02
MANAGEMENT REPORT
TO THE COMBINED GENERAL MEETING OF 1 JUNE 2022

Ladies and Gentlemen,

In accordance with legal and regulatory provisions, the Board of Directors has convened you here in order to inform you on the management of your company and its subsidiaries and to submit for your approval the financial statements for the year ended 31 December 2021.
Founded in 1969 in France, and now operating in 59 countries, Somfy is the world leader in window and door automation for homes and buildings. Pioneer in the connected home, the Group is constantly innovating to guarantee its users comfort, well-being, and security in the home and is fully committed to promoting Sustainable Development. For more than 50 years, Somfy has been using automation to improve living environments and has been committed to creating reliable and sustainable solutions that promote better living and well-being for all.

HIGHLIGHTS OF THE YEAR

PRESSURE ON PROCUREMENT

Covid-19 is still present internationally, but Somfy has modified its organisation in order to deal with it and ensure continuity of service for its customers. The very strong upturn in demand has led to both cyclical pressures on the electronic components and raw materials markets and supply disruptions. These disruptions have had a limited impact on the financial year's results, which have been driven by very strong sales.

CHANGE OF GOVERNANCE

At the Combined General Meeting of 2 June 2021, the company changed its corporate governance structure by adopting the form of a limited company with a Board of Directors. In addition, on 2 June 2021 the Board of Directors decided to separate the roles of Chairman and Chief Executive Officer and made the following appointments:

- Jean Guillaume Despature, Chairman of the Board of Directors;
- Pierre Ribeiro, Chief Executive Officer;
- Valérie Dixmier, Deputy Chief Executive Officer in charge of People, Culture and Organization.

At the same Board meeting, Michel Rollier was appointed Vice-Chairman of the Board of Directors, and four specialist Committees were established: Audit and Risk Committee, Appointment and Remuneration Committee, Sustainable Development Committee and Strategy Committee.

ACQUISITION OF RÉPAR'STORES

The acquisition by Somfy of a majority stake of 60% in the share capital of Répar'stores, a specialist in repair and upgrade services for roller shutters in France, took effect at the start of January 2021 following the lifting of the usual conditions precedent. Répar'stores has since been fully consolidated in Somfy's financial statements. The agreement is accompanied by additional options allowing for the acquisition of Répar'stores' remaining shares at the end of 2026.
The acquisition of Répar'stores is in line with the ten-year strategic plan Ambition 2030 – to consolidate its status as the preferred partner in window and door automation for homes and buildings, while simultaneously securing the necessary resources to capture new market opportunities in the services category and reinforce its commitment to end-users. Beyond the operational synergies brought about by this alliance, this combination allows Somfy to strengthen its commitment to Sustainable Development by investing in the ability to repair roller shutters and in their sustainability.
Roller shutter repairs and upgrades is a niche segment with high growth potential due to the size of the installed base (more than 65 million roller shutters estimated in France, almost half of which are not motorised) and its continued growth (driven by both renovation and new builds). To serve this fast-growing market, Répar'stores will be able to leverage Somfy's strong global presence and its network of European subsidiaries.
The purchase price was €34.7 million for 60% of the share capital. The financial impacts of the transaction are detailed in note 2.3 to the consolidated financial statements.
Over the 2021 financial year, Répar'stores employed 138 people, had 209 franchisees and contributed €33.8 million in sales and €3.0 million to current operating result.

CHANGES TO THE CONSOLIDATION SCOPE

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Apart from the transaction discussed above, there were no material changes to the consolidation scope during the 2021 financial year.

CONTINGENT LIABILITIES

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In a decision dated 23 June 2021, the highest Court of Appeal, the *Cour de Cassation*, dismissed the appeal by staff of the company **Spirel** in their dispute against **Somfy SA**, thereby concluding the case brought by the employees before the regional court of Albertville, the *Tribunal de Grande Instance*. The ruling issued by the Chambéry Court of Appeal on 21 May 2019 is therefore final. It should be noted that the Court of Appeal dismissed the claims of the employees relating to the alleged deliberate bankruptcy of Spirel and the non-material damage caused as a result of anxiety, disappointment and vexation, and their claims for compensation totalling €8.2 million, as well as the requirement for Somfy SA to repay the advance payments made by the Association that underwrites salary debts (AGS - *Association de Garantie des Créances Salariales*) up to a maximum of €2.9 million sought by the liquidator of Spirel.

The proceedings before the Labour Court of Albertville, dismissed in 2016 and 2018 and involving the employees contesting the grounds for their redundancy and claiming damages of an amount substantially similar to the amount claimed in the proceedings before the regional court are still ongoing.

The Group continues to qualify the risk as a contingent liability and no provision was recognised at 31 December 2021.

In a ruling of 17 December 2021, the Paris Commercial Court dismissed all claims brought by **Alder Holdings SAS** (formerly United Technologies Holdings SAS) in its case against **Somfy SA** concerning the disposal of CIAT shares in 2015. Alder Holdings was also ordered to pay the sellers €100,000 in damages and €300,000 in unrecoverable costs under Article 700 of the Code of Civil Procedure.

For reference, Alder Holdings was claiming a total of €18.4 million from the sellers of the CIAT shares (of which Somfy's portion would have been €8.5 million) under the liability guarantee, in connection with complaints fully contested by the sellers, and also remained liable for deferred payments.

The Court ordered the provisional enforcement of its judgement, such that:

- Alder Holdings should pay the outstanding amounts owed in respect of deferred payments. In February 2021, a judge hearing applications for interim measures had already ordered Alder Holdings to pay a €6.6 million provision (including €2.9 million for Somfy, received in April 2021);
- funds held by the conventional sequestrator in the amount of €10 million should be paid to the sellers in settlement of the balance of the purchase price;
- the total amount remaining to be received by Somfy SA is €6.8 million.

Alder Holdings appealed the ruling on 26 January 2022. The proceeding is thus still ongoing. However, on the strength of this favourable ruling, Somfy SA remains confident as to the outcome of this litigation. It has qualified the risk as a contingent liability and no provision was recognised at 31 December 2021. Similarly, no writedown of receivables in respect of the deferred payment was recognised at 31 December 2021.

PRESENTATION OF FINANCIAL STATEMENTS

PARENT COMPANY DATA

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Over the year ended 31 December 2021, Somfy SA generated sales of €4.6 million. Net financial income amounted to €192.1 million, including €189.3 million in dividends paid by the subsidiaries in respect of their net profit for the year to 31 December 2020.

Net profit was €184.5 million, after inclusion of a tax income of €2.2 million.

CONSOLIDATED DATA

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SALES

Group sales were €1,48 billion for the 2021 financial year, an increase of 17.6% compared with the previous financial year (up 15.7% on a like-for-like basis). They included significant growth of 40.8% over the first half-year, and a decline of 5.0% over the second on a like-for-like basis, taking into account atypical comparison bases in 2020. Group sales recorded growth of 23.1% in real terms in comparison with the 2019 financial year - unaffected by the pandemic - reflecting the buoyant market.

All regions ended the 2021 financial year recording double-digit growth, except for Central Europe, which was particularly impacted by the component crisis, but which nevertheless proved resilient (up 0.7% on a like-for like basis).

Impressive performances were recorded in North America, a key region for the development of the Group, and in France, as well as in Latin America, Southern Europe and Africa & the Middle East.

Over the financial year, the currency effect was negligible and the scope effect was €33.8 million, representing the contribution of Répar'stores, consolidated since 1 January 2021.

Sales of the equity-accounted Chinese subsidiary Dooya totalled €275.6 million over the financial year, an increase of 37.1% (up 33.0% on a like-for-like basis, including growth of 43.9% over the first half-year and 25.4% over the second). Sales were driven by both China (up 30.3% on a like-for-like basis) and the rest of the world (up 35.0% on a like-for-like basis).

SALES BY CUSTOMER LOCATION

€ thousands	31/12/21	31/12/20	Change N/N-1	Change N/N-1 on a like-for-like basis
Central Europe	262,511	261,044	0.6%	0.7%
of which Germany	*211,568*	*212,185*	*-0.3%*	*-0.3%*
Northern Europe	168,400	146,613	14.9%	13.4%
North America	132,981	107,127	24.1%	27.7%
Latin America	24,427	19,286	26.7%	35.9%
NORTH & WEST	**588,319**	**534,069**	**10.2%**	**10.9%**
France	431,883	347,444	24.3%	14.6%
Southern Europe	148,931	119,880	24.2%	23.9%
Africa & the Middle East	79,021	60,604	30.4%	40.1%
Eastern Europe	152,295	127,187	19.7%	21.1%
Asia-Pacific	77,385	67,943	13.9%	13.4%
SOUTH & EAST	**889,514**	**723,059**	**23.0%**	**19.3%**
TOTAL SALES	**1,477,834**	**1,257,128**	**17.6%**	**15.7%**

RESULTS

Current operating result totalled €301.1 million for the financial year, an increase of 15.5%, and represented 20.4% of sales, maintaining the exceptional level of current operating margin of the previous financial year (20.7% in 2020).
This was driven in particular by the Group's strong growth and by the continuation of certain non-recurring cost savings, the health situation once again restricting the holding of business events and limiting travel. Results for the financial year were conversely negatively impacted by the significant rise in transportation and raw material costs.
The impact of non-recurring items and net financial expense was not material. Corporation tax increased automatically given the level of profits. Share of net profit from associates and joint ventures was €17.0 million, an improvement thanks to Dooya's good results.
Consolidated net profit totalled €259.4 million, an increase of 21.8%.

The return on capital employed (ROCE) stood at 31.4%, compared with 29.6% the previous year, testament to these strong results.

FINANCIAL POSITION

Shareholders' equity grew from €1,171.0 to €1,371.2 million over the financial year, and the net financial surplus increased from €517.7 million to €641.7 million.
The sound financial structure was maintained, thanks in particular to the high level of cash flow which covered the main requirements.

ALTERNATIVE PERFORMANCE MEASURES

The change N/N-1 on a like-for-like basis, current operating margin, ROCE and net financial debt are Alternative Performance Measures (APMs), definitions and calculation details of which are included in note 4.3 of the notes to the consolidated financial statements.

SEGMENT REPORTING AT 31 DECEMBER 2021

€ thousands	North & West	South & East	Intra-regional eliminations	Consolidated
Segment sales	577,938	1,224,707	-324,811	**1,477,834**
Intra-segment sales	-2,658	-322,153	324,811	**-**
Segment sales - Contribution to sales	575,280	902,554	-	**1,477,834**
Segment current operating result	79,491	221,566	-	**301,056**
Share of net profit/(loss) from associates	-	17,027	-	**17,027**
Cash flow	51,254	261,854	-	**313,108**
Net investments in intangible assets & PPE (including IFRS 16)	7,621	62,370	-	**69,991**
Goodwill	2,775	116,260	-	**119,035**
Net intangible assets and PPE	37,857	325,568	-	**363,425**
Investments in associates and joint ventures	-	172,998	-	**172,998**

STOCK MARKET PERFORMANCE

During the 2021 financial year, the Somfy SA share price increased by 27.1%. At 31 December 2020, the last trading day before the close of the previous financial year, the share price was €138.60, compared with €176.20 at 31 December 2021. Over the same period the CAC 40 and CAC All-Tradable indices increased by 28.9% and 26.1% respectively.
Based on this last share price and taking account of a gross dividend per share of €2.15, the Somfy SA share yielded 1.2%.
The market for the share recorded a monthly trading volume high of 430,164 and low of 111,158, with a monthly average of 182,909 shares, compared with 104,670 shares the previous year.

POST-BALANCE SHEET EVENTS

AGREEMENT TO ACQUIRE THE ITALIAN GROUP TELECO AUTOMATION

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Somfy announced the signing on 24 February 2022 of an agreement for the acquisition of a 75% stake in the share capital of Italian group Teleco Automation, a specialist in automation, control and lighting systems for indoor and outdoor residential equipment. This acquisition will enable Somfy to benefit from the Italian group's expertise and innovation capacity in the automation of solar protection equipment for terraces, particularly pergolas and awnings, in order to accelerate the development of its core business and support the digitalisation of outdoor living equipment.
Founded in 1996 and operating in more than 40 countries, Teleco Automation, which has 180 employees, reported dynamic growth in 2021, generating sales of more than €40 million.
The acquisition is expected to close during the second quarter of 2022, subject notably to the waiving of usual conditions precedent. Somfy will finance the acquisition using existing cash resources.
The agreement comes with put and call options relating to the balance of Teleco Automation's share capital exercisable in early 2025.

RUSSIAN-UKRAINIAN CRISIS

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Somfy is closely monitoring developments in the crisis between Russia and Ukraine. It is working to protect its employees and safeguard its assets in these countries, which together account for less than 1% of Group sales. To date, it is difficult to measure the consequences of this crisis in 2022 on economic activity in general and on the Group in particular.

OUTLOOK

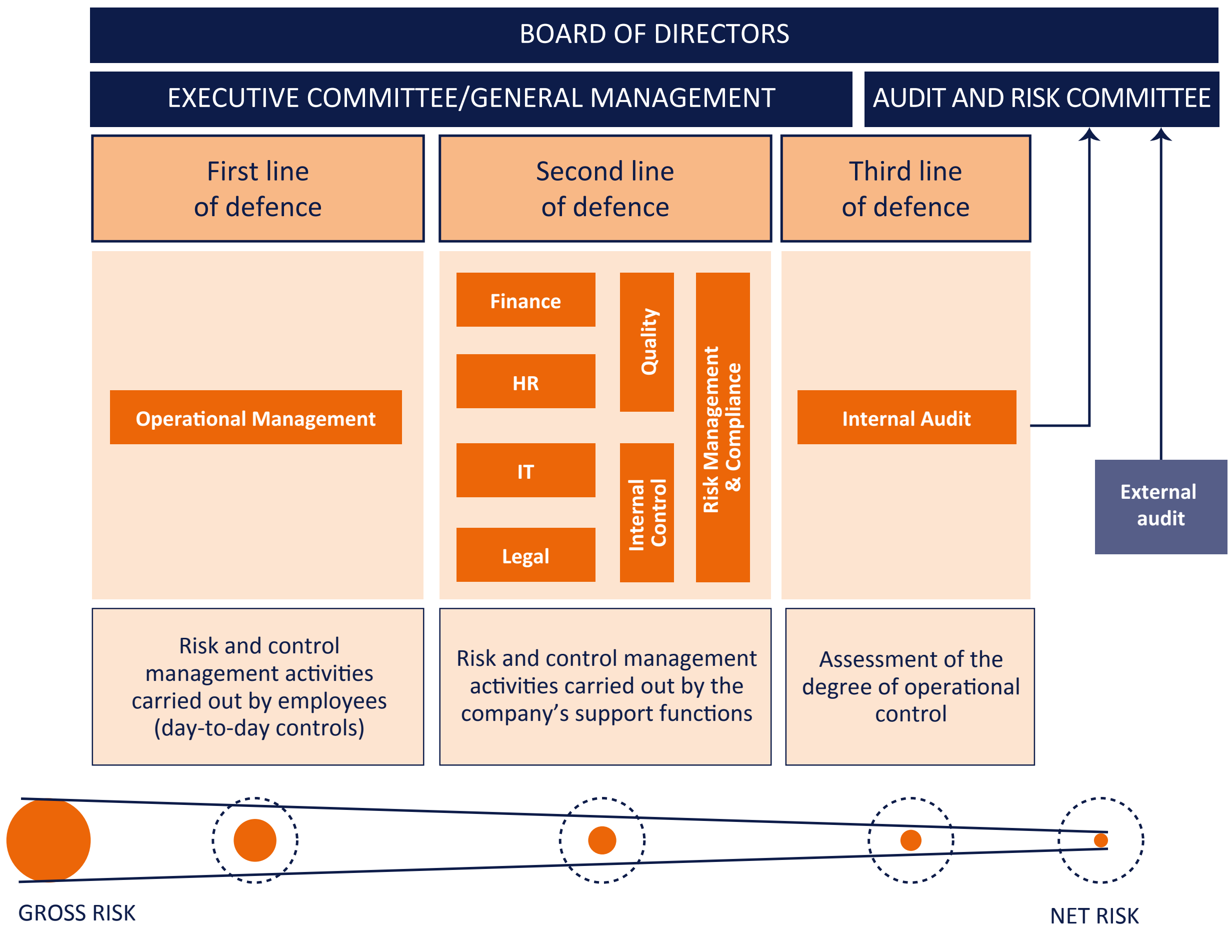
The 2021 financial year confirmed the momentum of the home market and the continuation of the strong trend in favour of the digitalisation of homes and buildings, both indoor and outdoor. The context of ongoing shortages, once again limiting visibility for the coming year, has led the Group to exercise caution. Nevertheless, Somfy forecasts continuing growth in sales over the 2022 financial year.
In addition, the Group is significantly ramping up its investments to strengthen its production capabilities in order to support its growth, continue its innovation efforts, adapt its logistics, and accelerate its digitalisation.
It is also monitoring acquisition opportunities on its core markets or in relation to complementary activities such as digital and services, in the key regions of Europe and the United States, as can be seen by the recent signing of an agreement to acquire Teleco Automation, an Italian group, leader in automation systems for bioclimatic pergolas.
By making customers ever more central to its strategy, during this new financial year, the Group will continue all the measures introduced to prevent the impact of shortages, best respond to market demand and support its growth.

RISK MANAGEMENT AND INTERNAL CONTROL

PRESENTATION OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

GOVERNANCE AND LEADING PLAYERS

The Group's internal control and risk management system covers all the controlled companies that fall within the Group's consolidation scope, apart from equity-accounted companies, notably Dooya, which has its own system, in which the Group is involved in particular through the creation of a dedicated Audit Committee, presence on the Dooya Board and support in line with needs.
At Group level, the system has been developed around the three lines of defence model, ensuring the effective division of roles and responsibilities.



The first line of defence, operational units

The Group's operational units have been made aware of the need for compliance with rules and procedures in order to establish an effective first line of control.
Each Group entity must implement appropriate control activities at operational level in relation to the processes that concern it, by applying the rules and guidelines developed at Group level.

The second line of defence, Functional Departments

Functional Departments represent an essential link in the second line of control. Each of these Departments sets out the procedures to be applied and offers their support to the Group's entities in relation to the implementation of action plans aimed at reducing the risks identified.
The second line of control also includes the Risk Management & Compliance and Internal Control functions, specifically responsible for leading an overall Group approach in order to ensure all risks are properly identified and addressed.

The third line of defence, Internal Audit Department

The Internal Audit Department oversees the overall monitoring of the quality of risk management, the relevance and effectiveness of the monitoring system as well as compliance with rules and codes of conduct. It is responsible for assessing how well the internal control system works and for proposing recommendations for improvement if needed.
Internal audits of the Group are conducted under the supervision of the Internal Audit Manager who relies on a team made up of two auditors, with an average of 20 assignments per year. Following each assignment, and based on the recommendations issued by the auditors, action plans are prepared by the entities concerned to correct the shortcomings highlighted by the audit reports.
A summary of these recommendations is presented to General Management and the Audit and Risk Committee every quarter.

GRC (Governance, Risk and Compliance) solution

In order to perform their coordination and management role, the Internal Control, Risk and Compliance, and Internal Audit Departments all have a shared GRC solution, which specifically allows them to:

- initiate a self-assessment campaign for subsidiaries each year, based on a framework of key controls;
- monitor all the assignments of Internal Audit, as well as the related recommendations and the corresponding action plans;
- assess the Group's risks at several levels in the organisation, consolidate the results at Group level and link them with action plans.

In 2021, this system was also used to collect from the Group entities concerned, the indicators mentioned in the non-financial statement.
In addition, a digital solution for accounting controls was purchased in 2021, and was tested in a pilot subsidiary. It will be rolled out across other entities in 2022 and subsequent years, in line with a roadmap defined in accordance with the implementation of the Group's new ERP and internal audit plan.
The use of all these resources is closely monitored by the Audit and Risk Committee, which is regularly informed of the progress achieved and the results obtained.

RISK MANAGEMENT

The Group's risk management includes all the resources, processes and initiatives that aim to identify, assess and control the Group's risks in reference to its strategic objectives.
Group Management firmly believes that risk management and control contributes to:

- creating and preserving the value, assets and reputation of the Group;
- securing the Group's decision-making and processes to facilitate the achievement of targets;
- encouraging actions that are consistent with the Group's values;
- raising employee awareness and bringing them together around a shared vision concerning the risks inherent in their activity.

A Group risk framework has been established to be able to formally set out and consolidate the assessments of each scope and function. In 2021, this framework was reviewed in order to further integrate the management's approach *via* processes and risk management, as well as the related controls, as part of an ongoing improvement drive.

The assessment stage involves examining the potential consequences of the main risks identified (consequences that may in particular be financial, human, legal or reputational) and to assess their likelihood of occurring.
The Group has adopted standard methodology for assessing risks enabling the assessment of inherent (gross) risks and residual (net) risks based on a standard and consistent rating allowing the impacts, likelihood of occurrence and level of control to be graded. These assessments mean that the Group's risks can be mapped and updated every year by the Risk and Compliance Department.
This mapping is ratified by the Executive Committee which undertakes to monitor the main risks identified. An owner is appointed for each priority risk and is responsible for proposing action plans for the handling of that risk. Monitoring these risks is incorporated into the monthly review cycles of the Executive Committee.
Mapping also helps with the development of the annual audit plan, as the audit team is responsible for challenging the assessment of certain risks and for proposing recommendations to reduce them.

INTERNAL CONTROL

Definition and objectives

The internal control system is implemented to provide reasonable assurance regarding the achievement of objectives by contributing to the effectiveness and efficiency of operations, to the reliability of the financial reports and to compliance with applicable laws and regulations.
The Group's internal control system draws on the COSO framework.

Controls and assessments

A framework of key controls has been defined for each of the business's major processes and is used during an annual self-assessment process by each entity Manager.
An annual review of this framework is conducted in order to update it, facilitate its understanding by all subsidiaries and tailor it to the level of internal control maturity acquired. Each of these controls addresses one or more risks in the Group's inventory of risks.
Certain controls are related to processes that are also updated if necessary.

Internal control monitoring

The Internal Control Department notably conducts two types of monitoring:

- an analysis of the results of the self-assessment campaign for internal controls for Year N and a comparison with Year N-1;
- a quarterly dashboard monitoring the action plans for each of the Group's major functions, enabling their progress to be measured.

These documents are notably sent to the Business Area Managers and the Heads of Processes for observation of development, deviations and implementation deadlines.
Certain improvements are directly addressed by entities at a local level, while others are looked into centrally by the Internal Control Department and/or in collaboration with other cross-Group functions.

A GRC Committee meets every two months to discuss the risks identified and the audit assignments carried out, analyse incidents, identify deviations and suggest adjustments to the overall system.

INTERNAL CONTROL SYSTEM RELATING TO THE PROCESS FOR PREPARING ACCOUNTING AND FINANCIAL INFORMATION

Control measures relating to the process for preparing accounting and financial information are detailed below in response to the objective of reliability in financial reporting.

Preparation of financial statements

The Group has defined a unique and common framework for the recording of accounting and financial information. It resulted in the definition and implementation within all subsidiaries of a Group chart of accounts, as well as the definition and implementation of the main management procedures (inventories, non-current assets, trade receivables, etc.), which are formalised in the Group Procedure Manual relayed through and updated on the Group's intranet.
The Group's various ERPs thus include standard configuration concerning in particular the accounting plan and analytical monitoring, enabling the application of Group processes.
Furthermore, the proper application of the chart of accounts and the procedures, and the reporting reliability are monitored by visits to subsidiaries, planned within the context of year-end and half-year closing. This control was carried out remotely in 2020 and 2021.
Other controls take place during the budget preparation and monthly reporting processes.
Particular care is taken with risk analysis, through a review of asset provisions and provisions for liabilities and charges, as well as off-balance sheet commitments.

Financial statements control

The Consolidation Department, after verifying the completeness of financial information, the proper application of closing procedures and restatements, performing the intragroup account reconciliations and verifying the net equity justification, performs financial statement consolidation using dedicated software.

The consolidated financial statements are prepared in accordance with IFRS. In addition, accounting options selected are presented to and approved by the Audit and Risk Committee.

Financial communication

Following their approval by the Management Board and their review by the Supervisory Board, the half-year and full-year financial statements are presented to the financial community under the auspices of the SFAF (French financial analyst society) and published in a report posted on the financial issuer's website (www.somfyfinance.com) as well as *via* a primary information provider (www.info-financiere.fr). As of 2 June 2021, approval of the financial statements now falls under the remit of the Board of Directors in virtue of the change in the company's governance structure by adopting the Board of Directors form.
The other regulated information referred to in Article 221-1 of the AMF's general regulations is also available on both these sites. Relevant information relating to the company's business activities is presented to the Audit and Risk Committee.

Treasury management

The Group Treasury Department reports to the Group's Head of Accounting, Consolidation and Treasury.
A Treasury Committee meeting is held each month with the Chief Financial Officer. The role of this Committee is twofold:

- strategic: to define the overall policy in terms of Group Cash Management, financing, and interest rate, exchange rate and investment risk management. They also include the follow-up of Group subsidiaries' equity balance sheet items;
- operational: to guarantee the regular monitoring of Group Cash Management's actions. These are detailed in a monthly dashboard.

A Group Treasury Charter defines best practices and list in a single document the guidelines that ensure the secure, economical and efficient management of financing and deposit operations, and more generally of cash management and bank relations within the Group.
In 2021, an e-learning module based on the Group Treasury Charter and raising financial community awareness of the risks of fraud has been rolled out and followed by 98% of the financial population. The e-learning module is available in the training catalogue for new employees.

RISK FACTORS

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MAIN RISKS

The selection of the main risks presented in this section was made based on a review of the Group's risk mapping, updated in July 2021.
Only risks specific to the Group likely to significantly affect its activity, image or financial position are included. These are the risks with a significant net impact or that are specific to Somfy. The net impact takes into account the gross impact and the risk mitigation measures adopted by the Group.
The table below groups these risks by category. A pictogram highlights the risks in relation to which a CSR component has been identified.

Category	Risk	Description	CSR component	Trend
Operational	Offer Strategy for Existing Offer	Non-optimal management of product lines and the portfolio throughout the life cycle would create inefficiency and additional costs.		↗
	Obsolescence of Components	The components of certain products could become more vulnerable and obsolete due to developments in technology, change in suppliers, environmental restrictions or safety requirements.		→
	Quality of Products & Services	Defects related to the quality of products and services would threaten the company's ability to satisfy its customers and increase its market share, and in general terms would have a negative impact on its operations.		↘
	Social/Political Risk	Social, political and geopolitical action would threaten Somfy's resources by preventing commercial activities and transactions from progressing normally.		↗
	Catastrophic & Unforeseen Event	The lack of a ready crisis management system including solutions and trained crisis coordinators within the Group would prevent Somfy from reacting appropriately and sufficiently rapidly to limit the impact of the event should it occur.		↘
	Production & Logistic Non Quality	The lack of any production and logistics process monitoring could cause quality problems or logistics errors leading to failure to deliver.		↗
	Production Capacity Risk	Insufficient production capacity may lead to an inability to satisfy customer needs and demands; in addition, an underused resource capacity would lead to higher investment costs and lower margins.		↗
	Supply Availability/Critical Vendor Risk	Limited availability or problems with a critical supplier would threaten Somfy's ability to provide a high-quality service at competitive prices.		↗
	Global Shortage of Raw Materials/Components	Certain raw materials, components and equipment that Somfy needs in order to manufacture its products can be out of stock due to market pressures (electronic components, plastic, etc.) and low transportation capacity (shipping containers) and could lead to a slowdown or stoppage in production.		↗
	Cyber Attack Risk & Unavailability of Information Systems	The ineffectiveness of technical and physical IT defences would threaten the ongoing integrity, availability and confidentiality of systems or data. A lack of business recovery plan following downtime of the organisation's critical information systems would lead to a prolonged outage of information services.		→

Category	Risk	Description	CSR component	Trend
Operational	So! One Project	The implementation of SAP across all of Somfy's entities is a major project for the Group over several years, structuring new processes and new solutions for day-to-day operations and commercial decisions.		↗
	Talent and Competencies Risk	Poor management of Somfy's training, knowledge, skills, career opportunities or key staff would threaten the achievement of the company's objectives.		→
	Fraud Risk (internal & external)	Internal or external fraud would damage Somfy's reputation and expose it to financial losses.		→
Business	Brand Equity	Lack of strength or recognition of the Somfy brand would prevent affirmative discrimination in relation to the competition.		→
	New Incomers/New Business Models	Alternative solutions or new business models would threaten the company's competitive position.		→
Legal	Non compliance with social laws and regulations including safety and security	Non-compliance with social obligations would expose Somfy to sanctions, fines and penalties.		→
	Non compliance with products local standards & regulations	Non-compliance with applicable standards and regulations concerning products and services would expose Somfy to sanctions, fines and penalties and would threaten its reputation, commercial opportunities and expansion potential.		→
	Data breach/GDPR non compliance	Flaws in Somfy systems could lead to inappropriate access to data or systems (loss or theft of critical information). This risk also includes potential non-compliance with local regulations concerning the protection of personal data.		→
	Non compliance with laws and regulations related to business and market practices	Non-compliance with applicable laws and regulations concerning the way in which business is conducted would expose Somfy to sanctions, fines and penalties and would threaten its reputation, commercial opportunities and expansion potential.		→

The Risk and Compliance Department leads the process for updating the Group's risk mapping.

Some of the areas identified in 2021 emerged more strongly as a result of the economic environment – they include the issue of Supply Chain as a whole, due to the component crisis, and the sustained growth that is simultaneously generating very strong demand.

In addition, the Group has begun a phase of overhauling its IT infrastructure, with in particular the roll-out of a new ERP (SAP - So! One project) which has led to an increase in its assessment of risks based on digitalisation and IT systems in general. Lastly, there has been a significant change of course in the management of its product portfolio, as part of the offer strategy defined to achieve the Ambition 2030 targets.

Roadmaps and consolidated monitoring of action plans related to issues identified as priority are implemented and monitored as part of the Executive Committee's management cycles. Group Management firmly believes that the management and control of risks and the ongoing improvement of processes have contributed to the Group's performance and to the fulfilment of its strategy.

In 2022, a new inventory of risks, defined at a more granular level, based on the analysis of the main organisational processes, will be used to update the Group's risk mapping.

OTHER NON-MATERIAL RISKS

These "non-material" risks are found at a controlled level or are not necessarily specific to the Group.

Financial risks

A description of the financial risks (Foreign exchange risk, Interest rate risk, Liquidity risk, Credit risk, Raw material risk, Customer credit risk) and the policies applied to mitigate their occurrence are covered by a detailed presentation in notes 4.5 and 7.3 of the Consolidated financial statements chapter.

Equity risk

The Group is exposed to equity risk on treasury shares. Given the share price, it was not necessary to record a provision for writedown at 31 December 2021.

Legal risks

The Group's operations are not subject to specific regulations. Its activities do not require specific legal or regulatory authorisation. The Group is involved in a number of disputes in respect of its business. These should not have any significant negative impact on the Group's financial position. To the Group's knowledge, there were no exceptional events or litigation likely to have a significant negative impact on the Group's or its subsidiaries' operations, assets or results, other than those mentioned in the highlights.

Country risk

The country risk is analysed from two perspectives. The first relates to the distribution activities most of which takes place in safe regions such as Europe and the United States, as opposed to regions that are the most exposed to economic, geopolitical and monetary uncertainties like China, Latin America and the Middle East which represent less than 10% of the Group's sales. Russia and Ukraine, regions currently exposed to an increased geopolitical risk, represent less than 1% of the Group's sales. The second perspective relates to the production and procurement activities which are more exposed than the distribution activities, since Somfy has production sites in Tunisia and China, and a large proportion of its suppliers of components have close connections with Asia, and more specifically China. In relation to this second perspective, given the level of risk, business continuity plans have been developed in order to reduce and control this risk.

Non-financial risks

Certain CSR challenges are found in the Group's main risks (CSR pictogram). However, all the non-financial and financial risks related to climate change are detailed on pages 49 and 50 as part of the non-financial statement. The approach used for the mapping of Group risks provides for the assessment of risks according to their impact and their likelihood of occurrence taking into account the control measures already in place. This is a net risk measurement-based approach.
The approach is different when it concerns Corporate Social Responsibility – the Group has decided to present the main challenges in accordance with an assessment of the gross risks. For that reason, the risks inherent in CSR are not detailed *per se* in this chapter on risk factors.

INSURANCE AND RISK COVERAGE

As part of the risk management process, the Group has put in place a policy based on prevention and the protection of sites and people in order to limit the likelihood of occurrence of potential accidents.
The Group covers the main risks with the following insurance policies:

- **"property damage"**, covering buildings and their contents in all locations (equipment, goods, IT equipment) as well as resulting monetary and operational losses. The events insured are, as a minimum, fire, explosions, lightning, smoke, emissions, steam, impacts from airborne objects, vehicle collisions, electrical risks, storms, hurricanes, cyclones, snow, hail, water damage, frost, machine breakage, computer risks, malicious acts, acts of vandalism, rioting, popular movements, IT equipment theft, and natural disasters, except where local circumstances make this impossible;
- **"general civil liability relating to the monetary consequences of an insured entity's liability following physical injury, property damage or moral prejudice caused to a third party during or in relation to its operations";**
- **"corporate officers' civil liability";**
- **"transported goods".**

In addition, **Group credit insurance contracts**, both in France and internationally, mitigate the consequences of customer default. Approximately 90% of sales are covered by such contracts.

NON-FINANCIAL STATEMENT (ARTICLE L. 22-10-36 OF THE COMMERCIAL CODE)

The non-financial statement is presented in chapter 3 of this Annual financial report for ease of reading. It forms an integral part of the management report.

INFORMATION ON RESEARCH AND DEVELOPMENT ACTIVITIES (ARTICLES L. 232-1 AND L. 233-26 OF THE COMMERCIAL CODE)

In 2021, the Research and Development activities were generally carried out in line with the established roadmap. To deal with the component supply crisis, Somfy increased its investments in R&D by strengthening its teams to maintain the development of the range, and by adapting existing products to ensure continuity of sales.

At the end of the 2021 financial year, Somfy had 17 R&D centers and more than 600 engineers (more than 420 in France, 22% of whom were women).

Somfy pursued its R&D globalisation strategy with the aim of improving efficiency and speed of the development of new ranges.

In 2021, the Group filed 40 patent applications with the patent office INPI (*Institut National de la Propriété Industrielle*) which had published 27 of them in 2020. At the end of 2021, Somfy had a portfolio of 2,281 registered patents.

Thanks to the continuing roll-out of eco-design, 61.5% of Somfy products sold worldwide in 2021 were Act for Green certified. Act for Green certification is one of the levers of the Group's environmental programme aimed at reducing its carbon footprint.

46 new products and services commercialised by the Group in 2021

Despite an environment disrupted by the health crisis and a shortage of components, Somfy has continued to develop and launch new products. The 2021 financial year saw the following major innovations come to market:

- ten years after the launch of the first TaHoma box, in May 2021 Somfy unveiled a completely redesigned innovative range to increase installer performance and business thanks to Somfy connected devices, the TaHoma suite. This range is made up of a new box, the TaHoma switch, the new TaHoma application as well as two services aimed exclusively at installers: TaHoma pro, for the quick and easy set-up of Somfy connected devices and installations, and Serv-e-Go, which allows for its remote maintenance. With this range, Somfy is seeking to make the advantages of connectivity even more accessible to consumers thanks to three key benefits for the installer: easy to sell, install and maintain;
- after the launch in 2020 of the Sliding air io window motor, the Somfy air programme, aimed at simple and safe daily ventilation, continued its development in France with the IntelliTAG air io. This anti-intrusion sensor integrated into the window was officially presented at the ÉquipBaie trade show in September 2021, by several of Somfy's manufacturer/joiner clients. Thanks to this range and to TaHoma, the window becomes connected upon manufacture, thus allowing users to check whether their windows are open or closed from their smartphone, and to receive an alarm in the event of an attempted intrusion. The entire solution is totally unobtrusive as the sensor is completely invisible when the window is closed;
- on the fast-growing interior design market, Somfy has stepped up its efforts to add to its ranges and improve the benefits for the user (silent operation, data feedback thanks to the Zigbee two-way radio protocol, voice control). Within a highly pressurised global supply environment, Somfy has also made every effort to be able to deliver to its customers and ensure they receive a good quality service. The Group has in particular strengthened its redesign activities for its existing ranges so as to diversify its sources of component procurement;
- in 2021, alongside Apple, Google and Amazon, as well as Schneider Electric and Signify (PhilipsHue), Somfy continued to contribute as a sponsor to the Matter project (previously Connected Home over IP) which aims to standardise the language of connected objects. The first Matter certified products will be commercialised during 2022. Around the world, 250 companies have joined forces to help develop this protocol which has become a new connectivity standard, integrated natively into smartphones and virtual assistants, providing increased compatibility between the various products in the smart home. With Matter, the consumer experience is enhanced and simplified. Matter should lead to the emergence of a new generation of devices that will make up a locally interconnected system with an even greater perceived value for all occupants of the home.

LIST OF EXISTING BRANCHES
(ARTICLE L. 232-1 OF THE COMMERCIAL CODE)

Somfy had no such branches at 31 December 2021.

VALUE OF INTERCOMPANY LOANS GRANTED
(ARTICLE L. 511-6 3 *BIS* OF THE MONETARY AND FINANCIAL CODE)

Somfy SA had not granted any intercompany loans at 31 December 2021.

INFORMATION ON PAYMENT TERMS
(ARTICLE L. 441-6-1 OF THE COMMERCIAL CODE)

Trade receivables specific to Somfy SA's activity represent payment terms generally less than 45 days from the end of the month.

	Article D. 441 I.-1: Invoices *received*, unpaid and overdue at year-end						**Article D. 441 I.-2: Invoices *issued*, unpaid and overdue at year-end**					
	0 day *(for information only)*	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**	**0 day** *(for information only)*	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
(A) Late payment ranges												
Number of invoices concerned	28	-	-	-	-	**-**	24				-	**3**
Total value of invoices concerned exc. VAT	1,413,621	-	-	-	-	**-**	890,326	25,256	-	-	-	**25,256**
Percentage of total value of purchases exc. VAT over the financial year	15.00%	0.00%	0.00%	0.00%	0.00%	**0.00%**						
Percentage of revenue exc. VAT over the financial year							19.39%	0.55%	0.00%	0.00%	0.00%	**0.55%**
(B) Invoices excluded from (A) relating to contested or unrecorded trade payables and receivables												
Number of invoices excluded	-	-	-	-	-	**-**	-	-	-	-	-	**-**
Total value of invoices excluded exc. VAT	-	-	-	-	-	**-**	-	-	-	-	-	**-**
(C) Standard payment terms used (contractual or statutory period - Article L. 441-6 or Article L. 443-1 of the Commercial Code)												
Payment terms used for calculating late payments	Contractual terms ☑						Contractual terms: Within 10 days after the end of the month ☑					
	Statutory terms ☐						Statutory terms ☐					

INFORMATION ON THE DISTRIBUTION OF SHARE CAPITAL AND HOLDINGS

DISTRIBUTION OF SHARE CAPITAL
(ARTICLE L. 233-13 OF THE COMMERCIAL CODE)

—

To the best of the company's knowledge, the distribution of share capital and voting rights is as follows:

Shareholding structure at 31/12/21	Number of shares	% share capital	Theoretical voting rights	% theoretical voting rights	Voting rights at General Meetings	% voting rights at General Meetings
J.P.J.S. SCA*	19,480,340	52.65%	38,960,680	61.28%	38,960,680	63.85%
J.P.J.2 SA**	3,409,030	9.21%	6,669,055	10.49%	6,669,055	10.93%
Compagnie Financière Industrielle***	1,653,875	4.47%	3,307,750	5.20%	3,307,750	5.42%
Despature family and others	1,565,268	4.23%	3,115,298	4.90%	3,115,298	5.11%
Manacor Dev Pte Ltd	510,000	1.38%	510,000	0.80%	510,000	0.84%
TOTAL SHAREHOLDERS' AGREEMENT	**26,618,513**	**71.94%**	**52,562,783**	**82.67%**	**52,562,783**	**86.14%**
Treasury shares	2,560,045	6.92%	2,560,045	4.03%	-	0.00%
Other holders of registered and bearer shares	7,821,442	21.14%	8,456,858	13.30%	8,456,858	13.86%
TOTAL	**37,000,000**	**100.00%**	**63,579,686**	**100.00%**	**61,019,641**	**100.00%**

* *Limited partnership with share capital (registered office: 160 boulevard de Fourmies, 59100 Roubaix) controlled by Paul Georges Despature and his children Alexis Despature, Jean Guillaume Despature (Chairman of the Board of Directors of Somfy SA) and Marie Bavarel-Despature (member of the Board of Directors of Somfy SA).*

** *Limited company (registered office: 29 route de l'aéroport, 1215 Geneva 15, Switzerland) controlled by Paul Georges Despature and his children Alexis Despature, Jean Guillaume Despature (Chairman of the Board of Directors of Somfy SA) and Marie Bavarel-Despature (member of the Board of Directors of Somfy SA).*

*** *Limited company incorporated in Luxembourg (registered office: 15, boulevard Roosevelt, L-2450 Luxembourg, Grand Duchy of Luxembourg) controlled by Patrick Despature.*

In June 2021, Silchester International Investors, acting on behalf of funds under its management, declared that it had fallen below the 5% ownership threshold and that on 15 June 2021 it held 1,844,007 shares representing 4.98% of the share capital of Somfy SA. Due to the absence of any further disclosures regarding threshold crossings, this company is still presumed to hold less than 5% of Somfy SA's share capital.

To the best of the company's knowledge and at the date of preparation of this document, no shareholder other than those mentioned above holds, directly or indirectly, alone or in concert with others, more than 5% of the share capital or voting rights of the company.

Changes to this list during the 2021 financial year, if any, are described below in the paragraph "Disclosure of shareholding threshold crossings pursuant to Article L. 233-7 of the Commercial Code".

RECIPROCAL HOLDINGS
(ARTICLES L. 233-29 AND R. 233-19 OF THE COMMERCIAL CODE)

—

There were no reciprocal holdings as defined by current regulations at the date of preparation of this report.

EMPLOYEE SHAREHOLDING
(ARTICLE L. 225-102 OF THE COMMERCIAL CODE)

—

At 31 December 2021, the shares held by employees *via* the Somfy FCPE (investment fund) or directly in registered form following a free share allocation under Article L. 225-197-1 of the Commercial Code (authorised subsequent to 6 August 2015) totalled 335,286 Somfy shares, representing 0.91% of the share capital.

ACTION IN CONCERT AND RETENTION AGREEMENTS

—

ACTION IN CONCERT

On 3 June 2013, the limited partnership with share capital J.P.J.S., the limited companies J.P.J.2 and Manacor and certain members of the Despature family concluded a shareholders' agreement constituting an action in concert between them, in relation to the company Somfy SA.

The main clauses of the agreement provide:

Action in concert: the parties confirm their wish to act in concert within the meaning of Article L. 233-10 of the Commercial Code to implement a common policy with regard to Somfy SA. To that end, the parties undertake to make every effort and to consult one another before every vote in the General Meeting of Somfy SA Shareholders on resolutions relating to the appointment of members of the Supervisory Board (replaced since 2 June 2021 by the Board of Directors) or modification of the mode of administration or management of the company and any transaction in the capital of Somfy SA with a view to establishing a common position.

Maintaining the equity holding: the parties undertake to maintain their overall equity holding in Somfy SA at more than 50% of the share capital and voting rights of this company.

Duration: these undertakings are made for a period of ten years from the signature of the agreement, namely 3 June 2013. Any decision to reduce the term of the agreement will be made by a ¾ majority of the Somfy SA shares held by the parties, it being understood that in the case of separation of the shares, the voting right will belong to the usufructuary.

COLLECTIVE RETENTION AGREEMENTS

The company is aware that a collective retention agreement relating to 64.93% of the share capital of Somfy SA and more than 20% of the voting rights of shares issued was signed on 31 December 2015 by several shareholders, including Jean Guillaume Despature (Chairman of the Management Board until 2 June 2021 and Chairman of the Board of Directors since that date), Pierre Ribeiro (member of the Management Board and Chief Financial Officer until 2 June 2021 and Chief Executive Officer since that date), Victor Despature (member of the Supervisory Board until 2 June 2021), Anthony Stahl (member of the Supervisory Board until 2 June 2021 and member of the Board of Directors since that date) and Michel Rollier (Chairman of the Supervisory Board until 2 June 2021 and member of the Board of Directors since that date). This agreement was concluded in accordance with Article 885 I *bis* of the General Tax Code for a period of two years from 31 December 2015, automatically extended indefinitely after this two-year period.

Furthermore, the company is aware of six collective retention agreements relating to a total of between 49.33% and 54.23% of Somfy SA's share capital, signed by several shareholders in accordance with Article 787 B of the General Tax Code, for an indeterminate period from the date of registration unless one of the signatories gives notice of termination.

PROVISIONS OF THE ARTICLES OF ASSOCIATION RELATING TO DOUBLE VOTING RIGHTS (EXCERPT OF ARTICLE 27 OF THE ARTICLES OF ASSOCIATION)

—

"The voting right attached to shares is proportional to the capital that they represent. All capital and dividend shares have the same par value and entitle their owner to one vote.

A voting right that is double that conferred on other shares is allocated to all fully paid shares that have been duly registered for at least four years in the name of the same shareholder at the end of the calendar year preceding that of each General Meeting.

In the case of a capital increase by the capitalisation of reserves, profits or issue premiums, registered shares granted free of charge to a shareholder in exchange for existing shares, which already benefit from this right, will be entitled to the same double voting right.

All shares converted into bearer shares or whose ownership has been transferred shall lose their entitlement to a double voting right, except in instances provided for by law.

The merger of the company has no effect on the double voting right which may be exercised within the absorbing company, if provided for by said company's Articles of Association."

DISCLOSURE OF SHAREHOLDING THRESHOLD CROSSINGS DURING THE 2021 FINANCIAL YEAR, PURSUANT TO ARTICLE L. 233-7 OF THE COMMERCIAL CODE

—

By letter received on 16 June 2021, Silchester International Investors LLP (Time&Life Building, 1 Bruton Street, 5th Floor, London W1J 6TL, United Kingdom), acting on behalf of funds under its management, declared that on 15 June 2021 it had fallen below the 5% ownership threshold of Somfy SA and that it held, on behalf of said funds, 1,844,007 shares in Somfy SA representing an equal number of voting rights, equating to 4.98% of the share capital and 2.90% of voting rights in that company. This threshold crossing resulted from the sale of Somfy SA shares on the market (AMF notice n° 221C1421).

INFORMATION ON THE BUYBACK OF TREASURY SHARES (ARTICLE L. 225-211 OF THE COMMERCIAL CODE)

—

The company has implemented several successive share buyback programmes.

The last share buyback programme was implemented in 2021 in accordance with the authorisation given by the Combined General Meeting of 2 June 2021 in its tenth resolution, sitting in ordinary session, authorising the Board of Directors, for a period of 18 months and in accordance with Articles L. 22-10-62 and subsequent and L. 225-210 and subsequent of the Commercial Code, to buy back company shares, on one or several occasions as it deems appropriate, up to a maximum of 10% of the number of shares comprising the share capital, restated if necessary to take account of any increase or reduction in share capital that may take place during the timeframe of the programme.

Share purchases could be carried out for the following objectives:

- to stimulate the secondary market or ensure the liquidity of the Somfy share, by way of an investment services provider within a liquidity contract that complies with practices recognised by regulations, it being specified that within this framework the number of shares considered for the calculation of the limit specified above corresponds to the number of shares purchased less the number of shares resold;
- to retain the shares purchased and subsequently exchange them or use them as payment within the framework of potential acquisitions;
- to ensure the coverage of stock option plans and/or free share allocation plans (or similar) granted to employees and/or corporate officers of the Group, as well as all other shares allocated under a company or group savings scheme (or similar), in relation to employee profit-sharing and/or any other form of allocation to employees and/or corporate officers of the Group;

- to cover marketable securities giving right to the allocation of shares in the company, in accordance with current regulations;
- to proceed with the possible cancellation of shares acquired, in accordance with the authorisation granted by the General Meeting of shareholders of 24 June 2020 in its 16th resolution, sitting in extraordinary session.

Such share purchases could be effected by all means, including by means of acquiring blocks of shares and at any times considered appropriate by the Board of Directors.

The company reserved the right to use options or derivative instruments, in accordance with applicable regulations.

The maximum purchase price was set at €200 per share, with the maximum amount of the share buyback programme set at €216,775,000, taking account of the 2,616,125 treasury shares held at 31 December 2020.

During the financial year just ended, on the basis of the authorisation given by the General Meetings of 2020 and 2021, the company bought back 53,332 shares at an average price of €154.23, sold 54,861 shares at an average price of €149.82 and transferred 54,551 shares at an average price of €24.03 for final vesting in June 2021 of performance shares granted free of charge on 20 May 2019 and 15 November 2019.

All of the 53,332 shares acquired were allocated to the liquidity objective and none were reallocated to other objectives.

No trading fees were paid during the financial year.

The company held 2,560,045 of its own shares at 31 December 2021, representing 6.92% of the share capital; the value of the purchase price of one share amounted to €37.91 for a par value of €0.20 each, representing a total nominal value of €512,009 (€1,717 for the liquidity contract, €244,354 to be retained for future acquisition transactions and €266,538 to cover share purchase option plans and/or free share allocation plans).

INFORMATION ON INVESTMENTS AND CONTROLLED COMPANIES

—

INVESTMENTS IN FRENCH COMPANIES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (ARTICLE L. 233-6 OF THE COMMERCIAL CODE)

	Direct control		Indirect control	
Company name	**Number of shares**	**% share capital**	**Number of shares**	**% share capital**
RS FRANCHISE	600	60%	-	-

NAMES OF COMPANIES DIRECTLY OR INDIRECTLY CONTROLLED AND THE PORTION OF SOMFY SA’S SHARE CAPITAL HELD BY THEM (ARTICLE L. 233-13 OF THE COMMERCIAL CODE)

None of the companies controlled by Somfy SA held shares in Somfy SA at the date of preparation of this report.

INFORMATION ON TRANSACTIONS PERFORMED BY DIRECTORS DURING THE FINANCIAL YEAR (ARTICLE 223-26 OF AMF GENERAL REGULATIONS)

The company is aware that the following transactions falling within the scope of Article L. 621-18-2 of the Monetary and Financial Code have been carried out during the past financial year:

€

Vesting of free shares	
Registrant and nature of transaction	**Amount**
Jean Guillaume Despature, Chairman of the Board of Directors	
Total amount of acquisition	-
Average unit price	0.00
Number of shares	2,790
TOTAL PURCHASES	**-**

€

Vesting of free shares	
Registrant and nature of transaction	**Amount**
Pierre Ribeiro, Chief Executive Officer	
Total amount of acquisition	-
Average unit price	0.00
Number of shares	2,790
TOTAL PURCHASES	**-**

€

Vesting of free shares	
Registrant and nature of transaction	**Amount**
Valérie Dixmier, Deputy Chief Executive Officer	
Total amount of acquisition	-
Average unit price	0.00
Number of shares	843
TOTAL PURCHASES	**-**

€

Purchase of shares in FCPE Somfy Group Shareholding Mutual Trust	
Registrant and nature of transaction	**Amount**
Arthur Watin-Augouard, member of the Supervisory Board	
Total amount of acquisition	1,419
Average unit price	46.40
Number of shares	31
TOTAL PURCHASES	**1,419**

REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF 1 JUNE 2022

To the Shareholders,
We have convened this Combined General Meeting to submit the following resolutions for your approval:

ORDINARY SESSION

—

1. Approval of the parent company financial statements for the year ended 31 December 2021 and approval of non-tax-deductible expenses and charges.
2. Approval of the consolidated financial statements for the year ended 31 December 2021.
3. Allocation of net profit for the financial year and setting of dividend.
4. Special report of the Statutory Auditors on regulated agreements - Noting the absence of new agreements.
5. Appointment of DELOITTE & ASSOCIÉS to replace ERNST & YOUNG et Autres as Principal Statutory Auditor.
6. Non-reappointment and non-replacement of AUDITEX as Alternate Statutory Auditor.
7. Reappointment of KPMG SA as Principal Statutory Auditor.
8. Non-reappointment and non-replacement of SALUSTRO REYDEL as Alternate Statutory Auditor.
9. Non-reappointment and non-replacement of Michel Rollier as Director.
10. Appointment of Grégoire Ferré as Director.
11. Appointment of Vincent Léonard as Director.
12. Approval of the remuneration policy for the Chairman of the Board of Directors.
13. Approval of the remuneration policy for the Chief Executive Officer.
14. Approval of the remuneration policy for the Deputy Chief Executive Officer.
15. Approval of the remuneration policy for the Directors.
16. Approval of the information referred to in paragraph I of Article L. 22-10-9 of the Commercial Code.
17. Approval of the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Jean Guillaume Despature, Chairman of the Management Board until 2 June 2021.
18. Approval of the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Jean Guillaume Despature, Chairman of the Board of Directors since 2 June 2021.
19. Approval of the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Pierre Ribeiro, member of the Management Board and Chief Financial Officer until 2 June 2021.
20. Approval of the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Pierre Ribeiro, Chief Executive Officer since 2 June 2021.
21. Approval of the fixed, variable and exceptional items making up the total remuneration and benefits any kind paid during or allocated in respect of the financial year just ended to Michel Rollier, Chairman of the Supervisory Board until 2 June 2021.
22. Approval of the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Valérie Dixmier, Deputy Chief Executive Officer since 2 June 2021
23. Authorisation to be granted to the Board of Directors for the buyback by the company of its own shares pursuant to Article L. 22-10-62 of the Commercial Code, duration of the authorisation, objectives, terms and conditions, cap.

EXTRAORDINARY SESSION

—

24. Authorisation to be granted to the Board of Directors to cancel treasury shares held by the company and bought back within the framework set out by Article L. 22-10-62 of the Commercial Code, duration of the authorisation, cap.
25. Authorisation to be granted to the Board of Directors to allocate existing shares free of charge to employees and/or certain corporate officers of the company or related companies or economic interest groups, duration of the authorisation, cap, duration of the vesting periods - particularly in the case of invalidity, and retention periods if applicable.
26. Powers to complete formalities.

APPROVAL OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (resolutions 1 and 2)

—

We would ask you to approve the parent company financial statements for the year ended 31 December 2021, which show a net profit of €184,474,270.23, and the consolidated financial statements for the year ended 31 December 2021, which show a net profit (Group share) of €258,049,000, as submitted.
We would ask you to approve the total amount of expenses and charges referred to in paragraph 4 of Article 39 of the General Tax Code, equating to the sum of €6,450 and the corresponding amount of tax, equating to €1,832.

ALLOCATION OF NET PROFIT FOR THE FINANCIAL YEAR AND SETTING OF DIVIDEND (resolution 3)

—

The allocation of our company's profit that we are proposing complies with legislation and our Articles of Association.
We propose allocating the profit for the financial year as follows:

Source	
– Net profit for the financial year	€184,474,270.23
– Retained earnings	€4,839,461.25
Allocation	
– Dividends	€79,550,000.00
– Optional reserve	€109,763,731.48

As such, the gross overall dividend per share will be €2.15.
When it is paid to individuals who are tax residents in France, the dividend is subject to a single fixed-levy deduction at source on the gross dividend at the flat rate of 12.8% (Article 200 A of the General Tax Code), or at the express, irrevocable and comprehensive wishes of the taxpayer, to income tax calculated according to a sliding scale after notably an allowance of 40%

(Articles 200 A, 13, and 158 of the General Tax Code). The dividend is also subject to social security contributions at the rate of 17.2%.

The dividend will be paid on 14 June 2022 and the ex-dividend date is set at 10 June 2022.

It is specified that if the company holds a number of treasury shares at the ex-dividend date, the amounts corresponding to unpaid dividends in respect of these shares will be transferred to retained earnings.

Pursuant to the provisions of Article 243 *bis* of the General Tax Code, you are reminded that the following dividends were paid during the last three financial years:

Financial year	Revenues eligible for tax rebate		Revenue not eligible for tax rebate
	Dividends	Other distributed earnings	
2018	€48,094,109.00* being €1.40 per share	-	-
2019	€42,976,388.75* being €1.25** per share	-	-
2020	€63,610,538.80* being €1.85 per share	-	-

* *Does not include unpaid dividends attributable to treasury shares and transferred to retained earnings.*

** *The 2019 dividend amount was revised downwards at the General Meeting of 24 June 2020.*

APPROVAL OF THE SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS - NOTING THE ABSENCE OF NEW AGREEMENTS (resolution 4)

—

It will be proposed, having considered the special report of the Statutory Auditors mentioning the absence of new agreements of the type referred to in Articles L. 225-38 and subsequent and L. 225-86 and subsequent of the Commercial Code, that you simply acknowledge this fact.

It is specified that no agreements have been concluded or authorised over the course of financial years prior to 2021, the execution of which continued during the previous financial year.

TERMS OF OFFICE OF THE PRINCIPAL AND ALTERNATE STATUTORY AUDITORS (resolutions 5 to 8)

—

We would remind you that the terms of office of the Principal Statutory Auditors, namely ERNST & YOUNG et Autres and KPMG SA, and of the Alternate Statutory Auditors, namely AUDITEX and SALUSTRO REYDEL, expired at the end of the Combined General Meeting called to approve the financial statements for the financial year ended on 31 December 2021.

A tendering process has been established, under the supervision of the Audit and Risk Committee and four audit firms have been approached.

The selection criteria mainly related to the following elements: technical expertise, audit approach and methodology, quality of proposed teams, international presence, digital innovation in auditing, involvement in developments to accounting and financial standards, relations with co-Statutory Auditors, financial proposal.

Under the terms of the tendering process, the Audit and Risk Committee recommended that the Board reappoint the Principal Statutory Auditors, KPMG SA. For the second Principal Statutory Auditors, the Committee recommended two international audit firms which each submitted tenders fulfilling Somfy's criteria.

Progress on digital solutions, resilience and depth of its organisation, as well as positive feedback on the ability to complete existing co-Statutory Auditor appointments with KPMG led the Audit and Risk Committee to recommend the selection of DELOITTE & ASSOCIÉS to the Board of Directors.

Upon the recommendation of the Audit and Risk Committee, the Board of Directors proposes to appoint DELOITTE & ASSOCIÉS to the role of Principal Statutory Auditor, replacing ERNST & YOUNG et Autres, for a period of six financial years, that is until the end of the Annual Ordinary General Meeting to be held in 2028 and called to approve the financial statements for the financial year ended 31 December 2027.

Upon the recommendation of the Audit and Risk Committee, the Board of Directors proposes not to reappoint AUDITEX to the role of Alternate Statutory Auditor, and does not propose to appoint a replacement, in accordance with the law.

Upon the recommendation of the Audit and Risk Committee, the Board of Directors proposes to reappoint KPMG SA to the role of Principal Statutory Auditor for a period of six financial years, that is until the end of the Annual Ordinary General Meeting to be held in 2028 and called to approve the financial statements for the financial year ended 31 December 2027.

Upon the recommendation of the Audit and Risk Committee, the Board of Directors proposes not to reappoint SALUSTRO REYDEL to the role of Alternate Statutory Auditor, and does not propose to appoint a replacement, in accordance with the law.

TERMS OF OFFICE OF DIRECTORS (resolutions 9 to 11)

—

We hereby remind you that Michel Rollier's term of office as a member of the Board of Directors expires at the end of the next Annual General Meeting.

Upon recommendation of the Appointment and Remuneration Committee, we propose that you take note of the expiry of the term of office of Michel Rollier at the end of the next General Meeting, such individual not having requested reappointment and the Board of Directors not seeking to propose that you appoint a replacement.

Upon recommendation of the Appointment and Remuneration Committee, we also propose that you appoint Grégoire Ferré and Vincent Léonard for a term of four years, that is to say until the end of the General Meeting to be held in 2026 and called to approve the financial statements for the financial year then ended, in addition to the current members. The Board will thus be increased from eight Directors (taking into account the non-reappointment and non-replacement of Michel Rollier) to ten Directors.

INDEPENDENCE AND GENDER PARITY

It is specified that the Board of Directors, based on the opinion of the Appointment and Remuneration Committee, considers that Grégoire Ferré and Vincent Léonard qualify as independent members in the eyes of the Middlenext Code, used by the company as a framework of reference in relation to corporate governance. In this regard, it is specifically noted that Grégoire Ferré and Vincent Léonard have no business relationship with the Group.

If you approve all these proposals for appointment:
- the independence rate of the Board, with this quality being defined in line with all the Middlenext Code criteria and used by the company, will increase from 62.5% to 66.7% (taking into account the non-reappointment and non-replacement of Michel Rollier and excluding the employee representative). As such, the company will continue to comply with the recommendations of this Code in terms of the proportion of independent members;
- the rate of female representation on the Board will decrease from 50% to 44%, in compliance with the law;
- at the end of the General Meeting, the Board of Directors will have more than eight members, triggering the requirement to appoint a second member representing employees on the Board of Directors pursuant to the company's Articles of Association.

EXPERTISE, EXPERIENCE AND SKILLS

The information concerning the expertise and experience of the proposed members is detailed in the paragraph "Expertise and experience of members of the Board of Directors and Observers" of the report on corporate governance which is included the 2021 Annual Financial Report.

SAY ON PAY
(resolutions 12 to 22)

APPROVAL OF THE REMUNERATION POLICY FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS (resolution 12)

In application of Article L. 22-10-8 of the Commercial Code, you are asked to approve the remuneration policy for the Chairman of the Board of Directors as presented in the report on corporate governance included in the 2021 Annual Financial Report (paragraph "corporate officers' remuneration policy").

APPROVAL OF THE REMUNERATION POLICY FOR THE CHIEF EXECUTIVE OFFICER (resolution 13)

In application of Article L. 22-10-8 of the Commercial Code, you are asked to approve the remuneration policy for the Chief Executive Officer as presented in the report on corporate governance included in the 2021 Annual Financial Report (paragraph "corporate officers' remuneration policy").

APPROVAL OF THE REMUNERATION POLICY FOR THE DEPUTY CHIEF EXECUTIVE OFFICER (resolution 14)

In application of Article L. 22-10-8 of the Commercial Code, you are asked to approve the remuneration policy for the Deputy Chief Executive Officer as presented in the report on corporate governance included in the 2021 Annual Financial Report (paragraph "corporate officers' remuneration policy").

APPROVAL OF THE REMUNERATION POLICY FOR THE DIRECTORS (resolution 15)

In application of Article L. 22-10-8 of the Commercial Code, you are asked to approve the remuneration policy for the Directors as presented in the report on corporate governance included in the 2021 Annual Financial Report (paragraph "corporate officers' remuneration policy").

APPROVAL OF THE INFORMATION REFERRED TO IN PARAGRAPH I OF ARTICLE L. 22-10-9 OF THE COMMERCIAL CODE (resolution 16)

In accordance with the provisions of Article L. 22-10-34 I of the Commercial Code, it is proposed that you approve the information included in paragraph I of Article L. 22-10-9 of the Commercial Code and presented in the paragraph "Information referred to in paragraph I of Article L. 22-10-9 of the Commercial Code" of the report on corporate governance included in the 2021 Annual Financial Report.

APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING OR ALLOCATED IN RESPECT OF THE FINANCIAL YEAR JUST ENDED TO JEAN GUILLAUME DESPATURE, CHAIRMAN OF THE MANAGEMENT BOARD UNTIL 2 JUNE 2021 (resolution 17)

In accordance with Article L. 22-10-34 II of the Commercial Code, it is proposed that shareholders approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Jean Guillaume Despature, Chairman of the Management Board until 2 June 2021, as presented in the report on corporate governance included in the 2021 Annual Financial Report, paragraph "Fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to the Chairman of the Management Board until 2 June 2021".

APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING OR ALLOCATED IN RESPECT OF THE FINANCIAL YEAR JUST ENDED TO JEAN GUILLAUME DESPATURE, CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 2 JUNE 2021 (resolution 18)

In accordance with Article L. 22-10-34 II of the Commercial Code, it is proposed that shareholders approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Jean Guillaume Despature, Chairman of the Board of Directors since 2 June 2021, as presented in the report on corporate governance included in the 2021 Annual Financial Report, paragraph "Fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to the Chairman of the Board of Directors since 2 June 2021".

APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING OR ALLOCATED IN RESPECT OF THE FINANCIAL YEAR JUST ENDED TO PIERRE RIBEIRO, MEMBER OF THE MANAGEMENT BOARD AND CHIEF FINANCIAL OFFICER UNTIL 2 JUNE 2021 (resolution 19)

In accordance with Article L. 22-10-34 II of the Commercial Code, it is proposed that shareholders approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Pierre Ribeiro, member of the Management Board and Chief Financial Officer until 2 June 2021, as presented in the report on corporate governance included in the 2021 Annual Financial Report, paragraph "Fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to the member of the Board of Directors and Chief Financial Officer until 2 June 2021".

APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING OR ALLOCATED IN RESPECT OF THE FINANCIAL YEAR JUST ENDED TO PIERRE RIBEIRO, CHIEF EXECUTIVE OFFICER SINCE 2 JUNE 2021 (resolution 20)

In accordance with Article L. 22-10-34 II of the Commercial Code, it is proposed that shareholders approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Pierre Ribeiro, Chief Executive Officer since 2 June 2021, as presented in the report on corporate governance included in the 2021 Annual Financial Report, paragraph "Fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to the Chief Executive Officer since 2 June 2021".

APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING OR ALLOCATED IN RESPECT OF THE FINANCIAL YEAR JUST ENDED TO MICHEL ROLLIER, CHAIRMAN OF THE SUPERVISORY BOARD UNTIL 2 JUNE 2021 (resolution 21)

In accordance with Article L. 22-10-34 II of the Commercial Code, it is proposed that shareholders approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Michel Rollier, Chairman of the Supervisory Board until 2 June 2021, as presented in the report on corporate governance included in the 2021 Annual Financial Report, paragraph "Fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to the Chairman of the Supervisory Board until 2 June 2021".

APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING OR ALLOCATED IN RESPECT OF THE FINANCIAL YEAR JUST ENDED TO VALÉRIE DIXMIER, DEPUTY CHIEF EXECUTIVE OFFICER SINCE 2 JUNE 2021 (resolution 22)

In accordance with Article L. 22-10-34 II of the Commercial Code, it is proposed that shareholders approve the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to Valérie Dixmier, Deputy Chief Executive Officer since 2 June 2021, as presented in the report on corporate governance included in the 2021 Annual Financial Report, paragraph "Fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during or allocated in respect of the financial year just ended to the Deputy Chief Executive Officer since 2 June 2021".

PROPOSAL TO RENEW THE AUTHORISATION CONCERNING THE IMPLEMENTATION OF THE SHARE BUYBACK PROGRAMME (resolution 23) **AND THE AUTHORISATION CONCERNING THE REDUCTION IN SHARE CAPITAL *VIA* THE CANCELLATION OF TREASURY SHARES HELD BY THE COMPANY** (resolution 24)

—

You are asked, under the terms of the 23rd resolution, to grant the Board of Directors, for a period of 18 months and in accordance with Articles L. 22-10-62 and subsequent and L. 225-210 and subsequent of the Commercial Code, the necessary powers to buy back company shares, on one or several occasions as it deems appropriate, up to a maximum of 10% of the number of shares comprising the share capital on the date of the Meeting, restated if necessary to take account of any increase or reduction in share capital that may take place during the timeframe of the programme.

This authorisation would supersede the authorisation granted to the Board of Directors by the tenth resolution to the General Meeting of 2 June 2021, sitting in ordinary session.

Acquisitions may be carried out for the following objectives:

- to stimulate the secondary market or ensure the liquidity of the Somfy share, by way of an investment services provider within a liquidity contract that complies with practices recognised by regulations, it being specified that within this framework the number of shares considered for the calculation of the limit specified above corresponds to the number of shares purchased less the number of shares resold;
- to retain the shares purchased and subsequently exchange them or use them as payment within the framework of potential merger, demerger, contribution or acquisition transactions;
- to ensure the coverage of stock option plans and/or free share allocation plans (or similar) granted to employees and/or corporate officers of the Group, including related economic interest groups and companies, as well as all other shares allocated under a company or group savings scheme (or similar), in relation to employee profit-sharing and/or any other form of allocation to employees and/or corporate officers of the Group, including related economic interest groups and companies;
- to cover marketable securities giving right to the allocation of shares in the company, in accordance with current regulations;
- to cancel purchased shares, in accordance with the authorisation granted or to be granted by the Extraordinary General Meeting.

Such share purchases could be effected by all means, including by means of acquiring blocks of shares and at any times considered appropriate by the Board of Directors.

The company would reserve the right to use options or derivative instruments, in accordance with applicable regulations.

The maximum purchase price would be set at €240 per share. In case of a share capital transaction, in particular a share split, reverse share split or allocation of free shares to shareholders, the above-mentioned price would be restated in the same proportions (a multiplier coefficient equal to the number of shares comprising the share capital before the transaction divided by the number of shares following the transaction).

The maximum value of the transaction would therefore be set at €273,589,200.

The General Meeting would confer all powers to the Board of Directors to proceed with these transactions, set their terms and conditions, conclude all agreements and fulfil all of the required formalities.

Under the cancellation objective, we would ask you, under resolution 24, to grant authority to the Board of Directors, for a period of 24 months, to cancel, at its own discretion, on one or more occasions, within a limit of 10% of capital, calculated on the day on which the cancellation decision is made, reduced by the number of shares potentially cancelled during the previous 24 months, the shares which the company holds or could hold, notably following share buybacks exercised within the framework of Article L. 22-10-62 of the Commercial Code, as well as to reduce share capital by the corresponding amount pursuant to the legal and regulatory provisions in force.

The Board of Directors would have full authority to carry out all necessary transactions for such cancellations and corresponding reductions in share capital, to modify the company's Articles of Association as a result and fulfil all of the required formalities.

AUTHORISATION TO BE GRANTED TO THE BOARD OF DIRECTORS TO ALLOCATE EXISTING SHARES FREE OF CHARGE TO EMPLOYEES AND/OR CERTAIN CORPORATE OFFICERS (resolution 25)

—

To enable us to pursue a policy of incentive-based employee shareholding that promotes the development of the business, we propose that you renew the authorisation to grant existing shares free of charge to salaried employees of the company and companies or economic interest groups related to it and/or certain corporate officers.

As such, we propose that you authorise the Board of Directors, for a period of 38 months, to allocate, on one or more occasions, pursuant to Articles L. 225-197-1, L. 225-197-2, L. 22-10-59 and L. 22-10-60 of the Commercial Code, existing shares free of charge.

The beneficiaries of these allocations may be:

- employees of the company or companies or economic interest groups directly or indirectly related to it within the meaning of Article L. 225-197-2 of the Commercial Code;
- and/or corporate officers meeting the requirements of Article L. 225-197-1 of the Commercial Code.

The total number of shares thus allocated free of charge may not exceed 1.5% of the share capital on the date of this General Meeting, without being able to exceed the maximum percentage of the share capital provided for by regulations on the date on which the allocation decision is made, it being specified that this limit would count towards the total number of shares that could confer the right to share purchase options able to be granted by the Board of Directors in respect of the authorisation granted by the General Meeting of 2 June 2021 in its 12th resolution and any other subsequent similar authorisation granted by the General Meeting.

Where applicable, added to this limit would be the nominal amount of the increase in share capital required to safeguard the rights of the beneficiaries of free allocations of shares in the event of transactions on the company's share capital during the vesting period.

The allocation of shares to beneficiaries would be definitive at the end of a vesting period whose duration, which may not be less than one year, will be set by the Board of Directors.

Beneficiaries should, where applicable, retain these shares for a minimum period, set by the Board of Directors, at least equal to that required to ensure that the cumulative duration of the vesting, and where necessary the retention, periods may not be less than two years.

As an exception, the final allocation would take place before the end of the vesting period in the event of the beneficiary's infirmity corresponding to the second or third category referred to in Article L. 341-4 of the Social Security Code.

As such, the Board of Directors would have all necessary powers to set the conditions and, where required, the criteria for the definitive allocation of the shares; to determine the identity of the beneficiaries as well as the number of shares allocated to each of them; where necessary, to acquire the shares required as part of the share buyback programme and to allot them to the allocation plan; to determine the impacts on the rights of beneficiaries of transactions modifying the share capital or likely to impact the value of the shares allocated and completed during the vesting period and, as a result, to amend or adjust, if necessary, the number of shares allocated to preserve the rights of beneficiaries; to decide whether or not to set a retention obligation at the end of the vesting period and, where necessary, to determine its duration and take all appropriate measures to ensure compliance with it by the beneficiaries; and generally, do anything within the framework of current regulations that may be required by the implementation of this authorisation.

This authorisation would, where applicable, cause any unused portion of any prior authorisation to the same effect to lapse on the date of the General Meeting.

The Board of Directors asks you to approve the above resolutions submitted to your vote.

The Board of Directors

APPENDIX: SOMFY SA FINANCIAL RESULTS FOR THE LAST FIVE YEARS

€ thousands	2017	2018	2019	2020	2021
1. Financial position at the balance sheet date					
a) Share capital	7,400	7,400	7,400	7,400	7,400
b) Number of shares issued	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000
c) Number of bonds convertible into shares	-	-	-	-	-
2. Overall result of current operations					
a) Net sales	3,234	3,412	3,705	3,862	4,591
b) Profit before tax, amortisation, depreciation and provision charges	86,979	94,252	116,910	97,790	170,455
c) Income tax	25,516	4,457	2,913	2,345	2,223
d) Profit after tax, amortisation, depreciation and provision charges	107,111	98,241	114,988	100,960	184,474
e) Distributed profit*	48,100	51,800	46,250**	68,450	79,550
3. Earnings per share					
a) Earnings per share after tax, but before amortisation, depreciation and provision charges	3.04	2.67	3.24	2.71	4.67
b) Earnings per share after tax, amortisation, depreciation and provision charges	2.89	2.66	3.11	2.73	4.99
c) Dividend distributed per share	1.30	1.40	1.25**	1.85	2.15
4. Workforce					
a) Number of employees at end of year	4	10	11	11	11
b) Total payroll paid	959	1,146	1,586	1,694	2,635
c) Amount paid in relation to employee benefits to employee benefits (Social Security, charities, etc.)	326	222	395	371	943

* *This amount corresponds to the proposed dividend for the last financial year ended before its approval by the General Meeting (which is held in N+1). Consequently, it includes the amount of the dividend relating to treasury shares that will not be paid.*

** *The dividend amount was revised downwards at the General Meeting of 24 June 2020.*