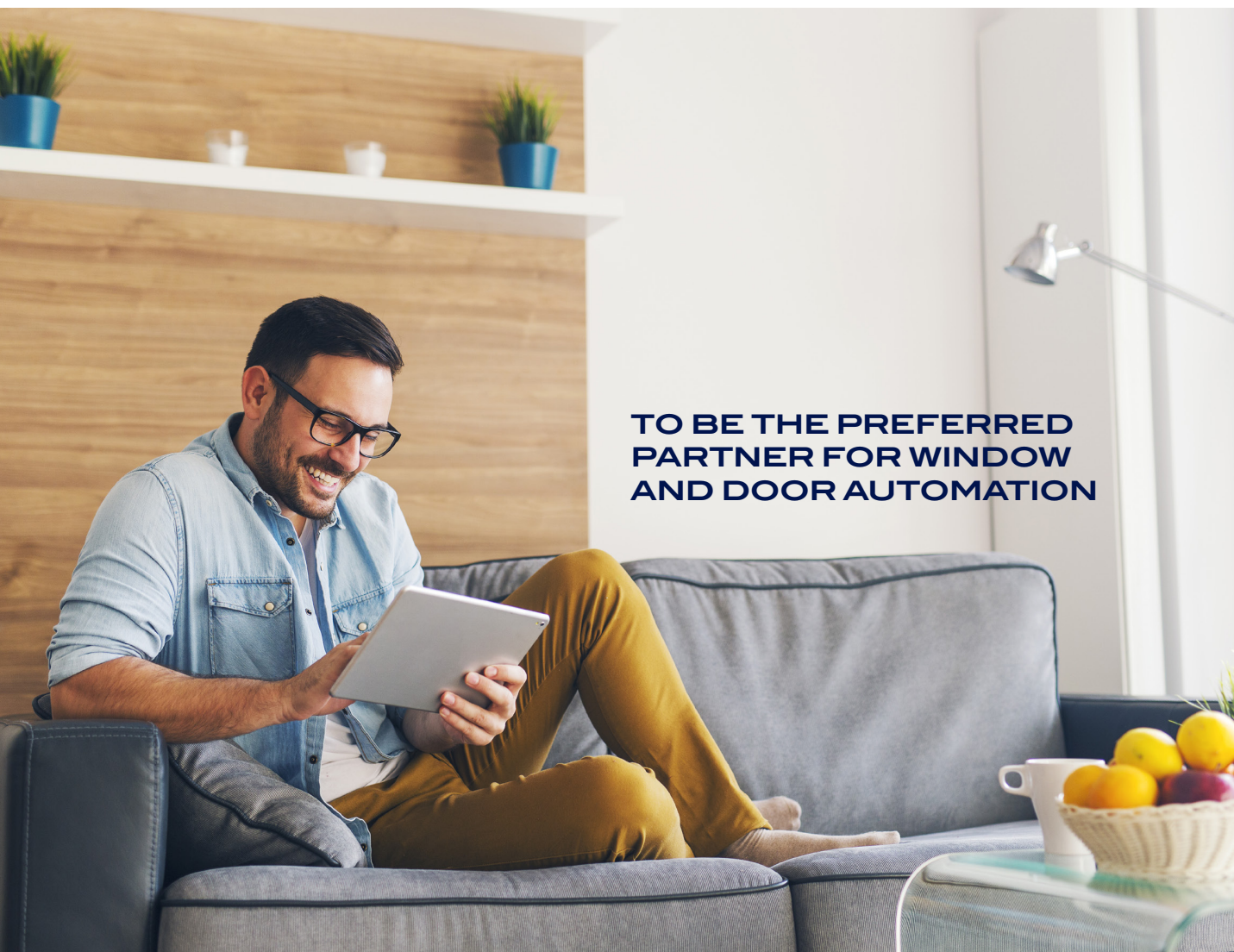


LIVING SOMFY

HALF-YEAR FINANCIAL
REPORT 2020



TO BE THE PREFERRED
PARTNER FOR WINDOW
AND DOOR AUTOMATION

SOMFY 

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2020 HALF-YEAR BUSINESS REPORT

KEY FIGURES

€ millions	30/06/20	30/06/19	% change
Sales	568.9	615.1	-7.5%
Current operating result	102.6	114.9	-10.7%
Consolidated net profit	80.9	91.2	-11.3%
Net investments in intangible assets and property, plant and equipment	22.5	24.3	-7.5%
New rights-of-use assets	7.5	14.1	-46.7%
Cash flow	117.7	117.4	+0.2%
Net financial debt	-325.6	-174.7	—

(-) Net financial surplus.

Founded in France in 1969, and today operating in 58 countries, Somfy is the global leader in opening and closing automation for both residential and commercial buildings.

A pioneer in the connected home, the Group is constantly innovating to guarantee comfort, wellbeing and security in the home and is fully committed to promoting sustainable development.

For 50 years, Somfy has been using automation to improve living environments and has been committed to creating reliable and sustainable solutions, which help promote better living and wellbeing for all.

SALES GROWTH BY CUSTOMER LOCATION

Group sales totalled €568.9 million for the first six months of the financial year, a decline of 7.5% (down 7.2% on a like-for-like basis) compared with the same period last year. It recorded an increase of 2.9% over the first quarter (up 2.8% on a like-for-like basis), to €291.3 million, and a fall of 16.4% over the second quarter (down 15.7% on a like-for-like basis), to €277.6 million.

The health crisis resulting from the spread of Covid-19 explains the change recorded between the two quarters and similarly conceals the very positive start to the year seen in a majority of countries (up 11.1% on a like-for-like basis over the two months to end February). The pandemic has disrupted procurement and distributions channels, as well as the production chain, since the

Group had to close the majority of its manufacturing sites⁽¹⁾ for several weeks, in order to comply with administrative guidelines and to protect employees and the various partners.

In descending order, the most heavily impacted regions have been Southern Europe (down 22.1% on a like-for-like basis over the half-year), France (down 17.2%), Latin America (down 16.3%), Africa & the Middle East (down 13.6%), Asia-Pacific (down 10.3%), North America (down 9.3%) and Northern Europe (down 3.3%).

The other territories, namely Central and Eastern Europe, have been less impacted, due in particular to the different evolution of the pandemic, and continued to post positive growth (up 6.7% and 19.7% respectively on a like-for-like basis over the six months), thereby reflecting the vitality of their markets.

The impact of the crisis was particularly evident at the start of the second quarter, when the low point was reached, before easing significantly thereafter (down 45.4% in April and 20.3% in May, and then up 19.9% on a like-for-like basis in June).

All regions – with the exception of Latin America, which continues to be impacted due to the pandemic arriving there later – began their recovery midway through the second quarter, ending the half-year on an upward trend, significantly so in the case of Eastern Europe, France, Central Europe, Northern Europe and North America.

Sales of the equity-accounted subsidiary Dooya totalled €83.2 million over the period, a decline of 4.8% (down 3.8% on a like-for-like basis, comprising a drop of 17.0% over the first quarter and an increase of 8.4% over the second). Sales also fell in China, a country hit hard by the virus at the start of the year (down 15.7% on a like-for-like basis), but grew in the rest of the World (up 5.9%).

CHANGE IN CURRENT OPERATING RESULT

Current operating result stood at €102.6 million over the half-year, down 10.7% year on year, and represented 18.0% of sales.

The decline was due to the fall in sales caused by the health crisis at one of the key points of the year⁽²⁾. This crisis led to a shortfall in earnings due to lost sales, and caused disruption to the production and supply chains as a result of the temporary closure of several manufacturing sites. Its impact has, however, been partially offset by the savings made, notably in consultancy fees, marketing and travel, thanks to the measures undertaken at the first signs of the crisis.

(1) The Group suspended its operations at its production sites in Cluses and Gray, France; Galliera and Schio, Italy; and Zaghuan, Tunisia, between the end of March and mid-April.

(2) The second quarter is usually the most important, notably due to the seasonality of sales of awnings. It accounted for 54% of first-half sales last year compared with 49% this year, and for 28% of full-year sales.

The costs incurred by the protective measures have not had any material impact on the financial statements, even though the safety of employees and compliance with guidelines from the administrative authorities have been a priority, as well as the safeguarding of jobs. The impact of external support has also been marginal, since the Group has only made very limited use of it in some countries (excluding France).

CHANGE IN NET PROFIT

Consolidated net profit totalled €80.9 million, a decrease of 11.3%. It was reduced by a small net financial expense and benefited from a fall in corporation tax that was slightly higher than the fall in profits.

NET FINANCIAL DEBT

Shareholders' equity grew from €1,012.8 to €1,044.4 million over the half year, and the net financial surplus increased from €310.5 to €325.6 million.

The continued strength of the financial position was due to the high level of cash flow and a healthy level of working capital requirements, the result of the close monitoring of customer receivables and the clearance of products supplied to customers. Another positive is that €184.0 million in undrawn credit facilities remained available.

ALTERNATIVE PERFORMANCE MEASURES

The N/N-1 change on a like-for-like basis, current operating margin and net financial debt are Alternative Performance Measures (APMs), definitions and calculation details of which are included in note 5.3 of the notes to the consolidated financial statements.

OUTLOOK

The recovery seen at the end of the first half-year has continued over the summer in parallel with sales catching up and the replenishment of inventories in use at customer premises.

Nevertheless, both the deteriorated economic climate and the uncertain evolution of the health crisis dictate caution over the coming months and quarters, without however calling into question the Group's fundamentals, as demand for comfort in the home and the energy performance of buildings should emerge stronger from this difficult period.

As a result, the outlook communicated for the year oscillate between two points, corresponding to, firstly, a new, controlled, wave of the Covid pandemic, and secondly, to a lasting respite in the said pandemic, and as such anticipate a fall in sales of between 0 and 3% on a like-for-like basis and a current operating margin of between 15 and 17%.

In addition to maintaining profitability and financial equilibrium, the priorities remain ensuring customer satisfaction, with a special focus on service, and the health of employees.

HIGHLIGHTS

COVID-19 HEALTH CRISIS

DEVELOPMENT OF THE CRISIS

The Covid-19 virus first appeared in **late 2019** in Wuhan, China, and spread rapidly around the world. The operations of the subsidiaries Dooya and Lian Da were disrupted in February 2020.

As of **4 March 2020** (publication of the results for the 2019 financial year), the epidemic remained localised in Asia, primarily in China.

On **11 March 2020**, the WHO declared the situation caused by Covid-19 as a pandemic and lockdown measures were implemented in numerous countries – the crisis became global.

On **23 March 2020**, Somfy announced the temporary suspension of operations at its French, Italian and Tunisian production sites, as well as at its logistics site in Bonneville, France, in order to protect the health of its employees in the face of the Covid-19 pandemic and to respond to the measures taken by the local authorities of the sites concerned. Temporary remote working measures were introduced to ensure continuity of service for the Group's customers and service providers.

The introduction of a safety protocol and the strengthening of protective measures allowed the Group, on **21 April 2020**, to announce the partial and gradual restart of operations at the sites where they had been temporarily suspended. The Group later reviewed its position as the health and safety conditions changed.

The production site in Poland continued to operate, as did the Chinese sites after an interruption in February. They are subject to the daily monitoring and assessment of their respective situations.

On **13 May 2020**, Somfy announced it would not be making use of the furlough schemes and various types of assistance offered by the French government, and various social measures, in order to respond to the current situation in both a positive and constructive manner. Use of governmental assistance in countries other than France has remained marginal.

The Group has also strengthened its initiatives to support charities and regional communities through the donation of equipment to help combat the pandemic and to support emergency projects to help the homeless and victims of social exclusion.

The General Meeting of Shareholders initially scheduled for 13 May 2020 was held on **24 June 2020** behind closed doors. The dividend amount paid in respect of the 2019 financial year was announced on 4 March 2020, and subsequently revised downwards.

Since mid-May, the health situation seems to have improved. Nevertheless, the Group remains very cautious and the safety protocols and protective measures continue to be applied, allowing it to gradually return to normal levels of production.

IMPACTS FOR SOMFY

It is difficult to accurately measure the impacts related to the Covid-19 crisis, since they are dispersed throughout the income statement. The impacts of the crisis are not linear and the effects on the first half-year do not allow conclusions to be drawn on the potential full-year effects. Nevertheless, the gaps in performance seen over the first half-year are primarily due to the health crisis. It may be noted that sales growth in recent years has been 6% on average.

For the six months to 30 June 2020, Group sales fell 7.2% on a like-for-like basis in relation to the same period of 2019. At the end of February 2020, it was up 11.1% cumulatively on a like-for-like basis, and fell 26.1% over the March-May period, mainly as a result of the health crisis, and then increased 19.9% in June. The fall in sales over the half-year had a knock-on effect on current operating result (18.0% of sales in 2020 against 18.7% in 2019). Costs related to the introduction of protective measures remained non-material. Net financial expense was impacted by the foreign exchange impact related to fluctuations in currencies under great pressure during the pandemic (BRL).

Indicators of impairment (temporary shutdowns of factories and a reduction in activity) emerged following the crisis and led the Group to carry out impairment tests according to the methodology set out in note 6.1.2. Excluding the residual goodwill impairment of iHome (€0.7 million as of 30 June 2020), these tests did not result in the recognition of other impairments.

The Group also conducted a review of the main isolated intangible asset and property, plant and equipment items, trade receivables and inventory, which did not result in any significant impairment in connection with the crisis.

RECOVERY SCENARIO

After several months of disruption, the Group has seen a significant upturn in sales since mid-May, which was confirmed in June and at the start of the third quarter. The second half-year should be up compared to 2019 without however significantly recouping the loss in sales seen over the first six months (estimated annual decline in sales of between 0 and 3% on a like-for-like basis) and the Group's organic growth should return to normal levels in 2022.

2020 current operating margin will most certainly be deteriorated in relation to 2019 despite the cost cutting measures implemented (recruitment freeze, postponement and discontinuation of certain projects, reduction in marketing expenditure and travel expenses, etc.), resulting in a current operating margin of between 15 and 17%. A return to pre-crisis levels should also take place in 2022 or 2023.

The current environment is highly uncertain, and the above assumptions represent the Group's current scenario. They are likely to change in line with the health and economic situation.

INFORMATION ON RISKS

The Covid-19 health crisis does not call into question the Group's business model or its fundamentals, but does compel it to adapt its processes. The risk mapping is updated regularly and will be adapted in line with the feedback relating to the management of the crisis, in particular, the introduction of rapid and tailored measures to protect its employees when epidemiological crises occur.

The assessment of risks related to currency, raw materials, liquidity and credit has not changed since 31 December 2019. Currency and raw material hedging have been adapted in line with the forecasts for the second half-year. The Group has €184 million in confirmed and undrawn credit facilities and is not in breach of any covenants. It will be in a position to meet its maturities over the next 12 months.

NEW ORGANISATIONAL STRUCTURE

The building industry is undergoing profound transformations with accelerated digitalisation, the need for greater energy efficiency, ever shorter innovation cycles and more. These are all challenges that Somfy has begun to tackle thanks to its Believe & Act strategic plan first implemented in 2017 but now need to take a step further.

The current organisation, whose foundations date back to 2004, has enabled the Group to expand its range of applications, becoming a pioneer of smart home solutions and expanding its geographical presence. After a decade of strong and profitable growth and progress in its main market segments, Somfy aims to accelerate in order to continue establishing its leadership in its markets.

In order to meet these challenges, on 1 January 2020 the Group has set up a new organisation guided by three major principles: a **function-based architecture** to support the Group's development; a **customer-centric organisation** with reduced interfaces to facilitate decision-making and optimise resource allocation; and finally a strong focus on the **digitalisation of its products, customer relations and operations**.

The first definitive act of this change is the appointment of a new Executive Committee, along with the creation of a Strategy & Insight Division, the reorganisation of the three activities that are Home & Building, Access and Connected Solutions into three Divisions: Products & Services, Engineering & Customer Satisfaction, and Operations & Supply Chain. Finally, the sales

subsidiaries will be split into two new geographical areas, for greater transversality.

In addition to the new organisation, the Executive Committee – under the supervision of Jean Guillaume Despature, Chairman of the Management Board – will work on defining and implementing a new, three-year strategic plan, based on the achievements brought by the Believe & Act plan.

The roll-out of this new organisation has not been delayed by the health crisis.

CHANGES TO THE CONSOLIDATION SCOPE

There were no major changes to the consolidation scope during the first half of 2020.

CONTINGENT LIABILITIES

The Court of Appeal of Chambéry issued its ruling on 21 May 2019 on the dispute between **Spirel** employees and **Somfy SA**. The claims of the employees in respect of the alleged deliberate bankruptcy of Spirel and the non-material damage caused as a result of anxiety, disappointment and vexation were judged inadmissible, thereby confirming the April 2017 ruling of the High Court of Albertville. The employees filed an appeal in cassation in August 2019.

It should be noted that their claims for damages totalled €8.2 million. The liquidator of the company Spirel had also sought to have Somfy SA ordered to refund advances of €2.9 million paid by the AGS (Guarantee Fund for the Payment of Salary Claims) in the event the disposal was declared null and void.

Proceedings before the Labour Court – dismissed in 2016 and 2018 and involving the employees contesting the grounds for their dismissal and claiming damages of a substantially similar amount to that sought before the Court of Appeal – are still ongoing.

These factors do not alter the Group's risk evaluation. Consequently, it continues to qualify these risks as contingent liabilities and no provision was thus recognised in relation to these disputes at 30 June 2020.

On 5 January 2015, **Somfy SA** transferred its 46.1% direct and indirect equity investment in the share capital of CIAT Group to **United Technologies Corporation**. On 31 March 2016, United Technologies Corporation filed a complaint against the sellers of the CIAT shares under the liability guarantee for a total of €28.6 million (Somfy's share being €13.2 million). The Group considers these requests to be unfounded, and insufficiently detailed and justified. In mid-November 2017, UTC brought an action against the sellers before the Paris Commercial Court for the liability guarantee. Proceedings before the Commercial Court and the Court of Appeal are ongoing.

As the proceedings and the documentation provided by UTC currently stand, the Group continues to contest the entirety of UTC's claims and remains confident regarding the outcome of this dispute. It has qualified the risk as a contingent liability and no provision was therefore recognised at 30 June 2020.

At 30 June 2020, Somfy SA's financial statements include a receivable for deferred settlement in relation to the sale of the CIAT shares for the sum of €9.7 million. In early July 2017, Somfy SA and the other sellers brought an action against UTC before the Paris Commercial Court seeking the fulfilment of the acquisition contract and the settlement of the deferred payments falling due. These proceedings are still ongoing. Somfy SA remains confident regarding the settlement of these sums and therefore no writedown in relation to these receivables was recognised at 30 June 2020.

POST BALANCE-SHEET EVENT

No significant post-balance sheet event has occurred since 30 June 2020.

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2020 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€ thousands	Notes	30/06/20 6 months	30/06/19 6 months
Sales	(5.1)	568,893	615,118
Other operating income		11,271	8,654
Cost of sales		-202,414	-221,811
Employee expenses		-178,605	-182,212
External expenses		-65,110	-77,563
EBITDA		134,036	142,187
Amortisation and depreciation charges	(6.2) & (6.3)	-28,817	-27,329
Charges to/reversal of current provisions		-2,482	153
Gains and losses on disposal of non-current operating assets		-114	-84
CURRENT OPERATING RESULT		102,623	114,927
Other operating income and expenses	(5.2)	-96	60
Goodwill impairment	(5.2) & (6.1.1)	-736	-710
OPERATING RESULT		101,792	114,277
– Financial income from investments		552	604
– Financial expenses related to borrowings		-1,481	-1,678
Cost of net financial debt		-929	-1,074
Other financial income and expenses		-3,038	-824
NET FINANCIAL EXPENSE	(8.1)	-3,967	-1,898
PROFIT BEFORE TAX		97,825	112,379
Income tax	(12)	-18,329	-22,524
Share of net profit/(loss) from associates	(13.1)	1,414	1,333
CONSOLIDATED NET PROFIT		80,909	91,187
Attributable to Group share		80,910	91,205
Attributable to Non-controlling interests		-1	-18
Basic earnings per share (€)	(7.2)	2.35	2.65
Diluted earnings per share (€)	(7.2)	2.35	2.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ thousands	30/06/20	30/06/19
Consolidated net profit	80,909	91,187
Movement in gains and losses on translation of foreign currency	-7,135	1,665
Movement in fair value of foreign currency hedges	261	-196
Movement in tax on items that may be reclassified to profit or loss	-67	67
Items that may be reclassified to profit or loss	-6,941	1,536
Revaluation of net liabilities of defined benefit plans	—	-1,563
Movement in tax on items that will not be reclassified to profit or loss	—	538
Items that will not be reclassified to profit or loss	—	-1,025
Items of other comprehensive income	-6,941	511
Total comprehensive income for the period	73,968	91,698
Attributable to Group share	73,969	91,716
Attributable to Non-controlling interests	-1	-18

CONSOLIDATED BALANCE SHEET – ASSETS

€ thousands	Notes	30/06/20 Net	31/12/19 Net
Non-current assets			
Goodwill	(6.1.1)	94,482	95,553
Net intangible assets	(6.2)	43,052	39,219
Net property, plant and equipment	(6.3)	290,044	297,314
Investments in associates and joint ventures	(13.1)	136,988	136,549
Financial assets	(8.2.1)	4,586	4,216
Other receivables	(5.5.1)	17	36
Deferred tax assets		22,925	25,305
Employee benefits		673	683
Total Non-current assets		592,768	598,875
Current assets			
Inventories	(5.4)	165,415	169,596
Trade receivables		177,985	138,035
Other receivables	(5.5.2)	27,336	35,833
Current tax assets		21,329	27,724
Financial assets	(8.2.1)	514	477
Derivative instruments - assets		1	160
Cash and cash equivalents		442,930	387,547
Total Current assets		835,511	759,371
TOTAL ASSETS		1,428,279	1,358,246

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

€ thousands	Notes	30/06/20	31/12/19
Shareholders' equity			
Share capital		7,400	7,400
Share premium		1,866	1,866
Other reserves		954,198	840,282
Net profit for the period		80,910	163,227
Group share		1,044,374	1,012,775
Non-controlling interests		73	74
Total Shareholders' equity		1,044,446	1,012,849
Non-current liabilities			
Non-current provisions	(10.1.1)	8,801	8,548
Other financial liabilities	(8.2.2)	49,229	45,030
Other liabilities		1,155	1,296
Employee benefits		31,971	30,507
Deferred tax liabilities		16,411	16,240
Total Non-current liabilities		107,566	101,622
Current liabilities			
Current provisions	(10.1.2)	12,221	11,253
Other financial liabilities	(8.2.2)	68,290	32,267
Trade payables		90,398	90,003
Other liabilities		94,076	102,462
Tax liabilities		11,193	7,281
Derivative instruments - liabilities		89	511
Total Current liabilities		276,267	243,776
TOTAL EQUITY AND LIABILITIES		1,428,279	1,358,246

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ thousands	Share capital*	Share premium	Treasury shares	Changes in foreign exchange rates	Consolidated reserves	Total share-holders' equity	Non-controlling interests	Total equity (Group share)
AT 31 DECEMBER 2019	7,400	1,866	-98,054	-2,128	1,103,765	1,012,849	74	1,012,775
Total comprehensive income for the period	—	—	—	-7,135	81,103	73,968	-1	73,969
Treasury share transactions	—	—	-167	—	1,068	901	—	901
Dividends	—	—	—	—	-42,976	-42,976	—	-42,976
Other movements**	—	—	—	—	-296	-296	—	-296
AT 30 JUNE 2020	7,400	1,866	-98,221	-9,263	1,142,664	1,044,446	73	1,044,374
AT 31 DECEMBER 2018	7,400	1,866	-99,256	-5,083	989,466	894,394	64	894,329
Total comprehensive income for the period	—	—	—	1,665	90,033	91,698	-18	91,716
Treasury share transactions	—	—	679	—	942	1,621	—	1,621
Dividends	—	—	—	—	-48,094	-48,094	—	-48,094
Other movements**	—	—	—	—	-66	-66	24	-90
AT 30 JUNE 2019	7,400	1,866	-98,577	-3,418	1,032,282	939,553	70	939,483

* Share capital comprises 37,000,000 shares with a par value of €0.20 each.

** Other movements include changes to the consolidation scope, exchange rate differences on transactions involving the share capital, as well as liabilities and subsequent changes in liabilities corresponding to put options granted to holders of non-controlling interests. This item also includes the reclassification in "Equity - Group share" of the portion of comprehensive income attributable to non-controlling interests covered by a put option.

Liabilities corresponding to put options granted to holders of non-controlling interests is recognised in consideration for the non-controlling interests that are the subject of the put option, and for Group Equity, where the balance is concerned. Subsequent changes in liabilities are recognised under "Equity - Group share".

CONSOLIDATED CASH FLOW STATEMENT

€ thousands	Notes	30/06/20 6 months	30/06/19 6 months
Consolidated net profit		80,909	91,187
Depreciation and amortisation of assets (excluding current assets)		27,638	28,135
Charges to/reversals of provisions for liabilities		303	19
Unrealised gains and losses related to fair value movements		-301	82
Unrealised foreign exchange gains and losses		5,828	-1,962
Income and expenses related to stock options and employee benefits		3,460	2,908
Depreciation, amortisation, provisions and other non-cash items		36,928	29,181
Profit on disposal of assets and others		109	84
Share of net profit/(loss) from associates		-1,409	-1,333
Deferred tax expense		1,122	-1,708
Cash flow		117,659	117,412
Cost of net financial debt (excluding non-cash items)		929	1,074
Tax expense (excluding deferred tax)		17,207	24,231
Change in working capital requirements	(9.2)	-38,971	-53,130
Tax paid		-6,810	-10,220
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		90,013	79,366
Acquisition-related disbursements:			
– intangible assets and property, plant and equipment		-22,679	-24,463
– non-current financial assets		-577	-350
Disposal-related proceeds:			
– intangible assets and property, plant and equipment		193	159
Change in current financial assets		346	1,169
Acquisition of companies, net of cash acquired	(8.2.2)	-769	-869
Interest received		426	360
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		-23,061	-23,995
Increase in loans	(8.2.2)	205	2
Repayment of borrowings and lease liabilities	(8.2.2)	-7,326	-7,067
Dividends and interim dividends paid*		—	-48,094
Movement in treasury shares		-187	919
Interest paid		-1,481	-1,685
NET CASH FLOW FROM FINANCING AND CAPITAL ACTIVITIES (C)		-8,788	-55,924
Impact of changes in foreign exchange rates on cash and cash equivalents (D)		-2,383	1,443
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)		55,781	890
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	(9.1)	386,190	253,413
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(9.1)	441,971	254,304

* €43 million in dividends was paid on 2 July 2020 due to the postponement of the Annual General Meeting until the end of June.

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29 NOTE 13 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AND RELATED PARTIES

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- 29 Note 13.2 Related parties

30 NOTE 14 LIST OF CONSOLIDATED ENTITIES

Somfy SA is a company governed by a Management Board and a Supervisory Board, listed on Euronext Paris (Compartment A, ISIN code: FR0013199916). Founded in France in 1969, and today operating in 58 countries, Somfy is the global leader in opening and closing automation for both residential and commercial buildings. A pioneer in the connected home, the Group is constantly innovating to guarantee comfort, wellbeing and security in the home and is fully committed to promoting sustainable development. For 50 years, Somfy has been using automation to improve living environments and has been committed to creating reliable and sustainable solutions, which help promote better living and wellbeing for all. The head office is based in Cluses, Haute-Savoie, France. Somfy SA is a 52.65%-owned subsidiary of the French company J.P.J.S.

The **Group's** condensed consolidated IFRS financial statements for the half-year ended 30 June 2020 were prepared by the Management Board on 31 August 2020. At its meeting of 9 September 2020, the Supervisory Board, following verification and review, did not issue any observations and duly authorised their publication. Total assets were €1,428,279 thousand and consolidated net profit €80,909 thousand (Group share: €80,910 thousand).

NOTE 1 HIGHLIGHTS

NOTE 1.1 COVID-19 HEALTH CRISIS

Development of the crisis

The Covid-19 virus first appeared in **late 2019** in Wuhan, China, and spread rapidly around the world. The operations of the subsidiaries Dooya and Lian Da were disrupted in February 2020.

As of **4 March 2020** (publication of the results for the 2019 financial year), the epidemic remained localised in Asia, primarily in China.

On **11 March 2020**, the WHO declared the situation caused by Covid-19 as a pandemic and lockdown measures were implemented in numerous countries – the crisis became global.

On **23 March 2020**, Somfy announced the temporary suspension of operations at its French, Italian and Tunisian production sites, as well as at its logistics site in Bonneville, France, in order to protect the health of its employees in the face of the Covid-19 pandemic and to respond to the measures taken by the local authorities of the sites concerned. Temporary remote working measures were introduced to ensure continuity of service for the Group's customers and service providers.

The introduction of a safety protocol and the strengthening of protective measures allowed the Group, on **21 April 2020**, to announce the partial and gradual restart of operations at the sites where they had been temporarily suspended. The Group later reviewed its position as the health and safety conditions changed.

The production site in Poland continued to operate, as did the Chinese sites after an interruption in February. They are subject to the daily monitoring and assessment of their respective situations.

On **13 May 2020**, Somfy announced it would not be making use of the furlough schemes and various types of assistance offered by the French government, and various social measures, in order to respond to the current situation in both a positive and constructive manner. Use of governmental assistance in countries other than France has remained marginal.

The Group has also strengthened its initiatives to support charities and regional communities through the donation of equipment to help combat the pandemic and to support emergency projects to help the homeless and victims of social exclusion.

The General Meeting of Shareholders initially scheduled for 13 May 2020 was held on **24 June 2020** behind closed doors. The dividend amount paid in respect of the 2019 financial year was announced on 4 March 2020, and subsequently revised downwards.

Since mid-May, the health situation seems to have improved. Nevertheless, the Group remains very cautious and the safety protocols and protective measures continue to be applied, allowing it to gradually return to normal levels of production.

Impacts for Somfy

It is difficult to accurately measure the impacts related to the Covid-19 crisis, since they are dispersed throughout the income statement. The impacts of the crisis are not linear and the effects on the first half-year do not allow conclusions to be drawn on the potential full-year effects. Nevertheless, the gaps in performance seen over the first half-year are primarily due to the health crisis. It may be noted that sales growth in recent years has been 6% on average.

For the six months to 30 June 2020, Group sales fell 7.2% on a like-for-like basis in relation to the same period of 2019. At the end of February 2020, it was up 11.1% cumulatively on a like-for-like basis, and fell 26.1% over the March-May period, mainly as a result of the health crisis, and then increased 19.9% in June. The fall in sales over the half-year had a knock-on effect on current operating result (18.0% of sales in 2020 against 18.7% in 2019). Costs related to the introduction of protective measures remained non-material. Net financial expense was impacted by the foreign exchange impact related to fluctuations in currencies under great pressure during the pandemic (BRL).

Indicators of impairment (temporary shutdowns of factories and a reduction in activity) emerged following the crisis and led the Group to carry out impairment tests according to the methodology set out in note 6.1.2. Excluding the residual goodwill impairment of iHome (€0.7 million as of 30 June 2020), these tests did not result in the recognition of other impairments.

The Group also conducted a review of the main isolated intangible asset and property, plant and equipment items, trade receivables and inventory, which did not result in any significant impairment in connection with the crisis.

Recovery scenario

After several months of disruption, the Group has seen a significant upturn in sales since mid-May, which was confirmed in June and at the start of the third quarter. The second half-year should be up compared to 2019 without however significantly recouping the loss in sales seen over the first six months (estimated annual decline in sales of between 0 and 3% on a like-for-like basis) and the Group's organic growth should return to normal levels in 2022.

2020 current operating margin will most certainly be deteriorated in relation to 2019 despite the cost cutting measures implemented (recruitment freeze, postponement and discontinuation of certain projects, reduction in marketing expenditure and travel expenses, etc.), resulting in a current operating margin of between 15 and 17%. A return to pre-crisis levels should also take place in 2022 or 2023.

The current environment is highly uncertain, and the above assumptions represent the Group's current scenario. They are likely to change in line with the health and economic situation.

Information on risks

The Covid-19 health crisis does not call into question the Group's business model or its fundamentals, but does compel it to adapt its processes. The risk mapping is updated regularly and will be adapted in line with the feedback relating to the management of the crisis, in particular, the introduction of rapid and tailored measures to protect its employees when epidemiological crises occur.

The assessment of risks related to currency, raw materials, liquidity and credit has not changed since 31 December 2019. Currency and raw material hedging have been adapted in line with the forecasts for the second half-year. The Group has €184 million in confirmed and undrawn credit facilities and is not in breach of any covenants. It will be in a position to meet its maturities over the next 12 months.

NOTE 1.2 NEW ORGANISATIONAL STRUCTURE

The building industry is undergoing profound transformations with accelerated digitalisation, the need for greater energy efficiency, ever shorter innovation cycles and more. These are all challenges that Somfy has begun to tackle thanks to its Believe & Act strategic plan first implemented in 2017 but now need to take a step further.

The current organisation, whose foundations date back to 2004, has enabled the Group to expand its range of applications, becoming a pioneer of smart home solutions and expanding its geographical presence. After a decade of strong and profitable growth and progress in its main market segments, Somfy aims to accelerate in order to continue establishing its leadership in its markets.

In order to meet these challenges, on 1 January 2020 the Group has set up a new organisation guided by three major principles: **a function-based architecture** to support the Group's development; **a customer-centric organisation** with reduced interfaces to facilitate decision-making and optimise resource allocation; and finally a strong focus on the **digitalisation of its products, customer relations and operations**.

The first definitive act of this change is the appointment of a new Executive Committee, along with the creation of a Strategy & Insight Division, the reorganisation of the three activities that are Home & Building, Access and Connected Solutions into three Divisions: Products & Services, Engineering & Customer Satisfaction, and Operations & Supply Chain. Finally, the sales subsidiaries will be split into two new geographical areas, for greater transversality.

In addition to the new organisation, the Executive Committee – under the supervision of Jean Guillaume Despature, Chairman of the Management Board – will work on defining and implementing a new, three-year strategic plan, based on the achievements brought by the Believe & Act plan.

The roll-out of this new organisation has not been delayed by the health crisis.

NOTE 1.3 CHANGES TO THE CONSOLIDATION SCOPE

There were no major changes to the consolidation scope during the first half of 2020.

NOTE 1.4 CONTINGENT LIABILITIES

The Court of Appeal of Chambéry issued its ruling on 21 May 2019 on the dispute between **Spirel** employees and **Somfy SA**. The claims of the employees in respect of the alleged deliberate bankruptcy of Spirel and the non-material damage caused as a result of anxiety, disappointment and vexation were judged inadmissible, thereby confirming the April 2017 ruling of the High Court of Albertville. The employees filed an appeal in cassation in August 2019.

It should be noted that their claims for damages totalled €8.2 million. The liquidator of the company Spirel had also sought to have Somfy SA ordered to refund advances of €2.9 million paid by the AGS (Guarantee Fund for the Payment of Salary Claims) in the event the disposal was declared null and void.

Proceedings before the Labour Court – dismissed in 2016 and 2018 and involving the employees contesting the grounds for their dismissal and claiming damages of a substantially similar amount to that sought before the Court of Appeal – are still ongoing.

These factors do not alter the Group's risk evaluation. Consequently, it continues to qualify these risks as contingent liabilities and no provision was thus recognised in relation to these disputes at 30 June 2020.

On 5 January 2015, **Somfy SA** transferred its 46.1% direct and indirect equity investment in the share capital of CIAT Group to **United Technologies Corporation**. On 31 March 2016, United Technologies Corporation filed a complaint against the sellers of the CIAT shares under the liability guarantee for a total of €28.6 million (Somfy's share being €13.2 million). The Group considers these requests to be unfounded, and insufficiently detailed and justified. In mid-November 2017, UTC brought an action against the sellers before the Paris Commercial Court for the liability guarantee. Proceedings before the Commercial Court and the Court of Appeal are ongoing.

As the proceedings and the documentation provided by UTC currently stand, the Group continues to contest the entirety of UTC's claims and remains confident regarding the outcome of this dispute. It has qualified the risk as a contingent liability and no provision was therefore recognised at 30 June 2020.

At 30 June 2020, Somfy SA's financial statements include a receivable for deferred settlement in relation to the sale of the CIAT shares for the sum of €9.7 million. In early July 2017, Somfy SA and the other sellers brought an action against UTC before the Paris Commercial Court seeking the fulfilment of the acquisition contract and the settlement of the deferred payments falling due. These proceedings are still ongoing. Somfy SA remains confident regarding the settlement of these sums and therefore no writedown in relation to these receivables was recognised at 30 June 2020.

NOTE 2 POST BALANCE-SHEET EVENT

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No significant post-balance sheet event has occurred since 30 June 2020.

NOTE 3 ACCOUNTING RULES AND METHODS

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NOTE 3.1 COMPLIANCE WITH ACCOUNTING STANDARDS

In application of European regulation 1606/2002 of 19 July 2002, the Group's condensed consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board), as adopted by the European Union at 30 June 2020.

These standards are available on the IASB website at <https://www.ifrs.org/issued-standards/>.

The accounting rules and methods applied when preparing the condensed consolidated interim financial statements are consistent with those used when preparing the consolidated annual financial statements for the year ended 31 December 2019, with the exception of IFRS and associated amendments and interpretations as adopted by the European Union and the IASB, adoption of which is mandatory for financial years beginning on or after 1 January 2020, and which the Group had not opted to adopt early (see note 3.3.1).

The condensed consolidated interim financial statements have been prepared in accordance with the international financial reporting standard IAS 34 ("Interim financial reporting"). They do not contain all disclosures and notes included in the full-year financial statements. As a result, they must be read in conjunction with the Group's consolidated financial statements at 31 December 2019.

The Group's consolidated financial statements for the year ended 31 December 2019 are available on the Group's website www.somfyfinance.com and upon request from head office.

NOTE 3.2 JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires Management to make a number of judgements, estimates and assumptions liable to affect the values of assets,

liabilities, and income and expense items in the financial statements, and information provided in certain notes to the financial statements. Due to the inherently uncertain nature of the assumptions, actual results may differ from estimates. The Group reviews its estimates and assessments on a regular basis to take past experience into account and incorporate factors considered relevant under current economic conditions.

As part of the preparation of these consolidated interim financial statements, the main judgements made and the main assumptions (described in the 2019 annual financial statements) used by Management have been updated based on the latest indicators available.

At 30 June, the Group reviews its performance indicators and, if necessary, carries out impairment tests if there is any indication that an asset may have been impaired.

NOTE 3.3 NEW APPLICABLE STANDARDS AND INTERPRETATIONS

Note 3.3.1 Standards, amendments and interpretations applicable within the European Union from the financial year beginning on or after 1 January 2020

The Group has applied the following standards, amendments and interpretations as of 1 January 2020:

Standards	Content	Application date
Amendment to IFRS 3	Definition of a Business	Applicable from 1 January 2020
Amendments to IAS 1 and IAS 8	Definition of Material	Applicable from 1 January 2020
Amendments to IAS 39, IFRS 7 and IFRS 9	Interest Rate Benchmark Reform	Applicable from 1 January 2020
Amendments to the Conceptual Framework in IFRS Standards	Amendments to References to the Conceptual Framework in IFRS Standards	Applicable from 1 January 2020

These new standards have not had a material impact on the Group's results and financial position.

Note 3.3.2 Standards and interpretations whose application is not yet mandatory

Standards	Content	Application date
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	Applicable from 1 January 2023 according to the IASB, not yet approved by the EU
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	Applicable from 1 January 2022 according to the IASB, not yet approved by the EU
Amendments to IAS 37	Cost of Fulfilling a Contract	Applicable from 1 January 2022 according to the IASB, not yet approved by the EU
Amendments to IFRS 3	Reference to the Conceptual Framework	Applicable from 1 January 2022 according to the IASB, not yet approved by the EU
Amendment to IFRS 16	Covid-19-Related Rent Concessions	Applicable from 1 January 2020 according to the IASB, not yet approved by the EU
Annual improvements to IFRS	2018-2020 cycle (IFRS 1, IFRS 9, IFRS 16, IAS 41)	Applicable from 1 January 2022 according to the IASB, not yet approved by the EU

The Group did not opt for the early application of any of these new standards or amendments and is currently assessing the impact resulting from their initial application.

Detailed information is available on the following website: <https://www.ifrs.org>.

NOTE 3.4 SEASONALITY

The Group generally sees seasonal variations in its activities which could affect, from one half-year to another, the level of sales. As such, interim results are not necessarily indicative of the results that may be expected for the year as a whole. More than half of Somfy's sales are generated in the first half of the year. However, the 2020 financial year has been disrupted by the health crisis and seasonality effects are more difficult to measure.

NOTE 4 SEGMENT REPORTING

Somfy includes the companies whose activities correspond to the business lines "Exterior", "Window Fashion", "Access and Security", "Controls and Sensors" and "Connected Services", and is structured around two geographic regions.

The geographic location of assets is used as sole segment reporting criterion. Management makes its decisions based on this strategic focus using reporting by geographic region as its key analysis tool.

The two geographic regions are:

- North & West;
- South & East.

AT 30 JUNE 2020

€ thousands	North & West	South & East	Intra-regional eliminations	Consolidated
Segment sales	251,166	462,151	-144,424	568,893
Intra-segment sales	-899	-143,525	144,424	—
Segment sales - Contribution to sales	250,267	318,626	—	568,893
Segment current operating result	33,705	68,918	—	102,623
Share of net profit/(loss) from associates	—	1,414	—	1,414
Cash flow	28,415	89,244	—	117,659
Net investments in intangible assets and PPE	404	22,082	—	22,486
New rights-of-use assets for the period	2,345	5,165	—	7,510
Goodwill	2,572	91,910	—	94,482
Net intangible assets and PPE	39,266	293,830	—	333,096
Investments in associates and joint ventures	—	136,988	—	136,988

AT 30 JUNE 2019

€ thousands	North & West	South & East	Intra-regional eliminations	Consolidated
Segment sales	251,997	515,756	-152,635	615,118
Intra-segment sales	-1,329	-151,306	152,635	—
Segment sales - Contribution to sales	250,669	364,449	—	615,118
Segment current operating result	30,760	84,167	—	114,927
Share of net profit/(loss) from associates	—	1,333	—	1,333
Cash flow	25,055	92,357	—	117,412
Net investments in intangible assets and PPE	1,442	22,862	—	24,304
New rights-of-use assets for the period	11,181	2,898	—	14,079
Goodwill	2,610	92,811	—	95,421
Net intangible assets and PPE	41,911	291,027	—	332,938
Investments in associates and joint ventures	—	134,213	—	134,213

NOTE 5 PERFORMANCE-RELATED DATA**NOTE 5.1 SALES BY CUSTOMER LOCATION**

This presentation by customer location is supplemented by our segment reporting pursuant to IFRS 8, which is based on the geographic regions in which our assets are based, namely the North & West region and the South & East region.

€ thousands	30/06/20 6 months	30/06/19 6 months	Change N/N-1	Change N/N-1 on a like-for-like basis
Central Europe	126,885	118,083	7.5%	6.7%
<i>of which Germany</i>	<i>103,194</i>	<i>95,497</i>	<i>8.1%</i>	<i>8.1%</i>
Northern Europe	70,412	73,427	-4.1%	-3.3%
North America	49,393	53,232	-7.2%	-9.3%
Latin America	8,168	11,182	-27.0%	-16.3%
NORTH & WEST	254,859	255,924	-0.4%	-0.5%
France	148,074	178,804	-17.2%	-17.2%
Southern Europe	50,662	64,667	-21.7%	-22.1%
Africa & the Middle East	26,726	31,816	-16.0%	-13.6%
Eastern Europe	59,079	50,654	16.6%	19.7%
Asia-Pacific	29,493	33,253	-11.3%	-10.3%
SOUTH & EAST	314,034	359,194	-12.6%	-11.9%
TOTAL SALES	568,893	615,118	-7.5%	-7.2%

NOTE 5.2 OTHER OPERATING INCOME AND EXPENSES

€ thousands	30/06/20 6 months	30/06/19 6 months
Charge to/reversal of non-current provisions	277	177
Other non-recurring items	-379	-118
– Non-current income	275	236
– Non-current expenses	-653	-355
Net gain/(loss) on disposal of non-current assets	6	—
OTHER OPERATING INCOME AND EXPENSES	-96	60
GOODWILL IMPAIRMENT	-736	-710

Both at 30 June 2020 and 2019, the revision of the iHome business plan led to the recognition of goodwill impairment of €0.7 million. Goodwill related to iHome is now fully written down.

NOTE 5.3 ALTERNATIVE PERFORMANCE MEASURES**Note 5.3.1 N/N-1 change on a like-for-like basis**

The N/N-1 change on a like-for-like basis is calculated by applying the N-1 accounting and consolidation methods and exchange rates to the periods compared and using the N-1 scope for both financial years.

The N/N-1 change at actual accounting methods, exchange rates and consolidation scope – or change in real terms – corresponds to the change based on actual accounting and consolidation methods, exchange rates and consolidation scope.

At 30/06/20	Sales	Current operating result
N/N-1 CHANGE ON A LIKE-FOR-LIKE BASIS	-7.2%	-10.6%
Forex impact	-0.4%	-0.1%
Scope impact	—	—
Change in accounting method impact	—	—
N/N-1 CHANGE AT ACTUAL ACCOUNTING METHODS, EXCHANGE RATES AND CONSOLIDATION SCOPE	-7.5%	-10.7%

Note 5.3.2 Current operating margin

Current operating margin corresponds to current operating result as a proportion of sales (COR/Sales). It is an interesting performance indicator as it reflects operating profitability.

€ thousands	30/06/20 6 months	30/06/19 6 months
Current operating result	102,623	114,927
Sales	568,893	615,118
CURRENT OPERATING MARGIN	18.0%	18.7%

Note 5.3.3 Net financial debt

Net financial debt corresponds to the difference between financial assets and financial liabilities. It notably takes into account unlisted bonds receivable, issued by certain companies in which shares are held or related entities, earnouts on acquisitions, liabilities relating to options granted to minority shareholders in fully-consolidated companies and deferred settlements of a financial nature. Not included are securities in non-controlling equity investments, deposits & guarantees and government grants.

Details of the calculation of the net financial debt are provided in note 8.2.3.

NOTE 5.4 INVENTORIES

€ thousands	30/06/20	31/12/19
Gross values		
Raw materials and other supplies	56,487	54,166
Finished goods and merchandise	122,993	130,055
Total	179,480	184,221
Provisions	-14,065	-14,626
NET VALUES	165,415	169,596

	Value 31/12/19	Net charges	Exchange rate movements	Changes in consolidation scope and method	Value 30/06/20
€ thousands					
Inventory provisions	-14,626	317	243	—	-14,065

NOTE 5.5 OTHER NON-CURRENT AND CURRENT RECEIVABLES**Note 5.5.1 Other non-current receivables**

Other non-current receivables are not material.

Note 5.5.2 Other current receivables

€ thousands	30/06/20	31/12/19
Gross values		
Receivables from employees	567	579
Other taxes (including VAT)	4,952	10,182
Prepaid expenses	10,622	6,979
Other receivables	11,195	18,092
TOTAL	27,336	35,833

“Other receivables” notably include current receivables on the disposal of CIAT totalling €9.7 million at both 30 June 2020 and 31 December 2019.

NOTE 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**NOTE 6.1 GOODWILL AND IMPAIRMENT TEST****Note 6.1.1 Goodwill**

€ thousands	Value
At 1 January 2020	95,553
Impact of changes in consolidation scope and method	—
Impact of changes in foreign exchange rates	-335
Charge for impairment	-736
AT 30 JUNE 2020	94,482

The charge for impairment related to iHome.

Note 6.1.2 Impairment test

Indicators of impairment (temporary shutdowns of factories and a reduction in activity) emerged following the crisis and led the Group to carry out impairment tests on its major CGUs. These tests led to the recognition of additional goodwill impairment of €0.7 million in relation to iHome at 30 June 2020.

The impairment tests were conducted using the discounted cash flow method and based on the business plans reviewed by the management responsible for the CGUs, in order to take into account the consequences of the current crisis and recovery assumptions. The Management Board and the Audit Committee have also ruled on the findings of these tests.

The main assumptions used are as follows:

- after several months of disruption, the Group has seen a significant upturn in sales since mid-May, which was confirmed in June and at the start of the third quarter. The second half-year should be up compared to 2019 without however significantly recouping the loss in sales seen over the first six months (estimated annual decline in sales of between 0 and 3% on a like-for-like basis) and the Group's organic growth should return to normal levels in 2022;
- 2020 current operating margin will most certainly be deteriorated in relation to 2019 despite the cost cutting measures implemented (recruitment freeze, postponement and discontinuation of certain projects, reduction in marketing expenditure and travel expenses, etc.), resulting in a current operating margin of between 15 and 17%. A return to pre-crisis levels should also take place in 2022 or 2023;
- discount and growth to infinity rates are identical to those used at 31 December 2019.

€ thousands	Gross value	Impairment	Net value	Discount rate	Rate of growth to infinity
BFT	92,564	-12,278	80,287	10.0%	2.0%
O&O	7,574	-7,574	—	—	—
Domis	1,091	—	1,091	10.0%	2.0%
Axis/Somfy Activités SA/Somfy Protect by Myfox	20,126	-9,700	10,426	10.0%	2.0%
Pujol	5,680	-5,680	—	—	—
Neocontrol	313	-313	—	—	—
Lian Da	8,768	-8,768	—	—	—
iHome	1,450	-1,450	—	18.0%	2.5%
Simu	2,367	—	2,367	10.0%	2.0%
Other	312	—	312	10.0%	2.0%
TOTAL FULLY-CONSOLIDATED COMPANIES	140,244	-45,762	94,482	—	—

The current environment is highly uncertain, and the above assumptions represent the Group's current scenario. They are likely to change in line with the health and economic situation.

Sensitivity analysis

The Group has conducted sensitivity analyses on the results of impairment tests using different assumptions for EBITDA ratio and discount rate.

Analyses of the sensitivity of calculations to assumptions considered individually, including changes deemed reasonably possible in these assumptions, have highlighted scenarios where the recoverable value would fall below the book value of assets subject to the tests, therefore requiring additional impairment of the latter.

The total impairment of the BFT goodwill at 30 June 2020 was €12.3 million. A one-point increase in the discount rate combined with a two and a half-point decrease in the EBITDA to sales ratio in the normative flow used in the calculation of the terminal value would require an additional impairment of €1.1 million.

NOTE 6.2 OTHER INTANGIBLE ASSETS

	Allocated intangible assets	Develop- ment costs	Patents and brands	Software	Other intangible assets	In progress and advance payments	Total
€ thousands							
Gross value at 1 January 2020	9,791	37,045	4,149	56,048	2,393	10,358	119,784
Acquisitions	—	—	6	151	3	8,251	8,410
Disposals	—	-854	-29	-387	-127	—	-1,397
Impact of changes in foreign exchange rates	-32	-20	-8	-71	-2	—	-134
Impact of changes in consolidation scope and method	—	—	—	—	—	—	—
Other movements	—	1,566	—	1,926	—	-3,492	—
AT 30 JUNE 2020	9,759	37,737	4,118	57,666	2,266	15,117	126,664
Accumulated amortisation at 1 January 2020	-8,030	-22,188	-3,581	-45,058	-1,707	—	-80,565
Amortisation charge for the period	-469	-2,054	-201	-1,818	-9	—	-4,550
Disposals	—	854	29	386	127	—	1,396
Impact of changes in foreign exchange rates	29	20	5	51	1	—	107
Impact of changes in consolidation scope and method	—	—	—	—	—	—	—
Other movements	—	—	—	—	—	—	—
AT 30 JUNE 2020	-8,470	-23,368	-3,747	-46,438	-1,588	—	-83,612
NET VALUE AT 30 JUNE 2020	1,289	14,369	371	11,228	679	15,117*	43,052

* Including €7.0 million in development expenses in progress.

NOTE 6.3 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Right-of-use assets Land and buildings	Plant, machinery and tools	Right-of-use assets Plant, machinery and tools	Other property, plant and equipment	Right-of-use assets Other property, plant and equipment	In progress and advance payments	Total
€ thousands									
Gross value at 1 January 2020	16,623	150,903	71,504	293,648	1,178	69,136	10,998	19,355	633,344
New right-of-use assets	—	—	4,806	—	159	—	2,545	—	7,510
Acquisitions	—	243	—	2,325	—	1,080	—	9,414	13,063
Disposals	—	-12	-1,472	-3,965	-94	-2,105	-999	—	-8,648
Impact of changes in foreign exchange rates	-258	-903	-511	-1,715	-2	-694	-151	-173	-4,409
Impact of changes in consolidation scope and method	—	—	—	—	—	—	—	—	—
Other movements	—	290	—	5,636	—	410	—	-6,336	—
AT 30 JUNE 2020	16,365	150,520	74,326	295,929	1,240	67,827	12,393	22,260	640,860
Accumulated depreciation at 1 January 2020	-1,227	-79,077	-17,216	-186,063	-290	-48,120	-4,037	—	-336,030
Depreciation charge for the period	-127	-2,995	-4,846	-10,485	-167	-3,426	-2,221	—	-24,267
Disposals	—	10	1,222	3,721	94	2,056	902	—	8,006
Impact of changes in foreign exchange rates	41	42	173	725	1	437	57	—	1,476
Impact of changes in consolidation scope and method	—	—	—	—	—	—	—	—	—
Other movements	—	—	—	—	—	—	—	—	—
AT 30 JUNE 2020	-1,313	-82,020	-20,668	-192,102	-362	-49,053	-5,299	—	-350,816
NET VALUE AT 30 JUNE 2020	15,052	68,500	53,658	103,827	878	18,774	7,095	22,260	290,044

At 30 June 2020, uncapitalised lease expenses relating to services and short-term or low-value leases are broken down as follows: €0.7 million in respect of property lease expenses, €0.8 million in respect of vehicle lease expenses and €0.5 million in respect of other lease expenses.

The downward rent adjustments following the Covid-19 crisis are not material. They are recognised in the income statement as a negative variable lease rent.

Since 2019, the Group has applied IFRIC provisions over the enforceable duration of the leases.

NOTE 7 DIVIDENDS AND EARNINGS PER SHARE**NOTE 7.1 DIVIDENDS**

The gross dividend proposed at the AGM of 24 June 2020 called to approve the 2019 financial statements was €1.25. It was paid on 2 July 2020.

NOTE 7.2 EARNINGS PER SHARE

Basic earnings per share	30/06/20 6 months	30/06/19 6 months
Net profit - Group share (€ thousands)	80,910	91,205
Total number of shares (1)	37,000,000	37,000,000
Treasury shares* (2)	2,618,989	2,614,446
Number of shares used in calculation (1) - (2)	34,381,011	34,385,554
BASIC EARNINGS PER SHARE (€)	2.35	2.65

* Representing all treasury shares held by Somfy SA.

Diluted earnings per share	30/06/20 6 months	30/06/19 6 months
Net profit - Group share (€ thousands)	80,910	91,205
Total number of shares (1)	37,000,000	37,000,000
Treasury shares** (2)	2,551,347	2,550,867
Number of shares used in calculation (1) - (2)	34,448,653	34,449,133
DILUTED EARNINGS PER SHARE (€)	2.35	2.65

** Free shares are excluded.

Diluted earnings per share take into account shares allocated free of charge when determining the “number of shares used in calculation”.

NOTE 8 FINANCIAL ITEMS**NOTE 8.1 NET FINANCIAL INCOME/(EXPENSE)**

€ thousands	30/06/20 6 months	30/06/19 6 months
Cost of net financial debt	-929	-1,074
– Financial income from investments	552	604
– Financial expenses related to borrowings	-1,481	-1,678
• Of which financial charges related to IFRS 16	-496	-529
Effect of foreign currency translation	-4,883	-942
Other	1,845	117
NET FINANCIAL EXPENSE	-3,967	-1,898

Net financial expense was €4.0 million for the six months to 30 June 2020, compared with an expense of €1.9 million for the period ended 30 June 2019. The fall was mainly due to an increase in unrealised exchange rate losses on foreign currency receivables and payables (BRL in particular), partly offset by a higher reversal of the provisions on Garen's financial assets (€1.9 million in 2020 compared with €0.3 million in 2019).

NOTE 8.2 FINANCIAL ASSETS AND LIABILITIES**Note 8.2.1 Financial assets**

€ thousands	Equity invest- ments	Loans	Deposits and guarantees	Other	Current and non-current financial assets	Realisable within 1 year	Non-current financial assets
At 1 January 2020	1,958	285	2,447	3	4,693	477	4,216
Increase	463	1	114	1	579	2	577
Decrease	—	-346	—	—	-346	-346	—
Net change in impairment	—	1,915	—	—	1,915	—	1,915
Impact of changes in foreign exchange rates	—	-1,885	-39	—	-1,924	-5	-1,918
Impact of changes in consolidation scope and method	—	—	—	—	—	—	—
Fair value recognised in items of other comprehensive income	—	—	—	—	—	—	—
Other movements	—	182	—	—	182	386	-204
AT 30 JUNE 2020	2,421	152	2,523	4	5,100	514	4,586
Non-current financial assets	2,421	88	2,076	—	4,586	—	—
Current financial assets	—	64	447	4	514	—	—

Financial assets realisable within one year mainly comprise short-term deposits.

Note 8.2.2 Financial liabilities

€ thousands	Borrowings from credit institutions	Lease liabilities	Other borrowings and financial liabilities	Total liabilities from financing activities	Bank overdrafts	Current and non-current financial liabilities	Due within 1 year	Non-current financial liabilities
At 1 January 2020	924	51,998	23,018	75,940	1,357	77,297	32,267	45,030
Increase in loans	—	6	199	205	3	208	201	7
Repayment of borrowings and lease liabilities	-162	-7,164	—	-7,326	-1,598	-8,924	-9,219	295
Other movements related to business acquisitions	—	—	-769	-769	—	-769	-769	—
Total cash movements	-162	-7,158	-570	-7,890	-1,596	-9,485	-9,787	302
Impact of the revaluation of put options	—	—	75	75	—	75	—	75
Impact of changes in foreign exchange rates	—	-447	-16	-463	1,198	736	1,161	-425
New lease liabilities	—	7,510	—	7,510	—	7,510	—	7,510
Adjustments to lease liabilities with no cash impact	—	-339	—	-339	—	-339	—	-339
Dividends payable	—	—	42,976	42,976	—	42,976	42,976	—
Impact of changes in consolidation scope and method	—	—	—	—	—	—	—	—
Other movements	—	—	-1,251	-1,251	—	-1,251	1,673	-2,924
Total non-cash movements	—	6,724	41,784	48,508	1,198	49,706	45,810	3,896
AT 30 JUNE 2020	762	51,565	64,232	116,559	959	117,518	68,290	49,229
Non-current financial liabilities	599	44,169	4,461	49,229	—	49,229	—	—
Current financial liabilities	163	7,396	59,771	67,330	959	68,290	—	—

Other borrowings and financial liabilities include the debt relating to the put options granted to the holders of non-controlling interests and to earnouts, which amounted to €21.1 million at 30 June 2020 and €23.0 million at 31 December 2019, as well as to dividends payable of €43.0 million at 30 June 2020.

At 30 June 2020, the financial liabilities include the fair value of the put option granted to the Dooya partners, the amount of which is equal to the difference between the estimated contractual value that would result from the exercise of the put option and the fair value of the portion corresponding to the underlying assets. The liability derivative was stable at €16.6 million.

The subsequent fair values of liabilities corresponding to put options granted to holders of non-controlling interests are recognised in equity.

Note 8.2.3 Analysis of net financial debt

Net financial debt is defined in note 5.3.3.

€ thousands	30/06/20	31/12/19
Financial liabilities included in net financial debt calculation	117,518	77,297
– of which liabilities related to lease agreements (IFRS 16)	51,565	51,998
– of which dividends payable	42,976	—
Financial assets included in net financial debt calculation	152	285
– Marketable securities	—	—
– Loans	152	285
– Miscellaneous	—	—
Cash and cash equivalents	442,930	387,547
NET FINANCIAL DEBT	-325,563	-310,535
Liabilities related to put options and earnouts	21,062	23,015
RESTATEd NET FINANCIAL DEBT	-346,625	-333,550

NOTE 9 ANALYSIS OF CASH FLOW STATEMENT**NOTE 9.1 CASH AND CASH EQUIVALENTS**

€ thousands	30/06/20 6 months	30/06/19 6 months
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	386,190	253,413
Cash and cash equivalents at the start of the period	387,547	259,345
Bank overdrafts	-1,357	-5,932
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	441,971	254,304
Cash and cash equivalents at the end of the period	442,930	261,511
Bank overdrafts	-959	-7,207

NOTE 9.2 CHANGE IN WORKING CAPITAL REQUIREMENTS

€ thousands	30/06/20 6 months	30/06/19 6 months
Net decrease/(increase) in inventory	2,108	633
Net decrease/(increase) in trade receivables	-43,052	-61,220
Net (decrease)/increase in trade payables	996	8,648
Net movement in other receivables and payables	977	-1,191
CHANGE IN WORKING CAPITAL REQUIREMENTS	-38,971	-53,130

NOTE 10 PROVISIONS AND CONTINGENT LIABILITIES**NOTE 10.1 PROVISIONS****Note 10.1.1 Non-current provisions**

€ thousands	Provisions for guarantees	Provisions for litigation	Provision for agents	Provisions for liabilities and charges	Total 2020
At 1 January 2020	5,111	968	465	2,005	8,548
Charges	170	673	16	88	947
Used reversals	-235	-154	-43	-54	-486
Unused reversals	—	-71	-1	-86	-158
Impact of changes in foreign exchange rates	-54	—	—	3	-51
Impact of changes in consolidation scope and method	—	—	—	—	—
Other movements	—	—	—	—	—
AT 30 JUNE 2020	4,992	1,416	437	1,956	8,801

Note 10.1.2 Current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provisions for liabilities and charges	Total 2020
At 1 January 2020	4,889	1,821	4,543	11,253
Charges	69	492	2,469	3,031
Used reversals	-516	-40	-1,130	-1,686
Unused reversals	—	-85	-34	-119
Impact of changes in foreign exchange rates	-29	-3	-225	-257
Impact of changes in consolidation scope and method	—	—	—	—
Other movements	—	-797	797	—
AT 30 JUNE 2020	4,413	1,388	6,420	12,221

NOTE 10.2 CONTINGENT LIABILITIES

All the Group's contingent liabilities are listed in the Highlights.

NOTE 11 WORKFORCE

The Group's workforce at 30 June 2020, including temporary and part-time employees recorded on a full-time equivalent basis, was as follows:

	30/06/20	30/06/19
Average workforce	6,679	6,546
End of period workforce	6,857	6,646

NOTE 12 INCOME TAX

€ thousands	30/06/20 6 months	30/06/19 6 months
Profit before tax	97,825	112,379
<i>Share of expenses on dividends</i>	1,444	1,391
<i>Goodwill impairment</i>	736	710
<i>Reclassification of CVAE to Income tax</i>	-2,039	-1,914
<i>Reclassification of CIR to Other operating income</i>	-3,004	-3,118
<i>Other</i>	1,100	1,038
Permanent differences	-1,763	-1,893
Net profit taxed at reduced rate	-16,635	-18,979
Net profit taxable at standard rate	79,426	91,507
<i>Tax rate in France</i>	32.02%	34.43%
Tax charge recalculated at the French standard rate	25,435	31,506
Tax at reduced rate	1,718	2,942
<i>Difference in standard rate in foreign countries</i>	-11,714	-13,158
<i>Tax losses for the year, unrecognised in previous periods, deficits used</i>	484	-369
Effect of the rate difference	-11,230	-13,527
Tax credits	-573	-1,294
Other taxes and miscellaneous	2,979	2,897
GROUP TAX	18,329	22,524
<i>Effective rate</i>	18.74%	20.04%

The results taxed at a **reduced rate** involve royalties, which were taxed at 10.33%.

The main countries that contributed to the **difference in the tax rate** were Tunisia (€5.7 million), the United States (€0.6 million), Germany (€0.4 million), Poland (€2.0 million), other European countries (€2.3 million) and Middle Eastern countries (€0.3 million).

Tax credits were primarily affected by the SOPEM tax credit (Poland): €0.6 million at 30 June 2020 and €1.3 million at 30 June 2019.

Other taxes and miscellaneous items include in particular the French Corporate Value-Added Contribution (CVAE), which amounted to €2.1 million at 30 June 2020 and €1.9 million at 30 June 2019.

NOTE 13 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AND RELATED PARTIES

NOTE 13.1 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

€ thousands	30/06/20	31/12/19
Investments in associates and joint ventures at the beginning of the period	136,549	132,781
Changes in consolidation scope and method	—	—
Share of profit/(loss) from associates	1,414	3,846
Dividends paid	—	—
Changes in foreign exchange rates	-996	384
Other	21	-462
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AT THE END OF THE PERIOD	136,988	136,549

“Investments in associates and joint ventures” consists of investments in Dooya (€136.3 million) and Arve Finance (€0.7 million).

Dooya’s performance over the first six months was as follows:

€ thousands	30/06/20	30/06/19
Income statement		
Sales	84,900	89,164
Current operating result	3,168	3,416
Net profit	2,019	1,906

At 30 June 2020, given the current crisis, the Group reviewed the value of its shareholding in Dooya in light of impairment indicators (temporary shutdowns of factories and reduced activity).

A discount rate of 12.5% and a growth to infinity rate of 2.75% were used as part of the impairment test, as at 31 December 2019.

No impairment charge was recorded during the first half of 2020.

A one and a half-point increase in the discount rate combined with a two and a half-point decrease in the EBITDA to sales ratio in the normative flow used to calculate the terminal value could lead to an approximately €1.2 million impairment loss on equity-accounted securities.

NOTE 13.2 RELATED PARTIES

Associates are companies over which the Group has a significant influence or exercises joint control and which are consolidated using the equity method. Transactions with related parties are made on arm’s length terms.

Group purchases from Dooya totalled €1.7 million over the six months to 30 June 2020, €4.0 million over the 12 months to 31 December 2019 and €1.8 million over the 6 months to 30 June 2019. Group trade payables with Dooya stood at €1.0 million at 30 June 2020, €0.6 million at 31 December 2019 and €0.9 million at 30 June 2019.

Transactions with other related parties involved negligible amounts.

NOTE 14 LIST OF CONSOLIDATED ENTITIES

Company name	Head office	% control 30/06/20	% interest 30/06/20	% interest 31/12/19
Somfy SA	74300 Cluses (France)	(parent company)	(parent company)	(parent company)
Fully-consolidated companies				
Somfy Activités SA	Cluses (France)	100.00	100.00	100.00
CMC	Cluses (France)	100.00	100.00	100.00
Somfybat	Cluses (France)	100.00	100.00	100.00
Domis SA	Rumilly (France)	100.00	100.00	100.00
SITEM	Zaghouan (Tunisia)	100.00	100.00	100.00
SITEM Services	Zaghouan (Tunisia)	100.00	100.00	100.00
SOPEM spolka z ograniczona odpowiedzialnoscia	Niepolomicie (Poland)	100.00	100.00	100.00
Somfy Eastern Europe Area sp zoo	Warsaw (Poland)	100.00	100.00	100.00
Somfy Ltd	Yeadon (United Kingdom)	100.00	100.00	100.00
Somfy PTY. Limited	Rydalmere (Australia)	100.00	100.00	100.00
Somfy Automation Services PTY Ltd	Rydalmere (Australia)	100.00	100.00	100.00
N.V Somfy S.A	Zaventem (Belgium)	100.00	100.00	100.00
Somfy Brasil LTDA	Osasco (Brazil)	100.00	100.00	100.00
Neocontrol Soluções em Automação LTDA	Belo Horizonte (Brazil)	100.00	100.00	100.00
Neocontrol US LLC	Orlando (United States)	100.00	100.00	100.00
Somfy Colombia SAS	Bogota (Colombia)	100.00	100.00	100.00
Somfy Argentina S.R.L.	San Fernando (Argentina)	100.00	100.00	100.00
GABR Participações LTDA	São Paulo (Brazil)	100.00	100.00	100.00
Somfy GmbH (Germany)	Rottenburg (Germany)	100.00	100.00	100.00
HIMOTION BV	Leiden (Netherlands)	100.00	100.00	100.00
Somfy GmbH (Austria)	Elsbethen-Glasenbach (Austria)	100.00	100.00	100.00
Somfy Kereskedelmi Kft	Vecsés (Hungary)	100.00	100.00	100.00
Somfy spolka z ograniczona odpowiedzialnoscia	Warsaw (Poland)	100.00	100.00	100.00
Somfy spol s.r.o.	Prague (Czech Republic)	100.00	100.00	100.00
Somfy S.R.L.	Târlungeni (Romania)	100.00	100.00	100.00
Somfy Limited Liability Company	Moscow (Russia)	100.00	100.00	100.00
Somfy SIA	Riga (Latvia)	100.00	100.00	100.00
Limited Liability Company Somfy	Kiev (Ukraine)	100.00	100.00	100.00
Somfy Bulgaria AD	Sofia (Bulgaria)	100.00	100.00	100.00
Chusik Hoesa Somfy	Seongnam (Korea)	100.00	100.00	100.00
Somfy Italia SRL	Milan (Italy)	100.00	100.00	100.00
Somfy Nederland BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
Somfy España SA	Cornella de Llobregat (Spain)	100.00	100.00	100.00
Automatismos Pujol SL	Sant Fruitos de Bages (Spain)	100.00	100.00	100.00
Automatismos Pujol Portugal Lda	Coimbra (Portugal)	100.00	100.00	100.00
SAP SRL	Pomezia (Italy)	—	—	100.00
Somfy Systems Inc	Dayton (United States)	100.00	100.00	100.00
Somfy SA (Suisse)	Bassersdorf (Switzerland)	100.00	100.00	100.00
Somfy Sweden Aktiebolag	Malmö (Sweden)	100.00	100.00	100.00
Somfy Norway AS	Skedsmokorset (Norway)	100.00	100.00	100.00

Company name	Head office	% control 30/06/20	% interest 30/06/20	% interest 31/12/19
Somfy PTE Ltd	Singapore	100.00	100.00	100.00
Somfy (Thailand) Co., Ltd	Bangkok (Thailand)	100.00	100.00	100.00
Somfy Taiwan Co Ltd	Taipei (Taiwan)	100.00	100.00	100.00
Asian Capital International Limited	Hong Kong	100.00	100.00	100.00
Sino Global International Holdings Limited	Hong Kong	100.00	100.00	100.00
Sino Link Trading Limited	Hong Kong	100.00	100.00	100.00
Somfy Asia-Pacific Co Ltd	Hong Kong	100.00	100.00	100.00
Somfy Co Limited	Hong Kong	100.00	100.00	100.00
Somfy China Co Ltd	Shanghai (China)	100.00	100.00	100.00
Zhejiang Lian Da Science and Technology Co., Ltd	Huzhou (China)	95.00	95.00	95.00
Somfy Middle East Co. Ltd	Limassol (Republic of Cyprus)	100.00	100.00	100.00
Somfy Egypt	Cairo (Egypt)	100.00	100.00	100.00
Sisa Home Automation Ltd	Rishon Le Zion (Israel)	100.00	100.00	100.00
Somfy Maroc	Casablanca (Morocco)	100.00	100.00	100.00
Somfy Hellas SA	Acharnai (Greece)	100.00	100.00	100.00
Somfy EV Otomasyon Sistemleri Ticaret Ltd Sti	Istanbul (Turkey)	100.00	100.00	100.00
Somfy South Africa PTY Limited	Cape Town (South Africa)	100.00	100.00	100.00
Somfy Tunisie	Tunis (Tunisia)	100.00	100.00	100.00
Somfy Services	Tunis (Tunisia)	50.00	50.00	50.00
Somfy Mexico, S.A. DE C.V.	Tlalnepantla (Mexico)	100.00	100.00	100.00
Syservmex SRL DE CV	Tlalnepantla (Mexico)	100.00	100.00	100.00
Somfy Kabushiki Kaisha	Tokyo (Japan)	100.00	100.00	100.00
Somfy India Pvt Ltd	New Dehli (India)	100.00	100.00	100.00
Somfy Saudi Arabia	Jeddah (Saudi Arabia)	75.00	75.00	75.00
PROMOFI BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
FIGEST BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
Somfy LLC	Dover (United States)	100.00	100.00	100.00
Somfy ULC	Halifax (Canada)	100.00	100.00	100.00
Simu	Arc-les-Gray (France)	100.00	100.00	100.00
Simu GmbH	Iserlohn (Germany)	100.00	100.00	100.00
Window Automation Industry SRL	Galliera (Italy)	100.00	100.00	100.00
Overkiz	Épagny Metz-Tessy (France)	96.63	96.63	96.63
Overkiz Asia Co. Limited	Hong Kong	96.63	96.63	96.63
Opendoors	Cluses (France)	100.00	100.00	100.00
iHome Systems (Asia) Limited	Hong Kong	100.00	100.00	100.00
iHome Systems (Thailand) Co. Ltd	Bangkok (Thailand)	100.00	100.00	100.00
Somfy Automation Malaysia Sdn. Bhd	Kuala Lumpur (Malaysia)	100.00	100.00	100.00
Somfy Protect by Myfox	Labège (France)	100.00	100.00	100.00
SEM-T	Cluses (France)	100.00	100.00	100.00
DSG Coordination Center SA	Geneva (Switzerland)	100.00	100.00	100.00
BFT SpA	Schio (Italy)	100.00	100.00	100.00
Automatismes BFT France	Saint-Priest (France)	100.00	100.00	100.00
BFT Group Italiberica de Automatismos SL	Granollers (Spain)	99.02	99.02	99.02
BFT Antriebssysteme GmbH	Oberasbach (Germany)	100.00	100.00	100.00
BFT Automation UK Ltd	Stockport (United Kingdom)	100.00	100.00	100.00

Company name	Head office	% control 30/06/20	% interest 30/06/20	% interest 31/12/19
BFT Benelux SA	Nivelles (Belgium)	100.00	100.00	100.00
BFT Adria d.o.o.	Drazice (Croatia)	100.00	100.00	100.00
BFT Polska sp zoo	Zielonka (Poland)	100.00	100.00	100.00
BFT Americas Inc.	Boca Raton (United States)	100.00	100.00	100.00
BFT Portugal SA	Coimbra (Portugal)	100.00	100.00	100.00
BFT Automation (South) Ltd	Swindon (United Kingdom)	100.00	100.00	100.00
BFT Automation Australia PTY	Wetherill Park (Australia)	100.00	100.00	100.00
BFT CZ Sro	Prague (Czech Republic)	100.00	100.00	100.00
O&O SRL	Soliera (Italy)	100.00	100.00	100.00
BFT Veneto SRL	Schio (Italy)	100.00	100.00	100.00
BFT Otomasyon Kapi	Istanbul (Turkey)	100.00	100.00	100.00
BFT Istanbul	Kocaeli (Turkey)	100.00	100.00	100.00
BFT Greece	Athens (Greece)	100.00	100.00	100.00
BFT Automation Ireland	Dublin (Ireland)	100.00	100.00	100.00
BFT Automation Systems PTL	Hyderabad (India)	51.00	51.00	51.00
Pujol Italia SRL	Schio (Italy)	100.00	100.00	100.00
BFT Middle East FZO	Dubai (United Arab Emirates)	100.00	100.00	100.00
BFT Auto Gate and Door (Shanghai) Co. Ltd	Shanghai (China)	100.00	100.00	100.00
BFT Gates and Doors SRL	Bucharest (Romania)	100.00	100.00	100.00
BFT Automation New Zealand	Auckland (New Zealand)	100.00	100.00	100.00
BFT Sud-Est	Saint Laurent du Var (France)	100.00	100.00	100.00
Equity-accounted companies				
Arve Finance	Cluses (France)	50.17	50.17	50.17
Hong Kong CTLT Trade Co., Limited	Hong Kong	70.00	70.00	70.00
Ningbo Dooya Mechanic and Electronic Technology Co Ltd	Ningbo (China)	70.00	70.00	70.00
Shanghai Zhengshang Co., Ltd	Shanghai (China)	70.00	70.00	70.00
Shanghai Branch	Shanghai (China)	70.00	70.00	70.00
Hui Gong Intelligence Technology Ltd	Shanghai (China)	70.00	70.00	70.00
New Unity Limited	Hong Kong	70.00	70.00	70.00
Dooya Sun Shading Technology Co. Ltd	Ningbo (China)	70.00	70.00	70.00
Ningbo Sleepwell Co Ltd	Ningbo (China)	70.00	70.00	70.00
Baixing Co Ltd	Ningbo (China)	70.00	70.00	70.00
Shanghai Goodnight	Ningbo (China)	70.00	70.00	70.00

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STATUTORY AUDITORS' REPORT ON THE 2020 INTERIM FINANCIAL REPORT

34 Opinion on the financial statements

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STATUTORY AUDITORS' REPORT ON THE 2020 INTERIM FINANCIAL REPORT

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a limited review of the accompanying condensed consolidated interim financial statements of the company Somfy SA, for the period from 1 January to 30 June 2020;
- a review of the information disclosed in the half-year business report.

These condensed consolidated interim financial statements were prepared under the responsibility of your Management Board on 31 August 2020, based on the information available at this date within a changing environment related to the Covid-19 crisis and the challenges of understanding its impacts and the future outlook. It is our responsibility to express an opinion on these financial statements on the basis of our limited review.

OPINION ON THE FINANCIAL STATEMENTS

We have conducted our limited review in accordance with the professional auditing standards applicable in France. A limited review consists principally of making inquiries of persons responsible for financial and accounting matters and applying analytical procedures. The scope is substantially less than an audit conducted in accordance with the professional auditing standards applicable in France. Consequently, this review can only provide reasonable assurance, to a lesser degree than an audit, as to whether the interim financial statements are free of material misstatements.

Based on our limited review, nothing has come to our attention that would challenge the compliance of the condensed consolidated interim financial statements with IAS 34 – a standard of the IFRS framework relating to interim financial reporting as adopted within the European Union.

SPECIFIC VERIFICATION

We have also verified the information disclosed in the half-year business report, prepared at 31 August 2020, commenting on the condensed consolidated interim financial statements, which were the subject of our limited review.

We have no observation to make with regard to the fairness of such information and its consistency with the condensed consolidated interim financial statements.

Lyon, 9 September 2020
The Statutory Auditors

KPMG Audit
A division of KPMG SA
Stéphane Devin
Partner

ERNST & YOUNG et Autres
Sylvain Lauria
Partner

04

STATEMENT FROM THE INDIVIDUAL RESPONSIBLE FOR THE 2020 HALF-YEAR FINANCIAL REPORT

04

STATEMENT FROM THE INDIVIDUAL RESPONSIBLE FOR THE 2020 HALF-YEAR FINANCIAL REPORT

I certify that, to the best of my knowledge, the condensed consolidated interim financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the net equity position, financial position and financial performance of the company and all companies included in the consolidation, and that the half-year business report gives a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions conducted between related parties, as well as a description of the major risks and uncertainties for the remaining six months of the financial year.

Cluses, 9 September 2020

Pierre Ribeiro

Member of the Management Board and Chief Financial Officer

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