# ANNUAL REPORT
# 2021

AKWEL

EFFICIENT AUTOMOTIVE SOLUTIONS

The annual financial report is a reproduction of the official version of the annual financial report that was prepared in ESEF (European Single Electronic Format) format and is available on the issuer's website.

## CONTENTS

MESSAGE FROM THE PRESIDENT OF THE EXECUTIVE BOARD ..... 3
ADMINISTRATION, MANAGEMENT AND CONTROL ..... 4
RESPONSIBLE PERSONS ..... 6

**REPORTS BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD ..... 7**

MANAGEMENT REPORT BY THE EXECUTIVE BOARD PRESENTED AT THE ORDINARY GENERAL MEETING OF WEDNESDAY 25 MAY 2022 ..... 8
REPORT BY THE AUDITING BODY ..... 57
SUPPLEMENTARY REPORTS BY THE EXECUTIVE BOARD ..... 59
REPORT OF THE EXECUTIVE BOARD ON THE WORDING OF THE RESOLUTIONS PROPOSED TO THE ORDINARY GENERAL MEETING OF WEDNESDAY 25 MAY 2022 ..... 60
REPORT BY THE SUPERVISORY BOARD ON THE CORPORATE GOVERNANCE, INCLUDING THE SUPERVISORY BOARD'S OBSERVATIONS CONCERNING THE MANAGEMENT REPORT AND THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ..... 63
LIST OF MANDATES, POSITIONS AND BUSINESS ADDRESSES OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD AS AT 31 DECEMBER 2021 ..... 106

**FINANCIAL STATEMENTS - AKWEL GROUP ..... 114**

CONSOLIDATED BALANCE SHEET ..... 115
CONSOLIDATED INCOME STATEMENT ..... 117
STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY UNDER SHAREHOLDERS' EQUITY ..... 118
CONSOLIDATED CASH FLOW STATEMENT ..... 119
VARIATION IN CONSOLIDATED SHAREHOLDERS' EQUITY ..... 121
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ..... 122
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS ..... 153

**FINANCIAL STATEMENTS - AKWEL ..... 158**

BALANCE SHEET ..... 159
INCOME STATEMENT ..... 161
APPENDIX TO THE CORPORATE FINANCIAL STATEMENTS ..... 162
STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS ..... 173
STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS ..... 178

**ADDITIONAL INFORMATION ..... 180**

GENERAL INFORMATION CONCERNING AKWEL ..... 181
GENERAL INFORMATION CONCERNING THE COMPANY'S CAPITAL ..... 184
AGENDA OF THE ORDINARY GENERAL MEETING OF WEDNESDAY 25 MAY 2022 ..... 185
TEXT OF THE RESOLUTIONS PROPOSED TO THE ORDINARY GENERAL MEETING OF WEDNESDAY 25 MAY 2022 ..... 187

# MESSAGE FROM THE PRESIDENT OF THE EXECUTIVE BOARD

Dear Sir/Madam,

2020 was a unique year, socially and professionally. We all thought that 2021 would be less turbulent for equipment manufacturers. This was not the case, and is still not the case at the beginning of 2022. Even though it started well, 2021 was very complicated from April onwards with a decline in volumes, more volatility, continued supply problems and widespread increases in purchase prices and wages. The Group managed to demonstrate resilience, succeeded in delivering to its customers and improving its operational performance in a number of areas: safety, quality and competitiveness. I'd like to thank all our employees for their ability to adapt, which is the strength of our model. Unfortunately, this was not enough to offset the additional costs generated by general instability and increases not fully passed on. Ultimately, financial performance was impacted and returned to a level comparable to 2018 or 2019.

In 2022, we will continue our efforts to remain agile and effective, despite the new challenges, in order to honour all of our customers' requests with high-quality services. Thanks to our highly robust model, we will continue to adapt or evolve our products and our industrial resources to rebuild our product potential for the electric, hydrogen, connected and autonomous vehicles of tomorrow. This "Product" potential will be built around three areas of expertise:

- Fluid Management, where we are developing new products for the temperature management of batteries and various electrical and electronic components, reusing all of our expertise from cooling, fuel and SCR applications, and in brake particle management, through the partnership with Tallano;
- Mechanisms, with new interior and exterior door handles and new locks;
- Structural Parts in battery packs, battery modules, chargers, converters and charging solutions.

We will also continue our actions to remain a socially responsible company. Several themes will be prioritised, such as the safety of teams and tools for which ISO 45001 and ISO 27001 certifications will be undertaken, the reduction of $CO_2$ emissions, consumption and scrap, and the rollout of our priority CSR requirements among our suppliers.

Mathieu Coutier
President of the Executive Board

# ADMINISTRATION, MANAGEMENT AND CONTROL

## 1. Supervisory Board

| | |
|---|---|
| André Coutier | President of the Supervisory Board |
| Nicolas Job | Vice-President of the Supervisory Board |
| Geneviève Coutier | Member |
| Emilie Coutier | Member |
| COUTIER DEVELOPPEMENT represented by Christophe Coutier | Member |
| Christophe Besse (*) | Member |
| Anne Vignat Ducret | Member |

(*) Member elected by employees.

In paragraph *2.1.1.2.* of the Supervisory Board's report on corporate governance, including the observations of the Supervisory Board on the management report and the financial statements for the financial year, you will find information stating their age, their status as independent, a member of the Audit Committee and the CSR and Remuneration Committee, the expiry date of their terms of office held within the Company, and the positions and offices held in other listed or unlisted companies.

## 2. Executive Board

| | |
|---|---|
| Mathieu Coutier | President of the Executive Board |
| Jean-Louis Thomasset | Vice-President of the Executive Board - Financial VP |
| Benoit Coutier | Member - Legal VP |
| Nicolas Coutier | Member - Business Development VP |
| Frédéric Marier | Member - Manufacturing Performance VP |

In section *2.2.1.2.* of the Supervisory Board's report on corporate governance, including the observations of the Supervisory Board on the management report and the financial statements for the financial year, you will find information stating their age, the expiry date of their terms of office within the Company, and the positions and offices held in other listed or unlisted companies.

## 3. Executive Committee

| | |
|---|---|
| Mathieu Coutier | President of the Executive Board |
| Jean-Louis Thomasset | Vice-President of the Executive Board - Financial VP |
| Benoit Coutier | Member of the Executive Board - Legal VP |
| Nicolas Coutier | Member of the Executive Board - Business Development VP |
| Frédéric Marier | Member of the Executive Board - Manufacturing Performance VP |
| Sébastien Boivin | Purchasing VP |
| Maxime Delorme | Operation VP |
| Sylvain Jaquet | Operation VP - Product Lines Director |
| Gilles Kern | Quality, Safety, Environment and Energy VP |
| Thierry Foubert | Operation VP |
| Philippe Mao | Operation VP |
| Ludovic Mercier | Marketing and Sales VP |
| Alfredo Soto | Operation VP |

## 4. Auditors

| | Date of first appointment | Date of reappointment | Mandate end date (ordinary general meeting called to approve the financial statements of) |
|---|---|---|---|
| **Permanent Auditors** | | | |
| **ORFIS**<br>**Jean-Louis Flèche**<br>79, boulevard Stalingrad<br>69100 Villeurbanne | 24 June 2004 | 30 May 2018 | 31 December 2023 |
| **MAZARS**<br>**Jérôme Neyret**<br>109, rue de tête d'or<br>69006 Lyon | 23 February 2004 | 30 May 2018 | 31 December 2023 |
| **Alternate Auditors** | | | |
| **Bruno Genevois**<br>79, boulevard de Stalingrad<br>69100 Villeurbanne | 30 May 2018 | - | 31 December 2023 |
| **Philippe Galofaro**<br>109, rue de tête d'or<br>69006 Villeurbanne | 30 May 2018 | - | 31 December 2023 |

# RESPONSIBLE PERSONS

## Person responsible for the document

Mathieu Coutier, President of the Executive Board

Tel.: + 33 (0)4 50 56 98 98

## Certification of the authority in charge of the annual financial report

I declare, to the best of my knowledge, that the accounts are prepared according to the applicable accounting norms and deliver a genuine image of the capital, the financial situation and the Company's profit/loss, as well as all of the companies encompassed in the scope of consolidation, and that the management report offers a transparent view of the business growth, profit/loss and the financial situation of the Company and all the companies included in the scope of consolidation. Said accounts also present a description of the main risks and uncertainties with which these companies are confronted.

Mathieu Coutier
President of the Executive Board

## Financial Information Manager

Jean-Louis Thomasset, Vice-President of the Executive Board, Financial VP.

Tel.: + 33 (0)4 50 56 99 25

# REPORTS BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD

# MANAGEMENT REPORT BY THE EXECUTIVE BOARD PRESENTED AT THE ORDINARY GENERAL MEETING OF WEDNESDAY 25 MAY 2022

Ladies and Gentlemen,

In accordance with the legal and regulatory provisions and the Company's articles of association, the Executive Board has gathered you together at an Ordinary General Meeting to report to 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.

The meeting notices have been properly sent to you and all of the documents and items provided for under the regulations in force and related thereto have been communicated to you or have been made available to you, within the legal deadlines.

## 1. Presentation of the consolidated financial statements

**Accounting standards**

The consolidated financial statements of the AKWEL Group (hereinafter the "Group") were prepared in accordance with the IFRS standards, as approved by the European Union.

During the course of the financial year, the Group adopted the mandatory standards, amendments and implemented interpretations over the period. Theses texts have had a limited impact on the net income and financial position of the Group.

### 1.1. Significant events during the reporting period

#### 1.1.1. Another very turbulent year

In 2021, the Group generated revenue of €922.5 million, down 1.6% in published figures compared to the previous financial year. However, at a constant scope and exchange rates, activity was up 2.8%, although 2020 was particularly adversely affected by the Covid-19 crisis (revenue was down 14.9% in published figures compared to the 2019 financial year). Nevertheless, in this particularly difficult environment, the Group managed to post another year of outperformance compared to its reference markets. The Group continues to benefit from market share gains and the solid performance of several strategic customers. The strongest product lines are Cooling and Mechanisms, with reported revenue growth of +2.5% and +1.9%. The Air & Oil and Fuels & Depression Systems product lines are performing better than their reference markets, thanks in particular to the successful repositioning in petrol and hybrid vehicles. The Group's top three customers (Stellantis, Ford and Renault-Nissan-Mitsubishi) accounted for 67.6% of business compared to 70.1% in 2020 (at an identical scope of business). All in all, the Group's top ten customers accounted for 88.5% of revenue (88.1% in 2020). It should be noted that whilst customers located in France continue to represent the highest volume of business, they accounted for just 21.3% of the Group's sales in 2021, compared with 21.8% in 2020. The biggest increase by value was achieved with Mexican customers, which now account for 4.4% of the Group's sales (3.4% in 2020).

#### 1.1.2. The 2021 financial year highlights

During the last financial year, significant operations and events at the scope or organisational level are as follows:

- Lack of visibility on projected customer needs, including those confirmed or subject to logistics protocols;
- Supply difficulties in nearly all raw materials and electronic components, linked to global demand exceeding supply;
- A surge in the purchase prices of nearly all raw materials and electronic components;
- Increased production stoppages or reductions in production vehicles related to supply difficulties, leading to a very small increase in global car production compared to 2020, which was down by 16% compared to 2019;
- Reduction from 12 to 9 in the number of strategic customers;
- Order entries remained at a satisfactory level, particularly in electric vehicles;
- A 0 km quality performance, reaching the highest level in the Group's history;

- Spin-off of the Aftermarket activity between a Spare Parts section that is still located on the Villieu (France) site and an independent Distribution section that has been transferred to the new Bressolles site (France);
- Reporting of the Spare Parts sales team to the Marketing & Sales Department;
- Reporting line of the Site IT correspondents to the Information Systems Department (decision effective as of 1 January 2022);
- Installation of several Group ERP modules on the Pune site (India);
- Recognition of non-recurring allowances for provisions for warranty risks in the total amount of €7.3 million (taking into account the actual level of returns observed over the last 18 months);
- Search for a new production site in Eastern Europe (with the aim of being able to begin the first productions at the end of 2022);
- Announcement of the closure of the Birmingham site (United Kingdom), which will be effective no later than the end of July 2022, with production being transferred mainly to the Timisoara (Romania) and Champfromier (France) sites;
- Decision to close the Daman site (India) given the lack of prospects, with all activity expected to be shut down in the third quarter of 2022;
- Decision to discontinue activity at the Casablanca site (Morocco) before April 2022 (the shutdown may take the form of a closure or a disposal).

## 1.2. Analysis of the consolidated financial statements

The consolidated key figures for the 2021 financial year are as follows:

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Revenue excluding tax | 922.5 | 937.2 |
| Current operating income | 75.2 | 113.7 |
| Operating income | 70.4 | 107.0 |
| **Net income Group share** | **51.2** | **85.5** |
| **Cash flow** | **92.5** | **154.4** |

The added value rate stands at 40.7% of revenue, compared to 45.6% in 2020. This sharp decrease is mainly due to significant increases in the purchase prices of raw materials and certain components, which were only partially, and with a delay, reflected in sales prices. The return to a certain degree of normality in other purchases and external charges and additional logistical costs linked to multiple shortages also weighed on performance.

Personnel expenses, including temporary staff and any employee profit-sharing, amounted to €255.1 million, a 4.5% increase compared to the previous financial year. As we indicated, the efforts required in 2020 could not be maintained over the long term. The teams were therefore strengthened, particularly in the upstream segment (Marketing & Sales, Research & Development, Industrialisation). Furthermore, the shortages of materials and components, as well as the lack of visibility regarding customer needs, led to significant losses in industrial efficiency and therefore an increase in payroll.

EBITDA amounted to €117.0 million, down 33.2% compared to the previous financial year. We would like to remind you that 2020 had been positively impacted by the decompensation of insurance claims receivable totalling €19.0 million. At 12.7% of revenue, 2021 EBITDA remains higher than in 2019, which amounted to 11.8% despite the multiple difficulties that characterised the past financial year.

Amortisation allowances were €42.5 million, versus €41.0 million in 2019. This change is mainly attributable to impairment tests on the Swedish entities, which resulted in an additional €2.2 million in amortisation allowances.

Net provisions were €(0.7) million, compared to €20.6 million in 2020. The 2021 financial year saw the recognition of €7.3 million in provisions for warranty return risks. In addition, the two sites currently being closed and presented as continuing operations were subject to restructuring provisions amounting to a total of €1.8 million over the financial year. We would also like to remind you that 2020 provisions for liabilities and charges were related in the amount of €19.0 million to the decompensation of insurance indemnities receivable.

Current operating income amounted to €75.2 million, down 33.8% compared to the previous financial year. At 8.2% of revenue, the level of profitability for the 2021 financial year is close to that of 2018 (7.3%) and 2019 (8.4%).

However, it should be noted that in 2021 as in 2020, the Group benefited from particularly significant net foreign exchange gains (€9.3 million and €9.4 million respectively), which are non-recurring.

Other non-recurring income and charges totalled €(3.7) million, versus €(6.7) million in 2020. The 2021 financial year was also penalised by the recognition of an impairment loss of €3.7 million on part of Sweden's goodwill (€6.8 million was recognised in 2020).

The cost of net financial debt fell sharply to €0.7 million, compared to €2.0 million in 2020. The Group benefited from the disappearance of the Euro PP interest since July and a refund of late interest on Mexican VAT amounting to €0.5 million.

For the first time, other financial income and charges totals a significant amount, with a net expense of €1.5 million, which almost entirely corresponds to the consequences of consolidating the Moroccan subsidiary Sinfa Câbles under disposed or discontinued operations (financial provisions for impairment of securities and current accounts are no longer eliminated from the consolidated financial statements).

The income tax expense was €16.3 million, compared to €20.2 million in 2020. The effective tax rate therefore stands at 23.9% compared to 19.2% (and 26.9% in 2019). We would like to remind you that in 2020, the Group benefited from several tax credits and an unusual income mix.

Net income Group share was €51.2 million, compared to €85.5 million in 2020. Net profitability came to 5.5%, which still positions the Group as one of the most profitable equipment manufacturers among European listed players.

## 1.3. Analysis of the Group's financial position, notably its indebtedness

Net cash, including lease obligations, was €98.2 million, compared to €60.6 million in 2020. This is a new all-time high. However, gross cash was down slightly year-on-year at €167.4 million, compared to €175.1 million in 2020, as over the financial year the Group had to repay a particularly high level of financing, which had become due.

Shareholders equity totalled €571.2 million, compared to €541.1 million during the previous financial year. This covers nearly 68.8% of the balance-sheet total (and over 86% excluding cash assets). Tangible equity (excluding goodwill, brands, patents, software, etc.) amounted to €535.4 million. They are also all-time records.

## 1.4. Investment policy

Non-financial investments totalled €28.9 million, versus €33.1 million during the previous financial year (compared to €87.3 million in 2017 and €77.0 million in 2018). However, the level of 2021 investments will be a low point, as investment authorisations had already exceeded €50 million.

## 1.5. Important events since the close of the financial year and the date of preparation of the management report

As the Group has less than 1% of its business in the Ukraine & Russia region and has no significant supplier there, it is not directly impacted by the Ukrainian conflict.

## 1.6. Foreseeable developments and future prospects

The 2022 financial year is expected to continue to be characterised by very low visibility, given the continued impacts of the pandemic through shortages in certain electronic materials and components, resulting in production stoppages at many manufacturers, as well as increases in purchase prices partially reflected, and with a delay, in sales prices. The coming year will also be characterised by wage increases that will sometimes be very high, as a result of the inflation seen in 2021, as well as the surge in energy and transport prices. The lack of visibility regarding manufacturers' production will also continue to lead to a loss of efficiency in our plants and therefore additional production costs.

Under these conditions, and although revenue is expected to increase compared to the 2021 financial year, the level of profitability is expected to be lower.

Cash generation, while still largely positive, is also expected to fall from the 2021 level, with investments expected to increase again and sources of improvement in working capital requirements being lower than in the past**.**

## 1.7. Risk factors

The Group undertook a review of the risks that could have a significant adverse effect on its business, its financial position, its results, its outlook or its ability to achieve its targets and believes that there are no significant risks other than those presented.

The criticality of the risks presented was assessed in terms of probability of occurrence and financial impact for the Group, taking into account the risk mitigation measures implemented by the Company (net risks).

The results are placed in four categories (significant, high, medium and low) and presented by theme in the remainder of this section.

However, other risks of which the Group is not aware at the date of the financial report, or the occurrence of which is not considered, on that date, likely to have a material adverse impact on the Group, its activities, financial position, results or prospects, may exist or arise.

There are no risk factors related specifically to the Group, the main risks being inherent in an activity developed almost entirely in the field of automotive original equipment manufacturers.

### 1.7.1. Risk summary table

| **Risk families** | **Rating (net risk)** |
|---|---|
| **Operational risks** | |
| Pandemic-related risks | Medium |
| Risks associated with dependence on the automotive sector and customers | Significant |
| Supplier risks | High |
| Risks associated with the development and launch of new projects | High |
| Risks of cyberattack and IT system failure | High |
| Risks associated with dependence on new models | Low |
| Risks associated with changes in the technological environment | Significant |
| **Financial and market risks** | |
| Interest rate risks | Low |
| Risks associated with exchange rate fluctuations | Low |
| Liquidity risks | Low |
| Risks associated with raw material and component prices | High |
| Customer risks | Low |
| **Environmental risks** | |
| Environmental impact of sites and climate change | Low |
| **Legal risks** | |
| Risks associated with the non-compliance of products sold | Medium |
| Risks associated with intellectual property rights (patents and trademarks) | Low |
| Business ethics and compliance | Medium |

### 1.7.2. Details of the Company's main risks

This section describes the main general risks to which the Company is exposed. The risk categories listed below are not presented in order of level.

#### *1.7.2.1. Operational risks*

*1.7.2.1.1. Pandemic-related risks*

Risk identification and description

Given its activity, the Company is exposed to the pandemic risk.

The production activities of the Group, its customers and suppliers are spread across five continents. Even in the absence of a global pandemic, the Group could therefore be impacted by a potential local or regional epidemic.

In the event of an epidemic or pandemic, multiple restrictive measures may be implemented in countries in the region affected to limit the spread (as was the case during the Covid-19 crisis from March to May 2020: quarantines, bans on gatherings of people, closures of public places, restrictions or bans on travel, lockdowns of all or part of the population, etc.).

The impact of this risk (which occurred in 2020) therefore depends on when the pandemic occurs, how long it lasts, the geographical regions concerned, its magnitude and its effects.

The occurrence of this risk could have several impacts on:

- Industrial and commercial activity: this could lead the Group to slow down or halt its activities;
- The employees of the Group and its stakeholders (health, safety, psycho-social and societal risks);
- The Group's customers (closure of manufacturers' assembly plants and dealerships);
- Growth, competitiveness, profitability and investments.

Potential effects on the Group

This risk could have a medium impact on the Group.

Risk management

The distribution of the Group's activities across different geographical regions helps mitigate the aggravating effects of the aforementioned impacts.

The Covid-19 crisis has demonstrated the Group's ability to protect its employees' health while adapting production to meet customer demand.

The Company has identified all of the actions to take to ensure the safety of its employees, suppliers, partners and customers.

Group entities, which are used to implementing safety protocols, are able to adapt their working methods and provide their staff with the necessary protections.

Prevention measures taken during the Covid-19 pandemic were maintained in 2021, such as:

- Site equipment: hand sanitiser, masks;
- Ban on external travel as well as between sites (unless necessary and approved by a director);
- Information campaign on barrier measures and hygiene precautions;
- Establishment of a site cleaning and disinfection protocol;
- For employees whose presence on-site was not required, remote work arrangements were put in place.

*1.7.2.1.2. Risks associated with dependence on the automotive sector and customers*

Risk identification and description

The Group's revenue directly depends on the level of global automotive production, particularly in Europe, North America, Turkey and Asia. This production can be affected by the general economic situation, government policies, namely incentive schemes for vehicle purchasing, trade agreements, regulatory changes and labour relations (including strikes and work disruptions).

In addition, the Group generates 56% of its business directly with the two manufacturers Stellantis and Ford. The performance of these two manufacturers therefore has a considerable influence on the Group's revenue.

Potential effects on the Group

This risk could have a significant impact on the Group.

A deterioration in the automotive market or a change in regulations, tariffs, taxes or other barriers or trade restrictions, in the regions where the Company and its customers are located, could lead to a decline in the Group's results and/or some of its customers or suppliers defaulting, thereby affecting its financial position.

Risk management

The Group operates in 20 countries. It also benefits from the diversification of its sales by region, customer, brand and vehicle model, reducing its exposure to adverse developments in one of its markets.

The Group is working on expanding its customer portfolio.

*1.7.2.1.3. Supplier risks*

Risk identification and description

The Group is dependent on suppliers to produce the products it sells to its customers.

Some of the Group's suppliers may face production problems, financial difficulties, bankruptcy, non-compliance with product specifications, insufficient quality controls, breaches of applicable regulations and ethical rules, failure to meet production deadlines or any other factor negatively affecting the quantity or quality of their products.

There is also a risk that one or more suppliers' production may be temporarily or permanently interrupted or delayed due to production facility failure or disruption in manufacturing processes.

Potential effects on the Group

This risk could have a significant impact on the Group.

Such difficulties are likely to have a negative impact on the Group's ability to deliver high-quality products to its customers in accordance with parts requests, which could harm the Group's relationships with them, resulting in a decrease in sales.

Such a situation could have a high adverse impact on the Group's reputation, activities, financial position and operating results.

Risk management

The Group works with a number of suppliers located in different countries to ensure its supplies of raw materials and components, which significantly reduces the risk of its results depending on one supplier.

The top supplier, the top five and the top ten respectively account for 4.6%, 18.2% and 29.3% of the Group's production purchases.

The Group is committed to ensuring the continuous quality of products from its suppliers by selectively checking pre-production samples, periodically visiting the production sites of some of its suppliers and checking shipments that arrive at its logistics platforms according to the criticality of products and suppliers.

The Group monitors its supplier panel in accordance with supplier risk assessment procedures, based on an approach including financial, management, Group-dependence, integrity, and quality and logistics performance criteria.

*1.7.2.1.4. Risks associated with the development and launch of new projects*

Risk identification and description

The Group is subject to the risks inherent in developing and launching new products. The Group may face problems related to project management, from design to industrialisation, including managing post-order changes.

Due to its international activities, the Group is also exposed to risks related to potential changes to legislation or regulations affecting its products in all or part of its markets or to export control systems.

Potential effects on the Group

This risk could have a high impact on the Group.

Failures to deliver innovative solutions on time or respond to changes in the normative environment, or to deliver on time the products expected by its customers, could undermine the Company's reputation and affect its financial position.

The Group may also face administrative and criminal penalties, and temporary or permanent interruptions to business may be experienced by customers and/or suppliers.

Risk management

Any award of a new project is subject to a standardised profitability study, where the Executive Board establishes profitability projections and return on investment criteria. Once the project is awarded, it is monitored, from start-up to the launch of mass production thanks to milestones where all the financial and technical data are analysed and corrected as appropriate.

*1.7.2.1.5. Risks of cyberattack and IT system failure*

Risk identification and description

The development, implementation and uninterrupted performance of the Group's hardware, network, website and other computer systems, including those that may be provided by third parties, play an essential role in the Group's activities, including the management of purchases and shipments, production, the processing of customer orders, the monitoring of factory performance and the design and development of new products.

The Group is also dependent on its IT systems in the areas of finance and administration (invoicing, reporting, consolidation operations).

Risks to IT systems may involve breaches of the confidentiality, integrity or availability of data and transactions carried out by information systems (system failure, data theft, destruction or loss of integrity of data).

Potential effects on the Group

This risk could have a high impact on the Group.

The disruptions that may affect the Group's activities have a variety of causes, many of which are beyond the Group's control, including:

- Loss of power and failure of telecommunications systems;
- Errors, failures, defects or interruption of software and hardware;
- Computer viruses and other similar disruptive problems;
- Fires, floods and other natural disasters;
- Network-related attacks or damage to IT systems, software and systems introduced by hackers or cybercriminals;
- The performance of third-party suppliers.

Any major disruption or slowdown in the Group's information systems may:

- Lead to the loss or late transmission of information, including data related to customer orders and deliveries,
- Have a significant adverse impact on the Group's activities (delays in delivery of products to customers), financial position and operating results, as well as its reputation and image.

Risk management

The Group has put in place a set of protections, processes and regular analyses to compensate for a possible shutdown of a key system, making it possible to optimise its resilience capacity, including:

- Incident monitoring;
- Backup and restoration of all application environments;
- Preventive maintenance plan;
- Business continuity plan.

To plan ahead for cyberattacks, cyber threats and cyber espionage, IT security was enhanced by the recruitment in 2020 of the Group's Chief Information Security Officer, reporting to the Information Technology VP, and the implementation of a Security Policy (ISSP).

His main duties include technical protections (firewalls, antiviruses) and preventing risk through employee awareness and training.

All of the rules concerning the use of information systems are formalised in the Charter on the Correct Use of IT Resources implemented by the Company and applied by all users of the Company's information systems and technology tools.

*1.7.2.1.6. Risks associated with dependence on new models*

Risk identification and description

Supply contracts with automotive manufacturers take the form of open orders for all or a part of the equipment requirements for a vehicle model, with no guarantees on production volume. They are agreed upon separately for each of the vehicle's functions and are generally valid for the life cycle of the model.

Potential effects on the Group

This risk could have a low impact on the Group.

The Group's revenue, profit/loss and financial situation may be affected by the commercial failure of a model and/or by the fact that the Group is not retained for a new generation of models. Moreover, in certain cases, the car manufacturer may reserve the right to change the supplier in an arbitrary manner during the life cycle of the model.

Risk management

However, these risks are mitigated thanks to the Group's wide range of products installed or assembled on a large number of vehicle parts.

*1.7.2.1.7. Risks associated with changes in the technological environment*

Risk identification and description

The Group's growth depends on its ability to anticipate technological and/or regulatory developments and adapt to far-reaching changes on and disruptions to the automotive market.

The automotive industry is highly competitive and is characterised by rapid technological changes.

Potential effects on the Group

This risk could have a significant impact on the Group.

The unexpected acceleration of a technology on the market or difficulties encountered in the internal development of a new technology would prevent the Group from seizing opportunities related to technological disruptions and could therefore impact the Group's competitive positioning, growth and profitability.

Risk management

To prevent or limit the impact of such risks, the Group implements the following measures, in particular:

- Market intelligence gathering to keep abreast of the most recent technologies and their commercialisation;
- Investment in research and innovation.

### *1.7.2.2. Financial and market risks*

*1.7.2.2.1. Interest rate risks*

Risk identification and description

The Group's activities could be affected by changes in interest rates. In the normal course of business, the Company obtains financing on the markets and also uses bank credit.

Potential effects on the Group

The Group's net income can be influenced by interest rate changes insofar as they have a direct effect on the cost of borrowing.

This risk has a low impact on the Group.

Risk management

The Company has low exposure to the interest rate risk, as nearly all of its debt is fixed-rate.

A 1 point variation in the benchmark indices would have an effect of less than €350,000 on the amount of financial interest paid.

No interest rate risk hedging was therefore put in place.

*1.7.2.2.2. Risks associated with exchange rate fluctuations*

Risk identification and description

Operating in an international context, the Group may be subject to an "operational foreign exchange risk" due, firstly, to the location of some of its production sites and, secondly, to the purchase or sale of materials and components or the sale of these sites' production in currencies other than the functional currencies of entities conducting transnational transactions.

In addition, the financing needs of foreign subsidiaries outside the euro area ensured by intra-Group loans/borrowing expose certain Group entities to "financial foreign exchange risk" (risk related to the change in the value of debt or financial receivables denominated in currencies other than the functional currency of the borrowing or lending entity).

Finally, the Company is subject to a translation risk linked to the contribution of subsidiaries, whose operating currency is not the euro, to the Group's consolidated results. These subsidiaries' sales, income and cash flow, when converted into euros, are sensitive to changes in the price of their accounting currency against the euro.

The main currencies used are the euro (42.4% of business), the US dollar (25.7%) and the Turkish lira (11.0%).

To minimise the foreign exchange impacts, the Group purchases, whenever possible, in the operating currencies of each entity and provides for an impact on exchange rate changes in contracts with its customers. Where this is not the case, foreign exchange impacts are addressed in commercial discussions, which generally result in a substantial proportion of the differences being reflected in sales prices.

Therefore, no exchange risk coverage has been implemented.

*1.7.2.2.3. Liquidity risks*

Risk identification and description

The Group must, at all times, have sufficient financial resources to fund its current activities and the investments required for the Group's expansion, but also to be able to face any exceptional events.

The Group's liquidity risk arises mainly from obligations to repay its existing debt, financing its future needs and complying with its financial ratios.

Potential effects on the Group

This risk has a low impact on the Group.

Risk management

To manage its liquidity risk, the Company draws on the funds at its disposal and turns to the capital markets in the form, firstly, of long-term resources intended to secure the entirety of its net indebtedness over a long-term period (medium-term lines of credit) and, secondly, of short-term financial instruments (discount account, authorised overdrafts).

The proportion of medium-term loans granted to the Company, subject to compliance with financial covenants since 2014, represents nearly the entirety of medium-term debt. The ratios are mainly calculated based on the annual consolidated financial statements.

Based on records for the last 15 years, these covenants have always been met. In addition, AKWEL's cash is monitored daily, while its subsidiaries' cash is monitored monthly.

As the current assets are higher than current liabilities, no information was given on maturity periods of less than one year.

The Group believes it is able to meet its upcoming due dates.

*1.7.2.2.4. Risks associated with raw material and component prices*

Risk identification and description

The Group's activity requires the purchase of large quantities of raw materials subject to price fluctuations caused in particular by structural supply capacities, demand linked or not to the automotive market and international geopolitical relations.

The main raw materials used by the Group are plastics, rubber, elastomers and steel, plus electronic components subject to high supply pressures, including firm orders with significant lead times.

Most of the components purchased by the Group are also subject to changes in the prices of these raw materials.

Moreover, 2021 also saw significant increases in maritime transport and energy, all reflected in the final price of the purchased product.

Potential effects on the Group

As it is not always able to reflect the entire increase in raw materials prices in the price of its products, the Group could see its operating margin negatively impacted.

This risk could have a high impact on the Group, as the purchased proportion of the product bill of materials is greater than 40%.

Risk management

Although not all contracts signed with key customers provide for an automatic and full reflection of changes in the prices of raw materials, this is possible in practice after negotiations on a case-by-case basis and passing on the majority of variations, and with an average six-month delay.

Historically speaking, the Group has never introduced any risk coverage to mitigate its exposure to raw material price fluctuations.

##### *1.7.2.2.5. Customer risks*

Risk identification and description

Given the economic environment of the automotive sector, the Group cannot rule out several of its customers being unable to honour certain contracts or finding themselves in a difficult financial position.

Potential effects on the Group

This risk has a low impact on the Group.

Risk management

Every month, the Finance Department distributes a statement of outstanding and past due receivables per customer, as well as a summary statement of disputes per entity. The financial and sales teams' high sensitivity to these subjects enables us to have very few irrecoverable debts (see *note 13. Trade accounts receivable and other assets linked to customer contracts*).

At 31 December 2021, late payments totalled €7.1 million, or 0.8% of consolidated revenue for the financial year.

#### *1.7.2.3. Environmental risks*

##### *1.7.2.3.1. Environmental impact of sites and climate change*

Risk identification and description

The Group's sector of activity is not a major source of damage to the natural environment, does not require the significant removal of materials from the natural environment surrounding the Group's activities and has no significant impact on the quality of the environment.

In the various countries where the Group operates, its activities are subject to diverse and changing environmental regulations that require the Group to abide by increasingly strict standards in the field of environmental protection, particularly air and water polluting emissions, the use of hazardous substances and the disposal of waste.

Potential effects on the Group

This risk could have a low impact on the Group.

Risk management

To align itself with this approach, the Group has implemented an environment policy to support its environment in accordance with the ISO 14001 standard. The Plant General Managers are responsible for managing and monitoring environmental risks in coordination with the Manufacturing Performance VP.

### *1.7.2.4. Legal risks*

#### *1.7.2.4.1. Risks associated with the non-compliance of products sold*

Risk identification and description

The Group is responsible for the safety and quality of the products it sells.

Despite the internal procedures put in place to identify faulty products, the Group cannot rule out any case of manufacturing failure (non-compliance with the specifications or legitimate expectations of its customers) or serious fault.

The Group is exposed to the risks of claims under warranty or product liability claims issued by its customers with respect to products sold.

The Group is also subject to the risk of product liability claims involving the failure or damage caused by products and services.

This risk tends to be higher both in frequency and cost, particularly with the volume effect linked to the pooling of products (platforms, partnerships between customers).

Potential effects on the Group

This risk could have a medium impact on the Group.

The occurrence of one or more of these risks, particularly any significant increase in product returns, could have a negative impact on the Group's business, results, financial position, development, outlook and image.

Risk management

In order to protect itself against this risk, the Group has taken out a liability insurance policy designed to protect the Group from the financial consequences of such civil liability claims. However, the Group's liability towards its customers is often unlimited, whereas insurance coverage is generally subject to maximum amount limits. Therefore, there is theoretically a residual risk.

Furthermore, current risks are covered by reasonable provisions.

#### *1.7.2.4.2. Risks associated with intellectual property rights (patents and trademarks)*

Risk identification and description

The Company holds numerous patents and several trademarks.

Counterfeiting, whether unintentional or intentional, is a risk with which the Company must contend in terms of intellectual property.

This may involve:

- Third parties counterfeiting industrial products patented by the Company;
- The Company unintentionally counterfeiting, given the time that it takes for patents filed by third parties to be published.

Lastly, the Company is also exposed to the risk of counterfeiting of its brands.

Potential effects on the Group

This risk could have a low impact on the Group.

Risk management

The industrial expertise and the innovations stemming from the Group's innovation are – whenever possible and justified by the technological stakes – subject to patent-filing process in order to protect the intellectual property rights.

The geographical scope and protection period are compliant with established practices of the field and adapted to the operational entities; as they are subject to systematic and regular revisions.

As risks of infringement still exist, this approach constitutes an effective legal instrument to overcome them.

The Company strongly defends its rights against counterfeiting and these arrangements serve as the basis for triggering proceedings in the courts or as part of actions intended to cease and penalise infringements of the Group's intellectual property rights.

The Innovation Department is responsible for managing the risk of unintentional active counterfeiting.

In the event of active counterfeiting, developments in progress or even products recently released on the market could also be impacted. The Company would be forced to increase the research and development costs of the project, or to negotiate rights to use the patented element.

*1.7.2.4.3. Business ethics and compliance*

Risk identification and description

The Company is particularly attentive to the values of business ethics and compliance. Due to its international presence, the Group may be impacted by laws that have an extraterritorial impact and an extended criminal risk.

Potential effects on the Group

The Group's implication in these subjects could have significant consequences for the Group's reputation, both on the financial markets and the employer brand, the Group's business and its financial position.

This risk could have a medium impact on the Group.

Risk management

Based on the Ethics Charter and the Anti-Corruption Code of Conduct, the Group is committed, through its General Management, to promoting its values and ethical behaviour, particularly with regard to corruption risks.

Accordingly, the Group's ethical commitments are formalised and detailed in the Ethics Charter, which establishes the essential rules of conduct and ethics that apply to all employees and its partners.

This ethics charter, translated into the Group's various languages, is provided to each new employee and is available on the intranet.

Each Group employee and senior manager is required to comply with the Ethics Charter and ensure that it is disseminated and is respected by employees.

The Group has a whistleblowing system, which was reviewed as part of compliance with the GDPR and the Sapin II law, allowing any employee or partner to report any potential breach of the rules defined in the Ethics Charter.

## 1.8. Insurance and risk coverage

The Group has taken out insurance programmes with reputable insurance companies to cover risks associated with the normal course of business, at levels that the Group considers appropriate given its size and the risks incurred.

All Group companies that are more than 50% owned or for which the Group is responsible for insurance are covered by these insurance programmes.

These insurance programmes are accompanied, where necessary, by local policies in all countries in which the Group operates.

All of the Group's insurance programmes are negotiated and coordinated by the Group's Legal VP, who is responsible for identifying the Group's insurable risks, assessing their potential consequences for the Group and designing and structuring adequate insurance programmes using leading insurance brokers that have international networks.

The Group's insurance policies aim to cover the main risks that may affect its activities, results or assets by implementing the following coverage:

- Insurance for property damage and operating losses;
- Operating and product civil liability insurance;
- Civil liability insurance for senior managers;
- Insurance covering specific risks (automotive fleet, employee-owned vehicles, freight transport, employee assignments).

The Group's insurance policies contain exclusions, ceilings and deductibles that may expose it to adverse consequences in case of a significant event or legal action brought against it.

In addition, the Group may be required to indemnify third parties for damages not covered by its insurance policies or incur significant expenses that may not be covered, or insufficiently covered, under its policies.

In 2021, claims and tighter market conditions led to a sharp increase in the deductibles applicable in the event of a recall and in premiums since 1 January 2021.

### 1.9. Research and development activity

In 2021, the Group continued devoting significant resources to Research and Development. Research and Development costs were €55.9 million, or 6.1% of consolidated revenue, compared to €53.1 million in 2020.

These Research and Development costs were recorded as charges during the period and do not comply with the whole criteria to be considered as fixed assets as provided for by accounting standards.

The Group received a Research Tax Credit worth €1.4 million (€1.3 million in 2020).

The main areas of focus related to Research and Development aim to meet the environmental issues, and in particular:

- The prevention and processing of polluting emissions;
- The reduction in $CO_2$ emissions (for example by designing lighter parts;
- The implementation of solutions adaptable to the bio-fuels or meeting the requirements of hybrid or electric vehicles;
- Eco-design and product recycling.

## 2. Presentation of the corporate financial statements

The parent-company financial statements were prepared in compliance with the accounting principles applicable in France.

### 2.1. Position and activity of the Company during the financial year; balance sheet and income statement

Revenue totalled €318.1 million, down 2.2% compared with the previous year. The Company's business once again held firm given the decline in diesel engines and the fall in European car production due to the shortages of materials and electronic components. However, we believe it is important to point out that AKWEL's revenue growth was down in both 2021 and 2020 compared to the Group's revenue growth, which demonstrates the difficulty in taking new orders from production sites located in France.

Added value stands at €69.2 million, down 35.8% compared to the previous year. This decline stems from increases in the purchase prices of materials and certain components that could not be fully and simultaneously passed on in sales prices, as well as from a return to normality of purchases and external charges. Like the Group as a whole, AKWEL was also adversely affected by the numerous exceptional transportation that was organised to be able to deliver to customers, as well as lower industrial efficiency due to the lack of a view on customer needs (which led to multiple production start-ups over very short periods). Furthermore, while added value for the 2020 financial year benefited, in the amount of €19.0 million, from the decompensation of insurance indemnities receivable previously recognised as a deduction from provisions for liabilities and charges, 2021 added value was reduced by €6.9 million, as were provisions for liabilities and charges, as some warranty returns were ultimately not the responsibility of AKWEL but of AKWEL Vigo Spain, S.L.

Taxes and charges totalled €4.8 million, down 14.3% compared to the previous year due in particular to higher ceilings than in 2020.

Personnel costs totalled €63.0 million, up 6.3%. They totalled 19.8% of revenue, versus 18.2% in 2020. This change is mainly due to pay increases, as well as the loss of industrial efficiency due to material and component shortages and the lack of visibility on customer needs. Furthermore, we remind you that the actions taken to weather the Covid crisis in 2020 were considered unsustainable over the long term. The 2020 comparison base was therefore particularly demanding.

EBITDA was €1.4 million, versus €43.0 million over the previous financial year. This level directly reflects the costs and events described above. It is significantly lower than the Group average and the performance at our main listed peers.

Amortisation allowances were €11.3 million, versus €12.3 million in 2020. This increase is logical given the reduction in investment levels for several financial years.

Net allowances (net reversals) for provisions were €(7.8) million, versus €19.5 million in 2020. The level of net allowances for provisions is mainly related to the decompensation of insurance indemnities (see above) and the recognition of non-recurring provisions for warranty return risks of €5.0 million.

Given the previous items, operating income was (€2.6) million, compared to €10.9 million in 2020. However, this level of profitability, which is far too low in absolute terms, should nevertheless be viewed in the extremely difficult context of the past year.

Financial income was €2.1 million compared with (€10.2) million in 2020. The Company benefited from a sharp increase in income from participating interests (€7.2 million versus €0.3 million in 2020). Net allowances for provisions fell sharply to €3.6 million, compared to €8.5 million in 2020, thanks to the recovery in profitability of several subsidiaries.

Exceptional income was not significant at €0.8 million. As a reminder, in 2020 AKWEL received compensation for an incident that occurred in Romans (France).

During the financial year, the Company posted a tax profit of €0.9 million, compared with an expense of €1.0 million during the previous financial year. A Research Tax Credit was recognised in the amount of €1.3 million (€1.2 million in 2020).

Taking the previous items into account, the Company's net income was €1.2 million, as during the previous financial year.

## 2.2. Analysis of the Company's financial position, notably its indebtedness

The balance-sheet total was €447.1 million, compared to €510.2 million in 2020. This reflects the sharp decline in business over the last two months of 2021, with November and December 2020 having been particularly strong.

Acquisitions of intangible and tangible fixed assets (excluding variations in assets under construction) totalled €6.3 million, versus €14.2 million during the previous financial year. This trend reflects a temporary high level of investments in 2020 and a historical trend towards a decrease in order entries for the French entities, resulting in a lower need for new investments.

Acquisitions of financial fixed assets totalled €5.8 million, versus €6.6 million during the previous year. The 2021 financial year marks a new low in terms of the acquisition of financial fixed assets, amplifying the trend already seen since 2019. The financial needs of AKWEL's subsidiaries were far more limited thanks to improved free cash flows at most of the entities and the absence of start-up entities.

Taking the aforementioned items into account, the Company's net debt totalled €146.3 million, versus €158.2 million in 2020. Note the sharp decrease in loans remaining to be repaid over the financial year, which fell from €100.5 million to €54.6 million in 2021, mainly following the repayment of the Euro PP set up in 2014. This level of debt still seems very reasonable relative to the size, assets and profitability of the Company and Group, particularly because €133.5 million, or over 91%, is accounted for by intragroup financing (versus €112.9 million in 2020).

Shareholders' equity before profit distribution stands at €172.9 million, compared to €184.6 million in the previous financial year. Shareholders' equity accounts for 38.7% of the total balance sheet. The objective is still to achieve over 50% in the long term.

## 2.3. Important events since the close of the financial year and the date of preparation of the management report

See the section on the Group's management report stated in section *1.5.* above.

## 2.4. Foreseeable developments and future prospects

See the section on the Group's management report stated in section *1.6.* above.

## 2.5. Research and development activity

See the section on the Group's management report stated in section *1.9.* above.

## 2.6. Income and appropriation

The Ordinary General Meeting will be asked to approve the transactions reflected in the profit and loss statements and the balance sheet that are submitted to it, then to give a verdict on the allocation of earnings for the financial year, which total €1,230,501.68.

It is proposed to distribute to shareholders as dividends the sum of €12,033,468, or a gross dividend per share of €0.45.

This amount will be deducted from the income for the financial year and from retained earnings, in the amount of €10,802,966.32, which will total, after allocation, €100,784,508.98.

Note that this dividend is subject (unless the shareholder specifically requests otherwise and provided it meets the criteria laid out by law) to the mandatory fixed deduction of 12.8% introduced by article 117 quater amended of the general registration conditions. Dividends are also subject to social security contributions at a rate of 17.2%.

Dividends are taxed either based on the Single Flat-Rate Deduction (*Prélèvement Forfaitaire Unique*) of 30%, already deducted as indicated above, or, at the shareholder's request, based on income tax after application, in the case of natural persons who are tax residents of France, of the relief stated in article 158, 3-2° of the French General Tax Code.

In accordance with the provisions of article 243 bis of the French General Tax Code, we inform you that the dividend amounts distributed corresponding to the previous three financial years were as follows:

| Financial year ended | Dividend per share (in euros) | Income eligible or otherwise for tax relief |
|---|---|---|
| 31 December 2018 | 0.30 | Relief of 40% where applicable |
| 31 December 2019 | 0.195 | Relief of 40% where applicable |
| 31 December 2020 | 0.45 | Relief of 40% where applicable |

In accordance with the provisions of article 223 quater of the French General Tax Code, we ask you to approve the expenses and charges stated in article 39.4 of said code, which total €35,118 and which resulted in taxation of €9,657 (at a rate of 27.5%).

## 2.7. Activities of subsidiaries and controlled companies

### 2.7.1. Table of subsidiaries and participating interests

| (in thousands of Euros) | Shareholders' equity before allocation of profits | Share of capital held (%) | Book value of shares held | |
|---|---|---|---|---|
| | | | Gross | Net |
| **AKWEL and subsidiary holdings** | | | | |
| SCI PAYS DE BRAY SUD | 568 | 100.00 | 762 | 762 |
| MGI COUTIER ITALIA SRL | (44) | 100.00 | 50 | - |
| AKWEL MATEUR TUNISIA SARL | 15,255 | 100.00 | 4,424 | 4,424 |
| AKWEL NINGBO CHINA CO, LTD (formerly NINGBO MGI COUTIER AUTO PLASTICS CO LTD) | 28,544 | 100.00 | 10,511 | 10,511 |
| AKWEL CORDOBA ARGENTINA SA | 247 | 100.00 | 13,925 | 348 |
| AKWEL BURSA TURKEY OTOMOTIVE A.S. | 21,896 | 100.00 | 6,721 | 6,721 |
| AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA | 2,548 | 100.00 | 13,919 | 4,541 |
| AKWEL BIRMINGHAM UK LTD | 143,159 | 100.00 | 96,517 | 96,517 |
| AKWEL VIGO SPAIN S.L | 45,757 | 100.00 | 4,772 | 4,772 |
| AKWEL MEXICO SA DE CV | (7,566) | 100.00 | 6 | - |

| | | | | |
|---|---|---|---|---|
| AKWEL TIMISOARA ROMANIA SRL | 49,775 | 100.00 | 1,963 | 1,963 |
| MGI COUTIER ILIA CO PJS | 6 | 50.00 | 1,164 | - |
| AKWEL TOOLING FRANCE | 4,307 | 100.00 | 895 | 895 |
| AKWEL USA INC | 384,533 | 100.00 | 28,402 | 28,402 |
| AKWEL VANNES FRANCE | 3,669 | 100.00 | - | - |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD | (30) | 100.00 | 2,597 | - |
| AKWEL AUTOMOTIVE SWEDEN AB | 10,474 | 100.00 | 32,881 | 7,049 |
| AKWEL PAREDES DE COURA (PORTUGAL) UNIOESSOAL, LDA | 27,075 | 100.00 | 7,350 | 7,350 |
| AKWEL EL JADIDA MOROCCO SARL | 3,168 | 100.00 | 7,265 | 3,943 |
| SINFA CABLES SARL | (1,177) | 74.00 | 969 | - |
| AKWEL RAYONG (THAILAND) CO, LTD | 2,598 | 100.00 | 7,925 | 2,598 |
| AKWEL VIDIN (BULGARIA) EOOD | 653 | 100.00 | 1,000 | 653 |
| AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | 15,964 | 100.00 | 3,260 | 3,260 |
| BIONNASSAY M&P TECHNOLOGY | 212 | 39.71 | 3,630 | - |
| BIONNASSAY REAL ESTATE | 666 | 50.00 | 67 | 67 |
| Other | - | - | 10 | 10 |
| **Total** | **752,257** | **-** | **250,985** | **184,786** |

| (in thousands of Euros) | Gross advances granted (1) (2) | Revenue at 31.12.21 | Income at 31.12.2021 | Dividends paid by the Company in 2021 | Approvals & Guarantees |
|---|---|---|---|---|---|
| **AKWEL and subsidiary holdings** | | | | | |
| SCI PAYS DE BRAY SUD | (557) | 95 | 55 | - | - |
| MGI COUTIER ITALIA SRL | 16 | - | - | - | - |
| AKWEL MATEUR TUNISIA SARL | - | 41,764 | 1,216 | - | - |
| AKWEL NINGBO CHINA CO, LTD (formerly NINGBO MGI COUTIER AUTO PLASTICS CO LTD) | (441) | 9,710 | 1,086 | - | - |
| AKWEL CORDOBA ARGENTINA SA | 647 | 3,563 | 270 | - | - |
| AKWEL BURSA TURKEY OTOMOTIVE A.S. | 1 | 58,362 | 12,825 | 3,419 | - |
| AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA | - | 3,497 | 758 | - | - |
| AKWEL BIRMINGHAM UK LTD | (76,437) | 7,554 | (1,121) | - | - |
| AKWEL VIGO SPAIN S.L | (12,353) | 97,738 | 1,424 | - | - |

| | | | | | |
|---|---|---|---|---|---|
| AKWEL MEXICO SA DE CV | - | 27,330 | 1,312 | - | - |
| AKWEL TIMISOARA ROMANIA SRL | (10,094) | 78,084 | 5,666 | - | 300 |
| MGI COUTIER ILIA CO PJS | 1,849 | - | - | - | - |
| AKWEL TOOLING FRANCE | (2,670) | 2,725 | 357 | - | - |
| AKWEL USA INC | - | - | (544) | - | - |
| AKWEL VANNES FRANCE | 25 | 24,017 | 1,276 | - | - |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD | 2,634 | 1,068 | (237) | - | - |
| AKWEL AUTOMOTIVE SWEDEN AB | 5,882 | - | (6) | - | - |
| AKWEL PAREDES DE COURA (PORTUGAL) UNIOESSOAL, LDA | - | 61,044 | 5,151 | 3,764 | - |
| AKWEL EL JADIDA MOROCCO SARL | 9,919 | 9,551 | (976) | - | 672 |
| SINFA CABLES SARL | 1,109 | 1,403 | (485) | - | 658 |
| AKWEL RAYONG (THAILAND) CO, | 7,610 | 7,009 | (1,357) | - | - |
| AKWEL VIDIN (BULGARIA) EOOD | (592) | - | (25) | - | - |
| AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | (1,275) | 5,795 | 977 | .. | .. |
| BIONNASSAY M&P TECHNOLOGY | - | 44,674 | (1,725) | - | - |
| BIONNASSAY REAL ESTATE | - | 1,670 | 451 | - | 833 |
| Other | (14,368) | - | - | - | 400 |
| Total | (89,095) | 486,653 | 26,348 | 7,183 | 2,863 |

(1) Net values including:

| | | |
|---|---|---|
| | Receivables: | €44.441 million |
| | liabilities: | (€133.536 million) |
| | Total | (€89.095 million) |

(2) Receivables from the subsidiaries MGI COUTIER ILIA CO PJS, MGI COUTIER ITALIA, SINFA CABLES SARL, AKWEL AUTOMOTIVE PUNE INDIA PVT LTD and AKWEL CORDOBA ARGENTINA SA respectively depreciated in the amount of €1.849 million, €16,000, €1.109 million, €1.095 million and €485,000.

### 2.7.2. Acquisition of participating interests in companies headquartered in France or acquisition of a controlling interest in such companies during the financial year (articles L233-6 of the French Commercial Code)

No acquisition of participating interests in companies headquartered in France or acquisition of a controlling interest in such companies took place during the financial year.

### 2.7.3. Reciprocal holdings (articles L. 233-29 and R. 233-19 of the French Commercial Code)

There is no reciprocal holding to be mentioned in accordance with the regulations in force at the date of preparation of this report.

### 2.7.4. Dispositions of shares conducted in order to regularise cross shareholdings

No disposition of shares occurred during the financial year.

## 2.8. Breakdown of capital and share ownership (article L 233-13 of the French Commercial Code)

The Company's capital is broken down as at 31 December 2021 as follows:

| Shareholders | Shares | % of capital | Voting rights | % of voting rights |
|---|---|---|---|---|
| COUTIER DEVELOPPEMENT (1) | 15,331,170 | 57.33 | 30,662,340 | 67.53 |
| COUTIER SENIOR (2) | 3,259,480 | 12.18 | 6,518,960 | 14.36 |
| COUTIER family (natural persons) | 48,260 | 0.18 | 85,270 | 0.19 |
| COUTIER family partnership sub-total (3) | 18,638,910 | 69.70 | 37,266,570 | 82.02 |
| AMIRAL GESTION | 1,847,357 | 6.91 | 1,847,357 | 4.07 |
| Other registered and bearer shareholders | 6,248,729 | 23.37 | 6,275,686 | 13.91 |
| Treasury shares (4) | 6,044 | 0.02 | - | - |
| **Total** | **26,741,040** | **100.00** | **45,389,613** | **100.00** |

(1) A French *société anonyme* with an Executive Board and Supervisory Board capitalised at €46,249,840, headquartered in Champfromier (01410), 975, route des Burgondes and registered on the Trade and Companies Register of Bourg-en-Bresse under the unique identification number 395 006 398. COUTIER DEVELOPPEMENT is controlled by Messrs André and Roger Coutier and their descendants directly and/or indirectly, notably through asset holding companies. Mr André Coutier is President of the Executive Board and Mr Roger Coutier is President of the Supervisory Board.
(2) A civil law company capitalised at €4,822,000, headquartered in Champfromier (01410), 975, route des Burgondes and registered on the Trade and Companies Register of Bourg-en-Bresse under the unique identification number 451 360 150. COUTIER SENIOR has as a partner COUTIER DEVELOPPEMENT (100% of the capital and voting rights). Mr Roger Coutier is Manager.
(3) See in particular AMF document 207C1059 of 6 June 2007.
(4) In accordance with article L.225-10 of the French Commercial Code, the shares owned by the Company do not give entitlement to dividends and are deprived of voting rights.

On 2 December 2021, Amiral Gestion, acting on behalf of funds under its management, declared that it held a quantity of 1,847,357 shares, representing 6.91% of the company's capital and 4.07% of the voting rights. In the absence of a declaration of an increase or decrease in the threshold, this company is still presumed to hold a fraction of the Company's capital of between 5% and 10%.

To the Company's knowledge and on the date of this report, no shareholder other than those mentioned above directly or indirectly owns, alone or jointly, more than 5% of the company's capital or voting rights.

## 2.9. Agreements stated in article L 225-86 of the French Commercial Code

In accordance with article L 225-86 of the French Commercial Code, the Supervisory Board presents to the General Meeting of Shareholders the agreements stated in article L 225-86 of the same code and concluded or continued during the last financial year. The Statutory Auditors were duly notified of these agreements, which they described in their special report.

## 2.10. Inventory of investment securities

The exhaustive inventory of the Company's French and foreign participating interests is presented in the table of subsidiaries and participating interests.

## 2.11. Financial results for the last five financial years (articles R. 225-83 and R. 225-102 of the French Commercial Code) (in euros, except "Average number of employees during the financial year")

| FINANCIAL YEARS CONCERNED<br>TYPE OF ITEMS | 01.01.17 to 31.12.17 | 01.01.18 to 31.12.18 | 01.01.19 to 31.12.19 | 01.01.20 to 31.12.20 | 01.01.21 to 31.12.21 |
|---|---|---|---|---|---|
| **Capital at financial year end** | | | | | |
| a) Share capital | 21,392,832 | 21,392,832 | 21,392,832 | 21,392,832 | 21,392,832 |
| b) Existing shares | | | | | |
| - number | 26,741,040 | 26,741,040 | 26,741,040 | 26,741,040 | 26,741,040 |
| - nominal value of shares | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| c) Number of shares with priority dividend (without voting rights) | - | - | - | - | - |
| d) Maximum number of future shares to be created | - | - | - | - | - |
| - by conversion of bonds | - | - | - | - | - |
| - by exercising subscription rights | - | - | - | - | - |
| **Operations and income during the financial year** | | | **Operations and income during the financial year** | | |
| a) EBT | 429,363,055 | 408,584,745 | 394,715,527 | 325,148,045 | 318,130,181 |
| b) Income before tax, employee profit-sharing, amortisation expense and depreciation | 36,699,824 | 38,067,073 | 38,609,316 | 54,068,390 | 45,030,903 |
| c) Income tax | (1,443,383) | (3,634,513) | (445,577) | (970,038) | (855,039) |
| d) Employee profit-sharing due for the financial year | - | - | - | - | - |
| e) Income after tax, employee profit-sharing, amortisation expense and depreciation | 29,377,937 | (7,344,242) | (252,561) | 1,193,005 | 1,230,502 |
| f) Total dividends | 8,022,312 | 8,022,312 | 5,214,502 | 12,033,468 | 12,033,468 |
| **Income per share** | | | **Income per share** | | |
| a) Income after tax, employee profit-sharing but before amortisation expense and depreciation | 1.43 | 1.05 | 0.87 | 0.87 | 0.27 |
| b) Income after tax, employees profit-sharing and amortisation expense and depreciation | 1.10 | (0.27) | (0.01) | 0.04 | 0.05 |

| | | | | | |
|---|---|---|---|---|---|
| c) Net dividend assigned to each share | 0.3 | 0.3 | 0.195 | 0.45 | 0.45(*) |
| **Personnel** | | | | | |
| a) Average number of employees over the financial year | 1,614 | 1,599 | 1,512 | 1,407 | 1,297 |
| b) Total payroll for the financial year | 55,413,911 | 56,217,645 | 56,239,297 | 44,222,473 | 47,806,567 |
| c) Social contributions for the financial year (social security benefits, social welfare etc.) | 21,114,647 | 21,507,512 | 18,746,143 | 15,065,910 | 15,228,833 |

(*) This concerns the dividend distribution that the Executive Board will propose at the General Meeting on 25 May 2022.

## 2.12. Summary of securities transactions of the members of the Executive Board and Supervisory Board

In accordance with the law and AMF regulations, we hereby notify you that no director conducted transactions on an individual basis. The same applies to persons closely related to them.

## 2.13. Statement of employees' equity stake in the capital

At the end of the financial year, the Company's employees and related companies as defined by Article L.225-180 of the French Commercial Code did not hold any shares in the Company's capital under a company savings plan provided for in articles L 3332 -1 et seq. of the French Labour Code.

On the same date, these same employees did not hold any shares in the Company's capital as part of employee mutual funds.

## 2.14. Choice regarding the terms of retention by the corporate officers of bonus shares awarded and resulting from the exercise of stock options

None.

## 2.15. Calculation items and results of the adjustment of conversion bases and of the conditions of subscribing to or exercising investment securities giving access to the capital or of share subscriptions or purchases

None.

## 2.16. Transactions carried out on the company's shares during the 2021 financial year under the liquidity and market-making contract

We would like to remind you that the liquidity and market-making contract was temporarily suspended from 31 July 2020 for a maximum period of 24 months.

| Month | Number of shares purchased | Number of shares sold | Balance of shares at the end of month | Average price (in euros) | End-of-month value (in euros) |
|---|---|---|---|---|---|
| January 2021 | 0 | 0 | 6,044 | 21.10 | 127,528.40 |
| February 2021 | 0 | 0 | 6,044 | 29.25 | 176,787.00 |
| March 2021 | 0 | 0 | 6,044 | 29.90 | 180,715.60 |
| April 2021 | 0 | 0 | 6,044 | 33.25 | 200,963.66 |
| May 2021 | 0 | 0 | 6,044 | 28.45 | 171,951.80 |
| June 2021 | 0 | 0 | 6,044 | 24.60 | 148,682.40 |
| July 2021 | 0 | 0 | 6,044 | 24.30 | 146,869.20 |
| August 2021 | 0 | 0 | 6,044 | 23.20 | 140,220.80 |
| September 2021 | 0 | 0 | 6,044 | 21.50 | 129,946.00 |
| October 2021 | 0 | 0 | 6,044 | 22.05 | 133,270.20 |
| November 2021 | 0 | 0 | 6,044 | 20.00 | 120,880.00 |
| December 2021 | 0 | 0 | 6,044 | 21.75 | 131,457.00 |
| **2021 total** | **0** | **0** | **6,044** | **-** | **-** |
| **Balance at 31.12.2021** | **-** | **-** | **6,044** | **-** | **-** |

## 2.17. Share price risk

None.

## 2.18. Financial penalties for anticompetitive practices

None.

## 2.19. Main risks and uncertainties facing the Company; use of financial instruments

See the section on the Group's management report stated in section *1.7. Risk factors*

## 2.20. .Information on payment deadlines for suppliers and customers (Article L. 441-6-1 of the French Commercial Code)

### 2.20.1. Received invoices not settled on the year-end date whose term has expired (Article D. 441 I. - 1° of the French Commercial Code)

| | 0 days (indicative) | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and over | Total (1 day and over) |
|---|---|---|---|---|---|---|
| **(A) Late payment tranche** | | | | | | |
| Number of invoices concerned | 5,495 | 61 | 39 | 11 | 32 | **143** |
| Total amount of invoices concerned incl. tax | 27,582,545 | 208,065 | 68,944 | 30,324 | 63,890 | **371,223** |
| Percentage of the total amount of purchases during the financial year incl. tax | 9.83% | 0.07% | 0.02% | 0.01% | 0.02% | **0.13%** |
| **(B) Invoices excluded from (A) concerning disputed or unrecognised payables and receivables** | | | | | | |
| Number of invoices excluded | 42 | 30 | 11 | 4 | 76 | **121** |
| Total amount of invoices excluded incl. tax | 229,235 | (63,458) | (34,118) | - | 55,443 | **(42,133)** |
| **(C) Benchmark payment terms used (contractual or legal term - article L. 441-6 or article L. 443-1 of the French Commercial Code)** | | | | | | |
| Payment terms used to calculate late payments | • Contractual terms: Excluding tools (payment per tranche and according to acceptance report), the average term is 45 days from end of month, although this may vary, depending on the supplier, from 30 days net to 90 days from end of month.<br>• Legal terms: 45 days from end of month with French suppliers (excluding tools). | | | | | |

### 2.20.2. Issued invoices not settled on the year-end date whose term has expired (Article D. 441 I. - 2° of the French Commercial Code)

| | 0 days (indicative) | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and over | Total (1 day and over) |
|---|---|---|---|---|---|---|
| **(A) Late payment tranche** | | | | | | |
| Number of invoices concerned | 6,700 | 349 | 239 | 54 | 209 | 851 |
| Total amount of invoices concerned incl. tax | 52,922,727 | 231,232 | (347,471) | 70,626 | (54,322) | (99,934) |
| Percentage of revenue for the financial year incl. tax | 14.98% | 0.07% | (0.10%) | 0.02% | (0.02%) | (0.03%) |
| **(B)* Invoices excluded from (A) concerning disputed or unrecognised payables and receivables** | | | | | | |
| Number of invoices excluded | 5 | 34 | 78 | 21 | 151 | 284 |
| Total amount of invoices excluded incl. tax | 4,315 | 21,356 | 20,107 | 7,658 | 166,713 | 215,835 |

* *of which 74 doubtful debt invoices with a total value of €95,379*

| **(C) Benchmark payment terms used (contractual or legal term - article L. 441-6 or article L. 443-1 of the French Commercial Code)** | |
|---|---|
| Payment terms used to calculate late payments | • Contractual terms: Excluding tools (payment per tranche and according to acceptance report), the average term is 45 days from end of month, although depending on the customer this may range from 30 to 90 days from end of month.<br>• Legal terms: 45 days from end of month with French customers (excluding tools). |

## 2.21. Mention of existing branches (Article L. 232-1 of the French Commercial Code)

The Company has no branch at 31 December 2021.

## 2.22. Amount of inter-company loans granted pursuant to article L. 511-6 3 bis of the French Monetary and Financial Code

In accordance with the provisions of article L. 511-6, 3 bis of the French Monetary and Financial Code, we hereby state that no loan of less than two years was granted to companies with which the Company has economic ties.

## 2.23. Significant contracts

During the last three financial years and on the date of the present document, the Group did not conclude significant contracts, other than those concluded within the normal scope of business, that give rise to a significant obligation or commitment for the entire Group.

# 3. Internal control and risk management procedures

In accordance with article 117 of act 2003-706 of 1 August 2003, supplementing article L. 225-68 of the French Commercial Code, this part of the report is descriptive and does not contain any assessments.

## 3.1. Reminder of the Company's objectives on internal control procedures

The internal control procedures in place in the Company aim to:

- Ensure that acts of operational management or execution, as well as staff behaviour, comply with the framework drawn up by the guidelines provided to the company's activities by corporate bodies, by applicable laws and regulations and by the values, standards and internal rules of the company;
- Check that the accounting, financial and management information provided to the corporate bodies of the Company truly reflects the activity and position of the company.

One of the objectives of internal control is to prevent and control the risks generated from the Company's activity and errors or fraud risks, in particular in the accounting and finance fields. Like all control systems, it cannot however provide an absolute guarantee that such risks are completely eliminated.

The control and management of risks related to the Company's activities rely on the following principles:

- A decentralised operational organisation based on plants grouped together by industrial region and product lines to foster industrial performance, responsiveness and proximity to customers;
- An annual budgetary and monthly reporting procedure that serves as a key tool for the Group for steering its operations.
- Broad and frequent education of all personnel in risks.
- Strong cross-functional departments tasked with ensuring the application of the company's policies within their scope and inspecting their actual application.
- Plants specialised by production technology in order to strengthen and accelerate the experience curves.
- Formal delegation by the President of the Executive Board of the control of and proficiency in certain risks to the Directors most concerned.
- Separation of functions (between line personnel and support functions, between those incurring expenditure and those recording and regulating expenditure, between executive and controlling staff, etc.).
- The definition of objectives corresponding to the best global or internal practices and the regular measurement of the difference between the secured performance and its objectives;
- The involvement of all hierarchical levels and all sites in the improvement of performance and the control of activities.

Furthermore, the Group's employees are made aware of their ethical obligations by means of the instruction booklet, the Ethics Charter, the anti-corruption and anti-influence peddling code, the stock market ethics code and the Group's IT charter.

Moreover, each site has an internal procedure manual, which is distributed to all staff.

## 3.2. Analysis of the internal control environment

### 3.2.1. Brief description of the general organisation of internal control procedures

The President of the Executive Board formally delegates a part of his powers conferred upon him to the different Directors.

The procedures are developed by the Company. The Company identifies two categories of procedures: those concerning a function (e.g. financial procedures) and those concerning a process (delivery, handling of non-conformities, etc.). Eleven processes have been identified within the Company (five customer-oriented processes and six management or support processes). They cover all the Company's activities (from promoting the Company to new customers to improving supplier performance). 33 mandatory indicators (21 performance indicators and 12 efficiency indicators) cover these 11 processes and ensure the proper implementation and performance of these operating modes.

All procedures are approved beforehand by the Executive Board. Their update is also subject to formal approval by Executive Board members.

These procedures are available on an intranet network, enabling them to immediately be distributed to all staff in question.

Internal or Company memos or notices can be used to supplement, detail or provide a reminder of these procedures.

The cross-functional departments, which act as process owners, ensure the correct application of the processes for which they are responsible. They must report, at least once a year, to the Executive Board, on the results obtained within their field of expertise.

The Quality, Safety, Environment and Energy Department (QSE²) ensures the sound application of these procedures by the control of periodic reports and the achievement of internal audits.

The Finance Department specifically ensures the proper application of the accounting and financial rules.

The internal audit function ensures compliance with the directives, methodologies and all other instructions set out by the operational and cross-functional departments. It reports to the Legal Department.

Furthermore, there is a health, safety and working conditions committee on each of the Company's sites. Each commission meets regularly and aims to study, propose and validate all of the measures relating to health, safety, working conditions and risk prevention.

Every year, the Executive Board dedicates at least two half-days per cross-functional department and industrial region:

- One to the validity of strategic options (Products, Markets, Customers, Action Plans) within the framework of Medium-Term Plans;
- One to the validation of the short-term financial options as part of the end-of-year budgets and repeat forecasts.

For all of the product lines, the Executive Board devotes one day every year to reviewing and validating the Research and Innovation core focuses (Product and/or Process).

Furthermore, since 2008, a specific half-day meeting has been held for each region. This meeting is devoted to reviewing the main actions carried out regarding productivity and those actions envisaged for the next twelve months.

### 3.2.2. Summary description of the preparation and treatment of accounting and financial information

The preparation of the treatment of accounting and financial information is handled internally within the Finance Department.

The accounting teams are placed in two sites in the Company and work under a logic of Shared Services Centre (SCC) for all the Company's plants. The accounting teams are divided into two units. One of the units handles the customer aspects (billing, collection, reminders, customer disputes) while the other handles the supplier aspects, cash and all general accounting.

Both units report to the Accounting & Tax Manager

The software used is an ERP (SAP). All modules, except the one covering Human Resources, have been deployed across all of the Company's sites. The accounting module (FI) benefits directly from these choices. No significant or specific developments were introduced on this ERP.

Finance Controllers are present on each of the Company's main sites. Finance control teams and accounting teams are completely separate, although information is exchanged on a permanent basis.

There are reference manuals adopted for the creation of:

- Annual financial statements (general accounting plan);
- Consolidated financial statements;
- Monthly internal financial reports.

There are regular examinations provided by the Company's staff on the transmitted financial data.

Moreover, within the framework of legal obligation of the accounting audit, our Statutory Auditors provide an accounting control annually.

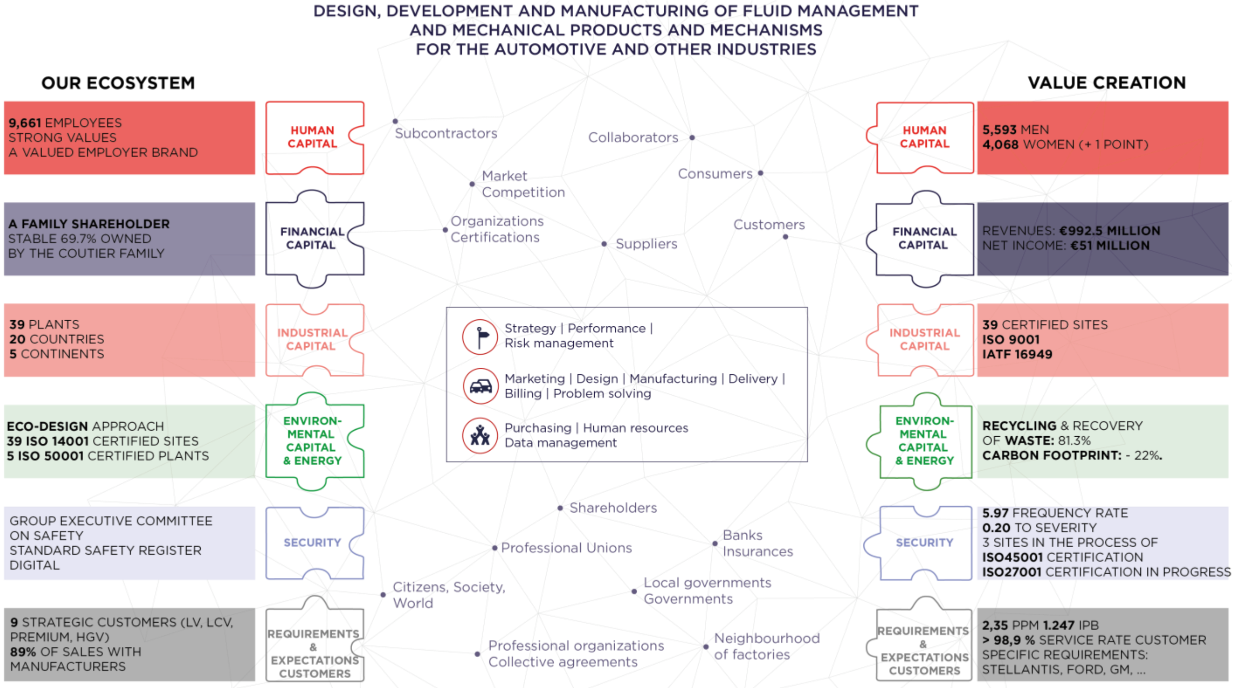
# 4. Filing of non-financial performance

In accordance with Articles L 22-10-25 and R.225-105 of the French Commercial Code, the Company is required to produce a Filing of Non-Financial Performance concerning the Group scope.

The Filing of Non-Financial Performance aims to detail the challenges, approaches implemented and indicators that the Group decides to monitor in order to supervise and control changes in its positive and negative impacts.

This filing is mandatorily verified by an independent third-party body.

## 4.1.1. The Group's business model



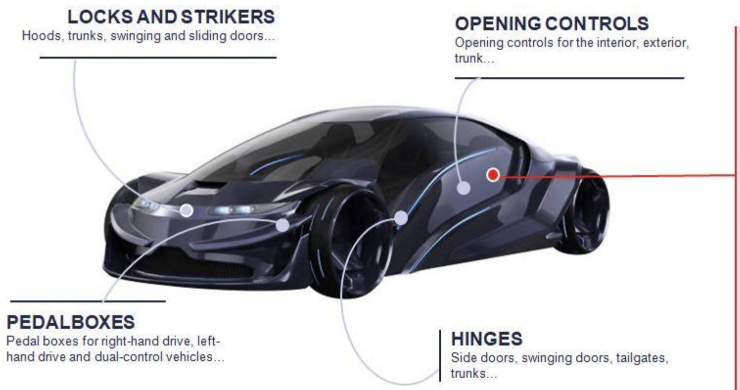

## 4.1.2. Presentation of the Group

### Tier 1 worldwide components manufacturer

The Group is a components and systems manufacturer for the automotive and HGV industry that specialises in fluid management (85% of revenue) and mechanisms (15% of revenue).

## MECHANISMS

Many areas of intervention: bonnet, boot, side doors, swing doors, shell, bodywork, etc.

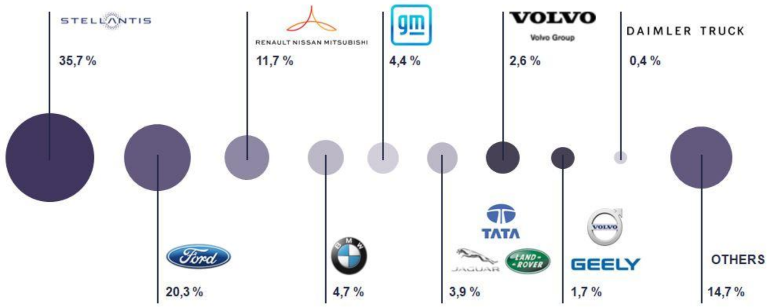



New in 2020/2021

### FLUSH OPENING FUNCTION

**"Flush" handle**
**In-house** design and production of the **entire flush opening control function**.

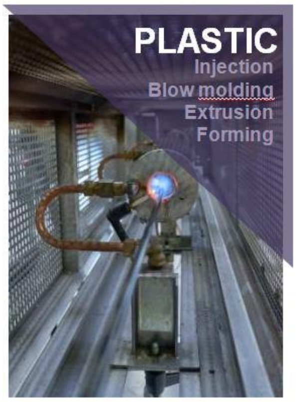
Primarily dedicated to a homogenous market of nine strategic global clients, the Group designs, develops and distributes high-performance products and systems, with state-of-the-art industrial and technological expertise in mastering the application and processing of materials and mechatronic integration.

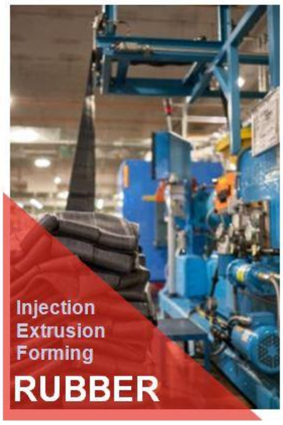


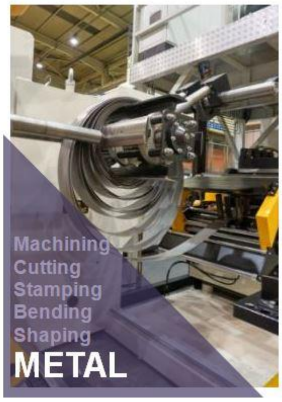

A HOMOGENEOUS MARKET OF 9 STRATEGIC WORLDWIDE CUSTOMERS AND APPROXIMATELY 30 BRANDS

THROUGH 3 DIFFERENT MARKET SEGMENTS: COMMERCIAL, PREMIUM / EXECUTIVE AND LIGHT VEHICLES (FROM SMALL CAR TO SUV)

This expertise opens up a wide range of opportunities for the Group to devise, develop and manufacture the new products and components required due to rapid developments in vehicles.



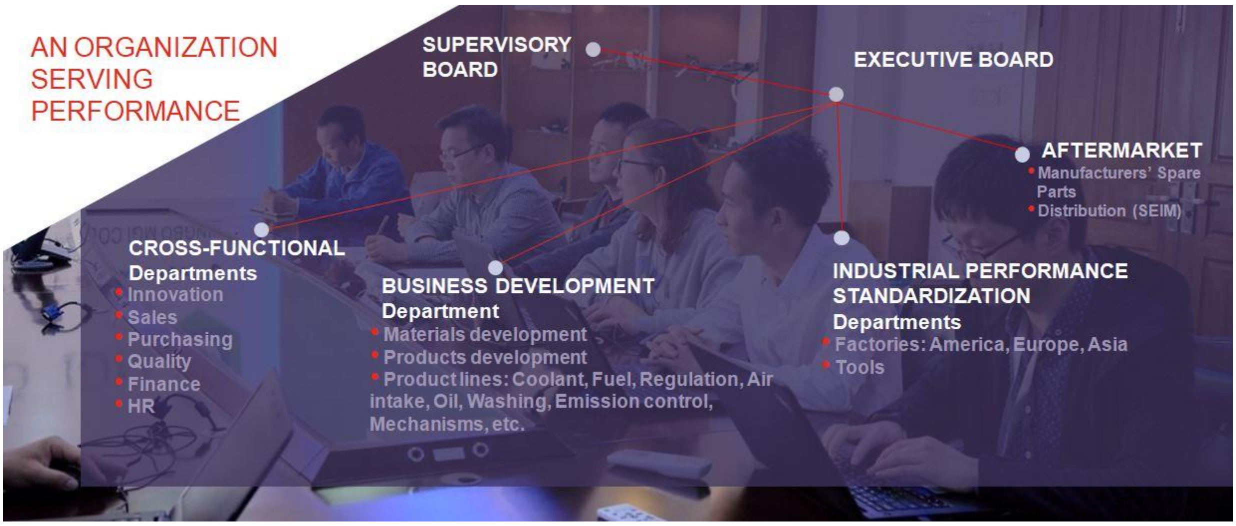

With facilities in 20 countries spanning five continents and 39 manufacturing sites, it provides its customers in the automotive industry with innovative and reliable solutions at competitive prices thanks to the skills of its 9,661 employees.


**Our mission: "To be a trusted tier-one supplier for our customers, helping them to manufacture vehicles that are more reliable, more ecologically responsible, smarter and more autonomous at a competitive price".**

The Group intends to offer its strategic customers ever-more reliable and competitive solutions as close as possible to their production and delivery locations in order to enable them to continue positioning themselves among the market's top manufacturers in this unprecedented revolution that is sweeping the automotive industry today. This is taking place thanks in particular to the agility and imagination of a challenger that provides an alternative to the major equipment manufacturers and whose relationship of trust formed on a daily basis with its customers will in the near future be particularly decisive in an environment experiencing far-reaching changes.

### Governance that guarantees independence

On a comparable scale, the Group is one of the few equipment manufacturers of its size to retain a family-based structure. A full 69.7% of the company's capital is owned by the Coutier family, the second generation of which is now in command. The Group places great stock in maintaining its independence and reflecting its values in its organisation structure. The Group's legal structure is built around a small executive body composed of a Supervisory Board, an Executive Board and an Executive Committee.



The Chairman of the Executive Board manages:

- The Executive Committee, which assists the Executive Board by formulating opinions and recommendations and encourages dialogue and the cross-functional dissemination of best practices throughout the Group's areas of activity;
- The thematic Group Management Committees (Security, Quality, Commitment, Competitiveness and Revenue);
- The manufacturing performance department, in which the plants are grouped by geographical area;
- The Business Development department, which oversees the product lines - cooling, pollution control, air and oil intake, fuel and regulation, mechanisms and washing - as well as materials and product development;
- The cross-functional departments, which provide assistance and consistency, guarantee the cohesion of strategies and optimise the resources;
- The aftermarket division, dedicated to the after-sales market.

**Strong values and long-term ambitions**

As a resolutely independent family group, the Group draws on four core values – simplicity, reliability, collaboration and performance – to cultivate its long-term ambitions:

- Establish its position as a recognised international player;
- Adapt to the multiple changes in its business and customers;
- Maintain the balance and diversity of its teams.

Our values are based on trust and mutual respect and is clear about its aim to ensure compliance with legal requirements, standards and ethical, professional and anti-corruption regulations in effect.

Firmly engaged in a lasting relationship of trust with its stakeholders, the Group maintains healthy relations with its participants based on compliance with universal ethical rules. To promote this corporate culture and to share these rules with everyone, several documents have been produced and are available at http://www.akwel-automotive.com:

- An Ethics Charter that serves as a guideline for everyone in the company. It defines the rules that govern our operations and our relations with all of our stakeholders around the world;
- The Anti-Corruption and Anti-Traffic Code of Influence aims to implement measures to ensure that all our employees, managers and corporate officers, wherever they are located, can prevent any involvement by AKWEL in any corruption and influence peddling practices and, where applicable, to report any corruption and influence peddling practices;
- A stock-market ethics code. The purpose of this stock market ethics code is to remind each insider (corporate officer, employee or external service provider acting on behalf of AKWEL) of the regulations applicable to the holding, communication and use of Inside Information to which he/she is likely to have access in connection with his/her duties, mandates or assignments;
- A whistleblowing procedure detailing the procedures for the whistleblowing system.

**The Group's place in tomorrow's mobility**

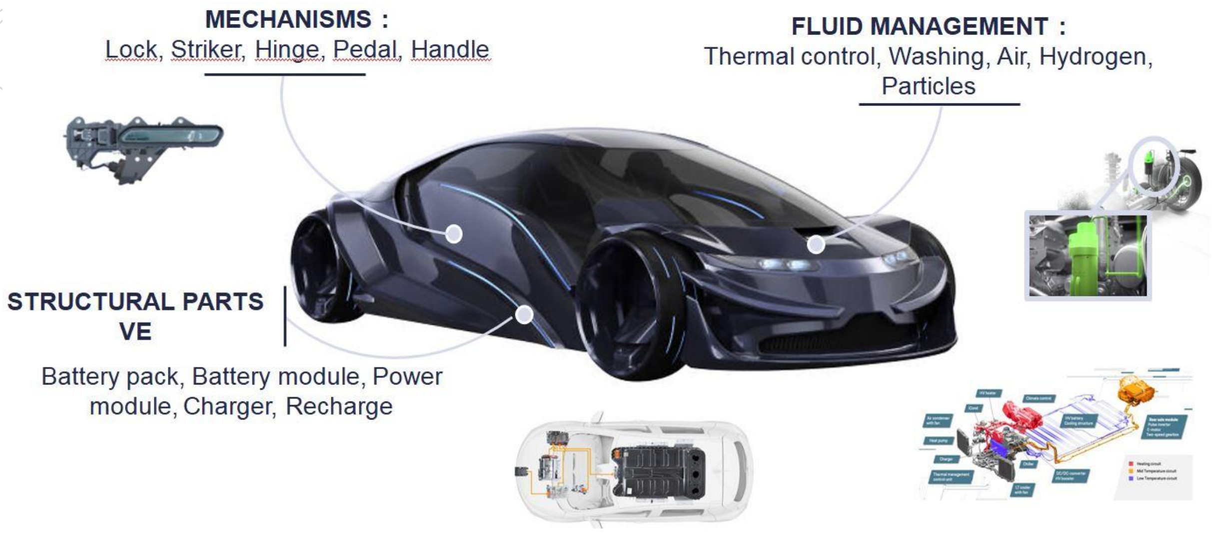
In an automotive market in the midst of a revolution, with deep-seated changes in the car maker ecosystem and the emergence of new types of vehicle, the Group is making every effort to adapt its strategy and continue to offer its 9 strategic customers the innovative solutions that will enable them to stand apart in the future in this changing environment.

The automotive market is faced with major upheavals in the medium term. The development of completely redesigned vehicles, combining multiple engines, varying degrees of autonomy and a diverse range of configurations and usages is at the forefront of these challenges.

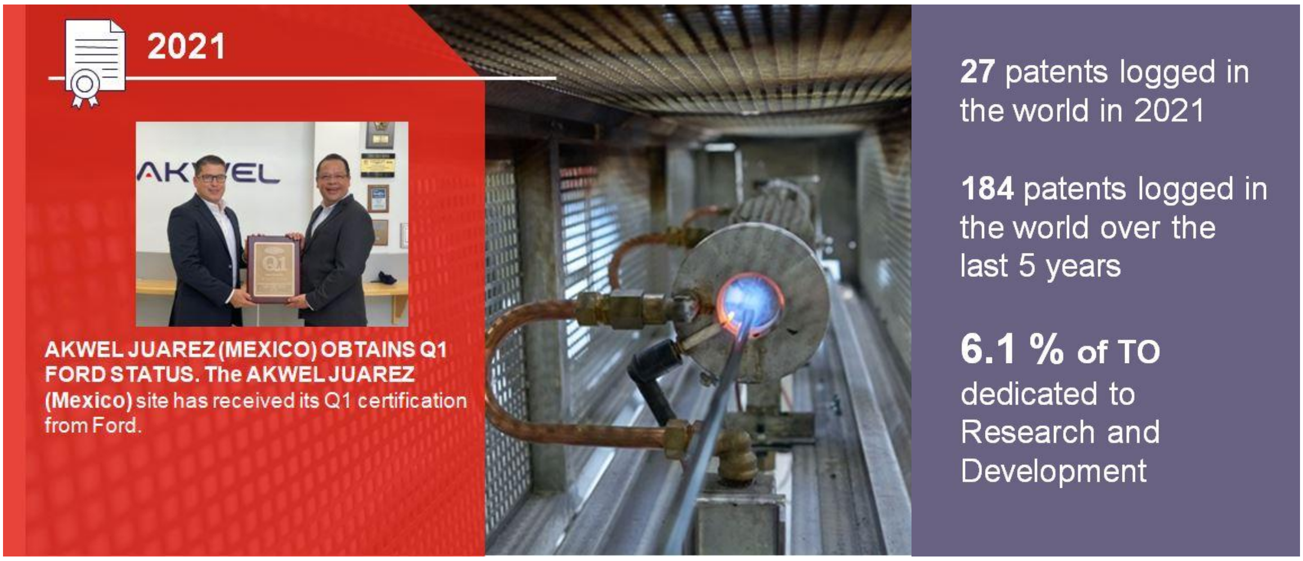
Further major challenges include the globalisation of customers and projects, local production, the arrival of new players, and the more stringent requirements on the environment and risk management. In this context, some products will be forced to evolve while others will disappear, replaced by new products and new solutions. However, the need for reliable equipment manufacturers successfully combining quality and competitiveness, global projects and local production will only increase for car makers.

To meet these many challenges, the Group is leading a long-term strategy driven by the industrial performance and adaptation of its products.

## Future product orientation: significant progress on the Electric Vehicle




## The agility and imagination of a bold actor



## Performance at the heart of the system


This vision is based on by the Group's ability to harness its expertise and its mastery of materials to conceive new products, the increasing use of mechatronics, a continually evolving organisation structure, an ever finer understanding of customers' needs and the ongoing training of its teams.

In short, an evolution without revolution to help customers build environmentally responsible autonomous and connected vehicles at a competitive price.

Aware of its responsibility and the potential impact of its decisions and activities on society and the environment, the Group makes several commitments to its stakeholders:

- The safety of and respect for individuals,
- Quality and performance to satisfy our Customers,
- Environmental protection
- Preservation of energy resources.

The Group conducts its activities in a constantly changing context involving multiple challenges and participants (customers, competitors, suppliers, local authorities, investors, etc.). The risks and opportunities (past, present and future) linked to our environment are identified, assessed and handled in order to gain control over our future.

These challenges and our continuous improvement culture provide input for our policies and action plans. They are embodied in our QSE²MS, or Quality, Safety, Environment and Energy Management System. Developed and rolled out within the Group, QSE²MS brings together our best practices and tools in a single system that applies to all of our teams in their day-to-day activities. Fed by the Group's values, it ensures that we reach the level of standard performance and satisfy the legal requirements, standards and regulations in effect at our customers and in dealings with local authorities. It is regularly audited both internally and externally to verify its implementation and to improve it.

### 4.1.3. The main non-financial risks and issues linked to the Group's activity

In accordance with articles L. 225-102-1 and R.225-104 of the French Commercial Code, the Group has reviewed its main non-financial risks based on their existing materiality, their relevance and the severity of the issues they raise linked to the analysis of financial risks.

The main risk factors, notably environmental risks, and the responses provided by the Group are presented in the section _1.7. Risk factors._

Our QSE² policy and the societal expectations concerning sustainable development have enabled the following key areas to be defined:

#### *4.1.3.1. The safety of and respect for individuals*

##### *4.1.3.1.1. Safety of people, tools and working conditions*

In September 2021, the Group set up a Group Safety Management Committee. It is chaired by the President of the Executive Board, led by the QSE² Director, who proposed the permanent participating members. This committee may also call on occasional participants according to topics and needs.

Its purpose is to manage the safety of people and property throughout the Group's organisation and thereby not only have a view and work by department or process. The committee decides on the Working Groups to be undertaken to advance the company and validates, where necessary, the conclusions, actions and decisions proposed. The Working Groups – cross-functional, multidisciplinary or by department depending on the topics – address the subjects. The committee meets once a month and follows a standardised agenda (presentation of results, analysis of significant events, monitoring of escalations, progress of Working Groups, validation, decision, COVID-19 update).

All topics (safety of people, IT security, security of tools, buildings, etc.) are gradually integrated into this committee.

In 2021, six themes were initialised and taken into account by six Working Groups as part of the 2022 work plans:

- Development of a WORK STOP initiative: every Group employee is responsible and must halt any situation deemed dangerous;
- Enhancement of the security culture: building a welcome programme and instruction of newcomers and visitors, implementation of appropriate standard media;
- Identification of high-risk activities and definition of mandatory behaviours and actions for all;
- Establishment of a network structured between the Group committee and the plant committees;
- Manual machine and control security, interference with moving parts and/or powered parts: cross-functionality of best practices meeting the most exacting standards, rollout;
- ATEX: definition of a risk assessment method for our laboratories, then other potential areas, and identification of actions to be taken to contain risks and supplement staff training.

In 2021, the Group set up a standard digital security register for all Group entities. This register means that there is now a dynamic card score updated weekly – with the results of accidents with stoppage and without stoppage and incidents – and that priorities for action can be identified.

The Group has also launched the ISO 45001 certification initiative for several sites for 2022. This initiative is carried out in a Group-wide manner, with an approach that can be applied to other sites in the future, drawing on our QSE² integrated management system.

In addition, the IT department has set up a structured organisation and resources to strengthen the consideration of cybersecurity and reduce risk. Monitoring and performance indicators have been put in place, as well as appropriate actions. The Group has decided to undertake an ISO 27001 certification process within two years.

Securing plants: the Group decided to launch a plant sprinkler programme for facilities not equipped with this fire protection system.

Two projects are being finalised at the Rayong (Thailand) and Champfromier (France) plants, followed by the Juarez and Orizaba (Mexico) plants, whose projects are in the technical appraisal phase for works to be carried out between 2022 and 2023.

##### *4.1.3.1.2. IT security*

In 2021, structuring projects were implemented to secure our IT facilities: data protection (firewall), a new cyber defence service, a new database that connects users with IT resources and the overhaul of the business continuity plans.

Monitoring and performance indicators have been put in place, as well as appropriate actions. The Group has decided to undertake an ISO 27001 certification process within two years.

##### *4.1.3.1.3. Promoting diversity*

See section *4.1.5.2. Staff mobilisation: Professional development*

*4.1.3.1.4. Ethics and compliance with international and national rules*

See section *4.1.2. Presentation of the Group: Strong values and long-term ambitions*

- Fairness of procurement practices (signature of the ethical charter – Ecovadis assessment for the top 297 suppliers. *(see section 4.1.6.1. Responsible purchasing).*

*4.1.3.2. Quality and performance of our products and services*

- Quality of new products (0 kilometre) and products in use;
- Customer satisfaction and confidence (compliance with development schedules);
- Industrial performance (logistics service rates, reduction in non-quality costs).

*4.1.3.3. Environment protection and Preservation of energy resources*

*4.1.3.3.1. Eco-design*

In 2018, an eco-design initiative was implemented and applies to all products designed or modified by the Group. This eco-design initiative is part of a sustainable development initiative that involves taking into account the environmental impacts of parts designed by the Group throughout the life cycle of these products.

AKWEL uses the ISO 14040 and ISO 14044 international standards to define its eco-design model:

- Increase the life of products;
- Minimise the impact of raw materials;
- Reduce energy consumption;
- Integrate manufacturing constraints;
- Reduce the impact of transport;
- Act on use;
- Think about the end of life from the design phase.

This initiative also takes into account:

a) Regulatory requirements:

- Not using prohibited hazardous substances;
- Requiring our suppliers to comply with these same regulations and requiring them to complete the IMDS table.

b) Meeting our customers' requirements. Some of our customers have specific requirements concerning the use of hazardous substances or imposed materials:

- It is the Project Manager's responsibility to ensure that these requirements are taken into account in each project's Quality Plan. If necessary, he/she must contact the HSE Managers;
- The "development" function must ensure that the developed product meets these requirements. Requirements are passed on to suppliers (specifications) and suppliers must comply with them (PPAP and IMDS database information, etc.) ;
- The list of prohibited, hazardous or imposed substances identified by our Customers must be known and managed in the Group standards database.

*4.1.3.3.2. Lean manufacturing*

The resources used in the AKWEL processes are mainly electricity, natural gas and water.

We take action on two factors:

- The intrinsic consumption of equipment;
- Business-related consumption (in the production volume sense).

**The intrinsic consumption of equipment:**

The Group has defined equipment standards applicable to all plants. Plastic injection presses have moved from hydraulic presses to electric or hybrid presses. Any new investment (new project or equipment renewal) is made in the AKWEL standards catalogue.

The extruders (equipment necessary for the vulcanisation of rubbers extensively used in fluid transfer) meet a standard offering three dimensions adapted to the level of activity of the plants.

**Business-related consumption:**

From the product design and industrialisation phase, factoring in the takt time enables precise sizing of the tooling, including one-cavity tools placed on a small press and continuous production (reduction of manufacturing changes and energy consumption at the start of production).

Based on a philosophy of covering inventories of finished products (rather than just-in-time production), the Manufacturing Performance Department has put in place operating instructions and methodologies aimed at making plant production more efficient. Inventories of finished products help to absorb fluctuations in customer needs and production uncertainties.

The associated indicators concern resource consumption in relation to the gross production margin.

Between 2018 and 2021, electricity, gas and water consumption decreased by 11%, 13% and 22% respectively, while waste production decreased by 17.5%.

##### *4.1.3.3.3. Sustainable purchasing and development*

See section *4.1.6.1. Responsible purchasing*

##### *4.1.3.3.4. Food waste and insecurity*

Due to the nature of its business, the Group has little impact on the fight against food waste, food insecurity or the promotion of responsible, fairly traded and sustainable food. In addition, the Group's activities have no direct impact on animal welfare.

### 4.1.4. Data analysis methodology

Social, societal and environmental indicators are collected from each Group entity.

This data is then tested for robustness/consistency during a central consolidation process conducted by the head office teams.

Unless stated otherwise, the scope covered by the non-financial report includes all fully consolidated subsidiaries.

### 4.1.5. Human resources information

Our employees are the key contributors to AKWEL's success. The **management of staff and skills**, as well as the **mobilisation of teams** around values and the company's plans, are therefore essential.

#### *4.1.5.1. Management of staff levels and competencies*

In 2021, the Group's workforce and skills management policy addressed two of the major challenges for AKWEL:

- Adapting the workforce to ensure the economic balance of our activities;
- Developing our technical skills and our support to improve the quality and performance of our products and services, and maintain our development and innovation capabilities.

The figures in the tables below are as at 31.12.2021.

**Headcount**

At 31 December 2021, the Group employed 9,661 employees (on open-ended and fixed-term contracts), a 13.7% decrease in the headcount compared with 2020.

| Headcount | 2021 | 2020 |
|---|---|---|
| Total | 9,661 | 11,191 |

**Breakdown of headcount by category**

The 20.5% reduction in the operative headcount is in line with the 22.4% decline in revenue (20.6% at a constant scope and exchange rates) observed between Q4 2020 and Q4 2021.

The slight decrease in the number of executives (-3.9%) and the stability of the employee and technician headcount (-1%) characterise our desire to step up our efforts to prepare for changes in the automotive industry.

| Breakdown of headcount by category | 2021 | 2020 |
|---|---|---|
| Executives | 548 | 570 |
| Employees and technicians | 3,255 | 3,285 |
| Operatives | 5,858 | 7,336 |
| **Total** | **9,661** | **11,191** |

**Departures**

In 2021, the Group registered 4,944 departures, comprised of voluntary redundancies and other reasons (3,373) and dismissals and terminations (1,491).

| Departures | 2021 | 2020 |
|---|---|---|
| Lay-offs and terminations | 1,491 | 2,166 |
| Pension | 80 | 101 |
| Voluntary redundancies and other reasons (*) | 3,373 | 2,930 |
| Total | **4,944** | **5,197** |

(*) "Voluntary redundancies and other reasons" means resignations, the end of fixed-term contracts, trial periods and deaths.

**Recruitments**

In 2021, the Group recorded 3,414 new hires, mainly located on the North American sites and other sites with exposure to high-growth markets.

| Recruitments | 2021 | 2020 |
|---|---|---|
| Total | **3,414** | **4,513** |

**Training**

In addition to maintaining the employee and technician headcounts, special training efforts were and will continue to be undertaken. Training at the Group acts as a driver of team performance and professionalism. It serves to support developments in our featured roles and to adapt to new technological developments.

| Training | 2021 | 2020 |
|---|---|---|
| Total personnel costs (in thousands of euros) | 255,149 | 244,271 |
| Amount allocated to training (in payroll percentage) | 0.79% | 0.49% |

*4.1.5.2. Staff mobilisation*

Staff mobilisation and commitment are essential to AKWEL's success. We develop four key themes to help employees become more involved in their duties and to provide them with a better quality of life at work and everyday well-being.

**Communication**

Communication and dialogue are essential to sharing the Group's values, business plan, strategy, expectations and objectives.

Our organisation is bound together by trust and mutual respect and is clear about its aim to ensure compliance with legal requirements, standards and ethical, professional and anti-corruption regulations in effect.

In 2021, we rolled out and strengthened AKWEL's employer brand among Group employees. We also highlighted AKWEL's employer promise on our website.

AKWEL's employer promise provides a clear vision of the Group's commitment to its employees and future candidates:

- Working at AKWEL means taking part in the adventures of an independent family Group that takes the long-term view in terms of its history and its future (COMMITMENT);
- Working at AKWEL means working based on reciprocal commitments in which everyone has the same opportunity to succeed within the Group (RESPECT);
- Working at AKWEL offers the possibility to gain new skills. It also means being pragmatic, to come up with the best solution for each problem in a creative and agile manner (ACTION);
- Working at AKWEL means having the chance to learn from your peers and to acquire unique skills based on a 360° view of your job but also developing excellent professional interpersonal skills (SHARING);
- Working at AKWEL means growing individually as a person and also collectively, while acquiring the means to surpass yourself and excel (GROWING).


This promise is reflected in key messages and visuals (the persons appearing in the photos are actual Group employees) that will gradually be integrated into AKWEL internal working procedures and tools, as well as its external communication materials.

This dialogue is either direct between employees and management or takes place through employee representative bodies.

Concerning direct dialogue, several means of communication are used at AKWEL:

- An interview between each employee and his/her direct manager, at the time of hiring, then at least once a year;
- Quarterly information meetings;
- A quarterly company newsletter translated into the Group's main languages (English, French, Spanish, Portuguese, Romanian, Swedish, Turkish, Czech, Chinese, Hindi and Thai);
- An intranet internal information system used to share management system procedures, among other things.

Concerning dialogue with employee representative bodies, beyond strict compliance with legislation, the Group ensures the proper conduct of social dialogue with the employee representatives, whether during Social and Economic Committee meetings (or the equivalent on sites outside France) on sites where this body is in place or at meetings of the Central Social and Economic Committee.

To take full account of the international aspect of the Group and to encourage social dialogue on transnational issues, an AKWEL European Works Council (EWC) was created in October 2019.

The EWC covers all of the Group's employees in seven countries: Germany, Spain, France, Portugal, the Czech Republic, Romania and Sweden.

The EWC is informed about and consulted on the Group's strategic decisions. The employee delegation is comprised of 14 members (staff representatives and trade union representatives).

It discusses various themes such as the current situation and likely developments concerning employment, changes involving organisation, the introduction of new production processes, transfers of production, mergers and investments, etc. within the European scope.

| Appraisal of collaborative agreements, notably on health and safety at work | 2021 | 2020 |
|---|---|---|
| Number of agreements concluded during the year | 39 | 43 |
| *Of which occupational health and safety agreements* | 0 | 6 |

Across all of the Group's sites, negotiations resulted in the signature of 39 collaborative agreements.

**Remuneration**

Remuneration comprises several items: salary (fixed remuneration); bonuses (variable remuneration); social benefits: healthcare, prudential, retirement, etc.; benefits in kind: company cars, gifts, etc.

Each element of this remuneration is governed by rules that take into account the laws of the country, the labour market conditions of each region, the position held or the level of responsibility exercised and the employee's performance. The aim is to attract, retain and motivate AKWEL employees while ensuring competitiveness in the local market.

For example, variable remuneration, based on the Group's strategic objectives, accounts for an even larger proportion of compensation given the high level of responsibility.

**Safety and workplace conditions**

Safety is our priority and is a core component of all of our processes, every day, in each action. Every individual involved with the Group (employees, service providers, suppliers, etc.) is entitled to work in a healthy and safe working environment. The Safety at Work policy and the associated objectives are adjusted and defined locally, taking into account the specific characteristics of each site. In this stated desire for continuous improvement in safety, in 2026 we aim to have a severity rate of 0.16.

| Work accidents, notably their frequency and severity | 2021 | 2020 |
|---|---|---|
| OSHA frequency rate | 5.97 | 8.36 |
| Severity rate | 0.20 | 0.19 |

The formula used for the frequency rate is the number of work accidents divided by the number of hours worked multiplied by 1,000,000.

**Absenteeism**

At all of the Group's sites, the level of absenteeism in 2021 was 4.70% not including absences due to maternity leave.

| Absenteeism | **2021** | 2020 |
|---|---|---|
| Total rate of absenteeism | 5.25% | 5.71% |
| Rate of absenteeism excluding maternity leave | 4.70% | 5.06% |

### Number of employees who work in a team

7,133 persons worked in a team, notably in production (2x8, 3x8).

| Number of employees who work in a team | 2021 | 2020 |
|---|---|---|
| Total | 7,133 | 8,649 |

### Weekly working time

Working time is adapted to meet our customers' needs as effectively as possible within legal durations, which vary from 35 hours to 48 hours of work per week depending on legislation.

In addition, night work is carried out at certain plants to meet to our customers' needs.

| | 2021 | 2020 |
|---|---|---|
| Weekly working time | 35 hrs to 48 hrs | 35 hrs to 48 hrs |

### Professional development

The Group's professional development policy has two objectives:

- Favour the best-performing employees with opportunities for qualifying training, internal promotion and individual pay rises to give them the opportunity to develop within the company;
- Promote diversity. Indeed, AKWEL is convinced that diversity in gender, age, origin and skills improves our skills, particularly our ability to innovate and design innovative products. As the automotive market is rapidly evolving, we are bolstering our ability to adapt to new demands, new technologies and to develop the potential of employees internationally.

### Breakdown of employees by gender

The Group employs 4,068 women (42.1% of the total headcount) and 5,593 men (57.9%).

| Breakdown of employees by gender | 2021 | 2020 |
|---|---|---|
| Male | 5,593 | 6,619 |
| Female | 4,068 | 4,572 |
| Total | 9,661 | 11,191 |

### Breakdown of employees by age

Employees in the under-30 age group accounted for 26.4% of the total headcount in 2021 and 30.3% in 2020. Those aged 50 and over accounted for 19.5% of the total headcount in 2021 and 16.2% of the total headcount in 2020.

| Breakdown of employees by age | 2021 | 2020 |
|---|---|---|
| Under 25 | 1,035 | 1,567 |
| 25 to 29 years | 1,514 | 1,825 |
| 30 to 39 years | 2,749 | 3,241 |
| 40 to 49 years | 2,482 | 2,750 |
| 50 years and over | 1,881 | 1,808 |
| Total | 9,661 | 11,191 |

**Breakdown of employees by geographical region**

The Group's workforce is spread across 20 countries. 35.85% of the Group's workforce is located in the Europe (excluding France) and Africa region; 29.16% in the North America region; 14.73% in France; 19.85% in the Asia and Middle East region (including Turkey) and 0.41% in the South America region.

| Breakdown of employees by geographical region | 2021 | 2020 |
|---|---|---|
| France | 1,423 | 1,564 |
| Europe (excluding France) and Africa | 3,463 | 3,926 |
| North America | 2,817 | 3,569 |
| Asia and the Middle East (incl. Turkey) | 1,918 | 2,087 |
| South America | 40 | 45 |
| Total | 9,661 | 11,191 |

**Vocational integration of people with a disability**

The Group employs 158 people recognised as workers with a disability.

| Vocational integration of people with a disability | 2021 | 2020 |
|---|---|---|
| Number of employees with a disability | 158 | 160 |

### 4.1.6. Societal information

*4.1.6.1. Responsible purchasing*

The Group's Purchasing policy takes social and environmental challenges into account.

At the initiative of the Group's teams, all partners (suppliers, subcontractors, workers, etc.) must engage in this drive to respect individuals, protect the environment and control energy consumption.

Suppliers and subcontractors are required to follow the Ethics Charter and are included in the Group's procedures.

At the end of 2021, 297 direct suppliers were assessed through EcoVadis, versus 80 at the end of 2020. It should be noted that the average score of all suppliers involved in this assessment is above the average of all suppliers in the EcoVadis database.

Just 1% of the assessed suppliers did not meet the minimum required rating requested by AKWEL.

*4.1.6.2. Local initiatives*

*4.1.6.2.1. Collection of waste at sites*

All sites have contracts with service providers to collect waste, along with sorting and recovery rules. Monthly monitoring and a half-yearly consolidation is in place to monitor the quantities of waste generated and the recycled and recovered portion.

*4.1.6.2.2. Local partnerships and sponsorships*

AKWEL encourages local actions through financial contributions, human or material support, in the following areas:

- **Education** (artistic, technical, cultural,) for young people;
- **Projects with a human aspect**: social responsibility, sustainable projects and organisations;
- **Team sports and sports events** in which several Group employees are involved.

## Mexico

Orizaba and Ixtaczoquitlán's production facilities in Mexico provide financial support to all employees at sites who have schoolchildren. A food voucher benefit totalling Mexican $1,300.00 is awarded in August. This support is intended to help employees cover expenses at the beginning of the school year, such as school supplies, uniforms, registration fees, etc.

To promote education and motivate students to obtain an average of 9 or more, another benefit equivalent to Mexican $1,800.00 is awarded to deserving students. It is paid twice a year, in March and September.

*Celebration with Academic Motivation Winners and their families and handout of diplomas*

## Czech Republic

For over 25 years, the Rudnik site in the Czech Republic has supported the local community's sporting activity by sponsoring the Rudnik football club with a €7,600 grant each year. The site holds the AKWEL CUP, a football tournament for its employees and their family members. The site's various departments participate in this event, and educational and fun activities are offered to children.

## Romania

Employees at the Timisoara site in Romania participate in a race involving boats made from 100% recycled materials. In 2021, they won the contest for the most creative and fast boat. With its focus on Corporate Social Responsibility, this competition is one of the leading events in Timisoara where sustainable development and recycling are concerned. It brings together companies and organisations from the local community. This third participation by the site enabled it to further embrace sustainable development activities. This year, employees chose the theme of superheroes, as they are part of children's lives and employees wanted to bring them to life with this contest.

For many years, the Timisoara facility has also supported the city's communities to the tune of 0.2% of net income to promote educational support and local sporting events.

## Portugal

For several years, the Tondela site in Portugal has been involved in sponsoring local initiatives in education, culture and sports clubs.

It also sponsors the Caramulo Motor Museum, which is home to an exceptional collection of 65 cars. In perfect condition and ready to drive, including the 100-year-old exhibits, the Museum's cars are featured in the most popular rallies and races held in Europe in their category. The Tondela site sponsors the maintenance and servicing of a Panhard & Levassor from 1927.

*India*

The Daman site in India has formed a partnership with two organisations:

The Ananda Care Charitable Trust, which works with tribal children to facilitate access to education:

- Provision of bunk beds for the girls' dormitory in a residential school for tribes;
- Communal room for the school in the tribal area to facilitate education.

Umarsadi Vibhag Kelvani Mandal, which runs a nearby school for children in need:

- Installation of solar panels in the school;
- Renovation of the former school building.

*4.1.6.2.3. Site visit and open house day*

To combine its involvement in the local fabric of each of its production units, AKWEL encourages its sites to welcome the public during "open house" days and factory visits. A methodology has been drafted to support each site in organising these events.

### 4.1.7. Environmental information

We offer our customers innovative solutions or concepts aimed at providing responses to environmental issues (reductions, decontamination) and energy issues (localised production, recycling).

To protect biodiversity and ecosystems, reducing our environmental impact and generating savings on natural resources form an integral part of our activities. The various solutions and materials possible during development (use of sustainable resources, recycling of products) are identified from the product design phase.

Our local production strategy, which reduces transportation and polluting logistics operations that impact climate change, helps to reduce the overall environmental and energy rating of the products.

Each of our factories aims to act as a responsible manufacturer by reducing energy consumption, emissions and rejects. The policy and the associated environmental and energy objectives are adjusted and defined locally, taking into account the specific characteristics of each site.

All of the Group's production sites are ISO 14001 certified. The Group sets itself numerical targets every year. These are defined and rolled out for each site. They are presented and approved during the QSE² Department Review of the entity concerned.

The information provided below covers all of the Group's production sites.

*4.1.7.1. Resource consumption*

| Quantities consumed | 2021 | 2020 |
|---|---|---|
| Water ($m^3$) | 746,733 | 742,211 |
| Plastic materials (tonnes) * | 18,134 | 19,079 |
| Metal materials (tonnes) * | 14,410 | 15,765 |
| Rubber materials (tonnes) * | 21,688 | 18,579 |
| Electricity (MWh) | 101,043 | 86,343 |
| Gas (MWh) | 141,555 | 136,642 |
| Fuel (MWh) | 5,437 | 5,167 |

(*) Tonnes purchased in 2021 based on open orders

*4.1.7.2. Waste*

| Waste | 2021 | 2020 |
|---|---|---|
| Non-hazardous industrial waste (tonnes) | 16,037 | 16,351 |
| Hazardous industrial waste (tonnes) | 1,593 | 2,927 |
| Recycling rate and waste recovery | 81.32% | 82% |

In 2021, we observed stability in the amount of waste generated in our plants, as well as in the proportion recycled or recovered. Despite the significant reduction in our hazardous waste, we saw an increase in rubber consumption, which generates a lot of unrecovered waste.

Since 2018, we have reduced waste generation by 17.5%. **As the circular economy is part of the Group's strategy**, the rate of recycled/recovered waste increased from 63% to 81%.

*4.1.7.3. Climate change: greenhouse gas emissions – adaptation to the consequences of climate change*

Following the implementation of a tool to consolidate our carbon the assessment (according to the GHG Protocol method), the Company was able to consolidate an initial assessment covering Scope 1 and Scope 2 of the protocol. As the tool was optimised throughout the year, this resulted in an initial relatively comprehensive assessment of the Group's overall scope, with the exception of two administrative and commercial offices.

| Carbon assessment (in tonnes of $CO_2e$) | 2021 | 2020 * |
|---|---|---|
| Scope 1: Direct emissions | 29,996.33 | 49,812.86 |
| Scope 2: Indirect emissions | 34,440.16 | 32,979.05 |
| TOTAL | 64,436.49 | 82,791.91 |

* 2020 values are for illustrative purposes only.

Despite an excessive margin of error to be able to consider the 2020 results significant, it is possible to observe a sharp decrease in Scope 1 emissions. This is due to the closure of a site in Romans sur Isère, which saw its equipment dismantled and the coolant gases recorded under the 2020 assessment.

The Group uses 2021 data to strengthen its environmental strategy in order to better address the challenges associated with climate change.

The Company has a certified energy management approach based on ISO 50,001 at five French sites (Beaurepaire, Champfromier, Monteux, Nesle, Vieux-Thann) with the aim of optimising energy performance and thereby reducing its GHG emissions.

#### *4.1.7.4. Biodiversity protection: measures taken to preserve or restore biodiversity*

The activities of the Group's sites have a limited impact on the surrounding natural habitats, which are assessed using each entity's risk analyses.

The Company collects and/or processes all of its waste that could have an impact on biodiversity.

#### *4.1.7.5. Noise and odour pollution*

The sites regularly conduct measurements of the noise emitted to the exterior of the plants in accordance with applicable local regulation. which are assessed using each entity's risk analyses.

Olfactory pollution is not considered significant in the Group's activity, as the industrial activities of the Group's companies generally do not generate odours. The Group is not aware of any complaints made in this regard.

#### *4.1.7.6. The organisational structure put in place to contend with pollution accidents that have consequences on the environment*

Based on the risk analyses conducted on each site, the associated emergency situations were identified. In most cases, these involve spillage, fire or explosion risks. For each emergency situation, the procedures for responding, as well as the prevention resources, are identified, listed and formalised in a security plan or another document. They are periodically tested, insofar as possible, on all personnel.

Furthermore, the QSE² Operational Control procedure strengthened the following obligations:

- Identify, in the security plan, the control of risks that could prevent delivery to the customer (including fire, serious pollution of the natural environment, flooding, etc.);
- Ban on smoking;
- Use a prevention plan for hazardous works and the fire permit;
- Place drip trays underneath all areas where pollutant liquid products are stored;
- Provide spillage kits in case of a spillage of pollutant products at various points in the plant and floor resins in the majority of production areas;
- Have response teams in the event of a fire;
- Verify the implementation of these "instructions" by conducting an LPA.

#### *4.1.7.7. Costs incurred to prevent the environmental consequences of the Group's activity*

| (in thousands of Euros) | 2021 | 2020 |
|---|---|---|
| Investments to prevent environmental consequences | 2,391 | 1,702 |

From 2019 onwards, various investments were conducted to install wastewater treatment centres in order to clean wastewater prior to release into local networks, replace or purchase equipment that provides better energy efficiency, and various costs linked to waste management (treatment, storage).

At the same time, the production sites also incurred expenses to more effectively optimise their energy consumption, whether by conducting studies to categorise their energy performances and identify areas for improvement or by financing installations following these studies (such as fitting new LED lights, installing new retaining equipment to handle potential leaks and the purchase of waste recycling and sorting equipment).

#### *4.1.7.8. Assessment and certification procedures undertaken regarding the environment and energy*

The Group has adopted an integrated management system encompassing the Quality, Safety, Environment and Energy aspects (QSE²).

Internal audits of the QSE²MS are conducted annually at the initiative of the QSE² Department in all entities of the Group (product lines, production sites and cross-functional departments).

Third-party audits of the QSE²MS are conducted by an independent certification body, BUREAU VERITAS, with:

- IATF 16949 and ISO 9001: 39 sites (including the production sites and the associated remote locations);
- ISO 14001: 39 sites (including the production sites and the associated remote locations);
- ISO 50001: 5 French sites (Beaurepaire, Champfromier, Nesle, Monteux, Vieux-Thann).

#### *4.1.7.9. Employee training and education on the environment*

As part of the QSE²MS, education in the environment and energy consumption for all personnel present on-site is included in the practices and modes of operation of the Group.

### 4.1.8. Corporate Social Responsibility (CSR) and Remuneration Committee

During its meeting of 10 February 2022, the Company's Supervisory Board decided to extend the Remuneration Committee's responsibilities to Corporate Social Responsibility issues and change its name to reflect these new responsibilities. The first CSR and Remuneration Committee meeting took place on 25 March 2022.

The composition, operation and duties of the CSR and Remuneration Committee are presented in the section *2.3.1.2. Corporate Social Responsibility (CSR) and Remuneration Committee*.

### 4.1.9. Business ethics

#### *4.1.9.1. Information concerning corruption prevention*

The Group is opposed to all forms of corruption.

Pursuant to act no. 2016-1691 concerning transparency, the fight against corruption and the modernisation of economic life, known as "Sapin II", the Company implements tools to detect and prevent corruption and influence peddling:

- A risk map;
- An Anti-Corruption and Anti-Influence Peddling Code;
- In-house or external account inspecting procedures;
- A training programme;
- An alert mechanism;
- Procedures for assessing the position of customers, suppliers and intermediaries;
- Disciplinary penalties if the Anti-Corruption and Anti-Influence Peddling Code is violated.

The Group has created a map of corruption risks that enables it to identify all of the risks to which it is exposed and to establish a hierarchy of them in terms of impacts and occurrences.

The Anti-Corruption and Anti-Influence Peddling Code was reviewed in 2019 to bolster the anti-corruption system in response to the Sapin II act. The aim of this Code is to implement measures to ensure that the Group's employees, wherever they are located, can recognise and prevent any involvement by our Company in any corruption or influence peddling and, where applicable, to report either of these practices.

The purpose of the internal whistleblowing system is to enable alerts to be collected from Group employees concerning the existence of conduct or situations that breach the Anti-Corruption and Anti-Influence Peddling Code. The Company has strengthened this system by expanding the themes covered to all commitments of the Anti-Corruption and Anti-Influence Peddling Code and by opening it up to external stakeholders.

The whistleblowing system is presented in the Anti-Corruption and Anti-Influence Peddling Code and the method for using this system are detailed in a specific procedure (Whistleblower Procedure of the AKWEL Group), which is translated into all Group languages and is also available on the Company's intranet and website.

This procedure sets out the practical details of the whistleblowing system implemented by the Company as part of its ethical strategy and its duty of care to its parent company.

This whistleblowing system was presented to the staff representative bodies.

The Company has defined an enhanced process for selecting and monitoring its suppliers, regarding both the financial longevity aspects and the social, environmental and ethical aspects. This process covers in particular:

- The inclusion on the panel of a new supplier via a questionnaire;
- The supplier's adhesion to the Company's Ethics Charter;
- The CSR assessment of suppliers and subcontractors via the EcoVadis platform;
- Regular questioning of suppliers.

In 2020, the Group enhanced its training and account inspection system regarding transactions liable to conceal a risk of corruption.

To communicate regarding its values, the Group has also written an Ethics Charter intended for its employees and stakeholders (customers, suppliers, etc.).

This describes the Group's principles, notably concerning compliance with legislation and respect for fair competition, prohibits conflicts of interest and insider trading, reasserts environmental protection, health and safety at work and the accuracy of accounting and financial information, and combats all forms of discrimination and harassment.

Furthermore, commercial relations that do not comply with these values may be terminated. To this end, contractual clauses have been included in the Group's contracts, purchase orders and general terms and conditions.

*4.1.9.2. Tax policy*

The Group is transparent about its taxation and aims for its tax policy to be a fully-integrated part of its corporate responsibility strategy. The Group has therefore adopted a consistent corporate citizenship approach, not only to comply with legislation but above all to make a fair contribution to the countries in which it conducts business.

To this end, the Group structures its tax policy around the following principles:

- Comply with the international tax standards issued by the OECD ("Transfer pricing guidelines for multinationals and tax administrations") to ensure that its intra-Group transactions comply with the principle of full competition;
- Do not attempt to evade the payment of taxes and duties, notably via complex and opaque structures.

*4.1.9.3. Information concerning efforts to promote human rights*

The Company undertakes to abide by the following stipulations:

- Practise a fair salary policy (compliance with contractual salary scales as a minimum);
- Eliminate psychological or physical harassment;
- Eliminate any form of employment or profession-related discrimination.

The Company undertakes to abide by the ILO (International Labour Organisation) declaration on fundamental principles and rights at work and notably to uphold the rights to freedom of association and collective bargaining.

The Company does not employ child labour or forced or compulsory labour.

*4.1.9.4. Vigilance plan*

The Company no longer has a legal obligation to establish, make public and implement a due diligence plan, given that it employs fewer than 10,000 employees as at 31 December 2021 internally and in its direct or indirect subsidiaries whose registered office is located in France or abroad.

However, the Company has voluntarily decided to continue the process it has undertaken.

To this end, the departments concerned (Purchasing Department, Human Resources Department, QSE[2] Department) are tasked with examining the consequences of its activities and those of these subcontractors or suppliers to identify the risks of series breaches of human rights and fundamental liberties, the health and safety of individuals and the environment and put in place, where applicable, the reasonable vigilance measures conducive to preventing these risks or mitigating them.

The measures that will be continued during the 2022 financial year include in particular:

- The continuity of plan to roll out the assessment of the Group's suppliers according to CSR criteria;
- Enhancing the consideration of CSR criteria when including a new supplier in the Group;
- Adapted actions to mitigate risks or prevent serious breaches.

In 2019, the Company extended the scope of the whistleblower procedure to integrate the serious breaches included in the vigilance plan.

*4.1.9.4.1. Procedures on the regular assessment of the situation of subcontractors or suppliers with which an established commercial relationship is conducted, and of the subsidiaries*

**Supplier assessment procedure**

The Company conducts an upstream assessment of all new potential production suppliers using an assessment questionnaire that indicates CSR-related risks.

All new suppliers must adhere to the Company's Ethics Charter and commit to complying with it or undertake to comply with it within an acceptable timeframe.

Concerning suppliers with which an established commercial relationship already exists, in 2020 the Company launched the rollout of a plan to assess its suppliers. This assessment was entrusted to EcoVadis, whose expertise in this field enables it to more effectively understand, verify and optimise supplier practices in terms of societal, environmental and economic responsibility.

The themes addressed in this questionnaire are organised into four categories (environment, social, ethical and responsible purchasing).

This assessment produces a rating, and based on this rating the Company may decide to discontinue its commercial relationships with suppliers that are not aligned with the expectations that the Company has defined.

During the 2021 financial year, the assessment carried out by EcoVadis included the Group's strategic production suppliers and challenger suppliers, and certain important "indirect" suppliers.

**Subsidiary assessment procedure**

The Group's subsidiaries are assessed as part of reports.

*4.1.9.4.2. Adapted actions to mitigate risks or prevent serious breaches*

The Company is still aiming to achieve ISO 14001 certification for all of its production sites. Through this certification, the Company is committed to meeting the demands of its customers and thereby demonstrating its environmental performance.

*4.1.9.4.3. System for alerts and collecting notifications concerning the existence or materialisation of risks*

The whistleblowing system put in place as part of the fight against fraud and corruption was extended in 2019 to allow the reporting of events falling under the scope of the Group's duty of vigilance and ethical commitments, as defined in its Ethics Charter.

This system, changes to which have been shared with the staff representative bodies, is now open to all employees, both permanent and temporary, as well as all of the external stakeholders, and covers all of the Group's vigilance challenges.

### 4.1.10. Application of the European Green Taxonomy

*4.1.10.1. Overview*

To promote transparency and a long-term vision in economic activities and to redirect capital flows towards environmentally sustainable investments, the European Union (EU) action plan on financing sustainable growth led to the creation of a common system for classifying companies' activities to identify economic activities considered sustainable.

This system is defined in a European Regulation (EU 2020/852 Taxonomy) of 18 June 2020 (the "Taxonomy Regulation") and aims to define the EU's environmental objectives and the corresponding economic activities.

Sustainable economic activities, or aligned activities, are defined in article 3 of the Taxonomy Regulation.

To determine whether an activity can be considered sustainable, it must:

*(i) Contribute substantially to one or more of the following six environmental objectives: (i) climate change mitigation, (ii) adaptation to climate change, (iii) sustainable use and protection of aquatic and marine resources, (iv) transition to a circular economy, (v) pollution prevention and control, and (vi) the protection and restoration of biodiversity and eco-systems;*

*(ii) Do not prejudice any of the environmental objectives;*

*(iii) Be exercised in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, the eight ILO fundamental conventions and the International Charter of Human Rights;*

*(iv) Comply with the technical examination criteria established by the Commission.*

On 4 June 2021, the European Commission adopted the Climate Delegated Act, which defines the technical review criteria relating to the first two environmental objectives (mitigation of climate change and adaptation to climate change) and identified more than 80 sub-sectors of economic activities that represent 93% of greenhouse gas emissions on the territory of the European Union and require priority action (activities known as "European taxonomy-eligible").

The other four environmental objectives will subsequently be subject to additional delegated acts expected in 2022.

Pursuant to the Taxonomy Regulation and the Delegated Act relating to Article 8 of the Taxonomy Regulation published on 6 July 2021, the Company must publish since 1 January 2022 its sensitivity to the European green taxonomy and sustainability indicators, such as the share of its revenue, its capital expenditure (CAPEX) and its operating expenses (OPEX) for the 2021 financial year associated with European taxonomy-eligible activities.

For the 2021 financial year, eligibility must be assessed in light of the environmental objectives defined to date by the European Regulation, namely climate change mitigation and adaptation to climate change.

As such, the Company must disclose only the portion of economic activities eligible and ineligible for the taxonomy in its total revenue, capital expenditure (CAPEX) and operating expenses.

To this end, the Company has conducted a review of the activities described (sector, activity, description) in the Delegated Acts (Appendix 1 and Appendix 2 of the Regulation) in the scope corresponding to the reporting of the Filing of Non-Financial Performance and with regard to the two environmental objectives.

Based on this review and with regard to the document "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", published on 2 February 2022, the Company considered that all of its activities are eligible for the taxonomy framework, including those involving the manufacture of products intended for internal combustion engine vehicles.

#### *4.1.10.2. Scope*

- The sales, capital expenditure and operating expenses considered cover all AKWEL activities corresponding to the scope of the companies under its control;
- Companies in which AKWEL and its companies have joint control or significant influence are excluded from the calculation of the ratios defined by the delegated act relating to article 8 of the Taxonomy Regulation published on 6 July 2021 (Delegated Regulation (EU) 2021/2178);
- The financial data are taken from the consolidated financial statements as at 31 December 2021, and revenue and capital expenditure may therefore be reconciled with the financial statements.

#### *4.1.10.3. Publication*

##### *4.1.10.3.1. Eligibility of revenue for European taxonomy*

| **Economic activities** | **Consolidated revenue (in €m)** | **Share of revenue** |
|---|---|---|
| **A. Taxonomy-eligible activity** | | |
| Revenue from environmentally sustainable activities | 922.5 | 100.00% |
| **B. Activity not taxonomy-eligible** | | |
| Revenue from activities not taxonomy-eligible | 0.00 | 0.00% |
| **Total (A+B)** | **922.5** | **0.00%** |

##### *4.1.10.3.2. Capital expenditure / CAPEX*

| **Economic activities** | **CAPEX (in €m)** | **Share of CAPEX** |
|---|---|---|
| **A. Taxonomy-eligible activity** | | |
| CAPEX in environmentally sustainable activities | 0 | 0.00% |
| **B. Activity not taxonomy-eligible** | | |
| CAPEX in activities not taxonomy-eligible | | 100.00% |
| **Total (A+B)** | 0 | 0.00% |

Operating expenses / OPEX

Under the Taxonomy, operating expenses ("Taxonomy" OPEX) are defined restrictively as direct uncapitalised costs linked to:

- Research and development;
- Building renovation measures;
- Short-term leases;
- Maintenance and repairs;
- All other direct expenses related to the day-to-day maintenance of tangible capital assets by the company or by a third-party subcontractor necessary to ensure the ongoing and efficient operation of these assets.

Operating expenses as defined by the taxonomy regulation are insignificant compared to all operating expenses included in AKWEL's consolidated income statement. As a result, this indicator is not presented.

For the Executive Board
Mathieu Coutier,
President of the Executive Board

# REPORT BY THE AUDITING BODY

*Financial year ended 31 December 2021*

To the shareholders,

At the request of the company AKWEL (hereinafter "entity") and in our role as an independent third-party body accredited by the COFRAC Inspectorate under no. 3-1081 (scope available on www.cofrac.fr), we present to you our report on the consolidated filing of non-financial performance concerning the financial year ended 31 December 2021 (hereinafter the "Filing"), presented in the group's management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

## Responsibility of the entity

The Executive Board is responsible for preparing a Filing that complies with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in respect of these risks and the results of these policies, including key performance indicators.

The Filing was prepared in accordance with the reference system used (hereinafter the "Reference System") by the entity, the significant elements of which are available on request at the Company's head office.

## Independence and quality control

Our independence is defined by the provisions stated in article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the profession. In addition, we have put in place a quality control system that includes policies and documented procedures designed to ensure compliance with ethics rules, the professional doctrine and applicable legal and regulatory texts.

## Responsibility of the independent third-party body

Based on our work, it is our responsibility to formulate a reasoned opinion expressing a conclusion of moderate assurance regarding:

- The Filing's compliance with the provisions stated in article R. 225-105 of the French Commercial Code;
- The accuracy of the information provided pursuant to 3° of I and II of article R. 225-105 of the French Commercial Code, namely the results of the policies, including the key performance indicators, and the actions concerning the main risks, hereinafter the "Information".

Conversely, it is not our responsibility to give a verdict on:

- The entity's compliance with other applicable legal and regulatory provisions, notably concerning the vigilance plan and the fight against corruption and tax evasion;
- The compliance of the products and services with applicable regulations.

## Nature and extent of the work

We carried out the work in accordance with standards applicable in France determining the terms under which the independent third-body conducts its assignment, and with the international standard ISAE 3000.

Our work was conducted between 18 March 2022 and 27 April 2022 over a period of around 12 man-days.

We conducted three interviews with the persons responsible for the Filing.

We conducted work that enabled us to assess the Filing's compliance with regulatory provisions and the accuracy of the Information:

- We familiarised ourselves with the activity of all of the companies included in the scope of consolidation, and with the presentation of the main social and environmental risks linked to this activity;
- We assessed the appropriateness of the Reference System in respect of its relevance, exhaustiveness, reliability, neutrality and comprehensible nature, taking into account, where applicable, best practices in the sector;

- We verified that the Filing covers each category of information stated in III of article L. 225-102-1 concerning social and environmental matters;
- We verified that the Filing presents the business model and the main risks linked to the activity of all of the entities included in the scope of consolidation, including, where relevant and proportionate, the risks posed by its business relations, its products or its services, as well as the policies, actions and results, including key performance indicators;
- We verified, where relevant in respect of the main risks or policies presented, that the Filing presents the information provided for in II of article R. 225-105;
- We assessed the process of selecting and validating the main risks;
- We enquired as to the existence of internal control and risk management procedures put in place by the entity.
- We assessed the cohesion of the results and the key performance indicators chosen in respect of the main risks and policies presented;
- We verified that the Filing covers the consolidated scope of business, namely all of the companies included in the scope of consolidation in accordance with article L. 233-16, together with the limits stated in the Filing section 4.1.6 Environmental Information;
- We assessed the collection process put in place by the entity to ensure the exhaustiveness and truthfulness of the Information;
- As regards the key performance indicators and the other quantitative results, we endeavoured to ensure that we considered the most;
- Analytical procedures consisting of verifying the proper consolidation of the data collected, as well as the cohesion of changes in this data;
- Detail tests based on surveys, consisting of verifying the proper application of the definitions and procedures, and of reconciling the data of the supporting documentation. This work was conducted on a selection of contributing entities[1] covering between 15% and 100% of the consolidated data of the key performance indicators selected for these tests[2];
- We consulted the documentation sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered to be the most important;
- We assessed the overall consistency of the Filing relative to our knowledge of all of the companies included in the scope of consolidation.

We feel that the work we conducted, exercising our professional judgement, enables us to formulate a conclusion of moderate assurance; a greater level of assurance would have required more extensive verification work.

Due to the use of sampling techniques, as well as the other limitations inherent in the functioning of any information and internal control system, the risk of failing to detect a significant anomaly in the Filing cannot be entirely eliminated.

## Conclusion

Based on our work, with the exception of the elements described above, we did not identify any significant anomaly liable to call into question the fact that the filing of non-financial performance complies with the applicable regulatory provisions and that the Information, viewed as a whole, is presented, in a truthful manner, in accordance with the Reference System.

Lyon, 27 April 2022

FINEXFI
Isabelle Lhoste
Partner

[1] Social indicators: Akwel France; Bursa (Turkey); Orizaba (Mexico)
Environmental indicators: Cadillac (United States); Gebze (Turkey); Mateur site (Tunisia); Vigo (Spain)

[2] Workforce and skills management (Headcount, Departures, Recruitments), Staff mobilisation (Non-maternity absence rates, Distribution of employees by sex, Distribution of employees by age), Resource consumption (Water, Electricity, Gas), Climate change: greenhouse gas emissions – adaptation to the consequences of climate change (carbon assessment)

# SUPPLEMENTARY REPORTS BY THE EXECUTIVE BOARD

## 1. Special report on transactions conducted by the Company or by associated companies in respect of share purchase or subscription options reserved for salaried personnel and directors (article L 225-184 of the French Commercial Code)

Below you will find the elements of the special report intended to inform the shareholders of transactions conducted pursuant to the provisions stated in articles L.225-184 and L. 225-186 of the French Commercial Code, concerning awards and exercises, during the last financial year, of options to purchase or subscribe to shares in the Company.

### 1.1. Purchase and subscription options awarded during the financial year

#### 1.1.1. Purchase and subscription options awarded to the leading ten employees who are not corporate officers during the financial year

No purchase and subscription option award plan was put in place for the leading ten employees who are not corporate officers during the financial year.

#### 1.1.2. Purchase and subscription options awarded to corporate officers during the financial year

No purchase and subscription option award plan was put in place for the corporate officers during the financial year.

### 1.2. Purchase and subscription options exercised during the financial year

#### 1.2.1. Options exercised by the leading ten employees who are not corporate officers during the financial year

No purchase and subscription option award plan was exercised by the leading ten employees who are not corporate officers during the financial year.

#### 1.2.2. Options exercised by the corporate officers during the financial year

No purchase and subscription option award plan was exercised by the corporate officers during the financial year.

## 2. Special report on transactions conducted by the Company or by associated companies in respect of the award of bonus shares to salaried personnel and directors (article L 225-197-4 of the French Commercial Code)

Below you will find the elements of the special report intended to inform the shareholders of transactions conducted pursuant to the provisions stated in articles L.225-197-1 to L.225-197-3 of the French Commercial Code.

### 2.1. Bonus share award plans granted during the financial year

No bonus share award plan was put in place during the financial year.

### 2.2. Definitive award of bonus shares during the financial year

No bonus shares were awarded during the financial year.

For the Executive Board
Mr Mathieu Coutier, President of the Executive Board

# REPORT OF THE EXECUTIVE BOARD ON THE WORDING OF THE RESOLUTIONS PROPOSED TO THE ORDINARY GENERAL MEETING OF WEDNESDAY 25 MAY 2022

Twenty five resolutions will be submitted to the shareholders at the Ordinary General Meeting of 25 May 2022 at 11 am at the Company's head office.

All of these resolutions fall under the competence of the Ordinary General Meeting and concern: the approval of the annual and consolidated financial statements for the financial year ended 31 December 2021, the appropriation of income, the approval of the regulated agreements stated in articles L.225-86 et seq. of the French Commercial Code, the renewal of five members of the Supervisory Board, the approval of information referred to in article L.22-10-9 of the French Commercial Code, the approval of the corporate officer remuneration policy, the approval of items comprising the remuneration and benefits of any nature paid to the members of the Executive Board and the President of the Supervisory Board in respect of the financial year ended 31 December 2021 and awarded to the members of the Executive Board and the President of the Supervisory Board in respect of the same financial year, and the authorisation concerning the share buyback programme.

## 1.1. Approval of the financial statements for the 2021 financial year (1st and 3rd resolutions) and discharge of the members of the Executive Board and Supervisory Board (2nd resolution)

The purpose of the 1st resolution is to approve the corporate financial statements for the financial year ended 31 December 2021, resulting in a profit of €1,230,501.68 and non-deductible expenses and charges.

This resolution also concerns the approval of the expenses and charges stated in article 39-4 of the French General Tax Code and totalling €35,118, as well as the corresponding tax charge.

The purpose of the 2nd resolution is to discharge the members of the Executive Board and Supervisory Board regarding their management of the Company during the 2021 financial year.

The purpose of the 3rd resolution is to approve the consolidated financial statements for the financial year ended 31 December 2021.

## 1.2. 2021 income appropriation (4th resolution)

The purpose of the 4th resolution is to decide on the appropriation of income for the Company's 2021 financial year and the distribution of a dividend.

The annual financial statements ended 31 December 2021 indicate a net income of €1,230,501.68. This income, combined with retained earnings of €111,587,475.30, brings the total distributable amount to €112,817,976.98.

It is proposed to distribute to shareholders as dividends the sum of €12,033,468, or a gross dividend per share of €0.45.

This amount will be deducted from the income for the year and from retained earnings, in the amount of €10,802,966.32.

This brings the balance of retained earnings to €102,015,010.66.

If paid to natural persons who are tax residents of France, this dividend is subject to either a single flat-rate deduction on the gross dividend at the flat rate of 12.8% (article 200 A of the French General Tax Code) or, at the taxpayer's express, irrevocable and general request, to income tax based on the progressive scale after, notably, a 40% relief (article 200 A, 13 and 158 of the French General Tax Code). Dividends are also subject to social security contributions at a rate of 17.2%.

If this proposal is adopted, the coupon will be detached on 8 June 2022 and the dividend will be paid on 10 June 2022.

When these dividends are detached, the dividend corresponding to treasury shares held by the Company would be assigned to the item "Retained earnings".

## 1.3. Regulated agreements (5th, 6th, 7th, 8th and 9th resolution)

Under the 5th resolution, you are asked to approve the renewal of the market-making agreement concluded with COUTIER DEVELOPPEMENT.

It is tacitly renewed every year and approved at the General Meeting as part of the regulated agreements.

Under the 6th resolution, you are asked to approve the renewal of the agreement to provide technical services concluded with COUTIER DEVELOPPEMENT.

It is tacitly renewed every year and approved at the General Meeting as part of the regulated agreements.

Under the 7th resolution, you are asked to approve the renewal of the agreement on the provision of financial appraisal services concluded with the company ATF.

It is tacitly renewed every year and approved at the General Meeting as part of the regulated agreements.

Under the 8th resolution, you are asked to approve the renewal of the agreement to provide premises and legal assistance services concluded with COUTIER DEVELOPPEMENT.

It is tacitly renewed every year and approved at the General Meeting as part of the regulated agreements.

Under the 9th resolution, you are asked to approve the renewal of the agreement to provide premises and legal assistance services concluded with COUTIER SENIOR.

It is tacitly renewed every year and approved at the General Meeting as part of the regulated agreements.

These agreements appear in the *Statutory Auditors' special report on regulated agreements and commitments.*

## 1.4. Renewal of mandates of members of the Supervisory Board (10th to 14th resolution)

The 10th, 11th, 12th, 13th and 14th resolution submitted for the shareholders' approval concern the renewal of the mandates of all of the members of the Supervisory Board.

The mandates of Ms Geneviève Coutier, Ms Emilie Coutier, Mr André Coutier, Mr Nicolas JOB and COUTIER DEVELOPPEMENT expire following the present General Meeting.

Your Supervisory Board has unanimously decided to propose to you the renewal of said mandates for a three-year period, i.e. after the Ordinary General Meeting called to rule in 2025 on the financial statements for the financial year ending 31 December 2024.

## 1.5. Approval of the information referred to in I of article L.22-10-9 of the French Commercial Code (15th resolution)

The 15th resolution concerns the approval of the information mentioned in article L 22-10-9 I of the French Commercial Code appearing in the corporate governance report.

## 1.6. Approval of the fixed and variable items of remuneration paid or awarded in respect of the 2021 financial year to the members of the Executive Board (from the 16th resolution to the 20th resolution)

Pursuant to article L.22-10-34-II paragraph 2 of the French Commercial Code, taking into account the votes at the General Meeting of 26 May 2021 ruling on the remuneration policy envisaged for the financial year ended 31 December 2021, you are asked, in accordance with the vote on the 16th, 17th, 18th, 19th and 20th resolutions, to approve the fixed and variable items comprising the total remuneration and benefits of any nature paid during the 2021 financial year or awarded in respect of the same financial year to the members of the Executive Board in respect of their mandate, as presented in the corporate governance report in section *3.3.1*.

## 1.7. Approval of the items comprising the remuneration and benefits of any kind paid or awarded in respect of the last financial year to André Coutier, President of the Supervisory Board (21st resolution)

The 21st resolution submits for the shareholders' approval the items of remuneration and benefits of any nature paid or awarded in respect of the last financial year to Mr André Coutier, President of the Supervisory Board, as presented in the corporate governance report in section *3.3.2.*

## 1.8. Approval of the corporate officer remuneration policy (22nd and 23rd resolution

The purpose of the 22nd and 23rd resolution is to submit for your approval, pursuant to article L 22-10-26-I of the French Commercial Code, the policy on remuneration for the members of the Executive Board and the members of the Supervisory Board for the 2021 financial year, as presented in the corporate governance report in section *3.3.3*.

Pursuant to article L 22-10-34-II paragraph 2 of the French Commercial Code, the amounts resulting from the application of these principles and criteria will be submitted for approval by shareholders approving the 2022 financial statements.

## 1.9. Authorisation concerning share buyback programmes (24th resolution)

During the Ordinary General Meeting of 26 May 2021 (20th resolution), you gave your Company authorisation to conduct stock market transactions in its own shares.

The Company did not implement this authorisation and on 31 December 2021, the total number of treasury shares was 6,044.

We hereby remind you that these shares do not have voting rights and the dividends due to them are allocated to retained earnings.

Under the 24th resolution, you are asked to authorise it for a maximum period of 18 months to acquire a number of shares of the Company (including under a liquidity contract), limited to 0.5% of the number of shares comprising the capital of the Company, adjusted where applicable to take into account any capital increase or reduction operations that may occur during the period of the programme, under the following conditions:

The maximum purchase price would be set at €50 and the maximum number of shares that can be acquired would be limited to 0.5% of the number of shares comprising the share capital as at 31 December 2021, or 133,705 shares, in the maximum total amount of €6,685,250.

These transactions would be conducted according to article L 225-209 of the French Commercial Code.

The present authorisation would be granted in order to:

- Ensure the liquidity of the market for the shares through one or several investment service providers acting independently, under a liquidity contract, in accordance with an ethics charter permitted under regulations, it being stated that the number of shares taken into account to calculate the aforementioned 0.5% limit corresponds to the number of shares purchased, minus the number of shares resold during the period of the present authorisation;
- Implement any market practice that is recognised by regulations.

As in previous years, the resolution states that the authorisation would apply at any time, including during a public offer.

This new authorisation would override the authorisation granted by the Ordinary General Meeting of 26 May 2021, subject to its approval.

## 1.10. Powers to complete formalities (25th resolution)

The 25th resolution is a common resolution intended to authorise any holder of a copy or extract of the minutes of the General Meeting to undertake, where applicable, the legal formalities required to enforce the decisions made by the present Meeting.

*Page185* contains the agenda and *page 187* contains the text of the resolutions that we propose to submit for your approval.

# REPORT BY THE SUPERVISORY BOARD ON THE CORPORATE GOVERNANCE, INCLUDING THE SUPERVISORY BOARD'S OBSERVATIONS CONCERNING THE MANAGEMENT REPORT AND THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD

In accordance with the provisions of the last paragraph of article L.225-68 of the French Commercial Code, the present corporate governance report includes the information stated in articles L. 22-10-9 to L. 22-10-11 and article L. 225-37-5 of the French Commercial Code:

- The specific terms concerning shareholders' participation in the General Meeting;
- The composition of the Supervisory Board and the Executive Board of the Company and the list of all mandates and roles performed by each of them in any company other than the Company;
- The conditions pertaining to the preparation and organisation of the activities of the Supervisory Board during the financial year ended 31 December 2021;
- The delegations concerning capital increases and other authorisations granted to the Executive Board still valid during the 2021 financial year;
- Agreements concluded between a corporate officer or a shareholder holding more than 10% of the voting rights in the Company, and a subsidiary (excluding standard agreements);
- The remuneration of the members of the Executive Board and Supervisory Board;
- Elements likely to have an impact in case of a public offer.

Lastly, we also report to you, at the conclusion of this report, our observations on the management report prepared by the Executive Board of the Company, as well as on the financial statements for the 2021 financial year.

The present report was prepared based on contributions from several departments, notably the Financial and Legal Departments of the Group.

The indications concerning corporate governance were prepared based on various internal documents (articles of association, minutes of meetings of the Supervisory Board and its committees, etc.).

This report was sent to the Statutory Auditors, submitted for review to the Audit Committee on 25 March 2022 and for approval by the Supervisory Board on 7 April 2022.

As far as corporate governance is concerned, our Company has referred, since the Supervisory Board meeting of 26 June 2015, to the Corporate Governance Code in respect of mid and small caps published by Middlenext and amended in September 2021. The Middlenext Code is available on www.middlenext.com.

It emerged at the Supervisory Board meeting that the Middlenext Corporate Governance Code was well suited to the Company, with regard to its size and the structure of its capital.

Pursuant to the "comply or explain" rule provided for in article L. 22-10-10 of the French Commercial Code and the Middlenext Code, the Company specifies that, during the 2021 financial year, it applied all of the recommendations of the Middlenext Code.

## 1. Specific terms concerning shareholders' participation in the General Meetings

The terms concerning shareholders' participation in the General Meetings and the terms of exercising voting rights are described in articles 12 and 20 of the Company's articles of association.

The right to participate in meetings or to be represented in them is subject to the registration, in an account, of shares in the name of the shareholder or of the intermediary registered on their behalf, on the second business day preceding the meeting at midnight, Paris time, or in registered share accounts held by the Company, or in bearer share accounts held by an intermediary stated in article L 211-3 of the French Monetary and Financial Code.

Meetings of the Company's shareholders are convened, conducted and deliberated under the conditions provided for by law. Meetings take place either at the head office or at another location stated in the notice of meeting.

# 2. Governance

The Combined General Meeting of 26 May 1998 approved the adoption of a management structure including a Supervisory Board and Executive Board. This structure creates a separation between the executive and management functions performed by the Executive Board and the control functions of this Department assigned to the Supervisory Board, a shareholder representation body.

The Company has maintained this organisational structure, on the grounds that it more effectively ensures the balance of powers for the benefit of all stakeholders.

## 2.1. The Supervisory Board

### 2.1.1. Composition of the Supervisory Board

According to the articles of association, the Supervisory Board is comprised of at least three members and a maximum of 18 members, appointed by the General Meeting of Shareholders.

On the date the present report was prepared, the Supervisory Board of the company is comprised of seven members: six natural persons and one legal entity.

The members of the Supervisory Board, the number of which cannot be below the legal minimum or above the legal maximum, are appointed for a three-year period that expires after the Ordinary General Meeting of Shareholders convened to vote on the financial statements for the last financial year and held during the year in which the mandate expires.

#### *2.1.1.1. Change in 2021*

No modification or renewal of the composition of the Supervisory Board occurred during the 2021 financial year.

#### *2.1.1.2. Current composition of the Supervisory Board*

The members of the Supervisory Board on the day this document was prepared are as follows:

| Members of the Supervisory Board | Nationality | Age | Primary position | Audit Committee | Remuneration Committee | Date of first appointment | Date of reappointment | Date of mandate expiry |
|---|---|---|---|---|---|---|---|---|
| **André Coutier** | French | 73 | President | Member | Member | 26.06.2016 | 29.05.2019 | 29.05.2022 |
| **Geneviève Coutier** | French | 74 | Member | Member | _ | 26.06.2016 | 29.05.2019 | 29.05.2022 |
| **Emilie Coutier** | French | 40 | Member | _ | _ | 29.06.2016 | 29.05.2019 | 29.05.2022 |
| **COUTIER DEVELOPPEMENT Represented by Christophe Coutier** | French | 44 | Member | Member | Member | _ | 29.05.2019 | 29.05.2022 |
| **Nicolas Job**(1) | French | 67 | Member | President | Member | 29.06.2016 | 29.05.2019 | 29.05.2022 |
| **Christophe Besse**(2) | French | 43 | Member | _ | _ | 14.12.2017 | 29.05.2019 | 29.05.2022 |
| **Anne Vignat Ducret** | French | 58 | Member | _ | _ | 29.10.2020 | | 29.10.2023 |

(1)Independent member. The notion of independence is defined in point 2.1.1.3. of this report.

(2) Member elected by employees.

The mandates of members of the Supervisory Board of Ms Geneviève, Ms Emilie Coutier, Mr André Coutier, Mr Nicolas Job and COUTIER DEVELOPPEMENT expire following the General Meeting of 25 May 2022.

It will be proposed at the General Meeting of 25 May 2022 to renew the mandates of Ms Geneviève Coutier, Ms Emilie Coutier, Mr André Coutier, Mr Nicolas Job and COUTIER DEVELOPPEMENT for a new term of three years, i.e. until the end of the General Meeting to be held in 2025 convened to approve the financial statements for the past financial year.

In accordance with the conditions provided for in the Company's articles of association, Guillaume Wesolowski was appointed as a member of the Supervisory Board representing the employees, by decision of the Central Works Council on 3 March 2022 with effect from 25 May 2022.

#### *2.1.1.3. Examination of the independence of the members of the Board*

The Company is majority-owned by a Group of family shareholders.

As stated in the Middlenext code, five criteria are used to presume the independence of the members of the Supervisory Board, which include the absence of a significant financial, contractual, family or proximity relationship liable to alter independent judgement:

- They must not be a salaried employee or corporate officer of the Company or of a company of the Group and must not have held such a position within the last five years;
- They must not be in a significant business relationship with the Company or the Group (client, supplier, competitor, service provider, creditor, banker, etc.) and must not have been so within the last two years;
- They must not be a reference shareholder of the Company or hold a significant percentage of voting rights;
- They must not have a close or family relationship with a corporate officer or reference shareholder;
- They must not have been a Statutory Auditor of the Company within the last six years.

In limited liability companies with an Executive Board and Supervisory Board, the corporate officers are assumed to be the President, Vice-President and members of the Executive Board.

The Board is required to verify each year, as well as at the time of their appointment, these members' position in respect of the aforementioned independence criteria.

Based on the independence criteria as defined above, the Supervisory Board, during its meeting of 7 April 2022, during which the annual examination of the independence of the members of the Board was on the agenda, believes that two members – Ms Anne Vignat Ducret and Mr Nicolas Job – meet these criteria and may therefore be qualified as independent members, having no significant relationship with the Company or its Management, or with a consolidated Group company, that may affect their freedom of judgement.

Mr Christophe Besse, member of the Supervisory Board, representing the employees, cannot be categorised as an independent member.

The other members of the Supervisory Board (Ms Geneviève Coutier, Ms Emilie Coutier and Messrs André and Christophe Coutier – permanent representative of COUTIER DEVELOPPEMENT) have family ties with the Company's directors.

#### *2.1.1.4. Gender-balanced representation in the Supervisory Board*

Concerning a gender-balanced representation in the Board, it is recalled that the Board includes, on the date on which the present report was written, three women amongst its members.

As such, the Company complies with the legal provisions concerning "gender-balanced representation within the Board of Directors and Supervisory Board and professional equality" stipulated by the provisions of article L. 225-69-1 of the French Commercial Code, these stating that at least 40% of the members of the Supervisory Board must be female and that given the size of the Board, there must be a maximum gap of two between the number of each gender.

We remind you that the mandate of member of the Board representing employees is not taken into account when calculating gender equality on the board.

### 2.1.2. Conditions related to the preparation and organisation of the Supervisory Board's activities

#### *2.1.2.1. Responsibilities and powers of the Supervisory Board*

The Supervisory Board is the control body of the Company and is managed by the Executive Board. It ensures that the strategy applied by the Executive Board is in line with the guidelines it has approved.

It gives the Executive Board the authorisations prior to the conclusion of transactions that cannot be conducted without its authorisation.

It appoints the members of the Executive Board and designates the President and possibly the general managers; it also sets their remuneration.

Without prejudice to powers granted by the law to the General Meeting, it can dismiss the members of the Executive Board.
The Supervisory Board sets the remuneration of the members of the Executive Board and/or any other benefit of a similar nature.

It determines the terms of collection of the remuneration allocated to the members of the Supervisory Board and its distribution among the members of the board. It also determines the remuneration of the President and, where applicable, the Vice-President and the resources allocated to them for the performance of their duties.

At any time of the year, the Supervisory Board may perform the verifications and controls that it considers appropriate and request the documents that it deems useful for the fulfilment of its duties.

#### *2.1.2.2. Convening of the members of the Supervisory Board and the Statutory Auditors*

The Company prepares a provisional schedule of the Supervisory Board meetings during a given year for the following year.

In addition, the Company ensures that the members of the Supervisory Board are invited around seven days before a meeting is held, by email, and by letter with acknowledgement of receipt in the case of the Co-Statutory Auditors where required.

All of the documents, technical files and information required for the duties of all of the members of the Supervisory Board are submitted to them at the same time as the invitation.

In addition, the members of the Supervisory Board are notified of the confidentiality of the documents communicated to them, either within the documents themselves or within emails or other accompanying correspondence (recommendation no.1 of the Middlenext Code).

The Co-Statutory Auditors are invited to participate in the Supervisory Board's meetings concerning the examination of the half-yearly and annual financial statements.

#### *2.1.2.3. Holding of meetings of the Supervisory Board and attendance rate*

The Board meets as often as required in the interests of the Company and every quarter as a minimum.

The members of the Executive Board are invited to each meeting of the Supervisory Board. During the 2021 financial year, all of the members of the Executive Board attended and participated in the various meetings of the Supervisory Board, participating within the remit of their particular field.

An attendance sheet is signed by all of the members of the Supervisory Board present.

During the last financial year, the Supervisory Board met six times: on 11 February 2021, 8 April 2021, 6 May 2021, 26 August 2021, 23 September 2021 and 10 November 2021. This frequency of meetings enabled in-depth examination and discussion of subjects falling within its remit.

The actual attendance rate of members at Supervisory Board meetings, calculated based on the number of members present compared to the total headcount, was 97.22% for all 2021 meetings.

The table below shows the attendance rates per meeting of the members of the Supervisory Board during the 2021 financial year:

| Meeting date | Attendance rate (member present) |
|---|---|
| 11.02.2021 | 100% |
| 8.04.2021 | 100% |
| 6.05.2021 | 100% |
| 26.08.2021 | 100% |
| 23.09.2021 | 83.33% |
| 10.11.2021 | 100% |

The President chaired all of the meetings during 2021.

The meetings of the Supervisory Board take place either at the head office or at any other location stated in the notice of meeting.

In accordance with articles 16 of the articles of association and 5 of the internal regulations, the members of the Supervisory Board who participate in Board meetings by videoconferencing or telecommunications are deemed present for the purposes of calculating the quorum and majority, enabling them to be identified and guaranteed their effective participation under the conditions provided for in the regulations. However, this provision does not apply to the verification and control of the parent company and consolidated financial statements.

However, it is preferable for the members to attend meetings in person. If they cannot be present in person, the member in question ensures that they can participate via videoconferencing or, if not, by telephone.

At each ordinary meeting, the Executive Board presents a report on the activity and results of the Group and its main subsidiaries for the past quarter. A detailed and commented income statement is presented by the Executive Board on each half-yearly or annual closing date.

Within three months of the end of each financial year, the parent company and consolidated financial statements approved by the Executive Board are submitted to the Supervisory Board for verification.

The Board then presents its observations to the General Meeting on the Executive Board's report, as well as on the financial statements for the financial year, which are included in this report on corporate governance.

With regard to the closure of the half-yearly financial statements, only the consolidated financial statements are prepared and submitted to the Supervisory Board within three months of the end of the half-year period.

The Supervisory Board asks the Executive Board and the management to provide any information or analysis it deems appropriate, or to make a presentation on any specific subject.

#### *2.1.2.4. Subjects debated during the board's meetings in 2021*

During 2021, the Supervisory Board's substantial deliberations primarily concerned:

- The verification and audit of the half-year and annual consolidated and corporate financial statements and the examination of the associated financial communication;
- The presentation of the budget for the 2021 financial year;
- The quarterly financial position as at 31 March and 30 September 2021;
- The review of the Executive Board's quarterly activity reports;
- The renewal of the share buyback agreement;
- The annual examination of the regulated agreements;
- The renewal of the annual authorisation given to the Executive Board to grant sureties, endorsements and guarantees;
- The examination of the independence of the members of the Board
- An increase in the amount of remuneration awarded to the members of the Supervisory Board;
- The breakdown of the remuneration awarded to the members of the Supervisory Board;
- The review of the human resources policy, with a particular focus on professional and wage equality;
- The main elements of the Company's policy on sustainable development and Corporate Social Responsibility;
- The preparation of the General Meeting of Shareholders of 26 May 2021 and the examination of the reports presented at the General Meeting;
- The preparation of the policy on remuneration for the members of the Executive Board for the 2021 financial year;
- The assessment of the functioning of the Supervisory Board.

#### *2.1.2.5. Independence and duty to speak*

Each member of the Supervisory Board must ensure that they retain their independence of judgement, decision and action. They undertake to not allow themselves to be influenced by factors other than the corporate interest of the Company, which they are required to uphold.

Each member of the Supervisory Board is required to notify to the Supervisory Board any item of which they become aware and which they believe is liable to adversely affect the corporate interest of the Company.

57Each member of the Supervisory Board must voice their questions and opinion to ensure that the corporate interest of the Company is protected and must strive to guide the other members of the Supervisory Board towards making decisions that enable this corporate interest to be maintained on a continuous basis. In the event of a disagreement between the members during a meeting of the Supervisory Board, the dissenting member can ask for his position to be recorded in the meeting minutes.

*2.1.2.6. Independence and conflicts of interest*

Each member must strive to avoid any situation in which his own interests conflict with the corporate interest of the Company. He is required to inform the Supervisory Board as soon as he is aware of a potential conflict of interest situation, irrespective of its nature, and consequently to refrain from taking part in debates or voting on any related resolution.

The Supervisory Board conducts an annual review of the conflicts of interest, including potential conflicts of interest, of which it has been informed.

To the Company's knowledge, on the day on which the present report was prepared, there is no conflict of interest between the duties of each member of the board regarding the company and their private interests or other duties.

The Supervisory Board is aware of the rules applicable to the prevention of insider misconduct, particularly concerning the periods during which it is prohibited to carry out corporate actions.

*2.1.2.7. Loyalty and good faith*

Each of the members of the Supervisory Board and the participants in its meetings must refrain from conducting themselves in a way that is liable to adversely affect the corporate interest of the Company, in any way whatsoever, and must act in good faith under all circumstances.

Each member of the Supervisory Board undertakes to apply all of the decisions adopted by the Supervisory Board that comply with applicable legislations and regulations.

*2.1.2.8. Confidentiality*

In accordance with the provisions of article L. 225-92 of the French Commercial Code, each of the members of the Supervisory Board and the participants in its meetings is required to uphold professional secrecy concerning the debates and deliberations of the Supervisory Board and its Committees, as well as any information that he may receive during the conduct of his duties.

Each of the members of the Supervisory Board and the participants in its meetings undertakes to never disclose such information outside of meetings of the Supervisory Board.

*2.1.2.9. Insider policy*

Each of the members of the Supervisory Board and the participants in its meetings must comply with the Company's policy on insider trading.

*2.1.2.10. Diligence*

By accepting his mandate, each member of the Supervisory Board undertakes to dedicate the necessary time, care and attention to his duties, in accordance with applicable legislations and regulations. Except in unavoidable circumstances, each member of the Supervisory Board must attend all meetings of the Supervisory Board and of the Committees to which he belongs, as well as the general meetings of shareholders.

Each member of the Supervisory Board must abandon his mandate if he believes he is unable to fulfil his duties in accordance with applicable legislations and regulations and/or internal regulations.

*2.1.2.11. Professionalism, self-assessment and protection*

Each member of the Supervisory Board must contribute to collegial and effective administration of the activities of the Supervisory Board and of any Committee. He must formulate any recommendation that is liable to improve the board's procedures.

Each member of the Supervisory Board is required to ensure that the Supervisory Board's deliberations are conducted in the corporate interest of the Company and recorded in the meeting minutes.

Each member of the Supervisory Board ensures that all of the information required to debate a subject on the agenda is obtained in a timely manner.

The President of the Supervisory Board collects, once per year, the opinion of each of the members of the Supervisory Board regarding the functioning of the Board and of its Committees, as well as regarding the preparation of the Board's activities.

As such, the Supervisory Board assesses its functioning using a questionnaire to assess the rules of functioning. This is provided to each of the members of the Board, who respond to it anonymously.

The summary of the responses of the members of the Supervisory Board, which was communicated to the members of the Board and discussed at the meeting of 10 November 2021, shows the members' satisfaction with the functioning of the Supervisory Board.

The President of the Supervisory Board ensures that the potential liability of the members of the Supervisory Board is duly assured and informs each of these members of the coverage put in place.

##### *2.1.2.12. Procedure for assessing ordinary agreements concluded under normal conditions*

In accordance with the provisions of article L. 22-10-29 of the French Commercial Code, the Supervisory Board, during its meeting of 13 February 2020, implemented an internal procedure to assess agreements concerning ordinary operations concluded under normal conditions.

The purpose of this procedure is to regularly assess whether agreements relating to ordinary transactions entered into under normal conditions fulfil the conditions defined under the provisions of article L. 22-10-29 of the French Commercial Code.

This procedure:

- Defines the criteria for identifying these current agreements;
- Implements a qualification and assessment procedure for these.

Each year, the Company's Finance and Legal Departments list the agreements referred to in article L. 225-87 of the French Commercial Code and assess whether the criteria for classifying a current agreement under normal conditions are met. The Finance and Legal Departments report on their work once a year to the Audit Committee and the Board.

Pursuant to this procedure, the Supervisory Board meeting of 7 April 2022 assessed the agreements entered into by the Company.

##### *2.1.2.13. Code of stock market compliance*

The Company has enacted a Code of Stock Market Compliance, which is submitted to any person liable to have access to privileged information, including a reminder of the definition of privileged information, a description of the legal and regulatory provisions in effect, a schedule for the year notably including closed periods and information on penalties incurred.

##### *2.1.2.14. Committees*

The Supervisory Board may decide to create its own Committees in order to facilitate its proper functioning and effectively contribute to the preparation of its decisions.

The purpose of a Committee is to examine the questions and projects submitted to it by the Supervisory Board or its President, prepare the activities and decisions of the Supervisory Board concerning these questions and projects, and report on its conclusions to the Supervisory Board in the form of reports, suggestions, opinions, information and recommendations.

The Committees conduct their duties under the Supervisory Board's responsibility. No Committee may handle, at its own initiative, questions that are not within the specific scope of its duties.

The Committees do not have any decision-making powers.

##### *2.1.2.15. Service contract*

No services contract links the members of the Supervisory Board to the Company or to one of its subsidiaries.

## 2.2. The Executive Board

### 2.2.1. Composition of the Executive Board

#### *2.2.1.1. Change in 2021*

No modification or renewal of the composition of the Executive Board occurred during the 2021 financial year.

#### *2.2.1.2. Current composition of the Executive Board*

The Executive Board may be comprised of a maximum of seven members. On the date on which the present report was prepared, the Executive Board was comprised of five natural person members appointed by the Supervisory Board and remunerated by the Company, all of whom were below the age of 70.

The Executive Board is appointed for a period of three years ending after the general meeting called to approve the financial statements of the previous financial year and held in the year during which their mandate expires. Any member of the Executive Board can be reappointed.

The mandate of the members of the Executive Board currently serving was renewed by the Supervisory Board during its meeting of 29 May 2019.

The members of the Executive Board are as follows:

| Members of the Executive Board | Nationality | Age | Primary position | Date of first appointment | Date of reappointment | Date of mandate expiry |
|---|---|---|---|---|---|---|
| **Mathieu Coutier** | French | 47 | President | 2009 | 29.05.2019 | 29.05.2022 |
| **Jean-Louis Thomasset** | French | 57 | Vice-President - Financial VP | 1998 | 29.05.2019 | 29.05.2022 |
| **Benoit Coutier** | French | 44 | Member - Legal VP | 20.12.2013 | 29.05.2019 | 29.05.2022 |
| **Nicolas Coutier** | French | 41 | Member - Business Development VP | 20.12.2013 | 29.05.2019 | 29.05.2022 |
| **Frédéric Marier** | French | 59 | Member - Manufacturing Performance VP | 10.02.2017 | 29.05.2019 | 29.05.2022 |

With regard to the composition of the Executive Board, it will be proposed at the Supervisory Board meeting to be held following the next General Meeting to renew the mandates of the members of the Executive Board.

### 2.2.2. Functioning of the Executive Board

#### *2.2.2.1. Responsibilities and powers of the Executive Board*

The Executive Board is responsible for the management of the Company and the conduct of its activities.

The Executive Board is vested with the most extensive powers in respect of third parties to act under all circumstances on the Company's behalf, limited to the corporate purpose and subject to those that the law expressly attributes to the Supervisory Board and to the shareholder meetings, in accordance with the provisions of article 15 of the articles of association.

The Executive Board meets as often as required in the interests of the Company, when convened by its President or half of its members, at the head office or at any other location indicated in the invitation.

In 2021, the Executive Board met once per week on average.

The Executive Board prepares each of the files for the meetings of the Supervisory Board, ensuring that the position of each of the Group's activities during the previous quarter is presented in detail.

The Executive Board jointly studies and decides on the various investment projects that are presented to it by the operational teams.

The Executive Board also closes the half-yearly and annual financial statements, as well as the provisional management documents and the terms of the Group's management report, which are then submitted to the Supervisory Board for examination.

Lastly, the Executive Board decides on the Group's financial communication.

*2.2.2.2. Confidentiality*

In accordance with article L. 225-92 of the French Commercial Code, all of the members of the Executive Board and any other person who attends the Executive Board's meetings are bound by professional secrecy concerning the Executive Board's discussions and deliberations, as well as concerning information that they may receive in the course of their duties.

*2.2.2.3. Compliance*

All of the members of the Executive Board and any other person attending the Executive Board's meetings undertake to comply with the insider trading policy put in place by the Company. All of the members of the Executive Board are required to uphold, and ensure that others uphold, the commitments stated in the Company's Ethics Charter in respect of the activities of each of said members, or employees acting under their responsibility.

## 2.3. Specialised committees

### 2.3.1. Committees of the Supervisory Board

The Supervisory Board, in accordance with recommendation no.7 of the Middlenext Code, has formed, within the Board, committees intended to improve the functioning of the Board and to effectively contribute to the preparation of its decisions.

The Board has therefore formed the following permanent committees: the Audit Committee and the CSR and Remuneration Committee.

The Committees have not established their own internal regulations.

*2.3.1.1. Audit Committee*

*2.3.1.1.1. Composition of the Audit Committee*

Since 29 May 2019, the Audit Committee has been comprised of four members appointed for the duration of their mandate as a member of the Supervisory Board.

The Audit Committee is comprised of:

| | |
|---|---|
| **Nicolas Job** | Committee President - Independent Member |
| **Geneviève Coutier** | Member |
| **André Coutier** | Member |
| **Christophe Coutier** | Member |

*2.3.1.1.2. Operation of the Audit Committee*

The Audit Committee fulfils the duties of a specialised committee that monitors questions concerning the preparation and control of the accounting and financial information pursuant to articles L. 823-19 and L. 823-20-4 of the French Commercial Code.

A report on each meeting of the Audit Committee is written and submitted to the members of the Supervisory Board.

During the 2021 financial year, the Audit Committee met twice, with a 100% attendance rate.

*2.3.1.1.3. Duty of the Audit Committee*

The duty of the Audit Committee is to provide an independent perspective on the Group's risks, their management and their translation into financial information.

The Audit Committee conducts the activities stated in article L. 823-19 of the French Commercial Code.

As such, it notably assists the Supervisory Board in the following areas:

- The process of preparing financial information and, where applicable, formulating recommendations to guarantee the integrity of this information;
- A critical examination of the annual financial statements and the periodic information;
- Issuing a recommendation on the Statutory Auditors proposed for appointment;
- Monitoring the suitability of internal control in light of the perception of risks and the effectiveness of both internal and external auditing, and more generally, ensuring in these areas compliance with regulations and legal compliance, which are essential elements of the Group's reputation and valuation;
- Monitoring the Statutory Auditors' conduct of their assignment;
- The independence of the Statutory Auditors;
- The approval of the supply by the Statutory Auditors of services other than the certification of the financial statements.

The Audit Committee regularly reports to the Supervisory Board on the conduct of its duties.

During the financial year, the Audit Committee heard both the Statutory Auditors (including when the directors were not present) and the Internal Audit Manager.

The Audit Committee conducted fruitful dialogue with the Statutory Auditors during the preparation of the Statutory Auditors' report.

The Audit Committee's work met the objectives that it was given during the financial year, it being stated that since the audit was reformed, the Audit Committee's scope of work has increased.

#### *2.3.1.2. Corporate Social Responsibility (CSR) and Remuneration Committee*

During its meeting of 10 February 2022, the Company's Supervisory Board decided to extend the Remuneration Committee's responsibilities to Corporate Social Responsibility issues and change its name to reflect these new responsibilities.

The first CSR and Remuneration Committee meeting took place on 25 March 2022.

##### *2.3.1.2.1. Composition*

The CSR and Remuneration Committee is comprised of three members appointed for the duration of their mandate as a member of the Supervisory Board.

The Remuneration Committee is comprised of:

| | |
|---|---|
| **Nicolas Job** | President - Independent Member |
| **André Coutier** | Member |
| **Christophe Coutier** | Member |

##### *2.3.1.2.2. Operation of the CSR and Remuneration Committee*

The CSR and Remuneration Committee meets at least once a year. Subject to this condition, it defines the frequency and periodicity of its meetings in agreement with the President of the Supervisory Board.

A report on each meeting of the CSR and Remuneration Committee is written and submitted to the members of the Supervisory Board.

During the 2021 financial year, the Remuneration Committee met once, with a 100% attendance rate.

During this meeting, it primarily formulated proposals to the Supervisory Board regarding the achievement of the Executive Board's qualitative objectives in respect of the 2021 financial year and the amount of corresponding payments.

*2.3.1.2.3. Duty of the CSR and Remuneration Committee*

**Corporate Social Responsibility duty**

The purpose of the CSR and Remuneration Committee is to prepare the Supervisory Board's deliberations regarding the review and monitoring of issues concerning the Company's social, environmental and societal responsibility and the way in which the Group strives to promote value creation over the long term by considering the social and environmental challenges of its activities.

To that end, it formulates opinions, proposals and recommendations in its areas of competence. It acts under the authority of the Supervisory Board, to which it reports and must not replace, and informs it of any difficulties encountered in the performance of its duties.

As part of its missions, the Corporate Social Responsibility Committee:

- Examines the Group's social, environmental and societal issues, risks, challenges and opportunities (regulatory context, market, etc.);
- Examines the Group's social, environmental and societal responsibility policies and commitments, the implementation of these policies through action plans, and the results achieved;
- Monitors and reviews all non-financial information published by the Group;
- Conducts a regular review of the Group's non-financial rating.

It presents to the members of the Supervisory Board a review of the actions taken during the year.

The Committee may be assigned any other task, either regular or ad hoc, entrusted to it by the Supervisory Board within its remit. It may suggest to the Supervisory Board that it should refer it to any particular point it deems necessary or relevant.

**Remuneration duty**

The Remuneration Committee submits recommendations to the Supervisory Board at the beginning of the year regarding the remuneration of the Group's corporate officers for the current year and ensures the exhaustiveness, cohesion and balance of the various elements comprising said remuneration.

It proposes rules for determining the variable portion of the corporate officers' remuneration and verifies the application of the rules that it recommended if these were adopted by the Board.

It may also address the Group's general policy on the remuneration of the managers and all of the employees of the Group.

Furthermore, the Remuneration Committee is responsible for proposing to the Board rules governing the distribution of the remuneration awarded to the members of the Supervisory Board.

It is also tasked with examining every issue submitted to it by the President of the Supervisory Board.

### 2.3.2. The Executive Committee

In order to include the Group's managers in the strategic orientations, the Executive Board has created an Executive Committee comprised of the members of the Executive Board and of managers.

*2.3.2.1. Composition of the Executive Committee*

The Executive Committee is comprised of:

| | |
|---|---|
| Mathieu Coutier | President of the Executive Board |
| Jean-Louis Thomasset | Vice-President of the Executive Board - Financial VP |
| Benoit Coutier | Member of the Executive Board - Legal VP |
| Nicolas Coutier | Member of the Executive Board - Business Development VP |
| Frédéric Marier | Member of the Executive Board - Manufacturing Performance VP |
| Sébastien Boivin | Purchasing VP |
| Maxime Delorme | Operation VP |
| Sylvain Jaquet | Operation VP - Product Lines Director |

| | |
|---|---|
| Gilles Kern | Quality, Safety, Environment and Energy VP |
| Thierry Foubert | Operation VP |
| Philippe Mao | Operation VP |
| Ludovic Mercier | Marketing and Sales VP |
| Alfredo Soto | Operation VP |

*2.3.2.2. Operation of the Executive Committee*

The Executive Committee met twice per month on average during the 2021 financial year.

*2.3.2.3. Duty of the Executive Committee*

The purpose of the Executive Committee is to assist the Executive Board by issuing opinions and recommendations on all projects, operations and measures submitted to it by the President of the Executive Board. It encourages the exchange and dissemination of best practices between the Group's areas of activity.

# 3. Corporate officer remuneration

Below is provided, in accordance with the provisions of articles L. 22-10-9-I and L. 22-10-26-I of the French Commercial Code:

- The remuneration policy for Company officers, as defined by articles L. 22-10-26 in respect of the financial year beginning on 1 January 2021 (see *3.1.* below);
- The items of the remuneration policy relating to each corporate officer put to a vote by shareholders in accordance with article L. 22-10-26. II of the French Commercial Code (see *3.2.* below);
- The items of remuneration paid during this financial year, duly approved by the General Meeting of 26 May 2021 or awarded in respect of this 2021 financial year in accordance with the principles and criteria approved by the same Meeting to the members of the Executive Board and the President of the Supervisory Board. (see *3.3.* below);
- The information referred to in article L. 22-10-9-I of the French Commercial Code concerning each corporate officer during the financial year ended 31 December 2021.

## 3.1. Corporate officer remuneration policy

The corporate officer remuneration policy (hereinafter the "Remuneration Policy") of the Company was prepared pursuant to article L. 22-10-26-I of the French Commercial Code and in accordance with the recommendations of the Middlenext corporate governance code. It also took into account the specific characteristics of the Company.

It is aligned with the policy approved by the Combined General Meeting of Shareholders on 28 May 2020 and has not been altered since.

Where applicable, it will apply to all additional corporate officers appointed during the 2022 financial year, until the next General Meeting of Shareholders convened to approve the corporate officer remuneration policy.

### 3.1.1. General principles

The Remuneration Policy, as detailed below, and in particular the performance criteria, is aligned with the Company's corporate interest. It contributes to the Company's commercial strategy and longevity, and takes into consideration the conditions governing the remuneration and employment of the Company's employees.

The Remuneration Policy is designed to be competitive compared with the remuneration policies adopted by other similarly sized companies in the same sector in order to attract, retain and secure individuals recognised as particularly competent in the Company's areas of activity.

The principles of the Remuneration Policy also take into account the following objectives:

- Remuneration must be ascertained as a whole: all of the components of remuneration and the balance between these components must be taken into account;
- A balance between fixed remuneration and variable remuneration;

- It requires consideration, where variable remuneration is established, of the combination of the assessment of individual performance, the Company's general business position and the Group's results. The assessment of individual performance is based on quantitative (financial) and qualitative (non-financial) criteria.

#### *3.1.1.1. Items of remuneration for members of the Executive Board*

The remuneration of members of the Executive Board includes the following items:

- Annual fixed remuneration;
- Annual variable remuneration;
- Multi-annual variable remuneration;
- Benefits in kind.

The members of the Executive Board are entitled to the reimbursement of expenses they incur during the course of their mandate, notably travel and accommodation expenses.

##### *3.1.1.1.1. Annual fixed remuneration*

Fixed remuneration must be set in such a way so as to attract to the highest executive positions talents from within the Company or, where applicable, recruited externally. It must also contribute to their commitment and retention.

It is determined with respect to their experience, skills and the responsibilities that each of them assume.

Fixed remuneration is paid in 12 monthly instalments.

The matter of changes to fixed remuneration is examined each year, although unless there are exceptional circumstances, fixed remuneration is only reviewed at relatively long intervals.

Fixed remuneration has not been altered since June 2019.

The criteria taken into account to decide on an increase are changes in the scope and level of responsibility, the individual's performance and his development in the position held, the positioning relative to the market in the case of equivalent positions in comparably sized multinational companies and the business and social context of the Company and the Group to which it belongs.

##### *3.1.1.1.2. Annual variable remuneration*

Annual variable remuneration is intended to reflect the personal contribution by members of the Executive Board to the Group's development.

Its payment is conditional upon the achievement of precise and demanding performance targets for each financial year, thereby helping to maintain a link between the Group's performance and the remuneration of members of the Executive Board within a short-term period.

Annual variable remuneration is balanced relative to annual fixed remuneration and may therefore result in the award, for each of the members of the Executive Board, of annual variable remuneration equal to 60% of their fixed remuneration (hereinafter the Variable Remuneration Ceiling).

The targets determining the award of the annual variable remuneration to the members of the Executive Board are based, in equal proportions, on the return on capital employed and customer satisfaction; these two criteria are assessed across the two halves of the financial year.

At the proposal of the Remuneration Committee, the Supervisory Board sets, at the start of the year, the performance targets for the current financial year, assigning to them a weighting coefficient that reflects its priorities, as well as the associated points scale for each of the indicators selected.

The amount of variable remuneration ranges from 0 to a ceiling equal to 60% of the amount of the fixed remuneration of the member of the Executive Board, according to the number of points obtained for each of the indicators.

The amount of annual variable remuneration is equal to the addition of various bonuses thusly determined.

Variable remuneration is paid in June of the year of award, subject to approval by the General Meeting of Shareholders under the conditions stated in article L. 22-10-34-II paragraph 2 of the French Commercial Code.

The payment of variable remuneration is not associated with a reclaim system.

The performance targets and the indicators selected by the Supervisory Board during its meeting of 8 April 2021 for the current financial year are as follows:

- **Indicator linked to return on capital employed**

Return is defined by the following ratio: operating income to capital employed. This indicator is used to ascertain the quality of the Group's business and financial management.

The target selected by the Supervisory Board for the current financial year and the indicator's weighting in the amount of annual variable remuneration are as follows:

| Indicator | - | = | + | ++ |
|---|---|---|---|---|
| ROCE (RE/CE) | <10.5% | 10.5% | 13.5% | 15% |
| Weighting of the indicator in the amount of annual variable remuneration (50% of the annual remuneration ceiling) | 0 | 1/3 | 2/3 | 3/3 |

- **Customer satisfaction indicator:**

Customer satisfaction (R) encompasses three combined quality indicators, which are:

| R = PPM + IPB + Responsiveness |
|---|
| **PPM (Parts per Million)**: number of defective or non-compliant parts reported by customers per one million parts delivered, |
| **IPB (Incidents per Billion)**: number of incidents reported by customers per billion parts delivered. |
| **Responsiveness after incident:** 8D stages closed on time multiplied by the number of 8D sheets. This quality indicator is used to verify that problems identified during an audit are rapidly resolved. |

The results of the indicators concerned are those saved on the manufacturer customer portals as at 31 December each year.

The purpose of these various indicators is to monitor the Company's quality with respect to production and its response in the event of a production incident.

The target selected by the Supervisory Board for the current financial year and the indicator's weighting in the amount of annual variable remuneration are as follows:

| Indicators | 0 | = | + | ++ |
|---|---|---|---|---|
| PPM | More than 4 | 3 to 4 | 2.5 to 3 | Less than 2.5 |
| IPB | More than 1,750 | 1,500 to 1,750 | 1,500 to 1,250 | Less than 1,250 |
| Responsiveness after incident | Less than 90% | 90% to 92% | 92% to 94% | More than 94% |
| Weighting of the indicator in the amount of annual variable remuneration (50% of the annual remuneration ceiling) | 0 | 1/3 | 2/3 | 3/3 |

The points scale associated with these indicators is as follows:

| Number of PPM points | Number of IPB points | Number of Responsiveness after incident points | Quotation | |
|---|---|---|---|---|
| 6 pts | 9 pts | 3 pts | ++ | 15 « R « 18 |
| 4 pts | 6 pts | 2 pts | + | 10 « R « 14 |
| 2 pts | 3 pts | 1 pt | = | 5 « R « 9 |
| 0 pt | 0 pt | 0 pt | - | 0 « R « 4 |

*3.1.1.1.3. Multi-annual variable remuneration*

The purpose of multi-annual variable remuneration is to reflect the contribution by the member of the Executive Board from a medium- and/or long-term perspective and is assessed over several consecutive financial years.

Multi-annual variable remuneration is balanced relative to annual fixed remuneration and is limited to 10% of the total amount of annual fixed remuneration paid to each of the members of the Executive Board over a reference period, the latter not being less than two financial years (hereinafter the "Reference Period").

The target determining the award of multi-annual variable remuneration is based on the prospective revenue levels of the Group or any other performance indicator, alternative or otherwise, chosen by the Supervisory Board.

Multi-annual variable remuneration is paid during the financial year following the end of the Reference Period.

Multi-annual variable remuneration is paid in June of the year of award, subject to approval by the General Meeting of Shareholders under the conditions stated in article L. 22-10-34-II of the French Commercial Code.

The payment of variable remuneration is not associated with a reclaim system.

At the proposal of the Remuneration Committee, the Supervisory Board, during its meeting of 10 April 2020, selected the following criteria:

- Reference period: 1 January 2020 to 31 December 2022.
- Quantitative criterion: consolidated revenue of over €1.2 billion on 31 December 2022.

*3.1.1.1.4. Benefits in kind*

The members of the Executive Board may receive benefits in kind that are usual for the corporate officers of comparably sized Groups or companies, such as the provision of a company vehicle and a mobile phone.

### *3.1.1.2. Items of remuneration for members of the Supervisory Board*

*3.1.1.2.1. Annual budget for remuneration awarded to the members of the Supervisory Board in respect of their activity and distribution rule.*

In accordance with article L.225-83 of the French Commercial Code, the members of the Supervisory Board are entitled, as remuneration for their activity and their participation in the work of the Board and its committees, to the payment of annual fixed remuneration decided on by the General Meeting of Shareholders.

This ceiling applies to the remuneration paid to the members of the Supervisory Board in respect of a calendar year, irrespective of the date of payment.

The rules governing the distribution of the remuneration of members of the Supervisory Board are subject to an amendment in respect of 2022.

At its meeting on 7 April 2022, the Supervisory Board, based on a proposal from the CSR and Remuneration Committee, reviewed the rules governing the distribution of remuneration to the members of the Supervisory Board in order to comply with the recommendations of the Middlenext Code on this subject, by introducing a minimum fixed remuneration.

The remuneration allocated to each member of the Supervisory Board would include a fixed portion, in remuneration for the participation and contribution of each member to Board and committee meetings, and a predominant variable portion, depending on actual attendance of the meetings.

The total annual amount of remuneration awarded to the members of the Supervisory Board is equal to €132,000, an amount increased at the General Meeting of 26 May 2021.

The terms governing the division of this remuneration between the members of the Supervisory Board, which are decided on by the Board at the proposal of the Remuneration Committee, are now as follows, the Board reserving the ability to amend them if necessary:

- The remuneration of the members of the Supervisory Board is comprised of a minimum fixed portion of €6,000;
- Each member of the Supervisory Board also receives a variable portion depending on their actual participation, irrespective of method, in the Board's meetings. This variable portion is €1,200 per meeting and the overall amount is capped at €6,000 per year;
- There is an additional fixed allocation of (i) €6,000 for Supervisory Board members who attend Audit Committee meetings and (ii) €6,000 for Supervisory Board members who attend CSR and Remuneration Committee meetings.

At the end of the financial year, the Supervisory Board examines the division of the remuneration of the members of the Supervisory Board and the individual amount awarded to each person in respect of the financial year based on verification of the actual attendance of the members of the Supervisory Board at the meetings of the Supervisory Board, it being specified that absence from a meeting of the Supervisory Board is accepted and has no effect on the payment of the total ceiling.

With the exception of the fixed remuneration and the remuneration awarded in respect of their participation in committee meetings, the remuneration awarded to the members of the Supervisory Board for a financial year is therefore liquidated and paid during the following financial year, after approval by the Annual General Meeting.

Concerning offices that end or begin during the course of a year, the award of remuneration is calculated on a pro rata temporis basis.

The members of the Supervisory Board are entitled to the reimbursement of expenses they incur during the course of their mandate (notably any travel and accommodation expenses incurred in relation to meetings of the Board and Committees).

*3.1.1.2.2. Remuneration of the President and Vice-President of the Supervisory Board.*

In accordance with article L. 225-81 paragraph 1 of the French Commercial Code, the President and Vice-President of the Supervisory Board receive fixed remuneration.

The amount of this remuneration is decided by the Supervisory Board, notably with respect to the market context, developments specific to the Company, changes to the remuneration of the Group's employees and remuneration provided by comparable companies.

Barring exceptional circumstances, the annual fixed remuneration of the President and Vice-President of the Supervisory Board is only reviewed at relatively long intervals.

At the proposal of the Remuneration Committee, the Supervisory Board, during its meeting of 7 April 2022, maintained the amount of the annual fixed remuneration of the President of the Supervisory Board at €160,000 and that of the Vice-President at €55,000.

### *3.1.1.3. Other items of corporate officer remuneration*

*3.1.1.3.1. Exceptional remuneration*

The Supervisory Board has adopted the principle under which:

- The members of the Executive Board may receive exceptional remuneration under extraordinary circumstances, which must be specifically communicated and justified. The payment of such remuneration can only be provided subject to shareholder approval pursuant to article L. 22-10-26-I of the French Commercial Code;
- The members of the Supervisory Board may receive exceptional remuneration, in cash, for the one-off assignments given to some of its members or due to the specific nature of their profile or role; this remuneration is then subject to the procedure for approving regulated agreements.

*3.1.1.3.2. Share subscription or purchase option plans*

The corporate officers are not awarded share subscription or purchase options.

*3.1.1.3.3. Performance shares*

The corporate officers are not awarded performance shares or bonus shares.

*3.1.1.3.4. Post-employment benefits*

Gratuities or benefits due or liable to be due as a result of cessation or change of role.

The corporate officers do not receive any contractual compensation in respect of the cessation of their mandate.

*Severance benefits.* The corporate officers do not receive severance benefits in the event that they retire. The employment contracts of the corporate officers who, prior to their appointment, are in possession of such a contract are suspended during the term of their mandate. Furthermore, and in the same respect and under the same conditions as the Group's employees, the members of the Executive Board who have an employment contract may receive severance benefits by law.

*Social benefits.* In the same respect as all of the executives, the corporate officers benefit from collective social welfare schemes, healthcare expenses and pension schemes in place within the Company.

*Non-competition agreement.* The corporate officers do not receive any commitment made by the Company and corresponding to benefits relating to a non-competition clause.

### 3.1.2. Decision-making process to determine, review and implement the Remuneration Policy

To ensure that the corporate officers' remuneration is aligned with the interests of the Company's shareholders and performance, the Supervisory Board and the Remuneration Committee play a decisive role in determining, reviewing and implementing the Remuneration Policy.

The same applies to the shareholders, who each year give a verdict at the General Meeting on the Remuneration Policy and the items paid by means of a binding vote.

At the start of the year, the Remuneration Policy is subject to a review by the Remuneration Committee, which proposes to the Supervisory Board to keep it unchanged or to amend it, notably with regards to the market context, developments specific to the Company, changes to the remuneration of the Company's employees and remuneration provided by comparable companies, or in the event of a significant change in the scope of responsibility of the members of the Executive Board.

At the proposal of the Remuneration Committee, the Supervisory Board defines the remuneration of the Company's corporate officers.

In particular, it determines their annual fixed and variable remuneration (ceiling, thresholds, terms and criteria of award) due in respect of the financial year ended 31 December of the last year, taking into account changes in the competitive environment and context. It sets the financial and non-financial criteria on which variable remuneration will be based for the coming financial year.

The Remuneration Committee prepares the decisions to submit to the General Meeting of Shareholders concerning these subjects.

To prevent or manage conflicts of interest that may adversely affect the Company's interests, the decision concerning the remuneration of the corporate officers is unanimously made by the members of the Supervisory Board, and without the President and Vice-President being present when their remuneration is adopted. Similarly, the members of the Executive Board are not present during discussions by the Supervisory Board and the Remuneration Committee concerning their own remuneration.

It is specified that a conflict of interest is defined as a situation that involves having to choose between the interest of the Company and the personal interest of the corporate officers.

The Supervisory Board has adopted the principle under which no exemption to the application of the Remuneration Policy is possible.

### 3.1.3. Process of assessing the performance of the members of the Executive Board

Before the end of the financial year, the Remuneration Committee assesses the achievement of the aforementioned annual or multi-annual targets, and based on this examination the Supervisory Board decides to award to the members of the Executive Board all or part of the annual variable remuneration and, where applicable, the multi-annual variable remuneration.

The remuneration awarded in respect of a financial year is therefore liquidated and paid during the following financial year, after approval by the Annual General Meeting, in accordance with article L. 22-10-34. II paragraph 2 of the French Commercial Code.

## 3.2. Items of the Remuneration Policy relating to each corporate officer put to a vote by shareholders in accordance with article L. 22-10-26. II of the French Commercial Code

In accordance with article L. 22-10-26. II of the French Commercial Code, the General Meeting of Shareholders of 25 May 2022 will be called upon to vote on a proposed resolution establishing as follows the corporate officer remuneration policy.

The remuneration policy for members of the Executive Board was 95.21% approved by the General Meeting of Shareholders of 26 May 2021, while the policy for members of the Supervisory Board was unanimously approved.

### 3.2.1. Policy on remuneration for members of the Supervisory Board

| Remuneration items | Principles | Determination criteria |
|---|---|---|
| Remuneration | The total budget for remuneration paid to the members of the Board is set by the General Meeting | |
| Variable remuneration | Each member of the Supervisory Board receives variable remuneration in accordance with the meetings of the Board and of the Committees in which he participates. | The amount of variable remuneration is defined in accordance with the rules stated in section *3.1.1.2.* of the Corporate Governance Report. |
| Exceptional remuneration | A member of the Supervisory Board may receive exceptional remuneration for the one-off assignments given to some of its members or due to the specific nature of their profile or role. | This remuneration is then subject to the procedure for approving regulated agreements. |

### 3.2.2. Remuneration Policy applicable to Mr André Coutier, President of the Supervisory Board

| Remuneration items | Principles | Determination criteria |
|---|---|---|
| Remuneration | Mr André Coutier receives fixed remuneration in 12 monthly instalments. | The amount of Mr Coutier's fixed remuneration is set at €160,000 per year. |
| Variable remuneration | In his role as a Member of the Supervisory Board, Mr André Coutier receives variable remuneration in accordance with the meetings of the Board and of the Committees in which he participates. | The amount of variable remuneration is defined in accordance with the rules stated in section *3.1.1.2.* of the Corporate Governance Report. |

### 3.2.3. Policy on remuneration for members of the Executive Board

*3.2.3.1. Remuneration Policy applicable to Mr Mathieu Coutier, President of the Executive Board*

| Remuneration items | Principles | Determination criteria |
|---|---|---|
| Remuneration | Mr Mathieu Coutier receives fixed remuneration in 12 monthly instalments. | This annual remuneration is set at €400,800. |
| Annual variable remuneration | Mr Mathieu Coutier receives variable remuneration, the amount of which is linked to performance.<br>This remuneration is paid during the financial year following that in respect of which the performances were recognised.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable compensation is subject to the approval by an ordinary general meeting of the items of remuneration of Mathieu Coutier under the conditions of article L. 22-10-34. II of the French Commercial Code.<br>The payment of annual variable remuneration is not associated with a reclaim system. | The amount of variable remuneration that can be awarded to Mr Mathieu Coutier is limited to 60% of the amount of his fixed remuneration in accordance with the policy described in section *3.1.1.1.2.* of the Corporate Governance Report.<br>This remuneration is based, in equal proportions, on the return on capital employed and on customer satisfaction; these two criteria are assessed across the two halves of the financial year.<br>The Board reserves the right to change these criteria as required. |

| | | |
|---|---|---|
| Multi-annual variable remuneration | Mr Mathieu Coutier receives multi-annual variable remuneration, the amount of which is linked to performance.<br>Multi-annual variable remuneration is paid during the financial year following the end of the Reference Period.<br>This remuneration is based on quantitative criteria linked to prospects concerning the Group's revenue levels.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable compensation is subject to the approval by an Ordinary General Meeting of the components of the remuneration of Mathieu Coutier under the conditions of Article L. 22-10-34. II of the French Commercial Code.<br>The payment of multi-annual variable remuneration is not associated with a reclaim system. | In accordance with the policy described in section *3.1.1.1.3.* of the Corporate Governance Report, the amount of multi-annual variable remuneration that can be awarded to Mr Mathieu Coutier is limited to 10% of the total amount of his annual fixed remuneration paid during the period from 1 January 2020 to 31 December 2022.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: Group revenue of more than €1.2 billion during the year 2022.<br>The Board reserves the right to change these criteria as required. |
| Benefits in kind | Mr Mathieu Coutier receives a company vehicle. | |

*3.2.3.2. Remuneration policy applicable to Mr Jean-Louis Thomasset, Vice-President of the Executive Board*

| **Remuneration items** | **Principles** | **Determination criteria** |
|---|---|---|
| Remuneration | Mr Jean-Louis Thomasset receives fixed remuneration in 12 monthly instalments. | This annual remuneration is set at €115,200. |
| Annual variable remuneration | Mr Jean-Louis Thomasset receives variable remuneration, the amount of which is linked to performance.<br>This remuneration is paid during the financial year following that in respect of which the performances were recognised.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable compensation is subject to the approval by an ordinary general meeting of the items of remuneration of Jean-Louis Thomasset under the conditions of article L. 22-10-34. II of the French Commercial Code.<br>The payment of annual variable remuneration is not associated with a reclaim system. | The amount of variable remuneration that can be awarded to Mr Jean-Louis Thomasset is limited to 60% of the amount of his fixed remuneration in accordance with the policy described in section *3.1.1.1.2.* of the Corporate Governance Report.<br>This remuneration is based, in equal proportions, on the return on capital employed and on customer satisfaction; these two criteria are assessed across the two halves of the financial year.<br>The Board reserves the right to change these criteria as required. |
| Multi-annual variable remuneration | Mr Jean-Louis Thomasset receives multi-annual variable remuneration, the amount of which is linked to performance.<br>Multi-annual variable remuneration is paid during the financial year following the end of the Reference Period.<br>This remuneration is based on quantitative criteria linked to prospects concerning the Group's revenue levels.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment | In accordance with the policy described in section *3.1.1.1.3.* of the Corporate Governance Report, the amount of multi-annual variable remuneration that can be awarded to Mr Jean-Louis Thomasset is limited to 10% of the total amount of his annual fixed remuneration paid during the period from 1 January 2020 to 31 December 2022.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: Group revenue of |

| | | |
|---|---|---|
| | of variable compensation is subject to the approval by an ordinary general meeting of the items of remuneration of Jean-Louis Thomasset under the conditions of article L. 22-10-34. II of the French Commercial Code.<br>The payment of multi-annual variable remuneration is not associated with a reclaim system. | more than €1.2 billion during the year 2022.<br>The Board reserves the right to change these criteria as required. |
| Benefits in kind | Benefits in kind correspond to the provision by the Company of a private vehicle to Mr Jean-Louis Thomasset in respect of the agreement on the provision of financial appraisal services and, on an ancillary basis, tax monitoring together with the company ATF. | |
| Provision of services contract | The company ATF, of which Mr Jean-Louis Thomasset is a majority partner and manager, invoices fees to the Company in respect of a contract on the provision of financial appraisal services and, on an ancillary basis, legal and tax monitoring.<br>It is tacitly renewed every year.<br>This agreement is subject to the procedure for approving regulated agreements. | The fees amount to €454,085. |

*3.2.3.3. Remuneration policy applicable to Mr Benoit Coutier, Member of the Executive Board*

| Remuneration items | Principles | Determination criteria |
|---|---|---|
| Remuneration | Mr Benoit Coutier receives fixed remuneration in 12 monthly instalments. | This annual remuneration is set at €354,000. |
| Annual variable remuneration | Mr Benoit Coutier receives a company vehicle and variable remuneration, the amount of which is linked to performance.<br>This remuneration is paid during the financial year following that in respect of which the performances were recognised.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable remuneration is subject to the approval by an ordinary general meeting of the items of remuneration of Benoit Coutier under the conditions of article L. 22-10-34. II of the French Commercial Code.<br>The payment of annual variable remuneration is not associated with a reclaim system. | The amount of variable remuneration that can be awarded to Mr Benoit Coutier is limited to 60% of the amount of his fixed remuneration in accordance with the policy described in section *3.1.1.1.2.* of the Corporate Governance Report.<br>This remuneration is based, in equal proportions, on the return on capital employed and on customer satisfaction; these two criteria are assessed across the two halves of the financial year.<br>The Board reserves the right to change these criteria as required. |
| Multi-annual variable remuneration | Mr Benoit Coutier receives multi-annual variable remuneration, the amount of which is linked to performance.<br>Multi-annual variable remuneration is paid during the financial year following the end of | In accordance with the policy described in section *3.1.1.1.3.* of the Corporate Governance Report, the amount of multi-annual variable remuneration that can be awarded to Mr Benoit Coutier is limited to 10% of the total amount of his annual fixed |

| | | |
|---|---|---|
| | the Reference Period.<br>This remuneration is based on quantitative criteria linked to prospects concerning the Group's revenue levels.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable remuneration is subject to the approval by an ordinary general meeting of the items of remuneration of Benoit Coutier under the conditions of article L. 22-10-34. II of the French Commercial Code.<br>The payment of multi-annual variable remuneration is not associated with a reclaim system. | remuneration paid during the period from 1 January 2020 to 31 December 2022.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: Group revenue of more than €1.2 billion during the year 2022.<br>The Board reserves the right to change these criteria as required. |
| Benefits in kind | Mr Benoit Coutier receives a company vehicle. | |

*3.2.3.4. Remuneration policy applicable to Mr Nicolas Coutier, Member of the Executive Board*

| **Remuneration items** | **Principles** | **Determination criteria** |
|---|---|---|
| Remuneration | Mr Nicolas Coutier receives fixed remuneration in 12 monthly instalments. | This annual remuneration is set at €354,000. |
| Annual variable remuneration | Mr Nicolas Coutier receives a company vehicle and variable remuneration, the amount of which is linked to performance.<br>This remuneration is paid during the financial year following that in respect of which the performances were recognised.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable compensation is subject to the approval by an ordinary general meeting of the items of Nicolas Coutier's remuneration under the conditions of article L. 22-10-34. II of the French Commercial Code.<br>The payment of annual variable remuneration is not associated with a reclaim system. | The amount of variable remuneration that can be awarded to Mr Nicolas Coutier is limited to 60% of the amount of his fixed remuneration in accordance with the policy described in section 3.1.1.1.2. of the Corporate Governance Report.<br>This remuneration is based, in equal proportions, on the return on capital employed and on customer satisfaction; these two criteria are assessed across the two halves of the financial year.<br>The Board reserves the right to change these criteria as required. |
| Multi-annual variable remuneration | Mr Nicolas Coutier receives multi-annual variable remuneration, the amount of which is linked to performance.<br>Multi-annual variable remuneration is paid during the financial year following the end of the Reference Period.<br>This remuneration is based on quantitative criteria linked to prospects concerning the Group's revenue levels.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable compensation is subject to the approval by an ordinary general meeting of the items of Nicolas Coutier's remuneration under the conditions of article L. 22-10-34. II of the French Commercial Code.<br>The payment of multi-annual variable remuneration is not associated with a reclaim system. | In accordance with the policy described in section 3.1.1.1.3. of the Corporate Governance Report, the amount of multi-annual variable remuneration that can be awarded to Mr Nicolas Coutier is limited to 10% of the total amount of his annual fixed remuneration paid during the period from 1 January 2020 to 31 December 2022.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: Group revenue of more than €1.2 billion during the year 2022.<br>The Board reserves the right to change these criteria as required. |

| | | |
|---|---|---|
| Benefits in kind | Mr Nicolas Coutier receives a company vehicle. | |

*3.2.3.5. Remuneration policy applicable to Mr Frédéric Marier, Member of the Executive Board*

| Remuneration items | Principles | Determination criteria |
|---|---|---|
| Fixed remuneration | Mr Frédéric Marier receives fixed remuneration in 12 monthly instalments. | This annual remuneration remains set at €354,000. |
| Annual variable remuneration | Mr Frédéric Marier receives variable remuneration, the amount of which is linked to performance.<br>This remuneration is paid during the financial year following that in respect of which the performances were recognised.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable remuneration is subject to approval by an ordinary general meeting of the items of remuneration of Frédéric Marier under the conditions stated in article L. 22-10-34. II of the French Commercial Code.<br>The payment of annual variable remuneration is not associated with a reclaim system. | The amount of variable remuneration that can be awarded to Mr Frédéric Marier is limited to 60% of the amount of his fixed remuneration in accordance with the policy described in section *3.1.1.1.2.* of the Corporate Governance Report.<br>This remuneration is based, in equal proportions, on the return on capital employed and on customer satisfaction; these two criteria are assessed across the two halves of the financial year.<br>The Board reserves the right to change these criteria as required. |
| Multi-annual variable remuneration | Mr Frédéric Marier receives multi-annual variable remuneration, the amount of which is linked to performance.<br>Multi-annual variable remuneration is paid during the financial year following the end of the Reference Period.<br>This remuneration is based on quantitative criteria linked to prospects concerning the Group's revenue levels.<br>In accordance with article L. 22-10-26. I of the French Commercial Code, the payment of variable remuneration is subject to approval by an ordinary general meeting of the items of remuneration of Frédéric Marier under the conditions stated in article L. 22-10-34. II of the French Commercial Code.<br>The payment of multi-annual variable remuneration is not associated with a reclaim system. | In accordance with the policy described in section *3.1.1.1.3.* of the Corporate Governance Report, the amount of variable remuneration that can be awarded to Mr Frédéric Marier is limited to 10% of the total amount of his annual fixed remuneration paid during the period from 1 January 2020 to 31 December 2022.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: Group revenue of more than €1.2 billion during the year 2022.<br>The Board reserves the right to change these criteria as required. |
| Benefits in kind | Mr Frédéric Marier receives a company vehicle | |

## 3.3. Information referred to in I of article L 22-10-9 of the French Commercial Code for each corporate officer of the Company

In accordance with the provisions of article L. 22-10-34-II paragraph 1 of the French Commercial Code, the General Meeting of Shareholders of 25 May 2022 will be called upon to vote on a proposed resolution concerning the remuneration items paid in 2021 or awarded in respect of this same financial year to the corporate officers.

All of the remuneration paid or awarded to the members of the Executive Board for the 2021 financial year complies with the Remuneration Policy adopted by the shareholders during the General Meeting of 26 May 2021 in its 15th and 16th resolutions.

### 3.3.1. Remuneration paid to the members of the Executive Board

The total amount of remuneration paid by the Company in respect of the positions of Member of the Executive Board in respect of the 2021 financial year totals €1,947,557.

*3.3.1.1. Summary table of the remuneration of each member of the Executive Board due and/or paid in 2021 and during the financial year ended 31 December 2020*

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| **Mr Mathieu Coutier<br>President of the Executive Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Fixed remuneration (1) | 400,800 | 400,800 | 357,380 (7) | 357,380 (7) |
| Variable remuneration (2) | 200,400 | 89,846 | 89,846 (7) | 220,440 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind (3) | 3,096 | 3,096 | 1,642 | 1,642 |
| **Total** | **604,296** | **493,742** | **448,868** | **579,462** |

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros)° | |
|---|---|---|---|---|
| **Mr Jean Louis Thomasset<br>Vice-President of the Executive Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Fixed remuneration (1) | 115,200 (8) | 115,200 (8) | 121,200 (7) | 121,200 (7) |
| Variable remuneration (2) | 57,600 | 29,400 | 29,400 (7) | 79,200 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind (3) | 0 | 0 | 0 | 0 |
| Fees (4) | 454,085 | 454,085 | 465,610 | 465,610 |
| **Total** | **626,885** (6) | **598,685** (6) | **616,210** (6) | **666,010** (6) |

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| **Mr Benoit Coutier<br>Member of the Executive Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Fixed remuneration (1) | 354,000 | 354,000 | 315,650 (7) | 315,650 (7) |
| Variable remuneration (2) | 177,000 | 79,355 | 79,355 (7) | 194,700 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind (3) | 1,728 | 1,728 | 2,393 | 2,393 |
| **Total** | **532,728** | **435,083** | **397,398** | **512,743** |

| Mr Nicolas Coutier<br>Member of the Executive Board | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Fixed remuneration (1) | 354,000 | 354,000 | 315,650(7) | 315,650(7) |
| Variable remuneration (2) | 177,000 | 79,355 | 79,355(7) | 194,700 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind (3) | 1,728 | 1,728 | 2,393 | 2,393 |
| **Total** | **532,278** | **435,748** | **397,398** | **512,743** |

| Mr Frédéric Marier<br>Member of the Executive Board | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Fixed remuneration (1) | 354,000 | 354,000 | 315,650 (7) | 315,650 (7) |
| Variable remuneration (2) | 177,000 | 79,355 | 79,355 (7) | 194,700 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind (3) | 3,029 | 3,029 | 2,672 | 2,672 |
| **Total** | **534,029** | **436,384** | **448,868** | **579,462** |

*(1) Pre-tax gross basis.*
*(2) The targets determining the award of the annual variable remuneration are based on quantitative criteria notably linked to the profitability of capital employed and qualitative criteria notably linked to customer satisfaction; these two criteria are assessed across the two halves of the financial year.*
*(3) Benefits in kind correspond to the provision of a passenger vehicle by the Company.*
*(4) The Company concluded an agreement concerning the provision of financial appraisal services and, on an ancillary basis, tax monitoring services, with the company ATF, of which Mr Jean-Louis Thomasset is a partner and majority manager.*
*(5) Benefits in kind correspond to the provision by the Company of a private vehicle to Mr Jean-Louis Thomasset in respect of the agreement on the provision of financial appraisal services and, on an ancillary basis, tax monitoring together with the company ATF.*
*(6) Including fees paid to ATF;*
*(7) The members of the Executive Board agreed to reduce their remuneration by 20% from 15 March 2020 to 12 November 2020.*
*(8) Mr Jean-Louis Thomasset decided to reduce his remuneration by 25% as of November 2020.*

### *3.3.1.2. Decisions concerning the variable remuneration of members of the Executive Board awarded in respect of the 2021 financial year*

#### *3.3.1.2.1. Annual variable remuneration of the members of the Executive Board*

**Reminder of objectives, quantitative and qualitative criteria**

The payment of the 2021 annual variable remuneration of the members of the Executive Board is subject to the achievement of several precise and pre-established objectives, of a quantitative or qualitative nature, of which the minimum, target and maximum thresholds have been set by the Supervisory Board.

Annual variable remuneration is based, equally, on the return on capital employed and customer satisfaction.

For 2021, the Supervisory Board decided to structure the Executive Board's objectives around two following indicators:

- Indicator linked to return on capital employed

| Indicator | - | = | + | ++ |
|---|---|---|---|---|
| ROCE (RE/CE) | <10.5% | 10.5% | 13.5% | 15% |
| Weighting of the indicator in the amount of annual variable remuneration (50% of the annual remuneration ceiling) | 0 | 1/3 | 2/3 | 3/3 |

- Customer satisfaction indicator:

Customer satisfaction (R) encompasses three combined quality indicators, which are:

| **R = PPM + IPB + Responsiveness** |
|---|
| **PPM (Parts per Million)**: number of defective or non-compliant parts reported by customers per one million parts delivered, |
| **IPB (Incidents per Billion)**: number of incidents reported by customers per billion parts delivered. |
| **Responsiveness after incident:** 8D stages closed on time multiplied by the number of 8D sheets. This quality indicator is used to verify that problems identified during an audit are rapidly resolved. |

The Supervisory Board also decided that these two indicators would be assessed over the two half-years of the financial year.

The target selected by the Supervisory Board for the 2021 financial year and the weighting of the customer satisfaction indicator in the amount of annual variable remuneration were as follows:

| **Indicators** | **0** | **=** | **+** | **++** |
|---|---|---|---|---|
| PPM | More than 4 | 3 to 4 | 2.5 to 3 | Less than 2.5 |
| IPB | More than 1,750 | 1,500 to 1,750 | 1,500 to 1,250 | Less than 1,250 |
| Responsiveness after incident | Less than 90% | 90% to 92% | 92% to 94% | More than 94% |
| Weighting of the indicator in the amount of annual variable remuneration (50% of the annual remuneration ceiling) | 0 | 1/3 | 2/3 | 3/3 |

The points scale associated with these indicators for 2021 is as follows:

| **Number of PPM points** | **Number of IPB points** | **Number of Responsiveness after incident points** | **Quotation** | |
|---|---|---|---|---|
| 6 pts | 9 pts | 3 pts | ++ | 15 « R « 18 |
| 4 pts | 6 pts | 2 pts | + | 10 « R « 14 |
| 2 pts | 3 pts | 1 pt | = | 5 « R « 9 |
| 0 pt | 0 pt | 0 pt | - | 0 « R « 4 |

*3.3.1.2.2. Determination of the amount of annual variable remuneration*

In view of the results achieved, the Supervisory Board, at its meeting of 7 April 2022, at the proposal of the Remuneration Committee, decided as follows the amount of the annual variable remuneration of each member of the Executive Board for the 2021 financial year:

**a) Results obtained and amount of the variable portion that can be awarded to the members of the Executive Board for H1 2021**

| | Mathieu Coutier President of the Executive Board | Jean-Louis Thomasset Vice-President of the Executive Board | Benoit Coutier Member of the Executive Board | Nicolas Coutier Member of the Executive Board | Frédéric Marier Member of the Executive Board |
|---|---|---|---|---|---|
| Amount of maximum annual variable remuneration (in euros) | 240,480 | 69,120 | 212,400 | 212,400 | 212,400 |
| Amount of maximum variable remuneration for H1 2021 (in euros) | 120,240 | 34,560 | 106,200 | 106,200 | 106,200 |
| Structure and level of the variable portion (stated as a percentage of the fixed portion) | Variable portion: from 0% to 100% if the objectives defined by the Board are met | | | | |
| Indicator linked to return on capital employed | Weighting in the target variable portion: 50% of the maximum variable remuneration | | | | |
| ROCE (RE/CE) at 30/.06.2021 | 18.9% | | | | |
| Achievement rate for this indicator | 3/3 | 3/3 | 3/3 | 3/3 | 3/3 |
| Amount of the variable portion in relation to the objectives concerning the return on capital employed at 30.06.2021 (in euros) | 60,120 | 17,280 | 53,100 | 53,100 | 53,100 |
| Customer satisfaction indicator | Weighting in the target variable portion: 50% of the maximum annual variable remuneration. | | | | |
| PPM (Parts per Million) at 30.06.2021 | 4.75 | | | | |
| Achievement rate | 0/3 | 0/3 | 0/3 | 0/3 | 0/3 |
| Number of points | 0 | 0 | 0 | 0 | 0 |
| IPB (Incidents per Billion) at 30.06.2021 | 1.644 | | | | |
| Achievement rate | 1/3 | 1/3 | 1/3 | 1/3 | 1/3 |
| Number of points | 3 | 3 | 3 | 3 | 3 |

| | | | | | |
|---|---|---|---|---|---|
| Responsiveness after incident on 30.06.2021 | 97.6% | | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 3 | 3 | 3 | 3 | 3 |
| Total number of points | 6 | 6 | 6 | 6 | 6 |
| Overall achievement rate for this indicator | = | = | = | = | = |
| Amount of the variable portion in relation to the objectives concerning customer satisfaction at 30.06.2021 (in euros) | 20,040 | 5,760 | 17,700 | 17,700 | 17,700 |
| Total amount of annual variable remuneration at 30.06.2021 (in euros) (A) | 80,160 | 23,040 | 70,800 | 70,800 | 70,800 |

**b) Results obtained and amount of the variable portion that can be awarded to the members of the Executive Board for H2 2021**

| | **Mathieu Coutier President of the Executive Board** | **Jean-Louis Thomasset Vice-President of the Executive Board** | **Benoit Coutier Member of the Executive Board** | **Nicolas Coutier Member of the Executive Board** | **Frédéric Marier Member of the Executive Board** |
|---|---|---|---|---|---|
| Amount of maximum annual variable remuneration (in euros) | 240,480 | 69,120 | 212,400 | 212,400 | 212,400 |
| Amount of maximum variable remuneration for H2 2021 (in euros) | 120,240 | 34,560 | 106,200 | 106,200 | 106,200 |
| Structure and level of the variable portion (stated as a percentage of the fixed portion) | Variable portion: from 0% to 100% if the objectives defined by the Board are met | | | | |
| Indicator linked to return on capital employed | Weighting in the target variable portion: 50% of the maximum annual variable remuneration. | | | | |
| ROCE (RE/CE) at 31.12.2021 | 15.9% | | | | |
| Achievement rate for this indicator | 3/3 | 3/3 | 3/3 | 3/3 | 3/3 |
| Amount of the variable portion in relation to the objectives concerning the return on capital employed (in euros) | 60,120 | 17,280 | 53,100 | 53,100 | 53,100 |

| | | | | | |
|---|---|---|---|---|---|
| Customer satisfaction indicator | Weighting in the target variable portion: 50% of the maximum annual variable remuneration. | | | | |
| PPM (Parts per Million) at 31.12.2021 | 2.35 | | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 6 | 6 | 6 | 6 | 6 |
| IPB (Incidents per Billion) at 31.12.2021 | 1.247 | | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 9 | 9 | 9 | 9 | 9 |
| Responsiveness after incident on 31.12.2021 | 98.5% | | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 3 | 3 | 3 | 3 | 3 |
| Total number of points | 18 | 18 | 18 | 18 | 18 |
| Overall achievement rate for this indicator | ++ | ++ | ++ | ++ | ++ |
| Amount of the variable portion in relation to the objectives concerning customer satisfaction (in euros) | 60,120 | 17,280 | 53,100 | 53,100 | 53,100 |
| Total amount of annual variable remuneration (in euros) (B) | 120,240 | 34,560 | 106,200 | 106,200 | 106,200 |

**c) Total amount of annual variable remuneration for the full financial year ended 31.12.2021**

| | Mathieu Coutier President of the Executive Board | Jean-Louis Thomasset Vice-President of the Executive Board | Benoit Coutier Member of the Executive Board | Nicolas Coutier Member of the Executive Board | Frédéric Marier Member of the Executive Board |
|---|---|---|---|---|---|
| Total amount of annual variable remuneration at 30.06.2021 (in euros) (A) | 80,360 | 23,040 | 70,800 | 70,800 | 70,800 |
| Total amount of annual variable remuneration at 31.12.2021 (in euros) (B) | 120,240 | 34,560 | 106,200 | 106,200 | 106,200 |
| Total amount of annual variable remuneration (in euros) (A+B) | 200,400 | 57,600 | 177,000 | 177,000 | 177,000 |

| | | | | | |
|---|---|---|---|---|---|
| Percentage of the variable portion in relation to the target variable portion | 83% | 83% | 83% | 83% | 83% |
| Percentage of variable remuneration in relation to fixed remuneration | 50% | 50% | 50% | 50% | 50% |

In accordance with the provisions of article L. 22-10-34. II paragraph 2 of the French Commercial Code, the payment of variable remuneration items to the President and members of the Executive Board is subject to the approval by the Ordinary General Meeting of 25 May 2022 of the items of remuneration of the person concerned under the conditions provided for in article L.225-100 of the French Commercial Code.

*3.3.1.2.3. Multi-annual variable remuneration of the members of the Executive Board*

No variable compensation is payable in respect of the 2021 financial year.

*3.3.1.2.4. Percentage of variable remuneration relative to the fixed remuneration of the members of the Executive Board*

| | **Percentage of variable remuneration relative to fixed remuneration paid in 2021** |
|---|---|
| Mathieu Coutier, President of the Executive Board | 50% |
| Jean-Louis Thomasset, Vice-President of the Executive Board | 50% |
| Benoit Coutier, Member of the Executive Board | 50% |
| Nicolas Coutier, Member of the Executive Board | 50% |
| Frédéric Marier, Member of the Executive Board | 50% |

### 3.3.2. Remuneration due and/or paid in 2021 to members of the Supervisory Board and during the financial year ended 31 December 2020

The total amount of remuneration paid by the Company in respect of the positions of member of the Supervisory Board for the 2021 financial year amounts to €341,000.

The following table summarises the amount of remuneration in respect of the positions of Member of the Supervisory Board and other remuneration received in 2021 and 2020 by the members of the Supervisory Board of the Company.

| | **Amounts for the 2021 financial year (in euros)** | | **Amounts for the 2020 financial year (in euros)** | |
|---|---|---|---|---|
| **Mr André Coutier<br>President of the Supervisory Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Fixed remuneration in respect of his mandate as President of the Supervisory Board (1) | 160,000 | 160,000 | 142,666(5) | 142,666(5) |
| Remuneration in respect of his mandate as Member of the Supervisory Board (1) | 24,000 | 24,000 | 20,000(4) | 20,000(4) |
| **Total** | **184,000** | **184,000** | **162,666** | **162,666** |

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| **Mr Nicolas Job<br>Vice-President of the Supervisory Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Fixed remuneration in respect of his mandate as Vice-President of the Supervisory Board (1) (2) | 55,000 | 55,000 | 49,041(4) | 49,041(4) |
| Remuneration in respect of his mandate as Member of the Supervisory Board(1) | 24,000 | 24,000 | 20,000(4) | 20,000(4) |
| **Total** | **79,000** | **79,000** | **69,041** | **69,041** |

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| **Ms Geneviève Coutier<br>Member of the Supervisory Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Remuneration in respect of her mandate as Member of the Supervisory Board(1) | 18,000 | 18,000 | 15,200(4) | 15,200(4) |
| **Total** | **18,000** | **18,000** | **15,200** | **15,200** |

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| **Ms Emilie Coutier<br>Member of the Supervisory Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Remuneration in respect of her mandate as Member of the Supervisory Board(1) | 12,000 | 12,000 | 10,400(4) | 10,400(4) |
| **Total** | **12,000** | **12,000** | **10,400** | **10,400** |

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| **Ms Anne Vignat Ducret Member of the Supervisory Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Remuneration in respect of her mandate as Member of the Supervisory Board(1) | 12,000 | 12,000 | 2,000(2) | 2,000(2) |
| **Total** | **12,000** | **12,000** | **2,000** | **2,000** |

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| **Mr Christophe Coutier - Permanent representative of COUTIER DEVELOPPEMENT<br>Member of the Supervisory Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Remuneration in respect of his mandate as Member of the Supervisory Board(1) | 24,000 | 24,000 | 20,000(4) | 20,000(4) |
| **Total** | **24,000** | **24,000** | **20,000** | **20,000** |

| | Amounts for the 2021 financial year (in euros) | | Amounts for the 2020 financial year (in euros) | |
|---|---|---|---|---|
| **Mr Christophe Besse Member of the Supervisory Board** | **Due** | **Paid in 2021** | **Due** | **Paid in 2020** |
| Remuneration in respect of his mandate as Member of the Supervisory Board(1) | 12,000 | 12,000 | 10,400(4) | 10,400(4) |
| **Total** | **12,000** | **12,000** | **10,400** | **10,400** |

*(1) Pre-tax gross basis*
*(2) The amount of remuneration awarded to Ms Anne Vignat Ducret, whose term of office took effect in the 2020 financial year (October 2020), was calculated pro rata temporis*
*(3) Benefits in kind correspond to the provision of a passenger vehicle by the company COUTIER DEVELOPPEMENT.*
*(4) All members of the Supervisory Board agreed to reduce their remuneration by 20% from 15 March 2020 to 12 November 2020.*
*(5) The President and Vice-President agreed to reduce their remuneration by 20% from 15 March 2020 to 12 November 2020*

### 3.3.3. Remuneration and benefits of any nature due or paid to the corporate officers

#### *3.3.3.1. Share subscription or purchase options exercised during the financial year ended 31 December 2021*

None.

#### *3.3.3.2. Share subscription or purchase options awarded during the financial year ended 31 December 2021*

None.

#### *3.3.3.3. Bonus shares awarded during the financial year ended 31 December 2021*

None.

#### *3.3.3.4. Bonus shares awarded during the financial year ended December 31, 2021 and linked to multi-year performance*

None.

#### *3.3.3.5. Bonus shares acquired during the financial year ended 31 December 2021*

None.

#### *3.3.3.6. Remuneration paid or awarded by a company included in the scope of consolidation as defined in article L. 233-16 of the French Commercial Code*

None.

#### *3.3.3.7. The commitments of any kind made by the Company and corresponding to remuneration items, gratuities or benefits due or liable to be due as a result of the commencement, cessation or change of role or after the conduct of the latter*

None.

### 3.3.4. Equity ratio and changes in the Company's remuneration and performance

In accordance with Article L.22-10-9 of the French Commercial Code, the table below shows, for each executive corporate officer of the Company, the ratios between the level of their remuneration and:

- The average full-time equivalent remuneration of the Company's employees other than corporate officers;
- The median full-time equivalent remuneration of the Company's employees other than corporate officers.

Furthermore, in addition to the regulatory obligations mentioned above and in accordance with the provisions of the Middlenext Code, the table shows for each executive corporate officer of the Company the ratio between the level of their remuneration and the level of the gross annual guaranteed minimum wage.

The table also shows the annual change in the remuneration of each executive corporate officer, the Company's performances (consolidated revenue and current operating income (COI)) and the average remuneration of the Company's employees over the last five financial years.

The change in the equity ratio is compared with the change in consolidated revenue and current operating income (COI).

The gross annual guaranteed minimum wage was obtained by multiplying the amount of the monthly guaranteed minimum wage on 1 January 2021 by 12. As such, the 2021 gross annual guaranteed minimum wage was €18,759,63 (on a 35 hr basis).

In respect of 2021, the median wage of the Company's full-time employees other than the corporate officers was €27,624, while the average wage of full-time employees was €33,908.

To identify the median and average wage of employees, all employees registered at the end of the month were taken into account, with the exception of State-aided contracts (apprentices, professional development) and trainees. Part-time employees were excluded from the calculation.

Total remuneration includes:

- For the Company's employees, the basic wage, back wages, bonuses (quality bonus, performance bonus), other bonuses (exceptional bonus, birth, patent, compensation, purchasing power), sums received under profit-sharing and benefits in kind;
- For members of the Executive Board: (i) their fixed remuneration relating to corporate offices held in the company, (ii) their variable remuneration (bonus), (iii) benefits in kind paid;
- For the President of the Supervisory Board, the total remuneration includes (i) his remuneration relating to his duties as President of the Supervisory Board, (ii) his remuneration awarded in respect of his participation in the governance of the company (formerly attendance fees), (iii) his remuneration relating to his duties as President of the Executive Board of COUTIER DEVELOPPEMENT, (iv) benefits in kind paid.

**André Coutier – President of the Supervisory Board**

| | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 | 31.12.2017 |
|---|---|---|---|---|---|
| Total remuneration (in euros) | 184,000 | 162,666.00 | 184,000.00 | 184,000.00 | 80,857.00 |
| Change compared with the previous financial year | 13.12 | -11.59 | 0.00 | 127.56 | -17.45 |
| Average employee remuneration (in euros) | 33,909 | 33,020.00 | 32,940.00 | 31,752.00 | 31,431.00 |
| Ratio relative to the average remuneration of employees | 5.43 | 4.93 | 5.59 | 5.79 | 2.57 |
| Change in the ratio compared with the previous financial year | 10.15 | -11.81 | -3.61 | 125.26 | -18.85 |
| Median remuneration of employees (in euros) | 27,624 | 24,024.00 | 26,679.00 | 25,407.00 | 24,946.00 |
| Ratio relative to the median remuneration of employees | 6.66 | 6.77 | 6.90 | 7.24 | 3.24 |
| Change in the ratio compared with the previous financial year | -1.63 | -1.82 | -4.77 | 123.43 | -16.87 |
| Amount of the guaranteed minimum wage over 12 months (in euros) | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 | 17,763.24 |
| Ratio relative to the guaranteed minimum wage | 9.81 | 8.81 | 10.08 | 10.23 | 4.55 |
| Change in the ratio compared with the previous financial year | 11.39 | -12.64 | -1.50 | 124.80 | -18.21 |
| Change in current operating income compared with the previous financial year | -32.72 | 23.32 | 19.12 | -32.75 | 3.60 |
| Change in consolidated revenue compared with the previous financial year | -1.58 | -14.89 | 3.67 | 3.71 | 6.29 |

**Mathieu Coutier – President of the Executive Board**

| | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 | 31.12.2017 |
|---|---|---|---|---|---|
| Total remuneration (in euros) | 493,742.00 | 579,462.00 | 623,361.00 | 516,504.00 | 287,517.00 |
| Change compared with the previous financial year | -14.79 | -7.04 | 20.69 | 79.64 | -7.81 |
| Average employee remuneration (in euros) | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 | 31,431.00 |
| Ratio relative to the average remuneration of employees | 14.56 | 17.55 | 18.92 | 16.27 | 9.15 |
| Change in the ratio compared with the previous financial year | -17.03 | -7.27 | 16.34 | 77.83 | -9.37 |
| Median remuneration of employees (in euros) | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 | 24,946.00 |
| Ratio relative to the median remuneration of employees | 17.87 | 24.12 | 23.37 | 20.33 | 11.53 |

| | | | | | |
|---|---|---|---|---|---|
| Change in the ratio compared with the previous financial year | -25.90 | 3.23 | 14.93 | 76.38 | -7.16 |
| Amount of the guaranteed minimum wage over 12 months (in euros) | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 | 17,763.24 |
| Ratio relative to the guaranteed minimum wage | 26.32 | 31.37 | 34.15 | 28.72 | 16.19 |
| Change in the ratio compared with the previous financial year | -16.09 | -8.14 | 18.88 | 77.46 | -8.66 |
| Change in current operating income compared with the previous financial year | -32.72 | 23.32 | 19.12 | -32.75 | 3.60 |
| Change in consolidated revenue compared with the previous financial year | -1.58 | -14.89 | 3.67 | 3.71 | 6.29 |

**Jean-Louis Thomasset – Vice-President of the Executive Board**

| | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 | 31.12.2017 |
|---|---|---|---|---|---|
| Total remuneration (in euros) (1) | 598,685.00 | 666,010.00 | 720,676.00 | 636,026.00 | 510,159.00 |
| Change compared with the previous financial year | -10.11 | -7.59 | 13.31 | 24.67 | 4.31 |
| Average employee remuneration (in euros) | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 | 31,431.00 |
| Ratio relative to the average remuneration of employees | 17.66 | 20.17 | 21.88 | 20.03 | 16.23 |
| Change in the ratio compared with the previous financial year | -12.47 | -7.81 | 9.22 | 23.41 | 2.54 |
| Median remuneration of employees (in euros) | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 | 24,946.00 |
| Ratio relative to the median remuneration of employees | 21.67 | 27.72 | 27.01 | 25.03 | 20.45 |
| Change in the ratio compared with the previous financial year | -21.82 | 2.63 | 7.91 | 22.41 | 5.04 |
| Amount of the guaranteed minimum wage over 12 months (in euros) | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 | 17,763.24 |
| Ratio relative to the guaranteed minimum wage | 31.91 | 36.05 | 39.48 | 35.37 | 28.72 |
| Change in the ratio compared with the previous financial year | -11.48 | -8.68 | 11.61 | 23.16 | 3.35 |
| Change in current operating income compared with the previous financial year | -32.72 | 23.32 | 19.12 | -32.75 | 3.60 |
| Change in consolidated revenue compared with the previous financial year | -1.58 | -14.89 | 3.67 | 3.71 | 6.29 |

*(1) The total remuneration of Mr Jean-Louis Thomasset includes the amount of fees paid to ATF under the agreement for the provision of financial appraisal services and, on an ancillary basis, tax monitoring, of which Mr Jean-Louis Thomasset is a partner and majority manager.*

**Mr Benoit Coutier – Member of the Executive Board**

| | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 | 31.12.2017 |
|---|---|---|---|---|---|
| Total remuneration (in euros) | 435,083.00 | 512,743.00 | 551,093.00 | 427,354.00 | 178,512.00 |
| Change compared with the previous financial year | -15.15 | -6.96 | 28.95 | 139.40 | 1.74 |
| Average employee remuneration (in euros) | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 | 31,431.00 |
| Ratio relative to the average remuneration of employees | 12.83 | 15.53 | 16.73 | 13.46 | 5.68 |
| Change in the ratio compared with the previous financial year | -17.37 | -7.18 | 24.30 | 136.98 | 0.02 |
| Median remuneration of employees (in euros) | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 | 24,946.00 |
| Ratio relative to the median remuneration of employees | 15.75 | 21.34 | 20.66 | 16.82 | 7.16 |
| Change in the ratio compared with the previous financial year | -26.20 | 3.32 | 22.81 | 135.05 | 123.62 |
| Amount of the guaranteed minimum wage over 12 months (in euros) | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 | 17,763.24 |
| Ratio relative to the guaranteed minimum wage | 23.19 | 27.76 | 30.19 | 23.77 | 10.05 |
| Change in the ratio compared with the previous financial year | -16.44 | -8.06 | 27.03 | 136.49 | 0.81 |
| Change in current operating income compared with the previous financial year | -32.72 | 23.32 | 19.12 | -32.75 | 3.60 |
| Change in consolidated revenue compared with the previous financial year | -1.58 | -14.89 | 3.67 | 3.71 | 6.29 |

| **Nicolas Coutier – Member of the Executive Board** | | | | | |
|---|---|---|---|---|---|
| | **31.12.2021** | **31.12.2020** | **31.12.2019** | **31.12.2018** | **31.12.2017** |
| Total remuneration (in euros) | 435,083.00 | 512,743.00 | 551,093.00 | 426,023.00 | 174,371.00 |
| Change compared with the previous financial year | -15.15 | -6.96 | 29.36 | 144.32 | 6.48 |
| Average employee remuneration (in euros) | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 | 31,431.00 |
| Ratio relative to the average remuneration of employees | 12.83 | 15.53 | 16.73 | 13.42 | 5.55 |
| Change in the ratio compared with the previous financial year | -17.37 | -7.18 | 24.69 | 141.85 | 4.67 |
| Median remuneration of employees (in euros) | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 | 24,946.00 |
| Ratio relative to the median remuneration of employees | 15.75 | 21.34 | 20.66 | 16.77 | 6.99 |
| Change in the ratio compared with the previous financial year | -26.20 | 3.32 | 23.19 | 139.89 | 7.23 |
| Amount of the guaranteed minimum wage over 12 months (in euros) | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 | 17,763.24 |
| Ratio relative to the guaranteed minimum wage | 23.19 | 27.76 | 30.19 | 23.69 | 9.82 |
| Change in the ratio compared with the previous financial year | -16.44 | -8.06 | 27.42 | 141.35 | 5.50 |
| Change in current operating income compared with the previous financial year | -32.72 | 23.32 | 19.12 | -32.75 | 3.60 |
| Change in consolidated revenue compared with the previous financial year | -1.58 | -14.89 | 3.67 | 3.71 | 6.29 |

| **Frédéric Marier – Member of the Executive Board** | | | | | |
|---|---|---|---|---|---|
| | **31.12.2021** | **31.12.2020** | **31.12.2019** | **31.12.2018** | **31.12.2017** |
| Total remuneration (in euros) | 436,383.00 | 516,022.00 | 550,266.00 | 394,429.00 | 283,066.00 |
| Change compared with the previous financial year | -15.43 | -6.22 | 39.51 | 39.34 | N/A |
| Average employee remuneration (in euros) | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 | 31,431.00 |
| Ratio relative to the average remuneration of employees | 12.87 | 15.63 | 16.71 | 12.42 | 9.01 |
| Change in the ratio compared with the previous financial year | -17.65 | -6.45 | 34.48 | 37.93 | N/A |
| Median remuneration of employees (in euros) | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 | 24,946.00 |
| Ratio relative to the median remuneration of employees | 15.80 | 21.48 | 20.63 | 15.52 | 11.35 |
| Change in the ratio compared with the previous financial year | -26.45 | 4.14 | 32.86 | 36.81 | N/A |
| Amount of the guaranteed minimum wage over 12 months (in euros) | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 | 17,763.24 |
| Ratio relative to the guaranteed minimum wage | 23.26 | 27.93 | 30.14 | 21.94 | 15.94 |
| Change in the ratio compared with the previous financial year | -16.73 | -7.33 | 37.42 | 37.65 | N/A |
| Change in current operating income compared with the previous financial year | -32.72 | 23.32 | 19.12 | -32.75 | N/A |
| Change in consolidated revenue compared with the previous financial year | -1.58 | -14.89 | 3.67 | 3.71 | N/A |

## 3.4. Remuneration items and benefits of any nature paid or awarded in respect of the last financial year to the members of the Executive Board and the President of the Supervisory Board under their mandate (Say on Pay ex-post individual) put to a vote by the shareholders in accordance with article L. 22-10-34-II paragraph 1 of the French Commercial Code

In accordance with Article L. 22-10-34-II paragraph 1 of the French Commercial Code, the General Meeting of Shareholders of 25 May 2022 will be called upon to vote on draft resolutions concerning the fixed, variable and exceptional items comprising the total remuneration and benefits of any nature paid during 2021 or granted in respect of that same financial year:

- To the President of the Executive Board: Mathieu Coutier;
- To the other members of the Executive Board: Jean-Louis Thomasset, Benoit Coutier, Nicolas Coutier and Frédéric Marier;
- To the President of the Supervisory Board.

These items, which are included in the present report by Supervisory Board on corporate governance, are also the subject of a presentation in the report by the Executive Board on the proposed resolutions.

We remind you that the payment of variable remuneration items to the Members of the Executive Board will be subject to the approval by the Ordinary General Meeting of their remuneration items and benefits paid or awarded under their mandate in respect of the last financial year.

The items of remuneration presented below will be subject to approval by the General Meeting in resolutions 16 (for Mathieu Coutier), 17 (for Jean-Louis Thomasset), 18 (for Benoit Coutier), 19 (for Nicolas Coutier) and 20 (for Frédéric Marier).

Note that the remuneration items due or awarded in respect of the financial year ended 31 December 2021 to Mathieu Coutier, in his role as President of the Executive Board, and to Jean-Louis Thomasset, Benoit Coutier, Nicolas Coutier and Frédéric Marier, as members of the Executive Board, were put to a vote by the shareholders at the Combined General Meeting of 26 May 2021, in the 11th, 12th, 13th, 14th and 15th resolutions, all of which were approved by respectively by 94.55%, 93.78%, 94.04%, 94.71% and 94.71% of the votes cast.

### 3.4.1. The remuneration items due or paid to Mathieu Coutier, President of the Executive Board, in respect of the 2021 financial year are as follows:

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2021 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 400,800 | |
| Annual variable remuneration | 89,846 | Amount paid following the General Meeting of 26 May 2021. |
| Annual variable remuneration | 200,400 | Amount to be paid after approval by the General Meeting. |
| Remuneration in respect of his mandate as Member of the Supervisory Board | None | The members of the Executive Board may not be a member of the Supervisory Board and therefore cannot be awarded compensation in this respect. |
| Awards of share subscription or purchase options | None | |
| Bonus share awards | None | |
| Remuneration, gratuities or benefits due or liable to be due as a result of taking office | None | |
| Retirement benefits | None | |

| | | |
|---|---|---|
| Non-competition benefit | None | |
| Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article | None | |
| Any other remuneration item that can be awarded in respect of the mandate | None | |
| Benefits of any nature awarded in respect of the corporate appointment | 3,096 | |

### 3.4.2. The remuneration items due or awarded to Jean-Louis Thomasset, Vice-President of the Executive Board, in respect of the 2021 financial year are as follows:

| **Remuneration items paid or awarded in respect of the financial year ended 31 December 2021 (Article R.225-56-1 of the French Commercial Code)** | **Amounts (in euros)** | **Comments** |
|---|---|---|
| Annual fixed remuneration | 115,200 | |
| Annual variable remuneration | 29,400 | Amount paid following the General Meeting of 26 May 2021. |
| Annual variable remuneration | 57,600 | Amount to be paid after approval by the General Meeting. |
| Multi-annual variable remuneration | None | |
| Exceptional remuneration | None | |
| Remuneration in respect of his mandate as Member of the Supervisory Board | None | The members of the Executive Board may not be a member of the Supervisory Board and therefore cannot be awarded compensation in this respect. |
| Awards of share subscription or purchase options | None | |
| Bonus share awards | None | |
| Remuneration, gratuities or benefits due or liable to be due as a result of taking office | None | |
| Retirement benefits | None | |
| Non-competition benefit | None | |
| Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article | None | |
| Any other remuneration item that can be awarded in respect of the mandate | None | |

| | | |
|---|---|---|
| Benefits of any nature awarded in respect of the corporate appointment | None | |

### 3.4.3. The remuneration items due or awarded to Benoit Coutier, member of the Executive Board, in respect of the 2021 financial year are as follows

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2021 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 354,000 | |
| Annual variable remuneration | 79,355 | Amount paid following the General Meeting of 26 May 2021. |
| Annual variable remuneration | 177,000 | Amount to be paid after approval by the General Meeting. |
| Multi-annual variable remuneration | None | |
| Exceptional remuneration | None | |
| Remuneration in respect of his mandate as Member of the Supervisory Board | None | The members of the Executive Board may not be a member of the Supervisory Board and therefore cannot be awarded compensation in this respect. |
| Awards of share subscription or purchase options | None | |
| Bonus share awards | None | |
| Remuneration, gratuities or benefits due or liable to be due as a result of taking office | None | |
| Retirement benefits | None | |
| Non-competition benefit | None | |
| Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article | None | |
| Any other remuneration item that can be awarded in respect of the mandate | None | |
| Benefits of any nature awarded in respect of the corporate appointment | 1,728 | |

### 3.4.4. The remuneration items due or awarded to Nicolas Coutier, member of the Executive Board, in respect of the 2021 financial year are as follows:

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2021 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 354,000 | |

| | | |
|---|---|---|
| Annual variable remuneration | 79,355 | Amount paid following the General Meeting of 26 May 2021. |
| Annual variable remuneration | 177,000 | Amount to be paid after approval by the General Meeting. |
| Exceptional remuneration | None | |
| Remuneration in respect of his mandate as Member of the Supervisory Board | None | |
| Awards of share subscription or purchase options | None | |
| Bonus share awards | None | |
| Remuneration, gratuities or benefits due or liable to be due as a result of taking office | None | |
| Retirement benefits | None | |
| Non-competition benefit | None | |
| Remuneration items and benefits of any nature due or liable to be due, in respect of agreements concluded, directly or via an intermediary, as a result of his mandate, with the Company, any company that it controls, as defined by article L.233-16, any company that controls it, as defined by the same article, or any company placed under the same control as it, as defined by this article | None | |
| Any other remuneration item that can be awarded in respect of the mandate | None | |
| Benefits of any nature awarded in respect of the corporate appointment | 1,728 | |

### 3.4.5. The remuneration items due or awarded to Frédéric Marier, member of the Executive Board, in respect of the 2021 financial year are as follows:

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2021 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 354,000 | |
| Annual variable remuneration | 79,355 | Amount paid following the General Meeting of 26 May 2021. |
| Annual variable remuneration | 177,000 | Amount to be paid after approval by the General Meeting. |
| Multi-annual variable remuneration | None | |
| Exceptional remuneration | None | |
| Attendance fees linked to the conduct of the mandate | None | The members of the Executive Board may not be a member of the Supervisory Board and therefore cannot be |

| | | |
|---|---|---|
| | | awarded compensation in this respect. |
| Awards of share subscription or purchase options | None | |
| Bonus share awards | None | |
| Remuneration, gratuities or benefits due or liable to be due as a result of taking office | None | |
| Retirement benefits | None | |
| Non-competition benefit | None | |
| Any other remuneration item that can be awarded in respect of the mandate | None | |
| Benefits of any nature awarded in respect of the corporate appointment | 3,028 | |

### 3.4.6. The remuneration items due or awarded in respect of the financial year ended 31 December 2021 to André Coutier, President of the Supervisory Board, are presented below:

The remuneration items presented below for André Coutier will be submitted to the General Meeting for approval in the 21st resolution.

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2021 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 160,000 | |
| Remuneration in respect of his mandate as Member of the Supervisory Board (formerly attendance fee) | 24,000 | |
| Any other remuneration item that can be awarded in respect of the mandate | None | |

## 3.5. Employment contract, specific retirements, retirement benefits and non-competition clause

| | Employment contract | Supplementary pension plan | Gratuities or benefits liable to be due as a result of cessation or change of role | Gratuities relating to a non-competition clause |
|---|---|---|---|---|
| André Coutier, President of the Supervisory Board | No | No | No | No |
| Nicolas Job, Vice-President of the Supervisory Board | No | No | No | No |
| Geneviève Coutier, member of the Supervisory Board | No | No | No | No |
| Anne Vignat Ducret, member of the Supervisory Board | No | No | No | No |
| Christophe Coutier representing COUTIER DEVELOPPEMENT, member of the Supervisory Board | Yes (1) | No | No | No |
| Emilie Coutier, member of the Supervisory Board | No | No | No | No |
| Christophe Besse, member of the Supervisory Board | Yes | No | No | No |
| Mathieu Coutier, President of the Executive Board | No | No | No | No |
| Jean-Louis Thomasset, Vice-President of the Executive Board | No | No | No | No |

| | | | | |
|---|---|---|---|---|
| Benoit Coutier, Member of the Executive Board | Yes (1) | No | No | No |
| Nicolas Coutier, Member of the Executive Board | Yes (1) | No | No | No |
| Frédéric Marier, Member of the Executive Board | Yes (1) | No | No | No |

*(1) Contract suspended at the time of their appointment*

## 4. Delegations of powers granted to the Executive Board concerning capital increases and other authorisations given to the Executive Board

We would like to inform you that no delegation of power to increase capital has been granted to the Executive Board by a General Meeting of Shareholders.

We hereby inform you that the delegations of powers granted to the Executive Board pursuant to articles L.22-10-62 of the French Commercial Code are as follows:

- Authorisation in effect

| | Meeting date | Expiry | Maximum amount authorised |
|---|---|---|---|
| Treasury share buyback | 26.05.2021<br>(20th resolution) | 25.11.2022 | €50 per share<br>0.5% of capital |

- Authorisations put to the vote at the General Meeting of Shareholders of 25 May 2022

| | Meeting date | Expiry | Maximum amount authorised |
|---|---|---|---|
| Treasury share buyback | 25.05.2022<br>(24th resolution) | 25.11.2023 | €50 per share<br>0.5% of capital |

## 5. Elements likely to have an impact in case of a public offer

In accordance with article L 22-10-11 of the French Commercial Code, we point out the following:

The capital structure and the known direct holdings in the capital of the Company are described above and below.

There was one concerted action as defined by article 233-10 of the French Commercial Code between COUTIER DEVELOPPEMENT (a family holding company controlled by André, Roger, the heirs of Joseph Coutier and their family) and André, Roger and the heirs of Joseph Coutier, which represented 69.70% of the capital and 82.08% of the voting rights.

In addition, we remind you that COUTIER DEVELOPPEMENT and André and Roger Coutier reached an agreement on 24 May 1994 under which they decided to jointly act to implement a common shareholder policy with respect to the Company. This agreement was initiated under the regulatory declarations to the supervisory authorities emphasising the agreement's publication (SBF Notice no.94-2365 dated 29 July 1994). The duration of this shareholder pact is five years, renewable by tacit agreement for periods of five years each, provided that one of the parties does not terminate its involvement before the end of the period. In such an event, the members remaining in the pact would continue to be bound by the resulting obligations.

There are double voting rights.

Article 10, paragraph III of the Company's articles of association provides for an obligation to inform any person who holds or ceases to hold a percentage of the capital or voting rights at least equal to 1% or any multiple of that percentage, up to the 50% threshold.

In the event of non-compliance with this disclosure obligation, shares in excess of the fraction that should have been declared forfeit their voting rights in shareholder meetings if, during a meeting, the failure to report has been recorded and if one or more shareholders holding a combined 5% of the capital or voting rights request so during the meeting. In such cases, shares deprived of voting rights will only have this right restored after a two-year period starting from the date on which they were properly reported.

The Company's articles of association do not involve any other specification in terms of the rules of appointment and dismissal of the members of the Executive Board and the Supervisory Board and the rules governing the power management within these bodies.

The amendment of the Company's articles of association is initiated in accordance with the legal and regulatory provisions.

# 6. Additional information

## 6.1. Family ties between the corporate officers

The Company is majority-owned by a Group of family shareholders. As a result, there is a family tie between certain members of the Executive Board and/or certain members of the Supervisory Board.

André Coutier and Geneviève Coutier are married and are the parents of Benoit Coutier and Mathieu Coutier.

Emilie Coutier and Nicolas Coutier and Christophe Coutier are cousins of Benoit Coutier and Mathieu Coutier.

Emilie Coutier, Nicolas Coutier and Christophe Coutier are siblings.

## 6.2. Absence of fraud convictions against members of the Executive Board or Supervisory Board

To the Company's knowledge, no member of the Executive Board or Supervisory Board has been the subject of a fraud conviction during the last five years.

## 6.3. Bankruptcy, sequestration or liquidation with which members of the Executive Board or Supervisory Board have been associated

To the Company's knowledge, none of the members of the Executive Board or Supervisory Board has been associated with a bankruptcy, sequestration or liquidation during the last five years as a member of an administrative, management or supervisory body.

## 6.4. Official public accusation and/or penalty against the members of the Executive Board or Supervisory Board

To the Company's knowledge, no member of the Executive Board or Supervisory Board has been the subject of an official public accusation or penalty issued by statutory or regulatory authorities (including designated industry organisations) during the last five years.

## 6.5. Prohibition on serving as a corporate officer or involvement in the management or the conduct of business of an issuer

To the Company's knowledge, no member of the Executive Board or Supervisory Board has been prevented by a court from serving as a member of an administrative, management or supervisory body of an issuer or from involvement in the management or conduct of business of an issuer during the last five years.

## 6.6. Conflicts of interest at the level of the management and supervisory bodies

To the Company's knowledge, on the day on which the present report was prepared, no conflict of interest was identified between the duties of each of the members of the Executive Board or Supervisory Board regarding the Company in their role as a corporate officer and their private interests or other duties.

## 6.7. Restrictions on the transfer of shares

To the Company's knowledge, no restriction has been accepted by a member of the Executive Board or Supervisory Board concerning the disposal, for a certain period, of his interest in the Company's share capital.

## 6.8. Agreements reached between a director or a significant shareholder and a subsidiary

During the financial year, concluded agreements falling under the scope of article L.225-37-4 2° of the French Commercial Code are as follows:

- The lease between COUTIER DEVELOPPEMENT and AKWEL GERMANY SERVICES GMBH (formerly AVON AUTOMOTIVE DEUTSCHLAND GMBH);

- The lease between COUTIER DEVELOPPEMENT LCC INC and AKWEL CADILLAC USA, INC (formerly CADILLAC RUBBER AND PLASTICS).

## 7. Observations by the Supervisory Board regarding the management report prepared by the Executive Board and the 2021 financial statements

Ladies and Gentlemen,

Invited to the Ordinary General Meeting in accordance with the law and the articles of association, notably in order to submit to you for your approval the financial statements for the last financial year, you have familiarised yourselves with the reports by the Executive Board and the reports by the Statutory Auditors on the financial year ended 31 December 2021.

In accordance with the provisions of article L. 22-10-20 of the French Commercial Code, we bring to your attention our observations concerning the management report by the Executive Board and the financial statements for the financial year ended 31 December 2021.

Furthermore, we bring to your attention the purpose of the work of the Supervisory Board as presented in 2.1. of the annual report.

First and foremost, the Board kindly informs you of the well-maintained relationship during the financial year with the Executive Board, which regularly circulates its activity reports and all of the required information enabling the Supervisory Board to accomplish with all due diligence its duty of permanent control.

Note that the corporate and consolidated financial statements for the financial year ended 31 December 2021 and the management report were submitted to the Supervisory Board within the timeframes set forth in the legal and regulatory provisions.

As such, the Executive Board, during the Supervisory Board meeting of 7 April 2022, presented to us the financial statements for the 2021 financial year, the consolidated financial statements and the management report prepared based on the financial statements and transactions during the financial year ended 31 December 2021.

The report by the Executive Board to the General Meeting does not call for any particular comment by the Supervisory Board.

The financial statements for the financial year ended 31 December 2021 show the following key items:

| (in thousands of Euros) | Consolidated financial statements | Corporate financial statements |
|---|---|---|
| Balance sheet total | 830,290 | 447,134 |
| Revenue | 922,472 | 318,130 |
| Income for the financial year | 50,932 | 1,231 |

During this financial year, activity was notably marked by:

- The decline on the automotive markets in Europe and North America, which account for over 90% of Akwel's sales;
- A further outperformance of the Group compared to its reference markets;
- A sharp decline in profitability, which was due to the level of 2018 and 2019 as a percentage of revenue, with all Group entities having been adversely affected by (i) increases in materials and components that could not be immediately and fully reflected in sales prices and (ii) significant additional costs linked to shortages and the lack of visibility regarding customer needs, both of which prevented production under satisfactory economic conditions;
- The implementation of new actions regarding organisation, systems and efficiency;
- The second highest historical level of cash generation thanks to the low level of investments and the control of the Working Capital Requirement.

The Board has considered the proposed resolutions submitted to the General Meeting and the Board invites you to approve them in order to give the Executive Board the necessary means to conduct its strategy.

The financial statements for the financial year ended 31 December 2021, as they have been presented to you after being examined by the Audit Committee and certified by the Statutory Auditors, do not call for any observation by the Supervisory Board.

The members of the Supervisory Board also ask you to approve the agreements and commitments stated in article L. 22-10-20 of the French Commercial Code, regularly authorised. Your Statutory Auditors have been regularly informed of these agreements. They will now present them to you and read you their special report.

For the Supervisory Board
André Coutier,
President of the Supervisory Board

# LIST OF MANDATES, POSITIONS AND BUSINESS ADDRESSES OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD AS AT 31 DECEMBER 2021

## 1. List of the mandates and positions of the members of the Supervisory Board as at 31 December 2021

### 1.1. André Coutier

| Positions: | Business address: |
|---|---|
| President and member of the Supervisory Board<br>Member of the Audit Committee<br>Member of the Remuneration Committee | 975, route des Burgondes<br>01410 Champfromier |

**Current mandates:**

| *French companies* | *Positions* |
|---|---|
| COUTIER DEVELOPPEMENT<br>Limited Company with an Executive Board and Supervisory Board (Champfromier) | President and member of the Executive Board |
| COFA2M, SAS (Champfromier) | Chief Executive Officer |
| COFA2B, SAS (Champfromier) | Chief Executive Officer |
| FOREX, SAS (Champfromier) | Chief Executive Officer |
| P.E.P VALORISATION (Bellignat) | Permanent representative of the Company AKWEL in his role as Executive Director (until 2021) |

| *Foreign companies* | *Positions* |
|---|---|
| AKWEL USA, INC (US)<br>(formerly AVON AUTOMOTIVE HOLDING Inc) | Executive Director |
| COUTIER DEVELOPMENT LCC (United States) | Executive Director |
| AKWEL RUDNIK CZECH REPUBLIC AS (Czech Republic) (formerly AVON AUTOMOTIVE AS) | Member of the Supervisory Board |

**Mandates and positions expired during the last five financial years:**

Executive Director of COUTIER DEVELOPPEMENT (formerly COUTIER JUNIOR)
President of the Executive Board of AKWEL (formerly MGI COUTIER)
President of the Board of Directors of AKWEL VIGO SPAIN SLU (Spain) (formerly MGI COUTIER ESPANA)
President of the Board of Directors of AKWEL TIMISOARA ROMANIA SRL (Romania) (formerly MGI COUTIER ROM)
Representative of AKWEL BIRMINGHAM UK LTD (formerly MGI COUTIER UK) (United Kingdom) in his role as Executive Director
President of the Board of Directors of AKWEL MEXICO SA DE CV (Mexico) (formerly MGI COUTIER MEJICO SA DE CV)

Executive Director and Vice-President of the Board of Directors of AKWEL BURSA TURKEY OTOMOTIVE (Turkey) (formerly MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI)

## 1.2. Geneviève Coutier

| **Positions:** | **Business address:** |
|---|---|
| Member of the Supervisory Board<br>Member of the Audit Committee | 975, route des Burgondes<br>01410 Champfromier |

**Current mandates:** None

**Mandates and positions expired during the last five financial years:** None

## 1.3. Émilie Coutier

| **Positions:** | **Business address:** |
|---|---|
| Member of the Supervisory Board | 975, route des Burgondes<br>01410 Champfromier |

**Current mandates:**

| ***French companies*** | ***Positions*** |
|---|---|
| COUTIER DEVELOPPEMENT, Limited Company with an Executive Board and Supervisory Board (Champfromier) | Permanent representative of the company COFA2E, in her role as a member of the Supervisory Board |
| COFA2E, SAS (Champfromier) | President |

**Mandates and positions expired during the last five financial years:** None

## 1.4. COUTIER DEVELOPPEMENT

| **Positions:** | **Business address:** |
|---|---|
| Member of the Supervisory Board. | 975, route des Burgondes<br>01410 Champfromier |

**Current mandates:** None

**Mandates and positions expired during the last five financial years:** None

## 1.5. Christophe Coutier

| **Positions:** | **Business address:** |
|---|---|
| Permanent representative of COUTIER DEVELOPPEMENT, a Limited Company with an Executive Board and Supervisory Board (Champfromier)<br>Member of the Audit Committee<br>Member of the Remuneration Committee | 975, route des Burgondes<br>01410 Champfromier |

**Current mandates:**

| ***French companies*** | ***Positions*** |
|---|---|
| COUTIER DEVELOPPEMENT<br>Limited Company with an Executive Board and Supervisory Board (Champfromier) | Member of the Executive Board |
| COFA2C, SAS (France) (Champfromier) | President |

| | |
|---|---|
| FOREX, SAS (France) (Champfromier) | President |
| GFF Groupement Forestier | Manager |
| ***Foreign companies*** | ***Positions*** |
| COUTIER DEVELOPMENT LCC (United States) | President |
| **Mandates and positions expired during the last five financial years:** None. | |
| Executive Director of COUTIER DEVELOPPEMENT (formerly COUTIER JUNIOR) | |

## 1.6. Anne Vignat Ducret

| | **Business address:** |
|---|---|
| Member of the Supervisory Board | Le Thioudet – 891, Route de Saint André/Vieux Jonc 01960 Peronnas |
| **Current mandates:** | |
| ***French companies*** | ***Positions*** |
| COUTIER DEVELOPPEMENT Limited Company with an Executive Board and Supervisory Board (Champfromier) | Member of the Supervisory Board (from 9 June 2021) |
| LES FILS DE CYRILLE DUCRET (SAS) (France) | Chief Executive Officer |
| FORETS AND SCIAGES AUTUN - F.S.A (SAS) (France) | Chief Executive Officer |
| POINT BOIS (SAS) (France) | Chief Executive Officer |
| SUPBOIS (SA) (France) | Executive Director |
| CAISSE REGIONALE DE CREDIT AGRICOLE CENTRE-EST (France) | Executive Director |
| FORETS & SCIAGES COMTOIS: FSC (SARL) (France) | Manager |
| BOIS & SCIAGES GUYANAIS - BSG (SARL) (France) | Manager |
| MATBOIS (SARL) (France) | Manager |
| PACABOIS (SARL) (France) | Manager |
| SYSCOBOIS (SARL) (France) | Manager |
| GROUPEMENT FORESTIER DE LA VIELLE (France) | Manager |
| DISTRIBUTION WOOD FRAMES - C.B.D. (SARL) (France) | Manager |
| BOIS CARRE (SARL) (France) | Manager |
| Societe CIVILE DES PRES (SCI) (France) | Manager |
| SCI SOUS LES ROCHES (SCI) (France) | Manager |
| ***Foreign companies*** | ***Positions*** |

| | |
|---|---|
| MBAO BOIS SENEGAL (SARL) (Senegal) | Manager |
| **Mandates and positions expired during the last five financial years:** None | |

### 1.7. Nicolas Job

| **Positions:** | **Business address:** |
|---|---|
| Vice-President and Member of the Supervisory Board<br>President and member of the Audit Committee.<br>Member of the Remuneration Committee. | 11, chemin des anciennes vignes<br>69410 Champagne-au-Mont-d'Or |
| **Current mandates:** | |
| ***French companies*** | ***Positions*** |
| NJ CONSULTING | Manager |
| COUTIER DEVELOPPEMENT Limited Company with an Executive Board and Supervisory Board (Champfromier) | Member of the Supervisory Board (from 9 June 2021) |
| **Mandates and positions expired during the last five financial years:** None | |

### 1.8. Christophe Besse

| **Positions:** | **Business address:** |
|---|---|
| Member of the Supervisory Board<br>Preliminary Project Engineer | AKWEL – 41/43, Avenue Emile Zola<br>26100 Romans sur Isère |
| **Current mandates:** None | |
| **Mandates and positions expired during the last five financial years:** None | |

## 2. List of the mandates and positions of the members of Executive Board as at 31 December 2021

### 2.1. Mathieu Coutier

| | **Business address:** |
|---|---|
| President and member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |
| **Current mandates:** | |
| ***French companies*** | ***Positions*** |
| COUTIER DEVELOPPEMENT, Limited Company with an Executive Board and Supervisory Board (Champfromier) | Member of the Executive Board |
| AKWEL VANNES FRANCE, SAS (Vannes) (formerly AVON POLYMERS FRANCE) | Permanent representative of AKWEL, in his role as President |
| AKWEL AUTOMOTIVE VANNES FRANCE, SAS (Vannes) | Permanent representative of AKWEL, in his role as President |

| | |
|---|---|
| COFA2M, SAS (Champfromier) | President |
| SCI DU PAYS DE BRAY SUD (Champfromier) | Manager |
| ***Foreign companies*** | ***Positions*** |
| AKWEL CHIPPENHAM UK LTD (United Kingdom) (formerly AVON AUTOMOTIVE UK HOLDING Ltd) | Executive Director |
| AKWEL BIRMINGHAM UK LTD (United Kingdom) (formerly MGI COUTIER UK CO LTD) | Permanent representative of AKWEL, in his role as Executive Director |
| AKWEL GERMANY SERVICES GMBH (Germany) (formerly AVON AUTOMOTIVE DEUTSCHLAND GMBH) | Manager |
| AKWEL RUDNIK CZECH REPUBLIC (Czech Republic) (formerly AVON AUTOMOTIVE AS) | Member of the Executive Board |
| AKWEL VIGO SPAIN SL (Spain) (formerly MGI COUTIER ESPANA SL) | Executive Director and President (from 1 April 2020) |
| AKWEL SANT JUST SPAIN S.L (Spain) (formerly INDUSTRIAL FLEXO SL) | Executive Director and President |
| AKWEL TIMISOARA ROMANIA SRL (Romania) (formerly MGI COUTIER ROM SRL) | Executive Director |
| AKWEL SWEDEN AB (Sweden) (formerly AUTOTUBE AB AKTIEBOLAG) | Executive Director and President |
| AKWEL AUTOMOTIVE SWEDEN AB (Sweden) (formerly AUTOTUBE GROUP HOLDING AKTIEBOLAG) | Executive Director and President |
| AKWEL BURSA TURKEY OTOMOTIVE A.S. (Turkey) (formerly MGI COUTIER MAKINA YEDEK PARCA IMALAT VE SANAYI A.S) | Vice-President and Executive Director |
| GOLD SEAL AVON POLYMERS PVT LTD (India) | Executive Director |
| AKWEL NINGBO CHINA CO, LTD (formerly NINGBO MGI COUTIER AUTO PLASTICS CO LTD) | Executive Director |
| AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD)° | Executive Director |
| AKWEL CHONGQING AUTO PARTS CO, LTD (formerly AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD) | President and Executive Director |
| AKWEL JAPAN SERVICES CO LTD (Japan) (formerly AVON AUTOMOTIVE JAPAN CO.LTD) | Executive Director |
| AKWEL USA, INC (US) (formerly AVON AUTOMOTIVE HOLDING INC) | Executive Director and President |
| AKWEL CADILLAC USA, INC (US) (formerly CADILLAC RUBBER & PLASTICS, INC) | Executive Director and Treasurer |
| AKWEL MEXICO USA, INC (US) (formerly CT RUBBER & PLASTICS INC) | Executive Director and Treasurer |
| AKWEL AUTOMOTIVE USA, INC (US) (formerly PETROLE AUTOMOTIVE HOLDING INC) | Executive Director and President |
| AKWEL JUAREZ MEXICO, S.A. DE C.V (Mexico) (formerly CADIMEX SA DE CV) | President and Executive Director |
| AKWEL MEXICO, S.A. DE C.V (Mexico) (formerly MGI COUTIER MEJICO, SA DE CV) | Executive Director and President |
| AKWEL ORIZABA MEXICO, S.A. DE C.V (Mexico) (formerly CADILLAC RUBBER & PLASTICS DE MEXICO, SA DE CV) | Executive Director and Treasurer |
| MGI COUTIER ILIA CO PJS (Iran) | Executive Director |

| **Mandates and positions expired during the last five financial years:** |
|---|
| Executive Director of COUTIER DEVELOPPEMENT (formerly COUTIER JUNIOR)<br>President of the Board of Directors of WUHAN MGI COUTIER AUTO PARTS CO LTD (China) |

## 2.2. Jean-Louis Thomasset

| **Positions:** | **Business address:** |
|---|---|
| Vice-President and member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |
| **Current mandates:** | |
| ***French companies*** | ***Positions*** |
| ATF, SARL (Lyon) | Manager |
| ***Foreign companies*** | ***Positions*** |
| AKWEL AUTOMOTIVE SWEDEN AB (Sweden)<br>(formerly AUTOTUBE GROUPE AB) | Executive Director |
| AKWEL SWEDEN AB (Sweden)<br>(formerly AUTOTUBE AB) | Executive Director |
| AKWEL RUDNIK CZECH REPUBLIC (Czech Republic) (formerly AVON AUTOMOTIVE AS) | Member of the Supervisory Board |
| AKWEL MEXICO, S.A. DE C.V (Mexico)<br>(formerly MGI COUTIER MEJICO) | Executive Director and Vice-President |
| AKWEL VIGO SPAIN SL (Spain)<br>(formerly MGI COUTIER ESPANA SL) | Executive Director and Vice-President (until 1 April 2021) |
| **Mandates and positions expired during the last five financial years:** | |
| Executive Director of WUHAN MGI COUTIER AUTO PARTS CO LTD (China)<br>Executive Director of AKWEL BURSA TURKEY OTOMOTIVE (formerly MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI) (Turkey) | |

## 2.3. Benoit Coutier

| **Positions:** | **Business address:** |
|---|---|
| Member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |
| **Current mandates:** | |
| ***French companies*** | ***Positions*** |
| COUTIER DEVELOPPEMENT, Limited Company with an Executive Board and Supervisory Board (Champfromier) | Member of the Executive Board |
| COFA2B, SAS (Champfromier) | President |
| ***Foreign companies*** | ***Positions*** |
| AKWEL VIDIN (Bulgaria) EOOD (Bulgaria)<br>(formerly MGI COUTIER BULGARIA EOOD) | Manager |
| AKWEL TIMISOARA ROMANIA SRL (Romania)<br>(formerly MGI COUTIER ROM SRL) | President and Executive Director |

| | |
|---|---|
| AKWEL TONDELA (PORTUGAL), LDA (Portugal)<br>(formerly AVON AUTOMOTIVE PORTUGAL LDA) | Manager |
| AKWEL SWEDEN AB (Sweden)<br>(formerly AUTOTUBE AB) | Executive Director |
| AKWEL AUTOMOTIVE SWEDEN AB (Sweden)<br>(formerly AUTOTUBE AB GROUP HOLDING AB) | Executive Director |
| AKWEL VIGO S.L (Spain)<br>(formerly MGI COUTIER ESPANA SL) | Executive Director (from 1 April 2021) |
| AKWEL SANT JUST SPAIN S.L (Spain)<br>(formerly INDUSTRIAL FLEXO SL) | Executive Director |
| MGI COUTIER FINANCE, LTD (United Kingdom) | Executive Director |
| AKWEL CHIPPENHAM UK LTD (United Kingdom)<br>(formerly AVON AUTOMOTIVE UK HOLDING LTD) | Executive Director |
| AKWEL BIRMINGHAM UK LTD (United Kingdom)<br>(formerly MGI COUTIER UK CO LTD) | Executive Director |
| AKWEL CHONGQING AUTO PARTS CO, LTD<br>(formerly AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD) | Executive Director |
| AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | Executive Director |
| GOLD SEAL AVON POLYMERS PVT LTD (India) | Executive Director |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD (India)<br>(formerly MGI COUTIER ENGINEERING PVT LTD) | Executive Director |
| AKWEL RAYONG (THAILAND) CO, LTD (Thailand)<br>(formerly MGI COUTIER THAILAND CO LTD) | Executive Director |
| AKWEL JAPAN SERVICES, CO LTD (Japan)<br>(formerly AVON AUTOMOTIVE JAPAN) | Executive Director |
| MGI COUTIER ILIA CO PJS (Iran) | Permanent representative of AKWEL in his role as Executive Director |
| AKWEL BURSA TURKEY OTOMOTIV AS (Turkey)<br>(formerly MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI AS) | Executive Director and President of the Board of Directors |
| AKWEL USA, INC (US)<br>(formerly AVON AUTOMOTIVE HOLDINGS INC) | Executive Director and Secretary (Officer) |
| AKWEL MEXICO USA, INC (US) (formerly CT RUBBER & PLASTICS INC) | Executive Director and President |
| AKWEL AUTOMOTIVE USA, INC (US)<br>(formerly PETROL AUTOMOTIVE HOLDINGS Inc) | Executive Director and Officer |
| AKWEL CADILLAC USA, INC (US)<br>(formerly CADILLAC RUBBER & PLASTICS, INC) | Executive Director and Secretary |
| AKWEL MEXICO, S.A. DE C.V (Mexico)<br>(formerly MGI COUTIER MEJICO SA DE CV) | Executive Director and President |
| AKWEL ORIZABA MEXICO, S.A. DE C.V (Mexico)<br>(formerly CADILLAC RUBBER & PLASTICS DE MEXICO, SA DE CV) | Executive Director |
| AKWEL JUAREZ MEXICO, S.A. DE C.V (Mexico)<br>(formerly CADIMEX SA DE CV) | Executive Director and Vice-President |
| **Mandates and positions expired during the last five financial years:** | |

Executive Director of COUTIER DEVELOPPEMENT, SA (formerly COUTIER JUNIOR), Manager of AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA (Brazil)

## 2.4. Nicolas Coutier

| **Positions:** | **Business address:** |
|---|---|
| Member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |
| **Current mandates:** | |
| ***French companies*** | ***Positions*** |
| COUTIER DEVELOPPEMENT, Limited Company with an Executive Board and Supervisory Board (Champfromier) | Member of the Executive Board |
| COFA2N, SAS (Champfromier) | President |
| ***Foreign companies*** | ***Positions*** |
| AKWEL VIGO SPAIN SL (Spain)<br>(formerly MGI COUTIER ESPANA SL) | Manager (from 7 June 2021) |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD (formerly MGI COUTIER ENGINEERING PVT LTD) | Executive Director |
| AKWEL JAPAN SERVICES CO LTD (Japan)<br>(formerly AVON AUTOMOTIVE JAPAN CO.LTD) | Supervisor |
| AKWEL AUTOMOTIVE SWEDEN AB (Sweden)<br>(formerly AUTOTUBE GROUPE AB (Holding) | Executive Director |
| AKWEL SWEDEN AB (Sweden)<br>(formerly AUTOTUBE AB) | Executive Director |

**Mandates and positions expired during the last five financial years:** None

Executive Director of COUTIER DEVELOPPEMENT, SA (formerly COUTIER JUNIOR)

Manager of AKWEL PAREDES DE COURA (Portugal) UNIPESSOAL, LDA (formerly MGI COUTIER LUSITANIA UNIPESSOAL LDA)

Executive Director of GOLD SEAL AVON POLYMERS (India)

## 2.5. Frédéric Marier

| **Positions:** | **Business address:** |
|---|---|
| Member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |

**Current mandates:** None

**Mandates and positions expired during the last five financial years:** None

# FINANCIAL STATEMENTS - AKWEL GROUP

# CONSOLIDATED BALANCE SHEET

*As at 31 December 2021*
*(in thousands of Euros)*

| ASSETS | Notes no. | 31.12.2021 Net amounts | 31.12.2020 Net amounts |
|---|---|---|---|
| Goodwill | 7. | 34,566 | 36,282 |
| Other intangible assets | 8. | 1,203 | 1,471 |
| **Intangible assets** | | **35,769** | **37,753** |
| Land | | 18,445 | 17,832 |
| Buildings | | 63,503 | 63,458 |
| Equipment | | 137,048 | 141,565 |
| Other tangible assets | | 7,779 | 9,130 |
| Assets linked to use rights | | 13,769 | 12,528 |
| Assets under construction, advances and progress payments | | 24,196 | 35,234 |
| **Tangible fixed assets** | 9. | **264,740** | **279,747** |
| Non-current financial assets | 10. | 1,673 | 1,754 |
| Deferred tax assets | 8. | 5,822 | 5,703 |
| **Total non-current assets** | | **308,004** | **324,957** |
| Inventory | 12. | 129,836 | 127,908 |
| Trade accounts receivable and other assets linked to customer contracts | 13. | 150,146 | 186,126 |
| Non-trade receivables | 14. | 73,607 | 80,385 |
| Cash and cash equivalents | 11. | 167,404 | 175,119 |
| **Total current assets** | | **520,993** | **569,538** |
| Assets held for sale or discontinuation | 19. | 1,293 | - |
| **Total assets** | | **830,290** | **894,495** |

| LIABILITIES | Notes no. | 31.12.21 | 31.12.20 |
|---|---|---|---|
| Share capital | 15. | 18,637 | 21,393 |
| Revaluation adjustment for land | | 2,333 | 2,333 |
| Reserves and retained earnings | | 497,683 | 430,367 |
| Interim dividends | | - | - |
| **Income for the financial year, Group share** | | **51,151** | **85,541** |
| **Group share of shareholders' equity** | | **569,804** | **539,634** |
| **Minority interests** | | **1,368** | **1,509** |
| **Shareholders' equity** | | **571,172** | **541,143** |
| Long-term provisions | 16. | 44,539 | 45,522 |
| Medium and long-term financial debts | 17. | 17,430 | 31,993 |
| Debts on non-current lease obligations | 17. | 8,420 | 7,156 |
| Deferred tax liabilities | 11. | 6,936 | 9,165 |
| **Total non-current liabilities** | | **77,325** | **93,836** |
| Current provisions | 16. | 14,275 | 17,136 |
| Financial debts falling due within one year | 17. | 41,407 | 73,658 |
| Debts on current lease obligations | | 1,920 | 1,714 |
| Trade accounts payable | | 81,623 | 116,592 |
| *(including fixed asset trade receivables)* | | *1,952* | *2,992* |
| Other debts | 18. | 40,049 | 50,416 |
| **Total current liabilities** | | **179,274** | **259,516** |
| Liabilities held for sale or discontinuation | 19. | 2,519 | - |
| **Total liabilities** | | **830,290** | **894,495** |

# CONSOLIDATED INCOME STATEMENT

*As at 31 December 2021*
*(in thousands of Euros)*

| | *Notes No.* | 31.12.21 (12 months) | 31.12.20 (12 months) |
|---|---|---|---|
| **REVENUE** | 4. | **922,472** | **937,178** |
| Change in inventoried products | | 1,692 | (5,949) |
| Quantities consumed | | (426,244) | (401,379) |
| Discounts granted | | (38) | 0 |
| Other external expenses | | (122,033) | (102,782) |
| **ADDED VALUE** | | **375,849** | **427,068** |
| Taxes and dues | | (3,659) | (7,494) |
| Payroll and temporary staffing expenses | | (255,149) | (244,271) |
| **EBITDA** | | **117,041** | **175,303** |
| Amortisation allowances | | (42,501) | (41,023) |
| Provisions/net write-back of provisions | | 687 | (20,569) |
| **CURRENT OPERATING INCOME** | 3. | **75,227** | **113,711** |
| Other net non-current profits (charges) | 3.2. | (4,865) | (6,736) |
| **OPERATING INCOME** | | **70,362** | **106,975** |
| *Income from cash and cash equivalents* | | 1,052 | 980 |
| *Cost of gross financial debt* | | (1,752) | (2,975) |
| **Cost of net financial debt** | 5. | **(700)** | **(1,995)** |
| Other financial income (and charges) | 5. | (1,510) | 94 |
| Current and deferred taxes | 6. | (16,293) | (20,223) |
| Proportionate interest of the affiliated companies in the profit or loss | | (460) | 1,293 |
| **NET INCOME FROM CONTINUING OPERATIONS** | | **51,399** | **86,144** |
| Income after tax from discontinued operations or operations held for sale | | (467) | - |
| **NET INCOME** | | **50,932** | **86,144** |
| * of which consolidated Group share | | 51,151 | 85,541 |
| * of which share accruing to minority interests | | (219) | 603 |
| **Group share of net income per share (in euros)** | | **1.90** | **3.20** |
| **Diluted Group share of net income per share (in euros)** | | **1.90** | **3.20** |

The added value and EBITDA are indicators used in the Group's management reports and as such are presented above.

# STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY UNDER SHAREHOLDERS' EQUITY

*As at 31 December 2021*
*(in thousands of Euros)*

| | 31.12.21 | 31.12.20 |
|---|---|---|
| **NET INCOME** | **50,932** | **86,144** |
| Translation differences | (9,171) | (45,423) |
| Actuarial differences on retirement commitments net of tax | (251) | 290 |
| OCI - Reclassification items | - | - |
| OCI - Non-recyclable | - | - |
| **PROFITS AND LOSSES RECOGNISED UNDER SHAREHOLDERS' EQUITY** | **(9,422)** | **(45,133)** |
| **COMPREHENSIVE INCOME** | **41,510** | **41,011** |
| * of which consolidated Group share | 41,621 | 40,729 |
| * of which share accruing to minority interests | (111) | 282 |

Clarification: all of the components of the other items of comprehensive income are intended to be reclassified under income, with the exception of actuarial gains and losses linked to long-term employee benefits and changes in the fair value of non-consolidated securities.

# CONSOLIDATED CASH FLOW STATEMENT

*As at 31 December 2021*
*(in thousands of Euros)*

| | Notes no. | 31.12.21 (12 months) | 31.12.20 (12 months) |
|---|---|---|---|
| **NET INCOME** | | **50,932** | **86,144** |
| Goodwill amortisation allowances | 7. and 8. | 3,675 | 6,766 |
| Allowances for amortisation excluding use rights | 9.1. | 37,593 | 38,617 |
| Allowances for amortisation linked to use rights | 9.2. | 2,717 | 2,332 |
| Capital gains/losses on asset transfers | | 137 | 463 |
| Changes in provisions and other operating resources | | (3,476) | 21,417 |
| Income after tax from discontinued operations or operations held for sale | | 467 | - |
| Elimination of income from companies treated using the equity method | | 460 | (1,293) |
| **CASH FLOW** | | **92,505** | **154,446** |
| Change in other short-term assets and liabilities | | (6,839) | 7,684 |
| **CHANGE IN CASH FROM OPERATING OPERATIONS** | | **85,666** | **162,130** |
| Acquisitions of tangible and intangible fixed assets | 8. and 8. | (28,852) | (33,079) |
| Acquisitions of financial fixed assets | | (1,492) | (1,460) |
| Transfers of fixed assets | | 335 | 573 |
| Changes in the scope of consolidation | | - | - |
| **CASH FLOW VARIATION INITIATED FROM INVESTMENTS** | | **(30,009)** | **(33,966)** |
| Dividend distribution | | (12,031) | (5,455) |
| Variation of indebtedness | 17. | (42,055) | (22,556) |
| Capital increase/reduction | | 19 | |
| Repayment of lease debts | | 1,466 | (1,924) |
| **CASH FLOW VARIATION INITIATED FROM FUNDING** | | **(52,601)** | **(29,935)** |
| Impact of foreign exchange variations | | (10,702) | (27,739) |
| **NET CHANGE IN CASH FLOW** | | **(7,646)** | **70,490** |
| **CASH AT OPENING** | | **175,050** | **104,560** |

| | | | |
|---|---|---|---|
| **CASH AT CLOSING** | 17. | **167,404** | **175,050** |
| *of which: Cash and cash equivalents* | | *167,404* | *175,119* |
| *Bank credit balances* | | *-* | *(69)* |

The rules for preparing the Cash Flow Statement are stated in note 1.11. below. Cash flows were not significantly impacted by Covid-19.

**Details of other short-term assets and liabilities**

| | 31.12.21 (12 months) | 31.12.20 (12 months) |
|---|---|---|
| Change in financial costs | - | (2) |
| Inventory change | (7,000) | 9,298 |
| Change in current receivables | 35,141 | (6,607) |
| Change in current liabilities | (37,141) | 7,207 |
| Change in non-current receivables | 955 | (21,886) |
| Change in non-current liabilities | 1,673 | 19,674 |
| Change in assets and liabilities available for sale | (467) | - |
| **Change in other short-term assets and liabilities** | **(6,839)** | **7,684** |

**Details of the change in debts (excluding lease debts)**

| | 31.12.21 (12 months) | 31.12.20 (12 months) |
|---|---|---|
| Capital increase or contributions | 19 | - |
| Receipts from borrowings | 9,102 | 29,586 |
| Repayment of loans | (51,157) | (52,142) |
| Treasury shares | - | - |
| **Change in debts (excluding lease debts)** | **(42,036)** | **(22,556)** |

# VARIATION IN CONSOLIDATED SHAREHOLDERS' EQUITY

*As at 31 December 2021*
*(in thousands of Euros)*

| | Capital | Bonuses | Reserves | Gains and losses recognised under shareholders' equity | Total Group share | Minority interests | Total |
|---|---|---|---|---|---|---|---|
| **Shareholders' equity at 31 December 2019** | **21,393** | **9,704** | **514,866** | **(39,785)** | **506,178** | **1,467** | **507,645** |
| Income for the 2020 financial year | - | - | 85,541 | - | 85,541 | 603 | 86,144 |
| Gains and losses recognised under shareholders' equity | - | - | - | (45,102) | (45,102) | (321) | (45,423) |
| OCI | - | - | - | 290 | 290 | - | 290 |
| **S/Total global P/L** | - | **-** | **85,541** | **(44,812)** | **40,729** | **282** | **41,011** |
| Dividend distribution | - | - | (5,214) | - | (5,214) | (241) | (5,455) |
| Other variations | - | - | (2,059) | - | (2,059) | 1 | (2,058) |
| **Shareholders' equity at 31 December 2020** | 21,393 | 9,704 | 593,134 | (84,597) | 539,634 | 1,509 | 541,143 |
| Income for the 2021 financial year | - | - | 51,151 | - | 51,151 | (219) | 50,932 |
| Gains and losses recognised under shareholders' equity | - | - | - | (9,279) | (9,279) | 108 | (9,171) |
| OCI | - | - | - | (251) | (251) | - | (251) |
| **S/Total global P/L** | - | **-** | **51,151** | **(9,530)** | **41,621** | **(111)** | **41,510** |
| Dividend distribution | - | - | (12,031) | - | (12,031) | - | (12,031) |
| Other variations | - | - | 580 | - | 580 | (30) | 550 |
| **Shareholders' equity at 31 December 2021** | **21,393** | **9,704** | **632,834** | **(94,127)** | **569,804** | **1,368** | **571,172** |

The amount of dividends proposed for distribution during the next General Meeting of 25 May 2022 is €12,033,468.

Severance benefits were calculated in accordance with the update of the IFRIC IC standard (updated in November 2021). Actuarial gains and losses recognised under OCI amounted to €251,000 and the impact of the change in method recognised under reserves was €657,000 in respect of the 2021 financial year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*31 December 2021*

## 1. Accounting rules and methods

The Group's consolidated financial statements were closed by the Executive Board on 4 April 2022.

### 1.1. Key events during the last financial year

**Covid-19 pandemic**

The 2021 financial year was again severely disrupted by Covid-19 but in a very different manner to what occurred in 2020. In 2020, the automotive industry had been forced to halt all vehicle production for several months due to a lack of components and systems that could no longer be manufactured due to the pandemic measures imposed in certain countries or regions. Order books were also sharply reduced due to the closure of dealerships. In 2021, there were no prolonged production shutdowns; instead, there was near-permanent disruption due to shortages of certain materials and components, particularly electronic items. Manufacturers' productions were erratic and unpredictable, fluctuating according to actual deliveries from their suppliers. The Group managed to deliver to all of its customers but was heavily affected by (i) the low overall level of vehicle production, (ii) industrial efficiency losses directly linked to the unpredictability of customer needs, (iii) additional logistical costs, as the Group systematically sought out every solution to be able to continue producing and delivering to its customers and (iv) increases in purchase prices on almost all commodities and on certain components in unknown proportions in recent years. These increases in purchase prices were generally only partially passed on to customers and almost routinely at an interval ranging from one month to a year (due to the impact on the purchase price and its impact on sales prices).

In accordance with recommendations (AMF, CNCC, ANC), the impacts related to Covid-19 were not presented on a separate line of the income statement.

During the last financial year, significant operations and events at the scope or organisational level are as follows:

- Lack of visibility on projected customer needs, including those confirmed or subject to logistical protocols;
- Supply difficulties in nearly all raw materials and electronic components, linked to global demand exceeding supply;
- A surge in the purchase prices of nearly all raw materials and electronic components;
- Increased production stoppages or reductions in production vehicles related to supply difficulties, leading to a very small increase in global car production compared to 2020, which was down by 16% compared to 2019;
- Reduction from 12 to 9 in the number of strategic customers;
- Order entries remained at a satisfactory level, particularly in electric vehicles;
- A 0 km quality performance, reaching the highest level in the Group's history;
- Spin-off of the Aftermarket activity between a Spare Parts section that is still located on the Villieu (France) site, and an independent Distribution section that has been transferred to a new site (Bressolles – France);
- Reporting of the Spare Parts sales team to the Marketing & Sales Department;
- Reporting line of the Site IT correspondents to the Information Systems Department (decision effective as of 1 January 2022);
- Installation of several Group ERP modules on the Pune site (India);
- Recognition of non-recurring allowances for provisions for warranty risks in the total amount of €7.3 million (taking into account the actual level of returns observed over the last 18 months);
- Search for a new production site in Eastern Europe (with the aim of being able to begin the first productions at the end of 2022);
- Announcement of the closure of the Birmingham site (United Kingdom), which will be effective no later than the end of July 2022, with production being transferred mainly to the Timisoara (Romania) and Champfromier (France) sites;
- Decision to close the Daman site (India) given the lack of prospects, with all activity expected to be shut down in the third quarter of 2022;

- Decision to discontinue activity at the Casablanca site (Morocco) before April 2022 (the shutdown may take the form of a closure or a disposal).

Note that the significant activities mentioned in respect of the 2020 financial year were as follows:

- Launch of the Group ERP solution at the two Swedish sites on 1 December 2020;
- The project to close the Les Mureaux site, including the transfer of manufacturing to the Nesle and Beaurepaire sites, was communicated to the staff bodies in September;
- As one of the founding members of the Bionnassay companies wanted to exit the project and sell its shares, AKWEL acquired some of the shares offered for sale. Following this transaction, AKWEL holds 39.71% of BIONNASSAY M&P TECHNOLOGY and 50% of BIONNASSAY REAL ESTATE;
- FRANK & PIGNARD (machining) was declared unable to continue its business. The Commercial Court of Grenoble chose the takeover bid submitted by a new structure owned by BIONNASSAY M&P TECHNOLOGY, of which AKWEL is a shareholder;
- Sharp decline in global automotive production (around 16%) due to Covid-19;
- Decrease in the Group's revenue to a much lower extent than the market;
- Near-historic level of profitability by value as a percentage of revenue;
- All-time high level of cash generation thanks to a high level of profitability, a significant decline in investments and a major reduction in working capital requirements;
- Following better visibility on warranty returns, decompensation between insurance claims and provisions for liabilities and charges with no impact on operating income but resulting in the recognition of insurance claims receivable totalling €19.0 million and an increase in provisions for liabilities and charges of the same amount;
- Submission then withdrawal of a takeover bid for the NOVARES Group;
- Six-month postponement from 1 April 2020 of the repayment of bilateral medium-term financial debt taken out on AKWEL;
- Payment of a €9 million advance as provisional compensation to a strategic customer as part of warranty returns (this operation has no effect on 2020 results, as the corresponding charge is already the subject of provisions).

## 1.2. Declaration of conformity

Pursuant to the European regulations 1606/2002 and 1725/2003, the consolidated financial statements of the AKWEL Group are prepared in compliance with international accounting standards applicable within the European Union on 31 December 2021. The international accounting standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), the amendments and their SIC and IFRIC interpretations (Standards Interpretations Committee and International Financial Reporting Interpretations Committee) are available on the following website: https://eur-lex.europa.eu/homepage.html?locale=en.

The consolidated financial statements are presented in euros and are rounded off to the nearest thousand.

## 1.3. New standards, amendments and interpretations applicable in 2021

The consolidated financial statements are prepared in accordance with the accounting and measurement rules defined by IFRS (standards, amendments and interpretations) and adopted by the European Commission on 31 December 2021. This reference system is available on the European Commission's website.

The new standards, amendments and interpretations adopted by the European Commission, and applicable from 1 January 2021, are presented below:

- Amendment to IFRS 16 published in March 2021 by the IASB on lease relief related to COVID-19 after 30 June 2021, applicable for financial years beginning on or after 1 April 2021. This amendment had no impact on the Group's financial statements in the absence of rent concessions recorded in 2021;
- IFRS IC decision published in May 2021 on the distribution of pension benefits over service periods. This decision was applied retrospectively in 2021. Given the insignificant impact, the 2020 financial statements have not been restated. See note *1.6.9*. ;
- Reform of benchmark interest rates, phase 2 – amendments to IFRS 7, IFRS 9, IAS 39 and IFRS 16, amendments to IFRS 17 / IFRS 4 - insurance contracts: provisional exemption from the application of IFRS 9. These amendments had no impact on the Group's financial statements.

The other new standards, amendments and interpretations applicable as of 1 January 2021 are not applicable or had no material impact on the Group's financial statements.

The Group decided to not apply in advance the standards, amendments and interpretations adopted or not yet adopted by the European Union, but the early application of which would have been possible in 2021, and which will come into effect after 1 January 2022, subject to their adoption by the European Union. They primarily concern the following:

- *Texts* adopted by the EU in July 2021, which will enter into force on 1 January 2022:
  - Amendments to IFRS 3 - reference to the conceptual framework;
  - Amendments to IAS 37 – onerous contracts – cost of fulfilling a contract;
  - Amendment to IAS 16 – property, plant and equipment: proceeds before intended use;
  - Annual improvements to standards - 2018-2020 (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).
- Texts adopted by the IASB, with mandatory application after 1 January 2023, which could have been applied early in 2021 as an interpretation of existing texts:
  - Amendments to IAS 1 – disclosure of accounting policies, published by the IASB in February 2021 (adopted by the EU in March 2022);
  - Amendments to IAS 8 – definition of accounting estimates, published by the IASB in February 2021 (adoption process ongoing) (adopted by the EU in March 2022);
  - Amendments to IAS 1 - classification of liabilities as current or non-current liabilities, published by the IASB in January and July 2020;
  - Amendments to IFRS 10 and IAS 28.

The standards, amendments and interpretations adopted by the IASB, which will enter into force for financial years beginning on or after 1 January 2023, and for which the EU adoption process is under way, are as follows:

- Amendment to IAS 12, deferred tax related to assets and liabilities arising from a single transaction;
- IFRS 14, Regulatory deferral accounts;
- IFRS 17, Insurance contracts, incorporating amendments.

The Group does not expect these amendments to have a significant impact on its financial statements.

- Use of estimates and assumptions

The financial statements reflect the assumptions and estimates used by the Group's Management. The presentation of the financial statements requires the use of estimates and assumptions for the evaluation of certain assets, liabilities, profits, charges and commitments. The final information can be different from these estimates and assumptions. The goodwill, deferred tax assets, provisions recorded under the liabilities of the balance sheet and the durations of leases are the main elements of consolidated financial statements concerned with the use of assumptions and estimates.

The Group did not note any significant impact over the financial year, notably in the context of the pandemic, in terms of the uncertainties linked to these estimates and assumptions, except for the extremely high volatility of the discount rate used to calculate the payroll commitments (see note *1.6.9. Pension commitments*) and commitments linked to translation differences.

## 1.4. Scope of consolidation

The significant companies in which AKWEL directly or indirectly holds exclusive control are globally integrated. The exclusive control analysis is carried out according to the IFRS 10 standard (direct or indirect power to lead the financial and operational policies on relevant activities, exposure to variable profitability and capacity to exert its power to influence the profitability). This control is generally supposed to exist in the companies in which AKWEL directly or indirectly holds more than 50% of the voting rights of the controlled company. To assess this control, the potential voting rights immediately exercisable, including those retained by another entity, are taken into account.

The significant associated companies where AKWEL performs directly or indirectly a notable influence are evaluated using the equity method. The significant influence is seen as the power to take part in the financial and operational policies of a company without exerting control over these policies. It is considered when the Group holds whether directly or indirectly between 20% and 50% of voting rights. The equity method consists of adjusting to book value the securities held and the amount of the share they represent in the capital equity of the Associate Company, including the profit/loss of the financial year.

The analysis of partnership achieved depending on criteria defined by the standard IFRS 11 only led to the identification of joint-ventures, with no joint activity. The joint-ventures are consolidated using the equity method.

The list of companies belonging to the scope of consolidation as at 31 December 2021 is presented in note *2. Scope of consolidation*.

All of the significant transactions between the integrated companies are eliminated as well as the unrealised internal profit/loss, including the fixed assets and the consolidated companies' inventories.

### 1.4.1. Business Combinations

Since 2010, the Group has applied the revised standards IFRS 3 "Business combinations" and IAS 27 "Consolidated and separate financial statements".

According to this method, the Group lists at fair value on the acquisition date the assets, liabilities and potential liabilities identifiable on this date.

The cost of acquisition corresponds to the fair value, at the exchange date, of the given assets, incurred liabilities and/or instruments of capital equity issued in exchange for the control over the acquired entity.

The costs pertaining to business combinations are not part of the fair exchange value. They are recorded as charges and are not included in the cost of acquisition of the securities.

The Group values the minority interests during the acquisition either at the fair value (full goodwill method), or on the basis of their share of the net assets of the acquired company (partial goodwill method). The option is taken in each acquisition.

The impact of scope variations without control modification is noticed directly in consolidated reserves.

When the agreement of the business combinations provides an adjustment of the purchase price depending on future events, the Group includes the amount of that adjustment in the cost of business combinations on the acquisition date if this adjustment is probable and can be reliably measured. Any subsequent change is recognised under income.

The Group is bound to a deadline of twelve months starting from the acquisition date in order to complete the accounting of a considered business combination (excluding changes in price supplements - see above). Any modification of the acquisition price, applied outside the assignment deadline, has as a counterpart the profit/loss without changing the acquisition or goodwill cost. This 12-month deadline does not apply to earn-out clauses, variations in which are recognised under income after the acquisition.

## 1.5. Conversion of financial statements and transactions into foreign currency

The financial statements of foreign companies are established in their operating currency, i.e. in the currency significant for the activity of the concerned subsidiary. It usually refers to the local currency.

The Group carries out the closing rate method for converting the subsidiaries' financial statements:

- All the items in the foreign companies' balance sheet are converted at the closing rate, with the exception of shareholders' equity;
- The items in the income statement of foreign companies, drawn up in local currency, are converted at the average rate for the financial year;
- The Group's share of shareholders' equity is converted at the historic rate except for the profit/loss of the financial year converted at the average rate;
- Changes in translation differences are recognised under other comprehensive income.
- The goodwill observed on foreign subsidiaries is recorded in the currency of the subsidiary.

Foreign exchange differences resulting from foreign currency transactions conducted during the financial year are included in the income statement under current operating income.

The Group has no significant subsidiaries in hyperinflationary countries.

The Group did not implement foreign exchange risk hedging instruments during the financial years presented.

In the event of the disposal of foreign subsidiaries that prepare their financial statements in a currency other than the euro, the cumulative translation differences are reclassified under income in order to be integrated into the proceeds from the disposal.

The translation differences pertaining to a monetary element, which is an integral part of the net investments in a foreign subsidiary, are directly recorded in consolidated shareholders' equity under the item "translation differences", when the criteria defined by the standard are met.

## 1.6. Accounting principles and methods

The financial statements of the Group's companies, prepared according to the accounting rules enforced in their country of activity, are restated before being consolidated when differences of accounting principles exist with the principles adopted by the Group.

### 1.6.1. Intangible assets

Intangible assets are presented in the balance sheet at their acquisition cost and mainly correspond to the following elements:

- Patents (amortised using the straight-line method over their protection period);
- Computer software (amortised using the straight-line method over a period ranging from one to three years).

Research expenses are recorded under expenses for the financial year during which they are incurred. Development costs are recorded as intangible assets when the conditions linked to the technical feasibility, the market potential, the capacity to reliably assess the assignable expenses and raise future economic advantages are met. Development costs are annually reviewed in order to determine if the criteria for recognising an intangible asset are met.

In 2021 and 2020, no development costs were recorded as fixed assets considering that the capitalisation criteria were not met. Indeed, the development costs incurred within the framework of a new product of a project or a significant evolution of an existing product must meet six criteria in order to be recorded as fixed assets.

One of these criteria requires demonstrating the existence of a market for the production resulting from the project. The existence of a market is demonstrated when the Group receives the manufacturers' approval certificate and the volumes suggested by the manufacturers generate a sufficient profitability. However, the corresponding development expenses are incurred at an earlier stage of the project, prior to manufacturers' approval process. The amount of Development and Research expenses recorded under the expenses for the 2021 financial year totalled €55.9 million (€53.1 million in 2020).

### 1.6.2. Goodwill

The positive difference in value recorded between the cost of acquired shares and the fair value of assets and liabilities of the subsidiary on this date constitutes goodwill recorded as a fixed asset in the consolidated balance sheet under "goodwill". The non-affected business intangibles are equally considered as goodwill.

The acquisition price encompasses the estimated impact of potential adjustments on the acquisition price, such as the price supplements. The price additions are determined by applying the criteria stated in the acquisition contract (revenue, profit/loss, etc.) to forecasts considered the most probable. They are re-estimated at each end of period and the potential changes are charged to income after the acquisition date (including in the period of one year following the acquisition date). When the impact is significant they are updated. The effect of the "accretion" of the debt recorded in the liabilities is accounted in the heading "Net financial indebtedness cost". The acquisition expenses are directly recorded as charges.

Pursuant to the exception provided by the standard IFRS 1, the positive goodwill value determined under French standards was not adapted to the IFRS standards during the changeover to IFRS in 2005.

When goodwill is negative, it is immediately recognised under profit/loss.

Goodwill is not amortised. However, it is subject to impairment tests (see *note 7. Goodwill*).

**Impairment tests of non-current and non-financial assets**

In accordance with the IAS 36 standard, impairment tests are implemented at least once a year for non-amortised assets (essentially goodwill) and for other tangible and intangible assets, if there are indicators of impairment losses.

In practice, non-current and non-financial assets correspond essentially to goodwill and land.

For the completion of impairment tests on goodwill, the latter is broken down between the cash generating units (CGU) corresponding to homogenous sets raising independent cash flows.

Regarding goodwill, the groups of cash generating units (CGU) correspond to the countries in which they are located (France, Spain, Turkey, China, the US, Sweden, etc.). No change of CGU occurred in the presented financial years.

The carrying value of the assets grouped is compared to their value in use or their market value less transfer costs, whichever is higher. In practice, only the value in use is applicable.

The value in use of goodwill corresponds to the value determined based on the discounted future cash flow of the CGUs (cash generating units) under the following estimated economic assumptions:

- The cash flows used are generated from the 2022-2023-2024 budgets and are extended over an explicit overall period of five years, with a stable operating profit/revenue ratio;
- Beyond that period, the terminal value corresponding to capitalisation in perpetuity, with a perpetual growth rate of 1.5% (1.5% in 2020), of the last cash flow for the specific period is calculated;
- The discount rate corresponds to a weighted average cost of capital after tax. Its use produces recoverable values identical to those obtained by applying pre-tax rates to cash flows before tax.

The discount rate used at 31 December 2021 to discount future cash flow was 9.0%, versus 9.0% as at 31 December 2020.

In the absence of identified local risks, identical business sectors, a similar customer base and homogeneous businesses, the Group has not separated by CGU the discount rate and the perpetual growth rate.

When the tests indicate an impairment, this is charged as a priority to goodwill, then to the other assets of the CGU, limited to their recoverable value. Impairments are recorded under current or non-current operating profit/loss, depending on the event that generated the impairment. Impairment of goodwill is irreversible until the date of disposal of the related generating units, except when they relate to companies treated using the equity method.

The one-year delay in the 2022-2023-2024 budgets will not have an effect on the results of the goodwill impairment tests (excluding Sweden). The Group has also adjusted its actuarial assumptions by 0.5 points. As such, a 0.5 point decrease in the perpetual growth rate or a 0.5 point increase in the discount rate or a combination of both would not result in the recognition of an impairment (excluding Sweden). The same would be true of a reduction or increase in the operating margin rate of 0.5 points.

### 1.6.3. Tangible fixed assets

Fixed assets are recorded at their acquisition cost or at their fair value in the case of business combinations. The Group opted for the revaluation of land as displayed hereafter in note *9. Tangible fixed assets*).

Capital lease agreements for real property and moveable assets are restated in order to reflect the acquisition cost of these assets, under fixed assets and financial debts. These assets are depreciated depending on the rules detailed below.

Simple lease contracts are not restated as fixed assets. The rent expenses are recorded as operating charges and distributed in a straight line over the contract period.

The analysis initiated according to the IAS 23 standard did not result in capitalising the costs of borrowing.

For conformity purposes, depreciation is restated using the straight-line method over the assets' useful life.

The generally adopted depreciation periods are as follows:

- Buildings: 25 to 40 years;
- Building fixtures and fittings: 5 to 10 years;
- Technical installations:  5 to 10 years;
- Equipment and industrial tooling: 5 to 10 years;
- General installations: 10 years;
- Furniture, office equipment: 5 to 10 years.

In accordance with the IAS 36 standard, AKWEL conducts impairment tests, using a methodology similar to the one adopted for goodwill, if there are indicators of impairment on the assets.

The assets owned by the Group are not affected by expenses that are the subject of major multi-annual servicing or revision programmes. The sole purpose of the expenses incurred is to verify the proper operating condition of these facilities and to provide maintenance without extending their lifespan beyond the initially anticipated lifespan.

The tangible assets held by the Group have no significant residual value.

**Impacts related to the application of IFRS 16 on impairment tests**

The analysis conducted did not result in the identification of assets linked to leases that would be tested independently of a Cash Generating Unit (CGU).

In the wait for anticipated clarifications regarding the practical terms of conducting impairment tests incorporating the restatement of IFRS 16, and taking into account the numerous practical difficulties identified, the impairment tests were conducted as in 2019, firstly, before the IFRS 16 standard and, secondly, using an approximation by integrating into the book value of the CGU the asset linked to the use right and the debt linked to the lease obligation, without changing the calculation of the discount rate and the provisional cash flow.

As stated in the appendix to the 2020 consolidated financial statements, the application of the IFRS 16 standard should not in principle have a significant impact in the case of a recoverable value determined relative to provisional cash flow.

**Accounting principles linked to restatements of leases**

The IFRS 16 standard does not make a distinction, on the lessee's side, between capital lease contracts and operating leases.

Leases or contracts that contain a lease are contracts that confer the right to control the use of a determined good for a given period of time in exchange for a consideration.

Leases that meet this definition are recognised under the terms defined below, except in the exemption cases provided for by the standard (duration of contracts less than 12 months, or low-value underlying goods), and for contracts not restated due to their insignificant impact. In practice, the analysis only resulted in the property rental leases being restated.

In the case of contracts not restated as leases, the rent is recognised under expenses on a straight-line basis over the duration of the contract.

In the case of contracts that fall under the scope of the IFRS 16 standard, the accounting rules are as follows:

- On the start date of the contract, the Group recognises an asset in respect of the use right and a financial liability in respect of the lease obligation;
- The lease obligation is assessed based on the present-day value of rental payments not yet made, over the duration of the contract. The present-day value is determined using the explicit interest rate, in the case of lease contracts, and the incremental borrowing rate in other cases. The incremental borrowing rate is calculated for each country, based on the duration of the contract and the repayment profile (duration rate);
- The duration of a lease is the enforceable period, which corresponds to the non-cancellable period. In accordance with the IFRS IC interpretation of November 2019, the Group takes into account the date until which the lessee is reasonably certain to continue the lease beyond the contractual term. The application of this interpretation had no impact on the determination of the enforceable duration of the leases;
- There is no early termination clause in the various leases and there is no clause liable to lead the lessors to pay to the Group compensation that is more than insignificant, in the event of the lease not being renewed at the end of the non-cancellable period.

In practice:

- The durations used for leases in France correspond to the enforceable period of nine years ("3/6/9" commercial leases): non-cancellable period of three years and certainty of exercising the extension options after three and six years. If there is no term mentioned in the contract, real estate leases will be amortised over 10 years, which corresponds to the average economic use period of the property concerned;
- There is no early termination clause in the various leases and there is no clause liable to lead the lessors to pay to the Group compensation that is more than insignificant, in the event of the lease not being renewed at the end of the non-cancellable period.

Rental payments correspond to fixed payments, variable payments that are determined by an index or a rate, and purchase option exercise prices that the lessee has reasonable certainty of exercising. In practice, most of the rents are fixed and there is no option to buy.

The asset linked to the use right is assessed according to the cost model as follows: amortisations and impairment losses are deducted from the cost, which is adjusted to take into account reassessments of the lease obligation, where applicable.

Assets related to the right of use are amortised over the economic use periods presented in note 1.3.1 in the case of leases with a purchase option, and over the term of the contract used to determine the lease obligation in other cases.

As indicated in note *1.3.* , the Group did not benefit from reductions during the financial year related to the pandemic.

**Impact on cash flow**

In accordance with the IAS 7 standard, only repayments of debt linked to lease obligations are reported in the cash flow statement, under financing flows. Flows linked to increases in assets and liabilities linked to leases are offset.

Interest paid on debt linked to lease obligations is presented under "Changes in debt" flows, as is other interest paid.

### 1.6.4. Non-current financial assets

**Financial assets valued at amortised cost:**

This item primarily includes deposits and sureties paid by the Group's companies.

**Assets valid at fair value through other comprehensive income:**

The Group values non-consolidated securities at their fair value (see note *1.9.* ). In some exceptional cases (no reliable and recent information), the historical cost is considered an acceptable basis for fair value.

**Assets valued at fair value through profit or loss:**

No non-current financial value is included in this category.

### 1.6.5. Inventories

Inventories are valued at their purchase price in the case of raw materials, and at manufactured cost in the case of finished goods and work-in-process inventories. General costs not contributing to production and financial costs are excluded from the manufactured cost. All of these costs are determined on a "first in, first out" basis and, given inventory rotation, are similar to the latest cost prices.

An impairment provision is recorded when the net value of the inventories is higher than their net realisable value, and/or when impairment losses are highlighted (rotation, obsolescence, etc.).

Tooling is valued at the full cost (external costs) within the limit of the price to be invoiced to the customer.

### 1.6.6. Trade receivables, other assets and liabilities linked to customer contracts

**Trade receivables:**

Receivables are recorded on the initial accounting date at the fair value of the receivable due. The fair value of receivables is equivalent to their nominal value due to payment terms that are generally less than or equal to 3 months. Trade accounts receivable are restated on the closing date of bills of exchange presented for collection and not due, as well as bills of exchange that are the subject of a cash discount. Trade accounts receivable not due and disposed of as part of a factoring contract and not meeting the derecognition conditions of the IAS 39 standard are retained under the entry "Trade receivables and other receivables"; otherwise, they are recognised under cash.

A provision is recorded in accordance with the IFRS 9 standard based on anticipated losses, taking into account any warranties. Note that, on the whole, the customer risk is considered to be low.

The Group applies the simplified receivables impairment method. The Group distinguishes doubtful customers (customers for which there is a high risk of default) from other trade receivables.

Provisions are made for doubtful receivables on a case-by-case basis.

Provisions are made for non-doubtful trade receivables based on a provisioning matrix, which takes into account the profitability of default and the probability of a loss in the event of default.

The probabilities are based on a risk analysis that takes into account quantitative and qualitative criteria such as the customer's financial position, the age of the receivable and the existence of a dispute.

**Other assets linked to customer contracts:**

There are no assets linked to the costs of obtaining or executing contracts.

**Remuneration agreements:**

None.

**Contracts containing a significant financial component:**

None.

**Liabilities linked to customer contracts:**

Liabilities linked to customer contracts include:

- Debts to customers linked with counterparties to be paid to customers;
- Deferred income, of a low amount, designed to attach revenue to the financial year.

### 1.6.7. Cash and cash equivalents

Available cash assets are primarily comprised of bank account balances.

Cash equivalents are investment securities meeting the criteria of the IAS 7 standard for classification as "cash and cash equivalents": short-term, very illiquid investments that are easily convertible into a known cash amount and subject to a negligible risk of value variation.

They are initially recorded at their acquisition cost and then valued at their fair value, which corresponds to the market value on the reporting date. The change in fair value is recorded under financial income.

### 1.6.8. Taxes owed and deferred taxes

**Taxes owed**

Tax assets and liabilities owed include assets and liabilities linked to tax uncertainties and risks, in accordance with IFRIC 23. In practice, no amount was recognised during the financial years presented in respect of tax uncertainties.

**Deferred taxes**

Deferred taxes reflect the differences over time between the expenses and income used for preparing the consolidated financial statements and those used to calculate the corporate income tax.

Deferred taxes, which determined using the variable carry forward method, mainly result from:

- Temporary non-deductible provisions;
- Consolidation adjustments (method of amortisation, lease contracts, retirement compensation, etc.);
- The elimination of internal profit included in inventories.

No deferred tax assets are recognised under deductible temporary differences and tax loss carry-forwards unless they can be charged to future taxable differences, where there is a reasonable probability of realisation or recovery by charging to future income, or where there are tax optimisation possibilities at AKWEL's initiative. The time projection used for estimating future profits is at most 5 years, bearing in mind that a review of projections and assumptions used is performed periodically, and that any limitation rules relevant to the use of deficits are recognised, as appropriate.

The application of the above principles led us not to recognise, at the Group level, the asset deferred taxes on tax deficits relevant to tax deficits recorded at the end of the financial year for certain subsidiaries due to uncertainty about their future use and the absence of a precise repayment schedule for the use of fiscal losses.

Deferred tax assets and liabilities were offset if they apply to a single legal entity.

In accordance with the IAS 12 standard, deferred taxes are not discounted, except for changes to future tax rates that did not have a significant impact during the last financial year.

The rules on recognising deferred taxes pursuant to IFRS 16 are presented in note *1.6.3. Tangible fixed assets* "Accounting principles linked to restatements of leases".

The Group has decided to recognise a deferred tax on the restatement of leases in accordance with the IFRS 16 standard, except in the event of a non-significant impact.

### 1.6.9. Pension commitments

As far as defined contribution schemes are concerned, payments made by the Group are recorded as expenses in their corresponding period.

In the case of defined contribution schemes involving post-employment benefits, the costs of those benefits are estimated based on projected benefit obligation units with end-of-career remuneration.

The amounts pertaining to rights acquired by employees pursuant to the various applicable collaborative agreements are assessed on the basis of actuarial assumptions: changes to wages, retirement age, age of death and staff turnover, then discounted to their present value based on a discount rate. The provision corresponding to these entitlements is accounted for in full in the provisions for retirement and other benefits.

The discount rate was determined by taking account of the yield rates from private bonds that do not pose risks and have a maturity close to the bonds' maturity.

The amounts were calculated based on a 1% discount rate (versus 0.75% at the 2020 year end), a 2.5% wage increase (versus 2.0% at the 2020 year end) for both executives and non-executives, a retirement age of 65 and average hypotheses regarding staff turnover. These assumptions apply to French entities that represent the most significant part of the recognised pension obligations.

Current and former members of administrative and management bodies are not entitled to any particular retirement benefits.

The cost of delivered services and financial charges are recognised under consolidated income. The impact of pension scheme changes is equally recognised immediately under consolidated income. No changes occurred during the financial years presented.

Actuarial differences (related to changes of actuarial assumptions and their effects) are recorded under other comprehensive income, not re-classifiable under income.

No changes or modifications occurred during the financial years presented.

Finally, the Group did not opt for raising capital for the commitment from external funding sources.

The IFRS IC decision published in May 2021 amended the rules for staggering the expense related to post-employment benefits, spread over service years that give entitlements (see note *1.3.* ), in the case of collective agreements providing for caps and/or vesting tranches. Given the insignificant impact, the 2020 financial statements have not been restated.

### 1.6.10. Share-based payment

If applicable, under IFRS 2, the share subscription or purchases options granted to employees and which are settled in shares are valued at their fair value. This fair value is recorded on the income statement over the period during which the exercise rights are acquired by employees, taking into account the probability of rights acquisition, re-assessed at each year-end. The amount of the cumulative benefit is set on the date of acquisitions of the rights, according to the rights actually acquired.

### 1.6.11. Provisions (excluding tax uncertainties)

In general, each of the identified disputes involving the Group is examined on the reporting date by the Management. After consultation with external bodies, where applicable, the provisions deemed necessary are made to cover the estimated risks.

Any assets are mentioned in the appendix when their occurrence is probable and their amounts are significant. Any liabilities are mentioned in the appendix when the amounts involved are significant.

### 1.6.12. Loans and financial debts

Loans and financial debts are valued according to the amortised cost method by using the effective interest rate.

The rules on recognising financial debts on lease obligations pursuant to IFRS 16 are presented in note *1.6.3. Tangible fixed assets* accounting principles linked to restatements of leases.

### 1.6.13. Derivative financial instruments

#### *1.6.13.1. Foreign exchange risk*

Purchase and sale transactions conducted by both AKWEL and its subsidiaries are primarily conducted in the same currencies, thereby providing a natural hedge. Consequently, the Group has not used, to date, financial instruments to cover these trade flow risks.

*1.6.13.2. Interest rate risk*

The Group's companies do not historically have any swaps intended to guarantee a maximum fixed rate on a part of the implemented variable-rate funding.

### 1.6.14. Assets/liabilities classified as held for sale, discontinued activities

Assets and liabilities classified as held for sale are valued at the net book value or the fair market value less the costs of sale, which is lower.

The profits/losses of discontinued activities are recorded on a separate line on the income statement. No assets or liabilities meet this definition during the financial years presented.

### 1.6.15. Treasury shares

Changes (acquisitions and disposals) in shares of the Parent Company that are held by itself or by one of its consolidated subsidiaries are recognised directly in equity.

Income from the disposal of these shares is directly assigned to shareholders' equity net of the corresponding tax.

## 1.7. Presentation of the income statement

### 1.7.1. Revenue

The IFRS 15 standard establishes the principles for recognising revenue based on an analysis process containing five successive stages:

- Identification of the contract;
- Identification of the various performance obligations; the list of goods or services that the seller has agreed to supply to the buyer;
- Determination of the overall price of the contract;
- Allocation of the overall price to each performance obligation;
- Recognition of the revenue and associated costs when a performance obligation is met.

Sales of parts and tooling are recorded under income at the time of delivery of the good, corresponding to the date of transfer of control, in accordance with the specific conditions of each contract or order.

The Group proceeded to select the main transactions and contracts representative of the Group's current and future business. These transactions and contracts were analysed based on a five-step model introduced by the standard in order to identify the assessment areas and any changes caused by its application. The conclusions of this analysis are presented below.

For a specific automotive project, the three main promises made by the Group to a manufacturer generally identified as part of the preliminary analysis are as follows:

- Product study, which notably includes determining the intrinsic technical specific characteristics of the parts, as well as those linked to the associated production process;
- Supply of production tooling, such as the moulds and the other equipment used for the production of parts.
- Supply of parts.

The analysis led to the finding that these three phases are distinct performance obligations for which the Group recognises revenue upon delivery/completion. In the vast majority of cases, each performance obligation is covered by a specific legal contract. Each contract is therefore independent, and where the performance obligation is met, the manufacturer has the ability, without penalty, to abandon the execution of the other contracts concerning the same items, which demonstrates the separate nature of these performance obligations. Where several performance obligations are included in a single contract, the Group's policy is to set the price of each performance obligation independently so as to prevent any risk of loss in the event that a contract is terminated following a performance operation.

Revenue from tooling is recognised during transfer of control to the customer, who is considered to be satisfied when the customer validates the conformity of the tooling. Until this transfer is complete, the production costs are capitalised in the amount of the price that can be invoiced to the customer.

The prices of transactions are allocated to the performance obligations based on the contractual prices. Given the independence of the contract and the risk of the manufacturer abandoning the execution of the other legal contracts, the Group conducts negotiations with the manufacturers for each contract based on the standalone price.

Contributions received by customers to development costs and prototypes are now shown under the "Revenue" entry, as they result from a contract with the customer with a view to obtaining, in exchange for a counterparty, goods or services resulting from the Group's ordinary activities. The warranties given are not optional.

**Warranties:**

Furthermore, the Group considers that the contractual promise made to the manufacturer in terms of the warranty on supplied parts does not meet the definition of a distinct performance obligation, as it does not result in an "additional service". As such, warranty costs will continue to be recognised in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets".

**Distinction between agent and principal:**

The use of outsourcing is limited, given the extent of the Group's integration and the fact that when the Group uses outsourcing, it integrates the outsourced products into larger assemblies and therefore remains responsible for the supply of the good or service as the principal.

Concerning certain specific contracts, the examination of the relationship with the end customer led the Group to consider that it acts as an agent rather than as a principal.

**Other points:**

- Customer contracts do not include a "financing" component;
- Revenue recognition rules do not use significant estimates.

### 1.7.2. Personnel costs

Personnel costs include temporary expenses and staff profit sharing.

### 1.7.3. Regional economic contribution (*Contribution économique territoriale* - CET)

The French company added-value contribution (CVAE) and the company property tax (CFE) are recognised under operating expenses.

### 1.7.4. Current operating income

The Group mainly uses current operating income as a performance indicator.

Current operating income corresponds to net income before taking into account the following:

- Miscellaneous income and charges, which primarily included significant restructuring costs;
- Losses, profits and changes in provisions covering exceptional events, i.e. either because they are abnormal in terms of the amounts involved or their incidence, or because they rarely occur;
- Capital gains or losses from asset disposals or impairment;
- Non-current impairment of goodwill, in which the cause of impairment is non-current;
- Financial income;
- Current and deferred taxes;
- Net income from related undertakings.

This presentation complies with the ANC recommendation no. 2013-03 of 7 November 2013.

## 1.8. Income per share

Income per share is calculated based on the average number of shares in circulation during the course of the financial year, based on Group net income.

Diluted income per share takes into account potential shares arising from the exercise of rights attached to the subscription warrants issued. As at 31 December 2021, there were no new shares that could potentially be created, as no subscription options were still valid or had been exercised.

## 1.9. Financial instruments - Financial assets and liabilities, Derivative financial instruments

Financial assets and liabilities are recorded under several headings of the balance sheet (non-current financial assets, accounts receivable, other current assets, accounts payable, other current debts, financial debts, cash and cash equivalents). Financial instruments are assigned to categories that do not correspond to identified headings of the balance sheet, bearing in mind that the assignment determines the accounting and valuation rules.

Presentation of the three categories of financial assets: see note *1.6.4.*

The main financial liabilities (primarily loans and trade accounts payable) are valued at the amortised cost.

The Group has not put in place hedging instruments that meet the hedging definition stated in the IFRS 9 standard.

In accordance with the IFRS 13 standard, financial instruments are presented under three categories (see note *22.* ), based on a hierarchy of fair value determination methods:

- Level 1: fair value calculated by reference to non-adjusted listed prices on an active market for identical assets and liabilities.
- Level 2: fair value calculated by reference to observable market data for the asset or liability concerned, either directly (adjusted level 1 listed prices) or indirectly, namely data derived from prices, based on valuation techniques drawing on observable data such as the prices of similar assets or liabilities or listed parameters on an active market.
- Level 3: fair value calculated by reference to data concerning the asset or liability that are not based on observable market data (e.g. using valuation techniques entirely or partially based on non-observable data such as prices on an inactive market or valuation based on multiples in the case of unlisted shares).

The implementation of this standard for calculating the fair value of financial instruments has not led to the identification of adjustments by virtue of non-performance risks, in relation to the calculations performed previously.

## 1.10. Sector-based information

The Group has only defined one sector-based activity, which revolves around the design, manufacturing and delivery of vehicle components, parts or equipment mechanisms.

The Group identifies five regions for allocating the resources to the various sectors and assessing their performance:

- France;
- Europe & Africa;
- North America;
- South America;
- Rest of the world.

These regions were determined based on their geographical proximity, their similar economic characteristics and their contribution to the Group's revenue and income.

The breakdown of revenue and fixed assets by geographical area is presented for information purposes in note *3.*

The only balance sheet information monitored by geographical region in the Group's management reports is investments.

The Group's revenues directly depend on the level of global automotive production, particularly in Europe, North America, Turkey and China. This production can be affected by the general economic situation, government policies, namely incentive schemes for vehicle purchasing, trade agreements, regulatory changes and labour relations (including strikes and work disruptions). Moreover, the Group generates 67.6% of its business directly with three automobile manufacturers, (Stellantis, Ford and Renault-Nissan-Mitsubishi). The performance of these three manufacturers therefore has a considerable influence on the Group's revenue.

## 1.11. Cash flow statement

The Group applies the indirect method of presenting cash flow, based on a presentation similar to the model proposed by the *Autorité des Normes Comptables* (ANC) in its recommendation 2013-03 of 7 November 2013.

Cash flows for the financial year are broken down into the flows generated by activity according to investment activities and financing operations (shareholder equity).

The cash flow statement is prepared based on the following rules:

- Net cash corresponds to the net credit and debit positions;
- Gains and losses are presented at their amount net of tax, if the Company records a tax;
- Provisions on current assets are recorded on changes in operating cash flow from working capital requirement (WCR) and associated with corresponding asset items (inventory, trade, other current or non-current receivables);

- Acquisitions of fixed assets are shown exclusive of changes in debt on asset acquisitions. Income from disposals is shown exclusive of changes in receivables from asset disposals.

New lease liabilities (IFRS 16) are offset against increases in assets related to rights of use paid.

The impact of changes in the scope of consolidation is presented as a net amount in investment flows. It corresponds to the actual amounts paid/collected during the financial year, adjusted for the acquired cash assets/liabilities.

## 2. Scope of consolidation

| Companies | % held | Consolidation method | Location |
|---|---|---|---|
| AKWEL (PARENT COMPANY) | | | Champfromier, France |
| PAYS DE BRAY SUD SCI | 100 | Full consolidation | Champfromier, France |
| AKWEL NINGBO CHINA CO, LTD (formerly NINGBO MGI COUTIER AUTO PLASTICS CO LTD) | 100 | Full consolidation | Cixi, China |
| AKWEL MATEUR TUNISIA SARL (formerly MGI COUTIER TUNISIE SARL) | 100 | Full consolidation | Mateur, Tunisia |
| MGI COUTIER ITALIA SRL | 100 | Full consolidation | Asti, Italy |
| AKWEL CORDOBA ARGENTINA SA (formerly MGI COUTIER ARGENTINA SA) | 100 | Full consolidation | Cordoba, Argentina |
| AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA (formerly MGI COUTIER BRASIL LTDA) | 100 | Full consolidation | Jundiai, Brazil |
| AKWEL BIRMINGHAM UK LTD (United Kingdom) (formerly MGI COUTIER UK CO LTD) | 100 | Full consolidation | Minworth, UK |
| AKWEL BURSA TURKEY OTOMOTIVE A.S. (formerly MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI A.S.) | 100 | Full consolidation | Bursa, Turkey |
| AKWEL SANT JUST SPAIN S.L (formerly MGI COUTIER ESPAÑA SL) | 100 | Full consolidation | Vigo, Spain |
| AKWEL MEXICO, S.A. DE C.V (formerly MGI COUTIER MEJICO SA DE CV | 100 | Full consolidation | Veracruz, Mexico |
| AKWEL TIMISOARA ROMANIA SRL (formerly MGI COUTIER ROM SRL) | 100 | Full consolidation | Timisoara, Romania |
| AKWEL TOOLING FRANCE (formerly DEPLANCHE FABRICATION SARL) | 100 | Full consolidation | Treffort, France |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD (formerly MGI COUTIER ENGINEERING PRIVATE LTD) | 100 | Full consolidation | Pune, India |
| MGI COUTIER FINANCE LTD | 100 | Full consolidation | Chippenham, UK |
| AKWEL USA INC (formerly AVON AUTOMOTIVE HOLDINGS INC) | 100 | Full consolidation | Cadillac, USA |
| AKWEL AUTOMOTIVE USA, INC (formerly PETROL AUTOMITVE HOLDING INC) | 100 | Full consolidation | Cadillac, USA |
| AKWEL CADILLAC USA, INC (formerly CADILLAC RUBBER & PLASTICS INC) | 100 | Full consolidation | Cadillac, USA |
| AKWEL MEXICO USA, INC (formerly CT RUBBER & PLASTICS INC) | 100 | Full consolidation | Cadillac, USA |

| Companies | % held | Consolidation method | Location |
|---|---|---|---|
| AKWEL JUAREZ MEXICO, S.A DE C.V (formerly CADIMEX SA DE CV) | 100 | Full consolidation | Orizaba, Mexico |
| AKWEL CADILLAC USA INC (formerly CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV) | 100 | Full consolidation | Orizaba, Mexico |
| AKWEL CHIPPENHAM UK LTD (formerly AVON AUTOMOTIVE UK HOLDINGS LTD) | 100 | Full consolidation | Chippenham, UK |
| AKWEL GEBZE TURKEY OTOMOTIV SANAYI LTD SIRKETI (formerly AVON OTOMOTIV SANAYI VE TICARET LTD SIRKETI) | 100 | Full consolidation | Gebze, Turkey |
| AKWEL GERMANY SERVICES GMBH (formerly AVON AUTOMOTIVE DEUTSCHLAND GMBH) | 100 | Full consolidation | Stuttgart, Germany |
| AKWEL AUTOMOTIVE VANNES FRANCE (formerly AVON AUTOMOTIVE FRANCE HOLDINGS SAS) | 100 | Full consolidation | Vannes, France |
| AKWEL VANNES FRANCE (formerly AVON POLYMERES FRANCE SAS) | 100 | Full consolidation | Vannes, France |
| AKWEL RUDNIK CZECH REUBLIC A.S (formerly AVON AUTOMOTIVE A.S). | 100 | Full consolidation | Rudnik, Czech Republic |
| AKWEL SANT JUST SL (formerly INDUSTRIAL FLEXO S.L) | 100 | Full consolidation | St Just, Spain |
| AKWEL TONDELA (PORTUGAL), LDA (formerly AVON AUTOMOTIVE PORTUGAL LTDA) | 100 | Full consolidation | Tondela, Portugal |
| GOLD SEAL AVON POLYMERS PVT LTD | 55 | Full consolidation | Daman, India |
| AKWEL CHONGQING AUTO PARTS CO. LTD (formerly AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD) | 100 | Full consolidation | Chongqing, China |
| AKWEL AUTOMOTIVE SWEDEN AB (formerly AUTOTUBE AB GROUP) | 100 | Full consolidation | Varberg, Sweden |
| AKWEL SWEDEN AB (formerly AUTOTUBE AB) | 100 | Full consolidation | Varberg, Sweden |
| AKWEL PAREDES DE COURA (PORTUGAL) UNIPESSOAL, LDA (formerly MGI COUTIER LUSITANIA UNIPESSOAL LDA) | 100 | Full consolidation | Paredes De Coura, Portugal |
| AKWEL EL JADIDA MOROCCO SARL (formerly AKWEL MGI COUTIER MAROC SARL) | 100 | Full consolidation | El Jadida, Morocco |
| SINFA CABLES SARL | 74 | Full consolidation | Casablanca, Morocco |
| AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | 100 | Full consolidation | Wuhan, China |
| AKWEL RAYONG (THAILAND) CO, LTD (formerly MGI COUTIER (THAILAND) CO LTD) | 100 | Full consolidation | Rayong, Thailand |
| AKWEL VIDIN BULGARIA EOOD (formerly MGI COUTIER BULGARIA EOOD) | 100 | Full consolidation | Vidin, Bulgaria |
| BIONNASSAY M&P TECHNOLOGY | 39.71 | Proportionate consolidation | Vougy, France |
| BIONNASSAY REAL ESTATE | 50 | Proportionate consolidation | Vougy, France |

The company MGI COUTIER ILIA (Iran), which is not a significant part of the Group, was deconsolidated on 1 January 2018. It was previously consolidated using the equity method. All of the subsidiaries of the Group end their financial year on 31 December of each year, with the exception of AKWEL AUTOMOTIVE PUNE INDIA PVT LTD and GOLD SEAL AVON POLYMERS PVT LTD, whose financial year ends on 31 March of each year.

Following the acquisition of shares in 2020, BIONNASSAY M&P TECHNOLOGY (holding of 39.71% of the capital) and BIONNASSAY REAL ESTATE (50% holding) were consolidated using the equity method.

## 3. Sectoral information

### 3.1. Per geographical zone.

| (in thousands of Euros) | France | Europe & Africa | North America | South America | Rest of the world | Interco elimin. | Total |
|---|---|---|---|---|---|---|---|
| **At 31 December 2021** | | | | | | | |
| Total sales | 344,794 | 431,485 | 335,570 | 7,060 | 150,892 | (347,329) | 922,472 |
| Current operating income | 3,122 | 11,742 | 30,539 | 1,217 | 29,393 | (786) | 75,227 |
| **(in thousands of Euros)** | **France** | **Europe & Africa** | **North America** | **South America** | **Rest of the world** | **Interco elimin.** | **Total** |
| **At 31 December 2020** | | | | | | | |
| Total sales | 353,511 | 435,565 | 323,132 | 5,194 | 164,940 | (345,164) | 937,178 |
| Current operating income | 20,442 | 25,893 | 39,409 | (268) | 29,114 | (879) | 113,711 |

The breakdown of fixed assets (intangible and tangible) by geographical area is analysed as follows:

| (in thousands of Euros) | Gross values | Net values |
|---|---|---|
| France | 303,935 | 64,030 |
| Europe & Africa | 262,688 | 103,379 |
| North America | 104,853 | 63,475 |
| South America | 2,995 | 374 |
| Rest of the world | 56,666 | 34,685 |
| **Total fixed assets** | **731,137** | **265,943** |

### 3.2. By category

| (in millions of euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Products and functions | 882.3 | 889.4 |
| Tooling | 30.7 | 42.2 |
| Miscellaneous | 9.5 | 5.6 |
| **Total** | **922.5** | **937.2** |

## 4. Net non-current revenue and expenses

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Restructuring costs (net) | - | - |
| Capital gains | (71) | (463) |
| Goodwill impairment | (3,675) | (6,766) |
| Other | (1,119) | 493 |
| **Total** | **(4,865)** | **(6,736)** |

## 5. Financial income

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Bank interest on short- and medium-term financing (1) | (700) | (1,995) |
| Net foreign exchange gains and (losses) | - | - |
| Other income (charges) | (1,510) | 94 |
| **Total** | **(2,210)** | **(1,901)** |

(1) Of which €399,000 in respect of interest linked to IFRS 16.

The Group's exposure to foreign exchange and credit risks is detailed in section *1.7.2.2. Financial and market risks* of the management report.

## 6. Income tax

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Current taxes | (19,094) | (18,538) |
| Deferred taxes | 2,801 | (1,685) |
| **Total** | **(16,293)** | **(20,223)** |

The tax calculation is implemented individually at each consolidated legal entity. The deferred taxes positions were recognised taking into account overall rates of 25%, based on provisional due dates for reversals of deferred tax bases.

The reconciliation of the total income tax expense recorded under consolidated net income and the theoretical income tax expense is established as follows:

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Pre-tax income of integrated companies | 67,684 | 105,073 |
| Non-tax profits (temporary exemption) | - | - |
| Use of deficits not recognised previously/Loss deficits | 131 | (143) |
| Long-term capital gain | - | - |
| Permanent and other differences (*) | (4,815) | (726) |
| **Tax base** | **63,000** | **104,204** |
| Tax at standard rate of 27.5% | (17,325) | (32,307) |
| Different tax rates | 2,951 | 9,057 |
| Tax credit | 76 | 238 |
| Other impacts (including tax adjustments) | (1,995) | 2,789 |
| **Effective tax expense** | **(16,293)** | **(20,223)** |

The "Other impacts" line mainly includes tax incentives and benefits on US corporations. Deferred taxes are presented below in note *11.*

(*) concerning the treatment of assets valued at fair value through other comprehensive income – see note *1.6.4. Non-current financial assets*.

## 7. Goodwill

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Net value on 1 January | 36,282 | 45,202 |
| Acquisitions | - | - |
| Adjustment of asset and liability values for operations acquired prior to financial year | - | - |
| Disposals | (32) | - |
| Translation differential (and other transactions) | 2,024 | (2,154) |
| Impairment | (3,708) | (6,766) |
| **Net amount** | **34,566** | **36,282** |

Goodwill mainly concerned the AKWEL sub-group in the US in the amount of €26.311 million, AKWEL SANT JUST SPAIN S.L in Spain in the amount of €2.07 million and other entities in the amount of €5.948 million.

Following the tests conducted in 2021, the goodwill of AKWEL AUTOMOTIVE SWEDEN AB (formerly AUTOTUBE AB GROUP) were fully impaired.

## 8. Other intangible assets

Changes to other intangible fixed assets were as follows:

| (in thousands of Euros) | Software | Other | Total |
|---|---|---|---|
| **Gross value recognised** | | | |
| Value at 1 January 2020 | 13,112 | - | **13,112** |
| Acquisitions | 399 | - | **399** |
| Disposals | (298) | - | **(298)** |
| Translation and other differences | 128 | - | **128** |
| **Value at 31 December 2021** | **13,341** | **-** | **13,341** |
| **Total amortisations and impairment losses** | | | |
| Value at 1 January 2021 | (11,641) | - | **(11,641)** |
| Amortisation | (798) | - | **(798)** |
| Amortisation reversals | - | - | **-** |
| Net impairment losses | - | - | **-** |
| Disposals | 298 | - | **298** |
| Translation and other differences | 3 | - | **3** |
| **Value at 31 December 2021** | **(12,138)** | **-** | **(12,138)** |
| **Net amounts recognised at 31 December 2021** | **1,203** | **-** | **1,203** |

# 9. Tangible fixed assets

## 9.1. Tangible fixed assets (excluding use rights)

Changes to tangible fixed assets were as follows:

| (in thousands of Euros) | Land | Buildings | Technical installation, equipment & tooling | Other tangible fixed assets | Fixed assets under construction | Total |
|---|---|---|---|---|---|---|
| **Gross value recognised** | | | | | | |
| Value at 1 January 2021 | 18,059 | 106,279 | 451,856 | 40,879 | 35,234 | **652,307** |
| Acquisitions | - | 775 | 5,116 | 1,152 | 16,493 | **23,536** |
| Disposals | - | (22) | (3,824) | (597) | - | **(4,443)** |
| Activation of assets under construction | - | 64 | 7,744 | 324 | (8,132) | **-** |
| Translation and other differences | 676 | 3,078 | 14,960 | 156 | (19,399) | **(529)** |
| **Value at 31 December 2021** | **18,735** | **110,174** | **475,852** | **41,914** | **24,196** | **670,871** |
| **Cumulative depreciation and impairment losses** | | | | | | |
| Value at 1 January 2021 | (226) | (42,821) | (310,290) | (31,750) | - | **(385,087)** |
| Amortisation | (46) | (3,352) | (30,344) | (3,014) | - | **(38,925)** |
| Reversals | - | - | - | - | - | **-** |
| Net impairment losses | - | - | (2,169) | - | - | **-** |
| Disposals | - | 7 | 3,502 | 577 | - | **4,086** |
| Translation and other differences | (18) | (505) | 497 | 52 | - | **26** |
| **Value at 31 December 2021** | **(290)** | **(46,671)** | **(338,804)** | **(34,135)** | **-** | **(419,900)** |
| **Net amounts recognised at 31 December 2021** | **18,445** | **63,503** | **137,048** | **7,779** | **24,196** | **250,971** |

## 9.2. Assets linked to use rights

Changes to fixed assets linked to use rights were as follows:

| (in thousands of Euros) | Land | Buildings | Technical installations Equipment & Tooling | Other tangible fixed assets | Fixed assets under construction | Total |
|---|---|---|---|---|---|---|
| **Gross value recognised** | | | | | | |
| Value at 1 January 2021 | 266 | 34,510 | 10,291 | 406 | - | **45,473** |
| Increases | - | 3,932 | - | - | - | **3,932** |
| Decreases | - | (1,681) | - | - | - | **(1,681)** |
| Translation and other differences | - | (799) | - | - | - | **(799)** |
| **Value at 31 December 2021** | **266** | **35,962** | **10,291** | **406** | **-** | **46,925** |
| **Cumulative depreciation and impairment losses** | | | | | | |
| Value at 1 January 2021 | - | (22,324) | (10,216) | (406) | - | **(32,946)** |
| Amortisation | - | (2,700) | (21) | - | - | **(2,721)** |
| Reversals | - | - | - | - | - | **-** |
| Net impairment losses | - | - | - | - | - | **-** |
| Decreases | - | 1,582 | - | - | - | **1,582** |
| Translation and other differences | - | 929 | - | - | - | **929** |
| **Value at 31 December 2021** | **-** | **(22,513)** | **(10,237)** | **(406)** | **-** | **(33,156)** |
| **Net amounts recognised at 31 December 2021** | **266** | **13,449** | **54** | **-** | **-** | **13,769** |

As indicated in 1.6.3. , the analysis performed did not lead to the identification of rights-of-use assets, which should be tested as isolated assets.

In accordance with the IAS 7 standard, increases and decreases that do not generate cash flow are not listed under investment flows in the cash flow table.

## 10. Non-current financial assets

Changes to non-current financial assets were as follows:

| (in thousands of Euros) | Participating interests (*) | Other | Total |
|---|---|---|---|
| **Gross value recognised** | | | |
| Value at 1 January 2021 | 2,117 | 2,890 | **5,007** |
| Increases | - | 515 | **515** |
| Decreases | (47) | 937 | **890** |
| Changes in the scope of consolidation | - | - | **-** |
| Translation and other differences | (478) | (125) | **(603)** |
| **Value at 31 December 2021** | **1,592** | **4,217** | **5,809** |
| **Total amortisations and impairment losses** | | | |
| Value at 1 January 2021 | (1,280) | (1,973) | **(3,252)** |
| Impairments | - | (1,109) | **(1,109)** |
| Net impairment losses | - | - | **-** |
| Transfers / write-backs | 47 | - | **47** |
| Changes in the scope of consolidation | - | - | **-** |
| Translation and other differences | 69 | 110 | **179** |
| **Value at 31 December 2021** | **(1,164)** | **(2,972)** | **(4,136)** |
| **Net amounts recognised at 31 December 2021** | **428** | **1,245** | **1,673** |

(*) concerning the treatment of assets valued at fair value through other comprehensive income – see note *1.6.4. Non-current financial assets*.

The Group's exposure to foreign exchange and liquidity risks is detailed in section *1.7.2.2. Financial and market risks*.

## 11. Deferred taxes

Deferred taxes (€5.822 million in assets, €6.936 million in liabilities, giving a net amount of €1.115 million) are broken down as follows:

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Expert revaluation of land in France | (875) | (875) |
| Special amortisations and other regulated provisions | (7,122) | (7,825) |
| Pension | 2,280 | 2,584 |
| Activated tax losses | 4,234 | 4,152 |
| Other differences | 369 | (1,498) |
| **Total** | **(1,114)** | **(3,462)** |
| **Of which deferred tax assets** | **5,822** | **5,703** |
| **Of which deferred tax liabilities** | **(6,936)** | **(9,165)** |

As at 31 December 2021, non-activated losses were as follows:

| (bases - in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| AKWEL SANT JUST SL | 24,046 | 24,046 |
| AKWEL VANNES FRANCE SAS | 2,976 | 4,154 |
| AKWEL CHONGQING AUTO PARTS CO. LTD (formerly AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD) | 8,609 | 7,833 |
| AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | 1,421 | 1,409 |
| **Total** | **37,052** | **37,442** |

The losses of AKWEL VANNES FRANCE SAS and of AKWEL SANT JUST SL are capitalised at a rate of 25% insofar as these tax losses will likely be used in the next three years.

## 12. Inventories

| (in thousands of Euros) | Gross value 31.12.2021 | Prov. for impairment | Net value 31.12.2021 | Net value 31.12.2020 |
|---|---|---|---|---|
| Materials, components & goods | 50,271 | (9,032) | 41,239 | 37,832 |
| Semi-finished and finished products | 67,870 | (4,005) | 63,865 | 67,243 |
| Work in progress | 24,732 | - | 24,732 | 22,833 |
| **Total** | **142,873** | **(13,037)** | **129,836** | **127,908** |

The Group is not concerned at the end of 2021 by the low level of activity, given the fact that the Group's activity has returned to near-normal levels.

The analysis carried out did not lead to a change in the methods for impairment of inventories. In particular, the Covid-19 pandemic did not generate significant risks concerning obsolescence, rotation or the net realisable value of inventories in 2020 or 2021.

## 13. Trade accounts receivable and other assets linked to customer contracts

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Trade accounts receivable | 151,557 | 186,858 |
| Impairment allowances | (1,411) | (732) |
| **Net value** | **150,146** | 186,126 |
| Advances and deposits paid on orders | 28,712 | 28,172 |
| Supplier credit notes receivable | 2,578 | **2,580** |
| **Total contract assets** | **31,290** | **30,752** |

Trade receivables fall due within less than one year.

The Group is not able to communicate the total amount of receivables due. Monthly monitoring is performed by each entity that is not consolidated. However, given the attention traditionally paid to this subject, receivables due are very low, including in the case of delays from one to five days.

Receivables more than six months old, not impaired, are not significant. There are no other significant debts not impaired.

Nearly all impairment provisions relate to doubtful debts, all of which are depreciated by amounts excluding tax. No significant provisions occurred during the financial year.

The Covid-19 pandemic did not result, either in 2020 or 2021, in a significant increase in customer risk observed or anticipated in the coming months. Customer payment times and defaults also remained stable.

The analysis conducted did not lead to a change in the provisioning model for trade receivables, nor the terms and conditions for their implementation.

Contract assets included, in 2021, €30.4 million (€30.4 million in 2020) of provisional payments to a customer in connection with warranty return costs for which the coverage between AKWEL and the manufacturer has not yet been defined.

## 14. Other current receivables

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Deferred expenses | 1,533 | 1,601 |
| Deferred tax | 19,997 | 26,027 |
| Social security receivables | 448 | 376 |
| Sundry debtors | 20,434 | 21,784 |
| Assets on contracts [1] | 31,290 | 30,753 |
| **Gross value** | **73,702** | **80,541** |
| Impairment | (95) | (156) |
| **Net value** | **73,607** | **80,385** |

[1] See note *14*.

All receivables classified under the heading "Other receivables" are deemed as falling due in less than one year.

Sundry debtors include insurance claims receivable and in particular €15.1 million in 2021 relating to warranty returns and modernisation campaigns.

## 15. Share capital

As at 31 December 2021, the capital was comprised of 26,741,040 shares with a nominal value of €0.8. The family Group holds 67.53% of the capital, with 57.33% held by the company COUTIER DEVELOPPEMENT.

AKWEL is not subject to any obligation related to a regulatory or contractual nature regarding share capital.

AKWEL does not adopt a specific management policy concerning capital. Decisions between external funding and capital increase are made on a case-by-case basis according to the estimated operations. Shareholders' equity monitored by the Group encompasses the same components as consolidated shareholders' equity.

## 16. Current and non-current provisions

| (in thousands of Euros) | 31.12.2020 | Increases | Uses | Unallocated write-backs/Other transactions | 31.12.2021 |
|---|---|---|---|---|---|
| Retirement & severance benefits | 12,449 | 873 | (796) | 284 | 12,810 |
| Other provisions for liabilities and charges | 50,209 | 39,185 | (43,189) | (201) | 46,004 |
| **Total** | **62,658** | **40,058** | **(43,985)** | **83** | **58,814** |

The variations of scope occurring over the financial year are not significant.

Retirement benefits were calculated in accordance with note 0. Retirement benefits paid during the financial year totalled €951,000, versus €595,000 in respect of the previous financial year.

The increase in other provisions for liabilities and charges is primarily due to technical and commercial liabilities, notably warranty returns. In the latter case, the amounts recognised under allowances for provisions were estimated based on warranty returns observed during the financial year, contractual warranty periods and available historical data net of insurance income.

At 31 December 2021, provisions are broken down as follows based on their due date:

- Less than one year: €14.275 million;
- More than one year: €44.539 million.

At the close of the financial years presented, there are no significant assets and liabilities.

## 17. Net financial debts

Financial debts are analysed as follows:

| (in thousands of Euros) | 31.12.2020 | Issuance of debt | Repay-ments | Translation and other differences | Change of method | 31.12.2021 |
|---|---|---|---|---|---|---|
| Debts and borrowings from credit institutions | **103,273** | 6,508 | (51,156) | 1 | - | **58,626** |
| Debts on lease obligations | **8,870** | 3,845 | (2,379) | 4 | - | **10,340** |
| Other | **-** | - | - | - | - | **-** |
| Other financing | **2,310** | 2,594 | - | (4,692) | - | **212** |
| Bank credit balances | **68** | - | (68) | - | - | **-** |
| **Sub-total Financial debts** | **114,521** | **12,947** | **(53,603)** | **(4,687)** | **-** | **69,178** |
| **Sub-total Cash and cash equivalents** | **175,119** | **-** | **(4,777)** | **(2,938)** | **-** | **167,404** |
| **Net financial debts** | **(60,598)** | **12,947** | **(48,826)** | **(1,749)** | **-** | **(98,226)** |

At 31 December 2021, financial debts are broken down as follows based on their due date:

- Less than one year: €43.327 million of which €1.920 million for lease obligations (€75.372 million in 2020);
- One to five years: €17.197 million (€34.372 million in 2020);
- More than five years: €8.654 million (€4.777 million in 2020).

At the close of the financial years presented, the Group had no debts on the acquisition of securities. Fixed-rate debts totalled €44.178 million and variable-rate debts €25.000 million.

Certain bank loans are subject to compliance with financial covenants (based on profitability, indebtedness and capitalisation criteria). All Group companies abided by all of these covenants as at 31 December 2021.

The Group's exposure to credit and liquidity risks is detailed in section *1.7.2.2.* of the management report.

## 18. Other debts

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Advances and deposits received | 3,390 | 5,579 |
| Deferred payments | 81 | 381 |
| **Sub-total Other liabilities on contracts** | **3,471** | **5,960** |
| Tax debts | 7,304 | 10,546 |
| Payroll expenses | 28,989 | 31,977 |
| Other debts | 285 | 1,933 |
| **Total** | **40,049** | **50,416** |

Deferred payments mainly correspond to tooling invoiced early at the request of the customers concerned.

## 19. Assets and liabilities held for sale or discontinuation

In 2021, it was decided to shut down the company SINFA. The closure operations, which began at the end of 2021, will be completed during the 2022 financial year. No activity was transferred to the Group's other production sites. As such, and in accordance with IFRS 5, AKWEL's assets and liabilities have been isolated on the balance sheet (rows "assets and liabilities held for sale or discontinued").

The income of SINFA, which amounted to €(467,000), was isolated in the income statement (row "Income after tax from discontinued operations or operations held for sale"). Income and losses can be broken down as follows:

- Non-tax expenses: €1.885 million;
- Income before tax: €1.406 million;
- Taxes (income): €12,000.

No gain or loss was made as a result of a fair value measurement.

## 20. Off-balance sheet commitments and granted guarantees

**Commitments linked to external growth operations**: none.

**Commitments related to financial operations:**

At 31 December 2021, other commitments to financial institutions amounted to €15.374 million, in respect of guarantees granted by the Parent Company for the purposes of certain foreign subsidiaries of the Group, including:

- AKWEL EL JADIDA MOROCCO SARL: €473,000;
- SINFA CABLES SARL: €658,000;
- BIONNASSAY REAL ESTATE: €833,000;
- AKWEL GEBZE TURKEY OTOMOTIV SANAYI LTD SIRKETI: €400,000;
- PRECIALP INDUSTRY: €937,000;
- €12.073 million in respect of guarantees granted on non-financial assets (this amount already being included under the Group's financial debts)

## 21. Headcount

The breakdown of employees by category, at year-end, is analysed as follows:

| | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Executives | 548 | 570 |
| Employees and technicians | 3,255 | 3,285 |
| Operatives | 5,858 | 7,336 |
| **Total** | **9,661** | **11,191** |

As at 31 December 2021, the Group's total headcount was 9,661 people, 1,423 of whom were in France. Changes in headcount are as follows:

| Companies | 31.12.2021 | 31.12.2020 |
|---|---|---|
| AKWEL (PARENT COMPANY) | 1,236 | 1,352 |
| AKWEL TOOLING FRANCE (formerly DEPLANCHE FABRICATION SARL) | 17 | 20 |
| AKWEL VANNES FRANCE SAS (formerly AVON POLYMERES FRANCE SAS) | 170 | 192 |
| **Total France** | **1,423** | **1,564** |
| NINGBO MGI COUTIER AUTO PLASTICS CO LTD | 116 | 110 |
| AKWEL MATEUR TUNISIA SARL (formerly MGI COUTIER TUNISIE SARL) | 838 | 1,008 |
| AKWEL CORDOBA ARGENTINA SA (formerly MGI COUTIER ARGENTINA SA) | 14 | 14 |
| AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA (formerly MGI COUTIER BRASIL LTDA) | 26 | 31 |
| AKWEL BIRMINGHAM UK LTD (formerly MGI COUTIER UK LTD) | 76 | 80 |
| AKWEL BURSA TURKEY OTOMOTIV AS (formerly MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI A.S.) | 755 | 818 |
| AKWEL VIGO SPAIN S.L (formerly MGI COUTIER ESPAÑA SL) | 329 | 326 |
| AKWEL TIMISOARA ROMANIA SRL (formerly MGI COUTIER ROM SRL) | 546 | 613 |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD (formerly MGI COUTIER ENGINEERING PRIVATE LTD) | 26 | 22 |
| AKWEL CADILLAC USA INC (formerly CADILLAC RUBBER & PLASTICS INC) | 378 | 433 |
| AKWEL JUAREZ MEXICO SA DE CV (formerly CADIMEX SA DE CV) | 1,086 | 1,488 |
| AKWEL ORIZABA MEXICO SA DE CV (formerly CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV) | 1,353 | 1,648 |
| AKWEL CHIPPENHAM UK LTD (formerly AVON AUTOMOTIVE UK HOLDINGS LTD) | 39 | 40 |

| **Companies** | **31.12.2021** | **31.12.2020** |
|---|---|---|
| AKWEL GEBZE TURKEY OTOMOTIVE SANAYI LTD SIRKETI (formerly AVON OTOMOTIV SANAYI VE TICARET LTD SIRKETI) | 704 | 819 |
| AKWEL GERMANY SERVICES GMBH (formerly AVON AUTOMOTIVE DEUTSCHLAND GMBH) | 9 | 8 |
| AKWEL RUDNIK CZECH REPUBLIC A.S (formerly AVON AUTOMOTIVE A.S) | 489 | 515 |
| AKWEL SANT JUST SPAIN S.L (formerly INDUSTRIAL FLEXO SL) | 154 | 166 |
| AKWEL TONDELA (PORTUGAL), LDA (formerly AVON AUTOMOTIVE PORTUGAL LDA) | 409 | 492 |
| GOLD SEAL AVON POLYMERS PVT LTD | 73 | 107 |
| AKWEL JAPAN SERVICES CO LTD (formerly AVON AUTOMOTIVE JAPAN CO LTD) | 3 | 3 |
| AKWEL CHONGQING AUTO PARTS CO. LTD (formerly AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD) | 67 | 74 |
| AKWEL AUTOMOTIVE SWEDEN AB (formerly AUTOTUBE AB) | 292 | 318 |
| AKWEL PAREDES DE COURA (PORTUGAL) UNIPESSOAL, LDA (formerly MGI COUTIER LUSITANIA) | 162 | 178 |
| AKWEL EL JADIDA MOROCCO SARL (formerly MGI COUTIER MAROC SARL) | 72 | 134 |
| SINFA CABLES SARL | 48 | 48 |
| AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | 52 | 51 |
| AKWEL RAYONG (THAILAND) CO, LTD (formerly MGI COUTIER THAILAND CO LTD) | 122 | 83 |
| AKWEL VIDIN (BULGARIA) EOOD (formerly MGI COUTIER BULGARIA EOOD) | 0 | 0 |
| **Total** | **9,661** | **11,191** |

## 22. Financial instruments

| Balance sheet items - 2021 financial year (in thousands of Euros) | Name of financial instruments | Fair value levels (see below) | Net book value | Fair value |
|---|---|---|---|---|
| **Assets** | | | | |
| Non-consolidated securities and related receivables | A | 2 | 645 | 645 |
| Other non-current financial assets | D | - | 612 | 612 |
| Trade and other receivables | D | - | 150,146 | 150,146 |
| Other current assets (excluding deferred expenses, tax receivables) | D | - | 49,594 | 49,594 |
| Fair value of financial instruments | B | 2 | - | - |
| Cash and cash equivalents | B | 1 | 167,404 | 167,404 |
| **Liabilities** | | | | |
| Financial debt (non-current and current portion) | C | 2 | 58,820 | 58,820 |
| Share acquisition debts (non-current and current portion) | C | 2 | - | - |
| Bank credit facilities | D | 2 | - | - |
| Fair value of financial instruments | B | 2 | - | - |
| Trade and other accounts payable | D | - | 81,903 | 81,903 |
| Other current liabilities (excluding deferred revenue, tax liabilities and payroll expenses) | D | - | 3,675 | 3,675 |

*A: Financial assets and liabilities valued at amortised cost.*
*B: Financial assets at fair value through other comprehensive income (a).*
*C: Assets at fair value through profit or loss.*
*D: Financial liabilities at fair value (a).*
*E: Derivative financial instruments.*

When the fair value is used, either to value the financial assets/liabilities (as is the case with short-term investments) or in order to provide information in the appendix in the preceding table on the fair value of other financial assets/liabilities, financial instruments are broken down according to the organisation defined by the IFRS 13 standard, which was introduced in 2013 and which is very similar to the IFRS 7 standard previously implemented.

The definitions of fair value levels are presented in note *1.9. Financial instruments - Financial assets and liabilities, Derivative financial instruments.*

No valuation level is indicated when the net book value is close to the fair value.

## 23. Directors' remuneration

Remuneration paid to the members of the Executive Board concerning AKWEL totalled €1,944,557 in respect of the financial year ended 31 December 2021 (€2,318,370 in 2020), while remuneration paid to the members of the Supervisory Board totalled €341,000 (€289,708 in 2020).

## 24. Share purchase options

AKWEL has not authorised or agreed upon any purchase share option for directors.

## 25. Risks and disputes

The review of risks that could have a significant adverse effect on the Group's business, financial position or results is presented in the management report in *1.7. Risk factors.*

## 26. Business combinations

The impacts of acquisitions during the period are not significant.

## 27. Post-closing events

No important event occurred since the close of the financial year and the date of preparation of the management report. In relation to the geopolitical crisis linked to Russia's military offensive in Ukraine, given the insignificant nature of the Group's activities and assets in the countries affected by the crisis (Russia, Belarus, Ukraine), the Group does not currently anticipate any significant adverse impacts on its business and financial statements related to the war and/or the sanction measures adopted by various countries against Russia.

## 28. Statutory Auditors' fees

| (in euros) | MAZARS SA - MAZARS | | | ORFIS SAS – ORFIS (1) | | | OTHER (2) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total (excl. tax) | | % | Total (excl. tax) | | % | Total (excl. tax) | | % |
| | Y | Y-1 | (Y) | Y | Y-1 | (Y) | Y | Y-1 | (Y) |
| **Audit** | | | | | | | | | |
| **Auditing of accounts, certification, examination of individual and consolidated financial statements:** | | | | | | | | | |
| Issuer | 115,000 | 109,040 | - | 95,000 | 83,960 | - | - | - | - |
| Fully-consolidated subsidiaries | 209,440 | 172,300 | - | - | - | - | 116,000 | 99,404 | - |
| **Services other than account certification:** | | | | | | | | | |
| Issuer | 5,000 | - | - | - | - | - | - | - | - |
| Fully-consolidated subsidiaries | - | - | - | - | - | - | - | - | - |
| **Sub-total** | **329,440** | **281,340** | **+17%** | **95,000** | **83,960** | **+13%** | **116,000** | **99,404** | **+17%** |
| **Other services delivered by the networks to fully-consolidated subsidiaries** | | | | | | | | | |
| Legal, tax, social | 7,558 | 12,372 | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Sub-total | 7,558 | 12,372 | - 39% | - | - | - | - | - | - |
| **Total** | **336,998** | **293,712** | **+15%** | **95,000** | **83,960** | **+13%** | **116,000** | **99,404** | **+17%** |

(1) ORFIS SAS as a member of Allinial Global International
(2) OTHER corresponds to the fees received by the members of Allinial Global International

Services other than account certification concern tax compliance reviews, notably in terms of transfer prices.

# STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*Financial year ended 31 December 2021*

ORFIS
149, Boulevard de Stalingrad
69100 Villeurbanne

MAZARS
Parc des Glaisins
13, avenue du Pré Félin
Annecy-le-Vieux
74949 Annecy

To the General Meeting of AKWEL,

## Opinion

In accordance with the terms of our appointment by your General Meeting, we audited the consolidated financial statements of the company AKWEL concerning the financial year ended 31 December 2021, as attached to the present report.

We certify that the consolidated financial statements are, in respect of the IFRS standard as adopted in the European Union, accurate and truthful and provide a true picture of operations during the last financial year, as well as of the financial position and assets, at the end of the financial year, of the group comprised of the individuals and entities included in the scope of consolidation.

The opinion formulated below is consistent with the content of our report to the audit committee.

## Basis of the opinion

**Audit benchmark**

We conducted our audit in accordance with the professional standards applicable in France. We believe that the items we gathered are sufficient and appropriate for supporting our opinion.

The responsibilities incumbent upon us in respect of these standards are indicated in the section "Responsibilities of the Statutory Auditors concerning the audit of the consolidated financial statements" of the present report.

**Independence**

We conducted our audit assignment in accordance with the rules of independence provided for under the French Commercial Code or the accounting profession's code of ethics, during the period from 1 January 2021 to the date on which our report was issued, and notably we did not provide services prohibited by article 5, paragraph 1, of regulation (EU) no. 537/2014.

## Observation

Without calling into question the opinion expressed above, we draw your attention to the following point laid out in note 1.3 of the appendix to the consolidated financial statements, which presents the new standards, amendments and interpretations that your company applied from 1 January 2021.

## Explanatory notes on our assessment - Key points of the audit

The global crisis linked to the COVID-19 pandemic creates special conditions for the preparation and auditing of the financial statements for this financial year. Indeed, this crisis and exceptional measures taken in the context of the state of health emergency have many consequences for companies, particularly on their business and financing, as well as creating increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote work, have also had an impact on the internal organisation of companies and the way in which audits are implemented.

In this complex and changing context, pursuant to the provisions of article L.823-9 and R.823-7 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the key points of the audit concerning the risks of significant anomalies, which, in our professional opinion, were the most significant for the audit of the consolidated financial statements for the financial year, as well as the responses that we provided to these risks.

The performed assessments form part of the context of the audit of the consolidated financial statements as a whole and of the formation of our opinions expressed above. We did not express an opinion on items of these consolidated financial statements viewed in isolation.

**Assessment of provisions linked to technical and commercial liabilities**

*Note Accounting principles and methods – Provisions (excluding tax uncertainties) and note Current and non-current provisions in the notes to the consolidated financial statements.*

Risk identified

As the Group is present in numerous countries and supplies numerous automotive manufacturers, it is exposed to the risks inherent in its activity, notably concerning the commercial and industrial aspects.

In this context, the Group may encounter uncertain, litigious or contentious situations, notably in relation to technical risks and recall campaigns conducted by automotive manufacturers.

The risk assessment is regularly reviewed by the group's management. The incomplete identification and/or incorrect assessment of a risk may cause the Group to overestimate or underestimate its provisions.

At the close of the 2021 financial year, other provisions for liabilities and charges totalled €45 million and were primarily linked to technical and commercial liabilities. We felt that the assessment of provisions linked to technical and commercial liabilities was a key point of our audit given the potential Group-wide financial stakes and the management's judgement in the assessment of the risks and amounts recognised.

Responses provided during our audit

Our work notably consisted of:

- Obtaining external confirmations from lawyers, enabling us to compile an inventory of disputes and contentious situations involving the group;
- Familiarising ourselves with the risk analysis conducted by the group, with the corresponding documentation and, where applicable, reviewing the written consultations of its external advisors;
- Meeting the Product Lines Director concerned by technical liabilities;
- Assessing the main risks identified and examining the reasonable nature of the hypotheses chosen by the Management in view of the information collected to assess the amount of provisions recognised.

**Goodwill valuation and amortisation**

*Note Accounting principles and methods – Goodwill and note Goodwill of the notes to the consolidated financial statements.*

Risk identified

As part of its development, the group has been led to undertake targeted external growth transactions and recognise several goodwill items.

This goodwill, which in the present case corresponds to the difference between the price paid and the fair value of the assets and liabilities acquired, is described in the note "Accounting methods and principles – Goodwill". There were assigned to the groups of cash generating units (CGU), activities into which the companies acquired have been integrated.

The management ensures during each financial year that the book values of this goodwill, appearing on the balance sheet in the amount of €35 million as at 31 December 2021, are not greater than their recoverable values and do not pose a risk of impairment loss. However, any adverse development in the anticipated returns on the activities to which this goodwill has been assigned, for example due to factors linked to the economic and financial environment, is liable to substantially affect the recoverable value and necessitate the recognition of impairments. Such a development involves reassessing the relevance of all of the assumptions used to determine these values, as well as the reasonable and coherent nature of the calculation parameters.

The terms of the impairment tests implemented are described in the note "Accounting principles and methods – Goodwill" and the details of the assumptions adopted are presented in the note "Goodwill". The recoverable values were determined with reference to the values in use, calculated based on the discounted values of cash flow expected from the groups of assets comprising the activities.

Determining the recoverable value of goodwill, which totals a significant amount, is based in particular on the management's judgement, notably regarding the growth rate used for the cash flow projections and the discount rate that is applied to them.

We therefore viewed the valuation of goodwill as a key point of the audit.

Responses provided during our audit

- Examining the compliance of the methodology applied by the company with current accounting standards;
- Conducting a critical examination of the methods of implementing this methodology and verifying in particular:
  - The exhaustiveness of the items comprising the book values of the CGU groups relating to the activities tested and the coherence of the determination of these values with the way in which the cash flow projections were determined for the values in use;
  - The reasonable nature of the cash flow projections relative to the economic and financial context in which the activities operate and the reliability of the process of establishing estimates by examining the causes of the differences between forecasts and actual achievements;
  - The coherence of these cash flow projections with the management's latest estimates as presented to the supervisory board as part of the budget processes;
  - The coherence of the growth rates used for the flows;
  - The calculation of the discount rates applied to the estimated cash flows expected by verifying the various discount parameters;
  - The analysis of the sensitivity of the values in use conducted by the Management to a change in the main assumptions adopted.
- We also assessed the appropriateness of the information presented in the notes of the appendix to the consolidated financial statements.

## Specific check

In accordance with professional standards applicable in France, we conducted specific verifications, stipulated in the legal and regulatory texts, of the information concerning the group and provided in the Executive Board's management report.

We have no observation to make regarding the veracity of the information and its consistency with the consolidated financial statements.

We certify that the non-financial performance report provided for in article L. 225-102-1 of the French Commercial Code appears in the Group's management report, it being specified that, with regard to data concerning revenue, CAPEX and OPEX, information provided for in article 8 of the Taxonomy Regulation (EU) 2020/852 results from the principles and assumptions described in §4.1.10 of the report. Furthermore, in accordance with the provisions of article L. 823-10 of this code, we did not verify whether the information contained in this filing is truthful or whether it is consistent with the consolidated financial statements; this information must be addressed in a report by an independent third-party body.

## Other verifications or information required by legal and regulatory texts

**Presentation format of the annual financial statements to be included in the annual financial report**

In accordance with the professional standard on the statutory auditor's due diligence on the annual and consolidated financial statements presented in accordance with the European single electronic reporting format, we also verified compliance with this format as defined by Delegated European Regulation No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report referred to in I of article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Executive Board. With regard to consolidated financial statements, our due diligence includes verifying the compliance of the marking of these accounts with the format defined by the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to verify that the consolidated financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we conducted our work.

**Appointment of the Statutory Auditors**

We were appointed the Statutory Auditors for the financial statements of AKWEL by the Ordinary General Meeting of 23 February 2004 in the case of the consulting firm MAZARS and by the Ordinary General Meeting of 24 June 2005 in the case of the consulting firm ORFIS.

As at 31 December 2021, the consulting firm MAZARS was in the 18th uninterrupted year of its assignment and the consulting firm ORFIS was in the 17th uninterrupted year of its assignment.

## Responsibilities of the Management and of the individuals conducting corporate governance concerning the consolidated financial statements

It is the management's responsibility to establish consolidated financial statements that present a true picture in accordance with the IFRS standard as adopted in the European Union, as well as to implement the internal control that it believes is necessary in order to establish consolidated financial statements that do not contain any significant anomalies, whether as a result of fraud or errors.

During the preparation of the consolidated financial statements, it is the management's responsibility to assess the company's ability to continue its operation, to present in these financial statements, where applicable, the necessary information concerning the continuity of operations and to apply the accounting policy for a going concern, unless plans are in place to liquidate the company or discontinue its activity.

It is the audit committee's responsibility to monitor the process of preparing the financial information and to monitor the effectiveness of the internal control and risk management systems, as well as, where applicable, of the internal audit concerning the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were closed by the Executive Board.

## Responsibilities of the Statutory Auditors concerning the audit of the consolidated financial statements

**Audit objective and approach**

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole do not contain any significant anomalies. Reasonable assurance corresponds to a high level of assurance, although it does not guarantee that an audit conducted in accordance with professional standards systematically detects all significant anomalies. Anomalies may arise from fraud or result from errors and are considered significant if it is reasonable to expect that they may, considered individually or cumulatively, influence the business decisions that the users of the financial statements make by drawing on them.

As stated in article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or quality of your company's management.

In an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises its professional judgement throughout the audit. Furthermore:

- It identifies and assesses the risks that the consolidated financial statements contain significant anomalies, whether these arise from fraud or result from errors, defines and implements audit procedures to contend with these risks and gathers elements that it deems sufficient and appropriate to form its opinion. The risk of not detecting a significant anomaly arising from fraud is higher than the risk of not detecting a significant anomaly resulting from an error, as fraud may involve collusion, falsification, intentional omissions, false declarations or the bypassing of internal control.
- It familiarises itself with the internal control relevant to the audit in order to define appropriate audit procedures for the circumstances, rather than to express an opinion on the effectiveness of internal control.
- It assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, as well as the information concerning these and provided in the consolidated financial statements.

- It assesses the appropriateness of the management's application of the accounting policy for a going concern and, based on the items collected, the existence or otherwise of a significant uncertainty linked to events or circumstances liable to call into question the company's ability to continue its operations. This assessment draws on the items collected until the date of its report, although subsequent circumstances or events could nevertheless call into question the continuity of operations. If it concludes that a significant uncertainty exists, it draws the attention of the readers of its report to the information provided in the consolidated financial statements regarding this uncertainty or, if this information is not provided or is not relevant, it formulates a certification with reservations or a refusal to certify.
- It assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying operations and events in such a way that they provide a true picture of them.
- Concerning the financial information on the persons or entities included in the scope of consolidation, it collects items that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and conduct of the audit of the consolidated financial statements, as well as for the opinion expressed regarding these financial statements.

**Report to the Audit Committee**

We submitted a report to the audit committee that notably presents the extent of the audit work and the work programme put in place, as well as the conclusions resulting from our work. We also bring to its attention, where applicable, the significant weaknesses in internal control that we identified concerning the procedures relating to the preparation and processing of accounting and financial information.

The items communicated in the report to the audit committee include the risks of significant anomalies that we deemed to have been the most important for the audit of the consolidated financial statements for the financial year and which, as a result, constitute the key points of the audit, which it is our responsibility to describe in the present report.

We also provide to the audit committee the statement indicated in article 6 of (EU) regulation no. 537-2014 confirming our independence, under the rules applicable in France as established notably by articles L. 822-10 to L. 822-14 of the French Commercial Code and in the accounting profession's code of ethics. Where applicable, we meet with the audit committee to discuss the risks adversely affecting our independence and the safeguarding measures applied.

Drawn up in Villeurbanne and Annecy, on 27 April 2022

The Statutory Auditors

| ORFIS | MAZARS |
|---|---|
| Mr Jean-Louis Flèche | Mr Frédéric Maurel |

# FINANCIAL STATEMENTS - AKWEL

# BALANCE SHEET

*Corporate financial statements*

*as at 31 December 2021*

*(in thousands of Euros)*

| ASSETS | *Notes no.* | Gross amounts | Amortisation or provisions | 31.12.21 Net amounts | 31.12.20 Net amounts |
|---|---|---|---|---|---|
| **Intangible fixed assets** | 3.1. | **16,832** | **14,336** | **2,496** | **2,787** |
| **Tangible fixed assets** | 3.1. | | | | |
| Land | | 989 | 179 | 810 | 814 |
| Buildings | | 26,593 | 17,469 | 9,124 | 9,564 |
| Plant, machinery and equipment | | 176,369 | 145,926 | 30,443 | 34,976 |
| Other tangible assets | | 22,050 | 18,660 | 3,390 | 3,733 |
| Assets under construction, advances and progress payments | | 3,276 | - | 3,276 | 2,809 |
| | | **229,277** | **182,234** | **47,043** | **51,894** |
| **Financial assets** | 3.2. | | | | |
| Equity investments and related debts | | 295,427 | 70,754 | 224,673 | 249,982 |
| Other financial assets | | 337 | 126 | 211 | 192 |
| | | **295,764** | **70,880** | **224,884** | **250,174** |
| **Inventories** | 3.3. | **36,882** | **6,821** | **30,061** | **30,630** |
| **Advances and received downpayment** | | **26,151** | **-** | **26,151** | **26,471** |
| **Accounts receivable** | | | | | |
| Trade and other receivables | 3.4. | 51,569 | 86 | 51,483 | 61,302 |
| Non-trade receivables | 3.5. | 21,778 | 9 | 21,769 | 28,866 |
| | | **73,347** | **95** | **73,252** | **90,168** |
| **Cash assets and marketable securities** | 3.6. | **42,392** | - | **42,392** | **57,330** |
| **Deferred Expenses** | | **543** | - | **543** | **304** |
| **Charges deferred over several financia years** | 3.8. | **311** | - | **311** | **434** |
| **Translation Gains/Losses on Assets** | | **1** | **-** | **1** | **-** |
| **Total Assets** | | **721,500** | **274,366** | **447,134** | **510,192** |

| LIABILITIES | Notes no. | 31.12.21 | 31.12.20 |
|---|---|---|---|
| **Shareholders' equity** | 3.9. | | |
| Share capital | | 21,393 | 21,393 |
| Merger premiums and additional paid-in capital | | 9,705 | 9,705 |
| Legal reserve | | 2,139 | 2,139 |
| Regulatory reserves | | 41 | 41 |
| Other reserves | | - | - |
| Retained earnings | | 111,587 | 122,425 |
| Interim dividends | | - | - |
| Profit/loss for the financial period | | 1,231 | 1,193 |
| Regulatory provisions | 3.10. | 26,806 | 27,679 |
| **Net Provision Before Distribution** | | **172,902** | **184,575** |
| **Other equity** | | | |
| Conditional subsides | | - | - |
| **Provisions for Liabilities & Charges** | 3.10. | **36,548** | **44,493** |
| **Debts** | | | |
| Financial debt | 3.11. | 55,196 | 102,685 |
| Associates - various financial debts | 3.11. | 133,535 | 112,891 |
| Trade and other accounts payable | | 37,056 | 50,627 |
| Tax liabilities and personnel expenses | 3.12. | 10,509 | 11,765 |
| Other debts | 3.12. | 1,387 | 3,155 |
| | | **287,683** | **281,123** |
| **Deferred Revenue** | | **-** | **-** |
| **Translation Gains/Losses on Liabilities** | | **1** | **1** |
| **Total Liabilities** | | **447,134** | **510,192** |

# INCOME STATEMENT

*As at 31 December 2021*
*Corporate financial statements*
*(in thousands of Euros)*

| | *Notes no.* | 31.12.21 (12 months) | 31.12.20 (12 months) |
|---|---|---|---|
| **NET REVENUE** | *4.1.* | **318,130** | **325,148** |
| Change in inventoried products | | (1,416) | (3,697) |
| Operating subsidies | | 22 | - |
| Other operating profits | | (1,503) | 25,661 |
| **OPERATING PROFITS** | | **315,233** | **347,112** |
| Purchases | | (73,054) | (63,427) |
| Variation in inventory and WIP | | 1,009 | (565) |
| Other purchases and external charges | | (174,001) | (175,309) |
| **ADDED VALUE** | | **69,187** | **107,811** |
| Taxes and dues | | (4,777) | (5,570) |
| Personnel costs | | (63,035) | (59,288) |
| **EBITDA** | | **1,375** | **42,953** |
| Amortisation allowances | | (11,276) | (12,257) |
| Write-offs and provisions | | 7,783 | (19,482) |
| Other income and (expenses) | | (460) | (289) |
| **OPERATING INCOME (LOSS)** | | **(2,578)** | **10,925** |
| Financial income and (expenses) | *4.2.* | 2,142 | (10,187) |
| **CURRENT PROFIT (LOSS) BEFORE TAX** | | **(436)** | **738** |
| Exceptional income and (expenses) | *4.3.* | 812 | 1,425 |
| Employee profit-sharing | | - | - |
| **PRE-TAX INCOME (LOSS)** | | **376** | **2,163** |
| Tax provisions | *4.4.* | 855 | (970) |
| **NET INCOME** | | **1,231** | **1,193** |

# APPENDIX TO THE CORPORATE FINANCIAL STATEMENTS

*31 December 2021*

## 1. Presentation of AKWEL and financial year highlights

AKWEL's activity consists of designing, developing and producing tooling and parts primarily marketed to French and foreign automotive and truck manufacturers. Its mission is to be simultaneously a designer, manufacturer and functional assembler. AKWEL also coordinates the industrial and financial activities of all the subsidiaries of the Group, of which it is the parent company.

The annual financial statements are presented in thousands of euros.

Starting in April 2021, the financial year was marked by shortages in nearly all raw materials and electronic components. These shortages led to a reduction in vehicle production, additional logistical costs, significant increases in purchase prices and production efficiency losses. AKWEL, like the Group's other entities, sought every solution to continue to deliver to its customers, minimise the impact of additional costs and reflect in its sales prices some of those that could not be avoided. All this resulted in a fall in revenue, although AKWEL once again managed to outperform the European market, which helped to mitigate the consequences of the decline in activity. However, operating income returned to negative territory despite the efforts made by all of the teams.

In accordance with recommendations (AMF, CNCC, ANC), the impacts related to Covid-19 were not presented on a separate line of the income statement.

During the last financial year, significant operations or events at the scope or organisational level are as follows:

- Decline in revenue significantly less than developments in diesel engines and on both the French and European automotive market;
- Sharp decline in added value and EBITDA in connection with the development of vehicle production and the surge in the purchase prices of raw materials and electronic components, which was only partially passed on to customers;
- Recognition of non-recurring provisions for risks of more than €5 million related to a reassessment of the level of warranty returns on a system delivered for several years;
- Clearly positive and significantly improved financial income compared to the previous financial year thanks to the collection of dividends and the improved financial performance of AKWEL subsidiaries;
- Conduct of non-financial investments in the amount of €6.3 million (net of changes in fixed assets under construction) in line with the weighting of AKWEL in the Group;
- Repayment of the Euro PP bond issue in the amount of €30 million put in place in 2014;
- No new external financing implemented given AKWEL's availabilities and the financial leeway provided by the RCF (€75 million was available at the end of 2021).

## 2. Accounting principles and valuation method

### 2.1. Accounting principles

The financial statements at 31 December 2021 are presented in accordance with generally accepted accounting principles in France and take into account ANC Regulation 2019-09 of 18 December 2019 amending ANC Regulation No. 2014-03 on the general chart of accounts.

The general accounting conventions were applied in accordance with the precautionary principle and the basic assumptions of:

- Going concern;
- Consistency of accounting methods from one financial year to the next;
- Independence of financial years.

And in accordance with the general rules for preparing and presenting annual financial statements.

No change in accounting policy occurred during the financial years presented except for the valuation of pension obligations (which only affects off-balance sheet information).

## 2.2. Fixed assets and amortisation

Fixed assets are valued at their acquisition or production cost.

### 2.2.1. Intangible assets

Costs of design and development are entered as expenses over the financial year during which they are incurred.

Goodwill is entered based on its transfer value. Goodwill appearing on the balance sheet will be subject to a provision for depreciation if the inventory value is lower than the book value. The inventory value is determined based on criteria linked to observed profitability and future projections for the activity concerned. Following the implementation on 1 January 2005 of the regulation 2002-10, AKWEL no longer amortises goodwill entered as an asset on the balance sheet.

IT equipment and software programmes are amortised over a period of 12 months. Other software packages or expenses incurred during the introduction of a new computer system (SAP) are capitalised and amortised over a period of three years.

Patents are amortised over their protection period.

AKWEL conducts impairment tests on its goodwill every year.

The duration of use of goodwill is presumed to be unlimited.

AKWEL impairs the value of an asset if its current value (the venal value or value in use, whichever is higher) falls below its net book value.

### 2.2.2. Tangible assets

Depreciation of tangible assets is calculated over the period of useful life of the assets on a straight-line or declining-balance method.

The main applicable periods of depreciation can be summarised as follows:

- Buildings: 25 to 40 years;
- Building fixtures and fittings: 5 to 10 years;
- Technical installations: 5 to 10 years;
- Equipment and industrial tooling: 5 to 10 years;
- General installations: 10 years;
- Furniture, office equipment: 5 to 10 years.

Additional depreciation resulting from the implementation of tax provisions (declining, exceptional balance) are treated as accelerated tax depreciation, which is entered under "regulated provisions".

### 2.2.3. Financial assets

Participating interests and other fixed securities are entered on the assets side of the balance sheet at their acquisition cost.

Participating interests are subject to an impairment provision if their value in use is lower than their book value. The value in use of participating interests is assessed using several criteria, in particular shareholders' equity, multiples of gross operating margin, and development and profitability prospects.

## 2.3. Receivables from participating interests

As of 2 January 2002, the Group has implemented cash management agreements between all subsidiaries of the Group. These stipulate that all intra-group receivables and commercial debts due and not reimbursed are considered as cash advances. As the settlement of these advances is not planned, they are entered under the headings "receivables attached to ownership equity" or "debts attached to ownership equity".

The receivables concerned are valued at their nominal value and may be depreciated in line with the analysis of equity interests to take into account non-recovery risks to which they may be exposed according to the information known on the closing date.

## 2.4. Inventories

Inventories are valued at the purchase price of raw materials in accordance with the "first in, first out" method, and at the manufactured cost for finished and work-in-progress products. The manufactured cost excludes general costs not contributing to production and financial costs.

The necessary provisions are made for stocks presenting a risk of obsolescence, or where the cost is greater than the realisable value. Tooling is valued at the full cost (external costs) within the limit of the price invoiced to customers.

## 2.5. Trade accounts receivable

Accounts receivable and debts are valued at their nominal value. Provisions for bad debts are established according to ageing criteria of outstanding receivables. A provision is also recorded whenever an actual and serious dispute is noted, or when a customer is subject to legal proceedings.

Furthermore, provisions for depreciation of accounts receivable are also calculated in accordance with ageing criteria for uncollected invoices and according to the following terms:

- Provision equal to 25% of the amount before tax of unpaid account receivables whose due date is exceeded by more than 150 days and less than 360;
- Provision equal to 100% of the amount before tax of unpaid accounts receivable whose due date is exceeded by more than 360 days.

## 2.6. Provisions for liabilities and provisions for charges

In general, each of the known disputes involving AKWEL is examined on the closing date by the Directors and after external consultation; otherwise, the provisions considered necessary were established to cover the estimated risks.

## 2.7. Pension commitments

No provision is made for the rights acquired by staff members in terms of retirement compensation. They are nevertheless valued and their amount at the end of the financial year is recorded under financial commitments (see *5.1.* ).

The sums of employees' entitlements under the various applicable collaborative agreements are valued based on development assumptions for salaries, retirement age, mortality rate and staff turnover, then calculated at their current value based on a discount rate. The estimates were made based on a 1% discount rate (versus 0.75% at the 2020 year end), a 2.5% wage increase (versus 2.0% at the 2020 year end) for both executives and non-executives, a retirement age of 65 and average assumptions regarding staff turnover. These assumptions apply to French entities that represent the most significant part of the recognised pension obligations. AKWEL considered the impact on the valuation of its workforce commitments under act no. 2010-1330 of 9 November 2010 concerning pension reform. After examining the characteristic features of its employees (age, start of professional life, career profile, etc.), AKWEL has maintained its assumption for retirement at the age of 65. The IFRIC IC decision published in May 2021 amended the rules for staggering the expense related to post-employment benefits, spread over service years that give entitlements, in the case of collective agreements providing for caps and/or vesting tranches.

There were no provisions for liabilities and charges for long-service awards, as the corresponding commitments are not significant. The collaborative agreements applied to AKWEL's sites do not include these commitments, and the practices of AKWEL remain incidental in this matter.

### 2.8. Exceptional expenses and income

Exceptional profits and losses include in particular income and expenses resulting from events or operations that are clearly different from the company's ordinary activities and therefore not likely to be repeated frequently or regularly. Exceptional expenses and income include in particular exceptional amortisation expenses or reversals, profits from assets disposal as well as income and expenses not linked to current business activities.

### 2.9. Foreign exchange transactions

Foreign exchange expenses and income are recorded at their equivalent value on the date of the transaction. Accounts receivable and debts in foreign currency are valued at the exchange rate in effect on the closing date. The difference resulting from discounting debts and accounts receivable in foreign currency at the closing rate is recorded in the balance sheet under translation differences. A provision for the risk of unrealised foreign exchange losses has been made.

### 2.10. Tax integration

AKWEL has reached a tax integration agreement with its French subsidiaries of which it directly or indirectly owns more than 95%.

This agreement, which came into effect for the first time on 22 December 2011, was signed as part of the option taken by AKWEL for the Group system as defined in articles 223 A et seq. of the French General Tax Code. Each fiscally integrated company recognises the income tax for which it would have been liable had there been no group tax election. The additional tax saving or charge resulting from the difference between the tax due by the integrated subsidiaries and the tax resulting from determining the overall income is recorded by AKWEL.

The application of the tax integration system resulted in 2021, as far as the scope of consolidation is concerned, in a net tax saving of €190,750. As AKWEL did not generate a tax profit in 2021, there is no net tax charge before tax consolidation.

## 3. Notes on the balance sheet

### 3.1. Tangible and intangible assets

| (in thousands of Euros) | 31.12.2020 | Increases | Decreases | 31.12.2021 |
|---|---|---|---|---|
| Intangible assets | 16,560 | 280 | 8 | 16,832 |
| Land | 989 | - | - | 989 |
| Buildings | 26,359 | 256 | 22 | 26,593 |
| Plant, machinery and equipment | 175,378 | 4,710 | 3,719 | 176,369 |
| Other tangible assets | 21,933 | 569 | 452 | 22,050 |
| Assets under construction, advances and progress payments | 2,809 | 4,639 | 4,172 | 3,276 |
| **Gross values** | **244,028** | **10,454** | **8,373** | **246,109** |
| Amortisation of other intangible assets | (13,773) | (571) | (8) | (14,336) |
| Provisions for land | (175) | (4) | - | (179) |
| Buildings depreciation | (16,795) | (681) | (7) | (17,469) |
| Technical installations depreciation | (140,404) | (8,992) | (3,470) | (145,926) |

| | | | | |
|---|---|---|---|---|
| Depreciation of other assets | (18,200) | (903) | (443) | (18,660) |
| **Total amortisations/provisions** | **(189,347)** | **(11,151)** | **(3,928)** | **(196,570)** |
| Net value | 54,681 | (697) | 4,445 | 49,539 |

"Intangible assets" are analysed as follows as at 31 December 2021:

| (in thousands of Euros) | Gross amount | Amortisation | Net amount |
|---|---|---|---|
| Software | 10,505 | (9,610) | 895 |
| Goodwill | 6,327 | (4,726) | 1,601 |
| Other intangible assets | - | - | - |
| **Total** | **16,832** | **(14,336)** | **2,496** |

Research and Development costs recognised as expenses during the financial year totalled €19.337 million (€17.596 million during the 2020 financial year).

## 3.2. Financial assets

| (in thousands of Euros) | 31.12.2020 | Increases | Decreases | 31.12.2021 |
|---|---|---|---|---|
| Participating interests | 248,039 | 2,993 | (47) | 250,985 |
| Receivables from participating interests | 69,113 | 2,752 | (27,424) | 44,441 |
| Other financial assets | 314 | 24 | - | 338 |
| **Gross values** | **317,466** | **5,769** | **(27,471)** | **295,764** |
| Provisions for participating interests | (63,215) | (6,334) | 3,350 | (66,199) |
| Provisions for related liabilities | (3,955) | (600) | 0 | (4,555) |
| Provisions for other assets | (122) | (4) | - | (126) |
| **Total provisions** | **(67,292)** | **(6,938)** | **3,350** | **(70,880)** |
| **Net value** | **250,174** | **(1,169)** | **(24,121)** | **224,884** |

## 3.3. Inventories

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Raw materials | 13,390 | 12,380 |
| WIP | 3,762 | 4,537 |
| Semi-finished and finished products | 19,725 | 20,366 |
| Goods | 5 | 6 |

| | | |
|---|---|---|
| **Gross value** | **36,882** | **37,289** |
| Impairment allowances | (6,821) | (6,659) |
| Net value | 30,061 | 30,631 |

## 3.4. Trade accounts receivable

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Trade accounts receivable | 51,569 | 61,390 |
| Impairment allowances | (86) | (88) |
| **Net value** | **51,483** | **61,302** |

## 3.5. Non-trade receivables

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Income tax | 4,992 | 5,884 |
| VAT | 1,552 | 2,280 |
| Other | 15,234 | 20,710 |
| **Gross value** | **21,778** | **28,874** |
| Impairment allowances | (9) | (8) |
| **Net value** | **21,769** | **28,866** |

## 3.6. Cash assets and marketable securities

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Cash assets | 42,392 | 57,330 |
| **Net value** | **42,392** | **57,330** |

## 3.7. Receivables and liabilities by maturity

Accounts receivable are due in less than one year except for those recorded under the following headings:

| (in thousands of Euros) | Due dates > 1 year |
|---|---|
| Financial debts/equity investments | 44,441 |
| Other financial assets | 337 |
| Customer debt provisions | 86 |
| Other debt provisions | 9 |
| **Total** | **44,873** |

Debts are payable within one year with the exception of those displayed under the following headings:

| (in thousands of Euros) | Due date 1 to 5 years | Due date > 5 years | Total |
|---|---|---|---|
| Financial debt | 14,563 | 0 | 14,563 |
| Miscellaneous financial debts | 133,535 | 0 | 133,535 |
| **Total** | **148,098** | **0** | **148,098** |

## 3.8. Charges deferred over several financial years

Debt issuance expenses are recognised under charges deferred over several financial years and are deferred on a straight-line basis over the life of the borrowings. As at 31 December 2021, deferred charges still to be amortised in respect of debt issuance expenses totalled €311,357.

## 3.9. Shareholders' equity

The share capital is comprised of 26,741,040 shares of €0.80 each.

The change in shareholders' equity during the 2021 financial year is analysed as follows:

| (in thousands of Euros) | Amounts |
|---|---|
| Shareholders' equity at 31.12.2021 | 184,575 |
| Dividend distribution | (12,031) |
| Income for the financial year | 1,231 |
| Regulated provisions transactions | (873) |
| **Total** | **172,902** |

## 3.10. Provisions for liabilities and provisions for charges

The provisions for liabilities and charges mainly related to current disputes with third parties, severance procedures and unrealised exchange rate losses are analysed as follows:

| (in thousands of Euros) | 31.12.2020 | Transfers | Uses | Unallocated write-backs/Other transactions | 31.12.2021 |
|---|---|---|---|---|---|
| Provisions for disputes | 44,491 | 27,346 | (14,795) | (20,494) | 36,548 |
| Provisions for foreign exchange losses | 2 | - | - | (2) | 0 |
| **Total** | **44,493** | **27,346** | **(14,795)** | **(20,496)** | **36,548** |

Allowances for litigation are primarily linked, in respect of the 2021 financial year, to technical and commercial liabilities and notably warranty returns. In the latter case, the amounts were estimated based on warranty returns observed during the financial year, contractual warranty periods and available historical data.

## 3.11. Financial debt

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Group debts | 133,536 | 112,891 |
| Debts exclusive of Group: | - | - |
| - Loans | 54,574 | 100,548 |
| - Interest payable | 31 | 602 |
| - Others | 590 | 1,535 |
| **Total** | **188,731** | **215,576** |

Some bank loans are subject to financial covenants. As at 31 December 2021, AKWEL has abided by all of these covenants.

## 3.12. Tax liabilities, payroll expenses and other debts

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Welfare organisations | 3,822 | 4,536 |
| Personnel | 4,863 | 6,093 |
| Statutory taxes (VAT, corporate tax, etc.) | 1,824 | 1,136 |
| Advances and deposits received | 1,204 | 2,867 |
| Other debts and expenses | 183 | 288 |
| **Total** | **11,896** | **14,920** |

## 3.13. Related payables

Income receivable mainly consists of insurance income for customer warranty returns in the amount of €14.726 million (€21.646 million in 2021), supplier assets in the amount of €8.068 million (€8.052 million in 2020) and invoices to be drawn up in the amount of €4.875 million (€1.878 million in 2020). Accrued liabilities are primarily comprised of accrued invoices in the amount of €16.718 million (€15.886 million in 2020), accrued credit notes in the amount of €6.587 million (€6.804 million in 2020) and tax liabilities and personnel expenses in the amount of €7.225 million (€9.244 million in 2020).

## 3.14. Negotiable instruments

Trade accounts receivable include an amount of €273,000 (€155,000 in 2020) corresponding to received trade bills not yet due and not anticipated. Trade accounts payable include notes payable in the amount of €272,000 (€902,000 in 2020).

# 4. NOTES TO THE INCOME STATEMENT

## 4.1. Breakdown of revenue

Revenue in France totalled €171.273 million, or 52.60% of total revenue (50.06% in 2020). Export revenue totalled €146.847 million, or 45.10% of total revenue (49.94% in 2020).

## 4.2. Financial profits and charges

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Equity investment profits | 7,183 | 318 |
| Net translation differences | (77) | (317) |
| (Expenses)/net reversal of provisions | (3,589) | (8,474) |
| Write-offs | - | - |
| Interest expenses and other financial expenses (net) | (1,375) | (1,714) |
| **Total** | **2,142** | **(10,187)** |

Allowances for provisions on participating interests totalled €6.334 million (€12.811 million in 2020). These relate exclusively to the subsidiaries AKWEL AUTOMOTIVE SWEDEN AB, AKWEL VIDIN BULGARIA EOOD, AKWEL AUTOMOTIVE PUNE INDIA PVT LTD and AKWEL RAYONG THAILAND CO LTD. A reversal was recorded for AKWEL EL JADIDA MOROCCO SARL, AKWEL JUNDIAI BRASIL LTDA and AKWEL CORDOBA ARGENTINA in the amount of €3.350 million (€1.578 million in 2020). Allowances for provisions for receivables from participating interests totalled €600,000 (€183,000 in 2020). They concern SINFA CABLES and AKWEL PUNE INDIA PVT LTD. No reversals were made on provisions for receivables related to participating interests (€2.941 million in 2020).

## 4.3. Exceptional income

| (in thousands of Euros) | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Depreciation and provisions (net) | 873 | 520 |
| Net asset sales | (63) | (358) |
| Other income (charges) | 2 | 1,263 |
| **Total** | **812** | **1,425** |

## 4.4. Breakdown of tax between current and exceptional profit/loss

| (in thousands of Euros) | Income before tax | Tax | Net income after tax |
|---|---|---|---|
| Current profit/loss (and securities) | (436) | 855 | 419 |
| Exceptional income | 812 | 0 | 812 |
| **Profit/loss** | **376** | **855** | **1,231** |

### 4.5. Increase and relief of future tax debt

Items generating a tax deferral entail a future tax increase of €7.067 million (€8.293 million in 2020), based on total rates of 27.5% and 25%, taking into account provisional due dates for reversals of deferred tax bases.

## 5. OTHER INFORMATION

### 5.1. Pension

Total commitments linked to retirement gratuities that are not subject to provisions at the closing date totalled €5.417 million. The calculation assumptions are stated in note *2.7*.

### 5.2. Leasing

The original value of fixed assets acquired through capital leases totalled €30.101 million, whereas their net value would total €3.685 million when required under full ownership and amortised.

Given that AKWEL has no more current contracts, there are no fees to pay.

### 5.3. Identity of the acquiring company

AKWEL is the leader of its Group's consolidation and therefore presents the consolidated financial statements under its sole name.

### 5.4. Other financial commitments

As at 31 December 2021, other commitments to financial organisations were as follows:

- €3.637 million in guarantees granted;
- €12.073 million in respect of guarantees granted on non-financial assets (this amount already being included under the Group's financial debts)

### 5.5. Related undertakings

Information on transactions with related parties is available in the *Statutory Auditors' special report on regulated agreements and commitments.*

### 5.6. Remuneration paid to Directors

Remuneration paid to members of the Executive Board totalled €1,947,557 during the financial year ended 31 December 2021 (€2,318,370 in 2020). Total remuneration paid to the members of the Supervisory Board totalled €341,000 during the financial year ended 31 December 2021 (€289,708 in 2020).

### 5.7. Average headcount

| | 2021 | 2020 |
|---|---|---|
| Executives | 274 | 291 |
| Employees, Technicians & Supervisors | 512 | 567 |
| Operatives | 511 | 549 |
| **Total** | **1,297** | **1,407** |

## 5.8. Transfer of expenses

The amount of transfers of operating expenses recorded during the financial year amounted to a debit balance of €5.708 million (versus a credit balance of 21.646 million in 2020) and mainly concerns a reduction in insurance compensation following the reallocation of a dispute between the AKWEL and AKWEL VIGO entities.

# STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

*Financial year ended 31 December 2021*

ORFIS
149, Boulevard de Stalingrad
69100 Villeurbanne

MAZARS
Parc des Glaisins
13, avenue du Pré Félin
Annecy-le-Vieux
74949 Annecy

To the General Meeting of AKWEL,

## Opinion

In accordance with the terms of our appointment by your general meeting, we audited the annual financial statements of the company AKWEL concerning the financial year ended 31 December 2021, as attached to the present report.

In compliance with French accounting rules and principles, we certify that the annual financial statements are accurate and truthful and provide a true picture of operations during the last financial year, as well as of the company's financial position and assets at the end of the financial year.

The opinion formulated below is consistent with the content of our report to the audit committee.

## Basis of the opinion

**Audit benchmark**

We conducted our audit in accordance with the professional standards applicable in France. We believe that the items we gathered are sufficient and appropriate for supporting our opinion.

The responsibilities incumbent upon us in respect of these standards are indicated in the section "Responsibilities of the statutory auditors concerning the audit of the annual financial statements" of the present report.

**Independence**

We conducted our audit assignment in accordance with the rules of independence stated in the French Commercial Code and the accounting profession's code of ethics during the period from 1 January 2021 to the date on which our report was issued, and notably we did not provide services prohibited by article 5, paragraph 1, of regulation (EU) no. 537/2014.

## Explanatory notes on our assessment - Key points of the audit

The global crisis linked to the COVID-19 pandemic creates special conditions for the preparation and auditing of the financial statements for this financial year. Indeed, this crisis and exceptional measures taken in the context of the state of health emergency have many consequences for companies, particularly on their business and financing, as well as creating increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote work, have also had an impact on the internal organisation of companies and the way in which audits are implemented.

It is in this complex and changing context that, pursuant to the provisions of article L.823-9 and R.823-7 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the key points of the audit concerning the risks of significant anomalies, which, in our professional opinion, were the most significant for the audit of the annual financial statements for the financial year, as well as the responses that we provided to these risks.

The performed assessments form part of the context of the audit of the annual financial statements as a whole and of the formation of our opinions expressed above. We did not express an opinion on items of these annual financial statements viewed in isolation.

**Assessment of participating interests and receivables from participating interests**

*Notes 2.2.3, 2.3 and 3.2 of the appendix to the annual financial statements*

Risk identified

Participating interests and receivables from participating interests appear on the balance sheet of AKWEL as at 31 December 2021 in the net amount of €225 million.

Participating interests are recognised, on their entry date, at the acquisition cost and impaired if their value in use estimated at the closing date is below their book value. The value in use of participating interests is assessed using several criteria, in particular shareholders' equity, multiples of gross operating margin, and development and profitability prospects. This estimate requires the Management to exercise its judgement, particularly if it is based on forward-looking items.

Due to the uncertainties inherent in the forward-looking items used in these calculations, we felt that the assessment of participating interests, and by extension the associated receivables, constitutes a key point of our audit.

Responses provided during our audit

We examined the controls put in place by the company to assess the value in use of the participating interests. Our work notably consisted of:

- Comparing the company's share of the book net assets used to determine the value in use of the participating interests with the data provided by accounting;
- Verifying, if the values in use were determined based on forward-looking items, that their assessment was based on an appropriate assessment method;
- Evaluating the reasonable nature of the main assumptions used to assess the values in use by meeting with the Management;
- Verifying the arithmetic accuracy of the calculations of the values in use conducted by the Company;
- Evaluating the recoverable nature of the associated receivables in light of the results of the participating interest impairment tests.

**Assessment of provisions linked to technical and commercial liabilities**

*Note 2.6 and note 3.10 of the appendix to the annual financial statements*

Risk identified

As the company is a top-tier supplier to numerous automotive manufacturers, it is exposed to the risks inherent in its activity, notably concerning the commercial and industrial aspects.

In this context, the company may encounter uncertain, litigious or contentious situations, notably in relation to technical risks and recall campaigns conducted by automotive manufacturers.

The risk assessment is regularly reviewed by company's management. The incomplete identification and/or incorrect assessment of a risk may cause the company to overestimate or underestimate its provisions.

At the close of the 2021 financial year, provisions for disputes totalled €37 million and were primarily linked to technical and commercial liabilities. We felt that the assessment of provisions linked to technical and commercial liabilities was a key point of our audit given the potential company-wide financial stakes and the Management's judgement in the assessment of the risks and amounts recognised.

Responses provided during our audit

Our work notably consisted of:

- obtaining external confirmations from the lawyers enabling us to compile an inventory of disputes, contentious situations involving the company;
- Familiarising ourselves with the risk analysis conducted by the company, with the corresponding documentation and, where applicable, reviewing the written consultations of its external advisors;
- Meeting the Product Lines Director concerned by technical liabilities;
- Assessing the main risks identified and examining the reasonable nature of the hypotheses chosen by the Management in view of the information collected to assess the amount of provisions recognised.

## Specific checks

In accordance with the professional standards applicable in France, we also conducted the specific checks provided for in legal and regulatory texts.

Information provided in the management report and in other documents on the financial position and the annual financial statements submitted to shareholders

We have no observations to deliver regarding the fairness and consistency with the annual financial statements of the information given in the Management report of the Executive Board and in the other documents on the financial position and the annual financial statements submitted to the shareholders.

We certify that the information concerning payment terms stated in article D.441-6 of the French Commercial Code is truthful and is consistent with the annual financial statements.

Corporate governance report

We hereby certify the existence, in the Supervisory Board's report on corporate governance, of the information required under articles L.225-37-4, L. 22-10-10 an L.22-10-9 of the French Commercial Code.

Concerning the information provided in accordance with the provisions of Article L.22-10-9 of the French Commercial Code on remuneration and benefits paid or granted to the corporate officers and on compensations awarded to them, we checked their consistency with the financial statements and with the data used to prepare these financial statements and, where applicable, with the items collected by your company from companies controlled by it that are included in the scope of consolidation. On the basis of this work, we certify the accuracy and faithfulness of this information.

With regard to the information that your company considered likely to have an impact in the event of a takeover or exchange offer, provided in accordance with provisions L.22-10-11 of the French Commercial Code, we verified its compliance with the documents from it is from and that were sent to us. On the basis of this work, we have no comments to make on this information.

Other information

In compliance with the law, we are confident that the various information pertaining to the identification of holders of the capital and voting rights were communicated to you in the management report.

## Other verifications or information required by legal and regulatory texts

**Presentation format of the annual financial statements to be included in the annual financial report**

In accordance with the professional standard on the statutory auditor's due diligence on the annual and consolidated financial statements presented in accordance with the European single electronic reporting format, we also verified compliance with this format as defined by Delegated European Regulation No. 2019/815 of 17 December 2018 in the presentation of the annual financial statements intended to be included in the annual financial report referred to in I of article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Executive Board.

On the basis of our work, we conclude that the presentation of the annual financial statements for inclusion in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we conducted our work.

**Appointment of the Statutory Auditors**

We were appointed the Statutory Auditors for the financial statements of AKWEL by the ordinary general meeting of 23 February 2004 in the case of the consulting firm MAZARS and of 24 June 2005 in the case of the consulting firm ORFIS.

As at 31 December 2021, the consulting firm MAZARS was in the 18th uninterrupted year of its assignment and the consulting firm ORFIS was in the 17th year.

## Responsibilities of the management and the individuals conducting corporate governance concerning the annual financial statements

It is the management's responsibility to prepare annual financial statements that present a true picture in accordance with French accounting rules and principles, as well as to implement the internal control that it believes is necessary in order to prepare annual financial statements that do not contain any significant anomalies, whether as a result of fraud or errors.

During the preparation of the annual financial statements, it is the management's responsibility to assess the company's ability to continue its operation, to present in these financial statements, where applicable, the necessary information concerning the continuity of operations and to apply the accounting policy for a going concern, unless plans are in place to liquidate the company or discontinue its activity.

It is the audit committee's responsibility to monitor the process of preparing the financial information and to monitor the effectiveness of the internal control and risk management systems, as well as, where applicable, of the internal audit concerning the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were closed by the Executive Board.

## Responsibilities of the Statutory Auditors concerning the audit of the annual financial statements

**Audit objective and approach**

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements as a whole do not contain any significant anomalies. Reasonable assurance corresponds to a high level of assurance, although it does not guarantee that an audit conducted in accordance with professional standards systematically detects all significant anomalies. Anomalies may arise from fraud or result from errors and are considered significant if it is reasonable to expect that they may, considered individually or cumulatively, influence the business decisions that the users of the financial statements make by drawing on them.

As stated in article L.823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or quality of your company's management.

In an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises its professional judgement throughout the audit. Furthermore:

- It identifies and assesses the risks that the annual financial statements contain significant anomalies, whether these arise from fraud or result from errors, defines and implements audit procedures to contend with these risks and gathers elements that it deems sufficient and appropriate to form its opinion. The risk of not detecting a significant anomaly arising from fraud is higher than the risk of not detecting a significant anomaly resulting from an error, as fraud may involve collusion, falsification, intentional omissions, false declarations or the bypassing of internal control.
- It familiarises itself with the internal control relevant to the audit in order to define appropriate audit procedures for the circumstances, rather than to express an opinion on the effectiveness of internal control.
- It assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, as well as the information concerning these provided in the annual financial statements.
- It assesses the appropriateness of the management's application of the accounting policy for a going concern and, based on the items collected, the existence or otherwise of a significant uncertainty linked to events or circumstances liable to call into question the company's ability to continue its operations. This assessment draws on the items collected until the date of its report, although subsequent circumstances or events could nevertheless call into question the continuity of operations. If it concludes that a significant uncertainty exists, it draws the attention of the readers of its report to the information provided in the annual financial statements regarding this uncertainty or, if this information is not provided or is not relevant, it formulates a certification with reservations or a refusal to certify.
- It assesses the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying operations and events in such a way that they provide a true picture of them.

**Report to the Audit Committee**

We submitted a report to the audit committee that notably presents the extent of the audit work and the work programme put in place, as well as the conclusions resulting from our work. We also bring to its attention, where applicable, the significant weaknesses in internal control that we identified concerning the procedures relating to the preparation and processing of accounting and financial information.

The items communicated in the report to the audit committee include the risks of significant anomalies that we deemed to have been the most important for the audit of the annual financial statements for the financial year and which, as a result, constitute the key points of the audit, which it is our responsibility to describe in the present report.

We also provide to the audit committee the statement indicated in article 6 of regulation (EU) no. 537-2014 confirming our independence, under the rules applicable in France as established notably by articles L.822-10 to L.822-14 of the French Commercial Code and in the accounting profession's code of ethics. Where applicable, we meet with the Audit Committee to discuss the risks adversely affecting our independence and the safeguarding measures applied.

Drawn up in Villeurbanne and Annecy, on 27 April 2022

*The Statutory Auditors*

| | |
|---|---|
| *ORFIS* | *MAZARS* |
| *Mr Jean-Louis Flèche* | *Mr Frédéric Maurel* |

# STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

*Financial year ended 31 December 2021*

ORFIS
149, Boulevard de Stalingrad
69100 Villeurbanne

MAZARS
Parc des Glaisins
13, avenue du Pré Félin
Annecy-le-Vieux
74949 Annecy

To the General Meeting of AKWEL,

In our capacity as Statutory Auditors of your company, we submit our report on the regulated agreements and commitments.

We are required to present to you, based on the information submitted to us, the characteristics and essential methodologies as well as the motives justifying the benefit for the company of the agreements that were reported to us or that we observed during our audit mission, without having to decide on their usefulness or validity, or to seek whether other agreements exist. It is your responsibility, under the terms of article R. 225-58 of the French Commercial Code, to assess the relevance of concluding and then approving these agreements.

Furthermore, it is our responsibility, where applicable, to pass on the information provided for in article R. 225-58 of the French Commercial Code concerning the execution, during the previous financial year, of the agreements already approved at the general meeting.

We conducted the procedures that we considered necessary to perform this mission in accordance with the professional requirements of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*). These procedures consisted of checking that the submitted evidence was consistent with the originating documents.

## Agreements and commitments subject to the approval of the General Meeting

**Agreements and commitments authorised and concluded during the previous financial year**

In accordance with article L. 225-88 of the French Commercial Code, we have been advised of the following agreements concluded during the last financial year that were subject to the prior authorisation of your supervisory board.

The persons concerned with these agreements and commitments are listed in the table attached on the last page of this report.

- **Provision of financial appraisal services with ATF**

AKWEL concluded an agreement concerning the provision of financial appraisal services and, on an ancillary basis, legal and tax monitoring services, with the company ATF, of which Jean-Louis Thomasset, Vice-President of the Executive Board, is a partner and majority manager.

This agreement was concluded for a 24-month period starting from 1 January 2017 and has been renewed by tacit agreement since 2020. This agreement was concluded to enable AKWEL to continue benefiting from the knowledge and experience of Mr Jean-Louis Thomasset with flexibility and a controlled cost.

Under this agreement, the charges recorded in the 2021 financial year amount to €454,085.

The continuation of this agreement was authorised for the 2021 financial year by the Supervisory Board meeting of 12 November 2020.

- **Performance agreement concluded with COUTIER DEVELOPPEMENT**

The company concluded a performance agreement with COUTIER DEVELOPPEMENT.

The purpose of this agreement is for COUTIER DEVELOPPEMENT to provide its own resources, its support and its advice as part of the definition of the general policy and strategy of the AKWEL group by advising on, planning, organising and coordinating the Group's activities and its knowledge both internally and externally.

This agreement was renewed for a three-year period by tacit agreement starting from 1 July 2015.

The coordination services provided are not remunerated.

Under this agreement, no charge was recorded in 2021.

The continuation of this agreement was authorised for the 2021 financial year by the Supervisory Board meeting of 13 May 2020.

- **Technical services agreement concluded with COUTIER DEVELOPPEMENT**

The company entered into an agreement of technical services with COUTIER DEVELOPPEMENT.

The goal of this agreement is in particular assistance with the technical definition of new products, the identification of new markets and research, and concerns industrialisation within the "Track Time" and "One Piece Flow" logic for the plant of the future and the optimisation of tooling design.

This agreement, initially concluded for a three-year period starting from 1 July 2015, is then renewed yearly by tacit agreement.

The remuneration of this agreement corresponds to the costs borne by COUTIER DEVELOPPEMENT plus a margin of 8%.

Under this agreement, the charges recorded in the 2021 financial year amount to €249,000.

The continuation of this agreement was authorised for the 2021 financial year by the Supervisory Board meeting of 13 May 2020.

- **Agreement on premises and support services with COUTIER DEVELOPMENT and COUTIER SENIOR non-trading partnership**

Your company provides for both companies premises to accommodate their head office and provides legal assistance services during the approval of the annual financial statements.

This agreement, initially concluded for a one-year period starting from 1 January 2004, is renewed yearly by tacit agreement.

AKWEL SA's involvement in legal matters with respect to COUTIER DEVELOPPEMENT is not limited to approving the financial statements and also encompasses administrative office and accounting assignments since 2019. The terms of the agreement have been amended accordingly.

Under the terms of this agreement, the profits recorded in the accounts for the 2021 financial year amount to:

- COUTIER DEVELOPPEMENT: €32,156
- COUTIER SENIOR: €383

The continuation of this agreement was authorised for the 2021 financial year by the Supervisory Board meeting of 12 November 2020.

## Agreements and commitments already approved by the General Meeting

We hereby inform you that we have not been notified of any agreements or commitments already approved by the General Meeting, the execution of which would have continued during the past financial year.

Drawn up in Villeurbanne and Annecy, on 27 April 2022

*The Statutory Auditors*

*ORFIS* — *MAZARS*

*Mr Jean-Louis Flèche* — *Mr Frédéric Maurel*

# ADDITIONAL INFORMATION

# GENERAL INFORMATION CONCERNING AKWEL

**Name and head office:**

AKWEL

975, route des Burgondes – 01410 Champfromier

**Date of incorporation and term of the Company**

AKWEL was incorporated on 14 February 1989. It will be discontinued in 2088 unless dissolved or extended.

**Nationality:**

French

**Form and legislation:**

Limited Company with an Executive Board and Supervisory Board, governed by French legislation.

**Trade and Companies Register:**

344 844 998 RCS BOURG-EN-BRESSE – APE code: 2932 Z

**Activity:**

AKWEL's purpose, directly and indirectly, both in France and abroad, is:

- The manufacture and sale of thermoplastic parts produced by extrusion, blow moulding and injection, and more specifically by the processing of plastic materials;
- Moulding by injection, blowing and extrusion, and by all other techniques to process plastic materials, including the associated general mechanics and mould mechanics;
- The cutting, stamping, welded metal fabrication, assembly, machining, utilisation and development of all stamping trades, metal working and processing, all light mechanical and general mechanical work, and all developments that mechanics may include;
- The manufacture, purchase and sale of parts and accessories, as well as all electrical, mechanical and electronic apparatus;
- The study, production and assembly of all industrial units, parts, mechanisms, accessories, manufactured assemblies and products, material compounds and various alloys;
- The filing of all patents, their sale, their use, directly or under licence, and all industrial processes necessary for AKWEL's activities;
- The purchase, sale, import, export, leasing, representation, concession and dissemination by all means of all materials, objects and products generally relating to industry;
- AKWEL's direct or indirect participation in all industrial, commercial or financial activities, movable or immovable, in France or abroad, in any form whatsoever, if these activities or operations may be directly or indirectly associated with this corporate purpose or any similar, related or complementary purposes;
- All of the aforementioned directly or indirectly, on its own behalf or on behalf of third parties, either alone or with third parties, by means of founding new companies, asset contribution, limited partnership, subscription or purchase of company shares or rights, merger, alliance, associations through investment or by obtaining the use of any property or rights under a lease, lease-management agreement or by dation, or otherwise;
- And generally, all financial, commercial, industrial and civil operations, immovable or movable, that may be directly or indirectly associated with one of the aforementioned purposes or with any similar or related purposes liable to contribute to its expansion or development.

**Business year:**

Each business year lasts for one year beginning on 1 January and ending on 31 December.

**General meetings (article 20 of the articles of association):**

General Meetings are convened, conducted and deliberated under the conditions established by law.

Shareholders' collective decisions are made at ordinary, extraordinary or special General Meetings depending on the nature of the decisions that they are called upon to make.

General Meetings are convened either by the Executive Board or the Supervisory Board, the Statutory Auditors or a representative designated by the court under the conditions provided for by law.

Meetings take place at the head office or at any other location stated in the notice of meeting.

Any shareholder has the right to participate in the deliberations, personally or by proxy, subject to the registration, in an account, of shares in his name pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code, on the second business day preceding the meeting at midnight, Paris time, or in registered share accounts held by AKWEL, or in bearer share accounts held by an intermediary stated in Article L. 211-3 of the French Monetary and Financial Code.

Any shareholder may only be represented by his spouse or by another shareholder; to this end, the proxy must provide evidence of the position held.

Any shareholder may vote by mail using a form prepared and sent to AKWEL under the conditions established by the law and regulations; this form must reach AKWEL three days before the date of the Meeting in order to be taken into account.

An attendance sheet, duly signed by the attending shareholders and the proxies and to which are attached to the powers given to each proxy, and where applicable the mail voting forms, is certified as accurate by the officers of the Meeting.

Meetings are chaired by the President of the Supervisory Board or, in his absence, by the Vice-President of the Supervisory Board or by a member of the Board specially appointed for this purpose by the Board. If not, the Meeting appoints its President itself.

The duties of vote tellers are performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxies.

The officers of the meeting thus appointed designate a secretary, who may or may not be a shareholder.

Minutes are drafted and copies or extracts of proceedings are delivered and certified according to the law.

The ordinary and extraordinary General Meetings, governed by the conditions of quorum and majority prescribed by the provisions that govern them respectively, exercise the powers that are attributed to them by law.

**Voting rights:**

In accordance with the act 2014-384 of 29 March 2014, also known as the "Florange act", a double voting right is conferred upon all fully paid-up shares that have been registered for at least two years in the name of a given shareholder.

**Corporate results (article 22 of the articles of association):**

If the financial statements for the financial year approved by the General Meeting show a distributable profit as defined by law, the General Meeting decides whether to appropriate it to one or several reserve accounts of which it controls the appropriation or use, to appropriate it to retained earnings or to distribute it.

After approval of the financial statements by the General Meeting, any losses are carried forward, to be charged to the profits of subsequent years, until extinction.

Each shareholder's share of the profits and his contribution to the losses is proportional to his proportion of the share capital.

The General Meeting may decide to distribute songs deducted from available reserves, expressly indicating the reserved categories from which these deductions will be made. However, dividends are deducted first from the distributable profit for the financial year.

**Dividend payment (article 23 of the articles of association):**

The General Meeting may allow shareholders the option to receive all or part of distributable dividends or interim dividends distributed in either cash or shares, in accordance with the law.

The methods for paying dividends in cash are set by the General Meeting or, failing that, by the Executive Board.

However, payment of dividends should take place within a maximum period of nine months following the end of the financial year, except where this period is extended by court decision.

**Threshold crossing (article 10 III of the articles of association):**

Any person, acting alone or in concert, who holds a percentage of the capital or voting rights (if the number and distribution of voting rights does not match the number of and the distribution of shares) at least equal to 1% or to any multiple of this percentage, up to the 50% threshold, shall notify AKWEL of his interest, as well as of subsequent variations in this interest. The information must be communicated to AKWEL within the timeframe provided for by stock market legislation, from the time the threshold is crossed, by registered letter with acknowledgement of receipt sent to the head office.

The information mentioned in the previous paragraph must also be communicated within the same timeframe if the interest falls below the aforementioned thresholds.

Unless they are declared in accordance with the conditions set out above, shares in excess of the fraction that should have been declared forfeit their voting rights in shareholder meetings if, during a meeting, the failure to report has been recorded and if one or more shareholders holding a combined 5% of the capital or voting rights request so during the meeting. In such cases, shares deprived of voting rights will only have this right restored after a two-year period starting from the date on which they were properly reported.

**Consultation of AKWEL documents and information:**

Documents concerning AKWEL and in particular its articles of association, its financial statements, the report presented to its Meetings by the Executive Board, the Supervisory Board and the Statutory Auditors can be consulted at the head office by contacting:

Mr Benoit Coutier, Legal VP

AKWEL

975, route des Burgondes

01410 CHAMPFROMIER (France)

Tel.: + 33 (0) 4 50 56 88 30

# GENERAL INFORMATION CONCERNING THE COMPANY'S CAPITAL

**Share capital:**

The share capital is €21,392,832, divided into 26,741,040 shares of €0.80 each.

AKWEL's shares have been registered on the Euronext Paris market - compartment B since 4 April 2011 under the securities code FR 00000 53027.

**Share price:**

The average over the 2021 financial year was €24.82.

The highest price during the last financial year was €34.20 (on 26.04.2021), while the lowest was €19.38 (on 29.11.2021).

The closing price on 31 December 2021 was €21.75, valuing the Group at €581.6 million.

The total trading volumes over the financial year stood at 4,735,421 shares with a total number of transactions of 76,201 (versus 3,976,971 shares with 45,503 transactions in 2020), an increase in the number of transactions of around 67.46% compared to the previous financial year.

**Securities giving access to the capital:**

None.

**Share purchase options:**

None.

**Declaration of threshold crossings declared during the 2021 financial year**

On 22 January 2021, Amiral Gestion declared that it had exceeded the threshold of 4% of the Company's share capital, bringing its holding to 4% of the capital and 2.36% of the voting rights.

On 12 February 2021, the Central Bank of Norway declared that it had passed below the statutory threshold of 2% of the Company's capital, decreasing its holding to 1.93% of the capital.

On 9 April 2021, Amiral Gestion declared that it had exceeded the statutory threshold of 3% of the capital, bringing its holding to 5.01% of the capital and 2.95% of the voting rights.

On 16 April 2021, Amiral Gestion declared that it had exceeded the statutory threshold of 3% of voting rights, holding 3.01% of the voting rights and 5.1% of the capital.

On 4 May 2021, Amiral Gestion declared that it had passed below the statutory threshold of 3% of the voting rights, holding 2.99% of the voting rights and 5.08% of the capital.

On 28 June 2021, Amiral Gestion declared that it had passed below the statutory threshold of 5% of the capital, bringing its holding to 4.99% of the capital and voting rights and 2.94% of the capital.

On 19 July 2021, Amiral Gestion declared that it had exceeded the statutory threshold of 5% of the capital, bringing its holding to 5.11% of the capital and 3.01% of the voting rights.

On 24 September 2021, Amiral Gestion declared that it had exceeded the statutory threshold of 6% of the capital, bringing its holding to 6.02% of the capital and 3.55% of the voting rights.

On 2 December 2021, Amiral Gestion declared that it had exceeded the statutory threshold of 4% of voting rights, holding 4.07% of the voting rights and 6.91% of the capital.

# AGENDA OF THE ORDINARY GENERAL MEETING OF WEDNESDAY 25 MAY 2022

1. Approval of the annual financial statements for the financial year ended 31 December 2021 – Approval of non-deductible expenses and charges,
2. Discharge of the members of the Executive Board and Supervisory Board,
3. Approval of the consolidated financial statements for the financial year ended 31 December 2021,
4. Appropriation of earnings for the financial year and setting of the dividend,
5. Approval of the renewal of the market-making agreement with COUTIER DEVELOPPEMENT appearing in the Statutory Auditors' special report,
6. Approval of the renewal of the agreement concerning the provision of technical services with COUTIER DEVELOPPEMENT appearing in the Statutory Auditors' special report,
7. Approval of the renewal of the agreement concerning the provision of financial appraisal services with the company ATF appearing in the Statutory Auditors' special report,
8. Approval of the renewal of the agreement concerning the provision of premises and legal and administrative assistance services with COUTIER DEVELOPPEMENT appearing in the Statutory Auditors' special report,
9. Approval of the renewal of the agreement concerning the provision of premises and legal assistance services with COUTIER SENIOR appearing in the Statutory Auditors' special report,
10. Reappointment of Mr André Coutier as member of the Supervisory Board,
11. Reappointment of Ms Geneviève Coutier as member of the Supervisory Board,
12. Reappointment of Ms Emilie Coutier as member of the Supervisory Board,
13. Reappointment of Mr Nicolas Job as member of the Supervisory Board,
14. Reappointment of COUTIER DEVELOPPEMENT as member of the Supervisory Board,
15. Approval of the information referred to in I of article L 22-10-9 of the French Commercial Code for the Company's corporate officers,
16. Approval of the items comprising the total remuneration and benefits of any nature paid in respect of the last financial year or awarded in respect of the same financial year to Mr Mathieu Coutier, President of the Executive Board,
17. Approval of the items comprising the remuneration and benefits of any nature paid in respect of the last financial year or awarded in respect of the same financial year to Mr Jean-Louis Thomasset under his mandate as Vice-President of the Executive Board,
18. Approval of the items comprising the remuneration and benefits of any nature paid in respect of the last financial year or awarded in respect of the same financial year to Mr Benoît Coutier under his mandate as Member of the Executive Board,
19. Approval of the items comprising the remuneration and benefits of any nature paid in respect of the last financial year or awarded in respect of the same financial year to Mr Nicolas Coutier under his mandate as Member of the Executive Board,
20. Approval of the items comprising the remuneration and benefits of any nature paid in respect of the last financial year or awarded in respect of the same financial year to Mr Frédéric Marier under his mandate as Member of the Executive Board,
21. Approval of the fixed and variable items comprising the remuneration and benefits of any nature paid for the past financial year or awarded in respect of the same financial year to Mr André Coutier, President of the Supervisory Board,
22. Approval of the policy on remuneration for members of the Executive Board,
23. Approval of the policy on remuneration for members of the Supervisory Board,

24. Authorisation to grant to the Executive Board to implement a share buyback programme in accordance with articles L.22-10-62 et seq. of the French Commercial Code,
25. Powers to complete formalities.

# TEXT OF THE RESOLUTIONS PROPOSED TO THE ORDINARY GENERAL MEETING OF WEDNESDAY 25 MAY 2022

## First resolution

*(Approval of the annual financial statements for the financial year ended 31 December 2021 – Approval of non-deductible expenses and charges)*

The General Meeting, deliberating under the conditions of quorum and majority required for ordinary general meetings, having familiarised itself with the Executive Board's management report, the Supervisory Board's report, which it approves in all their terms, as well as the Statutory Auditors' report on the annual financial statements, approves the annual financial statements for the financial year ended 31 December 2021, as presented to it, resulting in a profit of €1,230,501.68, as well as the transactions reflected in these financial statements and summarised in these reports.

The General Meeting equally approves the total amount of the expenses and charges not deductible from profits that are subject to corporate tax, amounting to €35,118, and to the tax incurred as a result of these expenses and charges, amounting to €9,657.

## Second resolution

*(Discharge of the members of the Executive Board and Supervisory Board)*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting discharges fully and without reservation the members of the Executive Board and the members of the Supervisory Board from their mandates for said financial year.

## Third resolution

*(Approval of the consolidated financial statements for the financial year ended 31 December 2021).*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting, having familiarised itself with the Group's management report and the Statutory Auditors' report, and after having deliberated, approves the consolidated financial statements as at 31 December 2021, as they have been presented, as well as the transactions recorded in these financial statements and reports.

## Fourth resolution

*(Appropriation of income for the financial year).*

The General Meeting, at the proposal of the Executive Board, deliberating under the conditions of quorum and majority required for ordinary general meetings, decided to allocate the income for the financial year ending 31 December 2021, totalling the sum of €1,230,501.68, as follows:

| **Determination of distributable amounts** | |
|---|---|
| Profit/loss for the financial period | €1,230,501.68 |
| Retained earnings | 111. €587,475.50 |
| **Amount to allocate** | **€112,817,976.98** |
| **Proposed allocation** | |
| Dividends equal to €0.45 per share (x 26,741,040) | €12,033,468.00 |
| Retained earnings | €100,784,508.98 |
| **Total** | **€112,817,976.98** |

The General Meeting notes that the gross overall dividend for each share is set at €0.45. If paid to natural persons who are tax residents of France, this dividend is subject to either a single flat-rate deduction on the gross dividend at the flat rate of 12.8% (article 200 A of the French General Tax Code) or, at the taxpayer's express, irrevocable and general request, to income tax based on the progressive scale after, notably, a 40% relief (article 200 A, 13 and 158 of the French General Tax Code). Dividends are also subject to social security contributions at a rate of 17.2%.

The dividends to pay will be detached on 8 June 2021 and paid on 10 June 2022. It is stipulated that if, when these dividends are detached, the Company holds some of its own shares, the sums corresponding to the dividends not paid in the amount of these shares will be assigned to "retained earnings".

In accordance with the law, the General Meeting notes that the dividends distributed during the previous three financial years were as follows:

| Financial year ended | Dividend per share in euros | Income eligible or otherwise for tax relief |
|---|---|---|
| 31 December 2018 | 0.30 | Relief of 40% where applicable |
| 31 December 2019 | 0.195 | Relief of 40% where applicable |
| 31 December 2020 | 0.45 | Relief of 40% where applicable |

## Fifth resolution

*(Approval of the renewal of the agreement concerning the provision of financial appraisal services with COUTIER DEVELOPPEMENT appearing in the Statutory Auditors' special report).*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting, having familiarised itself with the Statutory Auditors' special report on the agreements and commitments stated in articles L. 225-86 et seq. of the French Commercial Code, approves the renewal of the market-making agreement, which occurred during the financial year between the Company and COUTIER DEVELOPPEMENT.

## Sixth resolution

*(Approval of the renewal of the agreement concerning the provision of financial appraisal services with COUTIER DEVELOPPEMENT appearing in the Statutory Auditors' special report).*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting, having familiarised itself with the Statutory Auditors' special report on the agreements and commitments stated in articles L. 225-86 et seq. of the French Commercial Code, approves the renewal of the technical services agreement, which occurred during the financial year between the Company and COUTIER DEVELOPPEMENT.

## Seventh resolution

*(Approval of the renewal of the agreement concerning the provision of financial appraisal services with ATF appearing in the Statutory Auditors' special report).*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting, having familiarised itself with the Statutory Auditors' special report on the agreements and commitments stated in articles L. 225-86 et seq. of the French Commercial Code, approves the renewal of the agreement concerning the provision of financial appraisal services, which occurred during the financial year between the Company and ATF.

## Eighth resolution

*(Approval of the renewal of the agreement concerning the provision of premises and legal and administrative assistance services with COUTIER DEVELOPPEMENT appearing in the Statutory Auditors' special report).*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting, having familiarised itself with the Statutory Auditors' special report on the agreements and commitments stated in articles L. 225-86 et seq. of the French Commercial Code, approves the renewal of the agreement concerning the provision of premises and legal and administrative assistance services, which occurred during the financial year between the Company and COUTIER DEVELOPPEMENT.

## Ninth resolution

*(Approval of the renewal of the agreement concerning the provision of premises and legal assistance services with COUTIER SENIOR appearing in the Statutory Auditors' special report).*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting, having familiarised itself with the Statutory Auditors' special report on the agreements and commitments stated in articles L. 225-86 et seq. of the French Commercial Code, approves the renewal of the agreement concerning the provision of premises and legal assistance services, which occurred during the financial year between the Company and COUTIER SENIOR.

## Tenth resolution

*(Renewal of the mandate of Mr André Coutier as a member of the Supervisory Board)*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting, having familiarised itself with the Executive Board's report, and observing that the mandate of member of the Supervisory Board of:

- Mr André Coutier,

ends today, renews this mandate for a further period of three (3) years to end after the Ordinary General Meeting of shareholders convened to approve the financial statements for the financial year ending 31 December 2024, to be held in the year 2025.

## Eleventh resolution

(Renewal of the mandate of Ms Geneviève Coutier as a member of the Supervisory Board)

Ruling under the quorum and majority conditions for ordinary general meetings, the General Meeting, having familiarised itself with the Executive Board's report, and observing that the mandate of member of the Supervisory Board of:

- Ms Geneviève Coutier,

ends today, renews this mandate for a further period of three (3) years to end after the Ordinary General Meeting of shareholders convened to approve the financial statements for the financial year ending 31 December 2024, to be held in the year 2025.

## Twelfth resolution

(Renewal of the mandate of Ms Emilie Coutier as a member of the Supervisory Board)

Ruling under the quorum and majority conditions for ordinary general meetings, the General Meeting, having familiarised itself with the Executive Board's report, and observing that the mandate of member of the Supervisory Board of:

- Ms Emilie Coutier,

ends today, renews this mandate for a further period of three (3) years to end after the Ordinary General Meeting of shareholders convened to approve the financial statements for the financial year ending 31 December 2024, to be held in the year 2025.

## Thirteenth resolution

*(Renewal of the mandate of Mr Nicolas Job as a member of the Supervisory Board)*

Ruling under the quorum and majority conditions for ordinary general meetings, the General Meeting, having familiarised itself with the Executive Board's report, and observing that the mandate of member of the Supervisory Board of:

- Mr Nicolas Job,

ends today, renews this mandate for a further period of three (3) years to end after the Ordinary General Meeting of shareholders convened to approve the financial statements for the financial year ending 31 December 2024, to be held in the year 2025.

## Fourteenth resolution

*(Renewal of the mandate of COUTIER DEVELOPPEMENT as a member of the Supervisory Board)*

Ruling under the quorum and majority conditions for ordinary general meetings, the General Meeting, having familiarised itself with the Executive Board's report, and observing that the mandate of member of the Supervisory Board of:

- COUTIER DEVELOPPEMENT, a French *société anonyme* with an Executive Board and Supervisory Board capitalised at €46,249,840, headquartered at 975, route des Burgondes at 01410 CHAMPFROMIER and registered on the Trade and Companies Register of Bourg-en-Bresse under number 395 006 398,

ends today, renews this mandate for a further period of three (3) years to end after the Ordinary General Meeting of shareholders convened to approve the financial statements for the financial year ending 31 December 2024, to be held in the year 2025.

## Fifteenth resolution

*(Approval of the information mentioned in article L.22-10-9 of the French Commercial Code appearing in the corporate governance report).*

Ruling under the quorum and majority conditions required for Ordinary General Meetings, the General Meeting, having familiarised itself with the corporate governance report, approves, in accordance with the provisions of article L.225-68 of the French Commercial Code and article L.22-10-34-I of the French Commercial Code, the information mentioned in article L.22-10-9 of the French Commercial Code as presented in the corporate governance report appearing in the annual financial report concerning the 2021 financial year.

## Sixteenth resolution

*(Approval of the fixed and variable items comprising the total remuneration and benefits of any nature paid in respect of the 2021 financial year or awarded in respect of the same financial year to Mr Mathieu Coutier, President of the Executive Board.*

The General Meeting, deliberating in accordance with article L. 22-10-34 II of the French Commercial Code and under the quorum and majority conditions required for ordinary general meetings, having familiarised itself with the corporate governance report referred to in article L.225-68 of the French Commercial Code, approves the fixed and variable items making up the total remuneration and benefits of any nature paid during the 2021 financial year or granted in respect of that same fiscal year, to Mr. Mathieu Coutier in respect of his mandate as President of the Executive Board, as presented in the corporate governance report and included in the annual financial report for 2021.

## Seventeenth resolution

*(Approval of the fixed and variable items comprising the total remuneration comprising the remuneration and benefits of any nature paid in respect of the 2021 financial year or awarded in respect of the same financial year to Mr Jean-Louis Thomasset, Vice-President of the Executive Board).*

The General Meeting, deliberating in accordance with the quorum and majority conditions required for ordinary general meetings, having familiarised itself with the corporate governance report of the company referred to in article L.225-68 of the French Commercial Code, approves, pursuant to article L. 22-10-34 II of the French Commercial Code, the fixed and variable items of the total remuneration and benefits of any nature paid in fiscal year 2021 or granted in respect of that same fiscal year to Mr. Jean-Louis Thomasset in respect of his mandate as Vice-President of the Executive Board of the Company, as presented in the corporate governance report and included in the annual financial report for 2021.

## Eighteenth resolution

*(Approval of the fixed and variable items comprising the total remuneration comprising the total remuneration and benefits of any nature paid in respect of the 2021 financial year or awarded in respect of the same financial year to Mr Benoît Coutier, Member of the Executive Board).*

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having familiarised itself with the corporate governance report of the company referred to in article L.225-68 of the French Commercial Code, approves, pursuant to article L. 22-10-34 II of the French Commercial Code, the fixed and variable items of the total remuneration and benefits of any nature paid during the 2021 financial year or granted in respect of that same fiscal year to Mr. Benoit Coutier in respect of his mandate as a member of the Executive Board of the Company, as presented in the corporate governance report and included in the annual financial report for 2021.

## Nineteenth resolution

*(Approval of the fixed and variable items comprising the total remuneration comprising the remuneration and benefits of any nature paid in respect of the 2021 financial year or awarded in respect of the same financial year to Mr Nicolas Coutier, Member of the Executive Board).*

The General Meeting, deliberating in accordance with the quorum and majority conditions required for ordinary general meetings, having familiarised itself with the corporate governance report of the company referred to in article L.225-68 of the French Commercial Code, approves, pursuant to article L. 22-10-34 II of the French Commercial Code, the fixed and variable items of the total remuneration and benefits of any nature paid during the 2021 financial year or granted in respect of that same fiscal year to Mr. Nicolas Coutier due in respect of his mandate as a member of the Executive Board of the Company, as presented in the corporate governance report and included in the annual financial report for 2021.

## Twentieth resolution

*(Approval of the fixed and variable items comprising the total remuneration comprising the remuneration and benefits of any nature paid in respect of the 2021 financial year or awarded in respect of the same financial year to Mr Frédéric Marier, Member of the Executive Board).*

The General Meeting, deliberating in accordance with the quorum and majority conditions required for ordinary general meetings, having familiarised itself with the corporate governance report of the company referred to in article L.225-68 of the French Commercial Code, approves, pursuant to article L. 22-10-34 II of the French Commercial Code, the fixed and variable items comprising the total remuneration and benefits of any nature paid during the 2021 financial year or granted in respect of that same fiscal year to Mr. Frédéric Marier in respect of his mandate as a member of the Executive Board of the Company, as presented in the corporate governance report and included in the annual financial report for 2021.

## Twenty-first resolution

*(Approval of the fixed and variable items comprising the remuneration and benefits of any nature paid in respect of the 2021 financial year or awarded in respect of the same financial year to Mr André Coutier, President of the Supervisory Board).*

The General Meeting, deliberating in accordance with the quorum and majority conditions required for ordinary general meetings, having familiarised itself with the corporate governance report of the company referred to in article L.225-68 of the French Commercial Code, approves, pursuant to article L. 22-10-34 II of the French Commercial Code, the fixed and variable items comprising the total remuneration and benefits of any nature paid during the 2021 financial year or granted in respect of that same fiscal year to Mr. André Coutier in respect of his mandate as President of the Supervisory Board of the Company, as presented in the corporate governance report and included in the annual financial report for 2021.

## Twenty-second resolution

*(Approval of the policy on remuneration for members of the Executive Board).*

The General Meeting, deliberating in accordance with the quorum and majority conditions required for ordinary general meetings, having familiarised itself with the Supervisory Board's corporate governance report referred to in article L.225-68 of the French Commercial Code describing the items of the remuneration policy for corporate officers, approves, pursuant to article L.22-10-26 of the French Commercial Code, the remuneration policy for members of the Executive Board as presented in the above-mentioned report, appearing in the annual financial report for 2021.

## Twenty-third resolution

*(Approval of the policy on remuneration for members of the Supervisory Board).*

The General Meeting, deliberating in accordance with the quorum and majority conditions required for ordinary general meetings, having familiarised itself with the Supervisory Board's corporate governance report referred to in article L.225-68 of the French Commercial Code describing the items of the remuneration policy for corporate officers, approves, pursuant to article L.22-10-26 of the French Commercial Code, the remuneration policy of the Supervisory Board as presented in the above-mentioned report, appearing in the annual financial report for 2021.

## Twenty-fourth resolution

*(Authorisation granted to the Executive Board to buy back shares of the company).*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting, having familiarised itself with the Executive Board's report, authorises the Executive Board, having the option to subdelegate, to acquire shares in the Company in accordance with the conditions and obligations laid out in the provisions of article L.22-10-62 et seq. of the French Commercial Code and articles 241-1 to 241-6 of the General Regulation of the Autorité des Marchés Financiers.

The Company may acquire on- or off-market its own shares and sell all or part of the shares acquired, while observing the following limits:

- The total number of shares held shall not exceed 0.5% of the total number of shares comprising the share capital, it being noted that this limit will apply to an amount of the Company's share capital, which, where applicable, would be adjusted to take into account the transactions affecting the share capital during the approval period; the acquisitions made by the Company must not under any circumstances lead it to hold, directly or indirectly, more than 0.5% of its own share capital;
- The number of shares accounted for in calculating the 0.5% limit specified above corresponds to the number of shares purchased, minus shares resold during the approval period;
- The unit purchase price shall not exceed €50.00 (exclusive of acquisition costs). The Executive Board may, however, having the option to subdelegate, adjust the maximum purchase price mentioned above in the event of incorporating reserves, profits or premiums on share issues, mergers or contributions, or any other sums whose incorporation would be permitted, giving rise to either an increase in the nominal value of the shares, or to the creation and bonus award of shares, as well as in the event of the division of the nominal value of the shares, a consolidation of shares or any other transactions with an impact on share capital to take account of the impact of these operations on the share value;
- The acquisition, sale or transfer of shares may be realised by any means, on the market or by mutual agreement, including the acquisition or sale of share blocks, under the conditions approved by the market authorities. These operations may be conducted at any time in compliance with enforced legal requirements and regulations.

All powers are given to the Executive Board, with the option to subdelegate, to:

- Decide whether it is advisable to implement this delegation of powers;
- Determine the conditions and procedures of acquisition and sale including mainly the price of purchased shares;
- Conduct, by any means, the acquisition, sale or transfer of these shares, submit any stock exchange orders;
- Complete any agreement, in particular for the purpose of maintaining records of the sale and purchase of shares, making all due diligence declarations to the *Autorité des Marchés Financiers* or any other body, completing all procedures;
- Issue and publish the press release on the implementation of the repurchase programme;
- In general, make all necessary endeavours to execute and implement this decision.

This authorisation is valid for a period of 18 months starting from the date of this Meeting, i.e. until 25 November 2023.

This authorisation shall interrupt, with immediate effect, and replace the authorisation conferred by the Ordinary General Meeting of 26 May 2021.

## Twenty-fifth resolution

*(Powers to complete formalities).*

Ruling under the quorum and majority conditions required for ordinary general meetings, the General Meeting confers full powers on the holder of copies of extracts of the present statement to fulfil all legal formalities.

AKWEL-AUTOMOTIVE.COM

975, route des Burgondes
01410 Champfromier
France
TEL +33 (0)4 50 56 98 98