



**Serge Ferrari**



## 2021 Half-year Financial Report



## Half-year Financial Report January 1 - June 30, 2021

(Article L. 451-1-2 III of the French Monetary and Financial Code  
Article 222-4 et seq. of the AMF General Regulation)

SergeFerrari Group  
Limited liability company with capital of €4,919,703.60  
Headquarters: ZI de La Tour du Pin – 38110 Saint Jean de Soudain, France  
382 870 277 Vienne Commercial Register

This financial report relates to the six months ended June 30, 2021 and was prepared in accordance with the provisions of Article L. 451-1-2 III of the French Monetary and Financial Code and Articles 222-4 et seq. of the French Financial Markets Authority (“AMF”) General Regulation.

It was disclosed and made available in line with the provisions of Article 221-3 of the AMF General Regulation and may be viewed at [www.sergeferraribourse.com](http://www.sergeferraribourse.com).

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## **STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT**

I hereby certify that, to the best of my knowledge, the condensed consolidated financial statements for the six months ended June 30, 2021 have been prepared in accordance with applicable accounting principles and present a fair view of the assets and liabilities, financial position and earnings of the Company and all of the companies included in the consolidation scope. I also certify that the half-year activity report presents a fair view of the main events occurring during the first six months of the year, the impact thereof on the half-year financial statements and the main related party transactions, as well as a description of the main risks and main uncertainties for the remaining six months of the year.

Saint Jean de Soudain  
September 6, 2021

Sébastien Ferrari  
Chairman & CEO



## HALF-YEAR ACTIVITY REPORT

### Revenues

The Group recorded total first half 2021 revenues of €144.7 million, up 81.6% at current consolidation scope and exchange rates and up 42.6% at constant consolidation scope and exchange rates. Benefiting from a favorable comparison base and sustained sales momentum, the Group achieved substantial sales growth in each of its three regions:

- Northern Europe reported year-on-year revenue growth of 64.4% at current consolidation scope and exchange rates and up 19.1% at constant consolidation scope and exchange rates;
- Southern Europe – Americas recorded revenues up 85.8% at current consolidation scope and exchange rates and up 62.7% at constant consolidation scope and exchange rates;
- Asia-Pacific – Middle East – Africa delivered the best performance, with revenues up 130.3% at current consolidation scope and exchange rates and up 49.6% at constant consolidation scope and exchange rates.

SergeFerrari Group's growth was driven by higher volumes and by market share gains in most of its business lines. The solar protection, furniture and marine markets benefited notably from the strong momentum in consumer applications and living space arrangement. The distribution business confirmed its robust trend over the period, with the sales of the specialized subsidiary Giofex up 30.7% versus H1 2020.

Currency fluctuations during the period curbed revenue growth by 2.5%. Meanwhile, the volume effect generated growth of 33.3% and the price mix effect 9.2%.

### Earnings

First half 2021 operating income amounted to €14,048,000, up from €4,214,000 in first half 2020.

### Net debt and cash and cash equivalents

Net debt at June 30, 2021 excluding IFRS 16 impact (excluding operating leases) stood at €38,920,000 versus €34,295,000 at December 31, 2020.

Cash burn amounted to €4.2 million during the first half of 2021, reflecting the sum of cash generation of €13.6 million from operating activities, less cash consumption of €4.8 million from investing activities and €13.2 million from financing activities.

### Outlook

On the strength of this good start to the year, a consequence of the priority given to the Group's four strategic markets in terms of both resource allocation and innovation, the Company is looking ahead confidently to the second half despite the current resurgence of uncertainties on the health front and a less favorable comparison base. SergeFerrari Group aims to capitalize on the quality of its offer to adjust its pricing policy in line with changes in the price of raw materials. It also intends to promote synergies, particularly with Verseidag, in order to continue its development. Growth momentum will facilitate the implementation of initial measures to achieve industrial leverage. Following H1 2021, SergeFerrari Group is thus perfectly in line with its medium-term objectives, namely revenues of over €300 million, accompanied by earnings growth greater than revenue growth.

### Description of main risks and uncertainties



The Group updated its risk map in the 2020 Universal Registration Document, notably to take into account the health impacts of the COVID-19 pandemic.

The Group has not identified any other risks or uncertainties liable to modify its current risk map.

#### Related party transactions

Principal transactions with related parties are described in Note 33 to the half-year condensed consolidated financial statements.

There have been no changes to the related party transactions described in the last annual report that could have had a material impact on the issuer's financial position or earnings for the first half of the current fiscal year.



## **FIRST HALF 2021 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements for the six months ended June 30, 2021 were prepared under the responsibility of the Board of Directors on September 6, 2021.

## Statement of financial position

Assets - €'000	Note	June 30, 2021	Dec 31, 2020 restated*
Goodwill	7	19,832	19,765
Other intangible assets	8	21,310	22,432
Property, plant and equipment	9	74,861	76,713
Other financial assets	10	1,988	2,116
Deferred tax assets	11	7,965	7,756
<b>Total non-current assets</b>		<b>125,956</b>	<b>128,781</b>
Inventories and WIP	12	78,003	71,956
Trade receivables	13	61,382	46,741
Tax receivables	15	182	1,746
Other current assets	15	15,067	9,257
Cash and cash equivalents	16	41,703	45,925
<b>Total current assets</b>		<b>196,337</b>	<b>175,624</b>
<b>Total assets</b>		<b>322,293</b>	<b>304,407</b>

Liabilities and equity - €'000	Note	June 30, 2021	Dec 31, 2020 restated*
Capital stock	17	4,920	4,920
Additional paid-in capital	17	43,868	43,868
Consolidated reserves and other reserves	17	44,694	45,635
Net income for the period	17	8,738	355
<b>Total equity, Group share</b>		<b>102,219</b>	<b>94,778</b>
Non-controlling interests		7,305	6413
<b>Non-controlling interests</b>		<b>7,305</b>	<b>6413</b>
<b>Total equity</b>		<b>109,524</b>	<b>101,191</b>
Borrowings and debt	18	87,509	87,598
Provisions for pensions and similar commitments	19	10,506	11,015
Deferred tax liabilities	11	468	289
Other non-current liabilities	20	21,820	25,051
<b>Total non-current liabilities</b>		<b>120,303</b>	<b>123,954</b>
Borrowings and bank overdrafts (due in less than 1 yr)	18	23,399	24,831
Current provisions	21	1,103	1263
Trade payables		33,858	26,165
Tax payables	14	2,567	398
Other current liabilities	22	31,540	26,607
<b>Total current liabilities</b>		<b>92,467</b>	<b>79,262</b>
<b>Total liabilities</b>		<b>212,770</b>	<b>203,216</b>
<b>Total liabilities and equity</b>		<b>322,293</b>	<b>304,407</b>

\*The comparative data for 2020 has been restated to reflect the allocation of the purchase price to the assets and liabilities of companies acquired in 2020 in accordance with IFRS 3R. The reconciliation between the initially reported financial statements and the restated financial statements is presented in Note 35.

## Consolidated income statement

€'000	Note	H1 2021	H1 2020
<b>Revenues</b>	<b>23</b>	<b>144,709</b>	<b>79,689</b>
Purchases		(64,549)	(35,131)
Change in inventories		6,956	6,624
External expenses	24	(21,640)	(15,788)
Personnel expenses	25	(39,171)	(26,537)
Miscellaneous taxes	26	(1,301)	(1,341)
Total depreciation, amortization and impairment	27	(8,868)	(7,190)
Net provisions for impairment	28	(1,872)	(885)
Other recurring income and expenses	29	75	4,774
<b>EBIT</b>		<b>14,341</b>	<b>4,214</b>
Non-recurring operating income and expenses	30	(293)	
<b>Operating income</b>		<b>14,048</b>	<b>4,214</b>
Income from cash and cash equivalents		16	62
Gross cost of debt		(1,526)	(600)
<b>Net cost of debt</b>	<b>31</b>	<b>(1,510)</b>	<b>(538)</b>
Other financial income and expenses	31	(174)	(306)
<b>Income before tax</b>		<b>12,364</b>	<b>3,371</b>
Income tax	32	(3,064)	(718)
<b>Income after tax</b>		<b>9,299</b>	<b>2,652</b>
<b>Total net income</b>		<b>9,299</b>	<b>2,652</b>
Group share		8,738	2,530
Non-controlling interests		562	122
Earnings per share (€)		0.75	0.21
Diluted earnings per share (€)		0.75	0.21



## Statement of comprehensive income

Statement of comprehensive income - €'000	H1 2021	H1 2020
<b>Total consolidated net income</b>	<b>9,299</b>	<b>2,652</b>
<b>Other comprehensive income:</b>		
Revaluation of liabilities (net of assets) of defined benefit plans	53	-
Net change in financial instruments measured at fair value	(35)	-
Income tax	(12)	-
<b>Subtotal - comprehensive income/(loss) not transferable to earnings</b>	<b>7</b>	<b>-</b>
Currency translation differences	488	(214)
Hedging instruments	42	-
Income tax	(11)	-
<b>Subtotal - comprehensive income/(loss) transferable to earnings</b>	<b>519</b>	<b>(214)</b>
<b>Total other comprehensive income/(loss) after tax</b>	<b>526</b>	<b>(214)</b>
<b>Total comprehensive income</b>	<b>9,825</b>	<b>2,439</b>
Group share	8,930	2,469
Non-controlling interests	895	(30)

## Statement of changes in consolidated equity

€'000	Capital stock	Additional paid-in capital	Consolidated net income and reserves	Treasury shares	Other comprehensive income	Total, Group share	Non-controlling interests	Total
Equity at Dec 31, 2019	4,920	43,868	54,143	(4,854)	(1,349)	96,724	305	97,029
Net income for the period			2,530			2,530	122	2,652
Other comprehensive income					(61)	(61)	(152)	(214)
<b>Total comprehensive income for the period</b>	-	-	<b>2,530</b>	-	<b>(61)</b>	<b>2,469</b>	<b>(30)</b>	<b>2,439</b>
Treasury shares				10		10		10
Parent company dividends			(1,476)			(1,476)		(1,476)
Other items			(92)	(16)		(107)		(107)
<b>Total transactions with shareholders</b>	-	-	<b>1,567</b>	<b>(6)</b>	-	<b>(1,573)</b>		<b>(1,573)</b>
<b>Equity at June 30, 2020</b>	<b>4,920</b>	<b>43,868</b>	<b>55,105</b>	<b>(4,860)</b>	<b>(1,410)</b>	<b>97,623</b>	<b>275</b>	<b>97,897</b>
Equity at Dec 31, 2020 (restated)*	4,920	43,868	53,043	(4,946)	(2,106)	94,778	6,413	101,191
Net income for the period			8,738			8,738	562	9,299
Other comprehensive income					193	193	333	526
<b>Total comprehensive income for the period</b>	-	-	<b>8,738</b>	-	<b>193</b>	<b>8,930</b>	<b>895</b>	<b>9,825</b>
Treasury shares				(1,303)		(1,303)		(1,303)
Parent company dividends			(8)			(8)		(8)
Ch. in conso. scope						-	(3)	(3)
Other items			(179)			(179)	-	(179)
<b>Total transactions with shareholders</b>	-	-	<b>(187)</b>	<b>(1,303)</b>	-	<b>(1,490)</b>	<b>(3)</b>	<b>(1,493)</b>
<b>Equity at June 30, 2021</b>	<b>4,920</b>	<b>43,868</b>	<b>61,594</b>	<b>(6,249)</b>	<b>(1,913)</b>	<b>102,219</b>	<b>7,305</b>	<b>109,524</b>

\*The comparative data for 2020 has been restated to reflect the allocation of the purchase price to the assets and liabilities of companies acquired in 2020 in accordance with IFRS 3R. The reconciliation between the initially reported financial statements and the restated financial statements is presented in Note 35.



## Consolidated statement of cash flows

€'000	H1 2021	2020 restated*
Total consolidated net income	9,299	638
<b>Consolidated net income from continuing activities</b>	<b>9,299</b>	<b>638</b>
Depreciation, amortization and impairment (Note 27)	8,816	17,461
Provisions (Note 28)	1,529	46
Pension provisions	(355)	414
Gains/losses on disposal	117	196
Other non-cash income and expenses	419	216
<b>Free cash flow after net cost of debt</b>	<b>19,826</b>	<b>18,972</b>
Net cost of debt (Note 31)	1,510	2,083
<b>Free cash flow before net cost of debt</b>	<b>21,337</b>	<b>21,055</b>
Tax expense	3,064	121
<b>Free cash flow</b>	<b>24,401</b>	<b>21,176</b>
Tax paid	(476)	(772)
Change in operating working capital	(10,342)	6,193
<b>Subtotal - Change in operating working capital</b>	<b>(12,139)</b>	<b>1,903</b>
of which Change in trade receivables	(14,901)	986
of which Change in inventories	(6,907)	8,331
of which Change in trade payables	8,385	(7,414)
<b>Subtotal - Change in non-operating working capital</b>	<b>1,796</b>	<b>4,289</b>
of which Change in other receivables	(1,919)	5,066
of which Change in other payables	4,999	(476)
<b>Net cash flow from operating activities</b>	<b>13,582</b>	<b>26,897</b>
Acquisition of PP&E and intangible assets (Notes 8 and 9)	(4,047)	(7,927)
Acquisitions of financial assets	(37)	-
Payments received from disposal of PP&E and intangible assets (Notes 8 and 9)	20	233
Payments received from disposal of financial assets	124	68
Change in consolidation scope	(875)	(35,549)
<b>Net cash flow from investing activities</b>	<b>(4,815)</b>	<b>(43,175)</b>
New borrowings (Note 18)	0	65,216
Borrowings repaid (Note 18)	(7,104)	(26,800)
of which Payment of lease liabilities	(3,872)	(6,338)
Net interest paid (Note 31)	(1,521)	(1,695)
Dividends paid	(1,047)	(388)
Factoring (Note 20)	3,760	(2,099)
Other cash flow from financing activities	(5,945)	1,869
Purchase of treasury shares	(1,303)	(92)
<b>Net cash flow from financing activities</b>	<b>(13,160)</b>	<b>36,011</b>
<b>Impact of changes in foreign exchange rates</b>	<b>170</b>	<b>(278)</b>
<b>Change in cash and cash equivalents</b>	<b>(4,223)</b>	<b>19,455</b>
Opening cash and cash equivalents (Note 16)	45,925	26,720
Bank overdrafts at start of period (Note 18)	(0)	(250)
<b>Net cash at start of period</b>	<b>45,924</b>	<b>26,470</b>
Closing cash and cash equivalents (Note 16)	41,703	45,925
Bank overdrafts at end of period (Note 18)	(2)	-
<b>Net cash at end of period</b>	<b>41,701</b>	<b>45,925</b>
<b>Change in cash and cash equivalents</b>	<b>(4,223)</b>	<b>19,455</b>

\*The comparative data for 2020 has been restated to reflect the allocation of the purchase price to the assets and liabilities of companies acquired in 2020 in accordance with IFRS 3R. The reconciliation between the initially reported financial statements and the restated financial statements is presented in Note 35.



# Notes to the half-year consolidated financial statements

The notes form an integral part of the condensed consolidated financial statements for the six months ended June 30, 2021.

SergeFerrari Group SA is a limited liability company under French law, registered on June 10, 1992, whose main subsidiary Serge Ferrari SAS was founded in 1973 with an activity related to the design, manufacture and distribution of flexible composite materials. The Company's headquarters are located at Zone Industrielle de la Tour du Pin, 38110 Saint Jean de Soudain (France).

## Note 1 – First half 2021 highlights

### COVID-19 pandemic

The impact of the COVID-19 pandemic during first half 2021 varied widely across the Group's regions. The Group was not obliged to close its plants during the period, unlike the first half of 2020. On a like-for-like basis, first half 2021 sales were significantly higher than in first half 2020. However, some parts of the world are experiencing greater difficulty in fully recovering than others, while some markets are still subject to health restrictions.

As a reminder, the Group has not requested any state-guaranteed loans. The impact of financing measures for furlough schemes received from governments in the Group's operating countries was estimated at €398,000 for first half 2021.

Expenses related to COVID-19 safety measures are presented under EBIT.

### Business merger between sister companies Serge Ferrari North America and Verseidag Seemee US Inc.

During the first half of 2021, the business activities of Verseidag Seemee US Inc. were taken over by Serge Ferrari North America in order to optimize sales structures in North America and obtain commercial and cost synergies. Verseidag Seemee US Inc. was dormant as of June 30, 2021 and is to be wound up during the second half of 2021. This internal operation had no impact on the first half 2021 consolidated financial statements.

### SergeFerrari Group share buybacks

During first half 2021, SergeFerrari Group carried out share buyback transactions totaling €1,278,000. These treasury shares will be used to settle earn-outs owed by the Group under the terms of the acquisition agreement for the Verseidag group acquired in August 2020. The value of the shares is eliminated from the statement of financial position and offset against equity in accordance with IFRS. The earn-outs are carried within other current and non-current liabilities in the statement of financial position.

### Liquidation of Chinese company T-More, an indirect subsidiary of F.I.T. Industrial Co Ltd

The Group finalized the legal and tax procedures for the liquidation of T-More, a subsidiary of Taiwanese company F.I.T., initiated in 2020 following the acquisition of a stake in F.I.T.. T-More has been dormant since 2020; its liquidation will not have a material impact on the 2021 consolidated financial statements.

### Purchase price allocation for companies acquired in 2020

In accordance with IFRS 3R, during first half 2021 the Group updated the purchase price allocations for companies acquired in 2020.



The goodwill relating to those acquisitions has been allocated to the Group's single cash-generating unit. Valuation differences in respect of the acquired assets and liabilities have been recorded on the balance sheet at the date of acquisition; the opening statement of financial position has been adjusted accordingly. The impact of the revaluation of the 2020 financial statements relating to purchase price allocations is set out in Note 35 to the financial statements.

## Note 2 – Post balance sheet events

On July 29, 2021, in accordance with the Verseidag group acquisition agreement, SergeFerrari Group paid the first earn-out, split between a €4,383,000 cash payment and a €4,683,000 payment in the form of SergeFerrari Group shares. These payments are presented under current liabilities in the statement of financial position as of June 30, 2021.

## Note 3 – Valuation and consolidation principles

The consolidated half-year financial statements are presented in thousands of euros unless otherwise stated.

The consolidated financial statements have been prepared pursuant to:

- IFRS (International Financial Reporting Standards) as adopted by the European Union. IFRS can be viewed on the following website: [https://ec.europa.eu/info/index\\_en](https://ec.europa.eu/info/index_en)

The consolidated financial statements were prepared in accordance with the general principles of IFRS: fair presentation, going concern, accrual basis of accounting, consistency of presentation and materiality.

The consolidated half-year financial statements have been prepared pursuant to IAS 34 “Interim Financial Reporting”. In accordance with IAS 34, the notes to the consolidated half-year financial statements are presented in condensed form. Only material transactions and adjustments to comply with specific interim financial reporting principles have been disclosed in the notes. The half-year financial statements should be read in conjunction with the Group financial statements for the year ended December 31, 2020, which form part of the Universal Registration Document registered with the French Financial Markets Authority (AMF) and which can be consulted on the Group website at the following address: <http://www.sergeferraribourse.com/informations-financieres/documents-financiers.html>

SergeFerrari Group SA is the consolidating company.

In accordance with IFRS 10 (Consolidated Financial Statements), companies in which the Group directly or indirectly holds the majority of voting rights at the General Meeting, on the Board of Directors or on an equivalent governing body, giving it the power to direct those companies’ operational and financial policies, are generally deemed to be controlled and are therefore fully consolidated.

Equity interests in companies over which the Group exercises significant control (associates) are measured using the equity method. No companies were consolidated using the equity method in either 2021 or 2020.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated.

The financial statements of consolidated companies were all closed as of December 31, with the exception of Serge Ferrari India Private Ltd, whose fiscal year ends on March 31. For Group consolidation purposes, interim statements are prepared in accordance with the reporting period.

The consolidation scope is presented in Note 4.

## **Changes in accounting principles**

The Group refers to the guidelines available for consultation on the EFRAG (European Financial Reporting and Advisory Group) website at:

<https://www.efrag.org/News/Public-213/EFrag-Endorsement-Status-Report-Update>

New standards, amendments and interpretations of mandatory application from 2021 have not had a material impact on the Company's financial statements or their presentation.

The Group has applied the following standards, amendments and interpretations since January 1, 2021:

- Amendments to IFRS 9, IAS 39 and IFRS 7 relating to benchmark interest rates.
- Amendments to IFRS 4 "Interest Rate Benchmark Reform" – Phase 2

New standards, amendments and interpretations of mandatory application from 2021 have not had a material impact on the Company's financial statements or their presentation.

## **Principal accounting standards, amendments and interpretations published by the IASB and not mandatory within the European Union as of January 1, 2021:**

None

## **Principal accounting standards, amendments and interpretations published but not yet adopted by the European Union:**

- Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current – effective date postponed to January 2023;
- Amendments to IFRS 3: Reference to the IFRS conceptual framework;
- Amendments to IAS 16: "Property, Plant and Equipment – Proceeds before Intended Use";
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies;
- Amendments to IAS 8: Definition of Accounting Estimates;
- Amendments to IFRS 16 on Covid-19-Related Rent Concessions beyond 30 June 2021;
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- "IFRS annual improvements, 2018-2020 cycle".

The foregoing standards, interpretations and amendments are not expected to have a material impact on the Group financial statements upon first-time application.

## Significant estimates

Principles applying to estimates and judgments are described under Note 2.5 to the financial statements for the year ended December 31, 2020. In some cases, such principles have been adapted to comply with the specific features of interim reporting.

## Specific interim reporting accounting principles

- Income tax

The tax charge is computed separately for each company. The Group has not identified any material differences that would modify the effective tax rate calculated on a full-year basis compared with the effective rate calculated on June 30, 2021.

- Post retirement benefits

Pursuant to IAS 34, provisions for pensions and similar commitments have not been calculated on a detailed basis as required for annual financial statements. Changes to net pension liabilities as of June 30, 2021 have been estimated as follows:

- Interest expense and the cost of services provided have been estimated based on the budget;
- Discount rates have been updated on the basis of information available as of June 30, 2021; the Group has taken into account the impact of interest rate fluctuations on the valuation of the liability as of June 30, 2021, on the basis of sensitivity tests performed during the preparation of the 2020 full-year financial statements;
- The other actuarial assumptions (e.g. pay rises, staff turnover) are updated when the full-year financial statements are prepared. No changes that could have a material impact on the valuation of these assumptions were identified as of June 30, 2021;
- No adjustments were made to the fair value of plan assets (long-term investments) as of June 30, 2021. No changes that could have a material impact on the fair value of plan assets were identified as of June 30, 2021.

The statement of changes in the total net pension liability is given under Note 19.

- Impairment tests

Procedures for performing impairment tests are described in Notes 2.7 “Goodwill” and 2.11 “Asset impairment” to the 2020 financial statements, as presented in the 2020 Universal Registration Document.

The Group carried out an impairment test on its “innovative composite materials and accessories” cash-generating unit at December 31, 2020. In the absence of indication of impairment as of June 30, 2021, the Group did not repeat the process. Failing indication of impairment in the meantime, the Group will perform an annual impairment test on its cash-generating unit as part of the annual financial statements closing procedure.

As a reminder, the main assumptions used as of December 31, 2020 to determine asset value in use using the future cash flow method are presented below:

- Forecast: 5 yrs
- Perpetual growth rate of 1.8% to project cash flows beyond the forecast period
- Discount rate of 9% applied to cash flow projections
- Sensitivity tests on the discount rate and the perpetual growth rate (+/- 0.5 pp on each of the assumptions) did not reveal any indication of impairment to be recognized.



## Note 4 - Scope of consolidation

Company	Activity	Headquarters	Percentage interest		2021 consolidation method
			2021	2020	
Serge Ferrari Group	Holding	La Tour-du-Pin (France)	100%	100%	Parent company
Serge Ferrari SAS	Production and distribution	La Tour-du-Pin (France)	100%	100%	Consolidated
Serge Ferrari North America	Distribution	Deerfield Beach (USA)	100%	100%	Consolidated
Serge Ferrari Asia Pacific	Distribution	Hong Kong (HK)	100%	100%	Consolidated
Serge Ferrari Japan	Distribution	Kamakura (Japan)	83%	83%	Consolidated
Serge Ferrari Brasil	Distribution	São Paulo (Brazil)	100%	100%	Consolidated
Ci2M SAS	Equipment manufacture	La Tour-du-Pin (France)	100%	100%	Consolidated
Serge Ferrari AG	Production and distribution	Eglisau (Switzerland)	100%	100%	Consolidated
Serge Ferrari Tersuisse (formerly Ferfil Multifils)	Production	Emmenbrücke (Switzerland)	100%	100%	Consolidated
Texyloop SAS	Recycling	La Tour-du-Pin (France)	100%	100%	Consolidated
Serge Ferrari India Limited	Distribution	Delhi (India)	100%	100%	Consolidated
Serge Ferrari Shanghai	Distribution	Shanghai (China)	100%	100%	Consolidated
Serge Ferrari GmbH	Distribution	Berlin (Germany)	100%	100%	Consolidated
Serge Ferrari AB	Distribution	Veddige (Sweden)	100%	100%	Consolidated
Serge Ferrari Tekstil	Distribution	Istanbul (Turkey)	100%	100%	Consolidated
Ferramat Tekstil	Distribution	Istanbul (Turkey)	100%	100%	Consolidated
Plastitex	Production and distribution	Carmignano di Brenta (Italy)	100%	100%	Consolidated
Istratextum	Production and distribution	Novigrad (Croatia)	100%	100%	Consolidated
Giofex Group Srl	Holding	Milan (Italy)	51%	51%	Consolidated
Giofex France	Distribution	Issoudun (France)	51%	51%	Consolidated
Giofex UK	Distribution	Dartford (United Kingdom)	51%	51%	Consolidated
Giofex GmbH	Distribution	Chemnitz (Germany)	51%	51%	Consolidated
Giofex Slovakia	Distribution	Bratislava (Slovakia)	51%	51%	Consolidated
Giofex sp. z o.o.	Distribution	Warsaw (Poland)	51%	51%	Consolidated
Giofex Bulgaria	Distribution	Plovdiv (Bulgaria)	51%	51%	Consolidated
F.I.T.	Production and distribution	Chiayi (Taiwan)	55%	55%	Consolidated
Taiwan Eden	Production and distribution	Chiayi (Taiwan)	55%	55%	Consolidated
F.I.T. HK	Holding	Hong Kong (HK)	28%	28%	Consolidated
T-More	Holding	Shanghai (China)	-	28%	Liquidated in 2021
Verseidag-Indutex GmbH	Production and distribution	Krefeld (Germany)	100%	100%	Consolidated
Cubutex GmbH	None	Krefeld (Germany)	100%	100%	Consolidated
Verseidag-US Inc.	Distribution	New Jersey (USA)	100%	100%	Consolidated
Verseidag-Indutex Far East Ltd	Distribution	Hong Kong (HK)	100%	100%	Consolidated
Deutsche Biogas Dach-Systeme GmbH	Manufacture	Kreuzau, Germany	60%	60%	Consolidated

SIBAC (18% owned) and MTB Group (5% owned) are excluded from the consolidation scope due to the absence of significant influence over these entities.

The Group holds a 35% stake in VR Développement and does not take part in strategic decision-making regarding the company's operations. The company is therefore not included in the first half 2021 financial statements.



## Note 5 – Conversion of foreign currency financial statements

		Average rate		Closing rate	
		H1 2021	2020	June 30, 2021	Dec 31, 2020
BGN	Bulgarian lev	1.96	1.96	1.96	1.96
BRL	Brazilian real	6.49	5.89	5.91	6.37
CHF	Swiss franc	1.09	1.07	1.10	1.08
CLP	Chilean peso	868.13	902.74	863.32	868.89
CNY	Chinese yuan	7.80	7.87	7.67	8.02
EUR	Euro	1.00	1.00	1.00	1.00
GBP	Pound sterling	0.87	0.89	0.86	0.90
HKD	Hong Kong dollar	9.36	7.87	9.23	8.02
HRK	Croatian kuna	7.55	7.54	7.49	7.55
INR	Indian rupee	88.45	84.58	88.32	89.66
JPY	Japanese yen	129.81	121.77	131.43	126.49
PLN	Polish zloty	4.54	4.44	4.52	4.56
ROL	Romanian leu	4.90	4.84	4.93	4.87
SEK	Swedish krona	10.13	10.49	10.11	10.03
TRY	New Turkish lira	9.51	8.04	10.32	9.11
TWD	Taiwan dollar	33.86	34.25	33.16	34.79
USD	US dollar	1.21	1.14	1.19	1.23

## Note 6 – Revenue breakdown and seasonal effects

In the past, the Group has generated over 50% of its annual revenues in the first half, mainly due to the architecture business, which has higher sales in the first half than in the second half. Group 2021 Half-Year Results should not be taken as an indication of second half results, given that fixed costs in the second half are often a higher proportion of earnings on sales. This historically observed spread could be different in 2021 due to the end of the health crisis related to the COVID-19 pandemic and the ensuing economic recovery, from which the Group could benefit.

## Note 7 – Goodwill

Goodwill - €'000	June 30, 2021	Dec 31, 2020 restated
Innovative composite materials and accessories	19,832	19,765

Changes impacting goodwill of the Group's innovative composite materials and accessories CGU as of June 30, 2021 result from fluctuations in currencies in which goodwill was recognized during the purchase price allocation procedure.

As no indication of impairment had been identified, the Group did not perform an impairment test on its cash-generating unit as of June 30, 2021.

## Note 8 - Intangible assets

Intangible assets break down as follows:



€'000	Dec 31, 2020 restated	Acq.	Disposals	Increases	Changes in exchange rates	Reclassification and retirement	June 30, 2021
R&D costs	15,674	374	-	-	(61)	(117)	15,870
Concessions, patents & similar rights	621	23	-	-	-	2	646
Intangible assets in progress	136	208	-	-	-	(2)	342
Trademark, customers	13,663	-	-	-	5	-	13,668
Right-of-use assets - Software	1,238	132	-	-	-	-	1,370
Other intangible assets	13,700	52	(21)	-	(45)	(22)	13,665
<b>Total intangible assets</b>	<b>45,032</b>	<b>789</b>	<b>(21)</b>	<b>-</b>	<b>(101)</b>	<b>(139)</b>	<b>45,561</b>
R&D costs amortization/impairment	(8,902)	-	-	(870)	33	-	(9,739)
Concessions, patents & similar rights amortization/impairment	(345)	-	-	(50)	-	-	(395)
Customers amortization/impairment	(804)	-	-	(133)	(2)	-	(939)
Amort. of right-of-use assets - Software	(649)	-	-	(194)	-	-	(843)
Other intangible assets amortization/impairment	(11,902)	-	21	(500)	39	5	(12,337)
<b>Total intangible assets amortization/impairment</b>	<b>(22,602)</b>	<b>-</b>	<b>21</b>	<b>(1,748)</b>	<b>70</b>	<b>5</b>	<b>(24,254)</b>
<b>Total net book value</b>	<b>22,432</b>	<b>789</b>	<b>0</b>	<b>(1,748)</b>	<b>(30)</b>	<b>(134)</b>	<b>21,310</b>

Development expenses capitalized during the half-year totaled €374,000.

Research and development projects are amortized as from commissioning. For projects in progress and not yet commissioned, a provision for impairment is recognized when the likelihood of success is uncertain.

Other intangible assets and intangible assets in progress mainly consist of IT solutions and systems used by the Group.

Reclassifications, in a net amount of €18,000, reflect a change in allocation between intangible assets and property, plant and equipment.

## Note 9 - Property, plant and equipment

Property, plant and equipment breaks down as follows:

€'000	Dec 31, 2020	Acq.	Disposals	Increases	Changes in exchange rates	Reclassification and retirement	June 30, 2021
Land	5,562	-	-	-	150	-	5,712
Buildings	45,726	287	(79)	-	(39)	639	46,533
Plant and equipment	138,937	395	(131)	-	(1,016)	1,323	139,508
Other PP&E	11,190	1,604	(67)	-	14	453	13,194
Right-of-use assets - Buildings	38,373	708	(521)	-	93		38,653
Right-of-use assets - Production facilities	2,987	619	(102)	-	(1)	-	3,503
Right-of-use assets - Other items	2,882	369	(415)	-	(23)	-	2,814
PP&E in progress	6,895	1,333	-	-	(6)	(2,460)	5,761
<b>Total property, plant and equipment</b>	<b>252,552</b>	<b>5,315</b>	<b>(1,315)</b>	<b>-</b>	<b>(829)</b>	<b>(45)</b>	<b>255,678</b>
Building depreciation/impairment	(33,311)	-	66	(918)	258	0	(33,903)
Plant and equipment depreciation/impairment	(120,799)	-	118	(2,312)	1,028	65	(121,900)
Depr./imp. of right-of-use assets - Buildings	(8,880)	-	175	(2,742)	(29)	-	(11,477)
Depr./imp. of right-of-use assets - Production facilities	(1,196)	-	71	(332)	1	(0)	(1,456)
Depr./imp. of right-of-use assets - Other	(1,617)	-	302	(480)	10	-	(1,785)
Other PP&E depreciation/impairment	(10,038)	-	46	(285)	(19)	(0)	(10,296)
<b>Total PP&amp;E depreciation/impairment</b>	<b>(175,840)</b>	<b>-</b>	<b>778</b>	<b>(7,068)</b>	<b>1,248</b>	<b>64</b>	<b>(180,819)</b>
<b>Total net book value</b>	<b>76,713</b>	<b>5,315</b>	<b>(537)</b>	<b>(7,068)</b>	<b>419</b>	<b>18</b>	<b>74,861</b>

## Note 10 - Other financial assets

€'000	June 30, 2021	Dec 31, 2020
Non-consolidated investments	919	1,023
Other loans and receivables	1,069	1,093
<b>Total other financial assets</b>	<b>1,988</b>	<b>2,116</b>

## Note 11 - Deferred tax assets and liabilities

Deferred taxes are shown on the balance sheet separately from current tax assets and liabilities and are classified as non-current items.

€'000	June 30, 2021	Dec 31, 2020 restated
Deferred tax assets related to employee benefits	1,585	1,632
Tax losses carried forward	5,450	6,041
Elimination of intercompany gains and losses	802	604
Research tax credit adjustment	151	220
Change in fair value of interest rate and currency hedges	6	13
Asset revaluation - first-time consolidation of acquired company	(649)	(748)
Temporary differences	152	(296)
<b>Total net deferred tax</b>	<b>7,496</b>	<b>7,466</b>

The Group took into account the impact of the French 2021 Finance Act on the valuation of deferred tax assets and liabilities. Interest rate fluctuations have no material impact on the Group's deferred tax.

## Note 12 – Inventories

€'000	June 30, 2021			Dec 31, 2020 restated		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials, supplies and other	16,353	(221)	16,132	15,751	(358)	15,394
Work in progress	699		699	426		426
Finished goods and components	60,684	(5,365)	55,319	54,661	(4,042)	50,619
Goods for resale	5,893	(40)	5,853	5,558	(40)	5,518
<b>Total inventories</b>	<b>83,629</b>	<b>(5,626)</b>	<b>78,003</b>	<b>76,395</b>	<b>(4,439)</b>	<b>71,956</b>

## Note 13 - Trade receivables and related accounts

€'000	June 30, 2021	Dec 31, 2020
Trade receivables and payments on account	49,099	38,657
Receivables sold to the factoring company	15,349	10,476
<b>Trade receivables</b>	<b>64,448</b>	<b>49,133</b>
Trade receivables impairment	(3,066)	(2,391)
<b>Net trade receivables</b>	<b>61,382</b>	<b>46,741</b>

## Note 14 – Tax receivables and payables

€'000	June 30, 2021	Dec 31, 2020
Tax receivables	182	1,746
Tax payables	2,597	398

## Note 15 - Other current assets

€'000	June 30, 2021	Dec 31, 2020
Current accounts - assets	5,362	2,430
Tax receivables excl. income tax	3,715	2,497
Staff and related receivables	676	445
Supplier receivable balances	171	429
Other receivables	1,693	2,068
Prepaid expenses	2,945	754
Loans receivable, guarantees and other receivables	42	24
Advances and payments on account to suppliers	124	343
Receivables against suppliers (rebates, discounts, refunds and other credits)	338	266
<b>Total other current assets</b>	<b>15,067</b>	<b>9,257</b>

Tax receivables excluding corporate income tax mainly include customs duties and VAT receivables.

The change in current accounts is presented in "Other cash flows from financing activities" in the cash flow statement.

The change in prepaid expenses is due to the timing of service invoicing.

## Note 16 - Cash and cash equivalents

€'000	June 30, 2021	Dec 31, 2020
Cash equivalents	7,263	7,222
Cash	34,440	38,702
<b>Total cash and cash equivalents</b>	<b>41,703</b>	<b>45,925</b>

As of June 30, 2021 term deposits amounted to €7 million. The valuation methods for cash and cash equivalents are presented in Note 2.15 "Accounting rules and methods" in the 2020 Universal Registration Document.

## Note 17 - Capital stock

The capital stock of SergeFerrari Group as of June 30, 2021 comprised 12,299,259 shares with a par value of €0.40 each.

In accordance with economic conditions and changing requirements, the Group may opt to make changes to its capital stock, for example by issuing new shares or by purchasing and canceling existing shares.

As of June 30, 2021, the Group held 658,897 treasury shares. These shares are eliminated via an offsetting entry under equity; the net amount of any impairment losses held and eliminated as of June 30, 2021 amounts to €4,445,000. Gains or losses made under the liquidity contract are removed from the income statement and posted to shareholders' equity. These impacts are recorded under the "Treasury shares" column in the statement of changes in shareholders' equity.

## Note 18 – Borrowings and debt

### Presentation of net debt

June 30, 2021 – €'000	Current	Non-current	Total		Due in less than 1 yr	Due in 1 to 5 yrs	Due in more than 5 yrs
Bank loans and bonds	7,369	62,349	69,718	-	7,369	23,985	38,364
Finance lease liabilities	607	1,258	1,865	-	607	1,258	
Operating lease liabilities	6,384	23,903	30,286	-	6,384	17,485	6,418
Factoring	9,040		9,040	-	9,040	-	-
<b>Total borrowings and debt</b>	<b>23,399</b>	<b>87,509</b>	<b>110,909</b>	-	<b>23,399</b>	<b>42,728</b>	<b>44,781</b>
Cash and cash equivalents	(41,703)	-	(41,703)	-	(41,703)		
<b>Net (cash)/debt</b>	<b>(18,304)</b>	<b>87,509</b>	<b>69,206</b>		<b>(18,304)</b>	<b>42,728</b>	<b>44,781</b>

  

Dec 31, 2020 - €'000	Current	Non-current	Total		Due in less than 1 yr	Due in 1 to 5 yrs	Due in more than 5 yrs
Bank loans and bonds	12,991	59,501	72,492		12,991	21,138	38,364
Finance lease liabilities	850	1,598	2,448		850	1,598	
Operating lease liabilities	6,560	25,649	32,209		6,560	19,231	6,418
Factoring	5,280		5,280		5,280	-	-
<b>Total borrowings and debt</b>	<b>25,681</b>	<b>86,748</b>	<b>112,429</b>		<b>25,681</b>	<b>41,967</b>	<b>44,781</b>
Cash and cash equivalents	(45,925)	-	(45,925)		(45,925)		
<b>Net (cash)/debt</b>	<b>(20,244)</b>	<b>86,748</b>	<b>66,504</b>		<b>(20,244)</b>	<b>41,967</b>	<b>44,781</b>

The Group refinanced the bank debt of F.I.T., presented as non-current borrowings as of December 31, 2020, in the amount of €6.2 million. Following the rescheduling of that debt, a total of €5.4 million is now presented as non-current liabilities as of June 30, 2021.

Net debt restated for the application of IFRS 16 to operating leases amounted to €38,920,000 at June 30, 2021 and €34,295,000 at December 31, 2020.

## Note 19 - Provisions for pensions and similar obligations

The discount rate applicable to post-employment benefits for French companies was 0.8% as of June 30, 2021 compared to 0.30% as of December 31, 2020.

Regarding the pension liabilities of the Group's Swiss companies, a 0.3% discount rate (based on the yield of Swiss blue-chip corporate bonds in the industrial sector) was applied at June 30, 2021. This discount rate was 0.20% at December 31, 2020.

Given that pension plan assets mainly consist of real estate investments, as of June 30, 2021 no changes were made to their fair value (apart from the discounting effect) at December 31, 2020.

The discount rate applied to the post-employment commitments of Verseidag-Indutex GmbH is similar to that at December 31, 2020, i.e. 0.87%.



€'000	Retirement compensation - France	Switzerland		Retirement compensation - Italy	Retirement compensation - Germany	Total
		Pension plan	Long service awards			
<b>2019</b>	<b>1,750</b>	<b>6,442</b>	<b>458</b>	<b>948</b>		<b>9,601</b>
Cost of past services	244	937	59	149	57	1,446
Interest expense	(8)	20	1		13	27
Actuarial gains/(losses)	168	(758)				(590)
Benefits paid	(45)	(746)	(104)	(146)	(18)	(1,059)
Change in consolidation scope					1,552	1,552
Exchange differences	-	36	3			39
<b>2020</b>	<b>2,110</b>	<b>5,931</b>	<b>417</b>	<b>951</b>	<b>1,604</b>	<b>11,015</b>
Cost of past services	182	500	19	82	(37)	746
Plan curtailment		(886)				(886)
Interest expense	3	6				9
Actuarial gains/(losses)	(161)	108				(53)
Benefits paid	(25)	(100)	(16)	(82)		(223)
Exchange differences		(95)	(7)			(102)
<b>H1 2021</b>	<b>2,109</b>	<b>5,464</b>	<b>414</b>	<b>951</b>	<b>1,567</b>	<b>10,506</b>

## Note 20 - Other non-current liabilities

€'000	June 30, 2021	Dec 31, 2020
Commitment to purchase shares from minority shareholders	5,054	4,945
Liabilities to shareholders of acquired companies	16,700	17,063
Current account - liabilities	-	3,000
Other	68	44
<b>Total other non-current liabilities</b>	<b>21,820</b>	<b>25,051</b>

Liabilities to shareholders of acquired companies relate to earn-outs under the Verseidag and Sunteam purchase agreements and deferred payments under the F.I.T. and Verseidag purchase agreements.

## Note 21 – Provisions for risks and contingencies

€'000	Dec 31, 2020	Increases	Reversals		Ch. in conso. scope	June 30, 2021
			Used	Not used		
<b>Current provisions</b>	<b>1,263</b>	<b>398</b>	<b>(558)</b>			<b>1,103</b>
Provisions for guarantees	630	297	(35)			892
Disputes	633	101	(523)			211



## Note 22 – Other current liabilities

€'000	June 30, 2021	Dec 31, 2020
Current accounts - liabilities	29	42
Tax and social security payables	16,968	12,210
Customers - Advances and down payments received	2,304	2,013
Customers - Credits, rebates, discounts & refunds	1,165	929
Other payables	1,213	1,644
Liabilities to shareholders of acquired companies	9,860	9,769
<b>Total other current liabilities</b>	<b>31,540</b>	<b>26,607</b>

The change in current accounts is presented in “Other cash flows from financing activities” in the cash flow statement.

Liabilities to shareholders of acquired companies relate to deferred payments provided for in the Verseidag and F.I.T. purchase agreements.

## Note 23 - Regional information

### Revenues

	Q2 2021	Q2 2020	Ch. at current scope and exchange rates	Ch. at constant scope and exchange rates	H1 2021	H1 2020	Ch. at current scope and exchange rates	Ch. at constant scope and exchange rates
(€'000)								
Northern Europe	<b>31,582</b>	18,683	+69.0%	+26.7%	<b>55,931</b>	34,014	+64.4%	+19.1%
Southern Europe – Americas	<b>39,025</b>	14,151	+175.8%	+139.1%	<b>68,442</b>	36,844	+85.8%	+62.7%
Asia – Africa – ME – Pacific	<b>10,037</b>	4,350	+130.7%	+60.4%	<b>20,336</b>	8,830	+130.3%	+49.6%
<b>Total revenues</b>	<b>80,644</b>	37,184	+116.9%	+73.4%	<b>144,709</b>	79,688	+81.6%	+42.6%

## Note 24 – External expenses

€'000	H1 2021	H1 2020
Bank charges	(351)	(190)
Maintenance and repairs	(2,582)	(1,855)
Leasing and rental costs	(608)	(488)
Transport	(5,246)	(3,491)
Fees and advertising expenses	(6,906)	(5,465)
Other external expenses	(5,946)	(4,299)
<b>Total external expenses</b>	<b>(21,640)</b>	<b>(15,788)</b>

The amounts recorded under the leasing line item relate to contracts not eligible for accounting treatment under IFRS 16.

F.I.T. and Verseidag recorded external expenses of €3.8 million during the consolidated period.

The increase in “Fees and advertising expenses” and “Other external expenses” was due to the reduction in sales staff travel in 2020 and the cancellation of promotional events due to the COVID-19 pandemic.

## Note 25 - Personnel expenses and executive remuneration

### Personnel expenses

€'000	H1 2021	H1 2020
Staff pay	28,133	19,855
Social security charges	8,077	5,012
Pension commitments	746	773
Other personnel expenses	2,214	898
<b>Total personnel expenses</b>	<b>39,171</b>	<b>26,537</b>

F.I.T. and Verseidag posted total personnel expenses of €7.4 million over the consolidated period.

The headcount at period-end breaks down as follows:

	June 30, 2021	June 30, 2020
<b>TOTAL</b>	<b>1,194</b>	<b>979</b>
Commercial	298	271
Production / Logistics	715	585
Support Functions - R&D	181	123

The companies of the Verseidag group represent 235 employees, while F.I.T. and its subsidiaries represented 116 employees as of June 30, 2021.

### Executive remuneration

€'000	H1 2021	H1 2020
Ferrari Participations (for services provided)	275	360
Corporate office	48	48
Benefits in kind	5	6
<b>Total executive remuneration</b>	<b>328</b>	<b>414</b>

### Ferrari Participations (for services provided)

The amounts shown comprise remuneration paid in respect of corporate officer operational positions.

The total invoiced amount under the management fees agreement, which amounted to €1,753,000 in H1 2021 and €1,140,000 in H1 2020, is presented in the table in Note 34 “Related party transactions” and is recognized under other external expenses.

The decrease in the first half is attributable to the decision by corporate officers to waive their variable remuneration due for 2020.

### Corporate office

All remuneration received by Group corporate officers in respect of Group corporate office positions.

## Benefits in kind

Benefits in kind relating to the provision of company vehicles.

## Note 26 – Miscellaneous taxes

€'000	H1 2021	H1 2020
Other miscellaneous taxes	(1,024)	(1,052)
Miscellaneous payroll taxes	(278)	(290)
<b>Total miscellaneous taxes</b>	<b>(1,301)</b>	<b>(1,341)</b>

Miscellaneous payroll taxes include ongoing training, the 1% housing contribution, apprenticeship tax and the disability tax paid in France. All other miscellaneous taxes are included under “Other miscellaneous taxes”.

€286,000 was recognized in 2021 in respect of the CVAE business value added tax, compared to €317,000 in 2020.

These amounts are included in the calculation of adjusted EBITDA.

## Note 27 - Depreciation, amortization and impairment

€'000	H1 2021	H1 2020
Intangible assets	(1,723)	(1,791)
Property, plant and equipment	(7,145)	(5,399)
<b>Total depreciation, amortization and impairment</b>	<b>(8,868)</b>	<b>(7,190)</b>

The impacts of the application of IFRS 16 are set out below.

€'000	H1 2021	H1 2020
Interest on lease liabilities	(363)	(302)
Total depreciation, amortization and impairment	(3,674)	(2,788)
Canceled rental costs	3,945	2,992
Other impacts (forex, lease termination, etc.)	8	(14)
<b>Impact on income before tax</b>	<b>(84)</b>	<b>(113)</b>
Deferred tax	17	27
<b>Impact on income before tax</b>	<b>(67)</b>	<b>(85)</b>

€'000	June 30, 2021	June 30, 2020
Financial liabilities on leases – Non-current	23,903	23,144
Financial liabilities on leases – Current	6,384	5,035
<b>Impact on borrowings</b>	<b>30,287</b>	<b>28,179</b>

## Note 28 - Net provisions for impairment

€'000	H1 2021	H1 2020
Operating provisions	(332)	(299)
Receivables provisions	(981)	(358)
Provisions for inventories, WIP and finished goods	(1,350)	(860)
WIP and finished goods reversals	251	376
Reversals of receivables provisions	365	29
Reversals of operating provisions	174	227
<b>Net provisions for impairment</b>	<b>(1,872)</b>	<b>(885)</b>

F.I.T. and Verseidag recorded depreciation and provisions totaling €1 million during the consolidated period.

## Note 29 - Other recurring income and expenses

€'000	H1 2021	H1 2020
Operating grants	390	323
Gains/(losses) on disposal of assets	(142)	1
Other	(172)	4,450
<b>Other recurring income and expenses</b>	<b>75</b>	<b>4,774</b>

Operating grants cover income relating to the research tax credit.

In 2020, the "Other" line included income of €3.4 million in compensation for loss of revenue and income of €1.3 million in respect of compensation for the reconstitution of fixed assets destroyed during the incident on December 1, 2019.

## Note 30 - Non-recurring operating income and expenses

€'000	H1 2021	H1 2020
Non-recurring operating income and expenses	(293)	-

Non-recurring operating income and expenses mainly comprise non-recurring expenses relating to the implementation of the integration program for companies acquired in 2020, initiated in second half 2020 and continued in first half 2021 in accordance with the integration plan. The expenses relate notably to the costs of production line testing and personnel expenses relating to the departure of employees, net of gains relating to the reduction in pension liabilities.

## Note 31 – Financial income and expenses

	H1 2021	H1 2020
<b>Net cost of debt</b>	<b>(1,510)</b>	<b>(538)</b>
Income from cash and cash equivalents	16	62
Interest expense	(1,168)	(297)
Interest on lease liabilities	(357)	(302)
<b>Other financial income and expenses</b>	<b>(174)</b>	<b>(306)</b>
<b>Net currency gains/(losses)</b>	<b>279</b>	<b>(351)</b>
- USD	257	(81)
- CHF		105
- TWD	(24)	-
- INR	(59)	(168)
- TRY	111	5
- BRL	40	(121)
- Other	(65)	(92)
<b>Change in value of derivative financial instruments</b>	<b>(15)</b>	<b>30</b>
- USD exchange rate	(15)	30
<b>Financial expenses on employee benefits</b>	<b>(9)</b>	<b>(16)</b>
<b>Dividends from non-consolidated entities</b>	<b>6</b>	<b>5</b>
<b>Discounting of liabilities of acquired companies</b>	<b>(270)</b>	
<b>Other</b>	<b>(165)</b>	<b>27</b>
<b>Net financial expense</b>	<b>(1,684)</b>	<b>(844)</b>

The increase in interest expenses on loans and bonds is due to the Group's refinancing arrangements in 2020.

## Note 32 - Tax charge

The notional tax charge is calculated using the French corporate income tax rates of 27.37% for fiscal 2021 and 28.92% for fiscal 2020. This charge is reconciled with the recognized tax charge as follows:

€'000	H1 2021	H1 2020
Net income	9,299	2,652
Offset:		
=> Tax charge	3,064	718
<b>Income before tax</b>	<b>12,364</b>	<b>3,371</b>
<b>French statutory tax rate</b>	<b>27.37%</b>	<b>28.92%</b>
<b>Notional tax charge</b>	<b>3,384</b>	<b>975</b>
Reconciliation		
=> Tax credits	(118)	(122)
=> Tax rate differences - France/other countries	(307)	(89)
=> Permanent differences	109	(11)
=> Other	(4)	(34)
<b>Actual tax charge</b>	<b>3,064</b>	<b>718</b>
<b>Effective tax rate</b>	<b>24.8%</b>	<b>21.3%</b>

CVAE business value added tax has been recognized in "Miscellaneous taxes" under operating income.

## Note 33 – Related party transactions

€'000	June 30, 2021		June 30, 2020	
	Ferrari Participations	Real estate companies	Ferrari Participations	Real estate companies
Operating payables	2,498	1,913	1,389	1,595
Operating receivables	316	59	298	67
Current accounts	5,000	-	2,276	-
Purchases of goods and services	1,753	1,611	1,140	1,327
Sales of goods and services	76	59	75	67

Income recognized corresponds to services rendered under the services agreement whereby Serge Ferrari SAS provides administrative services (assistance in accounting, human resources management and IT services) to other Group entities and companies related to the Group.

Expenses correspond to:

- Ferrari Participations: re-invoicing under the agreement described in Note 22 “Executive remuneration”.
- Real estate companies: rent paid to real estate companies directly or indirectly controlled by the same Ferrari family group, for industrial sites in France.

These agreements were entered into on arm's length terms.

### Note 34 – Off-balance sheet commitments

There was no material change in off-balance sheet commitments during first half 2021 in relation to the commitments presented in the 2020 Universal Registration Document, with the exception of the two items presented below.

LCL bank granted Jagenberg a first demand guarantee on behalf of SergeFerrari Group for the amount of the earn-out set out in the Verseidag group purchase agreement on July 29, 2021 (€4.7 million before price adjustment). In return, Ferrari Participations blocked a current account with LCL for a similar amount of €3.8 million as of December 31, 2020, reduced to €1.5 million as of June 30, 2021 in accordance with the banking documentation signed in 2020.

Serge Ferrari SAS has issued a letter of credit to a fixed asset supplier for an amount payable estimated at €785,000 as of June 30, 2021.

### Note 35 – Impact of purchase price allocation process for companies acquired in 2020

The Group has restated the comparable financial statements for adjustments related to the purchase price allocation for companies acquired in 2020.

Assets - €'000	Note	Dec 31, 2020 reported	PPA for companies acquired in 2020	Dec 31, 2020 restated	Dec 31, 2019
Goodwill	4	34,821	(15,056)	19,765	10,167
Other intangible assets	5	11,663	10,769	22,432	13,596
Property, plant and equipment	6	76,713		76,713	50,382
Other financial assets	7	2,116		2,116	1,274
Deferred tax assets	8	3,836	3,920	7,756	4,049
<b>Total non-current assets</b>		<b>129,149</b>	<b>(368)</b>	<b>128,781</b>	<b>79,469</b>
Inventories and WIP	9	71,705	251	71,956	50,372
Trade receivables	10	46,741		46,741	34,405
Tax receivables	11	1,746		1,746	3,460
Other current assets	12	9,257		9,257	10,009
Cash and cash equivalents	13	45,925		45,925	26,720
<b>Total current assets</b>		<b>175,373</b>	<b>251</b>	<b>175,624</b>	<b>124,966</b>
<b>Total assets</b>		<b>304,523</b>	<b>(116)</b>	<b>304,407</b>	<b>204,435</b>



Liabilities and equity - €'000	Note	Dec 31, 2020 reported	PPA for companies acquired in 2020	Dec 31, 2020 restated	Dec 31, 2019
Capital stock	14	4,920		4,920	4,920
Additional paid-in capital	14	43,868		43,868	43,868
Consolidated reserves and other reserves	14	45,635		45,635	43,111
Net income for the period	14	471	(116)	355	4,826
<b>Total equity, Group share</b>		<b>94,894</b>	<b>(116)</b>	<b>94,778</b>	<b>96,724</b>
Non-controlling interests		6,413		6,413	305
<b>Non-controlling interests</b>		<b>6,413</b>	<b>0</b>	<b>6,413</b>	<b>305</b>
<b>Total equity</b>		<b>101,307</b>	<b>(116)</b>	<b>101,191</b>	<b>97,029</b>
Borrowings and debt	15	87,598		87,598	36,643
Provisions for pensions and similar commitments	16	11,015		11,015	9,601
Deferred tax liabilities	8	289		289	449
Other non-current liabilities	17	25,051		25,051	5,405
<b>Total non-current liabilities</b>		<b>123,954</b>	<b>0</b>	<b>123,954</b>	<b>52,098</b>
Borrowings and bank overdrafts (due in less than 1 yr)	15	24,831		24,831	12,551
Current provisions	18	1,263		1,263	868
Trade payables		26,165		26,165	25,219
Tax payables	11	398		398	321
Other current liabilities	19	26,607		26,607	16,349
<b>Total current liabilities</b>		<b>79,262</b>	<b>0</b>	<b>79,262</b>	<b>55,308</b>
<b>Total liabilities</b>		<b>203,216</b>	<b>0</b>	<b>203,216</b>	<b>107,406</b>
<b>Total liabilities and equity</b>		<b>304,523</b>	<b>(116)</b>	<b>304,407</b>	<b>204,435</b>





€'000	Note	2020 reported	PPA for companies acquired in 2020	2020 restated	2019
<b>Revenues</b>	<b>20</b>	<b>195,301</b>		<b>195,301</b>	<b>189,047</b>
Purchases		(76,094)		(76,094)	(73,598)
Change in inventories		(8,910)	(171)	(9,081)	(1,217)
External expenses	21	(35,695)		(35,695)	(39,431)
Personnel expenses	22	(56,183)		(56,183)	(54,107)
Miscellaneous taxes	23	(2,229)		(2,229)	(2,121)
Total depreciation, amortization and impairment	24	(16,126)		(16,126)	(14,581)
Net provisions for impairment	25	180		180	1,325
Other recurring income and expenses	26	6,526		6,526	2,316
<b>EBIT</b>		<b>6,769</b>	<b>(171)</b>	<b>6,598</b>	<b>7,634</b>
Non-recurring operating income and expenses	27	(2,096)		(2,096)	
<b>Operating income</b>		<b>4,673</b>	<b>(171)</b>	<b>4,502</b>	<b>7,634</b>
Income from cash and cash equivalents		78		78	125
Gross cost of debt		(2,161)		(2,161)	(1,139)
<b>Net cost of debt</b>	<b>28</b>	<b>(2,083)</b>	<b>0</b>	<b>(2,083)</b>	<b>(1,014)</b>
Other financial income and expenses	28	(1,660)		(1,660)	65
<b>Income before tax</b>		<b>931</b>	<b>(171)</b>	<b>760</b>	<b>6,685</b>
Income tax	29	(176)	55	(121)	(1,899)
<b>Income after tax</b>		<b>754</b>	<b>(116)</b>	<b>638</b>	<b>4,786</b>
<b>Total net income</b>		<b>754</b>	<b>(116)</b>	<b>638</b>	<b>4,786</b>
Group share		471	(116)	355	4,826
Non-controlling interests		283		283	(40)
Earnings per share (€)		0.04	(0.01)	0.03	0.41
Diluted earnings per share (€)		0.04	(0.01)	0.03	0.41



Statement of comprehensive income - €'000	2020 reported	PPA for companies acquired in 2020	2020 restated	2019
<b>Total consolidated net income</b>	<b>754</b>	<b>(116)</b>	<b>637.714</b>	<b>4,786</b>
<b>Other comprehensive income:</b>				
Revaluation of liabilities (net of assets) of defined benefit plans	565		565	(3,308)
Net change in financial instruments measured at fair value	178		178	(298)
Income tax	(47)		(47)	621
<b>Subtotal - comprehensive income/(loss) not transferable to earnings</b>	<b>696</b>	<b>0</b>	<b>696</b>	<b>(2,985)</b>
Currency translation differences	(1,704)		(1,704)	<b>547</b>
Hedging instruments	(48)		(48)	-
Income tax	13		13	-
<b>Subtotal - comprehensive income/(loss) transferable to earnings</b>	<b>(1,740)</b>	<b>0</b>	<b>(1,740)</b>	<b>547</b>
<b>Total other comprehensive income/(loss) after tax</b>	<b>(1,044)</b>	<b>0</b>	<b>(1,044)</b>	<b>(2,438)</b>
<b>Total comprehensive income</b>	<b>(289)</b>	<b>(116)</b>	<b>(405)</b>	<b>2,348</b>
Group share	(286)	(116)	(402)	2,364
Non-controlling interests	(3)		(3)	(16)



€'000	Capital stock	Additional paid-in capital	Consolidated net income and reserves	Treasury shares	Other comprehensive income	Total, Group share	Non-controlling interests	Total
<b>Equity at Dec 31, 2018</b>	<b>4,920</b>	<b>43,868</b>	<b>46,156</b>	<b>(4,852)</b>	<b>1,112</b>	<b>91,201</b>	<b>319</b>	<b>91,520</b>
Net income for the period			4,826			4,826	(40)	4,786
Other comprehensive income					(2,461)	(2,461)	23	(2,438)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4,826</b>	<b>-</b>	<b>(2,461)</b>	<b>2,364</b>	<b>(16)</b>	<b>2,348</b>
Parent company dividends			(592)			(592)		(592)
Other items*			3,754	(3)		3,751	2	3,753
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>3,162</b>	<b>(3)</b>	<b>-</b>	<b>3,159</b>	<b>2</b>	<b>3,161</b>
<b>Equity at Dec 31, 2019</b>	<b>4,920</b>	<b>43,868</b>	<b>54,143</b>	<b>(4,854)</b>	<b>(1,349)</b>	<b>96,724</b>	<b>305</b>	<b>97,029</b>
Net income for the period			471			471	283	754
Other comprehensive income					(758)	(758)	(286)	(1,044)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>471</b>	<b>-</b>	<b>(758)</b>	<b>(286)</b>	<b>(3)</b>	<b>(289)</b>
Treasury shares				(92)		(92)		(92)
Parent company dividends			(1,427)			(1,427)		(1,427)
Ch. in conso. scope			-			-	6,111	6,111
Other items			(28)			(28)		(28)
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>(1,455)</b>	<b>(92)</b>	<b>-</b>	<b>(1,547)</b>	<b>6,111</b>	<b>4,563</b>
<b>Equity at Dec 31, 2020 (reported)</b>	<b>4,920</b>	<b>43,868</b>	<b>53,159</b>	<b>(4,946)</b>	<b>(2,107)</b>	<b>94,894</b>	<b>6,413</b>	<b>101,307</b>
<b>Equity at Dec 31, 2019</b>	<b>4,920</b>	<b>43,868</b>	<b>54,143</b>	<b>(4,854)</b>	<b>(1,349)</b>	<b>96,724</b>	<b>305</b>	<b>97,029</b>
Net income for the period			355			355	283	638
Other comprehensive income					(757)	(757)	(286)	(1,043)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>355</b>	<b>-</b>	<b>(757)</b>	<b>(402)</b>	<b>(3)</b>	<b>(405)</b>
Treasury shares				(92)		(92)		(92)
Parent company dividends			(1,427)			(1,427)		(1,427)
Ch. in conso. scope			-			0	6,111	6,111
Other items			(28)			(28)		(28)
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>(1,455)</b>	<b>(92)</b>	<b>-</b>	<b>(1,547)</b>	<b>6,111</b>	<b>4,564</b>
<b>Equity at Dec 31, 2020 (restated)</b>	<b>4,920</b>	<b>43,868</b>	<b>53,043</b>	<b>(4,946)</b>	<b>(2,106)</b>	<b>94,778</b>	<b>6,413</b>	<b>101,191</b>



€'000	2020 reported	PPA for companies acquired in 2020	2020 restated	2019
Total consolidated net income	754	(116)	638	4,786
<b>Consolidated net income from continuing activities</b>	<b>754</b>	<b>(116)</b>	<b>637.714</b>	<b>4,786</b>
Depreciation, amortization and impairment (Note 24)	17,461		17,461	14,581
Provisions (Note 25)	46		46	(1,325)
Pension provisions	414		414	171
Gains/losses on disposal	196		196	-
Other non-cash income and expenses	216		216	(88)
<b>Free cash flow after net cost of debt</b>	<b>19,088</b>	<b>(116)</b>	<b>18,972</b>	<b>18,125</b>
Net cost of debt (Note 28)	2,083		2,083	1,014
<b>Free cash flow before net cost of debt</b>	<b>21,171</b>	<b>(116)</b>	<b>21,055</b>	<b>19,139</b>
Tax expense	176	(55)	121.453	1,899
<b>Free cash flow</b>	<b>21,347</b>	<b>(171)</b>	<b>21,176</b>	<b>21,038</b>
Tax paid	(772)		(772)	(2,266)
Change in operating working capital	6,022	171	6,193	2,652
<b>Subtotal - Change in operating working capital</b>	<b>1,732</b>	<b>171</b>	<b>1,903</b>	<b>2,621</b>
of which Change in trade receivables	986		986	2,568
of which Change in inventories	8,160	171	8,331	900
of which Change in trade payables	(7,414)		(7,414)	(847)
<b>Subtotal - Change in non-operating working capital</b>	<b>4,289</b>	<b>0</b>	<b>4,289</b>	<b>31</b>
of which Change in other receivables	5,066		5,066	(2,087)
of which Change in other payables	(476)		(476)	2,118
<b>Net cash flow from operating activities</b>	<b>26,897</b>	<b>0</b>	<b>26,897</b>	<b>21,424</b>
Acquisition of PP&E and intangible assets (Notes 5 and 6)	(7,927)		(7,927)	(8,366)
Earn-out payments indexed to performance of acquired companies	0		0	(1,362)
Payments received from disposal of PP&E and intangible assets (Notes 5 and 6)	233		233	285
Payments received from disposal of financial assets	68		68	-
Dividends received	0		0	88
Change in consolidation scope	(35,549)		(35,549)	-
<b>Net cash flow from investing activities</b>	<b>(43,175)</b>	<b>0</b>	<b>(43,175)</b>	<b>(9,355)</b>
New borrowings (Note 15)	65,216		65,216	-
Borrowings repaid (Note 15)	(26,800)		(26,800)	(7,051)
of which Payment of lease liabilities	(6,338)		(6,338)	(5,736)
Net interest paid (Note 28)	(1,695)		(1,695)	(937)
Dividends paid	(388)		(388)	(597)
Factoring (Note 15)	(2,099)		(2,099)	(343)
Other cash flows from financing activities (Note 12)	1,869		1,869	(1,832)
Purchase of treasury shares	(92)		(92)	-
<b>Net cash flow from financing activities</b>	<b>36,011</b>	<b>0</b>	<b>36,011</b>	<b>(10,760)</b>
<b>Impact of changes in foreign exchange rates</b>	<b>(278)</b>		<b>(278)</b>	<b>47</b>
<b>Change in cash and cash equivalents</b>	<b>19,455</b>	<b>0</b>	<b>19,455</b>	<b>1,356</b>
Opening cash and cash equivalents (Note 13)	26,720		26,720	25,113
Bank overdrafts at start of period (Note 15)	(250)		(250)	-
<b>Net cash at start of period</b>	<b>26,470</b>	<b>0</b>	<b>26,470</b>	<b>25,113</b>
Closing cash and cash equivalents (Note 13)	45,925		45,925	26,720
Bank overdrafts at end of period (Note 15)	0		0	(250)
<b>Net cash at end of period</b>	<b>45,925</b>	<b>0</b>	<b>45,925</b>	<b>26,470</b>
<b>Change in cash and cash equivalents</b>	<b>19,455</b>	<b>0</b>	<b>19,455</b>	<b>1,357</b>



## Goodwill - €'000

	Dec 31, 2020 reported	PPA for companies acquired in 2020	Dec 31, 2020 restated	Dec 31, 2019
Innovative composite materials and accessories	34,821	(15,056)	19,765	10,167

€'000	Dec 31, 2019	Acq.	Disposals	Increases	Changes in exchange rates	Ch. in conso. scope	Reclassification and retirement	Dec 31, 2020 reported	PPA for companies acquired in 2020	Dec 31, 2020 restated
R&D costs	14,565	1,477	(204)	-	16	-	(180)	15,674		15,674
Concessions, patents & similar rights	554	17	-	-	-	50	-	621		621
Intangible assets in progress	16	129	(8)	-	-	8	(9)	136		136
Trademark, customers	2,934	-	-	-	(40)	-	-	2,894	10,769	13,663
Right-of-use assets - Software	1,167	71	-	-	-	-	-	1,238		1,238
Other intangible assets	13,211	90	-	-	(31)	381	49	13,700		13,700
<b>Total intangible assets</b>	<b>32,447</b>	<b>1,783</b>	<b>(212)</b>	<b>-</b>	<b>(55)</b>	<b>439</b>	<b>(139)</b>	<b>34,263</b>	<b>10,769</b>	<b>45,032</b>
R&D costs amortization/impairment	(7,169)	-	-	(1,728)	(5)	-	-	(8,902)		(8,902)
Concessions, patents & similar rights amortization/impairment	(250)	-	-	(95)	-	-	-	(345)		(345)
Customers amortization/impairment	(547)	-	-	(268)	11	-	-	(804)		(804)
Amort. of right-of-use assets - Software	(317)	-	-	(333)	-	-	-	(649)		(649)
Other intangible assets amortization/impairment	(10,569)	-	-	(1,341)	5	4	-	(11,902)		(11,902)
<b>Total intangible assets amortization/impairment</b>	<b>(18,852)</b>	<b>-</b>	<b>-</b>	<b>(3,764)</b>	<b>10</b>	<b>4</b>	<b>-</b>	<b>(22,602)</b>	<b>0</b>	<b>(22,602)</b>
<b>Total net book value</b>	<b>13,595</b>	<b>1,783</b>	<b>(212)</b>	<b>(3,764)</b>	<b>(45)</b>	<b>442</b>	<b>(139)</b>	<b>11,663</b>	<b>10,769</b>	<b>22,432</b>

€'000	Dec 31, 2020 reported	PPA for companies acquired in 2020	Dec 31, 2020 restated	Dec 31, 2019
Deferred tax assets related to employee benefits	1,632		1,632	1,432
Tax losses carried forward	2,041	4,000	6,041	1,079
Elimination of intercompany gains and losses	604		604	551
Research tax credit adjustment	220		220	428
Change in fair value of interest rate and currency hedges	13		13	-
Asset revaluation - first-time consolidation of acquired company	(668)	(80)	(748)	(584)
Temporary differences	(296)		(296)	693
<b>Total net deferred tax</b>	<b>3,547</b>	<b>3,920</b>	<b>7,467</b>	<b>3,600</b>

€'000	Dec 31, 2020 reported			PPA for companies acquired in 2020	Dec 31, 2020 restated	
	Gross	Provisions	Net		Gross	Net
Raw materials, supplies and other	15,751	(358)	15,394		15,751	15,394
Work in progress	426		426		426	426
Finished goods and components	54,410	(4,042)	50,368	251	54,661	50,619
Goods for resale	5,558	(40)	5,518		5,558	5,518
<b>Total inventories</b>	<b>76,144</b>	<b>(4,439)</b>	<b>71,705</b>	<b>251</b>	<b>76,395</b>	<b>71,956</b>

€'000	2020 reported	PPA for companies acquired in 2020	2020 restated	2019
Net income	754	(116)	638	4,786
Offset:				
=> Tax charge	176	(55)	121	1,899
<b>Income before tax</b>	<b>930</b>	<b>(171)</b>	<b>759</b>	<b>6,685</b>
<b>French statutory tax rate</b>	<b>28.92%</b>	<b>28.92%</b>	<b>28.92%</b>	<b>32.02%</b>
<b>Notional tax charge</b>	<b>269</b>	<b>(49)</b>	<b>220</b>	<b>2,141</b>
Reconciliation				
=> Tax credits	(287)		(287)	(285)
=> Tax rate differences - France/other countries	30	(6)	24	(31)
=> Permanent differences	22		22	(16)
=> Other	142		142	91
<b>Actual tax charge</b>	<b>176</b>	<b>(55)</b>	<b>121</b>	<b>1,899</b>
<b>Effective tax rate</b>	<b>18.90%</b>		<b>15.89%</b>	<b>28.40%</b>



**Serge Ferrari Group**  
**Statutory Auditors' Report on the half-year financial report**

**Period from January 1 to June 30, 2021**



## **SergeFerrari Group**

Headquarters: Zone Industrielle la Tour-du-Pin 38110 Saint-Jean-de-Soudain

### **Statutory Auditors' Report on the half-year financial report**

January 1 - June 30, 2021

To the Shareholders of SergeFerrari Group SA,

Pursuant to our engagement by your shareholders' General Meeting and in application of Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- performed a limited review of the SergeFerrari Group condensed consolidated financial statements covering the period from January 1 to June 30, 2021, as attached hereto;
- verified the information given in the half-year activity report.

The global crisis related to the COVID-19 pandemic has resulted in particular conditions for the preparation and limited review of the condensed interim consolidated financial statements. Indeed, this crisis and the exceptional measures implemented as part of the state of health emergency have had numerous consequences for companies, particularly for their business and financing, besides increasing uncertainty regarding the outlook for the future. Some of these measures, such as travel restrictions and remote work, have also impacted companies' internal organization and the procedures for conducting our work.

The half-year condensed consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our responsibility is to express our opinion on these financial statements on the basis of our limited review.

#### **I - Opinion on the financial statements**

We have conducted our limited review in accordance with professional standards applicable in France.

A limited review consists primarily of making inquiries of management responsible for accounting and financial matters and applying analytical procedures. The work is of limited scope compared to the work required for an audit performed in accordance with auditing standards applicable in France. Accordingly, the assurance under a limited review that the financial statements, taken as a whole, are free from material misstatement, is moderate and less than that provided by an audit.

On the basis of our limited review, we did not identify any material misstatements that may suggest that the interim financial information in the half-year condensed consolidated financial statements does not comply with IAS 34 - Interim Financial Reporting, as adopted by the European Union.





## II – Specific testing

We have also verified the information provided in the half-year activity report commenting on the half-year condensed consolidated financial statements on which we performed our limited review.

We have no comments on the report's fairness and its consistency with the half-year condensed consolidated financial statements.

Lyon, September 6, 2021

KPMG Audit  
*KPMG S.A. dept.*

Sara Righenzi de Villers  
*Partner*

Lyon, September 6, 2021

Grant Thornton  
*French member of Grant Thornton International*

Frédéric Jentellet  
*Partner*