of around 100 lines, including Thermador Groupe and a member of private shareholders' consultative committees at Schneider Electric and Casino Groupe. Attendance at thirty or so Annual General Meetings, private shareholder meetings and SFAF meetings.
- **Independent member of the earnings committee.**
- No other mandate is exercised outside the group.

- Born in 1961
- French nationality
- **Number of shares held: 374**

Education and professional background:

- 1983: Master's degree in Economic Sciences, University of Paris II Assas.
- 1983-2006: Banque de France, 24-year career in different departments (stock, accounting, over-indebtedness, etc.). Trainer in economics for the internal accounting secretary competitive exam.

Laurence Paganini

- Board member since April 10, 2017. End of current mandate: April 2021.
- Since 2013: CEO of Kaporal Groupe, a French clothing brand founded in 2004.
- **Chairwoman and independent member of the earnings committee.**
- Mandate held outside the group: Chairwoman of Procos, a specialist trading federation and elected member of Marseille - Provence Chamber of Commerce and Industry.

- Born in 1964
- French nationality
- **Number of shares held: 450**

Education and professional background:

- 1985: Graduate of University Paris Dauphine, Masters degree in Finance and Strategy.
- 1987: Graduate of ESSEC Business School.
- 1997-2006: Career at Carrefour in different executive director positions, including group Marketing Director.
- 2006-2008: CEO of Marionnaud.
- 2009-2012: CEO of 3 Suisses.
- 2019: 'Woman Executive of the Year' trophy.

Mathilde Yagoubi

- Board member since April 8, 2019. End of current mandate: April 2023.
- Since 2020 - General Delegate of Game Only, an association of video game companies in Auvergne-Rhône-Alpes.
- Since 2017: Lecturer in market surveys and business plans - Ecole Supérieure du Digital.
- **Chairwoman and independent member of the sustainable development committee.**

- Born in 1987
- French nationality
- **Number of shares held: 65**

Education and professional background:

- 2010: Graduate of Lyon's school of political science - Management of Institutions.
- 2011-2015: Expert consultant in private fund-raising - Aklea law firm.
- 2016-2019: Founder and Chairman of Fundy, a pioneering start-up in phygital sales of innovative products.

2.3 BOARD OF DIRECTORS

BOARD MEMBERS' PHYSICAL ATTENDANCE RATE

96.9%

Board meeting of December 10, 2020.

2.3.3 WORK OF THE BOARD OF DIRECTORS IN 2020

During the financial year, the Board met formally on 10 occasions, in particular to:

- Attend the 'The subsidiaries' objectives, strategies, projects and challenges' day on February 4, 2020 in the presence of the auditors and 120 group employees.
- Challenge the subsidiaries' objectives and strategies during a half-day working session in July.
- 8 Board meetings:
  - To talk about the suitability of certain development projects with a high potential impact on assets (acquisitions, founding of companies, extension to the property portfolio, etc.). Where appropriate, the operational implementation of some of those projects was authorised.
  - To close quarterly turnovers and annual and half-year consolidated financial statements.
  - To authorise the negotiation and signature of bank loans and their conditions.
  - To validate the nomination of members of the ethics committee, introduced further to the Sapin 2 law, and the committee's charter defining its functioning.
  - To emphasise the 18 vigilance points of the 2016 Middlenext governance code and invite the Board members to formulate their remarks on their content.
  - To amend the internal regulations of the Board of Directors rules. These company regulations are available on our website www.thermador-groupe.fr.
  - To identify and manage possible conflicts of interest between Board members, Thermador Groupe and shareholders. **No conflict of interest was identified.** (The only business link identified was a €1,239 purchase from Groupe LDLC).
  - To confirm the **succession process** in case of a sudden accident or unavailability of the Chairman & CEO. The principle of a **conclave** held by the executive Committee was validated by the Board members, who also drafted its internal regulations, which are now available on the group's website (see page 28).
  - To appoint Laurence Paganini as Chair of the **earnings committee.**
  - To appoint Mathilde Yagoubi as Chair of the **sustainable development committee** (see page 50).
  - To propose new Board members to replace mandates arriving at term.
  - To self-assess the operations of the Board of Directors via a written questionnaire and to produce a summary of answers from its members.
  - After having taken note of the conclusions of the earnings committee, to modify the monthly salaries of Patricia Mavigner and Guillaume Robin, and to decide on the variable part of Patricia Mavigner's and Guillaume Robin's earnings (see page 36).
  - After having read the conclusions of the Compensation Committee, to define the amount invoiced on for Jean-François Bonnefond's earnings and to establish the variable part of his earnings.
  - To authorise the payment of attendance fees to Karine Gaudin, Caroline Meignen, Laurence Paganini, Janis Rentrop, Olivier Villemonte de la Clergerie, Mathilde Yagoubi and Guy Vincent.
  - To increase the payment per Board meeting by 1%, on condition that external Board members are present, as of January 1, 2021, to €2,140.
  - To authorise the signing of a lease amendment to implement a 0.4% rent increase as of January 1, 2021.

Board members' physical **attendance rate** at Board meetings was **96.9%**.

Presence at formal meetings was supplemented by exceptional attendance at informal video-meetings to provide very regular updates on our management of the crisis. We would particularly like to thank our Board members for their commitment during this chaotic period.

2.4 AUDIT COMMITTEE

67%
OF MEMBERS
ARE INDEPENDENT

Audit committee of October 8, 2020.

In compliance with the Middlenext Code's recommendation n° 6, the Board decided to set up an audit committee in 2018. It was created on July 25, 2018 at the time of closing the half-year accounts.

The audit committee meets 2-4 times per year, upon announcement of its Chairman, or at the request of the Chairman of the Board of Directors, to address procedures for preparing financial information, efficiency of information systems, and periodic controls of accounting and financial information.

In 2020, the committee met three times, with 100% attendance and lasting for 2-3 hours. The audit committee is comprised of three members, two of whom are considered independent in the sense of the enterprise governance code, having specific skills in accounting and finance and/or communications, in a listed company.

The audit committee's three members are Karine Gaudin (Chairwoman and independent member), Olivier de la Clergerie (independent member) and Jean-François Bonnefond. Laurence Ravet (salaried member) completed her mandate in April 2020.

The Deputy CEO responsible for finance and information systems in her capacity as financial director, the Financial Controller, and any other group employee whose functions can contribute to internal control can be heard by the committee. Audit committee members receive the conclusions of the auditors' work on the interim and end-of-year accounts. To fulfill its mission, it has access to all forms of information and documents and can call upon any manager of the company. The audit committee reports on its missions to the Board of Directors.

The audit committee met on **February 14, 2020** to discuss the following topics:

- Examination of the annual consolidated and corporate accounts for 2019.
- Auditors' presentation of a summary of their investigations, as well as their audit approach.
- Review of the certification of the third-party body relating to the Extra-Financial Performance Report.
- Review of the quality of accounts closure and processes.

The audit committee met on **July 24, 2020** to discuss the following topics:

- Examination of the half-year accounts and financial statements to June 30, 2020.
- Auditors' presentation of a review of their findings.
- The main areas of risk and the effectiveness of internal controls.
- System and alert review as part of the anti-corruption plan.

The audit committee met on **October 8, 2020** to discuss the following topics:

- The financial situation on September 30, 2020 presented by the finance department.
- Accounting statements and options for the financial year and regulatory changes.
- The findings of our auditors and the procedure review issues to be performed by them during their interim review.
- Review of the anti-corruption system with the creation of Thermador Groupe's donations and sponsorship policy, audit committee review of the expense statements of the CEO and the deputy CEO.
- The major areas of risks and the internal control system.

The accounts are presented to the audit committee. They are drawn up by our accounting departments within the subsidiaries and supervised by the Administrative Departments, often with several years' experience in audit firms, or by an accounting firm in the case of the last three companies that joined us. They are audited by an Auditor.

They are then checked and consolidated by Thermador Groupe's Deputy CEO in charge of finance who has a top-level accounting, finance and law background.

She checks both the accuracy of the accounts and their coherence with group accounting. Thermador Groupe accounts are then inspected by our two auditors: Mazars and Cabinet Royet.

Besides, the AMF (French stock exchange regulator) carries out its own controls.

At this stage, we already have three levels of control, one of which is independent from the company (Auditors).

The Board of Directors, according to these controls, acts as guarantor for the Annual General Meeting of shareholders, which is the legally sovereign body.

2.5 CEOs' EARNINGS

2.5.1 THE EARNINGS COMMITTEE

In accordance with recommendation n°6 of the Middlenext code, the Board decided to set up an earnings committee. It came into being on November 27, 2020, the date chosen for its first meeting.

The role of the earnings committee is to determine the various earnings components of Thermador Groupe's executive directors. The committee also has powers concerning the earnings allocated to Board members in terms of amount and distribution. In addition, it supervises overall earnings practices and ensures that they comply with current regulations and governance codes. Its mission is to perform preparatory work and facilitate the decisions of the Board of Directors in the areas within its remit. Legal decisions are made by the Board of Directors and the AGM.

The earnings committee meets at least three times per year, in particular prior to any meeting of the Board of Directors convened to decide the earnings of the executive directors or the distribution of the sum set aside for payments to Board members. The members of the committee have access to complete and regularly-updated information.

In 2020, the earnings committee met twice for two hours, with an attendance rate of 100%. The committee comprises 4 members: Mrs Laurence Paganini (committee chairwoman and independent director), Mrs Caroline Meignen (independent Board member), Mrs Noémie Gonin (employee Board member), and Mr Janis Rentrop (Board member not free of interest).

The Chairman and members of the Committee are proposed by the Chairman of the Board of Directors and appointed by the Board from among its members and in consideration of their independence, experience and competence. The earnings committee reports on its findings to the Board of Directors.

The earnings committee met for the first time on November 27, 2020 and covered the following topics:

- discussion concerning the functioning and missions of the committee,
- proposal for a further meeting of the committee on 2020 bonuses and 2021 increases,
- reflection on earnings policy challenges for Thermador Groupe in 2021, the structure of executive directors' earnings and the components of the annual variable portion of those earnings.

The earnings committee met on December 9, 2020 and covered the following topics:

- review of the 2020 year-end bonus package in the subsidiaries, and decisions regarding 2020 year-end bonuses and salaries of subsidiary executives for 2021,
- review of decisions concerning year-end 2020 bonuses for executive directors,
- examination of proposed changes to executive directors' monthly earnings and benefits,
- discussion on the earnings allocated to Board members, i.e. the amount per Board meeting for 2021 as well as funding allocated to new committees (earnings and CSR),
- study of benchmarks on annual variable earnings of executive directors,
- proposed schedule for committee meetings in 2021 and 2022,
- reminder of the text on the committee's missions and functioning, sent to Board members for validation at the Board meeting of December 10,
- training of committee members.

Laurence Paganini

Janis Rentrop

Caroline Meignen

Noémie Gonin

Back to CONTENTS

2.5.2 EARNINGS POLICY

Once per year, in December, the Board of Directors takes note of the conclusions of the earnings committee in order to review executives' salaries – both fixed and variable parts - with the final decision for subsidiary CEOs being made by the Board of Directors of the subsidiaries concerned.

In 2020, the total of gross earnings including all direct and indirect benefits for each corporate officer of the group (consolidating company and controlled companies included, according to the definition of article 357-1 of the law on commercial companies) allocated to members of the Board for the financial year on account of their functions, was €1,340.7K divided up as outlined on page 36. These directors received no fringe benefits. The earnings indicated in the table on page 36 are therefore salary alone.

In accordance with the law, the variable portion of the earnings of Guillaume Robin and Patricia Mavigner will be paid only after approval by the AGM (resolutions 10 and 11).

PROPOSED VARIABLE EARNINGS FOR 2020 COMPRISE OF:

Quantitative criteria

- For Guillaume Robin, it was set at more than 68% on the basis of the group's 2020 consolidated operating profit.
- For Patricia Mavigner, it was set at more than 66% on the basis of the group's 2019 consolidated operating profit.
- For Jean-François Bonnefond, it was set at more than 65% on the basis of Jetly's 2019 estimated pre-tax result.

Qualitative criteria

For the three directors who are also Board members, the other criteria are qualitative, which are precisely pre-established and pre-defined. They cannot be made public for reasons of confidentiality.

- In his role as Chairman and CEO of Thermador Groupe, Guillaume Robin is assessed according to 5 qualitative criteria, 1 of which on social aspects and 4 on governance.
- In her role as Deputy CEO responsible for finance and the IT system, Patricia Mavigner is assessed on the basis of 5 qualitative criteria, 1 of which on social aspects and 1 on governance.
- Jean-François Bonnefond, in his capacity as Chairman of Jetly's assessed on the basis of the criteria set out in his mission statement. He receives no variable earnings for his role as Deputy CEO of Thermador Groupe.

Jean-François Bonnefond is Chairman of Jetly as well as Deputy CEO of Thermador Groupe. He has an employment contract with Jetly, which has been suspended. For his role as Deputy CEO of Thermador Groupe, Jetly invoices on a fixed amount of €26,000 per year to Thermador Groupe. This amount did not change in 2020.

CHANGE TO THE FIXED PART OF EARNINGS FOR 2021

The fixed part of Guillaume Robin's earnings will be increased by 0.6%, that of Jean-François Bonnefond by 0.7%, and that of Patricia Mavigner by 0.9%, as of January 1, 2021.

PROPOSED ANNUAL VARIABLE EARNINGS FOR 2021

The principles and structure were unanimously adopted by the Board of Directors.

Principles:

Annual variable earnings:

- are decided once per year, at year's end by the Board of Directors, after consultation with the earnings committee. The final decisions concerning subsidiary CEOs are made by the board of Directors of the subsidiaries concerned.
- are subject to performance conditions including quantifiable economic criteria and social/environmental and managerial criteria determined in advance in a precise and objective manner by the Board of Directors, after consultation with the earnings committee.
- involve a target amount of 60% of fixed annual target-based earnings, no minimum or base amount guaranteed.
- the increase cannot exceed the increase in consolidated operating profit on a like-for-like basis (for Guillaume Robin and Patricia Mavigner).
- are capped at 100% of annual fixed earnings.

Structure:

- An economic, quantifiable portion, established in relation to Thermador Groupe's main financial objectives such as consolidated operating profit (financial objectives): 60% of total variable annual earnings.
- A social/environmental/governance portion, established by reference to Thermador Groupe objectives (extra-financial objectives): 30% of total variable earnings for Guillaume Robin and 20% for Patricia Mavigner.
- Individual managerial share, determined on the basis of specific annual objectives (extra-financial objectives): 10% of total variable earnings for Guillaume Robin and 20% for Patricia Mavigner.

The criteria used for extra-financial objectives are pre-established and precisely defined. They cannot be made public for reasons of confidentiality.

As Chairman of Jetly, Jean-François Bonnefond is assessed on 8 qualitative criteria corresponding to the definition of a subsidiary management position. Jean-François Bonnefond does not receive any variable compensation for his position as deputy CEO of Thermador Groupe.

2.5 CEOs' EARNINGS

2.5.3 TABLE OF EARNINGS

Earnings correspond to a corporate mandate.

Values in thousands of euros.

Operational Board members Chairman & CEO and Deputy CEO	Earnings fixed and variable (due and paid)								
	Fixed annual share			Variable annual share			Total annual earnings		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Jean-François Bonnefond [2], Board member, audit committee member and Deputy CEO									
- Earnings as Chairman of Jetly	**167**	163	160	**91**	89	82	**258**	252	242
- Earnings as Deputy CEO of Thermador Groupe [2]	**26**	26	26				**26**	26	26
Lionel Grès [3], Board member	**143.8**	140	136.5	**22**	20	15	**165.8**	160	152
Patricia Mavigner [1], secretary of the Board of Directors and Deputy CEO since May 1, 2016	**145.6**	141	139	**91**	91	88	**236.6**	232	227
Guillaume Robin [1], Chairman & CEO	**200.5**	197	194	**111**	111	108	**311.5**	308	302
Yves Ruget [4], Board member	**137.8**	132	130	**86**	85	74	**223.8**	217	204
Subtotal	**820.7**	799.0	785.5	**401**	396	367	**1,221.7**	1,195.0	1,152.5
External Board members	**Attendance fees (due and paid)**								
Guy Vincent [5]		10.4	12.2					10.4	12.2
Janis Rentrop, Independent member of the earnings committee	**20.1**	11.4	12.2				**20.1**	11.4	12.2
Independent Board members	**Attendance fees (due and paid)**								
Karine Gaudin, Chairwoman and independent member of the audit committee	**22.7**	20.5	17.4				**22.7**	20.5	17.4
Caroline Meignen, Independent member of the earnings committee	**20.1**	15	13.8				**20.1**	15	13.8
Laurence Paganini, Chairwoman and independent member of the earnings committee	**20.1**	13.4	12.2				**20.1**	13.4	12.2
Laurence Verdickt [6]		2	12.2					2	12.2
Olivier V. de la Clergerie, independent member of the audit committee	**20.1**	19.7	12.2				**20.1**	19.7	12.2
Mathilde Yagoubi, Chairwoman and independent member of the sustainable development committee	**15.9**	11.4					**15.9**	11.4	
Subtotal	**119.0**	103.8	92.2				**119.00**	103.8	92.2
Total	**939.7**	**902.8**	**877.7**	**401**	**396**	**367**	**1,340.7**	**1,298.8**	**1,244.7**

Earnings of operational Board members, CEO and Deputy CEOs:

(1) The variable earnings of Guillaume Robin and Patricia Mavigner will be subject to the AGM's approval on April 6, 2021. In the event of a favourable vote by the AGM on April 6, 2021, their variable remuneration will be paid in April 2021.

(2) The variable component of Jean-François Bonnefond's earnings is based on Jetly's result and is therefore linked to the position of Chairman of Jetly only. As a result, it will not be voted on at the AGM on April 6, 2021. It is due on December 31, 2020 and will be paid in 2021.

(3) Lionel Grès, CEO of Axelair, was appointed to the Board at the AGM of April 6, 2020.

(4) Yves Ruget, CEO de Thermador, was appointed to the Board at the AGM of April 6, 2020.

Earnings of external Board members:

(5) Guy Vincent, founder of Thermador, resigned from the Board on January 28, 2020.

Earnings of independent Board members:

(6) The mandate of Laurence Verdickt was not reviewed at the Annual General Meeting of April 8, 2019.

Corporate officers receive no fringe benefit or stock options based on performance.

There are no golden parachutes or golden handshakes for corporate officers. Corporate officers have no special retirement plan. They do not receive any compensation linked to non-competition clauses or termination compensation.

Back to CONTENTS

2.5.4 **FAIRNESS RATIO**

In accordance with points 6 and 7 of I of Article L. 225-37-3 of the French Commercial Code in the version resulting from Order n°2019-1234 of November 27, 2019, the table below shows the ratios between the earnings of executive directors as presented on page 36 and:

- on the one hand, the average full-time equivalent earnings of employees other than corporate officers,
- on the other, the median full-time equivalent earnings of employees other than corporate officers.

Here we present the equity ratio between the Chairman and CEO's earnings and those of the two deputy CEOs of Thermador Groupe and the average and median earnings of **the employees of Thermador Groupe**, the group's holding company:

Ratio for Thermador Groupe (holding company), compared to average earnings	Earnings 2020 (€k)	2020	2019	2018	2017	2016
Average earnings retained (in thousands of euros)		**71.4**	69.5	70.0	71.0	71.4
Guillaume Robin, Chairman & CEO of Thermador Groupe	**311.5**	**4.36**	4.43	4.31	4.10	3.81
Patricia Mavigner, Deputy CEO of Thermador Groupe since May 1, 2016	**236.6**	**3.32**	3.34	3.24	2.89	2.51
Jean-François Bonnefond, Deputy CEO of Thermador Groupe since April 1, 2016	**284.0**	**3.98**	4.00	3.83	3.67	3.63

Ratio for Thermador Groupe (holding company), compared to median earnings	Earnings 2020 (€k)	2020	2019	2018	2017	2016
Median earnings retained (in thousands of euros)		**66.5**	65.1	63.9	61.9	72.7
Guillaume Robin, Chairman & CEO of Thermador Groupe	**311.5**	**4.68**	4.72	4.72	4.70	3.75
Patricia Mavigner, Deputy CEO of Thermador Groupe since May 1, 2016	**236.6**	**3.56**	3.56	3.55	3.32	2.47
Jean-François Bonnefond, Deputy CEO of Thermador Groupe since April 1, 2016	**284.0**	**4.27**	4.27	4.20	4.21	3.56

Here we present the equity ratio between the Chairman and CEO's earnings and those of the two deputy CEOs of Thermador Groupe and the average and median earnings of **the employees of Thermador Groupe**, the group's holding company:

Ratios for the whole of Thermador Groupe	Earnings 2020 (€k)	2020		2019	
		Average earnings	Median earnings	Average earnings	Median earnings
Average earnings retained (in thousands of euros)		**50.3**	**41.1**	51.5	41.2
Guillaume Robin, Chairman & CEO of Thermador Groupe	**311.5**	**6.19**	**7.57**	6.26	7.47
Patricia Mavigner, Deputy CEO of Thermador Groupe since May 1, 2016	**236.6**	**4.70**	**5.75**	4.73	5.64
Jean-François Bonnefond, Deputy CEO of Thermador Groupe since April 1, 2016	**284.0**	**5.64**	**6.90**	5.67	6.76

We only calculated this fairness ratio for 2019 because salary data for previous years are not available on a comparable basis.

These average and median salaries have been calculated on the basis of the full-time equivalent salaries of all group employees, with the exception of those of Rousseau Spain in 2020, and those of Ets Edouard Rousseau France, Rousseau Spain, Distrilabo and Thermacome in 2019.

2.5.5 **ALLOCATED EARNINGS** (FORMERLY ATTENDANCE FEES)

The corporate representative Board members and executives do not receive allocated earnings.

In 2020, independent Board members received €2,120 per Board meeting on condition that they were present.

The amounts due and paid in allocated earnings are mentioned on page 36. Their attendance rate was 96.9%.

In addition to the time spent at the Board meetings, they studied detailed reports of all the subsidiaries every month, and attended the annual presentation of projects, so as to keep their fingers on the pulse of what is really going on in our companies.

The Annual General Meeting of April 10, 2017 voted an overall maximum annual amount of €136,000 in attendance fees. The same overall maximum annual amount was maintained for 2020.

The existence of the earnings and sustainable development committees will mean asking the AGM to increase this amount to €170,000 (see Resolution N°. 9).

2.5 CEOs' EARNINGS

2.5.6 SHAREHOLDERS' PACTS

THE 2010-2020 SHAREHOLDERS PACT:

The 9 directors who benefited from the distribution of 87,000 free shares in June 2010 signed a pact obliging them to keep the shares for 10 years, or, if they left the group in the meantime, to sell them to Thermador Groupe or to one or more directors at a 30% discount on the Stock Exchange price. For more detail about these allocations, the relevant information has already been communicated (page 15 of our 2008 annual report).

At December 31, 2020, the shareholders' agreement expired. As of January 1, 2021, managers may dispose of their shares acquired under the agreement.

2010-2020 Pact	Number of shares on December 31, 2019	Reinvestment in 2020	Number of shares on December 31, 2020
Fabienne Bochet	78,488	2,065	80,553
Jean-François Bonnefond	41,642	1,096	42,738
Emmanuelle Desecures	40,156	1,056	41,212
Xavier Isaac	76,431	2,011	78,442
Eric Mantione	40,045	1,054	41,099
Lionel Monroe	77,442	2,038	79,480
Guillaume Robin	75,272	1,981	77,253
Total	**429,476**	**11,301**	**440,777**

THE 2016-2026 SHAREHOLDERS PACT:

Hervé Le Guillerm and Marylène Boyer retired at the end of March and the end of April 2016 respectively. In compliance with the commitments made in 2008, they sold the 37,643 shares that they owned as part of the 2010-2020 shareholders pact, at a 30% discount. These shares were taken up by 19 directors and managers from the group, accounting for 71% of those shares, and the remaining 29% were put into the company savings scheme. A new 10-year shareholders' pact was drawn up as part of this operation, whereby the 19 signatories undertook to sell their shares at a 30% discount if they were to leave the group. We will henceforth refer to it as the '2016-2026 shareholders' pact'.

2016-2026 Pact	Subsidiaries	Fonctions	Number of shares on April 5, 2016	Number of shares* on May 9, 2018
Christophe Arquillière	Sferaco	CEO	2,662	5,324
Arlette Berliocchi	Opaline	CEO	532	1,064
Nicolas Billiard	Sferaco	Purchasing manager	887	1,774
Philippe Bories	Mecafer	Chairman	355	710
Delphine Bourdin	Syveco	Administrative manager	532	1,064
Frank Bourgois	Jetly	Deputy CEO	1,420	2,840
Loïc Brossat	Sectoriel	Sales manager	355	710
Jérôme Chabaudie	Aello	Chairman & CEO	3,994	7,988
Charlotte Deguerry-Fraisse	Sferaco	Administrative manager	2,662	5,324
Isabelle Giraud	Mecafer	Administrative manager	355	710
Lionel Grès	Axelair	Chairman & CEO	2,183	4,366
Cyrille Javault	Isocel	Sales Engineer	745	1,490
Bertrand Kinche	Dipra	Sales manager	958	1,916
Myriam Mathon	Aello	Administrative manager	532	1,064
Patricia Mavigner	Th. Groupe	Deputy CEO	3,550	7,100
François Nanson	Jetly	Sales manager	355	710
Jean-Philippe Paul	Sferaco	Sales manager	2,662	5,324
Yves Ruget	Thermador	CEO	1,420	2,840
Fréderic Watine	Axelair	Sales manager	710	1,420
Total			**26,869**	**53,738**

* Taking into account the nominal division of the share by 2.

Back to CONTENTS

2.5.7 VALID DELEGATION FOR A POSSIBLE INCREASE IN CAPITAL

Two delegations are valid. The first follows the adoption of the thirteenth resolution at the AGM of April 9, 2018 and has not been used to date. The second, following the adoption of the thirteenth resolution at the Annual General Meeting of April 6, 2020 has not been used to date.

2.5.8 SHARE-RELATED OPERATIONS PERFORMED BY BOARD MEMBERS AND EXECUTIVE COMMITTEE MEMBERS IN 2020

Declaring individual	Position	Acquisitions	Disposals	Average purchase price in €	Average sale price in €
Christophe Arquillière	Member of the executive Committee and CEO of Sferaco	199	490	52.28	55.14
Arlette Berliocchi	Member of the executive Committee and CEO of Opaline	304		49.80	
Fabienne Bochet	Member of the executive Committee and CEO of Isocel		8,264		55.00
Laure Empereur	Member of the executive Committee, CEO of Ets Edouard Rousseau and Chairwoman of Dipra	40		45.00	
Lionel Grès	Member of the executive Committee and CEO of Axelair	85		52.20	
Eric Mantione	Member of the executive Committee, CEO of PBtub and Chairman of Thermacome	360		54.63	
Patricia Mavigner	Deputy CEO of Thermador Groupe	532		54.54	
Guillaume Robin	Chairmain and CEO of Thermador Groupe	161		54.24	
Yves Ruget	Member of the executive Committee and CEO of Thermador	332		53.97	
Peter Wartel	Member of the executive Committee and CEO of Sodeco	241		42.80	

Jean-François Bonnefond, Fabienne Bochet, Emmanuelle Desecures, Xavier Isaac, Eric Mantione, Lionel Monroe and Guillaume Robin reinvested their share dividends from the shareholder's pact, buying new shares (see page 38).

2.5.9 COMMITMENTS TO EXECUTIVES

The retirement commitment concerns the payment of a retirement bonus authorised by the Board meeting of December 19, 2003. This bonus is calculated in the same way as that paid to a manager according to the conventions of article 5 of amendment I of the industry-wide agreement for the wholesale business.

On December 31, 2020, the total of the commitment corresponding to this bonus for Board members and corporate representatives was €374,000: €117,000 for Guillaume Robin, €80,000 for Patricia Mavigner and €123,000 for Jean-François Bonnefond.

No pension compensation was paid to executives.

There is no commitment concerning separation compensation ('golden parachute') for executives.

2.5.10 CONDITIONS FOR ATTENDANCE AT THE ANNUAL GENERAL MEETING

We invite all our shareholders to attend the Annual General Meeting by post, on the basis of the complete TPI (identifiable bearer shares) established annually on November 30. The conditions attached to attendance are described on page 45 of this report.

At the Annual General Meeting of April 4, 2016, we adopted the principle of one share, one vote.

2.5.11 OTHER INFORMATION

2.5.11.1. Termination of employment contracts for corporate officers

Corporate representatives whose mandate renewal or appointment is approved by the Board of Directors at the AGM of April 6, 2021 are not bound by employment contracts. The recommendation to terminate the employment contract when the Board member becomes a corporate officer does not apply.

2.5.11.2. Information on operations carried out with the members of the administrative and management bodies

Conventions subject to authorisations are those described in the special auditors' report on conventions and commitments for the financial year ending December 31, 2020. Existing conventions appear in a list drawn up by the company for the financial year ending December 31, 2020 and sent to the auditors in compliance with the provisions of articles L 225-39 and L 225-87 of the Commercial Code.

2.5.11.3. Loans and guarantees allocated or created in favour of administrative and management bodies

The company did not allocate any loan or guarantee in favour of members of the Board.

2.5.11.4. Non fiscally deductible charges as per article 39.4 of the French General Tax Code: none.

2.6 SHARE PERFORMANCE

The Thermador Groupe share appears in the CAC ALL SHARE and ENT PEA PME 150.

We are currently listed on EURONEXT Paris in **compartment B** and accepted by the **S.R.D.***

* Since 2008, we have been included in the Deferred Settlement Service which allows shareholders to pay for their transactions on Thermador stock at the end of the month. We would remind you that compartment B includes shares in companies whose stock market capitalization value is between €150m and €1,000m.

The Thermador Groupe share was listed on the stock exchange on June 24, 1987 at **240 French francs I.E., €2.99** according to the €/FF exchange rate and taking into account the different free share distributions made since then.

LISTING

IDENTIFICATION OF THE THERMADOR GROUPE SHARE:

CODE ISIN FR0013333432

MNEMONIC CODE THEP

NUMBER OF SHARES: **9,200,849**

CAPITAL: **€36,803,396**

LEI: 969500SSIGMAGT008F11

KEY FIGURES

DIVIDENDS

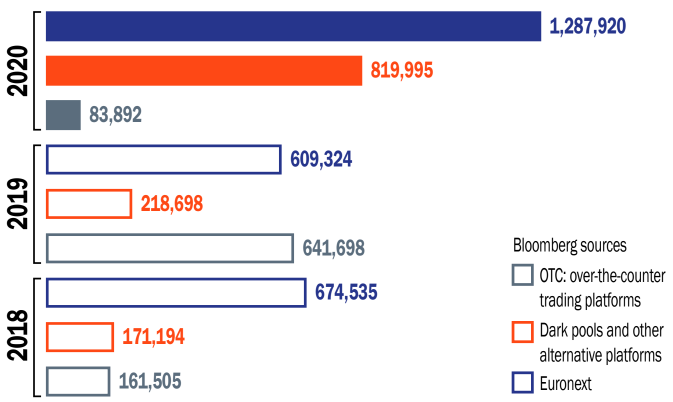
For 2020, we propose a dividend of €1.82 per share. This represents 46.3% of consolidated net profit. On the basis of the average 2020 price (€53.50), the yield is 3.36%.

Reminder of dividends over the last three financial years		
In euros	**Dividend per share**	**Total amount**
2015	1.60	14,208,992
2016	1.60	14,397,654
2017	1.70	15,486,578
2018	1.75	15,939,966
2019	1.80	16,397,554
2020	1.82	16,745,545

DAILY AVERAGE TRADING VOLUME IN 2020

Liquidity: the large number of floating investors (estimed at 70%) and the number of shareholders ensure good liquidity.

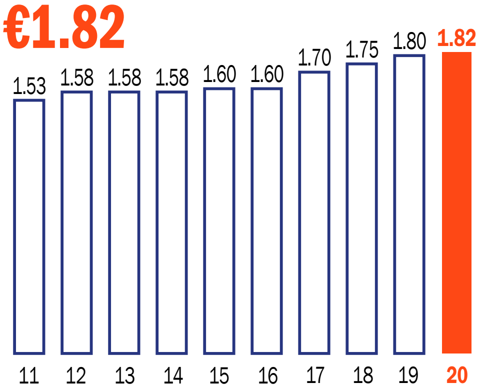
Trading volumes increased by 49% in 2020. On a daily average, **8,536** Thermador Groupe shares were traded, with a peak in March.



NET DIVIDEND PER SHARE** IN 2020

(in euros)

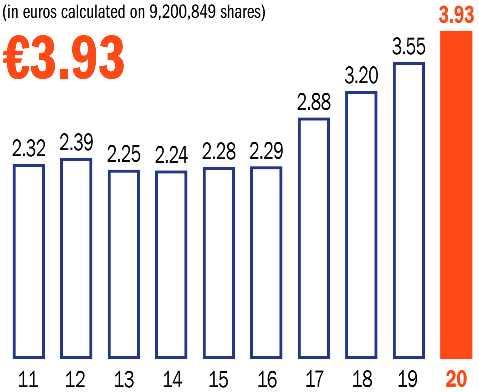
€1.82



CONSOLIDATED NET PROFIT PER SHARE** IN 2020

(in euros calculated on 9,200,849 shares)

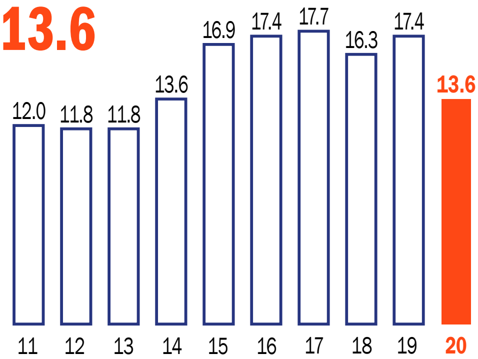
€3.93



PER IN 2020

(PER on the basis of the annual average price)

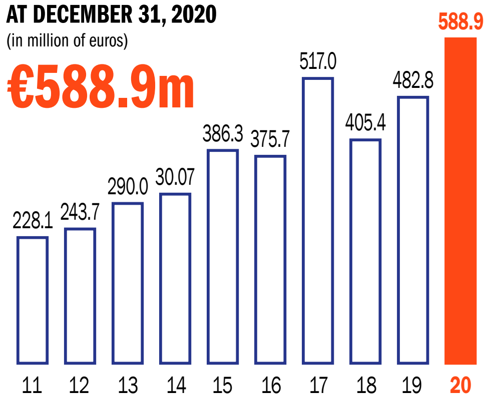
13.6



MARKET CAPITALISATION AT DECEMBER 31, 2020

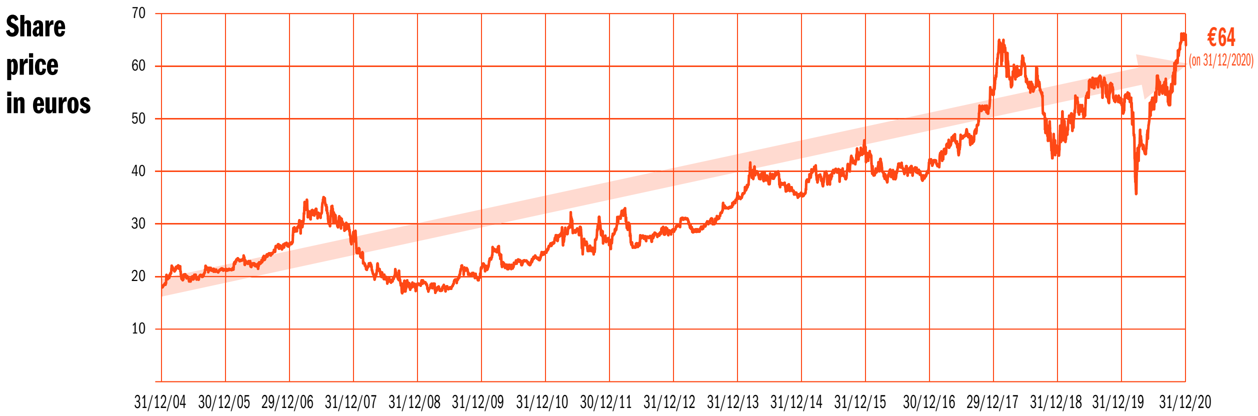
(in million of euros)

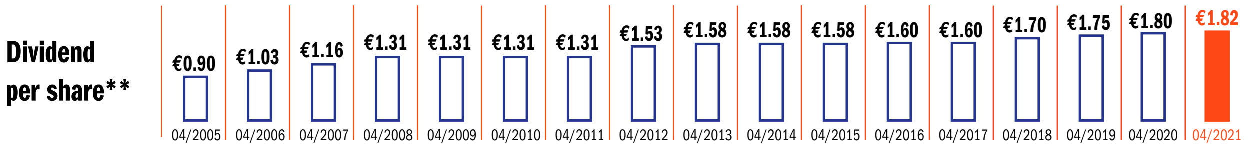
€588.9m



** Stock exchange data figures are adjusted to take into account allocations of free shares (one four six in November 2011), the nominal division of the share by 2 in May 2012 and the nominal division of the share by 2 in May 2018.

THERMADOR GROUPE SHARE PRICE TRENDS





** Stock exchange data figures are adjusted to take into account allocations of free shares (one-for-six in November 2011), the nominal division of the share by 2 in May 2012 and the nominal division of the share by 2 in May 2018.

Share price trend	Trading volume on Euronext	Capital (in thousands of euros) on Euronext	Lowest trading price in euros	Highest trading price in euros	Last trading price in euros
2009	1,315,832	29,222	16.88	22.25	20.58
2010	1,226,100	32,608	19.72	26.14	24.24
2011	1,099,652	34,570	24.03	34.18	26.74
2012	1,184,137	34,340	25.16	33.00	28.57
2013	1,058,274	32,255	27.93	34.60	34.00
2014	1,089,080	40,510	32.50	42.16	35.51
2015	841,670	32,982	35.06	44.98	43.50
2016	782,672	31,774	37.79	45.93	41.75
2017	1,123,584	52,000	40.53	57.00	56.75
2018	872,897	48,943	42.50	65.00	44.50
July 2019	23,879	1,357	55.80	57.80	57.40
August 2019	28,017	1,597	56.00	58.20	57.80
September 2019	30,969	1,744	54.00	57.80	55.20
October 2019	50,488	2,746	53.00	56.80	55.40
November 2019	34,034	1,858	53.20	56.60	53.60
December 2019	64,512	3,462	52.60	54.40	53.00
2019	609,324	31,932	43.00	58.20	53.00
January 2020	**87,331**	**4,614**	**51.00**	**54.80**	**54.80**
February 2020	**66,681**	**3,525**	**48.90**	**55.00**	**48.90**
March 2020	**489,540**	**18,142**	**35.70**	**51.20**	**44.30**
April 2020	**75,182**	**3,408**	**42.00**	**47.90**	**44.30**
May 2020	**49,232**	**2,236**	**43.30**	**47.80**	**46.20**
June 2020	**92,325**	**4,735**	**48.10**	**54.00**	**52.00**
July 2020	**84,393**	**4,709**	**51.80**	**58.20**	**56.80**
August 2020	**32,621**	**1,809**	**54.60**	**57.00**	**56.60**
September 2020	**42,327**	**2,335**	**52.60**	**57.60**	**54.80**
October 2020	**119,396**	**6,939**	**53.60**	**60.60**	**58.00**
November 2020	**108,614**	**6,750**	**59.20**	**64.40**	**64.20**
December 2020	**40,230**	**2,630**	**64.00**	**66.20**	**64.00**
2020	**1,287,872**	**61,832**	**35.70**	**66.20**	**64.00**

The figures are taken from Euronext.

Back to CONTENTS

2.7 MAKE-UP OF CAPITAL

6,695 INDIVIDUAL SHAREHOLDERS

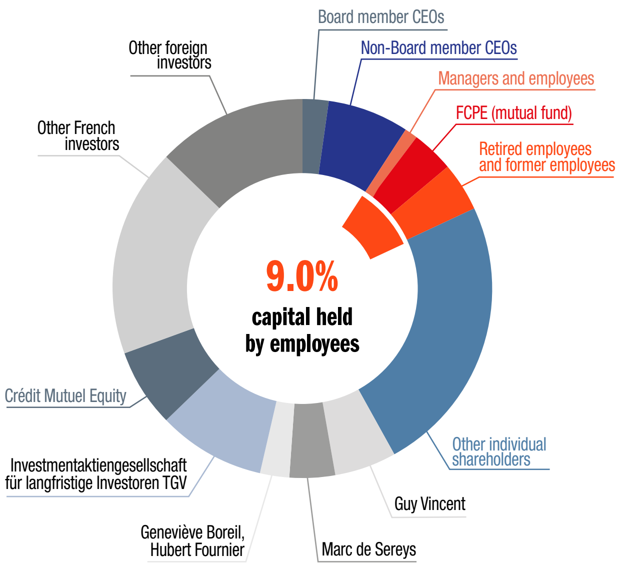
Annual General Meeting in Lyon and shareholder information meeting in Paris in 2019.

2.7.1 BREAKDOWN OF CAPITAL

We have an exceptionally high number of individual shareholders for a company of our size: nearly 7,000 people who represent 39.8% of capital.

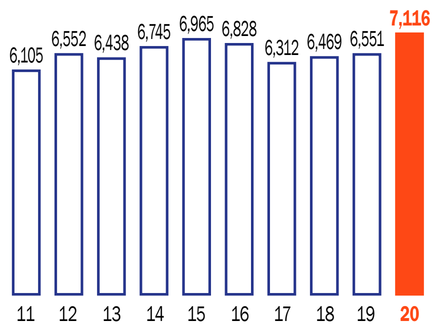
In 2020, 2,150 new shareholders joined us and 1,575 left (temporarily perhaps...).

Following the capital increase reserved for employees (12th resolution of the 2019 Shareholders' Meeting), the proportion of capital held by employees and retired employees reached 9%. We are maintaining our objective of reaching the symbolic milestone of 10% of the capital held by employees and retired employees.



Number of shareholders	2018	2019	2020
CEOs and managers	40	46	**45**
Board members	8	7	**7**
Employees	112	127	**140**
Former directors	3	3	**4**
Family of founders	28	29	**29**
French investors	176	165	**130**
Foreign investors	80	68	**66**
Individual shareholders	6,022	6,106	**6,695**
Total	**6,469**	**6,551**	**7,116**

Number of shareholders in 2020



Back to CONTENTS

2.7.1 BREAKDOWN OF SHARES AND VOTING RIGHTS

The figures are from identifiable shareholder data requests made on November 30, 2018, November 29, 2019 and November 30, 2020.

The nominal split of the share by 2 in May 2018

	2018		2019		2020	
	Number of shares held	Capital / Voting rights	Number of shares held	Capital / Voting rights	Number of shares held	Capital / Voting rights
Executives, Board members and personnel	**1,285,778**	**18.9%**	**1,732,492**	**19.0%**	**1,285,690**	**14.0%**
Board member CEOs	220,943	2.4%	224,062	2.5%	227,051	2.5%
Board members not free of interests	390	NS **	630	NS **	430	NS **
Independent Board members	2,782	NS **	2,482	NS **	2,783	NS **
Non-Board member CEOs	606,659	6.7%	612,963	6.7%	621,096	6.8%
Managers and employees	111,218	1.9%	153,667	1.7%	111,130	**1.2%**
Thermador Groupe FCPE (mutual fund)	230,000	2.5%	250,000	2.7%	322,000	**3.5%**
Thermador Groupe owning its own shares	1,200	NS **	1,200	NS **	1,200	NS **
Individual shareholders	**3,664,632**	**34.3%**	**3,073,494**	**33.7%**	**3,664,720**	**39.8%**
Including retired employees and former employees	383,163	4.2%	391,570	4.3%	392,731	**4.3%**
Including Guy Vincent*	487,488	5.4%	487,488	5.4%	490,000	5.3%
Including Marc de Sereys*	348,060	3.8%	353,516	3.9%	353,516	3.8%
Including Geneviève Boreil and Hubert Fournier*	244,120	2.7%	244,120	2.7%	230,266	2.5%
Institutional investors	**4,263,833**	**46.8%**	**4,303,766**	**47.3%**	**4,250,439**	**46.2%**
Investmentaktiengesellschaft für langfristige Investoren TGV	827,668	9.1%	827,668	9.1%	827,668	9.0%
Crédit Mutuel Equity			518,202	5.7%	629,906	6.9%
Financière Borde	511,852	5.6%				
Other French investors	1,965,646	21.6%	1,613,726	17.7%	1,630,487	17.7%
Other foreign investors	958,667	10.5%	1,344,170	14.8%	1,162,378	12.6%
OVERALL TOTAL	**9,109,752**	**100%**	**9,109,752**	**100%**	**9,200,849**	**100%**

Capital owned by employees.

* Not bound by any shareholder pact. ** NS: Non Significant.

There is no family link between the founders (**Guy Vincent, Jacques Borde, Geneviève Boreil, Hubert Fournier and Marc de Sereys**) and the current directors.

The use of the **TPI** procedure (identifiable bearer share) must be authorised by an Extraordinary General Meeting. The Extraordinary General Meeting of June 27, 1988 gave us this authorisation, and it was incorporated into the company's by-laws. This means that by approaching the centralising body EUROCLEAR we can – at a cost – obtain the name, address and shareholding of every French shareholder.

The number of shares was closed on December 30, 2020. No substantial variation was observed in terms of registered shares between December 30 and December 31, 2020.

The AGM of April 4, 2016 opted for the principle of one share, one vote. On December 31, 2018, 2019 and 2020, capital and voting rights percentages were identical.

To the company's knowledge, no other shareholder than those mentioned above has a shareholding greater than 5%.

2020 milestones:

Guy Vincent, founder of Thermador, resigned from the Board on January 28, 2020. Quite naturally, he joined the group of private shareholders.

The share of institutional investors decreased in favour of that of private shareholders, which peaked at 39.8%.

Finally, the Thermador Groupe FCPE (mutual fund) increased by 0.8% following the increase in capital reserved for employees. Thus, managers and staff, the FCPE, retired employees and former employees now account for 9% of the capital.

2.8 LOOKING FORWARD TO 2021

ANNUAL GENERAL MEETING APRIL 6 5PM AT INTERCONTINENTAL LYON - HÔTEL DIEU

AGENDA

Annual General Meeting	April 6, 2021 at 5pm at Intercontinental Lyon - Hôtel Dieu or in videoconferencing or 'hybrid' mode, depending on the context and the regulations in force.
Shareholders meeting in Paris	April 8, 2021 at 4pm at Salons Hoche in Paris.
Payment of dividends	The dividend will be detached on April 13, 2021 and made available for payment on April 15, 2021.
Announcement of quarterly turnover	April 16, 2021, July 16, 2021, October 15, 2021 and January 14, 2022.
Announcement of mid-term results	July 30, 2021.
Publication of annual results	February 21, 2022.

The publication of annual and half-year results will be preceded by an embargo period of one month; the publication of quarterly turnover will be preceded by an embargo period of 15 days, in compliance with the guide to permanent information and management of inside information (DOC-2016-08) and article 19.11 of MAR.

Dividends not claimed within 5 years as of the date of payment are subject to prescription (civil code art. 2277). They are then paid over to the State.

Our website: www.thermador-groupe.fr
Write us: actionnaires@thermador-groupe.fr

Regularly updated in French and English, it presents the group's activities, financial information and stock exchange news.

Our financial publications appear in the 'news' section and 'regulated information' section. They are also relayed on stock exchange information sites, in French and in English, on LinkedIn and on Twitter.

A shareholder space is available so that you can update your details and express your wishes as to how you want our documents to be sent (mail and/or email).

STUDIES

We would like to thank the analysts who take an interest in our group. Studies are carried out regularly on our stock by:

- Portzamparc in Nantes - tel. +33(0)2 40 44 94 09.
- CM-CIC Securities in Paris - tel. +33(0)1 45 96 77 00.
- ODDO BHS à Lyon - tel. +33(0)4 72 68 27 00.
- Financière d'Uzès in Lyon - tel. +33(0)4 78 42 51 18.
- IDMidCaps in Paris - tel. +33(0)1 80 48 80 12.
- Giraff Equity in Paris - www.giraffequity.com

Guillaume Robin is legally responsible for financial information.

Back to CONTENTS

2.9 **2020 ANNUAL GENERAL MEETING**

65.8%
OF VOTING
RIGHTS

Replay of the General Assembly of April 6, 2020 available on our YouTube channel.

RUNNING OF OUR **AGM**

Our Annual General Meeting was held behind closed doors on April 6, 2020. It was attended virtually by 260 people and 745 voters representing 65.8% of voting rights, compared to 70.3% recorded in 2019. We thank you for your high level of commitment in the very difficult context our country is experiencing at present, and were pleased to observe broader use of the Votaccess platform for remote voting.

All the resolutions were adopted with approval rates of between 76.8% and 99.9%. You will find herewith the text of the resolutions on pages 149 to 151 of our 2019 universal registration document as well as on our website.

Thus, a dividend of €1.80 per share was detached on April 9 and released for payment on April 15, 2020. As we said during the Annual General Meeting, we will wait to see the exact consequences of the current crisis for our 2020 accounts to decide on what we can propose in terms of dividends payable in April 2021.

As in previous years, the whole of the AGM was filmed and is available online on Thermador Groupe's YouTube site:
https://www.youtube.com/watch?v=vKi2-e2et-s

THERMADOR GROUPE RECEIVES PROXINVEST AWARD FOR ITS 2020 ANNUAL GENERAL MEETING

Proxinvest, On Wednesday November 25, 2020, Proxinvest, an independent European voting consultancy agency, unveiled the winners of its first 5 Grand Prix awards, judged by an independent jury. Thermador Groupe won the 'Proxinvest Jury's Grand Prix–2020 AGMs-France' prize for the organisation of its AGM, its respect for shareholders and its very high rate of compliance with Proxinvest's voting policy and principles.

The Jury noted two differentiating elements:

- Implementation of a system of direct questions at the General Meeting via a chat room, despite the closed-door format, pulled together at short notice.
- Implementation of good practices during lockdowns and a desire to respect shareholders that surpasses that of many large listed companies.

SHARES CAN BE BEARER, DIRECTLY REGISTERED OR ADMINISTERED

1) Bearer shareholders entrust management of their shares to their financial representative who receives custody fees. In our case, they are known to our company only through the annual TPI census.
2) In the case of registered shareholding, the holder fulfils the formality of depositing his shares in a share account managed by the issuer or by a financial intermediary authorised by the issuer. In our case the intermediary chosen by us is: **Securities CM-CIC / Middle Office Emetteur - 6, avenue de Provence - 75441 Paris cedex 09 - France.**

To transfer shares to registered format, application must be made by letter to the financial intermediary giving the contact details of the above-mentioned representatives.

Registered shares are permanently identifiable to the issuer. They are not subject to custody fees.

3) You can also opt for administered shares. You keep your shares account – or your PEA (savings plan in shares) – with your financial intermediary who undertakes to keep us permanently informed of your position.

REMOTE VOTING

If you cannot attend the Annual General Meeting, you can entrust powers to the Chairman or any other shareholder of your choice.

You can also vote by mail. In both cases, we invite you to use a single form that is available upon request.

For pure or administered registered shareholders and bearer shareholders whose financial intermediary has signed up to the VOTACCESS system, electronic voting by VOTACCESS has been possible as of the Annual General Meeting of 2017.

2.10 RELATIONSHIP WITH OUR SHAREHOLDERS

18 EVENTS
PER YEAR
TO MEET OUR SHAREHOLDERS

2.10.1 WEBCONFERENCES

The digital know-how of our communications agency Opaline was particularly useful in 2020 in helping us keep in touch with our shareholders. Four webinars were held, just a few days after results publication dates, during which viewers' questions were answered live or post-event.

For the publication of Q3 turnover, our webinar was simultaneously translated into English for the first time.

A replay was made available for each webinar, so that those who couldn't attend were able to catch up after the event. Participants were individual shareholders, institutional investors and employees.

2.10.2 INSTITUTIONAL INVESTORS

To meet our investors (46.2% of capital), we attend investor shows each year, with an average of ten interviews per day.

- 2 days at the **Forum Oddo Midcap** in January in Lyon.
- 1 **SFAF** meeting for the publication of the annual results.
- 1 digital roadshow with **CM-CIC Market solutions** in May.
- 1 **SFAF** meeting in September for the publication of the half-yearly results.
- 1 day at investors forum of **Lyon Pôle Bourse** in September.
- 2 days with **Midcap Events** in October in Paris.
- 1/2 day at the **ESG Next'up Ethifinance** digital forum in October in Paris.

Throughout the year, we have numerous contacts by telephone, face-to-face or during roadshows organised for the most part in Paris. Investors are particularly attracted to the simple and direct contact that they can have with the Chairman and CEO and the Deputy CEO, responsible for finance.

Furthermore, our communications on LinkedIn and Twitter are increasingly followed.

2. REPORT ON CORPORATE GOVERNANCE

Back to CONTENTS

2.10.3 INDIVIDUAL SHAREHOLDERS

All shareholders with at least one share receive the annual report, letters to shareholders and our invitation to the Annual General Meeting.

To our knowledge, we are one of the few companies to do so. This practice has resulted in us having a growing number of individual shareholders (6,695 at the December 2020 TPI) who represent 39.8% of our capital (the average for companies listed on the Stock Exchange is under 10%).

2.10.3.1 ACTIONARIA SHOW

Each November, at the Palais des Congrès, Porte Maillot in Paris, we have a stand at the Actionaria show, which allows us to meet hundreds of our shareholders from the Paris area and get ourselves known to increase our spread of shareholders. Unfortunately, it was completely called off in 2020 due to the Covid-19 crisis. We are determined to bounce back in 2021!

2.10.3.2 OBSERVATOIRE DES ACTIONNAIRES D'AVENIR

We are involved in this workgroup alongside Air Liquide, Axa, Edenred, Engie, Korian, L'Oréal, Suez and Wavestone.

The *Observatoire des Actionnaires d'Avenir* (OAA) works to promote individual and employee shareholding with the long-term idea of redirecting French savings towards the national production system, to help keep decision-making centres in France.

http://www.capitalisme-responsable.com/observatoire-des-actionnaires-davenir/

2.10.3.3 PARTNERSHIP WITH F2IC

In partnership with F2IC (federation of individual investors and investment clubs), a webinar was held on October 21, 2020, with replay, for the **25,000 individual shareholders** registered with the association. In addition, F2ic supported group employees wanting to set up an investment club.

http://www.f2ic.fr

2.10.4 RETIRED EMPLOYEES AND FORMER EMPLOYEES

They hold 9.0% of capital, directly or via Thermador Groupe FCPE (mutual fund). Signatories of a stock exchange charter, they can only intervene on the market 4 times per year during the trading windows of 3 weeks further to the publication of turnover (1st and 3rd quarter) and results (1st half and annual results).

In 2017, we took the initiative of inviting them to a pre-AGM meeting to take the time to explain the workings of governance, the role of independent Board members and the resolutions tabled. This meeting with all the employees took place again in 2018, 2019 and 2020.

During the first lockdown, we organised a distance-learning course given by the Ecole de la Bourse: 'The keys to effective investment in shares'.

Traditionally, shareholder employees are good AGM attendees. There were around 103 of them at the 2020 digital edition.

Retired and former employees often remain shareholders. A lot are also present at the AGM. They own 4.3% of share capital.

Increase in capital reserved for employees

Despite the extremely worrisome context and a highly volatile share price, Thermador Groupe's employees fully bought into the increase in capital reserved for them under the 'collective management' process (authorisation given by the AGM on April 8, 2019). As a result, 91,098 Thermador Groupe shares (1% of the capital) were created on April 27, 2020 and added to the Thermador Groupe FCPE (mutual fund), which owned 3.3% of the capital at December 31, 2020.

Shareholders' information meeting in Paris in 2019.

OUR SHAREHOLDERS'
MEETING IN PARIS
130 PEOPLE

Back to CONTENTS

2.11 SHAREHOLDERS' EMAILS AND CHAT

From JPB on 2 March 2020

What can you tell us about this sudden and dizzying drop to reassure us?

Shareholder services response

Below is the Thermador Groupe share price over 12 months, compared to the CAC40 and CACMid&Small:

Thermador Group: -4.7%.

CAC40: -1.8%.

CAC Mid& Small: -7.4%.

This simply shows that the recent decline in our share price reflects an overall market trend. And it does not look like the market is punishing us, probably because investors think our recent figures are good.

To reassure you:

- Our stock levels are generally higher than those of our competitors.
- We maintain stable and balanced relationships with our suppliers. This facilitates decision-making in crisis situations and makes us a priority customer for them.
- We are actively sourcing and developing suppliers in France, Spain, Germany, Belgium, Turkey, Brazil, Hungary, India, Poland, South Korea, Slovakia, Finland, Portugal, Austria, England and the Netherlands.
- Our debt is very low. We can withstand crises, as we proved in 2008-2009.
- The euro/dollar exchange rate has moved very favourably in recent days.

We plan to communicate more precisely on the consequences of this crisis as soon as we have concrete elements to show to investors.

From ST on the webinar chat of February 21

Is a distribution of free shares planned?

Shareholder services response

We do not plan to distribute free shares in 2020. Contrary to popular belief, these transactions do not generate shareholder value, but do generate significant costs for the company. The only reason that could lead us to propose a distribution of free shares in the coming years would be for better liquidity of the share. However, we remain highly cautious since previous operations proved nothing of the sort.

From PR on the webinar chat of February 21

What is the average growth rate forecast in your 5-year business plan?

Shareholder services response

On page 10 of the annual report, we give indications of our ambitions for the next decade.

'Our objective is to continue to grow at a similar pace to that of the past ten years, respecting staff, shareholders, customers, suppliers, other stakeholders and the environment.'

We have never communicated short-term targets, to avoid having to continually justify the inevitable deviations.

Given our track record on the stock market since 1987, we believe that our shareholders can trust us on the basis of our past results.

From RA on the webinar chat of February 21

Will cash flow also be used to reduce debt and increase net cash?

Shareholder services response

At December 31, 2019, our net cash position stood at €32.3m, our bank debt at €41.7m and our shareholders' equity, after allocation of profit, at €203.2m. We consider that our current cash position is sufficient to meet our immediate needs. Any variation in this cash position can come from a number of factors: sales, margins, working capital requirements, investments, etc.

Debt reduction is not a goal in itself, especially as our debt is relatively small. In addition, we may make a decision to take on additional debt to finance the likely acquisition of Thermacome. It is therefore too early to answer your question. In any event, we do not plan any early repayment of debt. Loans have all been negotiated at fixed rates over periods of 5 years, benefiting from historically favourable conditions.

From JFC on April 6, 2020 regarding the capital increase reserved for employees.

I welcome this company initiative, which enables employees to become even more involved in their company and gives them employees priority access to profit distribution. It is only natural that they should be fairly rewarded for their work and be able to reap the benefits of that work in the best possible way.

However, I wonder whether it would be possible to carry out a study on employee participation in company ownership?

Would it be possible to know how many employees took part in this operation? The percentage of employee shareholders in the company before and after the operation? The percentages by category of personnel (blue-collar workers, technicians and supervisors, executives, senior managers)? The proposed purchase price? Whether there is a company top-up after a certain period of time? ...

Shareholder services response

We counted 471 participants out of 566 employees who could take part in the operation, i.e. 83%.

You will find the history of the company savings scheme (PEE) on page 61 of the annual report. In 2020, subscriptions of senior executives (18 people) were limited to €1,500 each in order to give priority to employees on this exceptional operation. We feel that the spread is fairly even among the socio-professional categories. You will find the figures on page 59 of our annual report.

On pages 42 and 43, you will find the share of the capital held by employees and former employees.

Here are the rules for this year's employer's contribution:

For the tranche from €100-€300: 300% employer's contribution with a maximum amount contribution of €900 on this tranche.

For the subscription tranche from €301-€1,000: 150% matching contribution with a maximum amount of €1,050 on this tranche.

For the subscription tranche from €1,001-€1,500: 30% matching contribution with a maximum amount of €150 on this tranche.

This gives a maximum possible employer contribution of €2,100.

The employees benefited from the best provisions of the PACTE law, i.e. a 40% discount for locking the funds in for 10 years. 91,098 shares will thus be created on the basis of a valuation of 31.30 euros.

From DT on the webinar chat of October 16, 2020

Why not sell FG INOX, which for the last two quarters has been underperforming at -16% and -12% if I remember correctly?

Shareholder services response

FGinox was acquired in 2017 (see press release). The plan for onboarding the company into the group is progressing normally:

- Deployment of the group's information system: early 2021. New e-commerce website: early 2021. New warehouse near Sferaco and Syveco: 2022.

Since its arrival in the group, FGinox has delivered good profitability and cash generation. The drop in turnover in 2020, largely due to the pandemic, does not justify the radical measure you are proposing.

From PHS on the webinar chat of October 16, 2020

Good evening, are you thinking about developing sales through the digital channel?

Shareholder services response

We are developing these sales via new and existing customers:

· Longstanding customers who are now multi-channel customers.

· Marketplaces.

· Specialist trade sites.

· Our own sites open only to account customers.

This new distribution channel means developing the necessary skills internally (databases, digital marketing).

The good resilience of the group during this period shows that our products are well represented on the web. We continue to strive for further progress.

3. EXTRA-FINANCIAL PERFORMANCE STATEMENT

3. EXTRA-FINANCIAL PERFORMANCE STATEMENT

CHAIRMAN'S STATEMENT

Our employees, many of our customers, and some of our shareholders would like us to be more specific about our commitments to sustainable development and, in particular, about the measures taken within our group to reduce the impact of our activities on the environment.

Fully convinced of the merits of this approach, we have taken three important decisions:

- to appoint a specialised outside firm to support four of our subsidiaries (representing 44% of our business) from the first half of 2021, with the aim of rapidly defining medium-term objectives that are measurable, achievable and understandable for stakeholders,
- to introduce regulatory surveillance on this topic,
- to create a sustainable development committee within our Board of Directors chaired by Mathilde Yagoubi, an independent director. Its general mission will be to assist the directors in monitoring issues related to social and environmental responsibility, anticipate the opportunities and risks associated therewith, and make decisions. The committee will conduct its deliberations in close cooperation with the Executive Committee and the Thermavert cross-functional group, which regularly report on their missions and recommendations with regard to the Group's CSR policy and achievements.

A training programme of 12 days with FL FINANCE Academy and Middlenext has been drawn up for Mathilde Yagoubi to enable her to perfectly accomplish her mission.

These decisions should enable us to make faster progress in the areas covered by the 10 sustainable development goals we have chosen from the 17 set out by the United Nations. Even though some of our actions will only have an impact in several years' time, we are determined to progressively implement them, and in particular to reduce the environmental impact of the products we distribute. This implies early reflexion with our industrial partners in order to better understand and control their products' life cycles.

MORE THAN 10 YEARS IN THE TOP 10

GAÏA INDEX

For several years now, we have been among the leaders of the 'Gaïa-rating' index, independently compiled by EthiFinance. Website: http://www.gaia-rating.com/

Environment, Social, Governance (E.S.G.) criteria are investigated in detail.

In 2020, we were ranked 35th out of 230 and 7th in the category of companies reporting a turnover between €150 and €500 million. For 10 years, data has repeatedly shown that companies who score well on extra-financial criteria also perform better financially.

In 2020, our performance in terms of corporate social responsibility was evaluated for the first year through our subsidiary Sferaco and Axelair by the EcoVadis platform, to promote transparency and trust among our customers and business partners. Sferaco outcome was a silver medal with a score of 65/100. Axelair obtained the bronze medal with a score of 45/100. These results place our subsidiaries Sferaco and Axelair in the top 25% and top 50% of companies assessed respectively. Two other subsidiaries, Sectoriel and Distrilabo, will also be assessed by the EcoVadis platform in 2021.

Website: https://www.ecovadis.com/

3.1 BUSINESS MODEL

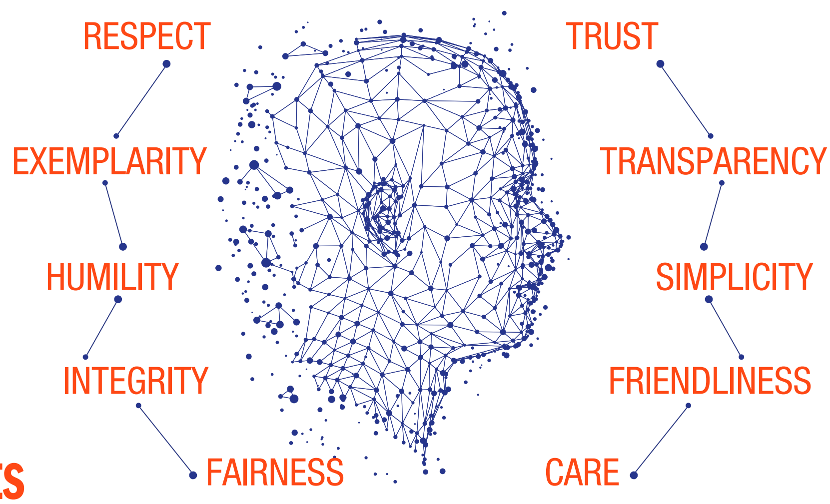
3.1.1 OUR IDENTITY

Thermador Groupe gathers a set of equipment and materials distribution companies for fluid circulation in building and industry and heavy tooling for retail and professionals. Our customers are wholesalers of heating and sanitary equipment, pumps, valves, industrial supplies, manufacturers and all those involved in the DIY sector.

Our group builds its growth by respecting its staff, shareholders, customers, suppliers, other stakeholders and the environment.

The group’s values are trust, transparency, simplicity and conviviality in human relations.

These values are represented in our relations with all our stakeholders (employees, shareholders, customers, suppliers, etc.).



3.1.2 OUR VALUES

The future value of the group is in the hands of the management and their people in each of the subsidiaries.

No director, manager or supervisor is alone in Thermador Groupe. Each can exchange with his or her peers within inter-subsidiary workgroups. This is particularly true in the area of human resources, and the sharing of good practices seems to us a very effective method to help everyone grow and ensure overall cohesion.

Sharing good practices in the human resources field.

However, there is no group HR. Within each of the group’s companies, each subsidiary CEO and each local manager must assume full responsibility for their teams.

It all starts with recruitment, a complex art that we approach with humility and simplicity. Our conclusion is that collegial decisions seem the most reliable.

The induction of new people within the subsidiaries requires structured training and time. We think that it takes a new employee one year to acquire minimum independence and efficiency. This explains why it is impossible to suddenly adjust staff structure to changes in the marketplace. We need to anticipate and act with confidence.

Throughout people’s careers, we try to allow everybody to develop their talents according to their own merits and capabilities. We cultivate virtues of exemplarity, transparency, respect and a fair share of profits from our work.

The choice of proximity with our employees.

Our management teams are clearly responsible for the quality of the labour relations in our companies, and we promote care, conviviality, simplicity and serenity. To this end, our minimalist organisational structure, limited to four hierarchical levels, promotes proximity between managers and all employees of the group.

‘Communication from management was very fluid throughout the period, because of a tight organisation chart and natural proximity between managers and subordinates. The crisis was well managed, the whole team was committed to customer satisfaction and constantly reacting to keep up with demand.’ *

Very short reporting chains.

However, this proximity is no longer sufficient to gather all ideas, comments, suggestions and sources of discontent from the men and women who work in each of our subsidiaries. It is for this reason that in 2017 we decided to send them a questionnaire entitled ‘Employee survey on the quality of life at work’. They obviously bought into this new form of expression, given that the response rate was 94%!

This ‘barometer of the quality of life at work’ survey will concern all employees in 2021, including those of recently-acquired subsidiaries: Ets Edouard Rousseau, Distrilabo and Thermacome.

We think this helps us to gather behind us staff who are committed, confident, efficient and generally loyal.

When a departure seems inevitable, we attempt to be as fair as possible.

Focus on exemplary behaviour and transparency.

All this allows us to be very demanding at every level of the company, and indeed requires us to be so for the benefit of the group.

With the acquisition of 9 companies and one business since 2015, we now face the challenge of opening up to other corporate cultures whilst progressively disseminating our key values. Those values must continue over time and represent the cornerstone of our group.

* Testimonial of Jacques Schiele (Head of the motorised valve assembly workshop at Sectoriel) made following the COVID-19 crisis (see letter to shareholders n°100 available on our website).

Back to CONTENTS

3.1 BUSINESS MODEL

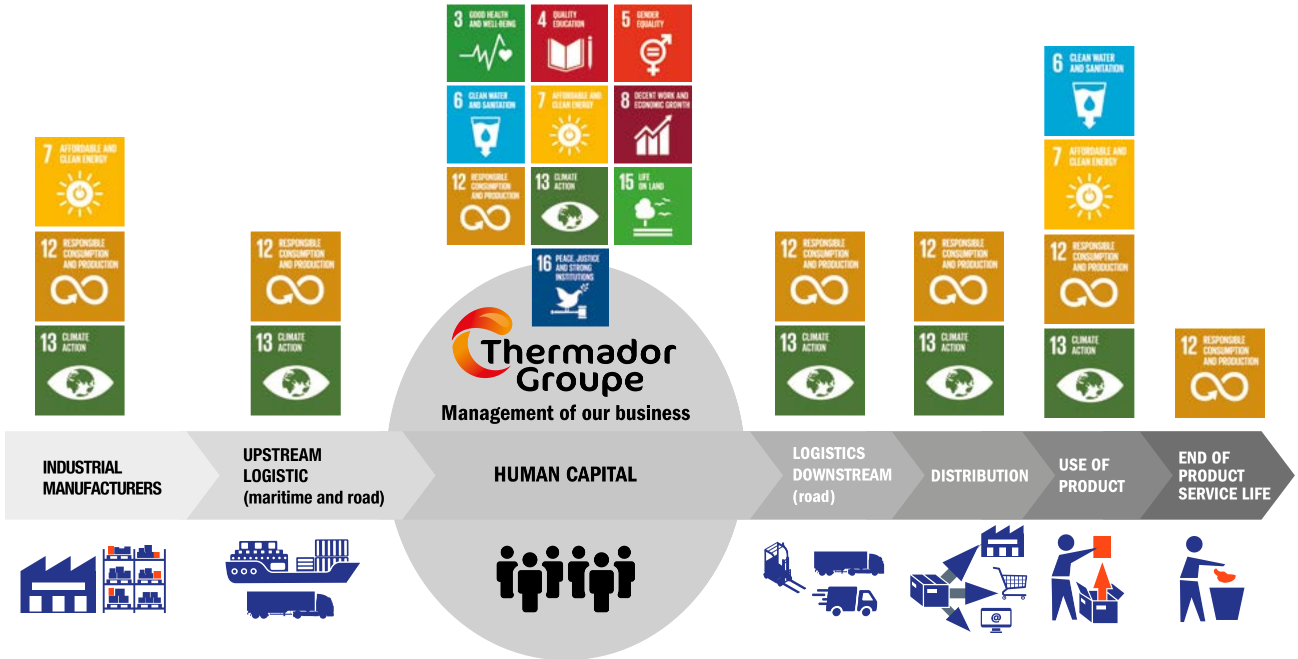
3.1.3 OUR BUSINESS MODEL

Thermador Groupe is an actor in specialised distribution. Our subsidiaries are interfaces between manufacturers and wholesalers, DIY superstores, factories, swimming pool professionals, e-commerce sites and market places.

Our markets and economic model are presented from pages 4 to 15. Thermador Groupe's turnover was €395.5m.

Our vision, strategy and current challenges are presented in the Chairman's statement (page 3) and on page 10 of this document.

Our governance is described from page 24 to 32.



	The resources we need			For what results?
Financial	Shareholders' equity: €225m. Diluted shareholding with 7,116 shareholders. 46.2% institutional investors, 39.8% individual shareholders and 14% held by managers, executives and employees. Cash: €39.9m. Debt: €39.4m.			Sales of €395.5m, up 7.2%. Net profit (group share) of €36,200,000, up 11.8%. Dividends paid each year without ever having fallen.
Human	Our teams of men and women: 668 employees (representing 654 full-time equivalent positions).		**4 8 15 Talent management** **3 Working conditions and safety at work** **5 Gender equality**	Barometer of the quality of life at work: 94% of employees responded. 59% of employees received training. Internal mobility: 2 people in 2020. Staff turnover rate: 11.1%. Average length of service: 9.76 years. Accident frequency rate: 13.66. 34% women in management positions. 27% of employees benefit from profit-sharing and incentive schemes or the other employees receive variable remuneration. Variable earnings represent 18% of total earnings.
Procurement	99,019 m² of storage space. 691 suppliers of finished products.	**12 End of product life cycle**	**16 Human rights and working conditions**	Factory visits and supplier audits. 24% of our purchases come from suppliers who have been our partners for more than 40 years. 43,024 tonnes shipped.
Intellectual	Innovation: 4 design offices in our subsidiaries.	**7 13 6 Energy efficiency - Greenhouse gas emissions - Water management**		More than 7,900 new product references launched in 2020. 9 brands created in 2020.
Natural	Energy : - water, electricity, gas for warehouses and offices, - diesel for road and sea transport. Use of cardboard, wooden pallets and stretch film for packaging shipments.	**7 13 6 Energy efficiency - Greenhouse gas emissions - Water management** **12 End of product life cycle**		CO_2/tonne emissions of products purchased. CO_2/tonne emissions of products sold. 65% of energy from renewable sources. 85% recycled waste. WEEE contribution for product recycling: €393,700 contribution in 2020.
Relational	Distribution: 34,000 partner customers.			4 of our subsidiaries representing 28% of our turnover are ISO 9001 certified. 3 of our subsidiaries are training organisations and deliver training to our customers.

3.2 MAJOR CORPORATE SOCIAL RESPONSIBILITY RISKS AND CHALLENGES

3.2.1 OUR ECOSYSTEM

Thermador Groupe operates in an environment made up of actors having an influence on its business, strategy, values and ambitions.

In all our economic and social relations, we prioritise exchange and transparency and listening, all inexhaustible sources of inspiration, progress and innovation.

Thermador Groupe identifies five key stakeholders:

- Customers, whether distributors or consumers. Their purchases allow the group to survive economically.
- Employees, who contribute hard and soft skills and know-how.
- Investors, shareholders and bankers, who provide the capital we need for investment, stability and growth.
- Suppliers, who provide the goods and services that are crucial to our business.
- Civil society through the public authorities, local authorities, associations and schools with whom we work.

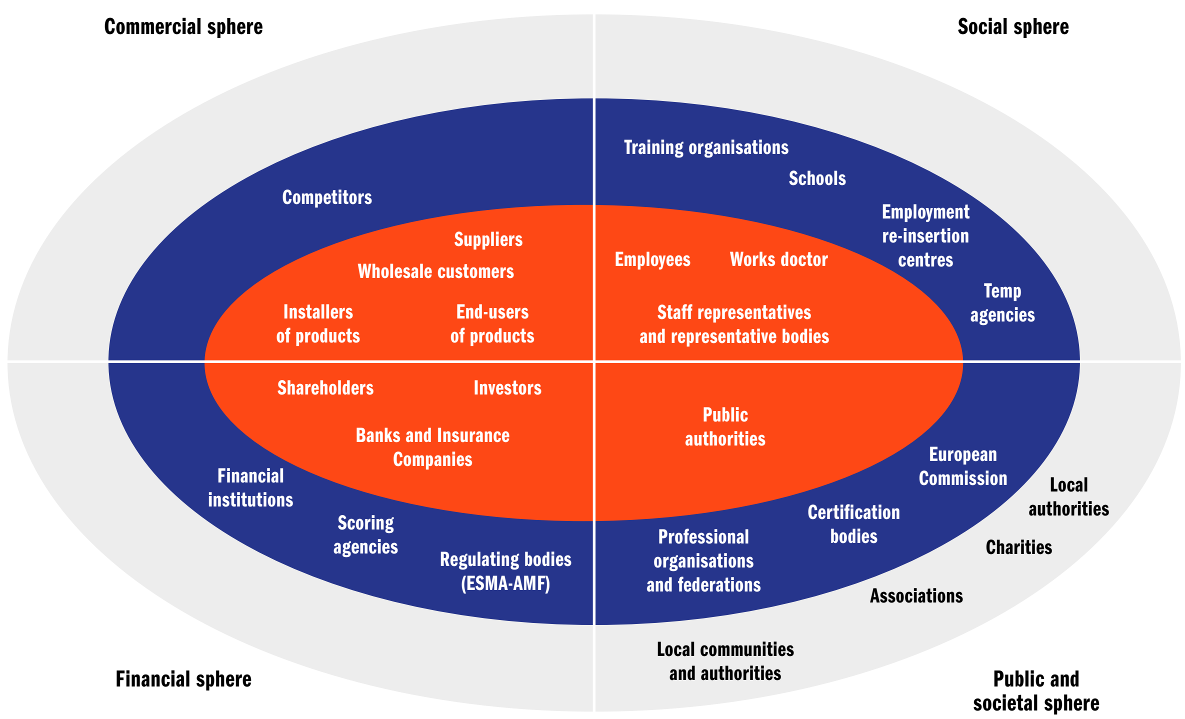
PRESENTATION OF OUR ECOSYSTEM

We have many stakeholders who influence our activities and our strategy in terms of societal and environmental responsibility, at three levels:

Level 1: They are crucial to the existence of Thermador Groupe.

Level 2: Their influence is significant to major Thermador Groupe projects or activities.

Level 3: Their impacts are limited or occasional, for a one-off project or activity of the group.



3.2 MAJOR CORPORATE SOCIAL RESPONSIBILITY RISKS AND CHALLENGES

3.2.2 OUR METHODOLOGY

From our value chain, we have identified the key risks and challenges faced by Thermador Groupe. We have selected the risks and challenges from analysis of their existing materiality, pertinence and severity further to financial risk analyses.

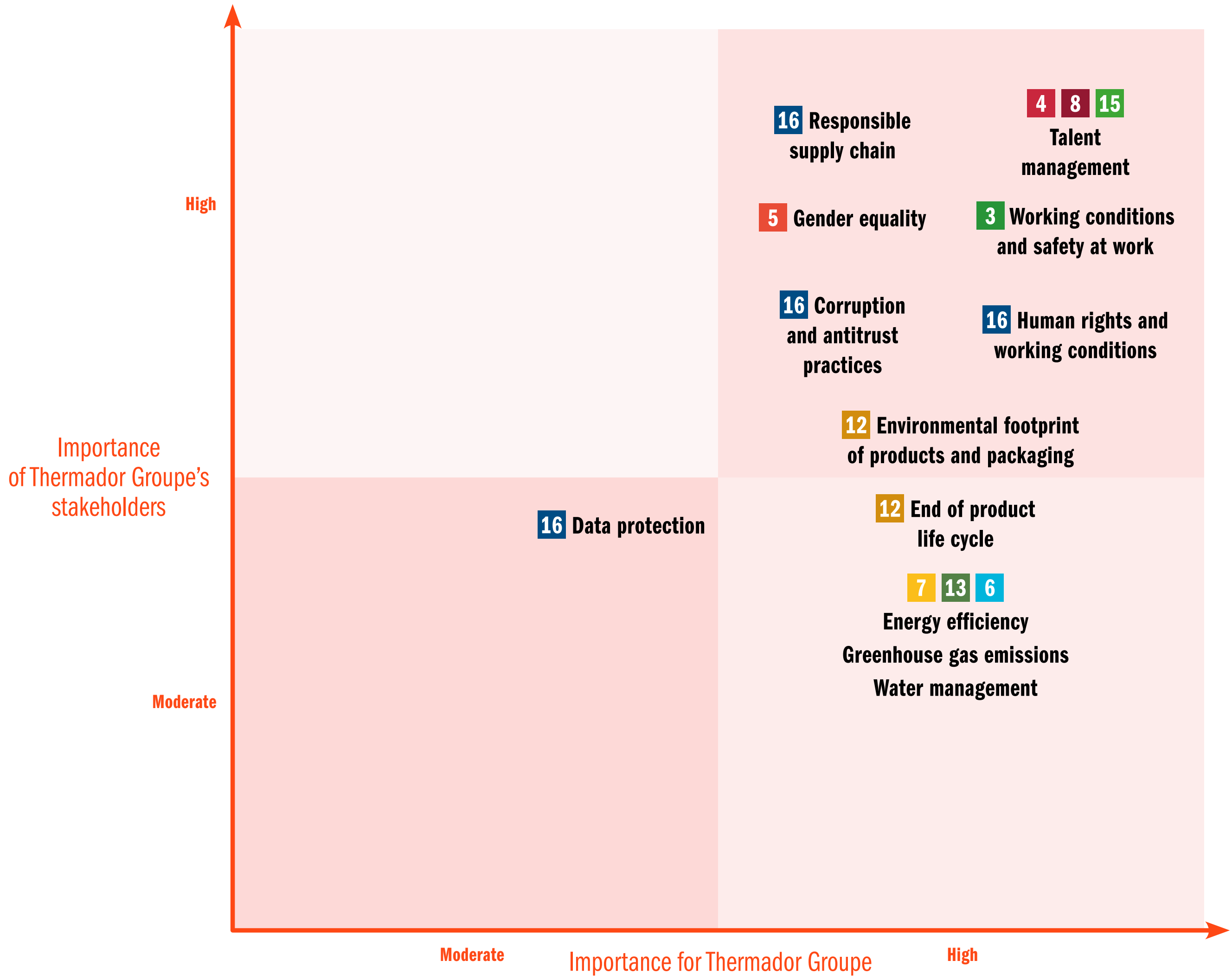
When our business has a positive impact on the environment, the approach continues and the benefits of the activity are highlighted.

Conversely, when our activity has a negative impact on the environment, we explain how the group can contribute to reducing it by modifying its practices or minimising the environmental impact through carbon offset initiatives.

The information presented below concerns consolidated Thermador Groupe companies on December 31, 2020. For 2019 and 2018, the information presented does not include data from the following companies: Etablissements Edouard Rousseau, Rousseau SA, Distrilabo and Thermacome.

3.2.3 THE FIVE RISKS AND OPPORTUNITIES

The five risks and opportunities outlined below have been classified by combining their importance for Thermador Groupe and for stakeholders.



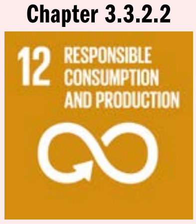
These materiality criteria for risks and challenges that are important both for Thermador Groupe and its stakeholders are identified using our business model as presented previously. They are also reflected in the performance indicators that we monitor, the correspondence of which you will find attached:

Materiality criteria	Business model
Talent management	Percentage of employees trained Turnover Average length of service
Responsible supply chain	% of products coming from ISO 14001 certified factories
Gender equality	% of women in managerial positions
Working conditions and safety at work	Accident frequency rate
Human rights and working conditions	% of products from factories visited % of our purchases from countries complying with ILO's core provisions
Corruption and competitive practices	% of products from factories visited % of employees trained in anti-corruption measures
Environmental footprint of products and packaging	Quantity of CO_2 emissions % of waste recycled

Back to CONTENTS

Risk / opportunity	Definition	Chapters / sub-chapters
RESPONSIBLE SUPPLY CHAIN		
Human rights and working conditions **Environmental impact**	**Risks:** Thermador Groupe and its subsidiaries could see their legal liability and their image compromised because of a supplier's non-compliant practices that affect human rights or environmental standards (child labour, forced labour, health and safety, toxic emissions, etc.).	**Chapter 3.3.2.3** 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
COMPLIANCE		
Corruption and antitrust practices	**Risks:** Through their presence internationally, Thermador Groupe and its subsidiaries could break anticorruption laws or other similar regulations on account of their activities right through the Supply Chain. The consequences would be to harm its image and also risk possible financial sanctions.	**Chapter 3.3.2.3** 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Data protection	**Risks:** Given the high level of digitalisation of its activities, Thermador Groupe could infringe legal data protection provisions (GRDP). This could lead to financial sanctions and harm to Thermador Groupe's image.	**Chapter 3.3.2.3** 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
PERSONNEL DEVELOPMENT AND SAFETY		
Talent management	**Risks:** If its Human Resources management policy were unattractive and failed to respect employees, Thermador Groupe could have difficulties recruiting and holding onto the talent required for its growth. This could detrimentally impact operational efficiency, reduce the quality of service to customers and deteriorate financial performance. **Opportunities:** We need to attract and keep talent by giving meaning to our projects and sharing our values. If this is not done, we may see greater instability in our teams, with damaging consequences for operational efficiencies, service quality to customers and financial performance.	**Chapters** **Chapter 3.3.2.1** 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH **Chapter 3.3.2.2** 15 LIFE ON LAND
Gender equality	**Risks:** Any unfair treatment between men and women within the group would be immediately identified because of our determined policy on transparency of earnings. This would immediately demotivate 34.4% of our employees and break the current agreement with damaging consequences for operational efficiency, service quality to customers and financial performance.	**Chapter 3.3.2.1** 5 GENDER EQUALITY

3.2 MAJOR CORPORATE SOCIAL RESPONSIBILITY RISKS AND CHALLENGES

Risk / opportunity	Definition	Chapters / sub-chapters
PERSONNEL DEVELOPMENT AND SAFETY		
Working conditions and safety at work	**Risks:** Thermador Groupe employees and those of its subsidiaries could be exposed to work-related accidents, especially as our downstream logistics are internalised. **Opportunities:** The risks are analysed and identified as part of the Safety Document, which allows us to promote prevention and reduce the risks of work-related accidents and musculoskeletal diseases.	**Chapter 3.3.2.1** 
ENVIRONMENTAL IMPACTS OF OUR BUSINESS		
Energy efficiency **Greenhouse gas emissions** **Water management**	**Opportunities:** A lot of products sold by Thermador Groupe subsidiaries contribute to reducing energy and water consumption. The high level of specialisation of our commercial companies encourages them to be very innovative in this field. Enhanced efficiency in our buildings could generate substantial economies. **Risks:** Because of the changes to thermal and energy regulations in our fields of activity, Thermador Groupe and its subsidiaries could fail to provide its customers with products that comply with prevailing regulations. That could lead to a drop in turnover. **Opportunities:** Wastewater treatment in the private housing sector is one of our specialities. Regulations have triggered market expansion in this area.	**Chapters** **Chapter 3.3.2.2** 
End of product life cycle	**Risks:** Certain products sold today are difficult to recycle. They could suffer from this shortcoming. Poor waste management would be extremely badly looked-upon by members of staff, who are increasingly sensitive to this subject.	**Chapter 3.3.2.2** 
ENVIRONMENTAL FOOTPRINT OF PRODUCTS AND PACKAGING		
Environmental footprint of products and packaging	**Risks:** The products sold by Thermador Groupe and its subsidiaries consume a lot of packaging. Upstream transport – even maritime – and the distribution of our products using road transport are high-carbon-intensity activities. If business continues to develop without these impacts being controlled and offset, the group's carbon footprint would worsen. To make progress in this area, we rely to a large extent on our suppliers. **Opportunities:** Changing regulations must encourage us to innovate in terms of packaging and help us differentiate ourselves from the competition.	**Chapter 3.3.2.2** 

Back to CONTENTS

3.3 OUR APPROACH IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

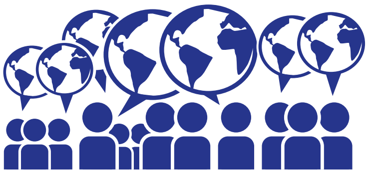
3.3.1 A DEVOLVED GOVERNANCE STRUCTURE

Societal and Environmental Responsibility is everybody's problem within the group; our strategy is therefore implemented according to the following organisation:

Actors	Roles and means of action
Board of Directors	**Governance:** Directors, of whom 5 are independent, are both in a position of actors and supervisors. At any time they can call upon the Chairman of the Board if they identify failure to respect rules of governance by referring to the Middlenext code. They have a duty and freedom to express themselves every year during the Board of Directors' self-assessment process. **Social and environment:** Board members are in a position to validate and/or challenge the objectives and strategies announced by top management. They then oversee the effective implementation of the strategy and follow up the key indicators featuring in the NFPD (non-financial performance declaration) most particularly. They talk about good practices identified during experience gained through their professional responsibilities outside the group. **Sustainable development committee:** Mathilde Yagoubi, appointed Chairwoman at the end of 2020, is working to set up and lead it. She will enlighten the Board members on this complex but crucial issue.
Executive committee	Managers are responsible for the operation and implementation of group strategy by raising awareness amongst all employees and encouraging initiatives. During bi-monthly executive committee Meetings, they talk about initiatives and good practices on subjects such as Human Resources and the environment. Instructions are then sent so that coordinated, coherent actions can be implemented to protect the environment.
Transversal groups	In 2017, a period of reflection was initiated on the carbon footprint caused by Thermador Groupe and its activities. This approach was accompanied by the ADEME (French Environmental Agency) and driven by a transversal group comprising of Patricia Mavigner, Deputy CEO of Thermador Groupe; Nicolas Billiard, Marketing Purchasing Director of Sferaco; Murielle Gentaz, Administrative Director of PBtub and Alexandra Stratulat, Administrative Director of Dipra and member of the group-level transport group. This study allowed us to prioritise a range of possible actions. On the back of this study, we have launched actions on: - improving waste management and recyclability, - reducing the carbon footprint of our buildings through various measures such as the installation of LED lighting, the installation of photovoltaic panels in our new buildings and the use of rainwater recovery tanks for sanitary water, - the conversion of our electricity contracts into renewable energy contracts. Thermavert: Christophe Arquillière, CEO of Sferaco, Murielle Gentaz, Administrative Director of PBtub and Patricia Mavigner, Deputy CEO of Thermador Groupe, are responsible for running the Thermavert group made up of twenty-one employees, themselves at the leading edge of environmental protection within their own subsidiaries. The purpose of the group is to talk about initiatives and projects led in the different subsidiaries and coordinate those that can be coordinated. The Thermavert group met on June 26, September 4 and December 16 and covered the following topics: - presentation of the ADEME (French environment agency) study on our approach to reducing our carbon footprint, - waste management and recycling, - how to reduce the carbon footprint of commuting, - launch of the mobility plan in partnership with the local authority, CAPI (Communauté d'Agglomération Porte de l'Isère), - Feedback on questionnaires with employees as part of the mobility plan; CAPI's presentation of the first action plans. The group working on road transport comprises of Lionel Monroe, CEO of Syveco, Charlotte Deguerry-Fraisse, Administrative Director of Sferaco and Alexandra Stratulat, Administrative Director of Dipra, who select our road transporters and ensure that each service provider adopts an environmental approach. Packaging and waste group: Philippe Arthaud, Director of Sourcing at Jetly, is working on packaging supplier selection and addressing the topic of packaging waste. Specifications were drawn up to integrate social and environmental criteria. SCI Thely is responsible for the construction of logistics warehouses and office space. The environmental, quality of life at work and energy savings aspects are an integral part of builders' specifications.

3.3 OUR APPROACH IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

3.3.1 A DEVOLVED GOVERNANCE STRUCTURE

Actors	Roles and means of action
Subsidiaries' management committees 	Animating, motivating and providing resources to employees to complete their missions both as part of their function but also from a societal and environmental standpoint. Choosing our industrial manufacturer suppliers according to the group's values. Selecting and selling eco-responsible products that conform to energy and environmental regulations. Managing teams according to the group's values.
Our employees in the subsidiaries 	Grouped appropriately, our most motivated employees propose and implement concrete actions to reduce our impact on the environment. We have a total of 7 employee groups involving 39 people. 34 meetings were organised in 2020 to deal with operational issues relating to the environment. Further to the employee surveys in 2017 and 2018, actions are being implemented and decided to improve quality of life in the working environment. In the course of monthly general meetings and discussions with staff representatives, such projects and initiatives are given sufficient air time. In 2021, the employee satisfaction survey will go again.

The Thermavert group, made up of twenty employees, which initiates environmental protection projects within their subsidiaries - Meeting of September 4, 2020.

Mobility Challenge of June 26, 2020.

Back to CONTENTS

3.3.2 OUR STRATEGY

Final of the pétanque tournament between Thermador Groupe subsidiaries in 2019.

3.3.2.1 MANAGING OUR TALENTS

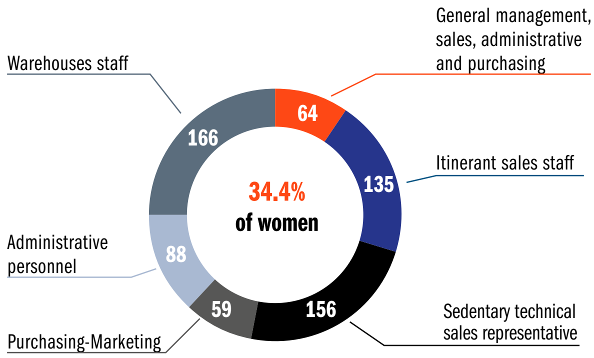
OUR STAFF

Our staff are at the heart of our value chain. On December 31, 2020 the group had 668 employees, 230 women and 438 men.
Of those 668 employees, 650 were on permanent contracts and 18 on fixed term contracts. 603 work in France and 65 outside France.

DISTRIBUTION BY FUNCTION

	W.	M.	2020	2019	2018
General management, sales, administrative and purchasing	22	42	64	46	51
Itinerant sales staff	8	127	135	108	100
Sedentary technical sales representative	84	72	156	124	114
Purchasing-Marketing	31	28	59	47	38
Administrative personnel	63	25	88	51	48
Warehouses staff	22	144	166	127	125
Total	**230**	**438**	**668**	**503***	**476**

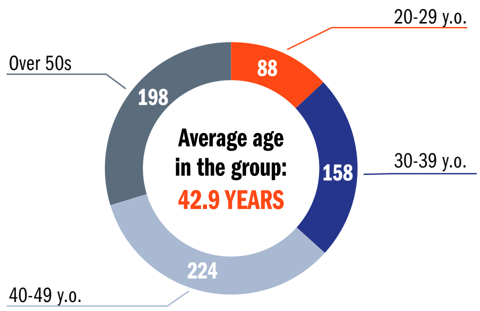
W. = Women and M. = Men
* Excluding Ets E. Rousseau, Rousseau SA and Distrilabo



DISTRIBUTION BY AGE

	2020	2019	2018
20-29 y.o.	88	55	56
30-39 y.o.	158	147	151
40-49 y.o.	224	160	150
Over 50 years	198	141	119
Total	**668**	**503***	**476**

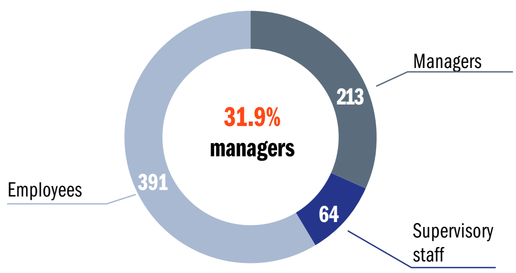
* Excluding Ets E. Rousseau, Rousseau SA/Distrilabo



DISTRIBUTION BY STATUS

	W.	M.	2020	2019	2018
Managers	43	170	213	174	163
Supervisory staff	16	48	64	34	39
Employees	171	220	391	295	274
Total	**230**	**438**	**668**	**503***	**476**

W. = Women and M. = Men
* Excluding Ets E. Rousseau, Rousseau SA/Distrilabo



Back to CONTENTS

3.3 OUR APPROACH
IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

TEMPS

The use of temps is normally limited to the replacement of people who are off sick or on maternity leave and according to the needs of seasonal peaks.

	2020	2019	2018
Number of temp hours	74,642	51,902	56,411
Total number of hours worked	6.4%	5.6%	6.5%
Cost (in € thousand)	1,735	1,259	1,345

DISABLED WORKERS

We regularly employ ESAT* personnel for simple assembly or packaging work.

Maintenance of the green spaces of all our sites in Saint-Quentin-Fallavier (Isère) is performed by a re-insertion centre (ESAT in Villefontaine, Isère).

	2020	2019	2018
Number of disabled workers	12	5	7
Amount paid to ESAT* (in € thousand)	312	279	488

* Work rehabilitation scheme for the disabled.

7 of our subsidiaries employ disabled workers.

In 2020 Jetly signed an agreement with an association, Messidor, managing establishments for sheltered employment in the Auvergne-Rhône-Alpes region, which works to rehabilitate people facing physical disability. Through the association, Jetly has employed two disabled workers for packaging of small spare parts. This experience resulted in the recruitment of a disabled worker on a permanent contract on January 1, 2020. A fabulous collective success!

This partnership mission not only allowed the company to find stability, efficiency and savings, but the workers to achieve reintegration through employment in an environment propitious to their personal fulfilment. This collaboration has existed for more than 5 years.

As part of this long-standing partnership, Messidor has made a film about the association and the return to employment of the people it cares for. It was screened during the 'Matinales du MEDEF' sessions to promote the employability of people with psychological disabilities. Jean-François Bonnefond, Raphaël Loprieno, Thierry Piccerelle and Anthony Cano were interviewed in the film which was broadcast on October 8, 2020 at MEDEF LYON RHONE's disability session.

LABOUR RELATIONS

Sixteen of our subsidiaries employ over eleven people, and three of them employ over fifty. Of these subsidiaries, ten have a social and economic committee.

Within each subsidiary, a monthly information and dialogue meeting takes place bringing together all personnel.

The management team presents and comments on the current situation: turnover, margin, costs and results, and answers employees' questions. If turnover is down, sales people are called in; if there is stock-out, the purchasing department is questioned; if costs increase, we look for and analyse the reasons why; if profits are down, everyone will be thinking about their end-of-year bonuses...

In the bigger subsidiaries, departmental meetings are also held to allow people to have their say. Experience tells us that it is difficult for some people to express themselves in big groups. The role of managers and supervisors is crucial in this respect, in ensuring that questions and remarks are brought to the surface to provide collective answers.

Our flat organisation charts promote good circulation of information.

The key is dialogue and transparency.

In April 2016, the Annual General Meeting appointed an employee to the Board upon a suggestion from the Board of Directors.

From being just 178 employees on a single site in 2004, Thermador Groupe now employs almost 670 people dotted around 10 sites. This new scale implies using new internal communications tools.

Our collaborative platform THERMALINK has been live since September 2019 for all Saint-Quentin-Fallavier employees and for FGinox, Mecafer/Domac, Sodeco and Ets Edouard Rousseau. The employee directory offers new functionalities such as contact details and photo updating and employee search functions. This collaborative platform is a real corporate social network allowing us to communicate, and share documents and best practices.

General meetings in web conferencing at PBtub and '100%-masked' at Jetly.

SALARIES AND **PROFIT SHARING**

COMPANY SAVINGS SCHEME (PEE)

In January 2001, we set up a Company savings scheme (PEE), open to all employees of the subsidiaries and 95% invested in Thermador Groupe shares.

Until 2012 the top-up was 100% of the amount put in by the employee, with a cap of €1,000.

The maximum contribution then changed year-on-year.

In 2020, the contribution was 300% for the first €300 invested, 150% for the €301-1,000 tranche, and 30% for the €1001-1500 tranche, i.e. a maximum of €2,100. The total amount contributed by the employees was €2,057k and the amount of the employer's contribution was €794k. 453 employees (out of 566) subscribed to a 1% capital increase reserved for them. Taking advantage of the possibilities provided by the PACTE law, employees benefited from a 40% discount on the purchase of shares in exchange for 10-year holding commitment.

At December 31, 2020, the Company savings scheme (PEE) held 322,000 shares, i.e. 3.5% of the capital.

FIXED ELEMENT

In the group's longstanding subsidiaries, the fixed component of earnings is paid over 13 months (the extra month paid half in June and the other half in November). Salaries are revised annually, taking into account each individual's development in their function and the cost of living. We pay particular attention to the lower salaries, which are much higher than average for our sector.

At FGinox and Sodeco Valves, the fixed component of earnings is paid over 12 months.

VARIABLE COMPONENT

Since the beginning, Thermador Groupe subsidiaries' profits have been shared with employees. Even before statutory profit sharing, we introduced our own brand of profit sharing in Thermador, the first company created in the group's history. This virtuous practice spread to the other subsidiaries subsequently.

Sharing profits come with the results of the year's work, during which the management teams present the operating accounts of each subsidiary on a monthly basis.

Everybody can understand how the annual result is put together, and what mass of profit sharing will be distributed.

The distribution of that mass is decided by the management team, and takes into account each individual's performance as fairly as possible.

In each subsidiary, the variable profit sharing amount therefore depends on profit, which means there are major differences between the companies of the group. It varies from **1 to 33% of overall earnings.** The average for the group is **18% of gross annual salary.**

For Jetly, Sferaco and FGinox, i.e. 179 employees, the annual bonus and profit sharing are paid in February of the following year.

For the other subsidiaries, bonuses appear on the December pay slip. They are not subject to any conditions, and are therefore immediately available.

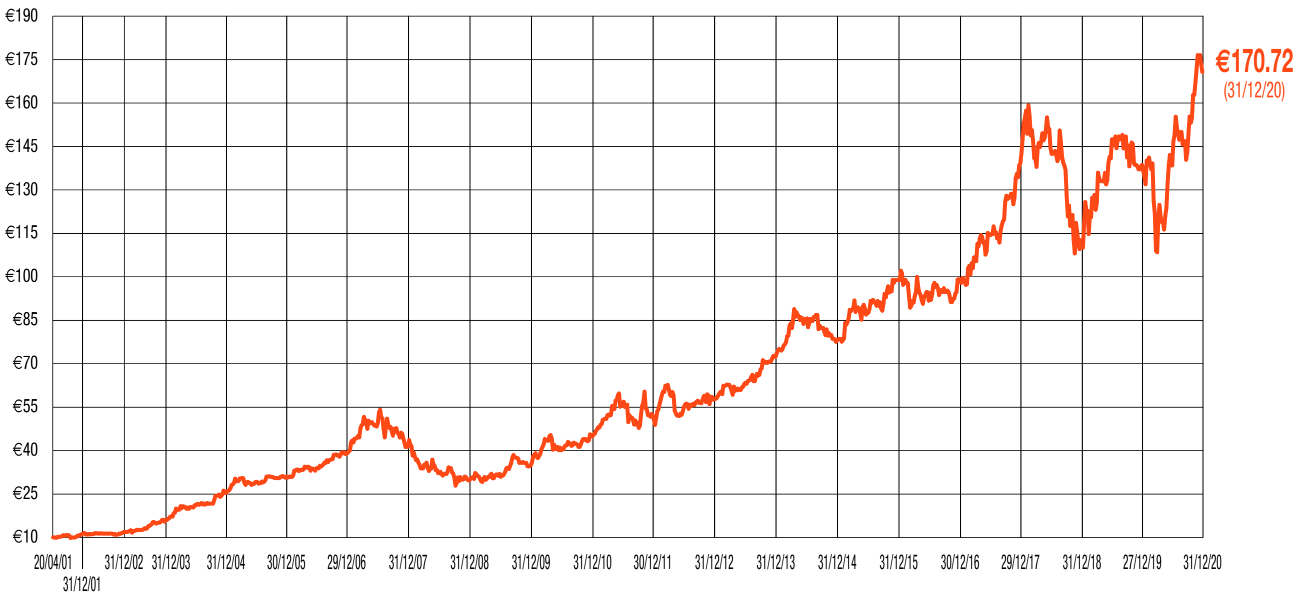
On our trading accounts, the wage bill represents around **11.7% of turnover** (see table, page 112).

We have always been very transparent on the subject of salaries. In each subsidiary, once a year, we post up all the monthly and annual salaries, including those, of course, of managers. This has the great advantage of limiting the spread of rumours, and means that we all have to show great coherence in decision-making in this area. We are striving to share this good practice with the companies that we have acquired since 2015, whilst leaving them time to prepare for this new practice.

The range of gross salaries in Thermador Groupe is between **€21,000 to €311,500** per year (12 months' presence) with an average annual salary of **€50,300**.

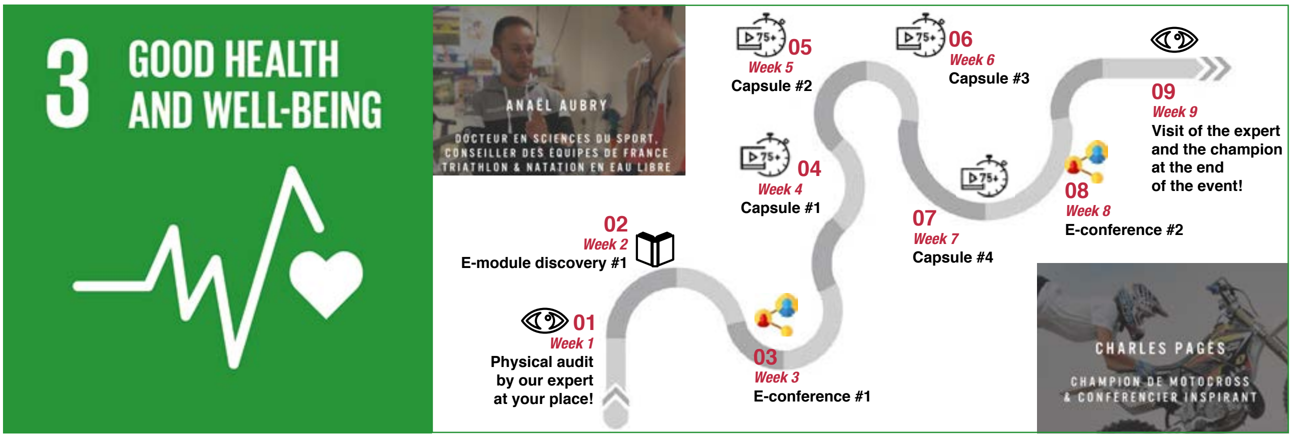
For equivalent positions, men and women with the same training and similar experience earn the same amount.

DEVELOPMENT OF ONE PART OF THE THERMADOR GROUPE FCPE (MUTUAL FUND)



3.3 OUR APPROACH

IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



Support proposal: E-course & prevention pathway.

HEALTH AND **WELLBEING**

Employees enjoying good health and wellbeing are more implicated in the company and will contribute to its competitiveness. Reducing psycho-social risks, muscularskeletal troubles and other risks linked to health at work also contribute to that. These values are important to our group.

HEALTH AND SAFETY

Our directors and managers are constantly attentive to their teams' feedback to improve working conditions. Most of the offices in our subsidiaries are now equipped with acoustic ceilings. We are looking to combine the advantages of open offices, which promote good communication between people, and of controlled sound levels so that everybody can concentrate on their work. A large proportion of our office-based sales staff offices, where they take telephone calls from our customers, are also equipped with acoustic partitions.

On a permanent basis, each warehouse manager is accredited to take immediate decisions to guarantee the safety of teams working in the warehouse. In our profession, it is undoubtedly here that we run the greatest risks of accidents. We pay particular attention to the strict respect of instructions, to flooring quality to limit noise, vibration and dust, to cleanliness, to the condition of fork lift trucks, and to lighting levels inside the warehouses. This results in practical decisions such as:

- choosing LED technology lighting in 6 warehouses representing 59% of warehouse space,
- the decision to own all our handling equipment, which is regularly maintained to ensure safe driving for our logistics people,
- handling equipment with lifting platforms selected to allow our warehousemen/order-preparers to access high picking racks in total safely,
- equipping our elevated handling equipment with cameras,
- training all our logistics teams in safe driving and gestures and postures.

With the publication of 6 new arduous working risk factors on July 1, 2016, we have conducted arduous working studies covering each logistics team task. Repetitive movements have been analysed internally by our teams, using the services in certain cases of the medical services' ergonomics expert. In 2020, we undertook the launch of a new form of postural training for our logistics teams.

We also started equipping our storekeepers with ergoskeletal equipment to combat musculoskeletal disorders (MSDs). In 2020, Sferaco ordered 4 models, 2 for shoulder support (for order picking) and 2 for back support (for receptions).

E-PARCOURS & PREVENTION PATHWAY

A tailor-made programme has been devised with the SQUARECHAMPS team in order to meet the challenges of prevention but also of employees' Quality of Life at Work. After the audit carried out in 9 of our subsidiaries by sports scientist Anaël Aubry, an e-conference will be led by Charles Pagès. The course will come to an end during the first half of 2021, marked by the return of the two speakers.

LOW ABSENTEEISM

Absenteeism in the group's subsidiaries is much lower than the national average. This undoubtedly reflects the good health and excellent motivation of those working there.

In 2020, we injected data from our new subsidiaries, including Ets Edouard Rousseau. This subsidiary, which represented 14.2% of our workforce at 31/12/2020, accounted for 16.7% of the group's days of absence in 2020, 26% of which on maternity/paternity leave.

In 2020, for an equivalent number of accidents as in 2019, we saw a sharp increase in the number of days' absence due to an increase in sick leave not related to the health crisis. It should be noted that 12 of our subsidiaries ended the year without any workplace accidents in 2020, compared to 7 in 2019.

We registered 3 work-related illnesses amongst logistics staff. The figures need to be interpreted according to length of service within these teams. 20% of our logistics employees have been with us for more than 25 years. We manage long careers, meaning we have to continually review our working methods in order to relieve the strain on order preparation and reception operators.

	2020	2019	2018
Number of days' absence	**6,615**	5,019	3,842
% of working time	**4.0%**	3.8%	3.1%
Of which sick leave	**73%**	69%	80%
Of which maternity or paternity leave	**14%**	16%	10%
Of which work related accident or illness	**12%**	14%	10%
Absenteeism rate (1)	**3.9%**	4.0%	3.2%
Number of work-related accidents	**16**	16	15
Number of work-related illnesses	**3**	0	0
Accident frequency rate (2)	**13.66**	17.13	17.22
Seriousness of accidents (3)	**0.35**	0.77	0.45

(1) number of days' absence in working days / 251 x overall headcount: the calculation includes absence for illness, including work-related illness, work-related and travel-related accidents, maternity and paternity leave.

(2) number of lost time injuries x 1,000,000 / number of hours worked.

(3) number of days lost through work-related accidents or illnesses x 1,000 / number of hours worked.

L.T.I. = lost time injury and W.R.I. = work related illness.

A BALANCED DIET

In each of our subsidiaries our employees have the use of a fully-equipped kitchen, meaning they can bring in their lunches and eat according to their various diets. A canteen is also available at a reasonable distance. The employer's contribution is €3.56 per meal. Collective catering allows us to avoid food waste as the service is shared by several companies in the Saint-Quentin-Fallavier business park. Food waste is processed by the collective catering provider.

PBtub's Panier Bio direct: Organic and direct from the producer, home delivered. This is the proposal made to PBtub and Axelair employees for two years now.

QUALITY OF LIFE AT WORK

BAROMÈTRE QVT Qualité de Vie au Travail

In 2017 each subsidiary took the initiative to submit a questionnaire entitled 'Employee survey on the quality of life at work'. They obviously bought into this new form of expression, given that the response rate was 94%! The exercise was carried out by an inter-subsidiary steering committee and a specialised agency (Optim Resources) and guarantees the anonymity of participants.

In total transparency, the results of the employee survey were presented at a general meeting in our subsidiaries. Workgroups were set up to tackle the progress points raised during the survey and to draw up an action plan per subsidiary.

Our subsidiaries FGinox and Sodeco Valves also carried out employee surveys in 2018.

We are planning to repeat this exercise in 2020 and 2021 so as to measure the impact of decisions taken.

In response to employee requests, the subsidiaries have introduced more initiatives to allow them to wind down during breaks: relaxation rooms, table football, table tennis, boule strips, qi gong, Pilates, body balance and yoga, picnic areas, the loan of sun loungers, etc.

Our subsidiary Jetly has a sports hall open to all Saint-Quentin-Fallavier subsidiaries.

Our subsidiaries abound with initiatives throughout the year, helping to liven up the company. This was notably the case of our subsidiary Axelair, which organised a 'Quality of Life at Work Week'.

In the wake of the unusual experience of lockdown, and to onboard new arrivals, Axelair put Quality of Life at Work in the spotlight for a week, from July 20 to 24. It featured a week of activities promoting conviviality, and living and working together.

This was an opportunity to share the 2020 strategy and Axelair's extra-financial performance document (EFPD). On the programme, one theme per day: Positive attitude, Wellbeing / Meditation & relaxation, Environment / Sustainable development, Nutrition & balance, Care. The employees really loved it, and are already asking for weeks like this more often.

A FESTIVE, SPORTY VIBE

In 2020, we were planning to organise a mont Ventoux cycle tour, but Covid-19 put a stop to that team outing. The employees of our subsidiary Sodeco were in serious training for the event, and so on September 25, they organised a 50km tour with 1,000m positive elevation as an alternative to the climb up mont Ventoux.

ARRIVALS AND DEPARTURES

Our group offers stability because it favours permanent employment contracts. Our employee turnover rate remained low at 9.7% in 2020.

	2020	2019	2018
Number of hires on permanent work contracts	56	73	80
Number of hires on fixed term contracts	26	13	21
Including recruits over 50	2	9	5
Number of departures	65	59	64*
Of which, retirement	6	2	3
Of which, resignations	22	27	27
Of which, redundancies	15	13	26
Of which, end of fixed term contracts	18	17	8
Recruitment rate	12.3%	17.1%	21.2%
Departure rate	9.7%	11.7%	13.4%
Rotation rate	11.0%	14.4%	17.3%
Average length of service	9.76	8.88	8.85
Job creation	25	22	46

* Including 17 departures linked to the sale of Sodeco Sedin, the merger of the Valfit Groupe with Sferaco and the acquisition of the Vortice France business by Axelair. The adjusted departure rate for these exceptional departures is 9.8%.

The rotation rate is defined as the average of recruitment and departure rates:
- Recruitment rate = total number of recruits divided by total headcount;
- Departure rate = total number of employee departures divided by total headcount.

RESPECT FOR THE PRIVATE LIVES OF OUR EMPLOYEES

They are invited to respect working times and not go beyond them. For those who are paid by the day, we check that they do not exceed the working time authorised by law and that they do not misuse remote connections.

Implementation of the day-worker allowance through company agreements in ten of our subsidiaries meets our employees' expectations on flexibility of working hours.

Our office-based teams comply with the working patterns of their customers who contact them during office hours by telephone, fax and email for advice, deadlines, price proposals, equipment choices, after-sales service and orders. Our logistics team starts very early in the morning to prepare the early pickups for our transport partners.

Working hours vary from 35 hours per week at Ets E. Rousseau to 40 hours at Sodeco. Elsewhere, our Saint-Quentin-Fallavier based subsidiaries work 37 hours, Brignais 37.5 hours, Valence and Vierzon 39 hours. Under the 35-hour working week law, 2-4 hours per week are paid as overtime.

The number of overtime hours worked in 2020 in the group was 43,321 hours, accounted for primarily by the 2 or 4 extra hours mentioned above. Overtime represented 3.7% of total hours worked.

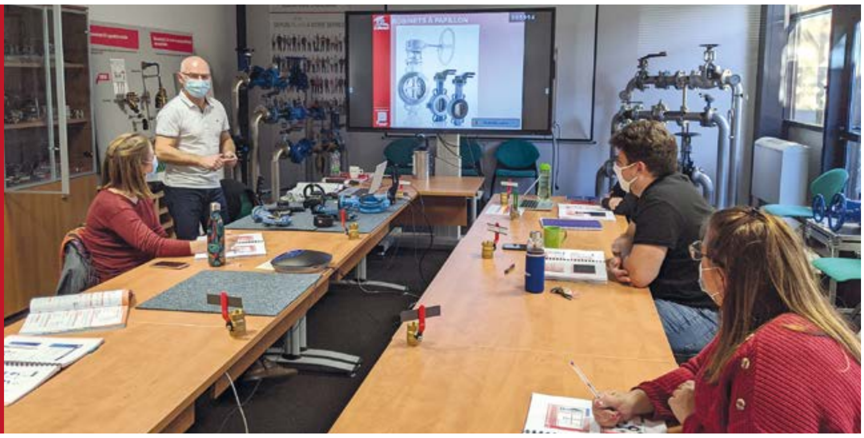
All part-time positions in the company are chosen by employees who opt for that format.

Following our Quality of Life at Work survey, employees expressed a desire for more flexibility in their working hours, in some cases with recourse to home-working. The Covid-19 crisis led us to propose home-working. Company agreements and home-working charters are currently being drawn up to be able to offer this flexibility to our employees who wish to work in this way.

Back to CONTENTS

3.3 OUR APPROACH
IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

4 QUALITY EDUCATION



Training room with a complete circuit at Sferaco in 2020.

GOOD QUALITY **EDUCATION**

Fundamental training and continuous training allow people to adapt more quickly to the world they live in and to company changes and operations; the company is the first to benefit from the practical use of knowledge, know-how and behaviour. Thus, promoting training to upskill the company's employees is a key factor of long-term success (adaptation, competitiveness, efficacy, etc.).

TRAINING AND SKILLS MANAGEMENT

	2020	2019	2018
Training budget as a percentage of wage bill	1.63%	2.67%	2.21%
Hours' training	8,491	10,407	8,384
Number of people trained	393	431	318

The training budget does not include the cost of time spent (salaries + charges) on internal training.

In 2020, we kept up our training drive and took advantage of a quieter business period to train our teams, of which 60% are non-managers. As a reminder, in 2019, we had trained all the management committees of our subsidiaries, i.e. more than 90 people for a total of 360 hours of training.

EXTERNAL TRAINING

Seminars for the sales team, training for local managers, personal development courses, language training, safety training... we regularly call on outside agencies to maintain and develop the levels of our teams.

As in 2019, we made Ecole de la Bourse online training available to all of our employees under the heading 'The secrets of smart investment in shares'.

INTERNAL TRAINING

We have a huge pool of knowledge internally about our professions, which is passed on by our experts to new arrivals. This is done via chalk-and-talk, practical work, accompaniment, and bespoke written formats.

Inter-subsidiary training sessions are also held, particularly for teams working in export.

Finally, Jetly, Sferaco and Thermador have developed training modules for customers in dedicated training rooms, and are officially recognised as a training organisation.

INDIVIDUAL INTERVIEWS

The annual review is a precious moment of exchange to identify expectations in terms of training and upskilling. 84% of employees were able to spend time with their direct supervisor during an annual assessment. This generally takes place during the first quarter.

We do not require managers to fill in standard forms or follow a standard format. We allow them manage their teams according to their preferred practices, and note that some have favoured a permanent dialogue rather than a formal annual review. In addition, and in accordance with the law, all employees have had a professional interview over the last two years.

RECRUITMENT AND INDUCTION

Our subsidiaries pay particular attention when taking new employees on board. Each employee follows an induction programme allowing him/her to discover all the services provided by the company he/she is joining.

The programme lasts several weeks. In order to better understand what really goes on in the field, our office-based salespeople and buyers sometimes accompany our travelling sales reps to our customers' premises. In the same way, travelling and office-based salespeople spend a few days with our logistics team preparing customer orders. This process allows each person to understand the constraints faced by other departments in the company to enhance efficiency and mutual respect.

In our subsidiaries we also welcomed 25 sandwich course students and 7 trainees during 2020. This allowed our team to play a role in the training of these young people in a caring, professional environment.

5 GENDER EQUALITY

Purchasing team meeting, September 2020.

GENDER **EQUALITY**

The company is a very important venue for social mixing. Equal treatment has a positive impact at every level of the company, developing each individual's potential and doing away with awkward situations. Gender equality also benefits men by allowing them to be more involved in family life and by combating stereotypes. Also, companies investing in equality have more success, are more efficient organisationally, and report better productivity.

GENDER EQUALITY

At the time of recruitment or during salary reviews, only skill, experience, interpersonal relations, efficiency, creative capacity, discernment, sense of synthesis and commitment are taken into account. On the basis of these criteria, and irrespective of sex, ethnic origin or any other discriminating criteria, employees of Thermador Groupe or its subsidiaries receive similar fixed salaries for directly comparable positions within each company.

Also, the vast majority of them can check, given that a salary transparency policy has been in place in all our subsidiaries since Thermador was founded in 1968. This virtuous practice means that each decision-maker thinks carefully before any recruitment or salary increase. Of the companies having joined us recently, Mecafer adopted the same practice at the beginning of 2018. Taking the necessary time to convince managers and employees of its advantages, we fully intend to progressively introduce it at Sodeco, FGinox, Ets Edouard Rousseau, Distrilabo and Thermacome.

Since the outset, power has been fairly divided between men and women: women occupy **45% of seats on the Board** and **34% of management positions** in the subsidiaries, and accounted for 35.7% of the audience in the auditorium during the 'challenges and projects' meeting attended by 112 people on February 4, 2020.

Our three Board committees are chaired by three women, Karine Gaudin (audit committee), Laurence Paganini (earnings committee) and Mathilde Yagoubi (sustainable development committee).

PROFESSIONAL EQUALITY INDEX 20 WITHIN THERMADOR GROUPE SUBSIDIARIES

As part of the September 5, 2018 law on the 'Freedom to choose your career', and in compliance with the decree of January 8, 2019 seeking to erase earnings differentials between men and women, Thermador Groupe and its subsidiaries have calculated their professional equality.

This index, out of 100 points, is calculated on the basis of five indicators:

1 - The earnings differential between men and women.

2 - The individual pay increase rate differential between men and women.

3 - The promotion rate differential between men and women.

4 - The portion of employees having benefited from an increase within the year of returning from maternity leave.

5 - The number of employees of the under-represented gender amongst the ten employees having received the highest salaries.

	Score	Score Maximum
Indicator 1 – Earnings discrepancy	**37**	40
Indicator 2 – Pay rise discrepancy	**20**	20
Indicator 3 – Promotion discrepancy	**15**	15
Indicator 4 – Return from maternity leave increase	**15**	15
Indicator 5 – Under-represented gender amongst higher salaries	**0**	10
Total	**87**	100

The score of 37/40 obtained on the earnings discrepancy between women and men for compatible socio-professional categories and age group reflects our earnings policies based on skills and not gender.

We got the maximum score on wage increase and promotion gaps: in 2020, 75.6% of women and 75.2% of men in the Thermador Groupe received an increase and 2% of employees, men and women combined, were promoted.

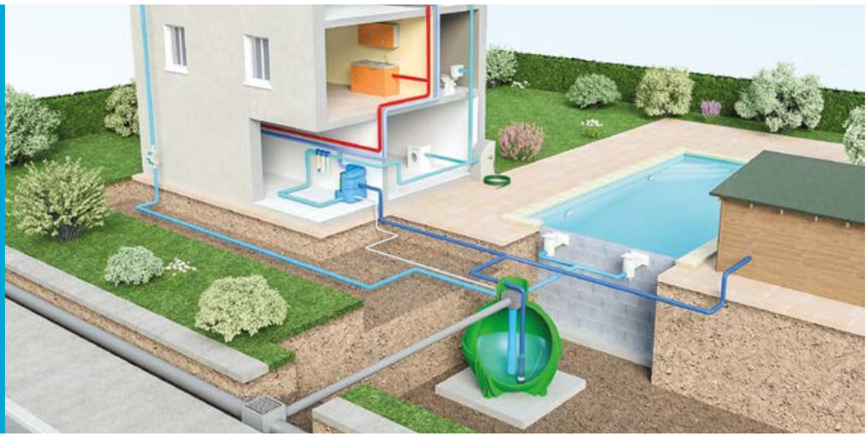
The inclusion of the index on wage increases upon a return from maternity leave in our pay policy since 2019 also got us the maximum 15 points on this indicator.

We scored 0 out of 10 for having only one woman among Thermador Groupe's 10 highest earners, which remains an area for progress. **Out of the 20 biggest earners however, there are 6 women.**

SALARIES AND PROFIT SHARING

Earnings and individual bonuses are calculated at subsidiary level as are salaries. Information and good-practice sharing between subsidiary managers allow us to ensure overall coherence.

3.3 OUR APPROACH
IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



Set-up of Globus (rainwater recovery tank) on a plot of land for a detached house.

3.3.2.2 LIMITING THE ENVIRONMENTAL IMPACTS OF OUR ACTIVITY

CLEAN WATER AND SANITATION

Optimising water consumption and wastewater reduces costs and risks for the company. Treating and recycling wastewater avoids certain taxes and can reduce the amount of water used.

As a distributor specialising in fluid circulation, Thermador Groupe, via its subsidiaries, has developed products that sanitise water and make it useable.

Thermador, Sferaco and Sectoriel offer product ranges to treat hot water. Jetly sells rainwater recovery systems as well as solutions for waste water sanitation and treatment.

As well as its existing ranges, Jetly launched an innovative autonomous sanitation device in 2018 based on lombrifiltration technology which uses earthworms to purify organically polluted wastewater.

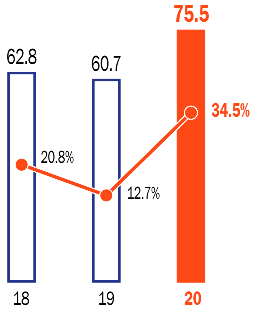
The Bioturbat solution was presented at several shows in 2019, and was very positively received by non-collective sanitation specialists. It is being used in pilot facilities and proving very satisfactory both for public works companies for installation and for users whose operations are looked after by Jetly.

So as to make the most of its vast roof area, when the Jetly building was built in 2008, it was equipped with a rainwater recovery system.

In 2019, Jetly repaired the rainwater recovery pumping system.

Four of our buildings are ICPE classified facilities for environmental protection. These facilities use drinking water and account for 34.5% of our overall consumption. The 34.5% share increased in 2020 following the initial filling of the sprinkler tanks in the new Dipra building, accounting for 23.7% of our consumption. The new regulations allow us to test water quality. If water quality is satisfactory, there is no need to renew the water in the tanks, enabling us to save water in 2020.

Many of our buildings are equipped with water softeners to improve the quality of water used on our equipment.



Consumption of drinking water in 2020

75.5 l/m²*

of which, sprinklers

34.5%

* total consumption in relation to the surface area of buildings.

The new Dipra building is also equipped with a rainwater recovery system.

A solar (Stratos 4S system) unit for the production of hot domestic water - © Cordivari®.

Thermador Groupe, through its subsidiaries, sells products allowing the use of renewable energies, such as solar.

Thermador sells thermal solar panels and hot domestic water solar panels. The panels, when hooked up to a hot water tank, provide solutions both for production of domestic hot water and water preheating for heating circuits.

USE OF RENEWABLE ENERGIES IN OUR BUILDINGS

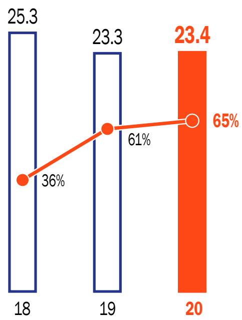
In 2018, Thermador Groupe signed a contract for electricity 'of certified renewable origin' (Green Energy) for three years. Nine of our subsidiaries use that contract which provides for 65% of our electricity consumption.

Thus, some of the electricity produced from the renewable energy sources that are part of EDF's production capacity were injected into the electricity grid by EDF for nine subsidiaries.

In 2020, we launched a call for tenders for our energy consumption (gas and electricity). The aim was twofold:

- to include all our sites in a certified renewable-energy contract (Green Energy),
- to implement carbon compensation for our natural gas consumption.

Our objectives have been achieved under a new contract with ENI that will apply in 2021.



Electricity consumption in 2020

23.4 kWh/m²*

Share of renewable energy:

65%

* total consumption in relation to the surface area of buildings.

ROLL-OUT OF PHOTOVOLTAIC PANELS IN OUR NEW WAREHOUSES

SCI Thely now includes the installation of photovoltaic panels in its building specs as well as a requirement for sites to be self-sufficient thanks to solar energy. This requires additional investments for construction, written down over 10 years.

In 2020, an initial energy audit was performed for our subsidiary Sferaco, with two objectives: to enable Sferaco to comply with the audit obligation and to identify optimisation solutions. The audit is compulsory for companies with a turnover exceeding €50 million or whose workforce exceeds 250 employees.

Following this audit, we launched a study for Sferaco's building for the installation of photovoltaic panels. A number of load constraints are involved here, particularly in terms of the resistance of the frames already installed, which we will analyse.

The Stratos 4S solar panel is a compact, high-efficiency domestic hot water system that operates without electricity. Protected from overheating by an ingenious automatic shut-off system, it is also equipped with high-performance insulation, allowing it to be installed in areas with temperatures as low as -20°C. The Stratos 4S solar panel can supply 100% of domestic hot water needs in summer, more than 70% in mid-season and a significant contribution in winter when coupled with another energy source.

PROCEDURE WITHIN THE FRAMEWORK OF THE TERTIARY DECREE

In force since October 1, 2019, the tertiary decree supplements the ELAN (Government home improvement and digitalisation scheme) law of November 23, 2018. This new decree requires companies to make energy savings in tertiary buildings of over 1,000 m².

The spirit of the law is to encourage collaboration between landlords and tenants and to jointly implement energy saving actions.

The timetable to be respected is as follows:

The size of our property portfolio requires us to apply this decree. In 2020, we chose a service provider to support us in this process. A first objective will be to communicate consumption data for all the buildings we own. Following the submission of our data, an annual digital certificate incorporating an 'Eco Energie Tertiaire' rating system will be generated. This rating will enable us to express our approach to reducing consumption in relation to objectives set.

This tertiary decree is seen within Thermador Groupe as an opportunity to engage in a joint approach between the owner, SCI Thely, and the operational subsidiaries renting the buildings.

3.3 OUR APPROACH
IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our transversal group Thermavert, February 2020.

RESPONSIBLE CONSUMPTION **AND PRODUCTION**

Production and forms of consumption are the bread and butter of our companies. Their role is central to achieving this objective. Whatever their activities, they progressively need to face up to dwindling resources and a degraded environment. This phenomenon exposes producers and users of these materials to risks of shortages and cost volatility, as well as constraints in terms of environmental compensation or repair. We need to prepare for these risks and get involved in new forms of production and consumption.

Reducing the use of materials and energy and cutting back on waste production generates savings for purchasing but also in waste treatment.

A COST-EFFICIENCY CULTURE

Thermador started with very limited resources. Careful spending is a virtuous legacy of those early days. This can be seen in the decisions taken by management but also, and more importantly, the responsible behaviour of everybody in the group.

Since our teams are working in small-sized companies, each employee engages personally with it: waste means higher expenses and lower profits. So, we are careful to turn out lights when we leave the office, close windows when the heating is on, re-use paper and use heat (and air conditioning) sparingly.

We install movement detectors and light thresholds to turn electric lighting on and off automatically. And again, to consume less electricity, our IT system uses 159 virtual servers.

POLLUTION CAUSED BY OUR BUSINESS

Our subsidiaries' main business is distribution. Some of them assemble or customise products. These activities do not cause pollution.

Our buildings, the vast majority of which we own, are built in strict compliance with regulations. Before any construction, all the necessary diagnostics are carried out: soil survey, demolition in case of presence of asbestos.

WASTE MANAGEMENT

Our waste is considered as non-hazardous waste (NHW). We pay particular attention to the design of our packaging. We entrust this to companies specialising in the recycling of our waste, which is primarily cardboard, paper and wood.

Following a waste audit carried out at Sectoriel, seeking to increase the proportion of waste recycled and raise awareness, it was decided that waste sorting would now be carried out at source.

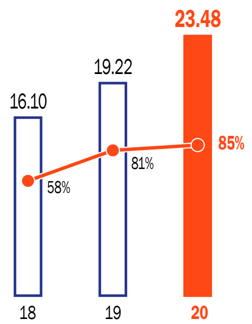
Each department, from the warehouse to the motorisation workshop and including the offices, sorts its waste by category, and for each type there is a dedicated skip and processing circuit.

In 2018, an audit of existing service providers led to the selection of a new one according to criteria on the traceability of waste treatment and 100% recycling of our waste. One of our subsidiaries already switched to this new service provider for processing in 2018. Two of our reference service providers for waste treatment are ISO 14001 certified. The aim is to recycle all our waste.

We re-use packaging, either as-is or re-used for chocking products for shipment, after grinding. This has three attributes: less waste, savings on shipment and reduction of plastic packaging.

The materials returned by our customers are sent to factories or entrusted to local scrap dealers who sort brass, copper, aluminium and ferrous metals.

Our IT waste (servers and PCs), as well as old office furniture, is sold on to specialist contractors who reprocess it, or given to charities such as Emmaüs or shelters for the homeless.



23.48 kg
of waste per tonne
of products received

% recycled
85%

* Excluding Sodeco.

Back to CONTENTS

STRONG COMMITMENT FROM OUR EMPLOYEES

Our Thermavert cross-functional group proposes ways of processing our everyday waste (paper, bottles, food waste, etc.). In 2020, we launched selective sorting for glass and plastic waste at our Saint-Quentin-Fallavier sites (Isère). This action complements the paper sorting carried out in each of our subsidiaries. We installed two receptacles over a six-month period with the aim of assessing volumes. For their part, our subsidiaries have organised the sorting of paper, pens, batteries and ink cartridges.

Philippe Arthaud (Jetly) took the initiative to deliver two containers to the Thermador car park to sort glass and plastic waste. These receptacles, taken over by Jetly, are being made available to the subsidiaries for a period of six months with the aim of assessing volumes. They are exclusively reserved for the subsidiaries and not for the personal use of employees. Each company can collect glass and plastic waste in the bins and transfer it to Thermador. In six months' time, the environment group will assess the value of this approach and will keep all employees informed of what happens next.

PRODUCT LIFESPAN

From sourcing to after-sales, our subsidiaries pay particular attention to product lifecycle in their catalogues. The reflection starts as of the design phase – with the help of our suppliers – for the development of repairable products or products that can be recycled. As an example, our subsidiary Axelair highlights its ranges of ducts containing polyester wadding insulation made from recycled plastic bottles (PE+/100% recycling). Many of their products contain recyclable materials, such as high-density polyethylene CMV conduits, which also do not require solvents to glue the layers together. To ensure the reparability of our products, the number of spare parts stocked by our subsidiaries increased sharply, leading to a new way of thinking about the storage of these references which are smaller in size and have lower stock turnover than our usual products. We use mechanised towers to optimise the storage area used and also to reduce the time warehouse staff spend moving around.

We also work closely with our suppliers to provide exploded views of products to quickly identify faulty parts and to be able to propose a replacement solution. This data is all computerised and made available to our customers via our websites.

Finally, after-sales and repair departments have been supplemented and modernised, in particular with the opening up of an e-after-sales website at Mecafer, a doubling of positions in Dipra's workshop and an increase in surface area dedicated to repair workshops in our warehouses.

INVENTING THE FORMS OF CONSUMPTION OF THE FUTURE ALLOWS US TO GET A HEAD START ON OUR COMPETITORS AND FUTURE REGULATIONS

Some of our subsidiaries sell products that preserve natural resources: rainwater recovery systems, accessories for heat pumps, solar systems, wood or calorie-count boilers, low-electricity-consumption class A pumps, hydraulic balancing valves for perfect distribution of hot and cold in office buildings, connected water meters, taps equipped with water savers and dual-flow ventilation systems.

Thermador markets hot water production tanks specially designed for operation with air-to-water heat pumps. This solution, patented by our partner Cordivari®, optimises the use of the heat pump while providing maximum energy savings and instant user comfort compared to conventional solutions.

© Cordivari®.

Jetly markets a range of Esybox line pumps that provide comfort and water savings thanks to variable speed motor technology. These pumps, designed and manufactured by DAB® are intended for domestic and residential use. The Esybox incorporates all current intelligent technologies for overpressure: self-priming pump, control and protection of the motor by variable speed drive, simple installation and configuration. Thanks to speed variation, an Esybox booster can achieve energy savings of between 30% and 50% over one year of operation.

All this reflects the acceleration in the development of eco-responsible products in the product ranges distributed by our subsidiaries. We meet user demand and work on the transformation of our markets with lower footprint products.

© DAB®.

3.3 OUR APPROACH
IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

13 CLIMATE ACTION

The RUBAN public transport network offers a rental service for electrically-assisted bikes.

ACTION ON **CLIMATE CHANGE**

Conscious of the greenhouse gas emissions generated by our activities, energy usage and transport, we have been taking a close look at our carbon footprint.

In 2017, we were chosen from amongst 30 SMEs and mid-tier firms worldwide to be accompanied in the transition to the low carbon economy. A firm of specialised consultants in low-carbon project management helped us in counting and assessing our greenhouse gas emissions. We placed governance of the climate topic at the very top of the organisation chart of our company. This approach allowed us to draw up our five year greenhouse gas reduction plan through to 2022.

The main carbon challenge for Thermador Groupe is the environmental performance of the product itself. The second challenge is transport and therefore the choice of service providers. The question of energy consumed on the site is a secondary one, but could be the subject of very targeted energy efficiency campaigns.

We continued this work with our greenhouse gas emission audit. This audit concerns all companies in the consolidation scope. We measured direct emissions linked to our business corresponding to scopes 1 and 2 of the regulations.

Direct greenhouse gas emissions from on site primary energy combustion were estimated at 524 tonnes of CO_2 equivalent in 2020.

The Dipra building was demolished and then rebuilt with greater energy efficiency. Better insulation with radiant panels for heating and air conditioning offers a good compromise between comfort and energy efficiency. We have added rainwater recovery tanks for sanitary water and are awaiting the installation of photovoltaic panels.

At the same time, efforts continue in the field of good practices shared by the Thermavert group: switching off lights, PCs and printers in the evening and at weekends, and closing shutters to limit energy loss from buildings.

Direct emissions from fixed combustion sources in 2020

Fuel	Quantity consumed	Emission factor	Emissions in equivalent tonnes of CO_2
Natural gas	2,724,642 kWh PCS and 2,454,632 kWh PCI	0.204 $kgCO_2e$ / kWh PCI (combustion)	501
Domestic fuel oil	8,469 liters	2.68 $kgCO_2e$ / liter (combustion)	22.7

Direct fugitive emissions in 2020

Refrigerant fluid	Quantity emitted into the atmosphere	Emission factor	Emissions in equivalent tonnes of CO_2
R410a	8.5 kg	1,924 $kgCO_2e$ per kg of fluid	16.35

Indirect emissions linked to electricity consumption in 2020

Electricity consumption (kWh)	Emission factor	Emissions in equivalent tonnes of CO_2
2,397,668	0.0599 $kgCO_2e$ / kWh in France 0.4200 $kgCO_2e$ / kWh in Europe	195

3. EXTRA-FINANCIAL PERFORMANCE STATEMENT

Back to CONTENTS

DIRECT EMISSIONS LINKED TO EMPLOYEE TRAVEL

Our itinerant sales people do not have company fuel cards. When they use their vehicles for business travel, they are reimbursed according to a scale. It is in their interests to drive economically. When they rent vehicles, they are limited to small models that consume less fuel. Also, we ask all group employees to live within 50 km of Head Office.

Inter-subsidiary travel for those based in Saint-Quentin-Fallavier is performed most often on foot or on electric bicycles. Three of our subsidiaries have video conferencing systems to reduce travel.

Our company canteen is less than one kilometre from our subsidiaries based in Saint-Quentin-Fallavier. It is managed by a single service provider.

For the past 5 years, our subsidiaries have been involved in an annual regional challenge designed to promote all alternatives to private cars (cycling, walking, public transport, car sharing, etc.) and encourage virtuous behaviour. Eleven of our subsidiaries have taken part in this challenge with a participation rate above 80%.

Through our subsidiaries, those employees who so wish can recharge their electric vehicle at a modest cost using green energy (non-nuclear).

As part of the work of the Thermavert group, we worked with the CAPI (Communauté d'Agglomération Porte d'Isère) to draw up a mobility plan. Our employees answered a questionnaire to list the actions that could be implemented to reduce the carbon footprint of home-to-work trips. Possible solutions included the development of car-sharing, greater use of public transport and home-working. All these options will be studied in order to offer our employees suitable solutions.

Direct emissions from mobile thermal engine sources in 2020		
Number of km	**Emission factor**	**Emissions in equivalent tonnes of CO_2**
2,829,265	0,151 $kgCO_2e$ / vehicle km (combustion)	427,2

Electric charging station and hybrid car at Sodeco.

DIRECT EMISSIONS LINKED TO THE TRANSPORT OF MERCHANDISE

Our goods are primarily transported by road and by sea. Our highly concentrated logistics organisation allows our haulier partners to optimise pick-ups from our premises.

This means extremely low shipment costs for our customers comparatively within our profession.

Upstream, again, our volumes and stocks are sufficiently large to optimise merchandise transport. Fuel consumption per product is kept as low as possible.

COMMITMENT TO OUR TRANSPORT PARTNERS

Objectif CO_2
Les transporteurs s'engagent

ADEME
Agence de l'Environnement et de la Maîtrise de l'Energie

Seven of our transport partners have signed up to the ADEME's (environmental protection agency) voluntary commitment charter and its CO_2 objectives. The signatory partners account for 89% of the tonnage shipped. Firstly, they all completed a CO_2 audit and then defined an action plan to reduce their emissions. Each year they send a report on their actions to the ADEME.

This commitment is valid for a period of three years. Ten of our partners have ISO 14001 certification and represent 78% of tonnage shipped.

Heppner transport company.

3.3 OUR APPROACH
IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Insect hotel at PBtub.

DEVELOPING **BIODIVERSITY AROUND OUR SITES**

As a company, we are directly or indirectly concerned by biodiversity through our economic activities.

Five of our sites: PBtub, Sectoriel, Jetly, Dipra and Sferaco have performed environmental APIE studies (Association Porte de l'Isère Environnement). We have decided to apply all APIE's recommendations to promote biodiversity in the environment surrounding buildings occupied by our subsidiaries. This represents 32,800 m² of green space on Saint-Quentin-Fallavier sites. 206 species have been inventoried.

Recent projects: passage reserved for small fauna through fences, the planting of hedges serving as a refuge for numerous species, the planting of fruit trees, a field of flowers and herbs, the removal of invasive species, the installation of a birds' nest and an insect hotel.

At Sectoriel, two hives appeared on the roof of the building in April 2017. Green spaces have been planted with a focus on local species, nectar plants and a small orchard.

At the logistics depot in Corbas in early July, the team noticed a swarm of bees under a loading bay, and set out to find someone who could gather them in without the risk of killing them. On the advice of a specialist in 'disinsectisation', FGinox contacted an beekeeper enthusiast, who arrived on site in less than ten minutes and was able to recover them without difficulty. They were placed in quarantine, in order to detect possible diseases and allow the Queen to lay again. Once the quarantine is over, the bees will be given to local beekeepers. Protect our precious bees! Do the right thing for the environment!

Sectoriel rents sheep from Ouessant for green space upkeep. This action has both an ecological objective, to favour eco-grazing over thermal shearing, and a social one, as it has been shown that the presence of animals in the workplace brings relaxation.

A Dipra employee has also followed a training course entitled 'Reconciliation of biodiversity and economic working areas'. This training course enabled participants think more deeply about the Dipra building's green spaces and gave rise to a biological pond project.

After ecological developments on our various sites, we noted the presence of more than ten wild orchid plants in May and June on the Thermador, Jetly, Pbtub and Syveco sites. The flowers of this species are protected and rare (photo: the ophrys bee).

Back to CONTENTS

Code of Good Conduct signed by Thermador employees.

3.3.2.3 ACTING ETHICALLY AND RESPONSIBLY

PEACE AND JUSTICE

Peace and rule of law, framed by rules and effective justice creates a favourable context for public and private economic actors by providing the right framework for fair competition, the ability to innovate, be entrepreneurial and develop business. The elimination of corruption improves a company's image and its room for manoeuvre to support economic development and contribute to achieving sustainable development objectives.

RESPECT FOR HUMAN RIGHTS

Since the group subsidiares identified as part of the scope are in France and Belgium, respecting French and Belgian regulations is sufficient to ensure the promotion and respect of fundamental international labour organisation provisions (ban on child labour, freedom of association, elimination of forced labour, etc.).

GOOD CONDUCT CODE

Our code of good conduct has been translated into five languages. The code was presented to each subsidiary at general meetings. The staff representative bodies were also consulted in our subsidiaries as to the adoption of the code. Our subsidiaries have made reference to the code of conduct in their in house rules. Our customer and supplier partners have been informed of the existence of this code of conduct and have been asked to respect it in our business dealings with them.

THE SAPIN 2 ANTI-CORRUPTION LAW

In 2020, we continued to implement our anti-corruption measures.

Our group has a gifts and invitations policy and a donations and sponsorship policy. We have completed a risk-mapping exercise covering all our activities. This will be presented to our audit committee in July 2021 and to our Statutory Auditors.

The review of accounting entries was carried out by an external firm using a digital tool. This enabled us to identify the most sensitive accounts and the types of entries upon which our analysis should focus.

The training of our exposed employees was one of the main topics in 2019. In 2020, we selected a digital platform that allows us to put online our questionnaire processed accoring to the Middlenext anti-corruption working group. This tool is intended for our non-exposed employees.

As for disciplinary sanctions, they were established in the context of alerts communicated to us when necessary. Our ethics committee met twice during the year to discuss the handling of alerts which have been fully escalated through the hierarchical chain of command.

STOCK MARKET CHARTER AND RESPECT OF 'MARKET ABUSE REGULATION'

In keeping with our policy of transparency, each employee of Thermador Groupe or its subsidiaries, whatever their level of responsibility, has occasional or permanent access to classified information. Consequently, all employees have signed a stock market charter detailing their duty of confidentiality and the conditions governing Thermador Groupe share sales and purchases, in line with European 'market abuse regulations'. The charter is also presented in the form of a graph to make it easier to understand.

INTRODUCTION OF THE GENERAL DATA PROTECTION REGULATION (GDPR)

This regulation, in force since May 2018, governs the processing of data from citizens of all European Union countries. All organisations must now ensure optimal protection of data at all times, be able to show it by documenting their conformity and explain their reasons for collecting and keeping personal data.

So as to respect this rule in our group, several actions have been introduced. Adeline Porcher has been appointed DPO (Data Protection Officer). The group has also commissioned an audit from an outside agency which mapped our personal data processing activities, and has written records of processing activities to be adapted to each subsidiary.

In 2019, the work of formalising our processing registers, reviewing our terms of sale and drafting the data policy was done. The deployment of this processing register and subcontractor compliance verification continued in 2020.

3.3 OUR APPROACH
IN THE FIELD OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

SUPPLIERS

The directors of the group are responsible for relationships with our suppliers. Our way of working can be summarised in a few simple principles:

- We work with a medium or long term vision.
- We are transparent with our suppliers, and tell them clearly what we expect of them.
- Price is not the only criterion of supplier selection.
- We pay close attention to their long-term existence, the quality of the products and services they propose, their transparency, commercial policies and reactivity.

We visit production sites ourselves which allows us to check that our suppliers' employees are well treated.

CO-CONSTRUCTION WITH LOCAL ACTORS (MUNICIPALITY, PREFECT, DREAL, ETC.)

Our buildings are constructed according to the standards and recommendations laid down by DREAL (regional environment and housing agency). All the necessary pre-demolition soil and material analyses are performed prior to new construction for our subsidiaries.

CONTRIBUTION TO THE LOCAL ECONOMY

We employ 450 people living for the most part in the Auvergne-Rhône-Alpes region. Our buildings are regularly maintained and have a very attractive appearance. With the local authorities and local neighbourhoods, we maintain cordial and constructive relationships. We very regularly work with local companies: transport, architecture, masonry, public works, finishing works, IT, canteen, health insurance, worker reintegration centre (ESAT).

CONTRIBUTION TO UPGRADING REGULATIONS IN OUR BUSINESS FIELDS

The managers and their teams are active in the professional unions present in our fields of activity. We are thus present in six unions: INOHA, ADFRI, COCHEBAT, FNAS and IFEP *(Industriels Français de l'Eau de Pluie).*

We would particularly like to highlight the involvement of PBtub and Thermacome. Our two subsidiaries are active members of COCHEBAT, respectively as treasurer and chairman.

COCHEBAT is a national federation bringing together most of the players in the field of low-temperature radiant surfaces and hot and cold water distribution. The union's primary concern is to enhance product and solution quality deliver an excellent level of comfort, consume little energy, preserve air quality and free up living space. The union also contributes to product life cycle and carbon impact analysis by making Environment and Health Product Declarations (FDES) available.

OUR DONATION AND SPONSORSHIP ACTIONS

Actions initiated by our subsidiaries

In 2020, group subsidiary donations totalled €39,000. Each subsidiary is free to choose its own donation policy.

A donations and sponsorship policy has been drawn up at Thermador Groupe level. Some of our subsidiaries have drawn inspiration from it.

Thermador has applied this policy by distributing its donations according to three criteria: developing countries, medical research and training. Four associations chosen by the employees have been supported by Thermador. This list is reviewed every year, which allows employees to be fully involved.

Sferaco also has its employees on board. They are invited to pass on the name of an association in which they would like their company to participate. The only obligation set by the management is that the employee must have some involvement in the chosen association, either through voluntary work or donations.

The management gives the floor to a member of one of the chosen associations once or twice per year at one of the monthly general meetings to talk about it.

Sectoriel has selected three associations around two causes: the homeless and cancer research.

Beyond financial donations, our teams are committed to solidarity operations, under the impetus of Jetly's marketing team: Eric Garot, Pierre Palmero and Victoire Lacome-Rigobert, all the Thermador Groupe subsidiaries in Saint-Quentin-Fallavier helped with collections for 'Restos du Cœur' in the week of December 7th. 600 kg of products were collected.

We would like to thank the 'Restos du Cœur' centre in Villefontaine and all the employees who took part.

Social action initiated with the Apprentis d'Auteuil

Social action has been initiated at group level with the *Apprentis d'Auteuil*, a national association recognised as being of public utility which, among other things, enables young people facing hardship to build a real project for the future by offering them several support solutions and training to facilitate their socio-professional integration.

However, the proposals for action drawn up with the association and listed in the DEU 2019 (see page 74) could not be carried out because of the health crisis.

But we donated the end-of-year bonus from Air France (for 2019 travel) to the *Lycée Professionnel Jean-Marie Vianney* at la Côte-Saint-André (38260) to help the school fund a project to reduce its carbon footprint.

The school has chosen to use the donation of around €4,300 to buy an electric scooter to make it easier for young people to get around.

In addition, several Saint-Quentin-Fallavier subsidiaries have paid their apprenticeship tax to this same high school.

CREATING AND MAINTAINING QUALITY EMPLOYMENT IN FRANCE

Experience has shown us, even very recently, that our employees are strongly attached to their region of residence. As our priority is to ensure their loyalty, we respect their regional roots. Thus, of the group's 668 employees, 603 live in France, 39 in Belgium, 3 in the Netherlands, 1 in Germany, 1 in Hungary, 12 in Spain and 9 in China. In France, our physical locations are in Saint-Quentin-Fallavier, Valence, Vierzon, Etigny, Saint-Maur-des-Fossés, Bischheim and Saint-James. This diversity is the result of our recent acquisitions, which were very often made possible by our commitment to respect employees' attachment to their region of origin. In 2020, our companies created 24 new positions in France.

3.4 CROSS-REFERENCE TABLE

FOR THE EXTRA-FINANCIAL PERFORMANCE STATEMENT

	Theme	Correlation with the Universal Registration Document	ODD*	Pages
	Presentation of our business model	Our business model.		51-52
	Presentation of our major Corporate Social responsibility risks and challenges	· Our ecosystem. · The five risks and opportunities. · Our approach to a societal and environmental responsibility / devolved governance structure.		53-56
	Description of our approach to societal and environmental responsibility			57-74
Social information	**Employment**	Total headcount and distribution of employees by sex, age and geographic zone.	8	59-60
Social information	**Employment**	Recruitment and redundancy.	3	63
Social information	**Employment**	Earnings and earnings growth.	8	61
Social information	**Work organisation**	Organisation of working time.	3	63
Social information	**Work organisation**	Absenteeism.	3	62
Social information	**Health and safety**	Health and safety conditions at work.	3	62
Social information	**Health and safety**	Work-related accidents, in particular frequency and seriousness, as well as work-related illnesses.	3	62
Social information	**Labour relations**	Organisation of social dialogue, in particular staff information and consultation procedures and negotiation therewith.	8 4	60 & 64
Social information	**Labour relations**	Reviews of collective agreements, particular in the field of health and safety at work.	3	62
Social information	**Training**	Policies implemented in terms of training, in particular environmental protection.	4	64
Social information	**Training**	Total number of training hours.	4	64
Social information	**Equal treatment**	Measures taken in favour of equality between men and women.	5	65
Social information	**Equal treatment**	Measures taken in favour of employment and integration of disabled people.	5 8	60
Social information	**Equal treatment**	Anti-discrimination policy.	5	60 & 65
Environmental information	**General environmental policy**	Organisation of the company to take environmental issues into account, and where applicable, approaches adopted to assess or certify in the environmental field.		57-58
Environmental information	**General environmental policy**	Resources dedicated to the prevention of environmental risks and pollution.	6 7	66 & 68
Environmental information	**General environmental policy**	Scale of risk provision and guarantee in the environmental field, on condition that this information is not seriously detrimental to the company in a current dispute.	N/A**	
Environmental information	**Pollution**	Prevention, reduction or resolution of measures for rejects in the air, water and ground seriously affecting the environment.	6 13	66 & 68, 70 & 71
Environmental information	**Pollution**	Taking into account any other form of pollution that is specific to an activity, and in particular sound and light pollution.	13	70
Environmental information	**Circular economy**	Waste prevention and management.	12	68
Environmental information	**Circular economy**	Sustainable use of resources.	6 7	66-67
Environmental information	**Circular economy**	Use of ground.	15	72
Environmental information	**Climate change**	Items that are substantial greenhouse gas emission generators because of the company's activity, in particular on account of the use of the goods and services it produces.	13	70 & 71
Environmental information	**Climate change**	Measures taken to adapt to the consequences of climate change.	13	70 & 71
Environmental information	**Climate change**	The objectives of voluntarily medium and long term objectives to reduce greenhouse gas emissions and the means used to achieve it.	NA***	
Environmental information	**Protection of biodiversity**	Measures taken to protect or develop biodiversity.	15	72
Societal information	**Societal commitments in favour of sustainable development**	The impact of the company in terms of employment and local development.	16	74
Societal information	**Societal commitments in favour of sustainable development**	The impact of the company's business on local or neighbouring populations.	16	74
Societal information	**Societal commitments in favour of sustainable development**	Relations with stakeholders in society and how dialogue works.	16	74
Societal information	**Societal commitments in favour of sustainable development**	Partnership or sponsorship actions.	16	74
Societal information	**Subcontracting and suppliers**	Taking social and environmental challenges into account in the purchasing policy.	12	69
Societal information	**Subcontracting and suppliers**	Taking relationships with suppliers and subcontractors into account as far as their social and environmental responsibilities are concerned.	16	74
Societal information	**Fairness of practices**	Measures taken in favour of health and safety of consumers.	12	69
Societal information	**Societal commitments against food waste, food shortage and in favour of responsible, fair-trade, sustainable food**		3	63
Societal information	**Societal commitments to respect animal welfare**		15	72
The fight against corruption	**Actions undertaken to prevent corruption**		16	73
Actions in favour of human rights	**A) Promotion and respect of the provisions of the fundamental conventions of the International Employment Organisation relating to:**	- Respecting the freedom of association and the right to collective bargaining,	16	73
Actions in favour of human rights	**A) Promotion and respect of the provisions of the fundamental conventions of the International Employment Organisation relating to:**	- Eliminating discrimination in terms of employment and professions,	5	65
Actions in favour of human rights	**A) Promotion and respect of the provisions of the fundamental conventions of the International Employment Organisation relating to:**	- Eliminating forced or compulsory work,	16	73
Actions in favour of human rights	**A) Promotion and respect of the provisions of the fundamental conventions of the International Employment Organisation relating to:**	- Effective abolition of child working.	16	73
Actions in favour of human rights	**B) Other actions undertaken in favour of human rights**		16	73

* SDG: Sustainable Development Goals. ** Not applicable. *** Not available.

Back to CONTENTS

3.5 SUMMARY OF INDICATORS

The information presented below concerns consolidated companies of Thermador Groupe on December 31, 2020.

Changes to reporting scope and calculation methods and new indicators in 2020 mean that we cannot always make a pertinent comparison between 2020 data and those of 2019 and 2018. These changes are mentioned and specified in the indicators each time they appear to help understanding.

The reporting approach for 2020 was specified and detailed via a CSR (Reporting Corporate Social Responsibility) memo for the collection of the quantitative and qualitative information required. It allowed us to define calculation methods for each indicator in order to ensure data consistency.

External verification process

The social, environmental and societal information published in this extra-financial performance statement has been verified by an independent third-party organisation, in order to issue an opinion on:

- Compliance of the Declaration with the provisions of Article R.225-105 of the French Commercial Code;
- The sincerity of the information provided pursuant to 3° of I and II of Article R.225-105 of the French Commercial Code, i.e. the results of policies including, key performance indicators and actions relating to key risks.

The nature of the work carried out and the conclusions are set out in the paragraph 'EFPD statement'. on page 78.

	2020	2019	2018	Pages
Governance data				
Compliance with a code of governance	Middlenext	Middlenext	Middlenext	28 - 57
Number of independent directors	5	5	5	28 - 57
Percentage of independent directors	45.5%	45.5%	45.5%	28 - 57
Proportion of women on our Board of Directors	45.5%	45.5%	45.5%	65
Employee representative director	1	1	1	60
Attendance of Board members	96.90%	96.10%	96.40%	32
Audit committee	YES	YES	YES	33 - 65
Earnings committee	YES	NO	NO	34 - 65
Sustainable development committee	YES	NO	NO	50 - 57 - 65
Transparency on the earnings of Thermador Groupe CEOs and deputy CEOs	YES	YES	YES	35
Declaration of the earnings of Thermador Groupe CEOs and deputy CEOs	YES	YES	YES	36
Equity ratio (median wage)				37
Ethics				
Ethics committee	YES	YES	YES	73 - 87
Number of alerts/warnings	5	2	0	33 - 73
Donation amounts, including amounts paid for carbon offsets	€39,384	€51,740	€30,097	74
Employment data				
Headcount according to gender				
Percentage of women	34%	31%	31%	59
Percentage of men	66%	69%	69%	59
TOTAL NUMBER OF EMPLOYEES (EXCLUDING TEMPS)	**668**	**503**	**476**	**59**
Workforce by geographical area				
France	90%	91%	92%	59
Outside France	10%	9%	8%	59
Headcount per contract type				
Permanent contract (CDI)	649	493	464	59 - 63
Temporary contract (CDD)	19	10	12	59 - 63
% of permanent contracts (CDI)	97%	98%	97%	59 - 63
Number of temp hours	74,642	51,902	56,411	60
As a % of the number of hours worked	6.4%	5.6%	6.5%	60
Distribution between recruitments and departures				
Recruitments	82	86	101	63
- of which, jobs created in France	24	22	46	63 - 74
- of which, jobs created outside France	1			63 - 74
Departures (excluding end of fixed-term contracts and retirement)	41	40	53	63
Diversity				
Women in management positions (in %)	34%	35%	37%	52 - 59 - 65
Men in management positions(in %)	66%	65%	63%	52 - 59 - 65
Employees with disability status (in number)	12	5	7	60
Training				
Training budget as a % of the wage bill	1.63%	2.67%	2.21%	64
Number of employees having attended at least one training session during the year	393	431	318	64
- of which, managers (in %)	40%	NA	NA	64
- of which, non-managers (in %)	60%	NA	NA	64
Number of training hours	8,491	10,407	8,384	64
Number of work-study students, apprentices and trainees present during the year	25	13	14	64

	2020	2019	2018	Pages
Employee loyalty				
Average salary	**€50,337**	€51,503	€50,727	61
Variable/fixed part	**18%**	17%	19%	61
Number of employees benefiting from profit-sharing or incentive agreements	**179**	179	166	61
Share of employee share ownership	**9.0%**	8.7%	8.6%	42 - 61
Staff rotation	**11.10%**	14.40%	17.30%	63
Average length of service (in years)	**9.76**	8.88	8.85	52 - 63
Health: % of absences not related to the health crisis				
Due to sick leave	**74%**	69%	80%	62
Due to maternity or paternity leave	**14%**	16%	10%	62
Related to accidents at work and commuting accidents	**6%**	14%	10%	62
Link to work-related illnesses	**6%**			62
AVERAGE ABSENTEE RATE FOR THE GROUP	**3.90%**	**4.00%**	**3.20%**	**62**
Social dialogue				
Number of subsidiaries with CSEs/IRPs	**10**	10	3	60
Percentage of employees represented by an employee representative body	**76%**	74%	26%	60
Number of company agreements signed	**11**	7	3	63
Societal data				
% of our purchases from ISO 9001 certified suppliers	**55%**	NA	NA	52
% of our purchases from audited suppliers in 2020	**14%**	NA	NA	52
Number of customers who responded to a satisfaction survey	**383**	NA	NA	74
Number of ISO 9001-certified subsidiaries	**4**	3	3	52
% of turnover generated by these ISO 9001 subsidiaries	**28%**	16%	18%	52
Environmental data				
CSR governance within the group				
Number of people on the CSR committee	**39**	NA	NA	58
Number of people in the Thermavert cross-functional group	**21**	NA	NA	57
Biodiversity				
Number of m² of green spaces under FIPA collaboration	**32,800**	NA	NA	72
Number of species logged	**206**	NA	NA	72
Energy consumption in relation to the surface area of buildings				
Water (in L/m²)	**75.5**	60.7	62.8	66
Gas consumption (in kWh/m²)	**26.6**	28.5	23.8	70
Electricity consumption (in kWh/m²)	**23.4**	23.3	25.3	67 - 70
Proportion of LED lighting in our buildings (in % of m²)	**59%**	48%	22%	57 - 62
Share of electricity consumption in 'Renewable energy option'	**65%**	61%	36%	67
TOTAL ENERGY CONSUMPTION (IN KWH/m²)	**50.1**	**51.8**	**49.1**	**70**
Scope 1 direct emissions (in tonnes of CO_2 equivalent)				
Emissions due to company vehicle travel (per vehicle)	**427**	359	349	71
Emissions from burning natural gas on site	**501**	428	373	70
Emissions from burning domestic fuel on site	**23**	25	8	70
Emissions from refrigerants	**16**			70
TOTAL SCOPE 1 (in TEQ CO_2)	**966**	**812**	**730**	**70 - 71**
Scope 2 indirect emissions (in tonnes of CO_2 equivalent)				
Emissions due to the purchase of electricity	**195**	158	171	70
TOTAL SCOPE 2 (in TEQ CO_2)	**195**	**158**	**171**	**70**
Scope 3 other indirect emissions (in tonnes of CO_2 equivalent)				
Emissions due to professional travel (rental cars, planes, trains)	**48**	217	171	70
TOTAL SCOPE 3 (in TEQ CO_2)	**48**	**217**	**171**	**70**
Activity-related waste				
Activity-related waste (in kg /tonne of products received)	**23.48**	19.22	16.10	68
Non-hazardous industrial waste	**100%**	100%	100%	68
Hazardous industrial waste	**0%**	0%	0%	68
TOTAL INDUSTRIAL WASTE (IN TONNES)	**946**	**676**	**557**	**68**
% of waste sent to a recycling solution for recovery	**85%**	81%	58%	68

NA = not available.

3.6 CERTIFICATE OF EXTRA-FINANCIAL PERFORMANCE STATEMENT

THERMADOR GROUPE SA – REPORT FROM THE VERIFICATION AGENCY – FINANCIAL YEAR ENDED DECEMBER 31, 2020

Dear shareholders,

Further to the request made by THERMADOR GROUPE SA and in our capacity as an independent third party body whose accreditation was accepted by COFRAC under N° 3-1081 (available on the website www.cofrac.fr), we present herewith our report on the consolidated social, environmental and societal information presented in the management report drawn up for the financial year ended December 31, 2019 in application of article L.225-102- 1 of the French Companies Act.

RESPONSIBILITY OF THE ENTITY

It is the Board of Directors' duty to draw up a Declaration in compliance with legal and regulatory provisions, including a presentation of policies introduced in light of these risks, and the results thereof, which should feature key performance indicators.

The Declaration was drawn up in compliance with the reference set used (hereafter referred to as the 'Reference Set') per entity, the key elements of which can be provided upon request by the company's headquarters.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions outlined in article L. 822-11-3 of the commercial code and the ethical code of the profession. Also, we have introduced a quality control system which includes documented policies and procedures to ensure that ethical rules, professional doctrine and applicable legal and regulatory texts are respected.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY BODY

On the basis of our investigations, we have formulated an opinion and explained it, and our conclusion is one of "moderate assurance" as to:

- the compliance of the Declaration with what article R.225-105 of the commercial code requires;
- the sincerity of the information provided in application of part 3 and I and II of article R. 225-105 of the commercial code, i.e. the results of policies, including key performance indicators, and actions relating to main risks hereafter referred to as "information".

However, we are not required to pass any judgment on:

- the entities' respect of other applicable legal and regulatory provisions, in particular in terms of vigilance plans and the fight against corruption and tax evasion;
- the compliance of products and services to applicable regulations.

NATURE AND SCOPE OF WORKS

We have carried out our work according to applicable standards in France determining the conditions under which the independent third party body carries out its mission, and the international standard ISAE 3000.

Our works were performed between December 14, 2020 and February 18, 2021, taking approximately 6 man days.

We held eight interviews with those responsible for the Declaration.

We carried out our investigation allowing us to assess the compliance of the Declaration to regulatory provisions and the sincerity of the "information":

- we learned about the business activity of all the companies that are part of the consolidate scope, information about the major social and environment related risks linked to this business, and the effects as to their respect of human rights and the fight against corruption and tax evasion, as well as the resulting policies and their results;
- we assessed the appropriateness of the reference set in respect of its suitability, exhaustive nature, reliability, neutrality and clarity, and where applicable, taking into consideration good practices from the sector;
- we checked that the Declaration covers each category of information as required in point III of article L. 225 102 1 in terms of social and the environment, as well as respect for human rights and the fight against corruption and tax evasion;
- we have checked that the Declaration includes an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- we checked that the Declaration presents the business model and main risks linked to the business of all the entities included in the consolidation scope, including, when pertinent and proportionate, those risks created by its business relationships, products or services, as well as policies, actions and results including key performance indicators;
- when applicable in respect of the main risks or policies presented, we checked that the Declaration presented the information required in section II of article R. 225-105;
- we assessed the selection and validation process for the main risks;
- we enquired as to the existence of internal control procedures and risk management introduced by the entity;
- we assessed the coherence of the results and key performance indicators chosen in respect of the main risks and policies presented;
- we checked that the Declaration covers the consolidated scope, i.e. all the companies included in the consolidation scope in compliance with article L. 233-16;
- we assessed the collection process introduced by the entity with a view to exhaustiveness and sincerity of information;
- or the key performance indicators and other quantitative outcomes that we considered the most important, we implemented:
- analytical procedures to check the correct consolidation of data collected as well as the coherence of their use;
- detailed tests on the base of sampling, to check the proper use of definitions and procedures and matching up data and documents. This work was carried out with a selection of contributing entities[1] and covering between 21 and 100% of the consolidated data of key performance indicators and results selected for those tests[2];
- we consulted documentary sources and held interviews to corroborate what we considered the most important qualitative information (actions and results);
- we assessed the overall coherence of the Declaration according to our knowledge of all the companies included in the consolidation scope.

We feel that the work that we carried out in exercising our professional judgment allows us to conclude 'moderate assurance'; a higher level of assurance would require more extensive verification works.

Because of the use of sampling techniques and other constraints inherent to the function of any information system and internal control, the risk of non-detection of a significant anomaly in the Declaration cannot be totally eliminated.

CONCLUSION

On the basis of our investigations, we did not find any significant anomaly which could call the Declaration of extra-financial performance into question and suggest that it did not comply with applicable regulatory provisions, and that the overall information is presented in a sincere way in compliance with the reference set.

Lyon, on February 19, 2021

FINEXFI
Isabelle Lhoste
Associée

[1] Jetly, Sferaco, Thermador, Syveco, Rousseau.

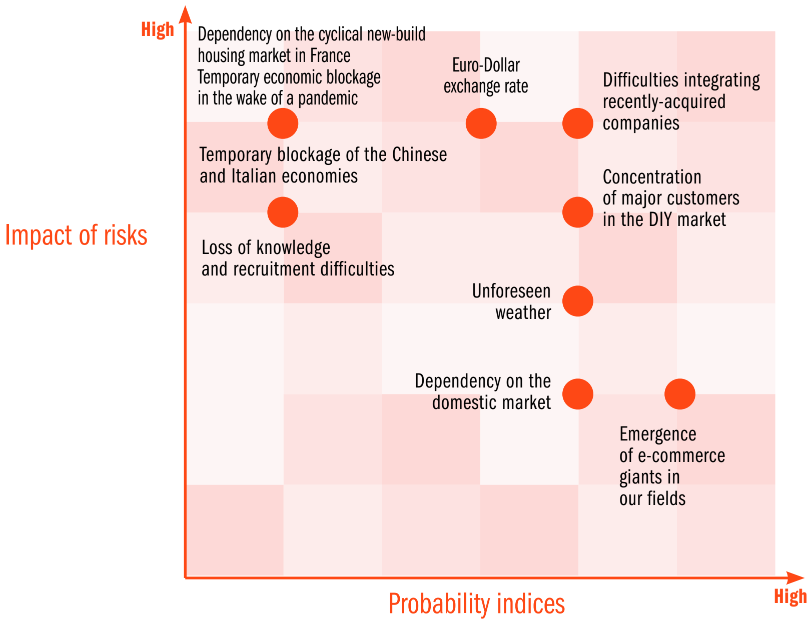
[2] Indicators checked: Our staff, Temporary workers, Disabled workers, Variable pay, Access to health, Recruits - Departures, Respect for employee privacy, Training and skills management, Access to clean water and sanitation, Use of renewable energy for our buildings, Understanding the economy, Fight against climate change, Direct emissions linked to employee travel, Developing biodiversity around our sites, Creating and maintaining quality jobs in France.

Back to CONTENTS

4. RISK MANAGEMENT

4.1 RISK FACTORS

The company performed a review of risks potentially having a substantial unfavourable impact on its business, financial situation and profits. The different risks are classified according to their potential impact and probability of occurrence. This risk mapping reflects Thermador Groupe's exposure and therefore includes control measures introduced so as to limit probability and impact.



Ranking of risks	
4.1.1. RISKS LINKED TO THE BUSINESS	Unforeseen weather
	Dependency on the cyclical new-build housing market in France
	Concentration of major customers in the DIY market
	Dependency on the domestic market
	Emergence of e-commerce giants in our fields
4.1.2 OPERATIONAL RISKS	Difficulties integrating recently acquired companies
4.1.3 EMPLOYMENT RISKS	Loss of knowledge and recruitment difficulties
4.1.4 FINANCIAL RISKS	Euro-Dollar exchange rate
4.1.5 GEOPOLITICAL RISKS	Temporary blockage of the Chinese and Italian economies
4.1.6 PANDEMIC RISKS	Temporary economic blockage in the wake of a pandemic

4.1.1 RISKS LINKED TO THE BUSINESS

Unforeseen weather events

Risk identification and description	Potential impact on the group
A rainy winter would inevitably cause a drop in watering pumps sales, a market on which we are a significant player in the professional and retail channels.	Decline in turnover. In 2013, we saw a very rainy spring, we lost approximately €2.5m turnover over the first half year.

Risk control and limitation

Our best sellers are stable products. Unsold products from a very poor season can perfectly well be sold during the following season.

Rainy springs are very often followed by drier summers, and such cycles have always allowed us to catch up some of the sales lost to end-June.

Over the last 10 years, good years have broadly compensated for bad ones. Also, our high stock levels allow us to make the very best of years of high demand.

Back to CONTENTS

Dependency on the cyclical new-build housing market in France

Risk identification and description	Potential impact on the group
We are exposed to the cyclical building market and, more particularly, the number of new-build housing starts. 43% of our consolidated turnover comes from fluid circuits in buildings. Of that 43%, only 20% is from the new-build sector; the remaining 80% is renovation market turnover.	Our exposure to the new-build market is limited to 9% of our consolidated turnover. For example, in 2009, during the last major crisis in this sector, our consolidated turnover fell 5.5%. In 2019, organic growth was even recorded in the business activity of the subsidiaries concerned, in spite of a documented drop in housing starts.

Risk control and limitation

The share of our turnover from the construction market has fallen from 55% to 43% since 2009. This rebalancing is primarily due to our strong progression in the industrial market, which today concerns 6 of our subsidiaries.

Also, Ets Edouard Rousseau, acquired on December 31, 2018, sells taps from its sanitation range, the vast majority of which are for the renovation market.

Concentration of our major customers in the DIY market

Risk identification and description	Potential impact on the group
Like the ADEO group (Leroy Merlin) and Kingfisher (Castorama) group, our major DIY customers today have very large market shares. Thus, they have very strong positions at Ets Edouard Rousseau, Dipra, Mecafer and Domac.	A de-referenced range in the past has been known to result in a loss of €600,000 of gross margin over a year.

Risk control and limitation

Every year, we win and lose bids. The idea is to win more than we lose.

Rousseau, Dipra, Mecafer and Domac are present in several ranges and in several departments of DIY stores. Any de-referencing is therefore only ever partial.

We regularly launch new products and sometimes take on new markets.

We diversify our customer base and target alternative trading networks which are looking for differentiated, excellent quality retail products. We also target food retail, auto distribution, garden centres and agricultural distribution.

We relentlessly improve our service and brand recognition to obtain customer and user loyalty through criteria other than price.

We create bespoke products for e-commerce platforms and market places.

Dependency on the domestic market

Risk identification and description	Potential impact on the group
We do 81.8% of our business in France. We therefore run the risk of growing at the same pace of the country's economy, i.e. slowly.	Stagnation of turnover, as in 2013 and 2014.

Risk control and limitation

Our market share in France ranges from 0 to 30%, the latter being for certain ranges that we have sold for several decades via our oldest subsidiaries. 0% is for recently launched products where our development focus lies today. Thus, our organic growth in France is often greater than the growth of the market itself.

Numerous ideas on market niches still have to be developed. We even often have to make choices and discard certain projects to avoid becoming dispersed.

Also, we completed 10 acquisitions between 2015 and 2020, which brought in around €124.9m of turnover in 2020, €39m of which in export sales.

Finally, in 2013 and 2015 we created two companies, which cumulatively reported €18.5m turnover in 2020.

4.1 RISK FACTORS

Emergence of e-commerce giants in our professions

Risk identification and description	Potential impact on the group
The big e-commerce players have very quickly shaken up certain business areas. Are they becoming new competitors to Thermador Groupe subsidiaries, or even making our business model obsolete? These platforms can allow users to short-circuit middlemen.	Greater tension on margins because of the transparency of prices Europe-wide. The emergence of new competition in the form of e-merchants or e-platforms which could see us drifting 'out of the picture'. Web sales account for between 0% and 20% of our business. It is impossible to assess this precisely, because some of our major customers are multi-channel players who do not wish to communicate a break-down of their sales channels.

Risk control and limitation

Many of our products constitute market niches which offer little attraction to the giants of e-commerce. Furthermore, they require a lot of human resources in specifiers and after-sales.

For simpler products, we have been working to develop this new distribution channel for several years. leroymerlin.fr, Amazon and Cdiscount are examples of customers of some of our subsidiaries who are involved in the retail markets.

Also, we accompany our historic customers who wish to sell on the web or to become players on the major e-commerce platforms such as ManoMano. We supply them with qualified product data and the logistics they need.

We train our teams to increase their proficiency in handling data and using digital marketing.

We test new logistics solutions, invest in modern websites and regularly scan the web to control our pricing policies.

We are honing the skills of our after-sales service, a key element for gaining user loyalty and improving brand recognition.

Over the past 5 years, we have measured the progress of our e-commerce and 'marketplace' customers. We choose not to disclose turnover achieved with those customers.

4.1.2 OPERATIONAL RISKS

Difficulties integrating recently-acquired companies

Risk identification and description	Potential impact on the group
Since 2015, we have made ten acquisitions of very different sizes. Experience shows that it is more difficult to onboard companies whose turnover is more than €15m (5 of the 10). We run into difficulties because of divergent views with the management, different cultures, geographical distance, and different IT systems.	Non-achievement of expected synergies, non-completion of business plans, loss of productivity. Operating profits from these 5 companies (€9m in 2019) could have a negative impact on the consolidated operating profit and damage the return on invested capital. Goodwill is €56.3m and is an asset on the group's books. Recurrent poor results could reduce the value of that asset. The relocation of FGinox's logistics planned for early 2022 will require additional real estate investments in 2021.

Risk control and limitation

Our Board is balanced: 5 independent Board members, 5 not free of interests, and an employee Board member. None of the 5 major acquisitions made since 2015 have been decided without a majority vote in favour.

The operational managers of the group are personally implicated in the integration processes.

Two executives of the companies we have acquired have been replaced.

We have strengthened IT and internal audit teams.

Our monthly reporting delivers fast reaction times.

We announced a break in 2020 and 2021 on operations that are time consuming or above €5m so that our resources can be dedicated to implementing synergies and operational efficiencies.

Back to CONTENTS

4.1.3 **SOCIAL RISKS**

Loss of knowledge and recruitment difficulties

Risk identification and description	Potential impact on the group
Greater instability amongst staff and difficulties in filling certain posts could be an obstacle to our growth. The average length of service in the group fell from 11 years in 2016 to 9.8 years in 2020.	We believe that a complete and highly experienced team delivers a 3% better performance. The opposite would therefore lead to a loss of performance of the same magnitude. On average, that could represent €1m turnover episodically for one or two of our subsidiaries.

Risk control and limitation

Responsibility for the social relations climate and managing human resources is delegated to executives from the subsidiaries which are themselves human-sized companies. We constantly work to improve quality of life at work by testing with anonymous questionnaires. We implement very practical initiatives to protect the environment, which is very important to the younger generations. We accompany long-term illness employees with a great deal of attention. We promote and practise transparency of salaries within our subsidiaries. We are working on our employment contracts to empower managers and teams in terms of compulsory rest times and effective working times. We are transparent as to financial results and share them within each of our subsidiaries. We have created a collaborative platform designed to be accessible to all group employees. Job vacancies are published internally on the collaborative platform. We promote and facilitate access to capital. We promote respect, conviviality and simplicity in our social relations. We encourage and help managers and supervisors to improve their management skills.

We diversify recruitment channels enormously: agencies, social media, APEC (job agency for managers), personal networks, etc.

4.1.4 **FINANCIAL RISKS**

Euro-Dollar exchange rate

Risk identification and description	Potential impact on the group
The group sells in euros in France and abroad. We buy from all over the world: around 33% of our merchandise is purchased in US dollars. This exposes us to the volatility of the Euro-Dollar exchange rate.	Currency variations against the euro (primarily $US) can increase the price we pay for merchandise and thereby hurt the group's profits. The actual purchase price is incorporated into our cost price and passed on as much as possible to the customer. Mathematically, a 10% variation in the US dollar rate would have a €9m impact on our commercial margin.

Risk control and limitation

Since January 1, 2018, Thermador Groupe has had centralised dollar cash management to cover the needs of all its subsidiaries. This ability to keep ahead of the exchange rate gives those subsidiaries greater visibility in terms of selling price, and better control over their margins.

4.1.5 **GEOPOLITICAL RISKS**

Temporary blockage of the Chinese and Italian economies

Risk identification and description	Potential impact on the group
35% of our purchases of finished products come from China and Taiwan, 34% from Italy. A political, social or health crisis could temporarily block one of those country's economies.	In the face of such events, we could be confronted with stock-outs. It is today however impossible to assess this risk since we have not recently experienced this type of situation.

Risk control and limitation

Our stock levels are generally higher than those of our competitors. We have stable and even-handed relationships with our suppliers. This makes decision-making easier in crisis situations and makes us a priority customer for them. We are active in seeking and developing suppliers in France, Spain, Germany, Belgium, Turkey, Brazil, Hungary, India, Poland, South Korea, Slovakia, Finland, Portugal, Austria, England and Holland.

4.1 RISK FACTORS

4.1.6 PANDEMIC RISKS

Temporary economic blockage in the wake of a pandemic

Risk identification and description	Potential effects on the Group
Like the Covid-19 crisis in the first half of 2020, a global pandemic could block the economy.	Large numbers of the group's employees falling ill, based in France, Belgium, the Netherlands, Spain and China. Loss of productivity due to home-working. Blocking of supplies. Sharp drop in sales. Difficulties controlling stock variations. Weakening of certain customers and suppliers. Longer customer payment periods. Insufficient cash to finance the business. Loss of shareholder confidence and collapse of share value. We believe that in 2020, we lost an opportunity for 4% organic growth, or approximately €15 million in revenue (organic growth in January and February 2020 was over 10%).

Risk control and mitigation

Our decentralised organisation, consisting of small structures, enables us to take health safety measures extremely quickly. Fortunately, only one of our employees was seriously affected by the Covid-19 pandemic.

The digitalisation of our organisations was already well underway by March 14, 2020. Home-working was implemented very quickly and efficiently for all employees able to perform their tasks remotely.

Our logistics and management teams remained physically mobilised. Only the Spanish site of Rousseau SA, located in Madrid, had to close for 15 days to protect employee health. All of the group's other companies provided service to their customers, sometimes winning us market share. Overall, the commitment and solidity of our teams during this period was a major asset.

The closures of our suppliers' factories, in France and around the world, only lasted a few weeks. They did not all close at the same time, rather according to lockdown measures taken independently by governments. At the same time, sales slowed enormously, so there were no major stock shortages.

On the other hand, we had to limit excessive stock increases potentially resulting from the sharp drop in sales. Each subsidiary held back on sourcing their supplies in coordination and cooperation with their suppliers. At December 31st, our stock levels stabilised at 173 days of purchases consumed.

To date, none of our customers or suppliers has gone into safeguard proceedings. In terms of number of turnover days, customer receivables have increased from 57.9 days at December 31, 2019 to 56.1 days at December 31, 2020. Thanks to the excellent monitoring put in place by our subsidiaries.

The French government and the European authorities have taken vigorous measures to support the economy, which have helped to keep many of our customers afloat. In addition, we have benefited from furlough schemes, which we used as a last resort, for a consolidated amount of €493k in 2020.

Our two banking partners have given us their full support by deferring loan maturities, financing an external growth operation on April 30, 2020 and granting us additional overdraft facilities. This exceptional situation was regularised at the end of the third quarter of 2020.

From the beginning of the crisis through to December 2020, we communicated regularly on the impact of the two lockdowns. We also increased the number of videoconferences with our shareholders.

As our debt ratio is extremely low, we maintained our dividend proposal for 2019. This resolution was approved at a digital AGM where 65.8% of voting rights were accounted for.

These measures have helped to maintain a very good climate of confidence with our shareholders. The Thermador Groupe share price outperformed the CAC mid & small caps over 2020:

- Thermador Groupe: +20.8%
- CAC Mid&Small: -1.3%
- CAC 40: -7.1%

Back to CONTENTS

4.2 INSURANCE AND COVERAGE OF RISKS

36.3%
OF WAREHOUSE
SURFACE AREA EQUIPPED
WITH SPRINKLERS.
I.E.: 35,724m²

Sprinkler system at Sferaco.

All the group's companies are covered by an overrarching insurance policy against the following risks: damage and operating losses, civil liability and transport. All subsidiaries use the guarantees set up and negotiated at group level with the exception of Sodeco and Etablissements Edouard Rousseau, recently acquired by Thermador Groupe. These two subsidiaries kept their existing insurance policies in 2019 given their geographical specificities (Belgium for Sodeco and Spain for Rousseau's SA subsidiary).

Group-negotiated insurance policies provide a high level of cover and seek first and foremost to guard against the biggest possible incidents that could have a substantial negative impact on the group's financial situation.

Cover for damage and operating losses risks was renegotiated on January 1, 2019 for a period of two years. In 2019, all our sites in Saint-Quentin-Fallavier (Isère) were visited by our insurer as part of an audit on preventative maintenance and protection procedures. The outcome was 'highly satisfactory' for the insurer.

Cover for transport risks was also renegotiated on January 1, 2019. Our transport insurance policy covers transport risks for both purchasing and selling. It is €1.5m whatever the means of transport (sea, land, air, etc.).

The civil liability contract was renegotiated on January 1, 2019 for a period of two years on the basis of a flat-rate premium, not linked to turnover as was the case previously. This premium was reduced given the substantial decline in claims.

The guarantees signed up to as part of the product civil liability programme are as follows:

- €10m per claim and per year.
- €2m per claim and per year for recall costs and disassembly / reassembly expenses.

Our operations civil liability guarantees are:

- €10m per claim and per year.
- €6m for inexcusable error.
- €1.5m for sudden accidental impacts on the environment.

The group has also taken out an employee mission insurance policy to cover all professional travel for our staff, nationally and internationally. Group insurance policies are updated at least every two years to follow changes to group scope and to control industrial risks.

The group's policies are with major insurance companies with a global profile.

4.3 INTERNAL CONTROL

73%

OF OUR BUSINESS
IS MANAGED ON THE SAME
COMPUTER SYSTEM

Audit committee on October 8, 2020.

4.3.1 SUBJECT OF INTERNAL CONTROL PROCEDURES

The internal control system in place in our group is designed to ensure that employees comply with prevailing laws and regulations as well as with the standards and principles of our group so as to avoid any risk of error or fraud.

4.3.2 ORGANISATION OF CONTROL PROCEDURES

4.3.2.1. Within the parent company

Thermador Groupe holds all, or almost all, of the shares of its subsidiaries and is present (as are its main executives) on the subsidiaries' boards and management committees. Thermador Groupe defines and implements the group's development strategy and coordinates the different businesses.

Thermador Groupe identifies risks and prevention measures by ensuring harmonious rules and procedures are applied on accounting, legal, fiscal and IT matters.

IT system management and security is also piloted at Thermador Groupe level. The long-standing companies of the group use the same IT system (ACE from the company AUREA). Mecafer and Domac use Microsoft's 'Navision', FGinox BG Partners' 'Gold' and Ets Edouard Rousseau INFOR's 'XA Essentials', Thermacome 'SAP' by Design and Distrilabo 'Sigest'. The quest for greater efficiency leads to the harmonisation of ERPs to simplify intra-group flows and data entry into the accounts consolidation software.

Consolidated accounts are drawn up internally. They are facilitated by a simple legal structure, correspondences between the accounting plans, isolated intra-group flows and common account closing practices.

4.3.2.2. At subsidiary level, the primary concerns are controlling sales, purchasing margins, stock, regulatory compliance and human resources.
Each subsidiary has a general management team, an administrative department, a sales department and a purchasing department: each is autonomous in the definition and implementation of its strategy in line with the regulations defined within the group. Only the CEO and the administrative manager are signatories.

Cross-subsidiary meetings involving those in the same position in the different subsidiaries allow them to pool experiences, share good practices and validate proper implementation of procedures.

Frequent complete or rotating physical inventories means that discrepancies can be detected and the efficiency of procedures checked.

4.3.2.3. Accounting and financial information

Each subsidiary has an accounts team placed under the responsibility of the administrative director. That team sends the following to group management every month: provisional cash position report, ageing balance of customer receivables, inventory, cross-referencing between statistical margins and gross accounting margins, and pre-tax P&L result. Comparative monthly analyses are made according to budgets drawn up at the beginning of the financial period and the previous year's turnover.

Each half year, subsidiaries close their accounts according to the common reference set and closing procedures. These elements are then reviewed by the auditors and sent to Thermador Groupe's consolidation team who ensures the coherence of the reporting before aggregating the consolidation results and accounting entries. The annual and half-yearly financial statements are presented to the audit committee and voted on by the Board of Directors.

Back to CONTENTS

4.3.3 ANTI-CORRUPTION MEASURES

In compliance with the Sapin 2 law, in 2017 we opened two mailboxes for any whistle-blowers wishing to contribute, in French or in Dutch.

We named two ethics officers to answer employees' questions and ensure that the general mechanism is rolled out efficiently, respecting the confidentiality of the information gathered.

We also appointed three members to the ethics committee, responsible for processing alerts whilst protecting the confidentiality of the parties concerned, and adopted the 'Middlenext' group conduct code, now available on the Thermador Groupe website, as well as the United Nations anti-corruption convention that addresses this subject.

In 2019, we created an anti-corruption workgroup that has implemented the following initiatives on 2019 and 2020:

- Update of our General Terms of Purchase and General Terms of Sale.
- Roll-out of the code of conduct to the subsidiaries (administrative, commercial and purchasing/marketing departments, social and economic committees, memos to suppliers, coverage in the internal newsletter, mention of the policy in the induction booklet).
- Modification to in-house regulations.
- Update of the Thermador Groupe website with our code of conduct on-line in the languages of our suppliers and customers.
- Awareness-raising in a general meeting with employees.
- Training on the anti-corruption mechanism for 40 people in March 2019 and 53 people in September 2019.
- Work on the introduction of an e-learning tool for existing employees and new recruits.
- Drafting of our risk mapping.
- Introduction of a gifts and invitations policy.
- Implementation of our sponsorship policy.

4.3.4 GDPR MEASURES

During the financial year, Thermador Groupe continued to implement and roll out its compliance with GDPR (General Data Protection Regulation).

A first audit carried out by an external service provider in 2018 as soon as GDPR came into force helped us to map data processing activities and identify priority actions. Again in 2018, an awareness-raising campaign was run with 2-hour training sessions for around fifty people (members of subsidiary management teams and departmental managers) on GDPR and good personal data management practices. Five other people from Thermador Groupe and those subsidiaries with more independent IT systems also followed a three-day course to become DPO or Deputy DPO.

2019 was dedicated to formalising GDPR conformity: update of General Terms of Sale, putting our data protection policy on line, drawing up information memos and especially writing a register of processing operations currently being deployed in each subsidiary. The update and adaptation of the 2020 register in the subsidiaries was also an opportunity to look at things from a new perspective and optimise existing processes by adopting best practices in terms of collection, conservation and access to data.

4.3.5 ASSESSMENT OF INTERNAL CONTROLS

The procedures described above, approved by the Board on February 18, 2020, have proved efficient thus far.

The information systems team and the accounting and financial department of Thermador Groupe

5. OUR SUBSIDIARIES

5.1 GENERAL OVERVIEW

Markets	Subsidiaries		Founded or bought in	Capital in thousands of euros	Company type	Turnover in thousands of euros before Intragroup	Contribution to turnover in thousands of euros	Headcount at 31/12/2020	Stock in thousands of euros	Contribution to net pre-tax profit in thousands of euros
DIY	mecafer domac	Equipment tools	2015/ 2017	549	SAS	34,939	34,211	35	7,090	2,687
	DIPRA	Pumps, technical plumbing accessories and taps	1986	960	SAS	66,543	62,316	136	19,399	3,480
	Edouard Rousseau		2018	2,096	SAS					
MANUFAC-TURERS	ISOCEL	Supply of components to OEM	1992	160	SAS	6,248	6,230	7	1,231	816
PUMP COLD WATER SWIMMING POOL	aello	Equipment for swimming pools	2015	2,000	SA	12,638	12,519	18	3,401	950
	jetly Ma préférence	Pumps	1977	3,200	SAS	50,854	49,996	61	13,561	9,880
HEATING SANITARY PLUMBING VENTILATION	thermador	Central heating and domestic water accessories	1968	3,200	SAS	51,171	49,003	47	14,821	9,388
	PB tub	Heating - cooling surfaces and piping systems	1989	960	SAS	23,194	22,158	33	7,854	1,671
	THERMACOME LE CONFORT THERMIQUE		2020	1,466	SAS	11,901	11,905	30	1,784	689
	Axelair VENTILATION VORTICE	Ventilation equipment and accessories	2013	1,000	SA	6,152	5,978	17	2,246	(29)
	sferaco VALVES, METERS & FITTINGS	Valves, meters and connectors	1978	3,200	SAS	67,491	53,431	74	30,920	9,245
INDUSTRY	SECTORIEL NUAIR FRANCE	Motorised valves and air compressors	1989	780	SAS	25,183	21,924	43	5,996	3,449
	DISTRILABO à votre mesure...	Measure and control	2019	500	SAS	5,086	5,052	18	1,121	267
	FGinox The global solution for your need in stainless steel	Stainless steel connectors, flanges, valves and accessories	2017	490	SAS	14,772	14,491	45	4,623	1,627
	SYVECO YOUR VALVE STOCKIST	International	2006	1,000	SAS	25,382	25,378	40	269	3,453
	SODECO valves	Industrial valves	2017	2,703	SPRL*	20,837	20,607	43	5,225	1,111
COMMUNI-CATION	Opaline agence de communication globale	Communi-cations agency	2002	80	SAS	1,471	14	9	-	64
REAL ESTATE	THELY	Real estate company	1973	3,100	SCI	5,526	287	-	-	2,003

DISTRILABO: acquisition of Distrilabo on December 31, 2019. THERMACOME: acquisition of Thermacome on April 30, 2020.

(*) A private limited company.

Back to CONTENTS


Philippe Bories


Isabelle Giraud


Patrice Le Ponner (Domac)


Lionel Franquin


François Delattre

COMPRESSORS, COMPRESSED AIR TOOLS, WELDING STATIONS, GENERATORS, BATTERY CHARGERS AND HEATING FOR DIY STORES

In their fifth and fourth years with the group respectively, Mecafer and Domac achieved record sales, helped by the post-lockdown craze among the French for DIY and home improvement.

This performance was achieved through the hard work of our staff, who have shown great robustness in constantly adapting to the organisational changes required both by the unpredictable levels of orders from our customers and by several waves of stoppages and resumptions of deliveries from our Italian and Asian suppliers.

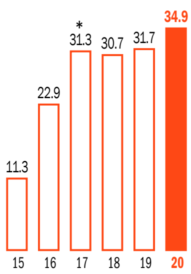
In this complicated context, our teams have been able to maintain a quality of physical and digital service, such as the e-SAV portal (4,000 after-sales service requests processed), at the same times as continuing the product and customer diversification plan initiated two years ago. In particular, high-pressure cleaners confirmed their status as the 4th ranked strategic category of the range.

These trading results, and a favourable Euro/Dollar exchange rate, contributed to a significant improvement in the result.

The very atypical nature of 2020 invites us to be very cautious for 2021, which will inevitably be very different as it unfolds. The budget of France's army of handymen is not unlimited!

Turnover in 2020

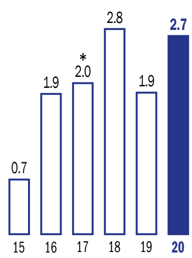
€34.9m



* Figures consolidated since March 1, 2017.

Profit before tax in 2020

€2.7m




Laure Empereur


Emmanuelle Desecures


Bertrand Kinche


Mercedes Banegas

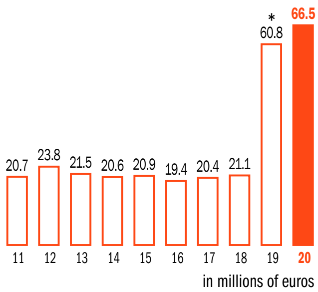
DIPRA

DOMESTIC PUMPS AND
PLUMBING FITMENTS
FOR **DIY SUPERSTORES**

Edouard Rousseau

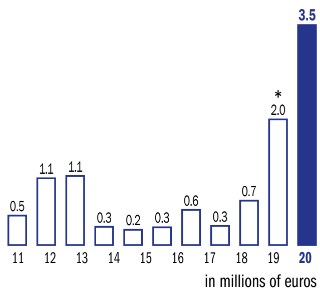
TAPS AND
HYDROTHERAPY
FOR **DIY SUPERSTORES**
AND **FOOD RETAIL OUTLETS**

Turnover in 2020
€66.5m



* Figures consolidated since January 1, 2019.

Profit before tax in 2020
€3.5m



We saw the same effects at Dipra and Ets Edouard Rousseau as at Mecafer and Domac: end-users, whether French, Spanish or Portuguese, reacted to the crisis by devoting a greater proportion of their expenditure on home and garden improvements.

The extraordinary commitment of our staff and the solidity of our stocks made the difference, leading to record sales for both Dipra and Ets Edouard Rousseau.

However, there were many bumps in the road, on top of extraordinary and unpredictable variations in order flows.

- Dipra moved into its new building, entirely rebuilt by our real estate company Thely, at the height of the garden season.
- The majority of Rousseau's SA staff in Getafe, and some of their families, were affected by Covid-19 (fortunately with no extremely serious cases).
- Rousseau's longstanding IT infrastructure made it difficult to set up home-working during lockdown, particularly in the Paris region where teams were very often subject to travel restrictions.

All in all, 2020 was both rewarding and challenging.

In 2021, we are pursuing our goal of merging the two companies, the pre-requisite of which is comprehensive integration of their respective information systems, an eminently time-consuming and complex task. To carry out this project, Laure Empereur took over general management of the two entities as of January 1, 2021. Emmanuelle Desecures will leave Thermador Groupe at the end of March 2021 once the transition period has been responsibly completed.

Back to CONTENTS

ISOCEL

SUPPLY OF COMPONENTS TO ORIGINAL EQUIPMENT MANUFACTURERS


Fabienne Bochet


Alicia Chamfray


Cyrille Javault

The extremely dynamic start to the year and Isocel's good positioning with heat pump manufacturers (now on the up) cushioned the shock of the pandemic and limited the drop in turnover to just 3.5%. We also note that this resilience comes mainly from its small customers, who are at the heart of the diversification strategy.

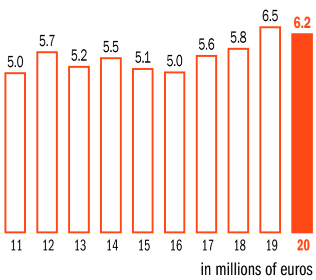
In the medium term, Isocel's ambition is to move to a new level of turnover.

To achieve this while maintaining service quality and customer care, Fabienne Bochet elected to recruit a young Administrative Manager in order to free up time for the development of the company.

Alicia Chamfray, 33 years old, joined us on September 1, 2020 with a Master 2 from IFAG Lyon and solid experience in financial control and audit.

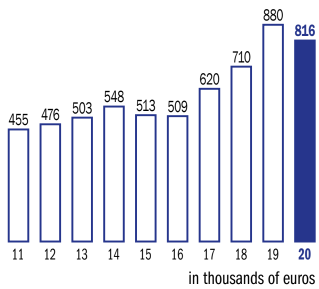
Turnover in 2020

€6.2m



Profit before tax in 2020

€816k




Jérôme Chabaudie


Myriam Mathon

EQUIPMENT AND ACCESSORIES FOR SWIMMING POOL CONSTRUCTION AND MAINTENANCE

Aello's clients have suffered little exposure to the virus and have never interrupted their installation projects, which are almost exclusively performed outdoors. What is more, their order books were pretty full at the end of 2019.

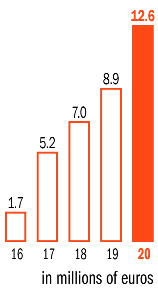
This partly explains the most recent outstanding performance of our young subsidiary, now reporting annual sales of €12.5 million just five years after its creation.

The other contributing factor is clearly the energy deployed by Aello staff to serve their customers and prospects looking for equipment.

In 2021, Aello will have to move to a larger building. This is a structural leap made absolutely necessary by the current and future level of activity. We feel that we can rely on our conquering team to take up this new challenge!

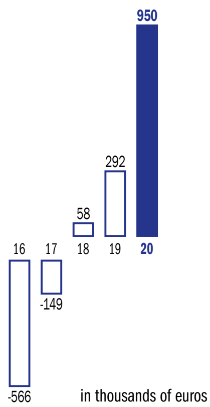
Turnover in 2020

€12.6m



Profit before tax in 2020

€950k



Jetly
Ma préférence

PUMPS, TANKS, ACCESSORIES, LIFTING STATIONS

While the drop in activity was 8.6% at the end of June 2020, the Jetly team has been working hard to make its watering season a success in spite of everything. The situation was masterfully corrected, as shown by the symbolic crossing of the €50 million turnover threshold, up 1.8%.

The transfer process between Jean-François Bonnefond and Frank Bourgois has continued so that Frank is perfectly prepared to take over the company's general management. A special tribute is paid to Jean-François Bonnefond on page 153 of this document.

With many years' experience at Jetly, Philippe Arthaud and Eric Garot have joined the management board as Director of Procurement and Director of Marketing and Digital respectively.

The management team has also been strengthened with the arrival of Vanessa Roy in Purchasing and Quality. Her qualification as an INSA engineer combined with significant experience in quality and project management should enable Jetly to obtain ISO 9001 certification during Q1 2022.

The new website went online at the end of the year. It is a modernised and enhanced version that will be regularly updated, in particular to facilitate after-sales service and maintenance of Jetly's pumps.

The group acquired a 1,600m² building located near Jetly's. It will eventually lead to the development of sales of higher-powered equipment on the collective market.


Jean-François Bonnefond


Frank Bourgois


Christiane Perrot


François Nanson

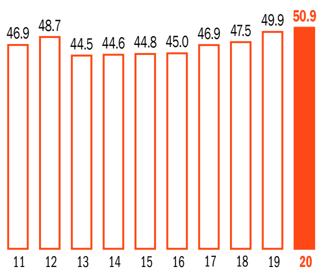

Philippe Arthaud


Vanessa Roy


Éric Garot

Turnover in 2020

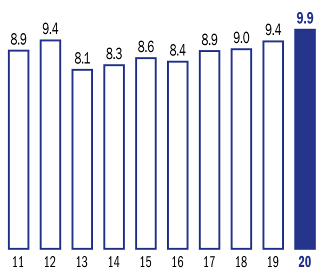
€50.9m



in millions of euros

Profit before tax in 2020

€9.9m



in millions of euros

5. OUR SUBSIDIARIES


Yves Ruget


Ingrid Brabender


Daniel Sempéré


Fabrice Marand


Pierre-Jean Hervé

ACCESSORIES AND CONNECTORS FOR CENTRAL HEATING AND HOT & COLD AND WATER NETWORKS, BATHROOM AND KITCHEN TAPS

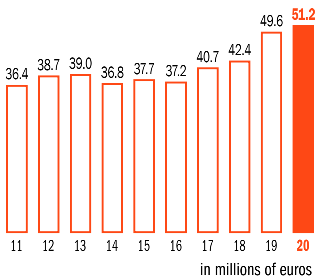
Despite being exposed to the building market, in overall decline in 2020, Thermador is managing to grow thanks to the breadth of its product ranges and in particular its accessories specifically for the installation of heat pumps, solid fuel boilers or solar hydraulic systems. At the same time, synergies have been achieved with Ets Edouard Rousseau to strengthen Thewa's tap range for professionals.

Like Jetly, Thermador passed the €50m turnover mark for the first time.

In 2021, public authorities' support for the promotion of renewable energies in the building industry will remain historically high, offering broader scope to the subsidy scheme, MaPrimeRénov'. Thermador staff will strive for perfect symbiosis with demand and thus contribute to the vast energy transition plan for buildings in France.

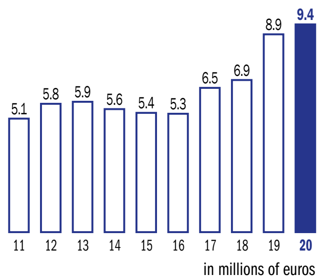
Turnover in 2020

€51.2m



Profit before tax in 2020

€9.4m



Back to CONTENTS


Éric Mantione


Murielle Gentaz

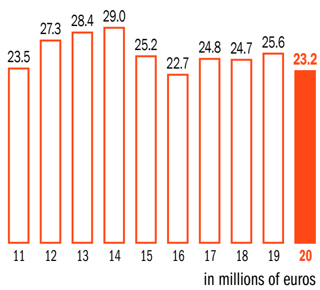

Stéphane Ben Amou


Roxane Metge

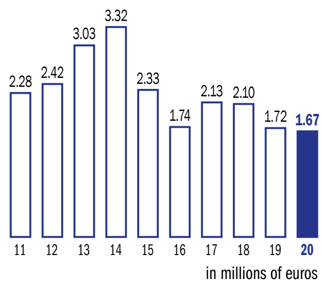
PIPEWORK
FOR THE **DISTRIBUTION**
OF **BUILDING FLUIDS**

RADIANT SURFACE
AND **HYDRODISTRIBUTION**
SYSTEMS FOR **HOUSING**
AND **BUILDINGS**

PBtub: Turnover in 2020
€23.2m



PBtub: Profit before tax in 2020
€1.67m



Back to CONTENTS


Florent Kieffer


Thierry Estienne


Carlos Miranda


Laurent Tansorier

Prior to April 1, 2020, PBtub and Thermacome were direct competitors. They are now sister companies run by a very experienced and very complicit pairing, Eric Mantione and Florent Kieffer, who, in 2020, devoted a lot of time to fostering exchanges, bringing teams closer together and identifying synergies in order to harmonise the projects and actions of the two companies as of 2021. Their ambition is to play leading roles in France in the markets for pipe systems for buildings and radiant surfaces for heating and cooling. It is our belief that such techniques are perfectly in line with the expectations of consumers on the question of comfort, and those of the public authorities looking to reduce the carbon footprint of buildings.

In addition to its technical expertise and proven reputation, the arrival of Thermacome in the group has enabled us to set up a special relationship with Acome, a French industrialist with whom we envisage a solid, constructive partnership over the long term.

All these positive signals do not distract us from the reality of France's new housing market, hit particularly hard by the pandemic. In the short term, PBtub and Thermacome turnover is likely to suffer. In the longer term, we are convinced that the acquisition of Thermacome will allow us to quickly reach a critical size that will give us the means to innovate.

From a logistics and IT point of view, we plan to combine the strengths of both companies within two years.

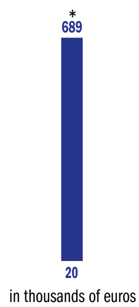
Thermacome: Turnover in 2020

€11.9m

* Figures consolidated since May 1, 2020.

Thermacome: Profit before tax in 2020

€689k



Axelair VENTILATION

VORTICE

SPECIALISED DISTRIBUTION OF VENTILATION EQUIPMENT AND ACCESSORIES


Lionel Grès


Stéphanie Wernert


Frédéric Watine

The Covid-19 crisis has had two key impacts for Axelair. On the one hand, it caused a decline in the French ventilation market and on the other, it contributed to curbing sales of mobile air conditioners in summer due to the possible danger of air mixing in closed premises.

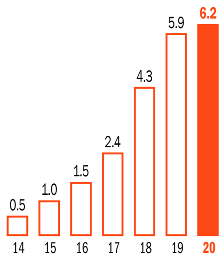
However, the Axelair team managed to increase business, cushioning the negative effects of the crisis, by gaining market share on complementary product ranges. The launch in record time of a range of air purifiers, the privileged link with very active customers on the web and a specifier initiative targeting installers in particular, brought additional business.

From a profitability point of view, the crisis shifted our objective of exceeding the break-even point by one year.

In order to cope with the expected growth in volumes, we plan to move the company from September 2021 to the building partly used by Dipra and from spring onwards, by Aello.

Turnover in 2020

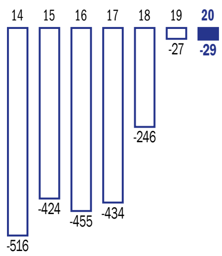
€6.2m



in millions of euros

Profit before tax in2020

€(29)k



in thousands of euros

Back to CONTENTS


Christophe Arquillière


Charlotte Deguerry-Fraisse


Jean-Philippe Paul


Nicolas Billiard


Samuel Belbachir

sferaco
VALVES, METERS & FITTINGS

VALVES, METERS AND FITTINGS FOR THE BUILDINGS, INDUSTRY AND WATER SUPPLY

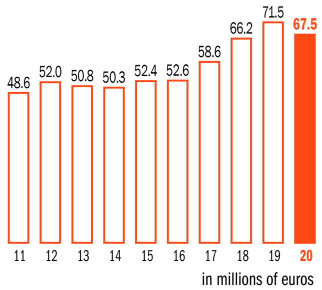
Sferaco's business was badly affected by the initial lockdown measures, but recovered significantly in the second half of the year, finally limiting the decline to -5.5%. The building product ranges suffered most, while industrial valves held up well, thanks in particular to increased efforts to secure referencing through recommendation. Another key event was the successful launch of a new range of stainless steel valves under the ELSA® brand.

Sferaco's Management team took advantage of this pivotal year to refine its organisation and lay the foundations for future growth drivers, both in the metering market and water supply and treatment markets.

Particularly sensitive to environmental issues, the team is also close to obtaining ISO 14001 certification, and is already established as the group's driving force on such topics. We would like to thank them for their leadership in this field.

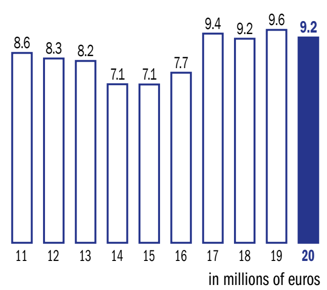
Turnover in 2020

€67.5m



Profit before tax in2020

€9.2m



Back to CONTENTS

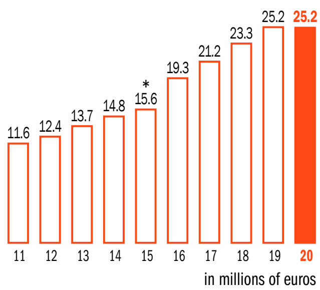
MOTORISED VALVES, SPECIALTY PRODUCTS FOR INDUSTRY AND AIR COMPRESSORS

The Sectorial team remained mobilized right through to the last week of December to offset the effects of the pandemic. It succeeded masterfully, by working on ranges where market shares are the lowest. The diversification decided in 2015 when Nuair France was acquired contributed to the company's excellent resilience.

Julie Douai arrived to replace Anaïs Der Hagopian-Virieux – recruited by Thermador Groupe as Supply Chain director – on June 1, 2020 as Administrative Director. Aged 37 and a graduate of Bordeaux School of Management, she will draw on her experience in auditing, financial control and people and project management to gradually adapt Sectoriel's organisation to the external context, and to the growth strategy validated by the management team.

Turnover in 2020

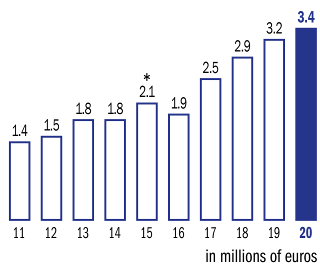
€25.2m



* Acquisition of Nuair France July 1, 2015.

Profit before tax in 2020

€3.4m



5. OUR SUBSIDIARIES

Xavier Isaac

Denis Straub

Anne-Sophie Bultey

Florian Allain

Hélène Zimmermann

DISTRILABO
à votre mesure...

TECHNICAL EQUIPMENT FOR **TEMPERATURE LEVEL** AND **FLOW MEASUREMENT** AND **CONTROL**

Founded in 1977, this Alsace-based company joined us on December 21, 2019. Like all the group's commercial subsidiaries, it took up the challenge of the health crisis and largely compensated for the loss of turnover during the first lockdown by redoubling its commercial efforts in the second half of the year.

The integration plan drawn up at the time of the acquisition has been properly followed. Already during the first half of the year, Laurence and Denis Straub provided the new management team with the key information they needed for a collaborative onboarding during the second semester. Warm thanks to them for their efforts to ensure that everything got done in this short period of time.

Anne-Sophie Bultey, a 39 year old INSA engineer and specialist in Lean Management and Quality Management has been appointed CEO. Her integration into our team of manager-entrepreneurs was made easier because she shares our values: transparency, simplicity, exemplarity. Xavier Isaac, Chairman of Distrilabo and CEO of Sectoriel, is there to help her, bringing his experience and knowledge of the group.

Florian Allain, 35, with 15 years' experience in the field, is in charge of sales. His knowledge of the market and interpersonal skills will be valuable assets in the successful completion of our development project within the group. Synergies have already been activated to improve our instrumentation offer and grow market share.

Hélène Zimmerman, with 21 years' experience, will bring her accounting knowledge to ensure the company's finances are properly managed.

Turnover in 2020

€5.1m

in millions of euros

Profit before tax in 2020

€267k

in thousands of euros

* Figures consolidated since January 1, 2020.

FGinox

The global solution for your need in stainless steel

STAINLESS STEEL FITTINGS, FLANGES, VALVES AND ACCESSORIES


Philippe Bernardet


Laurence Ravet


Cédric Dolbeau


Cédric Gayaud


Franck Locatelli


Anne-Claire Rivoire

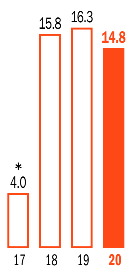
Of all the group's businesses, FGinox was the one worst affected by the first lockdown: -19.1% turnover to end-June 2020. The second half of the year was slightly better than the previous year, but clawed back only half of the shortfall; the year ended with a 9.3% drop in turnover. The trend in the last weeks of 2020 was encouraging, however, reinforcing the management team's determination to quickly make up lost ground in France. The ambition is the same for export, although we are waiting for the borders to reopen to be able to visit customers.

On the IT and logistics side, the next fifteen months will be crucial. We plan to migrate FGinox's information system to the one now used by Sferaco, Sectoriel, Syveco and Sodeco. Thus, our five subsidiaries active in the vast industrial market will be able to intensify their exchanges as of 2021. At the same time, FGinox will be getting a more up-to-date merchant website in order to boost its web business.

Also, the group decided to invest in a suitable logistics set-up located near Syveco, in Saint-Quentin-Fallavier. This will significantly improve working conditions and the efficiency of logistics operations, as well as international delivery times to Syveco's customers. The relocation of FGinox's logistics is scheduled for the beginning of 2022.

Turnover in 2020

€14.8m

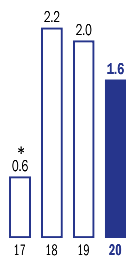


in millions of euros

* Figures consolidated since October 1, 2017.

Profit before tax in 2020

€1.6m



in millions of euros


Lionel Monroe


Suzanne Abela


Pascal Coudrais

SYVECO
YOUR VALVE STOCKIST

DISTRIBUTION OF THE GROUP'S PRODUCTS ON INTERNATIONAL MARKETS

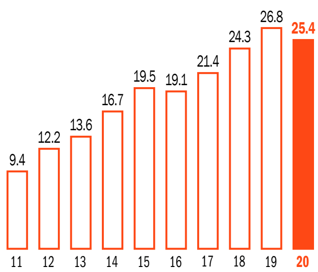
2020 saw a decline in Syveco's business after years of sustained growth. The pandemic shut down travel for its sales people for many months, hindering the customer conquest effort necessary to maintain and develop turnover. However, turnover fell only 5.5% and profitability remains satisfactory. This illustrates the resilience of the company's business model and the energy deployed by its teams to face the crisis.

The arrival of a new Administrative Director, Suzanne Abela, with a solid background in auditing and international experience, and the preparatory work to obtain ISO 9001 certification, contribute to strengthening Syveco's fundamentals to prepare effectively for a new phase of growth.

Business development in Europe and Africa is expected to pick up again with the uptick in the technical and linguistic skills of staff and the future recruitment of sales representatives based in the countries, in order to be closer to the customers.

Turnover in 2020

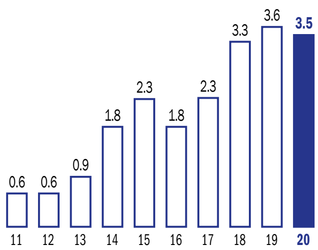
€25.4m



in millions of euros

Profit before tax in 2020

€3.5m



in millions of euros

Back to CONTENTS

SODECO valves

INDUSTRIAL VALVES IN BELGIUM, IN THE NETHERLANDS, IN GERMANY AND IN SWITZERLAND

2020 saw the continuation of the process of integrating Sodeco Valves into Thermador group with the deployment of the ERP common to a large part of the group's companies, thereby consolidating synergies.

Despite the health crisis, which made most industrial sites inaccessible to sales people and consequently considerably reduced the number of customer visits, sales grew very satisfactorily, thanks in particular to major investment project contracts won and delivered during the year. Profitability continued the growth pattern initiated with the company’s arrival in the group.

In 2021, the work carried out on commercial synergies with sister companies Sferaco and Sectoriel and prospecting in the Netherlands and Germany with a strengthened team should help increase turnover. To make this happen, the likely improvement in the health situation should make it possible to initiate industrial projects that have been put on hold for the time being and to return to the normal rhythm of customer visits necessary for the relaunch of maintenance related business.

Peter Wartel

Dieter De Cock

Peter Gombeer

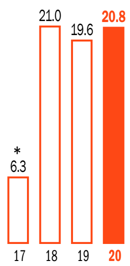
Patricia Mavigner

Lionel Monroe

Enrico Suttels

Turnover in 2020

€20.8m

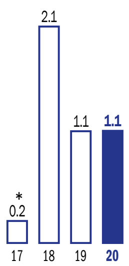


in millions of euros

* Figures consolidated since September 1, 2017.

Profit before tax in 2020

€1.1m



in millions of euros

Wim Van de Vondel

Back to CONTENTS

Arlette Berliocchi

Aurore Rodrigues

Ronan Le Sausse

Opaline
agence de communication globale

COMMUNICATIONS AGENCY

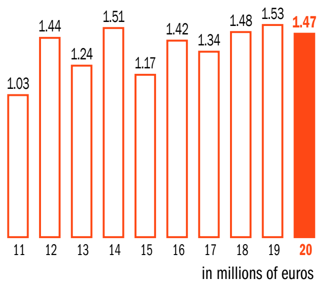
Fortunately, our communication agency had gone digital before the health crisis, meaning it was able to ensure continuity of service for the group's commercial subsidiaries, organise a webinar AGM at short notice, intensify our communication on social networks and produce 350 360° photos to enrich our product databases.

The agency's basic remit still represents the majority of its work. For example, Opaline has delivered 125,372 catalogues and price lists* to the group's subsidiaries and 8,200 annual reports* to shareholders preferring the paper format. Electronic documents are progressing, but paper media are putting up a fight!

These documents are printed on PEFC-certified paper that minimises its environmental impact on the forest environment and wood resources.

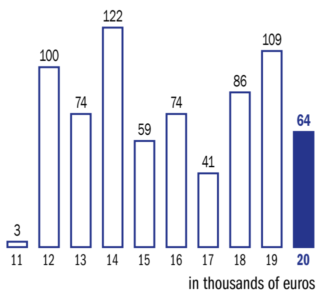
Turnover in 2020

€1.47m



Profit before tax in 2020

€64k



Back to CONTENTS

6. ANNUAL CONSOLIDATED FIGURES

6.1 MAIN FINANCIAL INDICATORS

FINANCIAL HIGHLIGHTS

In thousands of euros	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net turnover according to Financial statements										
Mecafer and Domac	34,939	31,674	30,733	31,322	22,943	11,273				
Dipra / Ets Edouard Rousseau	66,543	59,474	21,082	20,365	19,379	20,938	20,573	21,519	23,751	20,697
Isocel	6,248	6,467	5,788	5,562	5,045	5,148	5,491	5,219	5,680	5,018
Aello	12,638	8,948	7,085	5,160	1,721					
Jetly	50,854	49,903	47,549	46,874	44,976	44,823	44,647	44,454	48,725	46,990
Thermador	51,171	49,554	42,374	40,677	37,163	37,718	36,807	39,041	38,675	36,371
Pbtub	23,194	25,559	24,723	24,847	22,704	25,201	29,045	28,406	27,327	23,548
Thermacome	11,901									
Axelair	6,152	5,883	4,314	2,391	1,531	988	541			
Sferaco	67,491	71,482	66,218	58,639	52,614	52,391	50,324	50,762	52,049	48,578
Sectoriel	25,183	25,243	23,334	21,212	19,266	17,543	14,792	13,658	12,431	11,621
Distrilabo	5,086									
FGinox	14,772	16,280	15,819	3,950						
Syveco	25,382	26,835	24,348	21,365	19,133	19,532	16,695	13,630	12,158	9,405
Sodeco valves	20,837	19,891	21,009	6,355						
Group's other subsidiaries	1,471	1,534	1,483	1,341	1,421	1,174	1,512	1,240	1,441	1,027
Eliminations of intra-group turnover	(22,929)	(24,765)	(20,068)	(17,981)	(16,040)	(16,002)	(17,150)	(14,373)	(13,899)	(11,033)
Other eliminations	(692)	(618)	(558)	(508)	(460)	(482)	2,310	2,095	2,170	1,781
Total Turnover according to IAS 18	**400,241**	**373,343**	**315,233**	**271,571**	**231,396**	**220,245**	**205,588**	**205,652**	**210,509**	**194,001**
IFRS 15 impact	(4,741)	(4,507)	(4,043)	(3,847)	ND	ND	ND	ND	ND	ND
Total Turnover consolidated	**395,500**	**368,836**	**311,190**	**267,724**						
Profit before tax*										
Mecafer and Domac	2,687	1,919	2,782	2,049	1,902	741				
Dipra / Ets Edouard Rousseau	3,480	1,987	703	302	556	281	241	288	1,092	1,056
Isocel	816	880	710	620	509	513	548	503	476	455
Aello	950	292	58	(149)	(566)	(1)				
Jetly	9,880	9,356	9,003	8,922	8,440	8,610	8,282	8,075	9,403	8,942
Thermador	9,388	8,940	6,874	6,520	5,350	5,396	5,562	5,891	5,783	5,131
Pbtub	1,671	1,722	2,103	2,128	1,739	2,326	3,320	3,030	2,419	2,277
Thermacome	689									
Axelair	(29)	(27)	(246)	(434)	(455)	(424)	(516)	(71)		
Sferaco	9,245	9,588	9,197	9,425	7658	7,131	7,148	8,189	8,301	8,557
Sectoriel	3,449	3,249	2,928	2,545	1,940	2,060	1,746	1,750	1,493	1,372
Distrilabo	267									
FGinox	1,627	2,032	2,166	621						
Syveco	3,453	3,599	3,332	2,326	1,781	2,293	1,816	949	635	603
Sodeco valves	1,111	1,107	2,144	218						
Opaline	64	109	86	41	74	59	122	74	100	3
Thely	2,003	1,957	1,778	1,487	1,402	1,196	1,356	1,442	1,309	967
Tagest	8	7	8	7	6	6	6	7	7	6
Group	23,264	20,757	18,618	16,388	16,676	15,444	15,708	15,907	18,329	17,922
Subtotal	**74,023**	**67,474**	**62,244**	**53,016**	**47,012**	**45,631**	**45,339**	**46,034**	**49,347**	**47,291**
Consolidation adjustments										
Dividends from subsidiaries paid to the group	(22,542)	(19,856)	(18,281)	(15,288)	(15,494)	(14,140)	(14,127)	(14,229)	(16,193)	(15,409)
Amortisation of goodwill allocated to fixed assets	(134)	(134)	(15)	(5)						
Depreciation charge on customer relations	(452)	(250)								
Depreciation charge on business		(6)								
Elimination of losses from sales of treasury shares					15					
Elimination of the capital loss on shares held		(9)	9							
Elimination of the pension supplement accounted for as a 'social' item in year 'N'			12							
Elimination of goodwill on disposals of shares	(9)									
Elimination of capital gains on intra-group business disposals	(131)									
Securities provision										(300)
Net impact of IFRS 16	17	(14)								
Elimination of the currency differential liability in year N compared to N-1	2	(22)								
Impact of the valuation of financial instruments (IFRS39)					(358)	902				
IFRIC 21	(3)	54	22	33	(4)	(221)				
Actuarial discrepancies recorded in equity	230	346	(66)	3	196	(219)	79	(48)		
Consolidated profit before tax	51,015	47,583	43,925	37,759	31,367	31,953	31,291	31,757	33,154	31,582
Current tax charge	(14,835)	(15,205)	(14,771)	(11,513)	(10,741)	(11,763)	(11,430)	(11,773)	(11,917)	(10,990)
Portion of net profit allocated to the group	**36,180**	**32,373**	**29,142**	**26,240**	**20,616**	**20,186**	**19,855**	**19,978**	**21,221**	**20,576**
Portion of net profit allocated to minority interests	4	5	12	6	10	4	6	6	16	16

With Mecafer's acquisition of Domac on March 1, 2017, which has been consolidated since March 1, 2017, Thermador Groupe's acquisition of Sodeco Valves on August 31, 2017, which has been consolidated since September 1, 2017 and Thermador Groupe's acquisition of FGinox on September 30, 2017, which has been consolidated since October 1, 2017 and Thermador Groupe's acquisition of Sanidom / Ets E. Rousseau on December 31, 2018 consolidated since January 1, 2019, the acquisition of Distrilabo on December 31, 2019 consolidated since January 1, 2020 and the acquisition of Thermacome on April 30, 2020 consolidated since May 1, 2020. * Detail per subsidiary in chapter 5.

CONSOLIDATED FIGURES OVER THE PAST TEN FINANCIAL YEARS

In thousands of euros	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Turnover according to IAS 18	**400,241**	**373,343**	**315,233**	**271,571**	**231,396**	**220,245**	**205,588**	**205,652**	**210,509**	**194,001**
IFRS 15 impact	(4,741)	(4,507)	(4,043)	(3,847)	Not available					
Turnover according to IFRS 15	395,500	368,836	311,190	267,724						
Gross profit (on turnover according to IAS 18)	143,349	138,750	118,646	100,921	85,069	81,874	78,450	77,583	78,542	74,406
Number of employees at 31/12	668	599	476	439	319	314	278	271	257	250
Wages and salaries	46,686	42,867	35,048	28,426	25,489	23,112	22,197	21,536	20,702	19,838
Operating profit	**51,411**	**47,821**	**44,052**	**37,652**	**31,709**	**30,988**	**31,170**	**31,665**	**32,990**	**31,435**
Profit before tax	51,019	47,583	43,925	37,759	31,367	31,953	31,291	31,757	33,154	31,582
Current tax charge	14,835	15,205	14,771	11,513	10,741	11,763	11,430	11,773	11,917	10,990
Profit after tax	36,184	32,378	29,154	26,246	20,626	20,190	19,861	19,984	21,237	20,592
Portion of net profit allocated to the group	**36,180**	**32,373**	**29,142**	**26,240**	**20,616**	**20,186**	**19,855**	**19,978**	**21,221**	**20,576**
Portion of net profit allocated to the group restated	**36,180**	**32,373**	**29,142**	**26,240**	**20,616**	**20,186**	**19,855**	**19,978**	**21,221**	**20,576**
Cash flow from operations	**42,666**	**37,979**	**32,660**	**29,910**	**22,864**	**22,565**	**22,521**	**22,894**	**24,485**	**22,920**
Free cash flow	**42,895**	**31,505**	**(5,871)**	**(18,305)**	**16,237**	**2,891**	**5,708**	**22,746**	**17,613**	**16,250**
Investments (acquisitions of fixed assets)	(10,610)	(8,589)	(5,462)	(2,477)	(4,145)	(4,611)	(9,037)	(3,871)	(987)	(5,338)
Shareholders' equity at 31/12										
Before allocation of profit	241,583	219,663	203,469	189,708	173,233	162,428	146,462	135,527	128,947	120,720
Profit to be distributed	16,746	16,397	15,942	15,487	14,398	14,209	13,620	13,435	13,435	13,009
After allocation	**224,837**	**203,266**	**187,527**	**174,221**	**158,835**	**148,219**	**132,842**	**122,092**	**115,512**	**107,711**
Long-term capital at 31/12	**224,837**	**203,266**	**187,527**	**174,221**	**158,835**	**148,219**	**132,842**	**122,092**	**115,512**	**107,711**
Non-current liabilities	35,932	38,768	42,347	28,633	3,934	4,450	5,021	4,859	4,661	4,028
Non-current assets	134,351	123,291	111,925	101,016	72,441	71,876	53,265	46,841	45,759	47,387
Working capital (after distribution)	**126,418**	**118,743**	**117,949**	**101,838**	**90,328**	**80,793**	**84,598**	**80,110**	**74,414**	**64,352**
Working capital requirement	**121,155**	**117,621**	**122,006**	**95,080**	**76,833**	**74,541**	**70,148**	**61,384**	**64,993**	**59,638**
Net stock at 31/12	119,541	123,046	122,782	102,962	80,819	77,191	69,824	65,062	66,194	61,508
Cash	39,931	32,305	23,040	28,604	27,385	20,839	29,049	32,214	22,904	18,301

We present our turnover over 10 years. And so, to use a comparable base, we worked with the turnover according to IAS 18.

For 2017-2020, we also used the turnover figure according to IFRS 15: that included in primary financial statements and communicated in our publications.

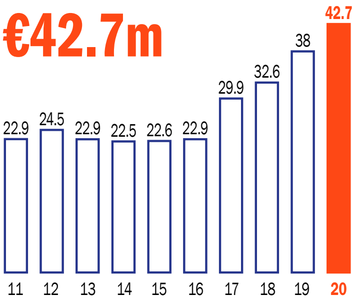
The trading margin presented above is the result of the following calculation: turnover according to IAS 18 from which we subtract purchases consumed. 'Headcount' refers to the number of employees present in the group on December 31.

Movements of investments (in € thousands)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Investments (acquisitions of fixed assets)	10,610	8,589	5,462	2,477	4,145	4,611	9,037	3,871	987	5,338
In % of turnover according to IAS 18	2.7%	2.3%	1.7%	0.9%	1.80%	2.1%	4.4%	1.9%	0.5%	2.8%
Of which, THELY investments	7,313	6,099	3,066	218	2,772	3,425	6,871	2,598	(45)	3,283

CASH FLOW FROM OPERATIONS

(€ million)

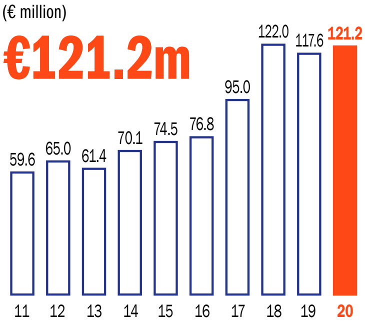
€42.7m



WORKING CAPITAL REQUIREMENT

(€ million)

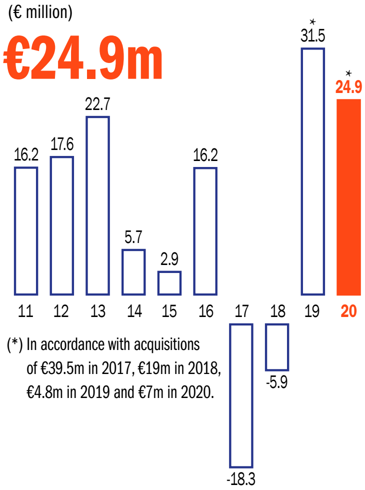
€121.2m



FREE CASH FLOW

(€ million)

€24.9m



(*) In accordance with acquisitions of €39.5m in 2017, €19m in 2018, €4.8m in 2019 and €7m in 2020.

6.1 MAIN FINANCIAL INDICATORS

CONSOLIDATED RATIOS TEN YEAR HIGHLIGHTS

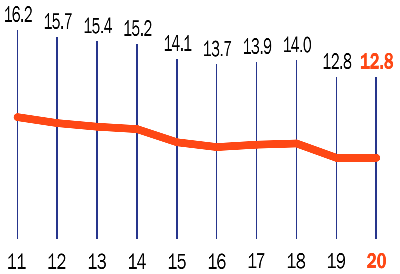
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Profitability ratios (%)											
Staff costs / Turnover	**11.7**	11.5	11.1	10.5	11.0	10.5	10.8	10.5	9.8	10.2	10.2
Operating profit / Turnover	**12.8**	12.8	14.0	13.9	13.7	14.1	15.2	15.4	15.7	16.2	15.0
Portion of net profit allocated to the group / Turnover	**9.0**	**8.7**	**9.2**	**9.7**	**8.9**	**9.2**	**9.7**	**9.7**	**10.1**	**10.6**	**9.6**
Pre-tax return on equity (ROE)	**16.1**	15.9	15.5	15.1	13.0	13.6	14.9	16.4	18.4	19.1	16.9
Cash flow from operations / Turnover	**10.7**	10.2	10.4	11.0	9.9	10.2	11.0	11.1	11.6	11.8	11.4
Return on capital employed before taxes (ROCE)	**20.6**	**20.2**	**18.8**	**19.2**	**21.2**	**21.2**	**25.3**	**29.3**	**29.8**	**29.4**	**25.9**
Productivity ratios (In thousands of euros)											
Turnover per employee	**599**	623	662	729	725	727	740	759	819	776	751
Financial ratios after distribution (%)											
Cash flow from operations / Equity	**19**	18.7	17	17	14	15	17	18	21	21	20
Non-current assets + stock/ Equity	**113**	121	125	117	96	101	93	92	97	101	104
Long-term capital / Non-current assets	**167**	165	168	172	219	206	249	261	252	227	227
Long-term capital / Stock	**188**	165	153	169	197	192	190	188	175	175	166

Since the key financial figures are for a 10-year period, we worked out the ratios based on a turnover level calculated according to IAS 18 (ie: before reprocessing the IFRS 15 impact).

ROCE means Return on Capital Employed, the latter being the aggregate of non-current assets including goodwill and working capital. We have not taken the impact of IFRS 16 restatements into account in these aggregates.

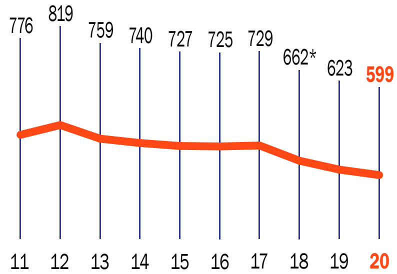
OPERATING PROFIT / TURNOVER
(in %)

12.8%



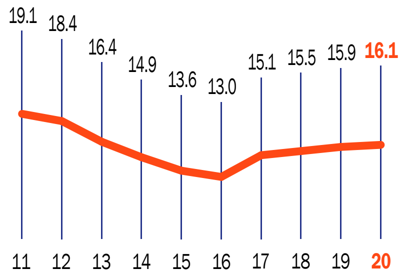
TURNOVER PER EMPLOYEE
(€ thousand)

€599k



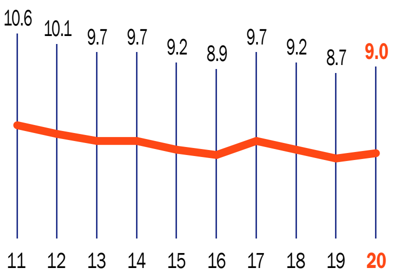
PRE-TAX RETURN ON EQUITY (ROE)
(in %)

16.1%



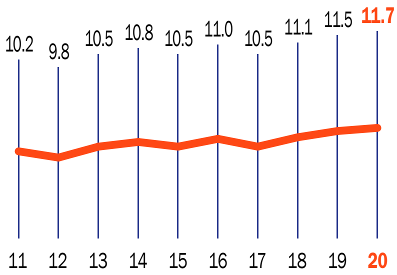
PORTION OF NET PROFIT ALLOCATED TO THE GROUP / TURNOVER (in %)

9.0%



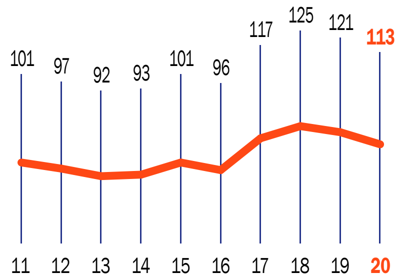
STAFF COSTS / TURNOVER
(in %)

11.7%



NON-CURRENT ASSETS + STOCK / EQUITY
(in %)

113%



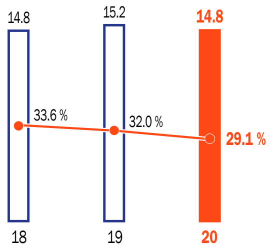
GLOBAL CONSOLIDATED PROFIT STATEMENT 2020

TAX

€14.8m

% OF PRE-TAX PROFIT

29.1%

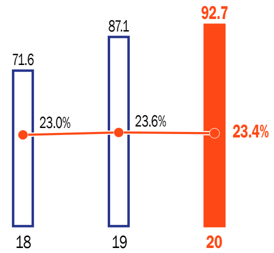


TOTAL COSTS, EXCLUDING TAX

€92.7m

% OF TURNOVER

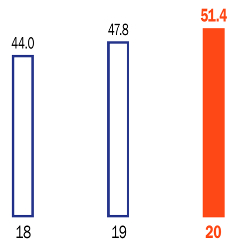
23.4%



OPERATING PROFIT

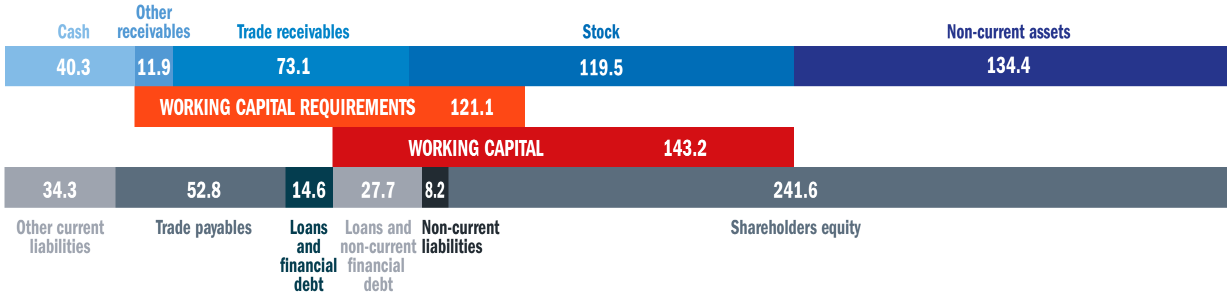
(€ million)

€51.4m

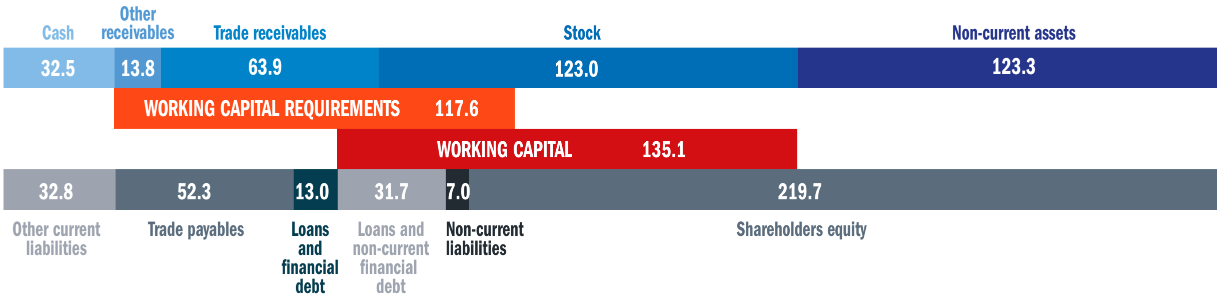


COMPARATIVE FINANCIAL STRUCTURE BEFORE ALLOCATION OF PROFIT

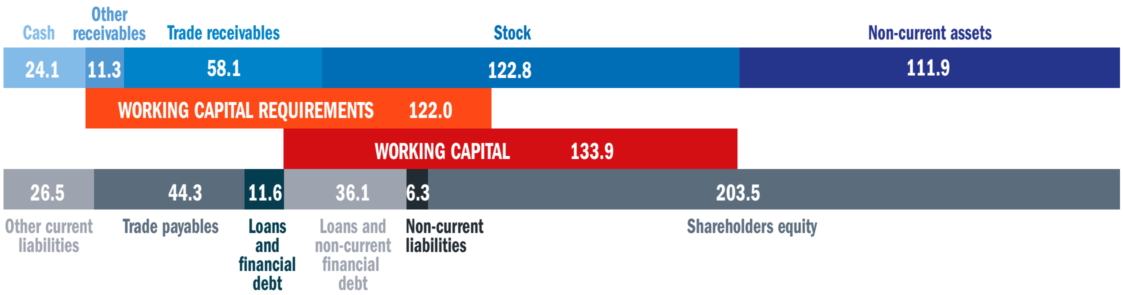
2020



2019



2018



6.1 MAIN FINANCIAL INDICATORS

GLOBAL CONSOLIDATED PROFIT STATEMENT 2020

In thousands of euros

Consolidated profit and loss account	Notes	2020	2019	2018
Net turnover	**22**	**395,500**	368,836	311,190
Other income from activity		**784**	718	1,000
Purchases consumed		**(252,151)**	(234,593)	(196,587)
Personnel charges	**24**	**(46,686)**	(42,867)	(35,048)
External costs		**(33,689)**	(33,380)	(28,643)
Taxes		**(4,697)**	(4,586)	(4,033)
Depreciation and amortisation	**12**	**(5,432)**	(4,663)	(4,062)
Depreciation and amortisation - IFRS 16 impacts	**12**	**(1,071)**	(854)	
Increase in provisions	**5 - 7 - 14**	**(664)**	(464)	107
Other earnings, other operating expenditure		**(483)**	(326)	128
Operating profit		**51,411**	**47,821**	**44,052**
Cash earnings and equivalent		**(139)**	(25)	2
Gross cost of debt		**(199)**	(182)	(129)
Financial charges - IFRS 16 impacts		**(54)**	(31)	
Taxes	**4**	**(14,835)**	**(15,205)**	**(14,771)**
Net profit		**36,184**	**32,378**	**29,154**
Net profit as a portion of the group		**36,180**	**32,373**	**29,142**
Net profit attributable to minority interests		**4**	**5**	**12**
Net profit per share in euros (1)		**3.93**	**3.55**	**3.20**
Net profit per share after dilution in euros (2)		**3.73**	**3.37**	**3.03**

(1) The result per share is calculated on:
2018: 9,109,752 shares from which we have deducted the 1,200 own shares.
2019: 9,109,752 shares from which we have deducted the 1,200 own shares.
2020: 9,200,849 shares from which we have deducted the 1,200 own shares.

(2) Profit per share after dilution is calculated on:
2018: 9,108,552 shares from which we have added 500,000 shares corresponding to unissued authorised capital of €2,000,000.
2019: 9,108,552 shares from which we have added 500,000 shares corresponding to unissued authorised capital of €2,000,000.
2020: 9,199,649 shares from which we have added 500,000 shares corresponding to unissued authorised capital of €2,000,000.

Statement of other elements of net overall consolidated profit	Notes	2020	2019	2018
Net profit		**36,184**	**32,378**	**29,154**
Other elements of overall profit:				
Actuarial discrepancy on end-of-career commitment provision	**6**	**(172)**	(260)	3
The fair value of financial instruments	**9**	**(538)**	32	59
Total overall profit		**35,474**	**32,150**	**29,216**
Total overall profit - Portion of group		**35,470**	**32,145**	**29,204**
Total of overall profit allocated to minority interests		**4**	**5**	**12**

6.2 FINANCIAL STATEMENT

FINANCIAL STATEMENT

In thousands of euros at December 31, 2020

Assets	Notes	31/12/2020	31/12/2019	31/12/2018
Non-current assets:				
Consolidated goodwill	**2 - 11**	**56,317**	53,286	50,804
Intangible assets	**3 - 11 - 12**	**9,238**	6,818	4,757
Tangible assets	**3 - 11 - 12**	**67,122**	61,619	54,758
- Land	**1**	**10,870**	10,834	10,834
- Buildings	**1**	**42,227**	35,795	36,650
- Other tangible assets		**6,376**	5,770	5,619
- Tangible assets in progress		**4,653**	6,265	1,655
- Rights of use in rental contracts		**2,996**	2,955	
Financial investments		**313**	298	278
Deferred tax assets	**4 - 15**	**1,361**	1,270	1,328
Total non-current assets		**134,351**	**123,291**	**111,925**
Current assets:				
Stock (goods)	**5**	**119,541**	123,046	122,782
Trade notes and accounts receivable	**7**	**73, 141**	63,931	58,118
Corporate tax	**15**	**639**	685	851
Deferred tax assets	**4 - 15**	**420**	487	421
Other receivables	**15**	**10,808**	12,597	10,017
Cash and cash equivalent	**8**	**40,325**	32,494	24,069
Total current assets		**244,874**	**233,240**	**216,258**
Total assets		**379, 225**	**356,531**	**328,183**

Liabilities	Notes	31/12/2020	31/12/2019	31/12/2018
Equity:				
Share capital and reserves		**88,908**	82,897	81,246
Consolidated reserves		**116,326**	104,216	92,907
Portion of net profit allocated to the group		**36,180**	32,373	29,142
Minority interests		**169**	177	174
Total shareholders' equity		**241,583**	**219,663**	**203,469**
Non-current liabilities:				
Loans and long-term financial debt	**8**	**25,811**	29,764	36,096
Rental obligations over one year		**1,936**	1,951	
Deferred tax liabilities	**4**	**3,694**	3,329	3,026
Provisions for end-of-career commitment	**6 - 14**	**4,491**	3,724	3,225
Total non-current liabilities		**35,932**	**38,768**	**42,347**
Current liabilities:				
Current provisions	**14**	**539**	606	708
Rental obligations under one year		**1,036**	1,018	
Short-term loans		**394**	189	1,029
Current portion of loans and financial long-term debt	**8**	**13,188**	11,760	10,606
Accounts payable		**52,760**	52,254	44,268
Equipment supply accounts payable		**2,623**	1,510	417
Tax payable	**4 - 16**	**1,336**	1,983	942
Tax and social charges debt	**16 - 17**	**14,081**	13,927	11,780
Other liabilities		**15,753**	14,853	12,617
Total current liabilities		**101,710**	**98,100**	**82,367**
Total liabilities and shareholders' equity		**379,225**	**356,531**	**328,183**

6.2 FINANCIAL STATEMENT

CASH FLOW STATEMENT
IN THOUSANDS OF EUROS AT DECEMBER 31, 2020

	31/12/2020	31/12/2019	31/12/2018
Consolidated net profit	**36,184**	**32,378**	**29,154**
Plus or minus latent gains due to fair value variations	-	-	-
Plus or minus net depreciation expense and provisions	5,609	4,712	3,989
Plus or minus depreciation allowance - IFRS 16 impacts	1,071	854	-
Plus financial charges – IFRS 16 impacts	54	31	-
Capital gains or losses from disposals	(93)	68	(503)
Cash flow from operations after net financial cost and taxes	**42,825**	**38,043**	**32,640**
Taxes	14,835	15,205	14,771
Cash flow from operations before net financial cost and taxes	57,660	53,248	47,411
Taxes paid	(14,994)	(15,269)	(14,751)
Cash flow from operations before net financial cost and after taxes	**42,666**	**37,979**	**32,660**
Change in operating working capital	(3,426)	5,206	(14,315)
Of which, Variation in trade receivables	(7,019)	(4,874)	2,281
Of which, stock variations	5,098	936	(10,926)
Of which, accounts payable variations	(1,132)	7,226	(4,619)
Of which, other receivables variations	2,339	(2,862)	(44)
Of which, other debt variations	(2,712)	4,780	(1,007)
Net cash flow from operating activities	**39,240**	**43,185**	**18,345**
Net cash flow from operations of change in scope	(4,967)	(4,779)	(18,982)
Disbursements related to acquisitions of fixed assets	(10,610)	(8,589)	(5,462)
Receipts from sale of assets	119	595	15
Owing to assets suppliers (variation)	1,113	1,093	213
Net cash flows from investments	**(14,345)**	**(11,680)**	**(24,216)**
Free cash flow	**24,895**	**31,505**	**(5,871)**
Dividends paid to shareholders of the parent company	(16,397)	(15,940)	(15,487)
Loan subscriptions	7,000	5,200	22,001
Increase in capital	2,851	-	-
IFRS 16 financing flows	(1,147)	(871)	-
Loan repayments	(9,576)	(10,629)	(6,208)
Net cash flows from financing activities	(17,269)	(22,240)	**306**
Net cash flow	**7,626**	**9,265**	**(5,565)**
Opening cash	**32,305**	**23,040**	**28,605**
Closing cash	**39,931**	**32,305**	**23,040**

Opening and closing cash position' reflects the difference between a positive cash position and bank overdrafts. On December 31, 2020, the positive cash position was €40,325,000 and short-term liquidity facilities €394,000.

STATEMENT OF CHANGES IN EQUITY
IN THOUSANDS OF EUROS AT DECEMBER 31, 2020

Equity variation statements	Capital	Reserves linked to capital	Shares held internally	Retained earnings	Profits recorded directly as shareholders' equity	Total group share	Minority shareholders	Total shareholders equity
Situation on 31/12/2018	**36,439**	**44,807**		**122,100**	**(51)**	**203,295**	**174**	**203,469**
Dividends paid*				(15,940)		(15,940)	(2)	(15,942)
Allocation of profits the reserves		1,651		(1,651)				
Fair value of financial instruments					32	32		32
Foreign exchange differential					(14)	(14)		(14)
Actuarial gains					(260)	(260)		(260)
Profit of the period				32,373		32,373	5	32,378
Situation on 31/12/2019	**36,439**	**46,458**		**136,882**	**(293)**	**219,486**	**177**	**219,663**
Dividends paid**				(16,395)		(16,395)		(16,395)
Allocation of profits the reserves		3,160		(3,160)				
Increase in capital	364	2,487				2,851		2,851
Fair value of financial instruments					(538)	(538)		(538)
Foreign exchange differential					2	2		2
Actuarial gains					(172)	(172)		(172)
Other variations							(12)	(12)
Profit of the period				36,180		36,180	4	36,184
Situation on 31/12/2020	**36,803**	**52,105**		**153,507**	**(1,001)**	**241,414**	**169**	**241,583**

* 2018 dividend: €1.75 on 9,108,552 shares; treasury shares owned on the day of detachment of dividend rights (i.e. 1,200 shares) did not result in dividends being paid.

** 2019 dividend: €1.80 on 9,108,552 shares paid in 2020, treasury shares owned on the day of detachment of dividend rights (i.e. 1,200 shares) did not result in dividends being paid.

6.3 NOTES TO THE ANNUAL CONSOLIDATED ACCOUNTS

NOTES TO THE BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT IN THOUSANDS OF EUROS AT DECEMBER 31, 2020

The consolidated accounts were closed by the Board meeting of February 18, 2021 and will be submitted to the Annual General Meeting of April 6, 2021.

1 MAIN EVENTS OF THE FINANCIAL YEAR

COVID crisis-19:
This global pandemic, starting in the first half of 2020, has had an impact on global economic activity and therefore on the business of Thermador Groupe and its subsidiaries.

Our decentralised organisation, consisting of small structures, enabled us to take health safety measures extremely quickly. Fortunately, none of our employees was seriously affected by the Covid-19 pandemic.

The digitalisation of our organisations was already well advanced by March 14, 2020. Home-working was implemented very quickly and efficiently for all employees who are able to perform their jobs remotely.

Our logistics and management teams remained physically mobilised. Only the Spanish site of Rousseau SA, located in Madrid, had to close for 15 days to protect employees' health. All the other companies in the group continued to serve their customers, sometimes winning us market share. Overall, the commitment and determination of our teams during this period was a major asset.

The closures of our suppliers' factories, in France and around the world, only lasted a few weeks. They did not all close at the same time, rather according to lockdown measures taken independently by governments. At the same time, sales slowed enormously before recovering, so there were no major stock shortages.

On the other hand, we had to limit excessive stock increases potentially resulting from the sharp drop in sales. Each subsidiary held back on sourcing their supplies in coordination and cooperation with their suppliers.

As of December 31, 2020, none of our customers or suppliers had been placed in safeguard proceedings.

The French government and the European authorities have taken vigorous measures to support the economy, which have helped to keep many of our customers afloat. State-guaranteed loans have been granted to several of them. In addition, we have benefited from furlough schemes, which we used as a last resort, for a consolidated amount of €493,000 which represents approximately 3.8% of the hours worked over the year 2020.

Our two banking partners have given us their full support by deferring loan maturities for a total of €3.1 million, financing an external growth operation for €7 million on April 30, 2020 and granting us additional short-term liquidity facilities.

From the beginning of the crisis until June 9, 2020, we published information on the impact of the crisis every fortnight. We resumed bi-monthly communication from November 9, 2020. We have also increased the number of video-conferences with our shareholders.

As our debt ratio is extremely low, we maintained our dividend proposal for 2019. This resolution was approved at a digital AGM accounting for 65.8% of voting rights.

At December 31, 2020, there was a 2.6% increase in turnover and a 5.9% increase in operating profit (on a like-for-like basis).

Acquisition of Thermacome:
On April 30, 2020, Thermador Groupe acquired all the shares of Thermacome based in Saint-James (France, Manche county) for €7m in cash on April 30, 2020. On this occasion, Thermador Groupe took out two 5-year bank loans at a very competitive fixed rate with CIC Lyonnaise de Banque and Société Générale.

Thermacome specialises in the design, thermal engineering and sale of domestic water distribution and thermal comfort systems in buildings. The company's know-how and development projects dovetail well with those of PBtub – a Thermador Groupe subsidiary – both in terms of customer base and markets. Thermacome reported turnover of €19.4m in 2019 with a trading profit of €972,000. Net cash position was €1,8 million.

Elements of this project include keeping the Saint-James site and its skills, as well as developing a close historic partnership with Acome for the supply of PER tubes manufactured in their Mortain factory (Manche county, France).

2 ACCOUNTING REFERENCE SET

In application of European regulation 1606/2002 of July 19, 2002, the consolidated financial statements of Thermador Groupe are prepared according to international financial information standards (IAS/IFRS compliant with IFRS and IASB) as adopted by the European Union on December 31, 2020. With the exception of the points mentioned below, the accounting principles used are identical to those adopted for the financial statements of December 31, 2019.

In the financial statements presented below, all compulsory application standards and interpretations of January 1, 2020 have been applied. No standard is applied in advance.

IFRS 15

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

· Revenue recognition
The Group's turnover is primarily made up of sales of finished products. It is recorded net of discounts and rebates granted to customers, costs incurred through commercial agreements, costs of referencing or occasional promotional activities invoiced by distributors. Recognition of turnover pertains to the moment of delivery. Our Group is not subject to other performance obligations linked to additional services (installation and/or maintenance of merchandise, etc.).

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

· Advertising spending
Advertising spend having given rise to reclassification according to IFRS 15 reflect discounts or payments for separate services to our distributor customers, the amount of which is calculated as a percentage of turnover. These advertising spends were accounted for as external charges. This reclassification has no impact on the result. In the absence of an impact on equity at the start of the financial period, Thermador Groupe applied the so-called 'simplified' retrospective transition method on January 1, 2018.

6.3 NOTES TO THE ANNUAL CONSOLIDATED ACCOUNTS

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

In thousands of euros	31/12/2020	31/12/2019	31/12/2018
Turnover according to IAS 11 & IAS 18	400,241	373,343	315,233
IFRS 15 impact	(4,741)	(4,507)	(4,043)
Net turnover after IFRS 15	**395,500**	**368,836**	**311,190**
External charges before IFRS 15	(38,430)	(37,887)	(32,686)
IFRS 15 impact	4,741	4,507	4,043
External charges after IFRS 15	**(33,689)**	**(33,380)**	**(28,643)**

IFRS 9

The IFRS 9 standard requires application of the depreciation model on the basis of expected losses for all financial assets, including commercial debt, as of January 1, 2018. On the basis of the five last financial years, irretrievable debts have represented an average of 0.07% of consolidated turnover. This insignificant impact has meant that no provision was made at the start of the financial period against equity on June 30, 2018 or against profit on December 31, 2018, on December 31, 2019 and December 31, 2020.

IFRS 16

The IFRS 16 standard entitled 'rental contracts' came into force for financial periods starting as of January 1, 2019.

We opted for the simplified retrospective method.

Application of IFRS 16 standard concerns the presentation and accounting of rental contracts. Rental contracts, as defined by IFRS 16 standard 'Rental contracts', appear on the balance sheet, which recognises:

- An asset in respect of a right of use of the asset rented, throughout the period of the contract,
- A debt in respect of the payment obligation.

Assessment of the right of use of assets

Upon the date a rental contract comes into force, the right of use is assessed at cost (i.e. the total of rental payments discounted over the lifetime of the contract) and includes the initial amount of the debt. For rental contracts with a start date prior to January 1, 2019, the enforcement date was fixed at January 1, 2019.

The right of use is written down over the period of use of the subjacent assets (duration of the rental contract for the rental element).

Assessment of rental debt

When the contract comes into force, the rental debt is accounted for by an amount which is equal to the discounted value of rental payments over the lifetime of the contract. The amounts taken into account as rent in assessing the debt are as follows:

- Fixed rents (including fixed rents in substance, i.e. even if they contain variability in terms of content, they are substantially inevitable),
- Payments made by the lessee in triggering a purchase option.

Assessment of debt linked to the rental contract is as follows:

- It is increased by the amount of interest charges determined in application of the rate used to discount the debt, at the beginning of the financial period,
- And reduced by the total of payments already made.

Also, the debt can be reassessed in the following circumstances:

- Revision of the rental period,
- Modification linked to the assessment of the reasonably assured nature (or not) of exercising an option,
- Revision of rates or indices upon which the rents are based at the time of rent adjustment.

Typology of capitalised rental contracts

· Rental contracts on 'real estate'

The Group has identified rental contracts in accordance with the standard for buildings rented by the subsidiaries Mecafer, FGinox, Rousseau (Ets Edouard Rousseau and Rousseau SA), Distrilabo and Thermacome. These are 3-6-9 type commercial leases without renewal options at the end of the lease period. The period chosen for calculation is 9 years, in compliance with the ANC's position.

The discount rate used to calculate the rental debt is determined for each property according to the marginal indebtedness rate at the date the contract comes into force. The same rate was used for the Group, given that property investments are always is in the name of the real estate company SCI Thely which is 100% owned by Thermador Groupe. The rate used is the interest rate the lessee would get at the beginning of the rental period to borrow the funds to purchase the asset for a similar period, similar guarantees and a comparable economic environment. This rate is obtained by adding the 'lead 10 year borrowing rate' and the spread which is specific to Thermador Groupe (the spread between the marginal borrowing rate of Thermador Groupe and the '10 year lead borrowing rate').

· Rental contracts on 'Other assets'

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

Typology of non-capitalised rental contracts

The group uses two exemptions allowed for by the IFRS 16 standard which excludes the elements from the balance sheet: short-term contracts and contracts concerning low-value assets.

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

Impact on financial statements (in thousands of euros)

At december 31, 2020	Impacts IFRS 16
BALANCE SHEET	
Non-current asset IFRS 16	131,355
Rights of use relating to rental contracts	2,996
Non-current asset after IFRS 16	**134,351**
Current liability before IFRS 16	100,674
Rental obligations of more than one year	1,036
Current liability after IFRS 16	**101,710**
Non-current liability before IFRS 16	33,996
Rental obligations of less than one year	1,936
Non-current liability after IFRS 16	**35,932**
PROFIT AND LOSS STATEMENT	
External charges before IFRS 16	(34,856)
Cancellation of rents	1,141
External charges after IFRS 16	**(33,715)**
Depreciation allowances before IFRS 16	(5,432)
Depreciation allowances - IFRS 16 impacts	(1,071)
Depreciation allowances after IFRS 16	**(6,503)**
Gross financial debt cost before IFRS 16	(199)
Financial charges - IFRS 16 impacts	(54)
Gross financial indebtedness cost after IFRS 16	**(253)**
Tax cost before IFRS 16	(14,836)
Deferred taxes - IFRS 16 impacts	1
Tax cost after IFRS 16	**(14,835)**
TOTAL IMPACT ON RESULT	**17**

IFRIC 23

The IFRIC 23 'uncertainty relating to fiscal processing' interpretation became compulsory as of January 1, 2019. On December 31, 2020, application of this interpretation had no impact on the accounts or the presentation of financial statements.

3 CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries are all companies in which Thermador Groupe held directly or indirectly at least 20% of the voting rights on December 31, 2020:

Name	Location	Ownership interest (%)	Consolidation method
Sferaco	France	100.0000%	Fully consolidated subsidiaries
Thermador	France	100.0000%	Fully consolidated subsidiaries
Jetly	France	100.0000%	Fully consolidated subsidiaries
Dipra	France	97.9950%	Fully consolidated subsidiaries
PB Tub	France	100.0000%	Fully consolidated subsidiaries
Isocel	France	100.0000%	Fully consolidated subsidiaries
Sectoriel	France	100.0000%	Fully consolidated subsidiaries
Syveco (formerly called Thermador International)*	France	100.0000%	Fully consolidated subsidiaries
Axelair	France	99.9970%	Fully consolidated subsidiaries
Mecafer	France	100.0000%	Fully consolidated subsidiaries
Domac	France	100.0000%	Fully consolidated subsidiaries
Aello	France	99.9992%	Fully consolidated subsidiaries
Thely	France	99.9999%	Fully consolidated subsidiaries
Opaline	France	100.0000%	Fully consolidated subsidiaries
Tagest	France	100.0000%	Fully consolidated subsidiaries
Deco holding (Sodeco Valves)***	Belgium	100.0000%	Fully consolidated subsidiaries
FGinox	France	100.0000%	Fully consolidated subsidiaries
Ets Edouard Rousseau (formerly called Sanidom)	France	100.0000%	Fully consolidated subsidiaries
Rousseau SA**	Spain	100.0000%	Fully consolidated subsidiaries
Distrilabo	France	100.0000%	Fully consolidated subsidiaries
Thermacome	France	100.0000%	Fully consolidated subsidiaries

The consolidation scope concerns all companies of the Group. It was modified in 2020:
- acquisition of 100% of the Thermacome shares on April 30, 2020.
- purchase by Thermador Groupe of all the shares from the minority shareholders of Sferaco, Thermador, Jetly, Pbtub, Isocel, Sectoriel and Syveco.
- purchase by Thermador Groupe of the shares held by Emmanuelle Desecures in Axelair, Dipra and Tagest.

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

(**) Rousseau SA was consolidated in the Rousseau sub-perimeter on December 31, 2019. On December 31, 2020, Rousseau SA is consolidated in the Thermador Groupe perimeter.

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

4 MATERIAL ACCOUNTING RULES AND METHODS

Note 1 GOODWILL

Goodwill arising from the acquisition of S.C.I Thely shares by Thermador Groupe in 1987 and 1990 was allocated to Land and Buildings: this adjustment was not applied to minority interests.

This goodwill is amortised through income statement in accordance with the accounting principles applying to the related fixed assets. Thus, the spread attributed to land was not amortised and the spread allocated to constructions was amortised according to the forecast residual service life of the constructions.

	Land	Buildings	Total
Gross purchase discrepancy value	39	468	507
Start-of-period depreciations		(468)	(468)
End-of-period depreciations		(468)	(468)
Goodwill in net value	**39**		**39**

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

Sodeco Valves	Buildings
Gross purchase discrepancy value	300
Start-of-period depreciations	(35)
End-of-period depreciations	(50)
Goodwill in net value	**250**

At the time of purchase of **Sanidom (now called Ets Edouard Rousseau)** shares by Thermador Groupe on December 31, 2018, a purchase discrepancy of €3,536 was allocated to the land & buildings item.

Ets Edouard Rousseau	Land	Buildings	Total
Gross purchase discrepancy value	952	2,584	3,536
Start-of-period depreciations		(119)	(119)
End-of-period depreciations		(238)	(238)
Goodwill in net value	**952**	**2,346**	**3,298**

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

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

A purchase discrepancy of €3,700,000 was attributed to the brand for a total of €1,200,000 and customer relations for €2,500,000. The latter is written down over a period of 10 years starting on January 1, 2019. Therefore, a depreciation charge is accounted €119,000 on December 31, 2020.

Ets Edouard Rousseau	Brand	Customer relations	Total
Goodwill in gross value	1,200	2,500	3,700
Start-of-period depreciations		(250)	(250)
End-of-period depreciations		(500)	(500)
Goodwill in net value	**1,200**	**2,000**	**3,200**

At the time of Thermador Groupe's purchase of **Distrilabo's** shares on December 31, 2019, goodwill of €1,900,000 was attributed to the brand for a total of €550,000 and customer relations for €1,350,000. The customer relations item will be written down over a period of 10 years starting on January 1, 2020. Therefore, a depreciation charge is accounted €135,000 on December 31, 2020.

Distrilabo	Brand	Customer relations	Total
Goodwill in gross value	550	1,350	1,900
Start-of-period depreciations			
End-of-period depreciations		(135)	(135)
Goodwill in net value	**550**	**1,215**	**1,765**

At the time of Thermador Groupe's purchase of **Thermacome's** shares on April 30, 2020, goodwill of €2,600,000 was attributed to the brand for a total of €1,600,000 and customer relations for €1,000,000. The customer relations item will be written down over a period of 10 years starting on May 1, 2020. Therefore, a depreciation charge is accounted €67,000 on December 31, 2020.

Thermacome	Brand	Customer relations	Total
Goodwill in gross value	1,600	1,000	2,600
Start-of-period depreciations			
End-of-period depreciations		(67)	(67)
Goodwill in net value	**1,600**	**933**	**2,533**

Back to CONTENTS

6.3 NOTES TO THE ANNUAL CONSOLIDATED ACCOUNTS

Note 2 NON-ALLOCATED GOODWILL

The balance sheet includes a 'goodwill' item for €56,317,000.

In thousands of euros	Book value, pre-harmonisation purchase	Adjust-ments	Book value pur-chased	Acquisition cost	Goodwill
Pbtub, Isocel, Dipra, Thermador, Jetly & Sferaco				6,136	6,136
Mecafer	8,940	(298)	8,642	24,300	15,658
Nuair	741		741	2,700	1,959
Sodeco Valves	5,922	170	6,092	10,000	3,908
FGinox	6,930	21	6,951	22,881	15,930
Groupe Valfit	2,653	(13)	2,640	7,600	4,960
Vortice France				850	850
Sanidom / Rousseau	15,184	5,388	20,572	22,000	1,428
Sale of the Sodeco Sedin business				(31)	(31)
Distrilabo	1,293	1, 419	2,712	5,200	2,488
Thermacome	2,402	1,947	4,349	7,000	2,651
Contribution of the Thermacome business				380	380
TOTAL at December 31, 2020	**44,065**	**8,634**	**52,699**	**109,016**	**56,317**

Movements over the period can be broken down as follows (in thousands of euros):

Amount at 31/12/2019	**53,286**
Movements over the period:	
- Goodwill on Thermacome	2,651
- Contribution of the Thermacome business	380
Amount at 31/12/2020	**56,317**

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

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

Detail of amounts and adjustments:

2015 - Mecafer / Nuair:

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

This goodwill is wholly allocated to the goodwill item.

2017 - Sodeco Valves:

Reprocessing pertained to:

- Allocation of the part of the goodwill to the fair value of Sodeco Valves' building on August 31, 2017 for a total of €300,000, minus a deferred tax liability of €102,000.
- Deferred tax on the pension provision, i.e. €3,000.
- The business value of €32,000 of Sodeco Sedin, the French subsidiary of Sodeco Valves.

2017 - FGinox:

Reprocessing pertained to:

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

2017 - Groupe Valfit:

Reprocessing pertained to:

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

2017 - Vortice France:

Via its subsidiary Axelair, Thermador Groupe acquired Vortice France on December 31, 2017 for €850,000.

The portion attributable to African customers, valued at €30,000 was transferred to Syveco on December 31, 2018.

2018 - Sodeco Valves:

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

2018 - Ets Edouard Rousseau (formerly called Sanidom)

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

Reprocessing pertained to:

- Allocation of a part of the fair value acquisition of the Sanidom/Rousseau land on December 31, 2018 of €952,000 minus a deferred taxation liability of €238,000,
- Allocation of a part of the fair value acquisition of the Ets Edouard Rousseau building on December 31, 2018 for a total of €2,584,000 minus a deferred tax liability of €659,000,
- Allocation of a part of the fair value acquisition of the 'Edouard Rousseau' brand on December 31, 2018 for a total of €1,200,000 minus a deferred taxation liability of €300,000,
- Allocation of a part of the fair value acquisition of the customer base on December 31, 2018 for a total of €2,500,000 minus a deferred taxation liability of €651,000.

2019 - Distrilabo:

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

Reprocessing pertained to:

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

2020 - Thermacome:

This purchase discrepancy amounts to €2,651,000 and is wholly allocated to goodwill. The restatements concerned:

- the allocation of part of the acquisition to the 'Thermacome' brand at December 31, 2020 for €1,600,000 less a deferred tax liability of €400,000,
- the allocation of a portion of the acquisition to customer relations at December 31, 2020 for €1,000,000 less a deferred tax liability of €253,500.

Impairment tests on goodwill

Impairment tests (IAS 36) are performed once a year at least for units generating cash having acquired goodwill in compliance with IAS 8 as per the presentation of sector-based information. These cash generating units were defined according to business sector criteria. Given the group's organisation and the distribution of the different business fields, the cash generating units chosen by the group comprise of the legal entities Jetly, Sferaco, Thermador, Dipra, Isocel, PBtub, Sectoriel, Syveco, Axelair,

Mecafer/Domac, Aello, Sodeco Valves, FGinox, Ets Edouard Rousseau, Distrilabo, Thermacome and a separate grouping comprising Thely, Opaline, Tagest and Thermador Groupe (cf. note 26).
The results of impairment tests on this 'goodwill', based in particular on future forecast net cash flows over a period of five years and a subsequent growth rate of 1%, discounted at 7.7%, explain the absence of provisions. The discount rate was calculated according to the 30-year treasury bond rate TEC (Constant Maturity Treasuries), French market risk, and sector risk, i.e. 1.80% and a specific risk premium.
A reasonable variation of the discount rate of +/– 0.5% was applied in our depreciation tests.
The key assumptions, which are sales, profitability, working capital requirements and the level of cash flow, have been revised to take into account the level of business clawed back at December 31, 2020 following the Covid-19 crisis and the budget forecasts prepared by the operating divisions of our subsidiaries.
A reasonnable variation of the key assumptions including this discount rate variation does not show any particular sensitivity in any of the CGUs assessed.

Note 3 TANGIBLE AND INTANGIBLE ASSETS

Tangible and intangible assets are valuated at their purchase price (cost price plus associated costs) with the exception of land and buildings to which valuation discrepancies have been attributed.
Intangible assets, primarily concerning acquisitions since 2018 of brands (€3.35m), customer relations (€4.85m) and software.
Depreciation amortisation is calculated in linear fashion on the basis of the expected service life:

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

Note 4 DEFERRED TAXES

Deferred taxes were calculated on all items of the balance sheet and profit and loss account and there are no non-activated deferred taxes.

In thousands of euros

Pre-tax net (accounting profit)	**51,019**
Tax rate on ordinary activities	28.02%
Theoretical tax burden	14,296
Social contribution	217
Non-deductible costs and charges on subsidiaries' dividends (2)	359
Variation in deferred tax rate (3)	39
Non-deductible charges and impact of non-French rate	(76)
Taxes	**14,835**
Actual tax rate	29.08%

Corporate tax rate in 2020:

Profits from ordinary activities (1)	**28.02%**
Social contribution	0.43%
Non-deductible costs and charges on subsidiaries' dividends (2)	0.70%
Variation in deferred tax rate (3)	0.08%
Non-deductible charges and impact of non-French rate	(0.15%)
Rate of corporation tax on profit from ordinary business	**29.08%**

(1) The finance law introduced a sliding scale element in the tax rate applicable as of January 1, 2018. Profits are subject to 28% in 2020. The tax rate is 25% in Belgium, as it is in Spain.
(2) The finance law fixed the percentage of non-deductible fees and charges on subsidiaries' dividends at 5%. This represents a corporation tax charge on dividends of €1,273,000 which will be paid to Thermador Groupe in 2021.
(3) The tax rate of 26,5% for 2021, 25% for 2022 and 25% were observed for December 31, 2020 to take into account the programmed changes to the tax rate according to the size of the company in the 2018 finance law (article 84). The impact of the variation in deferred tax rates is a €39,000 charge. This quantum concerns legal participation, losses carried forward, pension provisions and non-deductible provisions on stock.

Assets and liabilities of deferred taxes are not discounted and are offset when they relate to the same entity and when they have the same pay-back schedules. On December 31, 2020 deferred tax on assets and liabilities were divided between current and non-current deferred taxes as follows:

Non-current deferred tax assets	December 31, 2020	December 31, 2019	December 31, 2018
Provision for end-of-career commitment	835	718	636
Axelair and Aello deficit	527	549	692
IFRS 16 impact	(1)	3	
Total	**1,361**	**1,270**	**1,328**

Current deferred tax assets	December 31, 2020	December 31, 2019	December 31, 2018
Axelair and Aello deficit	6	76	22
Temporary differences	414	411	399
Total	**420**	**487**	**421**

Non-current deferred tax liabilities	December 31, 2020	December 31, 2019	December 31, 2018
Goodwill *	1,396	1,429	1,429
Goodwill of land and construction	863	898	935
Provision for end-of-career commitment	(291)	(221)	(187)
Sodeco valves deficit carried over	(63)	(69)	(91)
Gain on building	71	79	102
Brand and customer relations	1,753	1,248	873
Depreciation on building	(35)	(35)	(35)
Total	**3,694**	**3,329**	**3,026**

(*) Cf. note 3 above.

Current deferred tax liabilities	December 31, 2020	December 31, 2019	December 31, 2018
Tax on subsidiaries dividends	337	315	308
Fair value of financial instruments	(197)	(3)	(18)
Goodwill of land and construction	35	36	41
Gain on building	8	8	9
Brand and customer relations	129	108	78
Temporary differences	(89)	(80)	(85)
Total	**223**	**384**	**333**

Note 5 STOCKS

Stocks were assessed according to the weighted average cost method. The gross value of merchandise and supplies includes the purchase price and incidental costs. A provision for depreciation is made when the inventory value is lower than the accounting value defined above. The inventory value is established reference by reference according to rotation, based on quantities in stock and sales completed, probability of stock movement

Back to CONTENTS

6.3 NOTES TO THE ANNUAL CONSOLIDATED ACCOUNTS

and, where applicable, the rates used by metal dealers. The depreciation rates chosen are adapted to each situation.

	Provision for stocks losses
Amount at 31/12/2018	**3,222**
Included in the scope *	57
Increases in the period	994
Decreases	635
Amount at 31/12/2019	**3,638**
Included in the scope *	37
Increases in the period	1,118
Decreases	568
Amount at 31/12/2020	**4,225**

(*) Included in the scope: Thermacome on April 30, 2020 and Distrilabo on December 31, 2019.

Note 6 EMPLOYEE BENEFITS

No post-employment benefit was attributed to group staff. The group only uses mandatory contribution regimes. Pension compensation was calculated at €4,487,000 (including Board Members and Company Managers, €374,000) according to age, length of service, salary and the industry-wide agreement for wholesalers and that of the metallurgy sector (for our subsidiary FGinox, Ets Edouard Rousseau and Thermacome).

No end-of-career commitment was accounted for on December 31, 2020 for three of our subsidiaries: Sodeco Valves, Rousseau SA (Spain) and Distrilabo. Distrilabo and Sodeco Valves signed up to an insurance contract covering compensation to be paid at the time of retirement.

For the other subsidiaries, the retirement compensation was calculated on the basis of a departure upon the employee's initiative. The calculation takes into account the following hypotheses:

- Reference retirement age: 64.5 to take the retirement age law and the average retirement age within Thermador Groupe into account.
- Rate of staff turnover: calculated by age group (under 35, 35-50 and over 50) and according to average age observed in each company over the past 5 years. In 2020 the average rates observed were: under 35 - 5.22% (3.89% in 2019), 35-50 y.o. 3.09% (2.37% in 2019) and over 50 - 0.50% (0.58% in 2019).
- Growth in salaries depends on the salary policy of each company: the average 2020 rate was 2.60% (2.33% in 2019).
- Probability of survival to retirement age.
- The discount rate, based on the IBOXX rate for AA10+ companies is 0.34% (0.77% in 2019).

The provision entered in the accounts therefore concerns all employees and Corporate Officers. Any actuarial discrepancies are registered as equity. At December 31, 2020 this concerned the variation of an actualisation rate, the reassessment of salaries rate and the employee turnover rate. They represented a gross amount of €230,000 and €172,000 net of corporation tax.

Commitments in respect of long-service awards have been quantified in our subsidiary Thermacome for employees covered by the industry-wide metallurgy agreement. These employees are entitled to receive a long-service medal as soon as they meet the following conditions:

Medals	General terms and conditions	Thermacome Conditions	Medal bonus
Silver	20 years	10 years	172,00
Vermilion	30 years	20 years	229,00
Gold	35 years	28 years	343,50
Grand-Gold	40 years	33 years	457,50

The calculation takes into account these conditions and the following assumptions:

- retirement age of 64.5 years,
- staff turnover rate: calculated by age group (under 35, 35-50 and over 50) and based on the average observed in the subsidiary over the last four years. In 2020, the average rates per age group were: under 35: 0%, 35-50: 10.83% and over 50: 0%,
- the probability of surviving to retirement age,
- the discount rate, based on the IBOXX rate for AA10+ companies, is equal to 0.34%.

They represent an amount of €4,000 at December 31, 2020.

Note 7 RECEIVABLES

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

	Provision for bad debt
Amount at 31/12/2018	**1,121**
Included in the scope *	35
Increases in the period	323
Decreases	263
Amount at 31/12/2019	**1,216**
Included in the scope *	6
Increases in the period	177
Decreases	327
Amount at 31/12/2020	**1,072**

(*) Included in the scope: Thermacome on April 30, 2020 and Distrilabo on December 31, 2019.

Note 8 BANK LOANS AND DEBTS

In thousands of euros

At 31/12/2020	Current	Non-current	Total	Under one year late	Over one year and under five years late	Over five years
Bank loans	13,582	25,811	39,393	13,582	25,711	100
Rental debt (IFRS 16)	1,036	1,936	2,972	1,036	1,445	491
Cash and equivalent	40,325		40,325	40,325		
Net cash	**25,707**	**(27,747)**	**(2,040)**	**(25,707)**	**(27,156)**	**(591)**

The cash and cash equivalent item equal to €40,325,000 is a combination of current accounts for €38,506,000 and deposit accounts for €1,819,000 with due dates shorter than a month. All of our bank loans are fixed-rate loans to limit any rate variation impact.

Note 9 OPERATIONS IN FOREIGN CURRENCIES, FINANCIAL INSTRUMENTS AND DERIVATIVES

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

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

Amount of accounts payable on December 31, 2020 in the main foreign currency (US Dollars): €4,602,000. Amount of payables in foreign currencies corresponding to advance payments made to our suppliers at December 31, 2020 in the main currency (US dollar): €1,035,000.

Thermador Groupe uses no financial derivatives for speculative purposes. The derivatives used serve only to cover exchange rate fluctuations corresponding to purchase of merchandise in foreign currencies.

Thermador Groupe decided to introduce centralised management of cash in dollars as of January 1, 2018 to cover the requirements of all the group subsidiaries.

In this respect, Thermador Groupe subscribed to USD forward currency purchases for 24,700,000 USD with instalments in the first half of 2021 and in the second half of 2021.

The IAS 39.9 criteria are respected, allowing the group to book this hedging according to hedging accounting methods. An effectiveness test was carried out on December 31, 2020. As a result, the fair value of these financial instruments was included in the accounts for a total of €(743,000) in equity.

There is no compensation between financial assets and liabilities.

Back to CONTENTS

FINANCIAL ASSETS AND LIABILITIES APPEARING ON THE BALANCE SHEET: VENTILATION PER CATEGORY OF INSTRUMENTS.

Assets at 31/12/2020	Balance sheet value	Fair value	Fair value per result	Receivables	Hedging instruments
Customers of commercial activities	73,141	73,141		73,141	
Other debtors	11,867	11,867		11,867	
Cash	40,325	40,325			
Total assets	**125,333**	**125,333**		**85,008**	

Liabilities at 31/12/2020	Balance sheet value	Fair value	Fair value per result	Payables	Hedging instruments
Loans and long-term financial debt	25,811	25,811		25,811	
Rental obligations of more than one year	1,936	1,936		1,936	
Non-current liabilities	8,185	8,185		8,185	
Short-term loans and financial debt	13,582	13,582		13,582	
Rental obligations of less than one year	1,036	1,036		1,036	
Suppliers	52,760	52,760		52,760	
Supplier fixed assets	2,623	2,623		2,623	
Financial instruments	743	743			743
Other creditors	30,966	30,966		30,966	
Total liabilities	**137,642**	**137,642**		**136,899**	**743**

Note 10 OFF-BALANCE-SHEET COMMITMENTS

Thermador Groupe subscribed to forward purchase contracts in US$ for US$24,700,000 with maturity dates in the first half of 2021 and the second half of 2021. The fair value of these financial instruments was assessed at €(743,000) on December 31, 2020. Maturities on hedging instruments are generally between 3 and 6 months, and do not exceed 12 months.

5 NOTES ON THE BALANCE SHEET

Note 11 FIXED ASSETS (IN THOUSANDS OF EUROS)

Fixed assets	Goodwill on consolidation	Other intangible assets	Total intangible assets	Land	Buildings on own property	Machinery and equipment	General equipment, fixtures and fitments	Transport materials	Other equipment and furniture	Other tangible assets in progress	Rights-of-use in rental contracts	Total tangible assets	Other long term investments	Total investments	Grand total
Gross value 31/12/2018	**50,804**	**8,517**	**59,321**	**10,834**	**64,079**	**9,380**	**5,783**	**238**	**4,401**	**1,655**		**96,370**	**278**	**278**	**155,969**
Impact of IFRS 16											3,096	**3,096**			**3,096**
Included in the scope *	2,488	1,976	**4,464**			62	303	60	111		379	**915**	10	**10**	**5,389**
Increases		679	**679**		17	606	583	16	451	6,195	335	**8,203**	40	**40**	**8,922**
Decreases	6	404	**410**		(1,570)	(869)	1,118	9	289	1,585	38	**600**	30	**30**	**1,040**
Gross value 31/12/2019	**53,286**	**10,768**	**64,054**	**10,834**	**65,666**	**10,917**	**5,551**	**305**	**4,674**	**6,265**	**3,772**	**107,984**	**298**	**298**	**172,336**
Impact of IFRS 16															
Included in the scope *	3,031	2,705	**5,736**			237			7		75	**319**	19	**19**	**6,074**
Increases		715	**715**	406	641	914	880	29	527	6,491	1,070	**10,958**	7	**7**	**11,680**
Decreases		4	**4**	370	(8,429)	296	20	53	148	8,102	37	**597**	12	**12**	**613**
Gross value 31/12/2020	**56,317**	**14,184**	**70,501**	**10,870**	**74,736**	**11,772**	**6,411**	**281**	**5,060**	**4,654**	**4,880**	**118,664**	**312**	**312**	**189,477**

(*) Included in the scope: Thermacome on April 30, 2020 and Distrilabo on December 31, 2019.

In 2019 we started work to renovate the building used by Dipra. The renovation has two objectives: to improve the working conditions of the teams in the warehouse and to optimise the occupation of the building. The first phase of the work was completed on July 1, 2020 with the delivery of a new building (office and warehouse) for Dipra. The second phase continues with the construction of two units (warehouse and office) for Aello and Axelair. The end of this second phase is scheduled for the end of the third quarter of 2021.

SCI Thely also acquired a new building (office and warehouse) located in Saint-Quentin-Fallavier for €1,037,000. This building has a surface area of 1,622 m² on a plot of 6,886 m²

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

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

Back to CONTENTS

6.3 NOTES TO THE ANNUAL CONSOLIDATED ACCOUNTS

Note 12 DEPRECIATION AND AMORTISATION (IN THOUSANDS OF EUROS)

Fixed assets	Goodwill on consolidation	Other intangible assets	Total intangible assets	Land	Buildings on own property	Machinery and equipment	General equipment, fixtures and fitments	Transport materials	Office equipment and furniture	Rights-of-use in rental contracts	Total tangible assets	Grand total
Amortisation 31/12/2018		**3,760**	**3,760**		**27,429**	**6,729**	**3,879**	**135**	**3,439**		**41,611**	**45,371**
Included in the scope *		50	**50**			44	141	34	84		**303**	**353**
Increases in the period	6	545	**551**		2,442	727	481	51	411	854	**4,966**	**5,517**
Decreases and write-offs	6	406	**412**			(724)	893	9	298	37	**513**	**925**
Amortisation 31/12/2019		**3,949**	**3,949**		**29,871**	**8,224**	**3,608**	**211**	**3,636**	**817**	**46,367**	**50,316**
Included in the scope *		79	**79**			116			2		**118**	**197**
Increases in the period		920	**920**		2,637	814	551	63	447	1,071	**5,583**	**6,503**
Decreases and write-offs		4	**4**			287	68	48	120	4	**527**	**531**
Amortisation 31/12/2020		**4,944**	**4,944**		**32,508**	**8,867**	**4,091**	**226**	**3,965**	**1,884**	**51,541**	**56,485**

(*) Included in the scope: Thermacome on April 30, 2020 and Distrilabo on December 31, 2019.

Note 13 EQUITY

The capital was set at €36,439,008 at the beginning of the financial year, divided up into 9,109,752 shares with a nominal value of €4 each. On April 28, 2020, a capital increase reserved for employees was carried out. 91,097 new shares with a nominal value of €4 each were issued. The capital is now set at €36,803,396 (December 31, 2020), divided up into 9,200,849 shares with a nominal value of €4 each. There are no stock options.

Thermador Groupe purchased 1,200 of its own shares during 2018 for a value of €62,000. These shares were valued at the time of closure at €64. The closing price valuation is higher than the cost price of the shares, resulting in an unrealised capital gain of €14,100.

Note 14 PROVISIONS INCLUDED IN LIABILITIES (IN THOUSANDS OF EUROS)

	PROVISIONS INCLUDED IN LIABILITIES				
	Provisions for end-of-career commitments	Total non-current provision	Current provision	Total current provision	Of which, uses
Amount at 31/12/2018	**3,225**	**3,225**	**708**	**708**	
Increases	255	**255**	172	**172**	
Actuarial gains	347	**347**			
Decreases	103	**103**	275	**275**	195
Amount at 31/12/2019	**3,724**	**3,724**	**605**	**605**	
Included in the scope *	264	**264**	22	**22**	
Increases	573	**573**	107	**107**	
Actuarial gains	230	**230**		**0**	
Decreases	300	**300**	195	**195**	195
Amount at 31/12/2020	**4,491**	**4,491**	**539**	**539**	

(*) Included in the scope: Thermacome on April 30, 2020 and Distrilabo on December 31, 2019.

Back to CONTENTS

Note 15 RECEIVABLES (IN THOUSANDS OF EUROS)

	31/12/2020	31/12/2019	31/12/2018
Trade receivables	72,779	63,468	57,862
Bab debts	362	463	256
Corporate tax	639	685	851
Deferred corporate tax assets	420	487	421
Other debt			
VAT receivables	4,783	5,434	3,244
Other debtors	5,158	6,450	6,079
Prepaid expenses	867	713	694
Total other creditors	**10,808**	**12,597**	**10,017**
Total receivables	**85,008**	**77,700**	**69,407**

Note 16 DEBT (IN THOUSANDS OF EUROS)

	31/12/2020	31/12/2019	31/12/2018
Current provisions	539	606	708
Rental obligations of less than one year	1,036	1,018	-
Short-term loans	394	189	1,029
The current component of loans and debts	13,188	11,760	10,606
Accounts payable	52,760	52,254	44,268
Tax payable	1,336	1,983	942
Supplier fixed assets	2,623	1,510	417
Tax and social liabilities			
Social liabilities	10,988	10,419	9,424
Deferred corporation tax on liabilities	223	384	333
VAT payables	2,114	2,392	1,069
Other tax liabilities	756	732	954
Total fiscal and social debts	**14,081**	**13,927**	**11,780**
Other debtors	15,753	14,853	12,617
Total debts	**101,710**	**98,100**	**82,367**

Supplier debt maturity in 2020 was comparable to that of 2019.

Information on late supplier payments: Invoices received but not paid on the closing date of the financial year and whose due date has passed (table required under section 1 of article D. 441-4) in thousands of euros:

	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
Number of invoices						**4,703**
Total value of invoices concerned (inc-VAT)		806	1,254	(1,320)	92	**833**
Purchases over the financial year (ex-VAT)*			**285,837**			
Percentage of the financial year's T/O (ex-VAT)		0.3%	0.4%	(0.5%)		**0.3%**

*** External costs and purchases consumed.**

Note 17 CHARGES PAYABLE AND ACCRUALS (IN THOUSANDS OF EUROS)

Charges payable	31/12/2020	31/12/2019	31/12/2018
Trade notes and accounts payable	18,111	19,831	16,913
Tax and social liabilities	7,117	7,421	6,610
Liabilities on customer contracts	5,727	4,401	2,537
Other liabilities	23	86	106
Total	**30,978**	**31,739**	**26,166**

Accruals	31/12/2020	31/12/2019	31/12/2018
Trade receivables	104	511	609
Other receivables	1,736	1,427	1,545
Total	**1,840**	**1,938**	**2,154**

Note 18 COMMITMENTS OR OPERATIONS WITH ASSOCIATED PARTIES

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

There is no commitment or operation with associated parties besides elements of earnings, commitments to pensions on 2020. The group uses no assets belonging directly or indirectly to directors or members of their families.

Total gross earnings and benefits of all types, both direct or indirect, for each corporate representative of the group (consolidating company and controlled companies included, according to article 357-1 of the law on commercial companies) allocated for the financial year to members of the Board on account of their function was €1,340.700 including allocated earnings.

Commitments to executives:

The retirement commitment concerns the payment of a retirement bonus authorised by the Board meeting of December 19, 2003. This bonus is calculated in the same way as that paid to a manager according to the conventions of article 5 of amendment I of the industry-wide agreement for the wholesale business. At December 31, 2020 the total of the commitment corresponding to this bonus for Board members and corporate officers was €374,000. No pension compensation was paid to executives.

There is no commitment to separation compensation for executives.

6.3 NOTES TO THE ANNUAL CONSOLIDATED ACCOUNTS

Note 19 LEGAL RISKS

To the company's knowledge, there are no other exceptional items or legal proceedings that may have or may have recently had an impact on the business, the results, the financial situation or on the company's or the group's assets.

Note 20 SIGNIFICANT EVENTS OCCURRING AFTER THE CLOSURE OF THE ACCOUNTS

The health crisis continues relatively unchanged compared to Q4 2020. We have no plans to change our strategy in 2021.

On the other hand, the exceptional rise in the cost of containers from China and the very substantial price increases announced by some of our suppliers will force us to significantly adjust our selling prices. Substantial inflation is forecast for 2021.

Note 21 RISK ASSESSMENT (SEE CHAPTER 4)

The company performed a review of risks that could have an unfavourable effect on its business, financial position and results, and considers that there are no other significant risks apart from those presented below.

The nature of the main risks was not modified in 2020, with the exception of a legal risk.

The management and assessment methods put in place within the group have proved to be effective to date.

- **Credit risk:**

  This is primarily the risk of not recovering customer receivables. A control is carried out monthly using accounting statements drawn up according to due dates.

Accounts receivables (excluding bad debts) at 31/12/2020 (in thousands of euros)	Total amount	Total for due dates after 31/12/2020	Amounts with expired due dates			
			Under 30 days late	Over 30 days and under 60 days late	Over 60 days and under 90 days late	Over 90 days late
Customer receivables on December 31, 2020	72,779	62,859	6,506	1,688	927	799
Payments cashed in January 2021			4,399	680	184	(14)
Receivables not cashed by end January 2021			**2,107**	**1,008**	**744**	**813**

Accounts receivables (excluding bad debts) at 31/12/2019 (in thousands of euros)	Total amount	Total for due dates after 31/12/2019	Amounts with expired due dates			
			Under 30 days late	Over 30 days and under 60 days late	Over 60 days and under 90 days late	Over 90 days late
Customer receivables on December 31, 2019	63,468	53,568	6,835	1,109	697	1,257
Payments cashed in January 2020			3,782	559	171	194
Receivables not cashed by end January 2020			**3,054**	**550**	**526**	**1,063**

Accounts receivables (excluding bad debts) at 31/12/2018 (in thousands of euros)	Total amount	Total for due dates after 31/12/2018	Amounts with expired due dates			
			Under 30 days late	Over 30 days and under 60 days late	Over 60 days and under 90 days late	Over 90 days late
Customer receivables on December 31, 2018	57,862	50,033	5,611	838	372	1,009
Payments cashed in January 2019 *			2,712	298	245	416
Receivables not cashed by end January 2019			**2,899**	**540**	**127**	**593**

* Excluding Ets E. Rousseau/Rousseau SA. Information non available on 31/01/2019.

Total customer losses represent less than 1% of turnover. We have no credit insurance.

Invoices raised and not paid upon closing of the financial year and whose due date has passed (table required under section 1 of article D. 441-4), in thousands of euros:

	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
Number of invoices concerned						**44,858**
Total value of invoices concerned (inc-VAT)		6,506	1,688	927	799	**9,920**
Turnover for the financial year (ex-VAT)	**395,500**					
Percentage of the financial year's T/O (ex-VAT)		2%				**3%**

· **Interest rate risk:**

Between 2017 and 2020, we took out eight 5-year fixed-rate loans with CM CIC and Société Générale banks. Early repayment is possible without penalty. We are therefore not exposed to a rate risk.

· **Liquidity risk:**

The company carried out a specific review of its liquidity risks. It believes that it can meet its future commitments. The situation on December 31, 2020 was positive (cash-flow statement, page 116). The group benefits from unused short-term cash facilities. None of the outstanding bank loans contain covenants or guarantees. We are not exposed to any risk of early repayment or interest rate revisions.

· **Investment risk:**

Any spare cash is placed on long-term accounts, at zero risk.

· **Currency risk:**

The group's sales are denominated in euros in France and abroad. Around 33% of our purchasing – primarily from China – is paid for in US dollars.

This exposes us to the volatility of the Euro/Dollar exchange rate.

Currency fluctuations against the Euro (mainly the US dollar) can increase the purchase price of our goods and thus deteriorate the Group's results. The effective purchase price is incorporated into our cost prices and is reflected in our selling prices as far as possible.

Mathematically, a 10% variation in the US dollar rate would have a €9m impact on our commercial margin.

Since January 1, 2018, Thermador Groupe has had centralised dollar cash management to cover the needs of all its subsidiaries. This ability to keep ahead of the exchange rate gives those subsidiaries greater visibility in terms of selling price, and better control over their margins.

· **Raw material price fluctuations:**

It is our manufacturer-suppliers who manage the raw material purchase costs in their products. In case of major price variations of certain raw materials (copper, steel, etc.) there may be a purchase price impact for us, which we seek to pass on as far as possible in our sale price. There are many different scenarios depending on the supplier and the product, which make any precise calculation impossible; making it more to do with our management of cost prices and margins.

This has been a day-to-day practice within our business from the outset, and we feel that we manage these problems with minimum risk for our shareholders. Our results are proof of that...

· **Brexit risk:**

We insist on the fact that our group's business in the United Kingdom is non-significant. There were no incidents or risks associated with the introduction of Brexit on January 1, 2021.

· **Legal risks:**

Over the past twelve months, there has been no governmental, judicial, arbitration or administrative procedure (including any procedure of which we may have knowledge, any that may be subject to suspension or any that represents a potential threat) which could have or would recently have had significant effects on the Group's financial situation or profitability. On April 3, 2017, Thermador Groupe and its subsidiaries Aello and Jetly were taken before the commercial tribunal of Rennes by the companies Diffusion Equipements Loisirs – D.E.L. and Multifija on the grounds of unfair competition and parasitism on the market for swimming pool equipment and accessories. We deplore this legal action and reject these charges in their entirety.

On June 26, 2018 our lawyer presented our plea before the Court of Appeal against the decision of the Rennes commercial tribunal handed down on March 20, 2018 rejecting our application for lack of jurisdiction raised in the Court of Arbitration. The deliberation of the Court of Appeal dated October 2, 2018 ended with our application being rejected. Following our appeal to the Supreme Court, we obtained a favourable ruling which overturned this decision of the Court of Appeal in December 2019. In February 2020, we represented our conclusions of lack of jurisdiction before the Court of Appeal and our lawyer pleaded in July 2020. The Court of Appeal handed down its decision by dismissing the applications of Diffusion Équipements Loisirs - D.E.L. and Multifija, which granted our requests. The Commercial Court of Rennes is therefore deemed incompetent, the jurisdiction falling to the Court of Arbitration. It was therefore up to the opposing party to designate the Arbitral Court, which decided to appeal to the Supreme Court on January 11, 2021.

Following the October 2019 hearing before the Commercial Court of Rennes in the unfair competition lawsuit, the latter ordered the case to be struck off the register for lack of diligence on the part of the plaintiffs, D.E.L. and Multifija. To date, this case has not been re-registered. The amount claimed by the plaintiffs is €1.8 million.

We remain confident as to the results of these procedures. No provision was entered on December 31, 2020 because to date we have no obligation to do so, and it cannot be estimated in any reliable way.

· **Pandemic risk:**

Are stock shortages going to be a problem? That was the first question our shareholders asked us when the Covid-19 crisis hit. Like them, we felt that the risk of a pandemic was specific to our group due to the international nature of our purchasing.

Having to deal with the crisis in real-life conditions, our teams, organisations and suppliers have shown remarkable resilience, enabling us to bounce back very positively from the end of the first lockdown. More unexpectedly, it was our DIY subsidiaries that performed best in the chaos, even though they are often picked on by investors as being the least profitable. Our subsidiary Aello has made the most of a booming swimming pool market whilst some competitors could not respond.

Finally, we estimate that we only lost 4% organic growth in 2020 thanks to the commitment of our staff and robust stock management. The risks and the measures taken to mitigate them are detailed on page 84 of this document.

6.3 NOTES TO THE ANNUAL CONSOLIDATED ACCOUNTS

6 NOTES ON THE PROFIT AND LOSS ACCOUNT

Note 22 EXPLANATION CONCERNING 2020 TURNOVER

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

Distribution of turnover by geographical area: France €323,371,000 – Export: €72,129,000 of which Syveco for €25,356,000, Sodeco Valves for €20,602,000 and Rousseau SA (Spain) €8,012,000.

In thousands of euros	31/12/2020	2020 constant scope	31/12/2019	Change 2020/2019	Change 2020 at constant consolidation scope / Change 2019
Turnover (IFRS 15)	395,500	378,543	368,836	7.2%	2.6%

To constant scope 2020 turnover was €378,543,000 compared to constant scope 2019 turnover of €368,836,000. 2020 turnover includes that of Thermacome, acquired on April 30, 2020 and of Distrilabo, acquired on December 31, 2019.

Note 23 EXPLANATION CONCERNING 2020 OPERATING PROFIT AND NET PROFIT AS A PORTION OF THE GROUP

In thousands of euros	31/12/2020	2020 constant scope	31/12/2019	Change 2020/2019	Change 2020 at constant consolidation scope / Change 2019
Operating profit from ordinary business	51,411	50,638	47,821	7.5%	5.9%
Portion of net profit allocated to the group	36,180	35,636	32,373	11.8%	10.1%

To constant scope 2020 operating profit was €50,638,000 compared to an operating profit to constant scope for 2019 of €47,821,000. Again to constant scope the 2020 net profit as a portion of the Group was €35,636,000 compared to a constant scope net profit for 2019 of €32,373,000. The operating profit and profit as a net portion of the Group at December 31, 2020 includes the profit generated by Distrilabo, a company purchased on December 31, 2019 and by Thermacome, a company purchased on April 30, 2020.

Note 24 PERSONNEL CHARGES

Personnel charges include the total salary cost of employees of the group. These charges evolve in particular according to the number of employees, the average level of earnings and the operating result performance of our subsidiaries, which determines the level of variable earnings.

In thousands of euros	31/12/2020	31/12/2019	31/12/2018
Staff earnings	33,264	31,039	25,278
Social security charges	13,422	11,828	9,770
Social security charges	**46,686**	**42,867**	**35,048**

Distribution by function	31/12/2020			31/12/2019 **			31/12/2018 *		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
General management, sales, administrative and purchasing	64	22	42	54	19	35	51	19	32
Itinerant sales staff	135	8	127	119	7	112	100	5	95
Sedentary technical sales representative	156	84	72	130	76	54	114	61	53
Purchasing-Marketing	59	31	28	49	24	25	38	19	19
Administrative personnel	88	63	25	87	65	22	48	40	8
Warehouses staff	166	22	144	160	20	140	125	3	122
Total	**668**	**230**	**438**	**599**	**211**	**388**	**476**	**147**	**329**

* Excluding Ets Edouard Rousseau and Rousseau SA in 2018. ** Excluding Distrilabo in 2019.

Note 25 STATUTORY AUDITORS' FEES

	MAZARS			CABINET ROYET			OTHER CABINETS			TOTAL		
	In thousands of euros			In thousands of euros			In thousands of euros			In thousands of euros		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Fees for certification of accounts												
Issuer	33	32	30	33	32	30	None	None	None	66	64	60
Globally integrated subsidiaries	40	48	65	58	48	38	142	115	84	240	211	187
Non-Audit Service (NAS*)												
NAS required by the texts - Issuer	5	4	4	5	4	4	None	None	None	10	8	8
NAS required by the legal texts – Globally integrated subsidiaries	8	3	3	5	2	2	2	20	4	15	25	9
Other NASs – Issuer	None	None	None	None	None	None	None	None	None	None	None	None
Other NASs – Globally integrated subsidiaries	None	None	None	None	None	None	None	None	None	None	None	None
Total Statutory Auditors fees	86	87	102	101	86	74	144	135	88	331	308	264

* NAS = Non-Audit Services: examination of regulated conventions, management report review, annual financial report review.

7 SECTOR-BASED INFORMATION (IN THOUSANDS OF EUROS)

Note 26

Cash Generating Units are defined according to business sector criteria.

Given the group's organisation and the distribution of their different professions, Cash Generating Units appointed by the group are made up of the legal entities Jetly, Sferaco including Groupe Valfit (since December 31, 2017), Thermador, Dipra and Edouard Rousseau (since December 31, 2018), Isocel, PBtub, Sectoriel including Nuair France since July 1, 2015, Syveco, Axelair, Mecafer (since July 1, 2015) including Domac since March 1, 2017, Aello, Sodeco Valves, FGinox, Distrilabo (acquired on December 31, 2019), Thermacome (acquired on April 31, 2020) and a separate business unit made up of Thely, Opaline, Tagest and Thermador Groupe.

Profit and loss account:		2020				2019			
		Sales according to IFRS 15	Profit before tax	Depreciation and amortisation	Allocation net of provision reversals	Sales according to IFRS 15	Profit before tax	Depreciation and amortisation	Allocation net of provision reversals
Mecafer / Domac (1)	Equipment tools	34,211	2,702	(138)	(194)	31,114	1,928	(438)	(56)
Dipra / Rousseau (5)	Pumps, technical plumbing accessories and taps	62,316	3,158	(737)	(299)	54,997	1,707	(805)	171
Isocel	Supply of components to OEM	6,230	825	(21)	(40)	6,453	890	(18)	18
Aello	Equipment for swimming pools	12,519	954	(27)	(19)	8,873	296	(28)	(46)
Jetly	Pumps	49,996	11,156	(170)	(15)	49,189	10,635	(190)	74
Thermador	Central heating and domestic water accessories	49,003	10,431	(179)	22	47,201	9,961	(202)	(218)
Pbtub	Heating - cooling surfaces and piping systems	22,158	1,683	(160)	(52)	24,538	1,746	(141)	(51)
Thermacome (7)		11,905	632	(92)	64	-	-	-	-
Axelair	Ventilation equipment and accessories	5,978	(24)	(11)	(7)	5,742	(16)	(12)	(5)
Sferaco (4)	Valves, meters and connectors	53,431	10,096	(330)	(113)	56,320	10,483	(327)	(213)
Sectoriel	Motorised valves and air compressors	21,924	3,469	(220)	17	21,629	3,281	(223)	(73)
FG Inox (3)	Stainless steel connectors, flanges, valves and accessories	5,052	137	(210)	8	16,036	2,045	(412)	9
Syveco	International	14,491	1,649	(90)	24	26,831	3,614	(37)	(31)
Sodeco Valves (2)	Industrial valves	25,378	3,460	(63)	34	19,600	1,086	(219)	(51)
Distrilabo (6)	Measure and control	20,607	965	(205)	(38)	-	-	-	-
Other structures		301	22,268	(2,780)	(56)	313	19,783	(2,464)	8
Eliminations		-	(22,542)	-	-	-	(19,856)	-	-
Total		395,500	51,019	(5,433)	(664)	368,836	47,583	(5,516)	(464)

Balance sheet:		2020									2019								
		Assets	Goodwill on consolidation	Including tangible investments	Including stock	Including accounts receivable	Debt and provisions	Including accounts payable	Incl. equipment supply accounts payable	Investments	Assets	Goodwill on consolidation	Including tangible investments	Including stock	Including accounts receivable	Debt and provisions	Including accounts payable	Incl. equipment supply accounts payable	Investments
Mecafer / Domac (1)	Equipment tools	24,664	15,658	2,122	7,090	6,907	9,578	4,215		68	24,681	15,658	2,415	9,805	6,517	10,969	4,937		142
Dipra / Rousseau (5)	Pumps, technical plumbing accessories and taps	45,927	1,459	5,358	19,399	16,709	17,904	10, 074		885	42,090	1,459	4,409	21,151	12,491	17,112	11,037	5	230
Isocel	Supply of components to OEM	3,866	76	65	1,231	1,101	1,247	936		19	4,098	76	68	1,360	1,133	1,498	1,191		24
Aello	Equipment for swimming pools	4,273		265	3,401	535	1,858	981		175	3,352		116	2,797	310	1,719	828		58
Jetly	Pumps	30,422	1,646	516	13,561	8,072	10,575	6,140		115	28,456	1,646	560	13,321	7,272	9,544	5,409		323
Thermador	Central heating and domestic water accessories	32,210	2,546	498	14,821	9,043	12,857	8,282	14	67	31,663	2,546	612	13,630	8,625	13,333	8,250	9	105
Pbtub	Heating - cooling surfaces and piping systems	15,163	313	855	7,854	3,255	4,995	2,749		389	14,716	313	664	8,529	3,123	4,833	2,126		251
Thermacome (7)		7,761	3,031	163	1,784	2,910	4,914	2,224		2									
Axelair	Ventilation equipment and accessories	4,005	819	48	2,246	775	3,208	893	2	32	3,033	819	31	1,358	771	2,207	691		18
Sferaco (4)	Valves, meters and connectors	50,843	6,484	1,247	30,920	11,193	18,669	10,408		237	50,924	6,484	1,327	32,651	10,417	21,478	12,077		303
Sectoriel	Motorised valves and air compressors	16,638	1,974	646	5,996	5,336	4,230	2,682		246	15,594	1,974	682	6,935	4,988	4,289	2,744	3	143
FG Inox (3)	Stainless steel connectors, flanges, valves and accessories	11,348	15,930	413	4,623	2,799	2,365	1,450		128	10,757	15,930	691	5,498	3,214	2,029	986		74
Syveco	International	11,811	31	231	269	3,150	4,102	3,232		80	11,983	31	222	279	3,347	4,384	3,092	13	145
Sodeco Valves (2)	Industrial valves	13,490	3,862	3,028	5,225	4,513	4,494	1,675		125	14,541	3,862	3,151	4,532	4,749	6,339	1,477		69
Distrilabo (6)	Measure and control	2,738	2,488	492	1,121	1,119	1,259	517		32	2,932	2,488	613	1,200	939	1,639	760		
Other structures		176,185		51,175		634	45,738	628	2,610	8,145	166,728		46,058		660	46,192	698	1,480	6,704
Eliminations		(72,119)				(4,910)	(10,351)	(4,326)	(3)	(135)	(69,017)				(4,625)	(10,697)	(4,049)		
Total		379,225	56,317	67,122	119,541	73,141	137,642	52,760	2,623	10,610	356,531	53,286	61,619	123,046	63,931	136,868	52,254	1,510	8,589

(1) With the acquisition of Domac on March 1, 2017. (2) With the acquisition of Sodeco Valves on September 1, 2017. (3) With the acquisition of FGinox on October 1, 2017.
(4) With the acquisition of Groupe Valfit on December 31, 2017. (5) With the acquisition of Ets Edouard Rousseau (formerly called Sanidom) on December 31, 2018.
(6) With the acquisition of Distrilabo on December 31, 2019. (7) With the acquisition of Thermacome on April 31, 2020.

Back to CONTENTS

6.4 STATUTORY AUDITORS' REPORT ON THE

To the Annual General Meeting of THERMADOR GROUPE.

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Thermador Groupe for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the audit committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for in the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2020 to date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

ASSESSMENT OF GOODWILL

Identified risks

During its development, the group made several acquisitions and recognized significant amounts of goodwill.

In 2020, the group acquired Thermacome.

In these conditions, the goodwill recognized went from €53.3m in 2019 to €56.3m in 2020 with the acquisition of Thermacome.

These goodwill correspond to the difference between the price paid and the fair value of the assets and liabilities acquired in the context of external growth operations. They are described in paragraph 4, notes 1 and 2 as the synergies expected from the integration of new activities and the economies of scale generated by the pooling of resources. The goodwill have been allocated to cash-generating units (CGU) representing by each acquired company.

The allocation of the price paid given the identified assets and liabilities was made by the management.

The management shall ensure at each closing, or more frequently in the case of a loss of value index, that the net book value of goodwill is not greater than the recoverable amount. Any unfavorable evolution of the expected returns from activities linked to the allocated goodwill, because of internal or external factors, has a significant impact on the recoverable amount of goodwill which needs to be impaired. Such an evolution implies a new estimation of the assumptions made for the determination of the goodwill.

The terms of the impairment test implemented and the details of the assumptions selected are described in Note 2 of the consolidated financial statements.

The recoverable amount of goodwill is the highest value between its fair value and its utility value. The determination of this utility value incorporates a significant portion of management's estimation and assumptions as it is based on the foreseeable future net cash flows of each CGU over a five-year period and the discount rate applied. A variation of these assumptions may change the recoverable amount of goodwill.

So we considered the valuation and the allocation of goodwill as a key audit matter because of the necessary level of management judgement to conduct these value-loss tests.

Audit procedures implemented in the face of identified risks

We examined the conformity of the methodology applied by the company to the current accounting standards.

We also carried out a critical review of how to implement this methodology. As such, our work has consisted in:

- assessing the appropriateness of the hypotheses and terms retained to evaluate assets and liabilities acquired in view of the accounting standards concerned;
- analyzing the completeness of the elements composing the carrying value of UGT;
- examining the modalities to calculate the utility value obtained from the projections of cash flows, in particular:
  - assessing the reasonableness of these projections in relation to the economic and financial context in which the activities and the reliability of the estimation process are carried out by examining the causes of the differences between the forecasts and the achievements;
  - assessing the coherence of these cash flow projections with the latest management estimates as presented in the context of the budget processes;

Back to CONTENTS

- assessing the coherence of the growth rate selected for the projected flows with market analyses and the consensus of the main actors;
- verifying the calculation of the discount rate applied to the estimated cash flows of the activities by ensuring that the different discount parameters composing the weighted average cost of the capital of the CGU allow to approach the rate of the UGT are close to the rates currently required by market players;
- checking the arithmetic accuracy of the utility value sensitivity analysis performed by management concerning variations to the key assumptions.

INVENTORY ASSESSMENT

Identified risks

The inventory of goods appears on the consolidated balance sheet as at December 31, 2020 for a net amount of €119.5m and represents one of the most important items of the consolidated balance sheet.

As indicated in note 5 to the consolidated accounts, they are recorded using the weighted average cost method and a provision for depreciation is applied when the inventory value is less than the carrying value.

The inventory value is determined, reference by reference, depending on the turnover, based on the quantities in stock and the past sales, the probability of flow, and, where applicable, the realization course in force for the scrap metal. The depreciation rates retained are tailored to suit each situation.

In this context, we have considered this subject to be a key audit matter because any provisions resulting therefrom are inherently dependent on assumptions, estimates or appraisals made by the group management.

Audit procedures implemented in the face of identified risks

Our work has been to assess the data and assumptions retained by management to determine the inventory value and identify the items that must be accounted for at this value.

We have in particular:

- taken cognizance of the internal control procedures established to identify the items to be depreciated;
- tested the effectiveness of key controls related to these procedures;
- compared the cost of items in stock with the net selling price used, by sampling, to confirm the amount of depreciation found in the consolidated accounts;
- identified, from a computer query, the slow-rotating items and verified their correct valuation to the inventory value when it is less than their weighted average unit cost, or validated the consistency of the absence of depreciation by interviews with the management.

SPECIFIC VERIFICATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the group's information given in the management report of the Board of Directors).

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the group's management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

OTHER VERIFICATIONS OR INFORMATION REQUIRED BY LAW AND REGULATIONS

Presentation format of the consolidated financial statements for inclusion in the annual report

In accordance with III of Article 222-3 of the AMF's General Regulations, your company's management has informed us of its decision to defer application of the single electronic information format as defined by Delegated European Regulation No. 2019/815 of December 17, 2018 to financial years beginning on or after January 1, 2021. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the consolidated financial statements intended for inclusion in the annual report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Thermador Groupe by:

- the Annual General Meeting held on October 2, 1986 for Mazars;
- the Annual General Meeting held on April 4, 2005, and took office following the resignation of the cabinet SSEC dated April 17, 2015 for the cabinet Royet.

As at December 31, 2020, Mazars is in the 34th year of total uninterrupted engagement, which is the 33rd year since securities of the Company were admitted to trading on a regulated market. Cabinet Royet is in the 16th year of engagement, and the 6th as lead auditor.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements and obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

6.4 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures respon-sive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the audit committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Saint-Etienne and Villeurbanne, February 19, 2021.

The statutory Auditors.

CABINET ROYET	MAZARS
Stéphane Guichard	Frédéric Maurel

7. COMPANY ACCOUNTS AND LEGAL INFORMATION REGARDING THE PARENT COMPANY

7.1 COMPANY ACCOUNTS

7.1.1 BUSINESS REPORT THERMADOR GROUPE

Thermador Groupe, managed by Guillaume Robin, defines and implements the group's development strategy and, in collaboration with the managers of the different subsidiaries, ensures coordination of business activities. Furthermore, Thermador Groupe provides centralised management of the group's cash, shared IT services and ensures harmonised rules are applied throughout subsidiaries on accounting, legal and fiscal issues.

In 2020 Thermador Groupe's resources totalled €34,253,000 broken down as follows:

1 Profits paid into Thermador Groupe by the subsidiaries €22,534,000.
For a number of years now, we have practised the policy of allocating equity capital to the subsidiaries to a degree that is compatible with their funding requirements.
Thus, a portion of each subsidiary's results is put into reserve.

Also, we would remind you that the dividends paid to Thermador Groupe in 2020 were those taken from the subsidiaries' 2019 results.

2 Financial earnings from loans to the subsidiaries for reasons of cash balance and current account advances €12,000.

3 Investment earnings from the group's superfluous cash €2,000.

4 Rease management rents €5,757,000.
Reminder: Thermador Groupe, the parent company, was created in 1986 in preparation for it being floated on the stock exchange in 1987. The legal restructuring of the group at the time transferred the business of the existing subsidiaries (Jetly, Sferaco and Thermador) to Thermador Groupe which, through a lease management contract, leases these businesses to the same three subsidiaries. However, all the other subsidiaries own their businesses and do not make such payments to Thermador Groupe.

The rents paid in 2020 by Jetly, Sferaco and Thermador, were as follows:

- **€3,085,000** for the intangible component of the funds, which is a percentage of turnover (1.7% for Sferaco, 2.3% for Thermador and 2.5% for Jetly).
- **€1,000** for equipment rented, equal to 10% of the net value of the equipment concerned.
- **€2,671,000** of rent for the offices and warehouses, with 8,800m^2 for Thermador, 14,950m^2 for Sferaco and 11,419m^2 for Jetly.

5 Detachment of personnel or service-providers €117,000.
Each subsidiary is invoiced at cost, calculated according to the estimated amount of time spent.

6 Roll-out of shared IT system €822,000.
In 2001, we introduced an ERP tool within the group for commercial management and accounting and finance.

Thermador Groupe bought the necessary hardware and software and wrote the purchases down. Each subsidiary is invoiced at cost for use of the system, based on the number of users.

7 Centralised management of insurance €489,000.
Each subsidiary is invoiced at cost, calculated according to each company's capital and risk.

8 One-off payment for assistance and consulting to subsidiaries €968,000.
Fees range from €6,000-€152,000 depending on the size of the subsidiary, to cover the cost of assistance and consulting on legal, accounting, fiscal and IT issues.

In 2020 the main items of expenditure for Thermador Groupe were as follows:

1 Rent of €2,696,000 of which €25,000 for Thermador Groupe's own offices and €2,671,000 invoiced on to Jetly, Sferaco and Thermador as part of the lease management arrangement.

2 Wages and salary cost €1,671,000.

3 Depreciation expenses €420,000
(mainly for IT hardware and software).

4 Net exchange rate variation for €83,000
Resulting from the introduction of centralised cash management in dollars as of January 1, 2018.

5 Other costs totalling €2,495,000.

6 Charges after corporation tax of €1,122,000 calculated according to Thermador Groupe's result and the relevant proportion of SCI Thely's results.

7 Significant post-closing events.
No significant change has occurred since the end of the financial year.

In 2020 Thermador Groupe, the listed parent company, reported net profit of €22,541,000.

We propose a dividend of €1.82 per share, i.e. €16,746,000 with €5,395,000 being put into our reserves.

Back to CONTENTS

7.1.2 PROFIT AND LOSS ACCOUNT OF THERMADOR GROUPE FROM JANUARY 1, 2020 TO DECEMBER 31, 2020

VALUES IN THOUSANDS OF EUROS.

	2020	2019	2018
Operating profits			
Business lease payments	2,671	2,576	2,432
Other business lease payments	3,086	3,077	2,847
Payment for services	1,908	1,650	1,341
Reversals of provisions and expense transfers	618	508	543
Other revenues			1
Total operating profits	**8,283**	**7,811**	**7,164**
Operating expenses			
Business lease payments recharged	2,671	2,576	2,432
Other purchases and external charges excluding business lease payments	2,191	2,036	2,009
Taxes other than corporation tax	138	198	181
Wages and salaries	1,161	1,042	927
Social security charges	510	420	380
Depreciation and amortisation	420	305	254
Increase of provisions	72	29	37
Other operating expenses	119	108	101
Total operating expenses	**7,282**	**6,714**	**6,321**
Operating profit	**1,001**	**1,097**	**843**
Financial profits			
Dividends from investments [(1)]	22,534	19,848	18,273
Interests on intercompany loans	12	29	50
Net earnings from sales of investment securities			
Financial income from investments	2	12	16
Reversals of provisions and expense transfers		9	
Positive exchange rate variations	3,422	3,020	2,447
Total financial profits	**25,970**	**22,918**	**20,786**
Financial expenses			
Amortisation and provisions for financial assets			9
Net interest payable [(2)]	203	200	143
Negative exchange rate variations	3,505	3,056	2,858
Total financial expenses	**3,708**	**3,256**	**3,010**
Net interest (payable)	**22,262**	**19,662**	**17,776**
Profit on ordinary activities before tax	**23,263**	**20,759**	**18,619**
Total extraordinary income		**(2)**	
Current tax charge	**1,122**	**1,203**	**1,028**
Net profit	**22,141**	**19,554**	**17,591**
[(1)] Of which income from associated companies.	22,546	19,885	18,323
[(2)] Of which interest from associated companies.	13	32	33

Back to CONTENTS

7.1 COMPANY ACCOUNTS

7.1.3 BALANCE SHEET AT DECEMBER 31, 2020 VALUES IN THOUSANDS OF EUROS.

Assets	31/12/2020			31/12/2019	31/12/2018
	Gross	Depreciations provisions	Net	Net	Net
Fixed assets					
Intangible assets:					
- Business goodwill	5,717		**5,717**	5,717	5,717
- Other intangible assets	4,119	2,746	**1,373**	1,151	861
Tangible assets:					
- Technical facilities, industrial equipment and tooling	2	2			
- Other tangible assets	1,246	778	**468**	406	426
Financial assets:					
- Investments	122,037		**122,037**	115,031	109,831
- Intercompany receivables	17,770		**17,770**	16,723	16,705
- Other financial assets	1		**1**	1	1
Total fixed assets	**150,892**	**3,526**	**147,366**	**139,029**	**133,541**
Current assets					
Receivables:					
- Customer receivables and other	5		**5**		2
- Other	2,685		**2,685**		7,874
Investment securities	62		**62**	62	53
Cash assets	3,335		**3,335**	1,941	4,201
Regularisation account:					
- Prepaid expenses	124		**124**	106	146
Total current assets	**6,211**		**6,211**	**7,478**	**12,276**
Overall total	**157,103**	**3,526**	**153,577**	**146,507**	**145,817**

Liabilities	31/12/2020 Net	31/12/2019 Net	31/12/2018 Net
Shareholders' equity			
Capital	**36,803**	36,439	36,439
Issue premium	**23,028**	20,541	20,541
Reserves:			
- Legal reserve	**3,644**	3,644	3,644
- Other	**25,432**	22,273	20,622
Result for the financial year (profit)	**22,141**	19,554	17,591
Total shareholders' equity	**111,048**	**102,451**	**98,837**
Provisions for liabilites and charges			
Provisions for charges	**280**	208	179
Total provisions for charges	**280**	**208**	**179**
Liabilities			
Bank borrowings	**40,689**	42,144	45,317
Trade notes and accounts payable	**298**	398	318
Tax and social liabilities	**960**	1,102	812
Debt on fixed assets and related accounts	**120**	43	45
Other liabilities	**182**	161	309
Total liabilities	**42,249**	**43,848**	**46,801**
Overall total	**153,577**	**146,507**	**145,817**

LIST OF SUBSIDIARIES (IN THOUSANDS OF EUROS)	SFERACO S.A.S.	THERMADOR S.A.S.	JETLY S.A.S.	DIPRA S.A.S.	PBTUB S.A.S.	THERMACOME S.A.S.	ISOCEL S.A.S.	SECTORIEL S.A.S.	THELY S.C.I.	TAGEST S.A.R.L.	SYVECO S.A.S.	OPALINE S.A.S.	AXELAIR S.A.	MECAFER S.A.S.	AELLO S.A.	FGINOX S.A.S.	DECO HOLDING S.P.R.L.	ETS E. ROUSSEAU S.A.S.	DISTRILABO S.A.S.
Share capital at 31/12/2020	3,200	3,200	3,200	960	960	1,466	160	780	3,100	8	1,000	80	1,000	540	2,000	490	2,703	2,096	500
Premium, reserves and retained earnings	22,396	9,480	9,712	7,238	8,022	647	1,880	9,158	25,726	71	4,224	226	(173)	11,070	(359)	7,331	4,570	9,747	793
Percentage of share capital held at 31/12/2020	100	100	100	97.99	100	100	100	100	99.95	100	100	100	100	100	100	100	100	100	100
Book value of holdings: gross	3,049	3,049	3,049	2,445.2	896.3	7,000.0	152.4	3,254.9	8,667.9	11.6	1,000	80.0	2,999.9	24,300.0	1,999.9	22,881.5	10,000	22,000	5,200
net	3,049	3,049	3,049	2,445.2	896.3	7,000.0	152.4	3,254.9	8,667.9	11.6	1,000	80.0	2,999.9	24,300.0	1,999.9	22,881.5	10,000	22,000	5,200
Outstanding loans and advances granted by the company	2,000	None	None	None	None	None	None	None	17,770	None	None	None	None	None	None	None	None	None	None
Guarantees and endorsements granted by the company	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None
Turnover ex-VAT of the last year end	67,491	51,171	50,854	24,915	23,194	17,409	6,248	25,183	5,526	None	25,382	1,471	6,152	26,498	12,638	14,772	20,837	33,508	5,086
Profit of the last year end	6,578	6,673	7,025	214	1,185	735	579	2,470	2,003	5	2,485	42	(29)	1,642	774	1,154	923	1,781	186
2019 profit received by the parent company in 2020	3,849.6	5,649.4	5,992.0	None	899.8	None	559.4	1,364.5	None	None	2,374.7	50.0	None	540.0	None	906.5	None	348.0	None
Year end	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12

7.1.4 THERMADOR GROUPE CORPORATE ACCOUNTS IN THOUSANDS OF EUROS AT DECEMBER 31, 2020

Table of past five financial years	31/12/2020 12 months	31/12/2019 12 months	31/12/2018 12 months	31/12/2017 12 months	31/12/2016 12 months
Share capital at year-end					
Share capital (in thousands of euros)	**36,803**	36,439	36,439	36,439	35,994
Number of ordinary shares	**9,200,849**	9,109,752	9,109,752	4,554,876	4,499,267
Income at year end (in thousands of euros)					
Profits excluding tax (operating and financing)	**33,635**	30,221	27,407	21,548	21,471
Income before tax, depreciation, amortisation and provisions and reversals of provisions	**23,755**	21,081	18,919	16,618	16,797
Current tax charge	**1,122**	1,202	1,027	547	1,381
Profit after tax, depreciation and amortisation	**22,141**	19,554	17,591	15,841	15,295
Dividends	**16,746**	16,398	15,942	15,487	14,398
Net earnings per share (in euros)					
Profit after tax and before depreciation and provisions	**2.46**	2.18	1.96	3.53	3.43
Profit after tax, depreciation and provisions	**2.41**	2.15	1.93	3.48	3.40
Net dividends payable per share	**1.82**	1.80	1.75	3.40	3.20
Employees					
Average number of employees during the year	**10**	9	7	5	5
Wages and salaries of the year (in thousands of euros)	**1,161**	1,042	927	712	969
Social benefit charges paid during the year (in thousands of euros)	**510**	420	380	300	319

* Dividend proposed at the AGM of 06/04/2021.

Statement of changes in financial position (in thousands of euros)	31/12/2020	31/12/2019	31/12/2018
Ressources			
Annual profit	**22,141**	19,554	17,591
Depreciation and amortisation	**417**	305	254
Allowances and reversals of provisions	**72**	29	46
Cash flow from operations	**22,630**	**19,888**	**17,891**
Net book value of fixed assets sold			
Sales of investments and reimbursement of intercompany receivables			2,000
Subscriptions to bank loans	**7,000**	5,200	22,000
Increase in capital	**2,851**		
Total sources of long-term funds	**32,481**	**25,088**	**41,891**
Uses			
Dividends	**16,395**	15,940	15,487
Long-term investments	**8,053**	5,218	22,025
Other non-current assets	**701**	574	865
Reimbursement of loans	**9,329**	10,348	5,966
Total uses of funds	**34,478**	**32,080**	**44,381**
Net change in working capital	**1,997**	**6,992**	**2,490**
Change in long-term capital	**8,669**	**3,644**	**2,142**
Change in shareholders' equity	**8,597**	3,615	2,105
Change in the provision for liabilities and charges	**72**	29	37
Subscription to bank loans minus reimbursements	**(2,329)**	(5,148)	16,034
Change in net fixed assets	**8,337**	**5,488**	**20,666**

Back to CONTENTS

7.1 COMPANY ACCOUNTS

7.1.5 NOTES TO THE YEAR'S FINANCIAL STATEMENTS

Thermador Groupe is the lead company of the Thermador Groupe consolidation.

MAIN EVENTS OF THE FINANCIAL YEAR

COVID crisis-19:

This global pandemic, starting in the first half of 2020, has had an impact on global economic activity and therefore on the business of Thermador Groupe and its subsidiaries.

Our decentralised organisation, consisting of small structures, enabled us to take health safety measures extremely quickly. Fortunately, none of our employees was seriously affected by the Covid-19 pandemic.

The digitalisation of our organisations was already well advanced by March 14, 2020. Home-working was implemented very quickly and efficiently for all employees who are able to perform their jobs remotely.

Our logistics and management teams remained physically mobilised. Only the Spanish site of Rousseau SA, located in Madrid, had to close for 15 days to protect employees' health. All the other companies in the group continued to serve their customers, sometimes winning us market share. Overall, the commitment and determination of our teams during this period was a major asset.

The closures of our suppliers' factories, in France and around the world, only lasted a few weeks. They did not all close at the same time, rather according to lockdown measures taken independently by governments. At the same time, sales slowed enormously before recovering, so there were no major stock shortages.

On the other hand, we had to limit excessive stock increases potentially resulting from the sharp drop in sales. Each subsidiary held back on sourcing their supplies in coordination and cooperation with their suppliers.

As of December 31, 2020, none of our customers or suppliers had been placed in safeguard proceedings.

The French government and the European authorities have taken vigorous measures to support the economy, which have helped to keep many of our customers afloat. State-guaranteed loans have been granted to several of them. In addition, we have benefited from furlough schemes, which we used as a last resort.

Our two banking partners have given us their full support by deferring loan maturities for a total of €3.1 million, financing an external growth operation for €7 million on April 30, 2020 and granting us additional short-term liquidity facilities.

From the beginning of the crisis until 9 June 2020, we published information on the impact of the crisis every fortnight. We resumed bi-monthly communication from November 9, 2020. We have also increased the number of video-conferences with our shareholders.

As our debt ratio is extremely low, we maintained our dividend proposal for 2019. This resolution was approved at a digital AGM accounting for 65.8% of voting rights.

Acquisition of Thermacome:

On April 30, 2020, Thermador Groupe acquired all the shares of Thermacome based in Saint-James (France, Manche county) for €7m in cash on April 30, 2020. On this occasion, Thermador Groupe took out two 5-year bank loans at a very competitive fixed rate with CIC Lyonnaise de Banque and Société Générale.

Thermacome specialises in the design, thermal engineering and sale of domestic water distribution and thermal comfort systems in buildings. The company's know-how and development projects dovetail well with those of PBtub – a Thermador Groupe subsidiary – both in terms of customer base and markets. Thermacome reported turnover of €19.4m in 2019 with a trading profit of €972,000. Net cash and cash equivalents amounted to €1.8 million.

Elements of this project include keeping the Saint-James site and its skills, as well as developing a close historic partnership for the supply of PER tubes by Acome manufactured in the Mortain factory (Manche county, France).

ACCOUNTING RULES AND METHODS

The accounts for the financial year ended were drawn up and presented in compliance with accounting regulations respecting the principles outlined in articles 121-1 and 121-5 et seq. of the 2016 General Accounting Plan. The base method used to assess elements entered in the accounts was the historical cost method. Accounting conventions were applied in compliance with the provisions of the French Companies Act, the accounting decree of 29/11/83 as well as the ANC 2016-6 ruling relating to the re-writing of the general accounting plan applicable to the closure of the financial year. The write-down periods used comply with service life periods.

Note 1 FIXED AND INTANGIBLE ASSETS

Fixed and intangible assets were assessed at their acquisition cost (purchase price plus accessory cost).

Amortisations for depreciation are calculated in linear fashion according to expected service life:

Software	3 and 5 years
Renovation and installation	3, 6 and 10 years
Office and IT equipment	2, 3, 4, 5 and 6 years
Furniture	2, 4, 5, 6 and 10 years

Intangible assets concern software in particular. The balance sheet includes a 'goodwill' item valued at €5,717,000 representing the three businesses acquired by Thermador Groupe through the mergerabsorption in 1987 with three former private limited companies: Thermador, Sferaco and Jetly. This 'goodwill' item has not been amortised since amortisation is not legally compulsory in France.

They were not written down because their values - assessed either according to market values or to the method based in particular on future forecastable net cash flows over a period of 5 years and a post factum growth rate of 1%, updated to 7.7% - exceed their accounting values.

Note 2 INVESTMENTS AND OTHER ASSET STOCK

The gross value of investments and other asset stock is calculated according to the acquisition cost of the stock. A list of subsidiaries and participations appear in chapter 7.1.3.

Method of valuation: Equity securities appear on the balance sheet at their acquisition value, or their current value if it is lower. The current value is assessed either in relation to the market value or via an analysis of the most recent accounts closed by the companies whose shares we own. The analysis above concerns the equity position, profit level and development prospects of the companies concerned. When the current value of shares is lower than the acquisition cost of those shares, a provision for depreciation is entered.

Note 3 RECEIVABLES

Receivables are assessed at their nominal value. A provision for depreciation is applied when the inventory value is lower than the accounting value.

Note 4 TREASURY SHARES

Thermador Groupe had purchased 1,200 of its own shares during 2018 representing a value of €62,000. These shares were valued at the close-of-trading price, i.e. €64. This represented an unrealised gain of €14,100.

Note 5 RETIREMENT COMPENSATION

Pension compensation was calculated at €273,000 including charges (of which Board members and corporate officers €197,000) according to age, length of service, salary and the collective agreement for wholesalers. They are calculated on the basis of departure at the employee's initiative. The calculation takes into account the following hypotheses:

- Reference retirement age: 64.5 to take the retirement age law and the average retirement age within Thermador Groupe into account.
- Rate of staff turnover: calculated by age group (under 35, 35-50 and over 50).
- Growth in salaries according to salary policy.
- Probability of survival to retirement age and an adjustment coefficient of 0,34%.

The provision entered in the accounts of €273,000 therefore concerns all employees and company managers. The 2020 allocation is €65,000.

Back to CONTENTS

Note 6 EXPLANATION OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT ITEMS: FIXED ASSETS AND AMORTISATIONS (IN THOUSANDS OF EUROS)

Fixed assets	Value at the opening of the period	Increases	Decreases	Value at the end of the period
Business goodwill	5,717			5,717
Other intangible assets	3,614	833	328	4,119
Total intangible assets	**9,331**	**833**	**328**	**9,836**
Machinery and equipment	1			1
General installations, fixtures and improvements	472	94		566
Office equipment and furniture	563	120	3	680
Tangible assets in progress	15	27	42	
Total tangible assets	**1,051**	**241**	**45**	**1,247**
Long-term investments [1]	115,031	7,006		122,037
Intercompany receivables [2]	16,723	1,047		17,770
Other financial assets	1			1
Total financial assets	**131,755**	**8,053**		**139,808**
Grand total	**142,137**	**9,127**	**373**	**150,891**

[1] This relates to affiliated companies. [2] Loan to S.C.I. Thely.

Depreciation and amortisation	Gross value at the opening of the period	Increases	Decreases in amortisation of removed items	Gross value at the end of the period
Business goodwill				
Other intangible assets	2,463	283		2,746
Total intangible assets	**2,463**	**283**		**2,746**
Machinery and equipment	1	1		2
General installations, fixtures and improvements	328	41		369
Office equipment and furniture	316	95	3	408
Total tangible assets	**645**	**137**	**3**	**779**
Grand total	**3,108**	**420**	**3**	**3,525**

Note 7 PROVISIONS (IN THOUSANDS OF EUROS)

	Amount at the beginning of the financial year	Allocations for the year	Reversals for the year	Amount at the end of the financial year
Provisions for retirement indemnities	208	65		273
Other Provisions		7		7
Total provisions for liabilities and charges	**208**	**72**		**280**
Provision for company-owned share depreciation				
Grand total	**208**	**72**		**280**
Including: - operating items	208	72		280
- financial				
Including uses				

Note 8 BREAKDOWN OF RECEIVABLES (IN THOUSANDS OF EUROS)

Breakdown of receivables	Gross	Affiliated companies	Within one year	More than one year
Receivables from equity interests	17,770	17,770		17,770
Other financial assets	1			1
Customers	5		5	
Other debtors	74		74	
Group	2,488	2,488	2,488	
Prepaid expenses	124		124	
Total	**20,462**	**20,258**	**2,691**	**17,771**

The group aggregate includes in particular current accounts of the group for €2,000,000. Thermador Group made a current account advance to its subsidiary Sferaco, €2m of which still has to be reimbursed, to finance the acquisition of Groupe Valfit shares in 2017. These current account advances are subject to interest according to the EONIA +0.5% rate.

Note 9 DEBT STATEMENT (IN THOUSANDS OF EUROS)

The state of the debts	Gross	Affiliated companies	Under one year	More than one year
Loans and debt from credit establishments	40,686		15,709	24,977
Loans and miscellaneous financial debt	3		3	
Suppliers	298		298	
Supplier – fixed assets	120		120	
Corporation tax	25		25	
Personnel and employment bodies	530		530	
VAT	319		319	
Other taxes and duties	86		86	
Group	167	167	167	
Other parties	15		15	
Total	**42,249**	**167**	**17,272**	**24,977**

7.1 COMPANY ACCOUNTS

Note 10 OFF BALANCE-SHEET COMMITMENT

Thermador Groupe decided to introduce centralised management of cash in dollars as of January 1, 2018 to cover the requirements of all the group subsidiaries. In this respect, Thermador Groupe subscribed to USD forward currency purchases for 24,700,000 USD with a maturity date in the first quarter of 2021. The fair value of these financial instruments was assessed at €(743,000) at December 31, 2020.

Note 11 INFORMATION LINKED TO SIGNIFICANT TRANSACTIONS CONCLUDED WITH THE PARTIES BOUND BY ARTICLE R-123-197-1 OF THE FRENCH COMPANIES ACT

- Rent invoiced by SCI Thely €2,696,000 of which €25,000 or Thermador Groupe's own offices.
- Lease with Jetly, Sferaco and Thermador:
  - Rent invoiced on to the 3 companies for the following amounts respectively: Jetly €918,000, Sferaco €1,179,000 and Thermador €574,000,
  - Levy on the 3 companies' turnover: Jetly €1,256,000, Sferaco €808,000 and Thermador €1,023,000.

Note 12 OTHER INFORMATION

Accrued income: Group: €487,000 in fees, €1,000 in bank charges and expenses.

Charges payable: Suppliers and related accounts: €260,000, tax and employment debt: €430,000 of which €202,000 for the variable earnings of corporate representatives (Guillaume Robin and Patricia Mavigner) subject to a vote of the AGM on April 6, 2021, insurance: €14,000, group: €3,000, interest accrued: €7,000, interest accrued on loans: €10,000.

Pre-paid expense: €124,000.

Average headcount: managers 9 and non-manager 1.

Make-up of capital: The capital was set at €36,439,008 at the beginning of the financial year, divided up into 9,109,752 shares with a nominal value of €4 each. On April 28, 2020, a capital increase reserved for employees was carried out. 91,097 new shares with a nominal value of €4 each were issued. The capital is now set at €36,803,396 (June 30, 2020), divided up into 9,200,849 shares with a nominal value of €4 each.

There are no stock options.

Executives' earnings: The gross earnings and all direct and indirect fringe benefits for each corporate representative in the group (including consolidating and controlled officer companies, according to article 357-1 of French Companies' Code) allocated for the financial year to members of the Board of Directors on account of their functions totalled €1,221.700.

Tax on profit: Taxes due.

Total taxes plus social security contributions of 3.3% came to €1,122,000 on the financial year's profit with no tax on the exceptional profit. The tax burden is therefore €1,122,000 of net profit. For the planned distribution of €16,746,000, duties and contributions will be €6,604,000.

Tax deductions: Retirement provision €273,000, acquisition costs €336,000, total deductions €609,000.

Note 13 AUDITORS FEES

	MAZARS		CABINET ROYET		TOTAL	
	In thousands of euros		In thousands of euros		In thousands of euros	
	2020	2019	2020	2019	2020	2019
Fees for certification of accounts						
Fees for certification of accounts	33	32	33	32	66	64
Non-Audit Service						
NAS required by the texts	5	4	5	4	10	8
Other NASs	None	None	None	None	None	None
Total Statutory Auditors fees	38	36	38	36	76	72

NAS = Non-Audit Services: examination of regulated conventions, management report review, annual financial report review.

7.1.6 GENERAL LEGAL INFORMATION

INFORMATION

- Company name: Thermador Groupe.
- Head office: Parc d'Activités de Chesnes, CS 10710 - 80, rue du Ruisseau, 38297 Saint-Quentin-Fallavier Cedex France Tel. +33 (0)4 74 95 63 28
- Companies Register number: 339 159 402 RCS Vienne.
- APE Code: 7420Z.
- Legal form: Société Anonyme (plc) with Board of Directors governed by the French Companies Act of July 24, 1966 (French law).
- Date of incorporation and term: the company was founded on October 2, 1986 and for a period of 99 years as from the date of incorporation in the Companies Register, i.e. October 31, 1986.
- Fiscal period: January 1 to December 31.
- Consultation of corporate documents: at the company's head office.

During the period of validity of this Document of Reference, the company by-laws, the auditors' reports and the financial statements of the previous 3 financial years, along with all reports, correspondence and other documents, historical financial information about Thermador Groupe and its subsidiaries over the past three financial years, valuations and declarations drawn up by experts at the request of the issuer, and any other document required by law are available for consultation at the issuer's head office.

Company business (article 2 of the by-laws)

The company's business includes:

- acquisition of all interests through whatever means, contributions, purchase of stocks, bonds and ownership interests, in all companies, businesses or commercial, industrial, financial, real estate companies, as well as management and promotion of these interests,
- ownership, management or leasing of all businesses,
- providing of consulting and all other services,
- and more generally, any transactions, of whatever nature, whether in France or abroad, directly or indirectly connected to this business purpose, and liable to contribute to the business or facilitate its development.

Form of the shares - Identification of bearer shares (article 11 of the by-laws)

Shareholders may choose whether fully paid-up shares are in registered form or bearer form. Shares are registered in the name of the owner in accordance with applicable regulations.

To enable identification of holders of bearer shares, the company can at any time request that the central clearing organisation to disclose the name or, in the case of a legal entity, the company name, nationality and address of the holders that confer or will confer voting rights during the shareholders' general meetings, along with the number of shares held by each and any restrictions that may apply to those shares.

Back to CONTENTS

Share transfer (article 12 of the by-laws)

Shares may be freely negotiated. Transfer of shares is by transfer from one account to another in accordance with applicable regulations.

Conditions required in order to acquire voting rights (article 22 of the by-laws, § right of vote)

Each shareholder has as many votes as he owns or represents shares, without limitation. In application of the provisions of article L225-123, paragraph 3, of the Commercial Code, the ability to benefit from dual voting rights for shareholders whose shares have been registered for more than two years, or any other period defined by law, in the name of that same shareholder, is expressly excluded from the terms and conditions of these company bylaws.

Votes are cast either with a show of hands or by roll-call. Secret ballots can only be held at the request of members representing the majority required for the vote of the resolution in question, in person or by proxy.

As soon as current regulations are applied, any shareholder may vote by correspondence using a form that complies with legal requirements and which is only taken into account if it is received by the company two days at least before the date of the AGM. Forms giving no indication of vote or expressing abstention will be considered as negative votes.

Participation in General Meetings (article 22 of the by-laws, § Participation in meetings)

All shareholders have the right to attend the General Meetings or to be represented at such meetings, regardless of the number of shares held, on condition that the shares have been fully paid up.

However, shareholders must have registered their shares in a holder account in their name and holders of bearer shares must obtain a certificate, issued by the accredited financial intermediary, stating the number of shares owned by the holder and certifying that the said shares are not transferable prior to the date at which the meeting is to be held.

These formalities must be carried out at least five days prior to the date set for the meeting. The Board of Directors may reduce this delay by means of a general provision that would apply to all shareholders.

Distribution of profits (article 27 of the by-laws)

The AGM decides, in accordance with current laws and regulations, the allocation of the profits from the financial period and the amount of dividends distributed.

The AGM allows each shareholder the choice, for all or part of the dividends, to receive payment or instalments in the form of shares in the company. Payment of dividends or instalments on company shares will be performed out in compliance with current laws and regulations.

Statutory limits of change in ownership requiring registration: None.

Change in capital structure and voting rights

The share capital is €36,803,396 divided into €9,200,849 fully paid up shares of €4.

Change in capital and rights attached to shares

The company's capital can be increased, decreased or amortized by any means authorised by law. Any modification to voting rights attached to the shares representing the company's capital is subject to prevailing legal and regulatory provisions, as the by-laws contain no specific contingency in this case.

Powers of the CEO

The Board or company by-laws imposed no specific limitation on the powers of the CEO who operates according to the powers given to him by law.

Authorised capital not issued: €2,000,000 until June 6, 2022.

Potential capital: none.

Trading in its own shares: none.

Company's or subsidiaries' pledged shares or assets: none.

Other information

The company respects the conditions concerning members' terms imposed by the NRE law. There are no family ties between the members of the Board of Directors. No loan or guarantee has been extended by the company or a company of the group to Corporate Officers. No conflict of interests exists between the Board members' duties to Thermador Groupe and their private interests.

To our knowledge, over the past five years, no Board member:

- exercises or has exercised mandates or functions outside Thermador Groupe, except as independent Board members;
- has been found guilty of fraud;
- has been involved in a bankruptcy, receivership or liquidation;
- has been incriminated or penalised publicly and officially by the statutory or regulatory authorities;
- has ever been forbidden by a court to act as a member of a body dedicated to the administration, management and supervision of a company, or involved in the management or running of such a company's affairs;
- is subject to any arrangement or agreement struck with the main shareholders, customers, suppliers or others by way of which a member of the Board of Directors may have been chosen as a member of a body dedicated to the administration, management and supervision of a company or as a member of the management team.

Evolution of share capital over the last five years

Year	Transaction	Nominal value in Euros	Capital increase	Number of shares issued	Total number of shares	Successive amounts of capital in Euros
12/05/2014	Payment of the dividend in shares	€8	€469,064	58,633	4,323,733	€34,589,864
12/05/2015	Payment of the dividend in shares	€8	€262,008	32,751	4,356,484	€34,851,872
07/08/2015	Increase in capital in exchange for the contribution of Mecafer shares	€8	€670,608	83,826	4,440,310	€35,522,480
09/05/2016	Payment of the dividend in shares	€8	€471,656	58,957	4,499,267	€35,994,136
17/05/2017	Payment of the dividend in shares	€8	€444,872	55,609	4,554,876	€36,439,008
09/05/2018	Division of the nominal share	€4			9,109,752	€36,439,008
28/04/2020	Capital increase in cash reserved for employees	€4	€364,388	91,097	9,200,849	€36,803,396

7.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Annual General Meeting of THERMADOR GROUPE.

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Thermador Groupe for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the audit committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *"Statutory Auditors' Responsibilities for the Audit of the Financial Statements"* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided in the French Commercial Code (code de commerce) and the French Code of ethics (code de déontologie) for statutory auditors for the period from January 1, 2020 to date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

ASSESSMENT OF EQUITY SECURITIES OF THERMADOR GROUPE

Identified risks

The equity securities and related receivables, shown in the balance sheet as at December 31, 2020 for a net amount of €139.8 million, represent 91% of the total balance sheet. They are accounted for on their acquisition date and depreciated on the basis of their utility value representing what the company would agree to disburse to obtain them if they had to acquire them. The receivables related to equity securities are assessed at their nominal value and a provision for depreciation is applied when the inventory value is lower than the accounting value.

As indicated in note 2 to the financial statements, the utility value is assessed either in relation to the market value or by the analysis of the last annual accounts closed by the companies whose securities are held. The analysis deals with the situation of equity, the level of results and the prospects for the evolution of the companies concerned.

The estimation of the useful value of these securities requires the exercise of the management's judgement in its choice of the elements to be considered according to the interests concerned, elements which may correspond according to the case to historical elements, or to forecasting elements.

In this context, and because of the uncertainties inherent in certain elements and in particular the likelihood of the forecasts being made, we considered that the correct assessment of the equity and related receivables was a key audit matter.

Audit procedures implemented in the face of identified risks

In order to assess the reasonableness of the estimation of the usefulness values of equity securities, based on the information provided to us, our work consisted mainly in verifying that the estimation of these values determined by the management is based on an appropriate justification of the valuation method and the quantified elements used and, according to the securities concerned, to:

For valuations based on historical elements:

- Verify that the retained equity is consistent with the accounts of the entities that have been audited or subject to analytical procedures.

For evaluations based on forecast elements:

- Obtain the cash flow forecasts of the activities of the entities concerned established by their operational managements and to assess their consistency with the forecast data from the latest strategic plans, established under the control of their general management for each of these activities;
- Verify the consistency of the assumptions selected with the economic environment at the closing date and at the date the preparation of the accounts.

In addition to appreciating the values of equity securities, our work has also consisted in assessing the recoverability of receivables related to the analysis of equity securities.

Back to CONTENTS

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-4 of the French Commercial Code (code de commerce) is fairly presented and consistent with the financial statements.

Report on the corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L. 22-10-10 and L.22-10-9 of the French Commercial Code (code de commerce).

Concerning the information provided in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code on earnings and benefits paid to corporate officers and the commitments made in their favour, we have verified its consistency with the financial statements or with the data used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. On the basis of this work, we attest to the accuracy and fairness of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights and the cross-shareholdings has been properly disclosed in the management report.

OTHER VERIFICATIONS OR INFORMATION REQUIRED BY LAW AND REGULATIONS

Presentation format of the consolidated financial statements for inclusion in the annual report

In accordance with III of Article 222-3 of the AMF's General Regulations, your company's management has informed us of its decision to defer application of the single electronic information format as defined by Delegated European Regulation No. 2019/815 of December 17, 2018 to financial years beginning on or after January 1, 2021. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the consolidated financial statements intended for inclusion in the annual report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Thermador Groupe by:

- the Annual General Meeting held on October 2, 1986 for Mazars;
- the Annual General Meeting held on April 4, 2005, and took office following the resignation of the cabinet SSEC dated April 17, 2015 for the cabinet Royet.

As at December 31, 2020, Mazars is in the 34th year of total uninterrupted engagement, which is the 33rd year since securities of the Company were admitted to trading on a regulated market. Cabinet Royet is in the 16th year of engagement, and 6th as lead auditor.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Board of Directors acting as the audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Audit objective and approach

It is up to us to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the annual accounts taken as a whole do not have significant anomalies. Reasonable insurance corresponds to a high level of insurance, but does not guarantee that an audit carried out in accordance with professional practice standards can systematically detect any significant anomalies. Anomalies may originate from fraud or result from errors and are considered significant when it can reasonably be expected that they may, individually or cumulatively, influence economic decisions that Account users take based on these.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his

Back to CONTENTS

7.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE BOARD OF DIRECTORS ACTING AS THE AUDIT COMMITTEE

We submit a report to the Board of Directors acting as the audit committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Board of Directors acting as the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Board of Directors acting as the audit committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Board of Directors acting as the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Saint-Etienne and Villeurbanne, February 19, 2021.

The statutory Auditors.

CABINET ROYET	MAZARS
Stéphane Guichard	Frédéric Maurel

7.3 SPECIAL AUDITORS' REPORT ON CONVENTIONS AND REGULATED COMMITMENTS

To the Annual General Meeting of THERMADOR GROUPE.

As statutory auditors of your company, we hereby present to you our report on the regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements notified to us or which we might have discovered when we performed our assignment. It is not our role to determine whether they are useful or appropriate or to investigate whether any other agreements exist. It is your responsibility, under the terms of article R 225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements prior to their approval.

Moreover, in accordance with article R. 225-31 of the French Companies Act, we are required to inform you of the execution of the agreements during the year ended already authorised by your AGM.

We have completed the due diligence that we felt necessary in relation to the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes in relation to this mission. That due diligence involves verifying the concordance between the information given to us and the basic documents it came from.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE AGM

We inform you that we were informed of no agreement or commitment approved during the financial year ended to be submitted to the AGM in accordance with article L.225-38 of the French Companies Act.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE AGM

Of which, execution continued during the financial year ended

In accordance with article R. 225-30 of the French Companies Act, we have been advised of the execution of the following conventions, which have already been approved during previous years and have been carried over into the current year.

- **Business lease payments and leases for warehouse and administrative premises with some companies of the group.**

In application of that agreement, your company has recorded the following earnings for the financial year ended on December 31, 2020 (in thousands of euros):

	Leases (1)	Fees on turnover (2)	Fees on equipment (3)
Thermador	574	1,023	-
Sferaco	1,179	808	-
Jetly	918	1,255	1
Total	2,671	3,086	1

(1) Earnings depending upon the surface area occupied by each subsidiary (i.e. offices, workshops and warehouses): 8,800, 14,950 and 11,419m² respectively during FY 2020.

(2) Rents depending upon application of the rate marked in the contract, i.e. 2.3%, 1.7% and 2.5% respectively of turnover linked to the business.

(3) Rents linked to equipment hired out, i.e. 10% of the net value of the equipment concerned.

Your Board of Directors has specified that, given the group's organisation, the continuation of regulated lease-management and rental agreements is necessary for the business.

- **Commitments on corporate officers' earnings**

The company has committed to pay compensation to its corporate officers should they retire. This retirement compensation is calculated in the same way as for that paid to a salaried manager, according to provisions of the industry-wide agreement to which your company is subject.

This convention was not used during FY 2020.

Your legal counsel has informed us that this convention will be continued.

Saint-Etienne and Villeurbanne, February 19, 2021.

The statutory Auditors.

CABINET ROYET
Stéphane Guichard

MAZARS
Frédéric Maurel

7.4 STATUTORY AUDITORS

LEAD AUDITORS:

Mazars

131, bd Stalingrad in Villeurbanne (Rhône), appointed on October 2, 1986, and renewed on April 10, 2017 for a last mandate of six years, following a tender process in 2017, represented by Frédéric Maurel since 2017 and previously by Pierre Beluze, change made with the advent of the financial security law.

Cabinet Royet

9, place Jean Moulin BP 30 005 - 42001 Saint-Etienne (Loire), appointed on April 4, 2016, and renewed on April 10, 2017, represented by Stéphane Guichard.

Within the framework of the Financial Security Act, Royet will be represented from 2021 by Serge Guillot. We would like to thank Stéphane Guichard for his professionalism and the quality of his work over the last six years.

8. ADDITIONAL INFORMATION FROM THE UNIVERSAL REGISTRATION DOCUMENT

8.1 CROSS-REFERENCE TABLE

According to the sections appearing in annexes 1 and 2 of the Delegated Regulation (EU) 2019/980 of March 14, 2019:		Section of the Universal Registration Document
1	**PERSONS RESPONSIBLE, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY**	
1.1.	Identity of the persons responsible	**8.3**
1.2.	Declaration of the persons responsible	**8.3**
1.3.	Name, address, qualifications and potential interests of persons acting as experts	**N/A**
1.4.	Certificate relating to information from a third party	**N/A**
1.5.	Declaration without prior approval from the competent authority	**Summary**
2	**STATUTORY AUDITORS**	
2.1.	Identity of the Statutory Auditors	**7.4**
2.2.	Possible changes	**7.4**
3	**RISK FACTORS**	**Chapter 4**
4	**INFORMATION ABOUT THE ISSUER**	
4.1.	Company name and trade name of the issuer	**7.1.6**
4.2.	Place, registration number and LEI of the issuer	**2.6**
4.3.	Date of incorporation and term of the issuer	**7.1.6**
4.4.	Registered office and legal form of the issuer, legislation governing the activities, country of origin, address and telephone number of the registered office, website with a warning	**7.1.6**
5	**OVERVIEW OF THE ACTIVITIES**	
5.1.	Main activities	
5.1.1.	Nature of the operations	**1.2 / 1.3 Chapter 5**
5.1.2.	Important new products and services	**N/A**
5.2.	Main markets	**1.3 / 6.3 Notes to the annual consolidated accounts - Note 26 Chapter 5**
5.3.	Important events	**6.3 Notes to the annual consolidated accounts - Point 1**
5.4.	Strategy and objectives	**1.5**
5.5.	Dependence of the issuer on patents, licenses, contracts and manufacturing processes	**N/A**
5.6.	Statement on the competitive position	**1.2 / 1.3 / Chapter 5**
5.7.	Investments	
5.7.1.	Significant investments made	**6.1 6.3 Notes to the annual consolidated accounts - Note 26**
5.7.2.	Main ongoing or future investments of the issuer for which its management bodies have already made firm commitments and financing methods	**6.3 Notes to the annual consolidated accounts - Note 10**
5.7.3.	Joint ventures and commitments in which the issuer holds a significant proportion of the capital	**N/A**
5.7.4.	Environmental issues	**Chapter 3**
6	**ORGANISATIONAL STRUCTURE**	
6.1.	Brief description of the group	**2.1**
6.2.	List of significant subsidiaries	**6.3 Notes to the annual consolidated accounts - Point 3**
7	**REVIEW OF THE FINANCIAL POSITION AND PROFIT OR LOSS**	
7.1.	Financial position	
7.1.1.	Evolution of the results and financial position including key performance indicators of a financial and, where applicable, non-financial, nature	**1.11, 1.12 Chapter 5, 6 & 7**
7.1.2.	Future development forecasts and research and development activities	**N/A**
7.2.	Operating results	
7.2.1.	Significant factors, unusual, infrequent events or new developments	**1.1 Notes to the annual consolidated accounts - Point 1**
7.2.2.	Reasons for significant changes in net sales or revenues	**N/A**

		Section of the Universal Registration Document
8	**CASH AND CAPITAL RESOURCES**	
8.1.	Information on capital	6.1
8.2.	Cash flow	6.2
8.3.	Financing needs and financing structure	6.1 / 6.2
8.4.	Restrictions on the use of capital	N/A
8.5.	Expected sources of funding	N/A
9	**REGULATORY ENVIRONMENT**	4.1
10	**INFORMATION ON TRENDS**	
10.1.	Description of the main trends and any significant changes in the group's financial performance since the end of the last financial year	Chapter 1, 4, 5 and 6
10.2.	Events likely to have a material impact on the outlook	1.1
11	**PROFIT FORECASTS OR ESTIMATES**	
11.1.	Published profit forecasts or estimates	N/A
11.2.	Statement setting out the main assumptions for the forecasts	N/A
11.3.	Statement of comparability with historical financial information and compliance with accounting policies	N/A
12	**EXECUTIVE, MANAGEMENT AND SUPERVISORY BODIES AND GENERAL MANAGEMENT**	
12.1.	Information concerning members: name, business address and position, nature of any existing family relationship, expertise and experience, statement of non-conviction	1.14 / 1.15 / 2.2 / 2.3 / 7.1.6
12.2.	Conflicts of interest	2.3.3 / 2.5.9 / 7.1.6
13	**COMPENSATION AND BENEFITS**	
13.1.	Compensation paid and benefits in kind	2.5
13.2.	Provisions for pensions and retirement benefits	2.5 6.3 Notes to the annual consolidated accounts - Note 6
14	**OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES**	
14.1.	Expiry date of terms of office	1.14
14.2.	Service contracts between members of the administrative, management or supervisory bodies and the issuer	2.3 7.1.7
14.3.	Information on the audit committee and the earnings committee	2.4 / 2.5.1
14.4.	Declaration of compliance with the corporate governance regime in force	2.3
14.5.	Potential significant impacts on corporate governance	N/A
15	**EMPLOYEES**	
15.1.	Number of employees	3.3.2.1 / 5.1
15.2.	Shareholdings and stock options	2.5 / 9
15.3.	Agreement providing for employee holdings in the capital	2.7.1 / 3.4
16	**MAIN SHAREHOLDERS**	
16.1.	Shareholders holding more than 5% of the share capital on the date of the registration document	2.7
16.2.	Existence of various voting rights	2.7 / 7.1.6
16.3.	Direct or indirect control	N/A
16.4.	Agreements whose implementation could result in a change of control	N/A
17	**TRANSACTIONS WITH RELATED PARTIES**	2.3 / 2.4 / 2.5 Chapter 6 - note 18 7.3

8.1 CROSS-REFERENCE TABLE

		Section of the Universal Registration Document
18	**FINANCIAL INFORMATION CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS OF THE ISSUER**	
18.1.	Past financial information	
18.1.1.	Audited past financial information for the last three financial years and the audit report	Chapter 6 and 7 / 6.4 / 7.2 / 7.3
18.1.2.	Change in the accounting reference date	N/A
18.1.3.	Accounting standards	6.3 Notes to the annual consolidated accounts - Point 2
18.1.4.	Change in accounting standards	N/A
18.1.5.	Financial information under French accounting standards	Chapter 7
18.1.6.	Consolidated financial statements	Chapter 6
18.1.7.	Date of the latest financial information	N/A
18.2.	Interim and other financial information	N/A
18.2.1.	Quarterly or half-yearly financial information	N/A
18.3.	Audit of past yearly financial information	
18.3.1.	Independent audit of past annual financial information	6.4 - 7.2 - 7.3
18.3.2.	Other audited information	N/A
18.3.3.	Sources and reasons why information was not audited	N/A
18.4.	Pro forma financial information	N/A
18.5.	Dividend distribution policy	
18.5.1.	Description of the dividend distribution policy and any applicable restrictions	1.1 / 2.6
18.5.2.	Dividend amount per share	1.1 / 2.6
18.6.	Administrative, judicial and arbitration proceedings	6.3 Notes to the annual consolidated accounts - Note 21
18.7.	Significant change in financial position	6.3 Notes to the annual consolidated accounts - Note 22
19	**ADDITIONAL INFORMATION**	
19.1.	Share capital	
19.1.1.	Amount of subscribed capital, number of shares issued and fully paid up and nominal value per share, number of shares authorised	7.1.7
19.1.2.	Information relating to non-equity shares	N/A
19.1.3.	Number, book value and nominal value of shares held by the issuer	7.1 Notes to the company accounts - Notes 4
19.1.4.	Information relating to convertible, exchangeable or securities with share warrants attached	N/A
19.1.5.	Information on the conditions governing any acquisition right and/or obligation attached to the subscribed but not paid-up capital, or on any company seeking to increase the capital	N/A
19.1.6.	Information on the share capital of any member of the group who is the subject of options or of a conditional or unconditional agreement to be issued options and the details of such options	N/A
19.1.7.	History of the share capital	7.1.7
19.2.	Memorandum and Articles of Association	
19.2.1.	Register and Company purpose	7.1.7
19.2.2.	Rights, preferences and restrictions attached to each class of shares	7.1.7
19.2.3.	Provision delaying, deferring or preventing a change of control	2.7.1
20	**SIGNIFICANT CONTRACTS**	N/A
21	**AVAILABLE DOCUMENTS**	2.8

8.2 COMPONENT ELEMENTS OF ANNUAL FINANCIAL REPORT, MANAGEMENT REPORT AND REPORT ON THE GOVERNANCE OF THE COMPANY

Elements	Pages of the document
Management report	**1.1 to 1.3 - 2.5 - 2.7 - Chapter 3 - Chapter 4 - Chapter 5 - 6.1 - 6.2 - 7.1 - Chapter 9**
Report on the governance of the company	**Chapter 2**
Annual accounts	**Chapter 6 & Chapter 7**
Auditors' reports	**6.4 - 7.2 - 7.3**
Statement	**8.3**

8.3 STATEMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Having taken all reasonable measures to those ends, I can certify that, to my knowledge, the information contained in this reference document reflects reality and contains no omissions which may alter its scope.

To my knowledge, I certify that the accounts have been drawn up in compliance with applicable accounting standards and give a faithful reflection of the assets, financial situation and profits of the company and of all the companies included in the consolidation, and that the management report, which appears in this reference document, offers a reliable representation of trends in business and results and the financial situation of the company and all companies included in the consolidation as well as a description of the main risks and uncertainties which they face.

From the legal financial controllers of the accounts I obtained a letter of consent in which they state they have checked the information concerning the financial situation and accounts given in this document and have read the document in full.

The historical financial information presented in this document has been reviewed by legal controllers whose none observation.

Saint-Quentin-Fallavier, February 19, 2021.

Guillaume Robin
Chairman & CEO
Tel. +33 4 74 95 63 28

9. DRAFT RESOLUTIONS

9. DRAFT RESOLUTIONS

Ordinary and Extraordinary General Meeting of April 6, 2021

ORDINARY RESOLUTIONS

First resolution

Having heard the reports of the Board and the auditors, the AGM approves the annual accounts closed on December 31, 2020 as presented, as well as the operations translated into the accounts or summarised in the above-mentioned reports.

Second resolution

Having heard the report on the management of the group and the auditors' report, the AGM approves the consolidated accounts closed on December 31, 2020 as presented, as well as the operations translated into the accounts or summarised in the above-mentioned reports.

Third resolution

The Annual General Meeting decides to allocate the profits for the financial year of €22,140,681.75 as follows:

- distribution of a dividend of €1.82 per share, i.e. for 9,200,849 shares a total of €16,745,545.18,
- allocation of €38,438.80 in legal reserve,
- allocation of the remainder to 'other reserves' i.e. €5,358,697.77.

The Annual General Meeting takes note that this dividend allocation is based on the total number of shares existing on the day of publication of the resolutions potentially opening up the right to dividends, given also that the treasury shares held on the day of the detachment of the rights to dividend will not generate dividends. As a result, the total amount of dividends may fall depending on the number of shares that actually give rise to dividends on the day of the detachment of the said right and any difference will automatically be attributed to the 'other reserves' account.

The whole of the amount distributed, for private individuals fiscally domiciled in France, qualifies for the single one-off allowance (PFU) of 30% or the 40% reduction mentioned in article 158-3-2° of the General Tax Code, whichever is more advantageous.

The agreed dividend distribution will be detached on April 13, 2021 and paid on April 15, 2021.

The Annual General Meeting also acknowledges that it has been reminded that the company has distributed the following dividends for the past three financial years in order to meet the legal requirements in reference to article 243 Bis of the General Tax Code:

Financial years	Revenues eligible for allowances		Revenues not eligible for allowances
	Dividends	Other revenues distributed	
2019	€16,395,394	-	-
2018	€15,939,966	-	-
2017	€15,486,578	-	-

BOARD MEMBERS

Since 2016, we have annually confirmed the succession process for the CEO in the event of an accident or sudden unavailability. Until now, Jean-François Bonnefond, Chairman of Jetly and deputy CEO of Thermador Groupe, was the person appointed to fulfil that role.

Anticipating his retirement and the end of his term of office as director in April 2021, Thermador Groupe's executive Committee met for the first time in conclave to collectively choose the one among them who would have the qualities to succeed him and the will to take on the role. After three rounds of voting, a majority emerged in favour of Lionel Monroe, currently CEO of Syveco. The directors, who had been involved in this new process from the outset to define the profile sought, approved this decision at the Board meeting held on July 29. Consequently, Lionel Monroe is proposed as director to replace Jean-François Bonnefond.

In 20 years and under his stewardship, Jetly's workforce has grown from 32 to 61 people, turnover from €19.2m to €51m and pre-tax profit from €2.6m to €9.9m. Most importantly, he has methodically passed on his knowledge and know-how to his successor to ensure that Jetly's great story goes on under the best possible conditions.

Jean-François has also worked tirelessly within the executive Committee to maintain and develop links between all the managers and help good ideas emerge, such as creating a subsidiary targeting swimming pool professionals: a story we are all familiar with, resulting in the start-up of Aello in 2016.

Moreover, he has fulfilled his role as director on the Board of Thermador Groupe and deputy CEO perfectly: loyal, not afraid to speak his mind, and very assiduous. His entrepreneurial and managerial perspective was particularly valuable in analysing the due diligence carried out on possible acquisitions.

Finally, we salute his natural empathy and his great loyalty to the group and its values, as shown by the latest project he enthusiastically led, the quality-of-working-life survey 2021.

We warmly thank Jean-François Bonnefond for his contribution, wish him an active retirement and hope to see him at least every year at our AGM.

9. DRAFT RESOLUTIONS

Fourth resolution

Upon a proposal of the Board of Directors, the Shareholders' Meeting appointed a new director, Mr Lionel Monroe, residing at 1 rue Antoine de Saint-Exupéry in Lyon (Rhône-Alpes) for a term of four years, i.e. until the end of the Annual Shareholders' Meeting to be held in 2025 to approve the 2024 accounts.

Laurence Paganini is an open, dynamic, operational and highly-committed leader. She is particularly interested in developing distribution channels and consumer expectations and shares her knowledge and ideas without holding back. Her proposals and suggestions are all the more credible and understandable as she is constantly held to account at Kaporal.

Fifth resolution

Upon a proposal of the Board of Directors, the Shareholders' Meeting reappointed Laurence Paganini, residing at 41 rue des Clos Beauregards in Rueil-Malmaison (Hauts-de-Seine), as a director for a term of four years, i.e. until the end of the Annual Shareholders' Meeting to be held in 2025 to approve the 2024 accounts.

Caroline Meignen joined us four years ago to represent individual shareholders on the Board of Directors. In addition, she has participated very actively in the Paris shareholder meetings and the Actionaria trade fair. Physically present at many listed companies' AGMs, she identifies best practices and keeps abreast of individual investors' expectations.

Sixth resolution

Upon a proposal of the Board of Directors, the Shareholders' Meeting reappointed as a director Mrs Caroline Meignen, residing at 6 rue de la Tannerie in Rully (Oise) for a term of four years, i.e. until the end of the Annual Shareholders' Meeting to be held in 2025 to approve the 2024 accounts.

Janis Rentrop joined our Board of Directors four years ago further to a proposal of our biggest shareholder. He has worked hard to fit in, illuminating us with his serious approach and humility. This does not prevent him from clearly stating the position of a long-term institutional investor and regularly challenging operational managers on the correct allocation of capital employed. His questions are an important source of inspiration for us.

Seventh resolution

Upon a proposal of the Board of Directors, the General Meeting reappointed Mr Janis Rentrop, residing at Palanterstr. 5b D-50937 Köln (Germany), as a director for a term of four years, i.e. until the end of the Annual General Meeting to be held in 2025 to approve the 2024 accounts.

- Executives' earnings - Approval of the elements of the executives' earnings policy.

In accordance with the Sapin 2 law on transparency, the fight against corruption and the modernisation of economic life, shareholders are asked to speak about 'the principles and criteria of determination, distribution and allocation of fixed, variable and one-off elements which make up total earnings and benefits of all types, which are attributable to executives' at the AGM.

Eighth resolution

The Annual General Meeting, voting according to the conditions of quorum and majority voting required for Ordinary General Meetings, having heard the report of the Board of Directors on the earnings policy of the Chairman & CEO, the Deputy CEOs and the CEO Board Members in their subsidiaries, drawn up in application of article L.225-37-2 of the Commercial Code, approves continuation of the remuneration policy for 2021 as presented in this report (Cf. pages 34, 35 and 36).

- Allocated earnings

As a reminder, only directors who are not employees or officers of the Group received in 2020 'allocated earnings' (formerly called directors' fees) in the form of a lump sum amounting to €2,120 per meeting (Board meetings and committees). Details of this compensation are provided on page 36 of this document for the five persons concerned in 2020. For 2021, we plan to increase this lump sum by 1% to €2,140.
The increasing complexity of our regulatory environment and the growing demands of socially responsible investors have recently led us to create the earnings committee and the sustainable development committee in addition to the audit committee, and to ask our outside direc-tors to do more work to ensure that they remain able to challenge executive management and monitor them in an informed manner. It is planned that these committees, with the participation of three outside directors, will meet three times in 2021. In addition, we wish to retain a certain degree of flexibility, which is very useful in a crisis context where decisions need to be taken very quickly after consultation with the Board of Directors.
It is with these objectives in mind that we are proposing a very significant increase in the maximum amount of remuneration allocated, increasing it to €170,000 (it was €136,000 in 2020, of which €119,000 was actually distributed).

Ninth resolution

The AGM raises the maximum annual aggregate amount of remuneration allocated to the members of the Board of Directors to one hundred and seventy thousand euros (€170,000). This amount, applicable to the current financial year, will be maintained until a further decision is taken by the AGM.

- Approval of the elements of executives' earnings

The law has introduced an expost control procedure of shareholders which will apply as of the closing of the financial year following the first financial year closed after December 9, 2016, the date the law was promulgated (Law art. 161, II).

The Annual General Meeting of April 6, 2020 renewed the principles and criteria for directors' earnings. The shareholders must rule during the Annual General Meeting to approve the accounts held the following financial year, i.e. that of April 6, 2020 on the fixed, variable and one-off *elements which make up total earnings and benefits of all types, which are attributable to the Chairman & CEO, the Deputy CEOs and other executives (C. com. art. L 225- 100, II).*

Tenth resolution

The Annual General Meeting, voting according to the conditions of quorum and majority voting required for Ordinary General Meetings, having heard the report of the Board on the earnings of Mr Guillaume Robin, Chairman & CEO of Thermador Groupe, approves his earnings in application of the quantitative and qualitative criteria presented in the Board of Directors' report to the Annual General Meeting of April 6, 2020 and approved at the same Annual General Meeting (Cf. page 36).

Eleventh resolution

The Annual General Meeting, voting according to the conditions of quorum and majority voting required for Ordinary General Meetings, having heard the report of the Board on the earnings of Mrs Patricia Mavigner, Deputy CEO of Thermador Groupe, approves her earnings in application of the quantitative and qualitative criteria presented in the Board of Directors' report to the Annual General Meeting of April 6, 2020 and approved at the same Annual General Meeting (Cf. page 36).

APPROVAL OF REGULATED CONVENTIONS

Twelfth resolution

The Annual General Meeting, having heard the auditors' special report stating that there are no new conventions, takes note of same (see pages 140 to 145). The Annual General Meeting approves the operations which continued throughout the financial year ended as resulting from the special auditors' report on conventions and regulated commitments referred to in article L.225-38 of the Commercial Code. You are reminded that the conventions applied to the financial year concern lease contracts signed with subsidiaries which are 100% owned. That concerning earnings commitments to corporate officers in case of retirement continued and was not applied in 2020.

PURCHASE OF SHARES BY THERMADOR GROUPE

Thirteenth resolution

Upon a proposal of the Board, compliant with the provisions of article L.225-209 et seq of the Commercial Code, the Annual General Meeting authorises the Board of Directors to allow the company to buy its own shares. The maximum purchase price per share is fixed at €91, excluding handling costs. This maximum purchase price can however be adjusted in the event of a change to the nominal price of the share, increases in capital by incorporation of reserves or other assets, and any other equity operation, in such a way that the value of the share takes account of those operations.

The company can buy its own shares or use its own shares with a view to:

- generating activity on the market,
- satisfying obligations resulting from any stock option programme or other share issues to employees or members of corporate or management bodies of the company or companies linked to it,
- holding and subsequently using the shares in exchange or as payment for any external growth, merger, separation or contribution operations respecting market practices and authorised by the French financial markets authority (AMF);
- more generally, completing any operations which are not expressly forbidden by law, in particular if they fall within the scope of market practices which may become authorised by the French financial markets authority (AMF) in the future.

These shares can be acquired by any means and in one or more instalments on the market or or by private sale, including by the acquisition of blocks of shares. These operations can be performed at any moment, as long as prevailing regulations are respected as of the date of the operations under consideration, outside periods of public offerings on the company's shares.

The Annual General Meeting decides that this authorisation shall end after a period of 18 months, as of this Annual General Meeting.

EXTRAORDINARY RESOLUTIONS

How difficult it is to start from scratch to build a profitable business in traditional markets where major players are already firmly established! This is, however, what Axelair and Aello, led respectively by Lionel Grès and Jérôme Chabaudie, have managed to do. We therefore wanted to make an exceptional and highly symbolic gesture to thank these two brave entrepreneurs and their teams.

Allocations of existing or future bonus shares to salaried employees and corporate officers.

Fourteenth resolution

(Authorisation to be given to the Board of Directors to grant existing shares to employees and corporate officers of the Company and companies controlled by it free of charge, within the meaning of Article L.233-3 of the French Commercial Code).

The Extraordinary General Meeting, having heard the Board of Directors' report and the Statutory Auditors' special report, authorises the Board of Directors, pursuant to the provisions of Article L 225-197-1 of the French Commercial Code, to proceed, on one or more occasions and at its sole discretion, with the buy-back of a maximum of 3,000 shares of the Company, with a nominal value of 4 euros each, i.e. 0.03% of the share capital, with a view to allocating them free of charge to certain members of the salaried staff of Axelair and Aello or to certain categories of them to be determined by the Board of Directors from among the eligible employees and corporate officers those companies. These two companies are related within the meaning of Article L.225-197-2 of the Commercial Code.

The aforementioned authorisation is granted for a period of 38 months from this day.

The General Meeting delegates full powers to the Board of Directors to implement this authorisation, within the limits and under the conditions specified above, in particular to:

- determine the identity of the beneficiaries and the number of shares allocated to each of them;
- determine the period of allocation and retention of the said shares in accordance with prevailing laws and regulations;
- set the conditions and, where applicable, the criteria for the allocation of shares;
- decide, as a result, the number of shares to be bought back and allocated

free of charge through the share buyback programme, and allocate them to the share allocation plan;

- carry out the necessary formalities and, in general, take all measures to carry out these buy-back and free allocation transactions, under the conditions provided for in the legal and regulatory provisions.

Recourse to the TPI (identifiable bearer shares) procedure must be authorised by an Extraordinary General Meeting. The Extraordinary General Meeting of June 27, 1988 gave us this authorisation, which appears in the company's by-laws. We can thus obtain the name, address and number of shares of all our French shareholders by contacting the centralising body (EUROCLEAR). This process is only triggered once per year for simple budgetary matters. In order to have nuanced, in-depth, real-time knowledge of our major shareholders, we propose to lower to 2% the threshold at which any investor must spontaneously declare a shareholding.

Fifteenth resolution

The Shareholders' Meeting, deliberating in accordance with quorum and majority requirements for extraordinary shareholders' meetings, after having heard the Board of Directors' report, decides to raise the threshold for direct or indirect ownership of the share capital for the purposes of the Company's disclosure obligation to 2%.

The Shareholders' Meeting therefore decides to amend Article 13 of the company's by-laws by adding: 'In addition to the thresholds provided for in Article L. 233-7 of the French Commercial Code, any natural person or legal entity that comes to hold, directly or indirectly, alone or in concert, a number of shares representing more than 2% of the company's share capital or voting rights, is required to inform the company by registered letter with acknowledgement of receipt, within fifteen days of crossing the 3% threshold, specifying his or her identity and that of the persons acting in concert with him or her. This disclosure obligation also applies to each additional 2% of the capital or voting rights held. The same disclosure obligation applies if the 2% threshold or a multiple thereof is crossed below the 2% threshold.

The thresholds mentioned in the first paragraph of this article are calculated in accordance with the provisions of Articles L.233-7 and L.233-9 of the French Commercial Code and the provisions of the General Regulation of the French financial market authority (AMF).

Any intermediary registered as a holder of shares in accordance with the seventh paragraph of Article L.228-1 of the French Commercial Code is required, without prejudice to the obligations of the owners of the shares, to make the declarations provided for in this Article, for all shares in respect of which it is registered.

In the event of failure to comply with the foregoing provisions, the sanctions provided for in Article L.233-14 of the French Commercial Code shall apply, provided that a request to this effect, submitted by one or more shareholders holding at least 2% of the share capital or voting rights, is recorded in the minutes of the General Meeting.'

Sixteenth resolution

All powers are given to the holder of the original, an extract or a copy of these minutes in pursuit of any formalities relating to publicity, filing or other that may apply, as well as any necessary modifications to the company bylaws.

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