# 2022

# ANNUAL REPORT


AKWEL

EFFICIENT AUTOMOTIVE
SOLUTIONS

# CONTENTS

## MESSAGE FROM THE PRESIDENT OF THE EXECUTIVE BOARD

Dear Sir/Madam,

COUTIER was founded in August 1972 and in August 2022 we all took immense pride in celebrating the Group's 50th anniversary together. We have come a long way since the purchase of the first injection press for manufacturing customised products through to the current transformation to position AKWEL in tomorrow's mobility. The celebration of this anniversary and longevity was not the only point of satisfaction during the year.

Continuing on from 2021, there was significant progress on many other topics on the operational front. We improved the safety of our teams, with accident frequency halved in three years. We served our customers more effectively, with more products delivered on time and a level of quality never before achieved. We continued our efforts to be a more socially responsible company with the implementation of our "AKWEL being" programme to be responsible, more sustainable and more humanly committed. We found that the adaptation of our products and our industrial facilities, financed by our shareholders, bore fruit through new orders and new developments for tomorrow's decarbonised vehicles.

Despite revenue growth, 2022 was a difficult year from a financial perspective, including a significant decline in profitability. To guarantee our customers' deliveries in a continually unstable environment, we suffered very high inflation in our supply costs (commodities, components, transport and packaging) and our production costs (wages, energy), which we succeeded in passing on, late and partially, to our customers.

Although not everything transpired as we would have liked, I would like to sincerely thank all of our Akwelis[*], who were not discouraged and maintained their commitment to the Group and its values. Together, they faced the challenges and continued to forge ahead as a team to find solutions to our problems.

In 2023, with the same energy, we will confirm the good momentum achieved in improving the safety of teams and tools, customer satisfaction, product and industrial repositioning, and continue moving towards a more socially responsible approach. To achieve this, we have formalised the 2028 targets that we aim to achieve on many subjects. For example, we are targeting a frequency rate of 2.9 on the safety of people and ISO 27001 certification (cybersecurity) for our operations. We also plan to reduce our carbon emissions by 40% in scopes 1 & 2 and 20% in our water consumption. Concerning the Group's competitiveness, we will limit the increases suffered and their impact on profitability, and improve the rate of pass-on to our customers to reverse the trend, despite the substantial uncertainties on this subject.

Ultimately, we will continue the adventure that began half a century ago and work together, with the desire to continue being a responsible company with sustainable, lasting and profitable growth.

Mathieu Coutier
President of the Executive Board

[*] AKWEL employee(s)

# 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 |
| Émilie Coutier | Member |
| COUTIER DEVELOPPEMENT represented by Christophe Coutier | Member |
| Guillaume Wesolowski (*) | Member |
| Anne Vignat Ducret | Member |

(*) Member elected by employees.

In section *2.1.1.2.* of the Supervisory Board's Report on Corporate Governance, including the Supervisory Board's observations on the management report and the financial statements for the reporting period, you will find information indicating their age, their status as independent, as a member of the Audit Committee and the CSR and Remuneration Committee, the number of shares they hold in the Company, the expiry date of their offices held within the Company, and positions and offices held in other companies, listed or otherwise.

## 2. Executive Board

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

In the section *2.2.1.2.* of the Supervisory Board's Report on Corporate Governance, including the Supervisory Board's observations on the management report and the financial statements for the reporting period, you will find information indicating their age, the number of shares they hold in the Company, the expiry date of their offices held within the Company, and the positions and offices held in other companies, listed or otherwise.

## 3. Executive Committee

| | |
|---|---|
| Sébastien Boivin | Purchasing VP |
| Benoit Coutier | Member of the Executive Board - Legal VP |
| Mathieu Coutier | President of the Executive Board |
| Nicolas Coutier | Member of the Executive Board - Business Development VP |
| Maxime Delorme | Operation VP |
| Thierry Foubert | Operation VP |
| Pierre Gaillard | Human Resources Director |
| Véronique Guiboud-Ribaud | Information Technology VP |
| Sylvain Jaquet | Operation VP - Product Line Director |
| Gilles Kern | Quality, Safety, Environment and Energy VP |
| Philippe Mao | Operation VP |
| Frédéric Marier | Member of the Executive Board - Manufacturing Performance VP |
| Ludovic Mercier | Marketing and Sales VP |
| Alfredo Soto | Operation VP |
| Grégory Voisin | Financial VP |

## 4. Auditors

| | Date of first appointment | Date of reappointment | Mandate end date (ordinary general meeting called to approve the financial statements to) |
|---|---|---|---|
| **Permanent Auditors** | | | |
| **ORFIS**<br>**Jean-Louis Flèche**<br>79, boulevard Stalingrad<br>69100 Villeurbanne | 24 June 2005 | 30 May 2018 | 31 December 2023 |
| **MAZARS**<br>**Jérôme Neyret**<br>109, rue 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 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 delivers a genuine image of the capital, the financial situation and the Company's profit/loss, as well as the whole 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 as well as presents a description of the main risks and uncertainties to which they are confronted.

Mathieu Coutier
President of the Executive Board

## Financial Information Manager

Grégory Voisin, Financial VP

Tel.: + 33 (0)4 50 56 98 16

# REPORTS BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD

# MANAGEMENT REPORT BY THE EXECUTIVE BOARD PRESENTED AT THE COMBINED GENERAL MEETING OF THURSDAY 25 MAY 2023

Ladies and Gentlemen,

In accordance with legal and regulatory provisions and the Company's articles of association, the Executive Board met with you at a Combined General Meeting to report on the management of your company and its subsidiaries and to submit for your approval the financial statements as at 31 December 2022.

Notices have been duly sent to you and all documents and items provided for by the regulations in force and relating 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 year of extensive disruption

With the automotive production market slightly recovering but still subject to high pressure on supplies of raw materials and electronic components, the Group generated revenue of €990.5 million, up +7.4% on a reported basis compared to the previous year. This remains around 10% lower than 2019, the last financial year before the pandemic and the fall in global markets. On a like-for-like basis, the increase in annual revenue was +11.3%. Currency fluctuations resulted in an annual impact of -€38.2m, with the Turkish lira accounting for -€72.7m and the US dollar accounting for +€33.2m. The Group continues to benefit from market share gains and healthy business with several strategic clients. Growth was driven by activity in North America, which rose 27%. The most dynamic product lines are cooling, washing systems and air intake 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 65.9% of business, versus 67.6% in 2021 (at a constant scope). In total, the Group's top 10 customers accounted for 87.9% of revenue (88.5% in 2021). It should be noted that customers located in France accounted for 20.5% of the Group's sales in 2022, compared with 21.3% in 2021. The biggest increase by value was achieved with US customers, which now account for 21.5% of the Group's sales (19.2% in 2021). For the first time, the US became the Group's largest market in terms of sales.

### 1.1.2. The 2022 financial year highlights

The Group, which has no activity in Russia and Ukraine, has not suffered any direct consequences resulting from the conflict in Ukraine.

Over the last financial year, the major operations and events in terms of the scope of business or organisation are as follows:

- lack of visibility on customers' forecast needs, including those that were confirmed or were subject to logistical protocols;
- supply difficulties regarding electronic components, due to global demand exceeding supply;
- accentuation of the increases in prices of raw materials and components, as well as cyclical increases (transport, energy, wages);
- order intakes, which remained at a satisfactory level, particularly in electric vehicles;
- acceleration of Safety, Quality, Energy and Environment initiatives;
- disposal of the stake in Sinfa Câbles in Morocco;
- sale of the Birmingham site (United Kingdom);
- purchase of a new production site in Bulgaria.

## 1.2. Analysis of the consolidated financial statements

The consolidated key figures for the 2022 financial year are as follows:

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Revenue excluding tax | 990.5 | 922.5 |
| Current operating income | 38.6 | 75.2 |
| Operating income | 37.7 | 70.4 |
| **Net income Group share** | **11.1** | **51.2** |
| **Cash flow** | **46.9** | **92.5** |

The added value rate totalled 36.1% of revenue, versus 40.7% in 2021. This substantial decrease is mainly due to significant increases in the purchase prices of raw materials and components, which were only reflected in sales prices partially and late. Energy and transportation costs also increased.

Personnel expenses, including temporary workers and any employee profit-sharing, were €272.4 million, an increase of 6.8% compared to the previous financial year. The increase is mainly due to wage inflation and the increase in business in North America.

EBITDA was €81.3 million, down 30.6% compared to the previous financial year. At 8.2% of revenue, 2022 EBITDA was down 4.5 points compared to 2021.

Allowances for amortisation were €39.7 million, versus €42.5 million in 2021.

Net allowances for provisions were €(2.9) million, versus €0.7 million in 2021. 2022 was marked by the additional recognition of allowances for provisions for warranty return risks in the amount of €5.2 million.

Current operating profit stands at €38.6 million, a 48.7% decrease compared to the previous financial year. At 3.9% of revenue, the level of profitability for 2022 was down sharply compared to the previous year (8.2%).

Other non-recurring income and charges totalled €(1.0) million, versus €(4.9) million in 2021. 2021 was adversely affected by the recognition of an impairment loss of €3.7 million on a portion of Sweden's goodwill. In 2022, other non-recurring income and charges are related to proceeds from the sale of the Birmingham site in the amount of €1.3 million and associated restructuring costs totalling €1.9 million.

The cost of net financial debt increased to €0.6 million compared with €(0.7) million in 2021 due to a €1 million rise in cash income.

Other financial income and charges totalled a significant amount, with a net expense of €12.0 million. Pursuant to IAS 29, the Group recorded a foreign exchange loss on the Turkish subsidiaries' monetary position in the amount of €14.3 million.

The income tax expense was €14.6 million, compared with €16.3 million in 2021.

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

Net income Group share was €11.1 million, compared with €51.2 million in 2021. Net margin was 1.15%, down sharply compared to 2021 (5.5%).

The net cash position including lease obligations was €113.7 million, compared with €98.2 million in 2021. This is a new all-time high. The gross cash position was €166.5 million, compared with €167.4) million in 2021.

## 1.4. Investment policy

Shareholders' equity totalled €597.6 million, versus €571.2 million during the previous financial year. This covers 69.0% of the balance-sheet total (and over 85% excluding cash assets).

Non-financial investments amount to €33.2 million versus €28.9 million in the previous financial year.

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

There have been no significant events since the close of the financial year and the date of preparation of the management report.

Given the absence of activities in Ukraine and Russia, the Group does not anticipate any direct or indirect consequences on its business.

Activity at the Daman site (India) is expected to cease in the second quarter of 2023 and may take the form of a site closure or a disposal.

## 1.6. Foreseeable developments and future prospects

The 2023 financial year should continue to be characterised by an inflationary environment, with the continued impact of increases on certain materials and electronic components, as well as the increase in wage costs, which will be partially reflected and belatedly in sales prices. The lack of visibility on manufacturers' production will also continue to lead to efficiency losses in our plants and, therefore, additional production costs. Despite this context, the Group expects revenue to increase compared to 2022.

## 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 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 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.

##### *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 of vehicle purchasing, trade agreements, regulatory changes and labour relations (including strikes and work disruptions).

Moreover, the Group generates 60.4% of its business directly with two automobile 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, 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 high 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 and cause a decrease in sales.

Such a situation could have a major 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 direct supplier, the top five and the top ten respectively account for 4%, 16% and 27% 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, conducting audits of 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 plant 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 various origins, many of which are outside the Group's control, including:

- loss of power and failure of telecommunications systems;
- errors, failures, defects or interruptions 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.

In order to plan ahead for cyber-attacks, cyber threats and cyber espionage, information system security has been enhanced by implementing a Security Policy (ISSP) with technical protections (firewalls, antivirus) to prevent 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

In order to prevent the occurrence or limit the impact of such risks, the Group implements the following measures, in particular:

- technology monitoring to systematically learn about the most recent techniques 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, 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 (39.9% of business), the US dollar (30.2%) and the Turkish lira (10.8%).

Potential effects on the Group

This risk has a low impact on the Group.

Risk management

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. Furthermore, AKWEL's cash is monitored daily and 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 otherwise to the automotive market and international geopolitical relations.

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

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

In addition, 2022 also saw significant increases in transport and energy, all of which was reflected in the final price of the product purchased.

Potential effects on the Group

As it is not always able to reflect the entire increase in raw materials and energy 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 and energy, this is possible in practice after negotiations on a case-by-case basis and most changes are reflected with an average delay of six months.

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 *13 Trade accounts receivable and other assets linked to customer* contracts).

At 31 December 2022, late payments totalled €4.5 million, or 0.5% 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 concerning 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 they are established.

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 liability insurance, with the exception of new claims relating to SCR tanks;
- 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 2022, 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 2022.

### 1.9. Research and development activity

In 2022, the Group continued devoting significant resources to Research and Development. The costs of Research and Development rose to €58.5 million, 5.9% of consolidated revenue, compared to €55.9 million in 2021.

The costs related to Research and Development have been 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 €1.1 million (€1.4 million in 2021).

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 carbon 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 amounts to €323.5 million, an increase of 1.7% compared to the previous year. The Company's business was resilient given the decline in diesel engines and the fall in automotive production in Europe (-1.3%) due to shortages of materials and electronic components. However, it seems important to note that the Company's revenue growth is down in both 2022 and 2021 compared to Group growth, which demonstrates the difficulty in taking new orders from production sites located in France.

Added value stands at €74.2 million, an increase of 7.2% compared to the previous year. It stands at 22.9% compared to 21.7% and is due to a significant decrease in warranty costs, which offset the deterioration of increases in the purchase prices of materials and certain components that could not be fully and simultaneously reflected in sales prices.

Taxes and charges totalled €3.6 million, down 23.9% compared to the previous year due in particular to higher ceilings than in 2021.

Personnel costs were €60.3 million, down 4.3%. They totalled 18.7% of revenue compared with 19.8% in 2021 due to the adaptation of resources to business volumes.

EBITDA amounted to €10.1 million versus €1.4 million over the preceding financial year. This level is a direct reflection of the costs and events described above. Allowances for amortisation were €10.5 million, versus €11.3 million in 2021. This increase is logical given the reduction in investment levels for several financial years.

Net allowances (net reversals) for provisions were €(0.6) million, versus €(7.8) million in 2021.

Given the previous items, operating income was €(1.5) million, compared with €(2.6) million in 2021. 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 €(8.0) million, compared with €2.1 million in 2021. The Company benefited from strong growth in income from participating interests, as well as from asset and current account impairments (Sweden, Thailand), which had a very negative impact on financial income. Extraordinary income was €(3.7) million due to business disposals.

During the financial year, the Company posted a tax profit of €0.3 million versus €0.9 over the preceding financial year. A Research Tax Credit was recognised in the amount of €1.1 million (€1.3 million in 2021).

Taking the previous items into account, the Company's net income totalled €(13.0) million.

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

The balance-sheet total was €446.0 million, compared with €447.1 million in 2021.

Acquisitions of intangible and tangible fixed assets (excluding variations in assets under construction) totalled €6.8 million, versus €6.3 million during the previous financial year. This change reflects a recovery in investments over the current financial year.

Acquisitions of financial assets amounted to €37.8 million compared with €5.8 million in the previous financial year, as the financial needs of the Company's subsidiaries increased.

Taking the aforementioned items into account, the Company's net debt totalled €173.7 million, versus €146.3 million in 2021. Note the sharp decrease in outstanding loans for the year, from €54.6 million to €40.6 million in 2022. This level of debt still seems very reasonable relative to the size, assets and profitability of the Company and Group, particularly because €166.9 million, or 97%, is accounted for by intragroup financing (versus €133.5 million in 2021).

Shareholders' equity before profit distribution stands at €147.0 million against €172.9 million over the preceding year. Shareholders' equity accounts for 33.0% 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.*

## 2.4.Foreseeable developments and future prospects

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

## 2.5.Research and development activity

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

## 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 €(12,987,890.35).

This loss will be assigned to retained earnings, which as a result will decline from €100,787,228.78 to €87,799,338.43.

It is also proposed to distribute to shareholders as dividends the sum of €8,022,312, or a gross dividend per share of €0.30.

This sum will be fully deducted from retained earnings, which as a result will total, after allocation, €79,777,026.43.

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 2019 | 0.195 | Relief of 40% where applicable |
| 31 December 2020 | 0.45 | Relief of 40% where applicable |
| 31 December 2021 | 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 €31,288 and which resulted in taxation of €7822 (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 | 622 | 100.00 | 762 | 762 |
| AKWEL MATEUR TUNISIA SARL | 14,901 | 100.00 | 4,424 | 4,424 |
| AKWEL NINGBO CHINA CO, LTD | 27,692 | 100.00 | 10,511 | 10,511 |
| AKWEL CORDOBA ARGENTINA SA | (175) | 100.00 | 13,925 | - |
| AKWEL BURSA TURKEY OTOMOTIVE A.S. | 22,766 | 100.00 | 6,721 | 6,721 |
| AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA | 3,319 | 100.00 | 13,919 | 4,218 |
| AKWEL BIRMINGHAM UK LTD | 145,071 | 100.00 | 96,517 | 96,517 |
| AKWEL VIGO SPAIN S.L | 43,742 | 100.00 | 4,772 | 4,772 |
| AKWEL MEXICO SA DE CV | (5,290) | 100.00 | 6 | - |
| AKWEL TIMISOARA ROMANIA SRL | 50,510 | 100.00 | 1,963 | 1,963 |

| | | | | |
|---|---|---|---|---|
| MGI COUTIER ILIA CO PJS | - | 50.00 | 1,164 | - |
| AKWEL TOOLING FRANCE | 4,612 | 100.00 | 895 | 895 |
| AKWEL USA INC | 432,902 | 100.00 | 28,402 | 28,402 |
| AKWEL VANNES FRANCE | 3,923 | 100.00 | - | - |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD | 435 | 100.00 | 2,597 | - |
| AKWEL AUTOMOTIVE SWEDEN AB | 3,921 | 100.00 | 32,881 | - |
| AKWEL PAREDES DE COURA (PORTUGAL) UNIOESSOAL, LDA | 21,045 | 100.00 | 7,350 | 7,350 |
| AKWEL EL JADIDA MOROCCO SARL | 2,763 | 100.00 | 7,265 | 2,919 |
| AKWEL RAYONG (THAILAND) CO, LTD | 719 | 100.00 | 7,925 | - |
| AKWEL VIDIN (BULGARIA) EOOD | 529 | 100.00 | 1,000 | 529 |
| AKWEL WUHAN AUTO PARTS CO, LTD | 16,151 | 100.00 | 3,260 | 3,260 |
| HOLDING ENRICAU | 5,250 | 21.47 | 1,717 | - |
| BIONNASSAY REAL ESTATE | 536 | 50.00 | 67 | 67 |
| Other | - | - | 10 | 10 |
| **Total** | **795,944** | **-** | **248,053** | **173,320** |

| (in thousands of Euros) | Gross advances granted (1) (2) | Revenue at 31/12/22 | Net income at 31/12/2022 | Dividends paid by the Company in 2022 | Approvals & Guarantees |
|---|---|---|---|---|---|
| **AKWEL and subsidiary holdings** | | | | | |
| SCI PAYS DE BRAY SUD | (563) | 95 | 54 | - | - |
| AKWEL MATEUR TUNISIA SARL | - | 40,194 | 1,376 | 1,476 | - |
| AKWEL NINGBO CHINA CO, LTD | (656) | 10,494 | 956 | 1,074 | - |
| AKWEL CORDOBA ARGENTINA SA | 1,132 | 2,359 | 61 | - | - |
| AKWEL BURSA TURKEY OTOMOTIVE A.S. | - | 64,966 | (2,814) | 3,732 | - |
| AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA | - | 3,354 | 486 | - | - |
| AKWEL BIRMINGHAM UK LTD | (100,802) | 6,700 | 2,013 | - | - |
| AKWEL VIGO SPAIN S.L | (12,341) | 90,773 | (2,066) | - | - |
| AKWEL MEXICO SA DE CV | - | 39,809 | 2,367 | - | - |
| AKWEL TIMISOARA ROMANIA SRL | (17,092) | 73,457 | 639 | - | 300 |
| MGI COUTIER ILIA CO PJS | 1,849 | - | - | - | - |
| AKWEL TOOLING FRANCE | (2,911) | 2,318 | 304 | - | - |

| | | | | | |
|---|---|---|---|---|---|
| AKWEL USA INC | - | - | (612) | - | - |
| AKWEL VANNES FRANCE | (97) | 23,460 | 286 | - | - |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD | 3,227 | | | - | - |
| AKWEL AUTOMOTIVE SWEDEN AB | 10,837 | 3,903 | 659 | - | - |
| AKWEL PAREDES DE COURA (PORTUGAL) UNIOESSOAL, LDA | - | 63,995 | 4,060 | 10,089 | - |
| AKWEL EL JADIDA MOROCCO SARL | 10,480 | 9,863 | (38) | - | 672 |
| AKWEL RAYONG (THAILAND) CO, | 13,588 | 16,743 | (2,037) | - | - |
| AKWEL VIDIN (BULGARIA) EOOD | 8,886 | - | (123) | - | - |
| AKWEL WUHAN AUTO PARTS CO, LTD | (1,797) | 5,537 | 612 | .. | .. |
| HOLDING ENRICAU | - | 71,243 | (5,236) | | |
| BIONNASSAY REAL ESTATE | - | | | - | 833 |
| Other | (5,247) | | | - | 400 |
| Total | (91,507) | 529,263 | 947 | 16,371 | 2,205 |

(1) Net values including: Receivables: €74.838 billion
(2) liabilities: €(166.345) billion
(3) Total €(91.507) billion
(4) Receivables from the subsidiaries MGI COUTIER ILIA CO PJS, AKWEL AUTOMOTIVE PUNE INDIA PVT LTD and AKWEL CORDOBA ARGENTINA SA respectively depreciated in the amount of €1.849 million, €675,000 and €1.132 million.

### 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)

During the financial year, the Company acquired a 21.47% stake in HOLDING ENRICAU, a simplified joint stock company with capital of €10,176,989.20 whose registered office is located at 50 rue Jacques Balmat, ZAC DU Grand Bois, VOUGY (74120), registered with the Annecy Trade Register under number 47 773 565 following the contribution of BIONNASSAY M&P TECHNOLOGY shares held by the Company.

### 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 2022 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 its 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.

To the best of the Company's knowledge and on the date this report was prepared, no shareholder other than those mentioned above holds directly or indirectly, alone or jointly, more than 5% of the company's share 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 | From 01/01/2018 to 31/12/2018 | From 01/01/2019 to 31/12/2019 | From 01/01/2020 to 31/12/2020 | From 01/01/2021 to 31/12/2021 | From 01/01/2022 to 31/12/2022 |
|---|---|---|---|---|---|
| **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 | 408,584,745 | 394,715,527 | 325,148,045 | 318,130,181 | 323,462,410 |
| b) Income before tax, employee profit-sharing, amortisation expense and depreciation | 38,067,073 | 38,609,316 | 54,068,390 | 45,030,903 | 8,785,480 |
| c) Income tax | (3,634,513) | (445,577) | (970,038) | (855,039) | (250,798) |
| d) Employee profit-sharing due for the financial year | - | - | - | - | - |
| e) Income after tax, employee profit-sharing, amortisation expense and depreciation | (7,344,242) | (252,561) | 1,193,005 | 1,230,502 | (12,987,890) |
| f) Total dividends | 8,022,312 | 5,214,502 | 12,033,468 | 12,033,468 | 8,022,312[(*)] |
| **Income per share** | | | **Income per share** | | |

| | | | | | |
|---|---|---|---|---|---|
| a) Income after tax, employee profit-sharing but before amortisation expense and depreciation | 1.05 | 0.87 | 0.87 | 0.27 | (0.34) |
| b) Income after tax, employees profit-sharing and amortisation expense and depreciation | (0.27) | (0.01) | 0.04 | 0.05 | (0.48) |
| c) Net dividend assigned to each share | 0.3 | 0.195 | 0.45 | 0.45 | 0.30 (*) |
| **Personnel** | | | | | |
| a) Average number of employees over the financial year | 1,599 | 1,512 | 1,407 | 1,297 | 1,171 |
| b) Total payroll for the financial year | 56,217,645 | 56,239,297 | 44,222,473 | 47,806,567 | 45,749,577 |
| c) Social contributions for the financial year (social security benefits, social welfare etc.) | 21,507,512 | 18,746,143 | 15,065,910 | 15,228,833 | 14,584,691 |

(*) This is the dividend distribution that the Executive Board will propose at the General Meeting of 25 May 2023.

## 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 2022 financial year under the liquidity and market-making contract

We remind you that the liquidity and market-making contract that had been suspended as of 31 July 2020 was terminated as of 7 December 2022.

| 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 2022 | 0 | 0 | 6,044 | 22.0 | 132,968 |
| February 2022 | 0 | 0 | 6,044 | 19.60 | 120,638.24 |
| March 2022 | 0 | 0 | 6,044 | 20.00 | 120,880 |
| April 2022 | 0 | 0 | 6,044 | 17.50 | 105,770.00 |
| May 2022 | 0 | 0 | 6,044 | 18.50 | 111,814.00 |
| June 2022 | 0 | 0 | 6,044 | 16.02 | 96.824,88 |
| July 2022 | 0 | 0 | 6,044 | 17.62 | 106,495.28 |
| August 2022 | 0 | 0 | 6,044 | 18.00 | 108,792.00 |
| September 2022 | 0 | 0 | 6,044 | 14.62 | 88,363.28 |
| October 2022 | 0 | 0 | 6,044 | 14.70 | 88,846.80 |
| November 2022 | 0 | 0 | 6,044 | 16.48 | 99,605.22 |
| December 2022 | 0 | 0 | 0 | 0 | 0 |
| **2022 total** | **0** | **0** | **0** | **-** | **-** |
| **Balance at 31.12.2022** | **-** | **-** | **0** | **-** | **-** |

## 2.17. Description of the share buyback programme

It is proposed to the Combined General Meeting of 25 May 2023 to authorise a programme to buy back the company's shares, the conditions of which would be as follows:

- securities concerned: AKWEL ordinary shares listed on Euronext Paris, compartment B, securities code FR0000053027;
- maximum purchase price: €50 per share;
- the maximum amount of the transaction is therefore set at €133,403,000;
- maximum portion for which the buyback is authorised: 10% of the capital, it being specified that this limit is assessed on the buyback date in order to take into account any capital increase or reduction that may occur during the duration of the programme.

The number of shares taken into account to calculate this limit corresponds to the number of shares purchased, less the number of shares sold for the duration of the programme as part of the liquidity objective;

- maximum duration: 18 months from the date of the General Meeting.

These acquisitions may be made in order to:

- ensure market-making for the company's securities by an investment services provider, acting independently under a liquidity contract in accordance with regulations;
- retain the purchased shares and subsequently deliver them for exchange or payment as part of mergers, demergers, contributions or acquisitions;
- cancel all or part of the shares thusly repurchased, under the conditions provided for by law;

- implement any market practices that may be accepted by the regulations, and more generally to carry out any transaction in compliance with the regulations in force, with the Company informing its shareholders by means of a press release.

These purchases of shares may be carried out by any means, including through the acquisition of blocks of securities, and at such times as the Executive Board may determine.

The Company reserves the right to use optional mechanisms or derivatives within the framework of the applicable regulations.

## 2.18. Treasury shares

At 31 December 2022, the Company held 6,044 shares following the termination of the market-making contract on 7 December 2022.

## 2.19. Share price risk

None.

## 2.20. Financial penalties for anticompetitive practices

None.

## 2.21. 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*.

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

### 2.22.1. 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 | 5,486 | 46 | 48 | 10 | 90 | **194** |
| Total amount of invoices concerned incl. tax | 32,304,775 | 578,922 | 10,364 | 34,744 | 232,856 | **856,886** |
| Percentage of the total amount of purchases during the financial year incl. tax | 10.77% | 0.19% | 0.00% | 0.01% | 0.08% | **0.29%** |
| **(B) Invoices excluded from (A) concerning disputed or unrecognised payables and receivables** | | | | | | |
| Number of invoices excluded | 50 | 31 | 17 | 8 | 107 | **163** |
| Total amount of invoices excluded incl. tax | 105,856 | (88,836) | (5,810) | 16,600 | 88,788 | **10,742** |
| **(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). | | | | | |

### 2.22.2. 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 | 7,055 | 328 | 286 | 273 | 473 | 1,360 |
| Total amount of invoices concerned incl. tax | 57,959,641 | 506,058 | 129,981 | (550,680) | 61,791 | 147,150 |
| Percentage of revenue for the financial year incl. tax | 15.89% | 0.14% | 0.04% | (0.15%) | 0.02% | 0.04% |
| **(B)* Invoices excluded from (A) concerning disputed or unrecognised payables and receivables** | | | | | | |
| Number of invoices excluded | 0 | 27 | 26 | 14 | 196 | 263 |
| Total amount of invoices excluded incl. tax | 0 | 29,127 | 17,865 | 49,306 | 189,275 | 285,573 |

* *of which 81 doubtful debt invoices with a total value of €93,182*

| **(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). |

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

The Company has no branch at 31 December 2022.

## 2.24. 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.

## 2.25. 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.

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). 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.

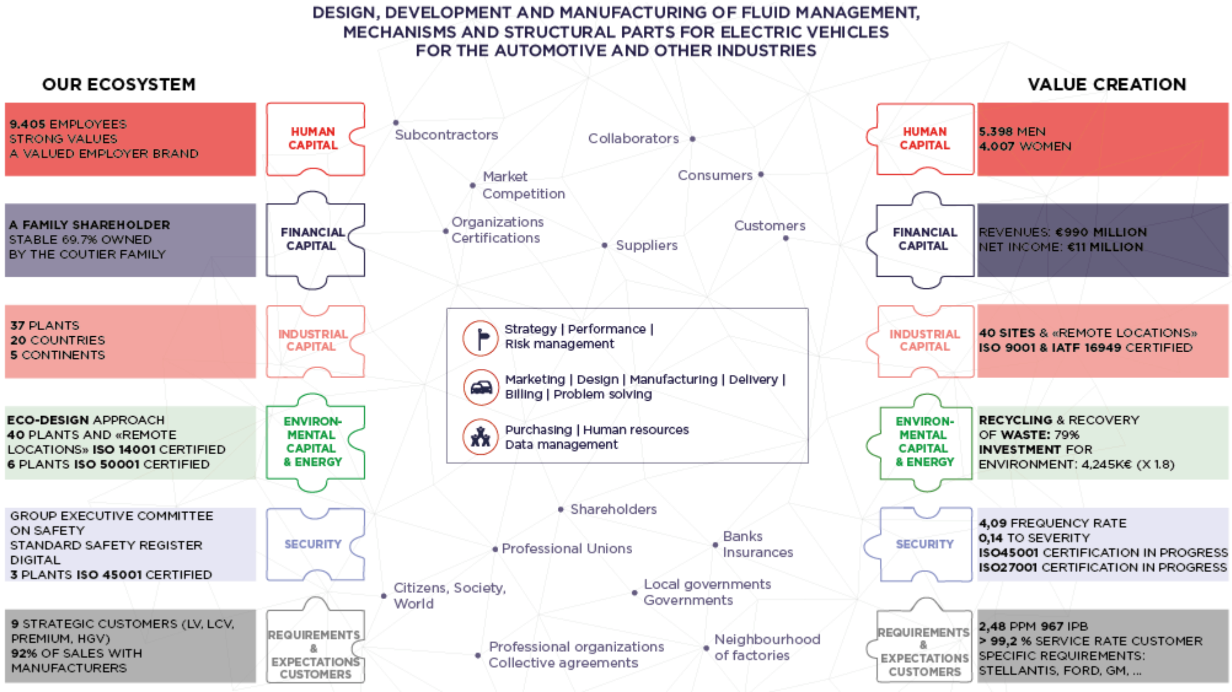
# 4. Filing of non-financial performance

In accordance with articles L.225-102-5 and R.225-105 of the French Commercial Code, the Company is required to produce a Filing of Non-Financial Performance within the Group scope.

The Filing of Non-Financial Performance focuses on detailing 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.

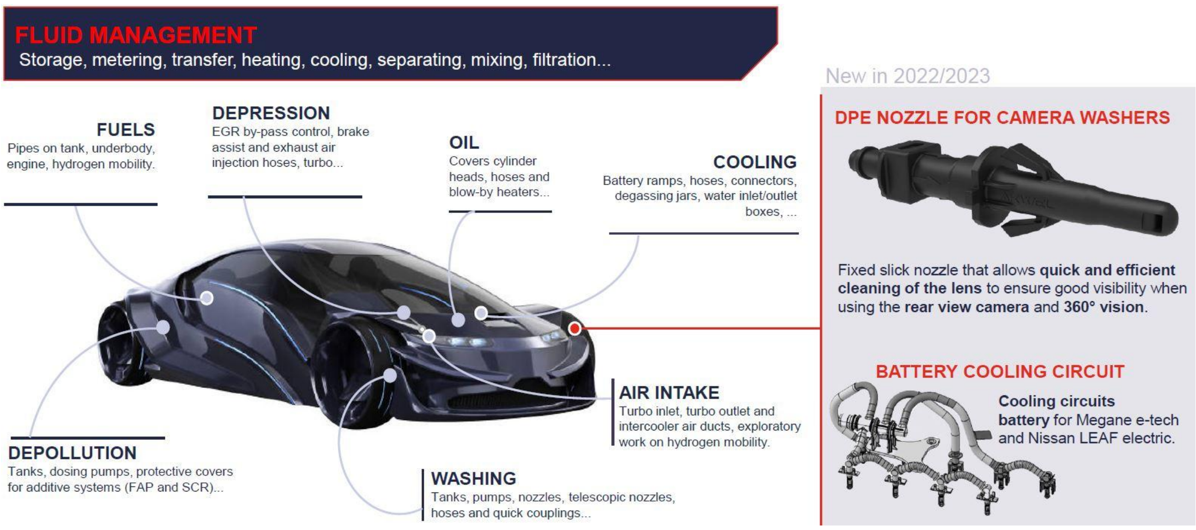
## 4.1. The Group's business model




## 4.2. Presentation of the Group

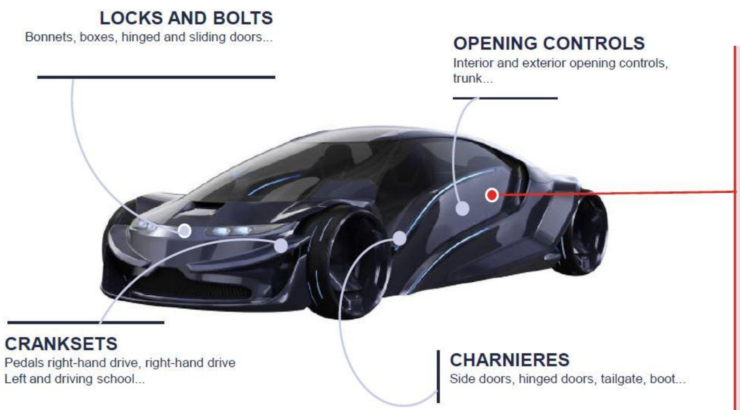
### Tier 1 worldwide components manufacturer

The Group is a components and systems manufacturer for the automotive industry and HGV industry that specialises in fluid management (84% of revenue), mechanisms (14% of revenue) and structural parts of electric vehicles and other vehicles (2% of revenue).



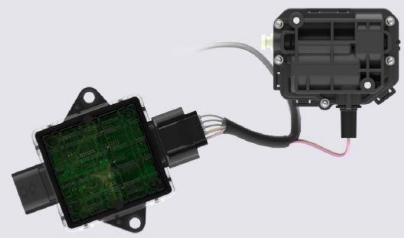
## MECHANISMS

Numerous areas of intervention: bonnet, boot, side doors, swing doors, body, etc.




New in 2022/2023

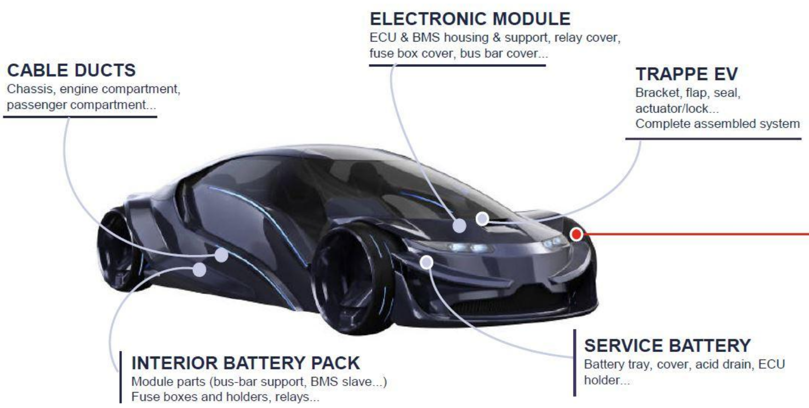
### ACTUATOR AND ELECTRONIC CONTROL



Lineal Low Noise actuator and electronic control unit for the COE Flush.

## STRUCTURAL PARTS FOR ELECTRIC VEHICLES

Complex shapes, specific material (GF/GB, CTI, V0), easy assembly, recycling




### USM COVER FOR CASE ELECTRIC

Cover used to protect the switch module under the cover.

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 GLOBAL CUSTOMERS

AND AROUND 30 BRANDS DISTRIBUTED IN 3 MARKET SEGMENTS (GENERALIST, PREMIUM AND PROFESSIONAL)

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.

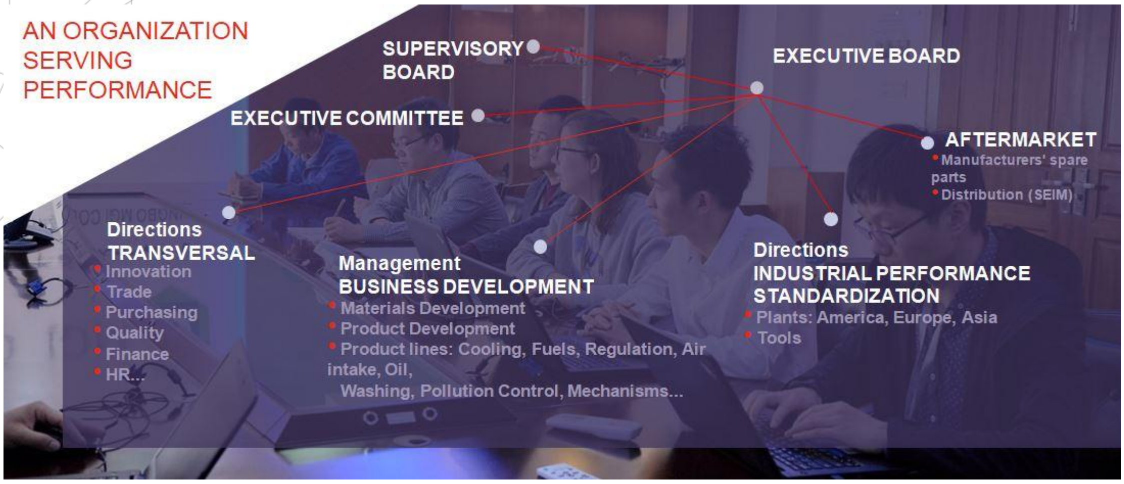

With facilities in 20 countries spanning five continents and 37 manufacturing sites, it provides its customers in the automotive industry with innovative and reliable solutions at competitive prices thanks to the skills of its 9,404 employees.


**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**

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 valuesin 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 President 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 Group's thematic management committees (Safety, Quality, Commitment, Competitiveness and Revenue);
- the Manufacturing Performance Department, in which 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 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 evolutions of its business and its customers;
- maintain the balance and diversity of its teams.

Our organisation is bound by our values 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.


Visit our virtual and experiential museum http://www.akwel.com

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

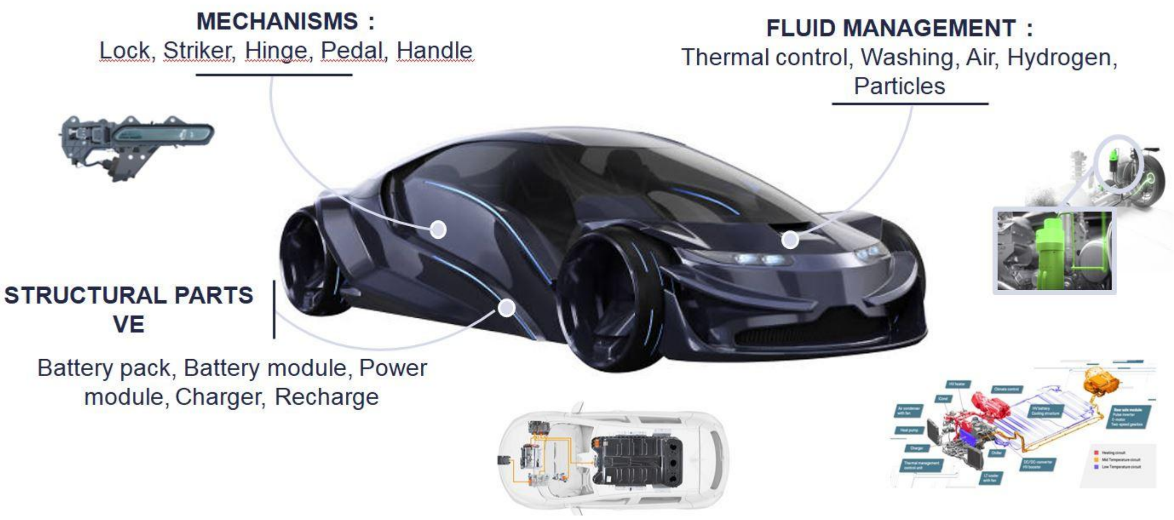
In an automotive market in the midst of a revolution, with deep-seated changes in the car maker ecosystem and the emergence of new types of vehicle, the Group is making every effort to adapt its strategy and continue to offer its 9 strategic customers the innovative solutions that will enable them to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

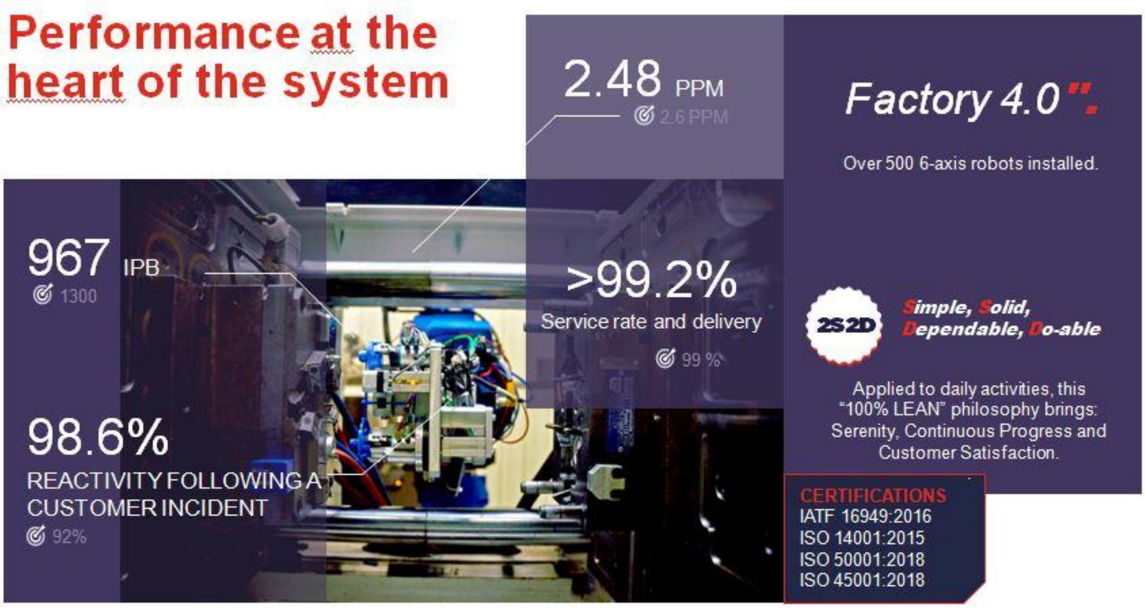
Further major challenges include the globalisation of customers and projects, local production, the arrival of new players, and the more stringent requirements on the environment and risk management. In this context, some products will be forced to evolve while others will disappear, replaced by new products and new solutions. But 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




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 the Company 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,
- the 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.

## 4.3. 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*.

## 4.4. United Nations Sustainable Development Goals (SDG)

In 2015, members of the United Nations defined 17 Sustainable Development Goals that call for action from all countries – poor, rich and middle-income – and set the process to achieve a better and more sustainable future for all.

AKWEL focuses on six of the 17 United Nations Sustainable Development Goals.

## 4.5. Data analysis methodology

Social, societal and environmental indicators are collected from each Group entity in accordance with the operating procedure described in the AKWEL Management System.

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

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

The methodology used follows the GHG Protocol guidelines. Scopes 1 and 2 are consolidated, the reference year for the AKWEL Group is 2021.

Since 2021, our consolidation tool has also enabled us to monitor scope 3 for upstream activities related to the purchase of goods and services. We mainly track our consumption of plastics (processes and packaging), rubber and metal consumption. Although our current methodology does not rely on specific emission factors, our assessments show that scope 3 is the largest contributor in terms of tCO2e for the Group. The calculations will be refined in upcoming studies with the contribution of our suppliers, and the scope of indirect emissions categories will be expanded.

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. The Group's activities also have no direct impact on animal welfare.

## 4.6. Our commitment "AKWEL being"

Ready to meet the challenge of sustainable development and the energy transition, AKWEL is a Company Socially Responsible (CSR) company that asserts its commitment to a preserved future. Its "AKWEL being" approach highlights the actions implemented for many years and specifies the guidelines defined in terms of energy reduction, safety (notably the STOP WORK approach), eco-innovation, development of employee independence to "GROWING+" and its "AKWEL being at Work" programme to help employees become more involved in their assignments and to provide them with a better quality of life at work and well-being on a day-to-day basis.

BRONZE 2023 ecovadis Sustainability Rating

CDP DISCLOSURE INSIGHT ACTION

**CDP SCORE REPORT**

WATER SECURITY 2022 **C**

CLIMATE CHANGE 2022 **C**

# "AKWEL being"

A Company Socially Responsible (CSR)

### AXIS 1

**"AKWEL being"**
**RESPONSIBLE**

- RESPONSIBLE BUYER
- ETHICALLY COMMITED

### AXIS 2

**"AKWEL being"**
**SUSTAINABLE**

- ECO FRIENDLY
- ECO INNOVATIVE
- CUSTOMER-CENTRIC

### AXIS 3

**"AKWEL being"**
**HUMAN ENGAGED**

- SAFE
- SOCIALLY ENGAGED
- LOCALLY ENGAGED

# AXIS 1

## "AKWEL being"
## RESPONSIBLE

RESPONSIBLE BUYER

ETHICALLY COMMITED

### 4.6.1. "AKWEL being" a responsible buyer

"

*Responsible purchasing concerns our entire supply chain.*

**Sébastien Boivin**
**Purchasing VP**

"

## OBJECTIVES

**DEVELOP A RESPONSIBLE PURCHASING POLICY**

**AND**

**HAVE ETHICAL SUPPLIERS**

**Risky direct suppliers**

**2022 5.5%** → **2024 4%**

**EcoVadis assessed suppliers**

**2022 33%** → **2023 36%**

**1% did not achieve the minimum AKWEL rating**

ecovadis

**2022**


**2023**


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

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

At the end of 2022, the supplier manual available on the AKWEL website was updated by enhancing the Group's CSR policy with the aim of sharing expectations with all suppliers.

Note that new suppliers and subcontractors are required to follow the Ethics Charter and are included in the Group's procedures.

In addition, we strongly encourage them to participate in the EcoVadis programme in order to be able to measure their involvement in the area of responsible purchasing. At the end of 2022, around one third of our direct suppliers were assessed and only less than 1% did not obtain the minimum rating required by AKWEL. This criterion is taken into account in the allocation of direct supplier status, which guides the allocations of future projects.

Indirect suppliers have also begun to be integrated into the EcoVadis programme, with the participation rate varying. However, they are now also included in this approach.

With the improvement of the two drivers mentioned above (commitment to the Group's ethics charter and participation in the EcoVadis programme), the reduction in suppliers classified as risky was significant and we now only identify 5.5% risky direct suppliers. Measures have been taken to avoid allocating new businesses to the latter. As a result, the 2024 target has been revised and set at 4%.

For indirect suppliers, a risk categorisation has been made and those targeted are also monitored with regional targets of 3% maximum at the end of 2024.

Alongside our AKWEL environmental policy, we measure the number of ISO 14001 certified direct suppliers, as well as the amounts of local purchases, by region and by country, that are made. This will be used to create a new impetus in the years to come.

### 4.6.2. "AKWEL being" ethically commited

"*Our development is based on values rooted in a strong ethic.*

**Benoit Coutier**
**Legal VP** "

" *Transparency, social responsibility and fair contribution are the drivers of our tax policy.*

**Grégory Voisin**
**Executive VP Finance** "

## OBJECTIVES

**BUILD RELATIONSHIPS OF TRUST WITH OUR STAKEHOLDERS**

**AND**

**HAVE A TRANSPARENT TAX POLICY**

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 share these rules with everyone, several documents have been written and are available on http://www.akwel-automotive.com:

- an Ethics Charter that serves as a guideline for everyone in the company. It specifies the rules that govern our operations and our relationships with all our stakeholders, wherever in the world they may be;
- the Anti-Corruption and Anti-Influence Peddling Code aims to implement measures to ensure that all our employees, executives and directors, wherever they are located, can recognise and prevent any involvement by AKWEL in any corruption or influence peddling and, where applicable, to report either of these practices;
- a Stock Market Ethics Code aimed at reminding each insider (corporate officer, employee or external service provider acting on behalf of AKWEL) of the regulations applicable to the holding, communication and utilisation of inside information to which he is likely to have access by virtue of his duties, offices or assignments;
- a Whistleblowing Procedure detailing the procedures for the whistleblowing system.

#### *4.6.2.1. 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;
- a whistleblowing system;
- procedures for assessing the position of customers, suppliers and intermediaries;
- disciplinary penalties if the Anti-Corruption and Anti-Influence Peddling Code is breached.

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 the Group's main 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.

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.

#### *4.6.2.2. 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.

#### *4.6.2.3. Vigilance plan*

The Company no longer has a legal obligation to establish, make public and effectively implement a vigilance plan, as at 31 December 2022 it had fewer than 10,000 employees within it and in its direct or indirect subsidiaries whose registered office is located in France or abroad.

However, the Company has voluntarily decided to pursue the approach 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 to 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 2023 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.

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

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 social, 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 2022 financial year, the assessment carried out by EcoVadis included the Group's strategic production suppliers and challengers and certain important "indirect" suppliers.

**Subsidiary assessment procedure**

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

#### *4.6.2.4. 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.

#### *4.6.2.5. 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.

# AXIS 2

## "AKWEL being"
## SUSTAINABLE

ECO FRIENDLY

ECO INNOVATIVE

CUSTOMER-CENTRIC

### 4.6.3. "AKWEL being" eco friendly

"*All of AKWEL's departments are involved in the Social and Environmental Responsibility approach. These topics are a source of enthusiasm and commitment driving improvement.*

**Gilles Kern**
**DQSE2 VP**"

"*Our industrial policy takes into account the absolute need to reduce our carbon footprint from product development to production engineering and production launch.*

**Frédéric Marier**
**Manufacturing Performance VP**"

## OBJECTIVES

**REDUCE OUR CARBON FOOTPRINT**

**AND**

**PRESERVE NATURAL RESOURCES**

## Reduction of carbon emissions

**2021 vs 2028**

$CO_2$ **-40%**

**Green energy**

**2023**

**10% to 15%**
On all our sites

**100%**
Mexico, China, Bulgaria

**Resource consumption**

| | 2021 - 2022 | 2023 |
|---|---|---|
| Water | +4% | -2% |
| Gas | -43% | -2% |
| Electricity | -5% | -2% |
| Waste production | -3% | -2% |

**Waste recycling and recovery**

| | |
|---|---|
| 2022 | 79% |
| 2023 | 90% |

**Investments to prevent environmental consequences**

**x 1.8**

| | |
|---|---|
| 2022 | €4,245,000 |
| 2021 | €2,391,0 |

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

We act on two factors:

- the intrinsic consumption of equipment;
- consumption related to activity (in terms of production volume).

**Intrinsic consumption of equipment**

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

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

**Consumption linked to activity**

From the design and production engineering phase of a product, the consideration of the Takt time allows the tooling to be scaled to the correct level, with 1 footprint tools placed on a small press and continuous production (reduction of changes in production and energy consumption at the start of production).

Based on a philosophy of inventory coverage with finished products (rather than just-in-time manufacturing), the Industrial Performance Department has put in place operating methods and methodologies aimed at making plant production more efficient. Inventories of finished products make it possible to absorb fluctuations in customer needs and manufacturing uncertainties.

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

Between 2018 and 2022, electricity, gas and water consumption changed by +4%, -43% and -5% respectively, while waste production decreased by -3%.

#### *4.6.3.1. Collection of waste on sites*

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

#### *4.6.3.2. 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 plants 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.

In September 2022, the President of the Executive Board decided to add the Environment and Energy topics to the meeting of the Monthly Group Management Committee on Security.

**Resource consumption**

| Quantities consumed | 2022 | 2021 |
|---|---|---|
| Water ($m^3$) | 782,102 | 746,733 |
| Plastic materials (tonnes) * | 13,756 | 18,134 |
| Metal materials (tonnes) * | 17,477 | 14,410 |
| Rubber materials (tonnes) * | 22,208 | 21,688 |
| Electricity (MWh) | 96,554 | 101,043 |
| Gas (MWh) | 137,521 | 141,555 |
| Fuel (MWh) | 3,103 | 5,437 |

(*) Tonnes purchased in 2022 based on open orders.

**Waste**

| Waste | 2022 | 2021 |
|---|---|---|
| Non-hazardous industrial waste (tons) | 15,767 | 16,037 |
| Hazardous industrial waste (tons) | 1,402 | 1,593 |
| Recycling rate and waste recovery | 79% | 81% |

Over 2022, we saw a decrease in the quantity of waste generated in our plants, as well as in the recycled or recovered proportion. Despite the significant reduction in our hazardous waste, we saw an increase in rubber consumption, which generates a great deal of waste that is not recovered.

Since 2018, we have continued to reduce waste generation. The circular economy is part of the Group's strategy and will be one of the drivers for improving the recycled/recovered rate.

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

Following the implementation of a tool to consolidate our carbon assessment in 2021 (according to the GHG Protocol method), the Company was able to consolidate its assessment covering scope 1 and scope 2 of the protocol. As the tool was optimised throughout 2021, it made it possible to obtain a relatively comprehensive 2022 assessment of the Group's overall scope comparable to 2021, with the exception of two administrative and commercial offices, where consumption is nevertheless negligible at a group level.

| Carbon footprint (in tonnes of $CO_2e$) | 2022 | 2021 |
|---|---|---|
| Scope 1: direct emissions | 28,743 | 29,996 |
| Scope 2: indirect emissions | 29,463 | 34,440 |
| TOTAL | 58,206 | 64,436 |

To best address the challenges associated with climate change, the Group draws on 2021 data to bolster its environmental strategy,

Scope 1 emissions decreased thanks to the reduction in fuel consumption. Scope 2 emissions decreased mainly due to changes in country emission factors given the energy production mix. In 2022, energy saving action plans were initiated on each of our sites.

The Company has a certified energy management approach based on ISO 50001 at six French sites (Beaurepaire, Champfromier, Monteux, Nesle, Romans and Vieux Thann) with the aim of optimising energy performance and thereby reducing its GHG emissions.

Since January 2022, we have taken steps to further the use of green energy, particularly in electricity.

The emission factor taken into account by each plant is based on the energy source used. For electricity, this factor depends on the mode of production (Nuclear, Wind, Solar, Hydraulic, Coal, etc.).

In 2023, our electricity supply contracts are changing to use green sources in our plants in Mexico and China, and those at our new location in Bulgaria are 100% green. We are continuing this contracting process for the other countries. Note that some countries already have low emission factors (Sweden and France).

In addition, we are furthering the installation of solar panels on the shade canopies of our plant car parks, which can cover 10% to 15% of our electricity consumption.

Natural gas is the other major source of energy for the Group. The change in our rubber products for thermoplastics enables us to use more green electricity instead of natural gas, for which the emission factor does not change by nature.

**Energy saving measures**

At the end of 2022, a decision was made to standardise the continuous improvement plan for energy savings at all sites:

- appointment of an energy officer on all sites;
- implementation of regular energy tours and treatment of deviations;
- check and analysis of energy consumption;
- four posters on best practices to save energy were distributed to raise employee awareness;
- seven areas were defined to structure the continuous improvement plan:
    - Lighting,
    - heating and air conditioning,
    - process,
    - organisation,
    - behaviours,
    - checks,
    - communication.

**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.

**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.

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

**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.);
- smoking is forbidden;
- 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.

In 2022, the French sites (Champfromier, Vieux-Thann, Romans, Beaurepaire, Gournay, Monteux, Villieux, Condé, Vannes) were audited on the control of industrial plastic granules and obtained their certificates of conformity, published on the Group's website. At the end of 2022, all of the instructions and protective measures used to obtain these certificates were deployed to all AKWEL sites using industrial plastic granules.

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

| (in thousands of Euros) | 2022 | 2021 |
|---|---|---|
| Investments to prevent environmental consequences | 4,245 | 2,391 |

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 (fitting new LED lights, installing new retaining equipment to handle potential leaks and the purchase of waste recycling and sorting equipment).

In 2022, €4.245 million was invested to prevent environmental consequences.

**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: 40 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: 6 French sites (Beaurepaire, Champfromier, Nesle, Monteux, Romans, Vieux-Thann).

**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.

#### *4.6.3.3. Social, Environmental and Societal Responsibility (CSR) and Remuneration Committee*

During its meeting of 10 February 2022, the Company's Supervisory Board decided to include Social, Environmental and Societal Responsibility issues within the scope of responsibility of the Remuneration Committee and to change its name to reflect these new assignments. The first meeting of the CSR and Remuneration Committee took place on 25 March 2022.

The composition, operation and duties of the CSR and Remuneration Committee are presented in section *2.3.1.2. Social, Environmental and Societal Responsibility (CSR) and Remuneration Committee* of the 2022 annual report.

### 4.6.4. "AKWEL being" eco-innovative

"

*The AKWEL Group is attentive to the automotive market in order to contribute to the development of vehicles of the future: with mobility that is more environmentally friendly, more sustainable, more responsible and aligned with the ecological challenges of the future.*

**Nicolas Coutier**
**Business Development VP**

"

## OBJECTIVES

**DESIGN ENVIRONMENTALLY RESPONSIBLE PRODUCTS**

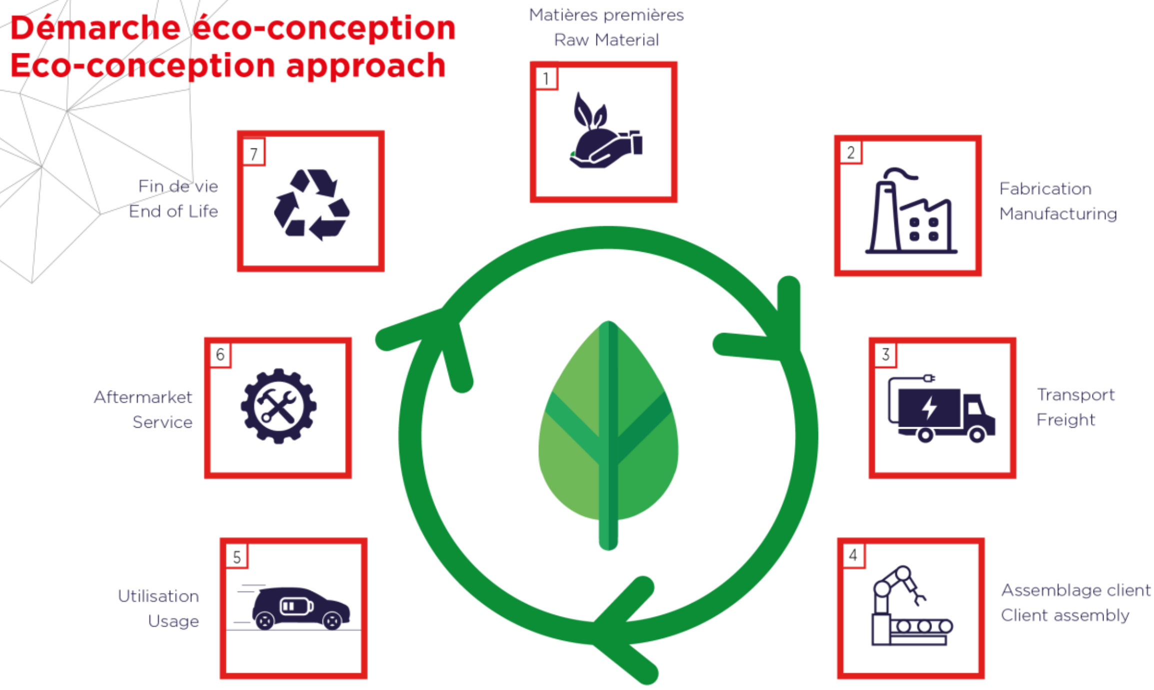
**AND**

**RECYCLE PRODUCTS AT THE END OF THEIR LIFE**

*4.6.4.1. The eco-design approach*

Since 2018, an eco-design approach has been implemented and applies to all products designed or modified by the Group. This eco-design approach forms part of a sustainable development approach, making it possible to take into account the environmental impacts of the parts designed by the Group, throughout the life cycle of these products.

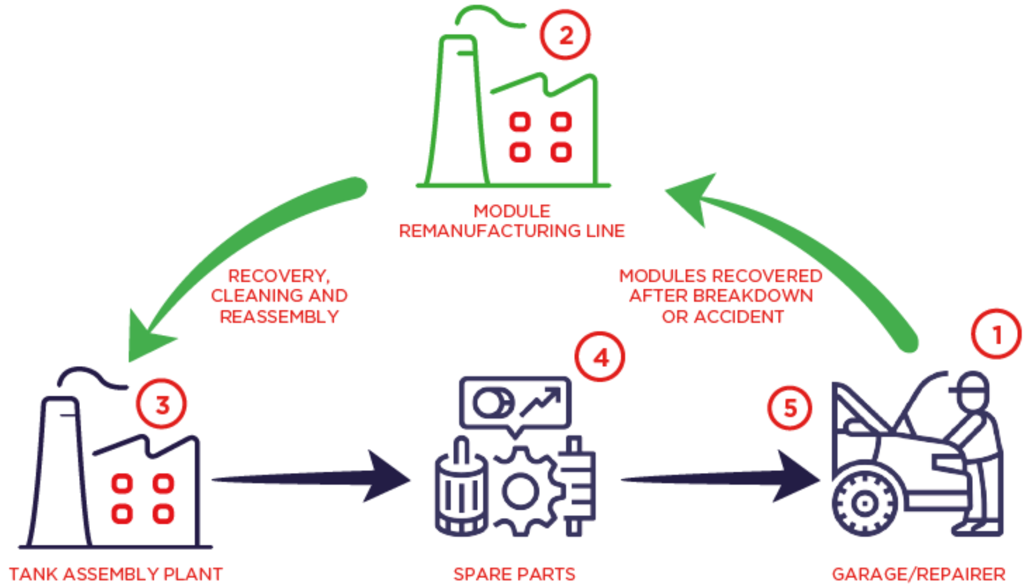
- increase the service life of products;
- minimise the impact of raw materials;
- reduce energy consumption;
- incorporate manufacturing constraints;
- reduce the impact of transport;
- act on use;
- consider the end of life by design.



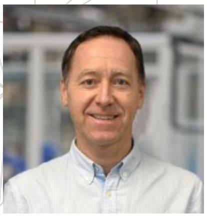

Monitoring is carried out on eco-responsible materials, including biosourced materials, to better meet our customers' needs and the use of recycled materials in order to minimise the use of new resources.

*4.6.4.2. The "REMANufacturating" project: the circular economy*

AKWEL has implemented a circular economy to limit resource waste and environmental impact at all stages of a product's life cycle. This is based on a number of factors, including increasing the service life of products through their reuse, repair and repurposing. This circular economy is called "REMANufacturing".



### 4.6.5. "AKWEL being" customer-centric



"*Customer satisfaction is central to our concerns. All teams are committed to this responsibility, by applying and respecting our Management System and steering improvement actions. Progress has no end!*

**Gilles Kern**
**DOSE2 VP**"

"*Satisfying our customers is at the heart of our company's strategy. We support them in their energy transition for the development and production of environmentally friendly vehicles.*

**Ludovic Mercier**
**Marketing and Sales VP**

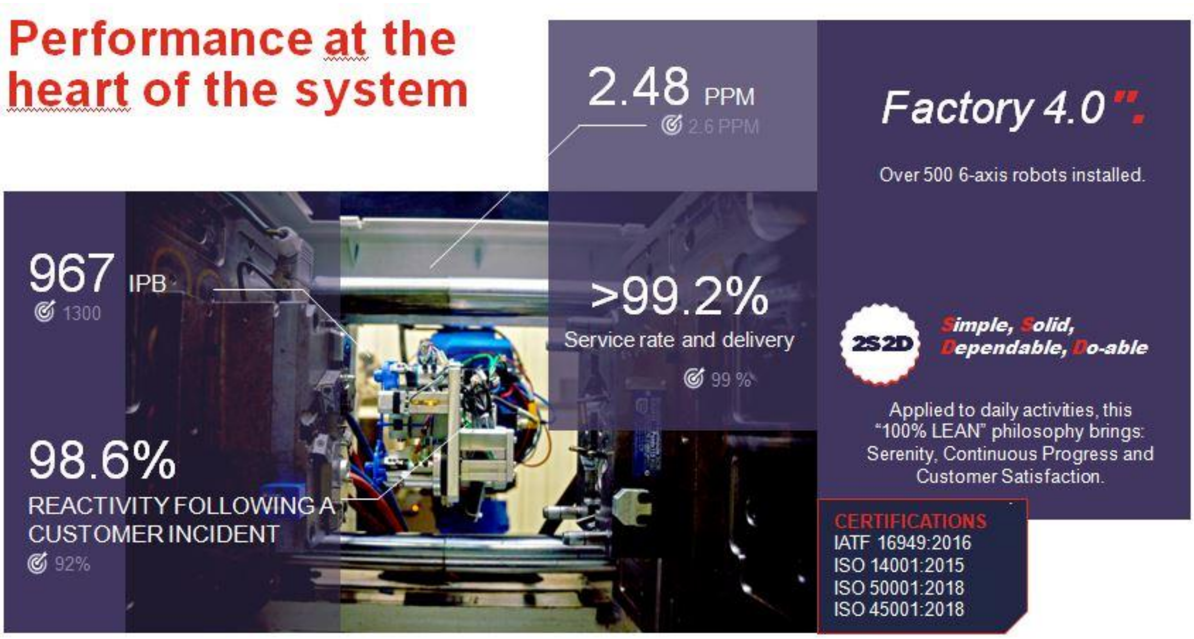
"

## OBJECTIVE

**IMPROVE CUSTOMER SATISFACTION**

**AND**

**THE QUALITY OF OUR PRODUCTS**




Customer satisfaction, respect for the environment and the preservation of energy resources are a central focus of our daily concerns and actions.

AKWEL offers its customers ever-more reliable and competitive solutions. The quality of the products and solutions we provide is our priority, with the goal of being below 1,000 IPB[2] and 2 PPM[3] by 2025. Rooted from the start in the heart of our corporate development plan, a culture of performance, efficiency, results and customer satisfaction drives the growth and progress of the Group.

Developed and rolled out within the Group, QSE2MS – the Quality, Safety, Environment and Energy Management System – brings together our best tools and practices in a single system that applies to all of our teams in their day-to-day activities. Based on the 2S2D philosophy (Simple, Solid, Dependable, Doable) and nurtured by the Group's values, it ensures that we achieve the standard level of performance expected by our customers around the world and meet the legal requirements, standards and regulations of customers, local authorities and the IS0 9001, IATF 16949, ISO 14001, ISO 50001 and ISO 45001 standards. This Quality, Safety, Environment and Energy Management System is regularly audited both internally and externally to verify its implementation and to improve it.

AKWEL 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. The continuous measurement of the effectiveness and performance of our QSE2MS and our risk management feed and drive our culture of continuous improvement.

[2] IPB (Incidents Per Billion): number of incidents declared by customers per billion parts delivered.

[3] PPM (Parts Per Million): number of non-compliant parts per million parts produced.

# AXIS 3

## "AKWEL being"
## HUMANLY COMMITTED

SAFE

SOCIALLY ENGAGED

LOCALLY ENGAGED

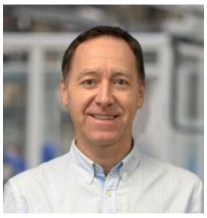
### 4.6.6. "AKWEL being" safe

"*Seeking an optimal balance between individuals and technology, my goal is to reconcile long-term goals with short-term outcomes, focus on operational excellence and ensure everyone is in the right place.*

**Véronique Guiboud-Ribaud**
**Information Technology VP**"

"*The health and safety of people and tools is the Group's top priority. We are all responsible and all have the power to stop a dubious or potentially risky situation.*

**Gilles Kern**
**DQSE2 VP**"



## OBJECTIVES

**STRENGTHEN THE SAFETY OF PEOPLE AND TOOLS**

**AND**

**STRENGTHEN IT SECURITY**

**Health & Safety**

| Frequency rate | Severity rate |
|---|---|
| **4.09** 6 | **0.14** 0.2 |

**IT security**

**ISO/IEC 27001 certification**

**2024** → **Head office + 8 sites**

**PHASE 1**

Maturity audit and project scoping → 70% progress

**PHASE 2**

Integration of the ISMS into our quality management system → 30% progress

#### *4.6.6.1. Strengthen the safety of people and tools*

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

In September 2022, the President of the Executive Board decided to include the Environment and Energy themes in this Committee.

Its objective is to manage the safety of people and property, as well as environmental and energy issues, throughout the Group's organisation, thereby eliminating a per-department or per-process perspective and work. The Committee decides on the Working Groups to undertake in order to advance the company and validate, where necessary, the conclusions, actions and decisions proposed. The Working Groups, which are cross-functional, multidisciplinary or by department depending on the subject, address the subjects. The Committee meets monthly and follows a standardised agenda (presentation of results, analysis of significant events, monitoring of escalations, progress of the Working Groups, validation, decision, Covid-19 situation update, Environment, Energy).

All topics (safety of people, IT security, safety of tools, buildings, Environment, Energy, etc.) are now included in this committee.

In 2022, the following themes were worked on and the corresponding standards will be gradually rolled out in 2023 and 2024:

- development of a STOP WORK approach: all Group employees are responsible and must stop any situation deemed dangerous;
- strengthening of the safety culture: construction of a welcome programme and raising awareness among new recruits, visitors, setting up appropriate standard materials;
- identification of high-risk activities and definition of behaviours and actions mandatory for everyone;
- machine safety and manual controls, interference with moving parts and/or powered sections: cross-functionality of best practices meeting the most exacting standards, deployment;
- structuring to respond to the CDP and EcoVadis;
- visual management and wearing of protective equipment.

The Group uses a standard digital safety register for all Group entities. This register now makes it possible to have a dynamic score card that is updated every week, including accident results with stoppage, no stoppage and incidents, and to derive action priorities.

The Group obtained ISO 45001 certification for three sites in 2022: Orizaba (Mexico), Ixtac (Mexico) and Juarez (Mexico). This approach was carried out based on a Group rationale, with an approach currently being rolled out to all sites, drawing on our QSE2 integrated management system.

In addition, the IT department has a structured organisation and resources to improve the consideration of cybersecurity and reduce risk. Monitoring and performance indicators have been put in place, as well as appropriate actions. The Group is continuing its ISO 27001 certification process targeted for early 2024.

Securing plants: the Group is continuing its plant sprinkler programme for facilities that were not fitted with this fire protection system.

The work is currently being completed at the Rayong (Thailand) and Champfromier (France) plants. The project for the Juarez plant (Mexico) was launched and the project for the Orizaba plant (Mexico) was postponed to 2024.

**Safety and workplace conditions**

Health and 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 Health and Safety at Work policy and the associated objectives are adjusted locally, taking into account the specific characteristics of each site. In line with this strong intention to continuously improve health and safety, in 2026 we aim to have a workplace accident frequency rate with stoppage of less than 3.5 and a severity rate of 0.16, our ambition being to continue our trajectory to be below 1 in frequency rates.

| Work accidents, notably their frequency and severity | 2022 | 2021 |
|---|---|---|
| Frequency rate | 4.09 | 5.97 |
| Severity rate | 0.14 | 0.20 |

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

*4.6.6.2. Strengthen IT security*

Initiated in 2021, structural projects have been implemented to secure our IT facilities: data protection (firewall), new cyber defence service, a new database to connect users and IT resources, and an overhaul of the business continuity plans.

In 2022, the IT department set up a structured organisation and resources to improve the consideration of cybersecurity and reduce risk. Monitoring and performance indicators have been put in place, as well as appropriate actions. An ISO 27001 project has been structured for a Group-wide certification over three years.

New projects have been launched to complement our security coverage in terms of information system access management and traceability. These will be supplemented in 2023 by a cybersecurity awareness programme and the strengthening of IT resources dedicated to security.

In 2024, the Head Office and eight sites will be certified as a priority, as they are linked to our customers' needs. Eventually, all of our sites will be certified. All of our processes are involved in the certification.

### 4.6.7. "AKWEL being" socially engaged

"*AKWEL is developing its employees' independence to Grow More. The development of skills (knowledge and experience) and the development of engagement (motivation and confidence) are the main focuses of personal development within the Group. An independent employee is proficient in his role and effective in his field.*

**Pierre Gaillard**
**Human Resources Director** "

## OBJECTIVE

**DEVELOP EMPLOYEE INDEPENDENCE**


## GROW MORE


**HEAD** → **Skills**

**HEART** → **Engagement**

**LEGS** → **Alignment**

# GROW MORE

## HEAD → Skills

| | Actions | Objectiv | Indicators |
|---|---|---|---|
| Objectifs 2025 | Train managers | Adapt your management to your employees' independence | Voluntary |
| Fin 2022 | Develop skills through integration, training and coaching | Develop the skills of Akwelis* to contribute to AKWEL's performance | Integration sheet<br>Training plan |

## HEART → Engagement

| | Actions | Objectiv | Indicators |
|---|---|---|---|
| Objectifs 2025 | Recruit candidates compatible with the values and assess the alignment of our social values with the market to be attractive | Live our values every day | Individual appraisal |
| | Create a club for former employees | Maintain a connection with your colleagues after working life and foster knowledge transfer | Club for former |
| | Illustrate AKWEL key messages as a team | Create uptake | Resignation |
| | Handout six annual awards in connection with the President's guidance letter | Recognise our teams' performance on our priority objectives | Awards |
| Fin 2022 | Adapt wages, bonuses and welfare benefits to the market to be attractive | Have fair financial recognition | Voluntary departure |

## LEGS → Alignment

| | Actions | Objectiv | Indicators |
|---|---|---|---|
| Objectifs 2025 | Promote gender equality | Develop gender equality at each level of the organisation | M/F rating |
| Fin 2022 | Put the right person in the right place | Define each person's roles and responsibilities | Organisation chart<br>Job description<br>Mission statement<br>Skills matrix |
| | Adapt resources to the workload | Improve performance and competitiveness | HR alignment<br>Added value |



*AKWEL employees

*4.6.7.1. Human resources information*

Our employees are key to AKWEL's success. The alignment of the workforce and the development of employee independence (competence and engagement) around the values and the corporate development plan is essential.

*4.6.7.1.1. Management of the headcount and skills*

In 2022, the Group's policy on the management of the headcount and skills met two of the major challenges for AKWEL:

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

The figures in the tables below are as at 31/12/2022.

**Headcount**

At 31 December 2022, the Group employed 9,405 employees (on open-ended and fixed-term contracts), a decrease of 2.65% compared with 2021.

| Headcount | **2022** | 2021 |
|---|---:|---:|
| Total | 9,405 | 9,661 |

**Full Time Equivalent (FTE) headcount**

At 31 December 2022, permanent staff represented 88.25% of the total FTE headcount and non-permanent staff accounted for 11.75% of the FTE headcount.

| FTE headcount | **2022** | **2021** |
|---|---:|---:|
| Permanent (open-ended contracts) | 8,528 | 8,536 |
| Non-permanent (fixed-term contracts, temporary staff) | 1,135 | 1,131 |
| Total | 9,663 | 9,667 |

**Breakdown of the headcount by category**

| Breakdown of the headcount by category | **2022** | **2021** |
|---|---:|---:|
| Executives | 512 | 548 |
| Employees and technicians | 3,397 | 3,255 |
| Operatives | 5,496 | 5,858 |
| **Total** | **9,405** | **9,661** |

**Departures**

In 2022, the Group registered 4,320 departures, comprised of voluntary redundancies and other reasons (3,336) and dismissals and terminations (920). Voluntary departures from the Direct Workforce (2,734) account for 63.29% of departures, mainly in Mexico, where the labour market remains highly competitive.

| Departures | 2022 | 2021 |
|---|---|---|
| Lay-offs and terminations | 920 | 1,491 |
| Pension | 64 | 80 |
| Voluntary redundancies and other reasons* | 3,336 | 3,373 |
| Total | **4,320** | **4,944** |

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

| Departures of permanent staff as FTE | 2022 | 2021 |
|---|---|---|
| Permanent staff | 3,870 | 4,119 |
| Total FTE | 9,663 | 9,667 |
| Departure rate as a % | **40.05%** | **42.61%** |

**Recruitments**

In 2022, the Group recorded 4,064 recruitments, which were mainly located in sites in North America, Asia and other sites where activity is exposed to high-growth markets.

| Recruitments | 2022 | 2021 |
|---|---|---|
| Total | **4,064** | **3,414** |

**Training**

In addition to maintaining the workforce of employees and technicians, special efforts on training have 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 | 2022 | 2021 |
|---|---|---|
| Total personnel costs (in thousands of euros) | 272,408 | 255,149 |
| Amount allocated to training (in payroll percentage) | 0.85% | 0.79% |

| Staff training rate (trained staff/total staff) | 2022 | 2021 |
|---|---|---|
| Trained staff | 6,814 | 5,959 |
| Percentage | 72.45% | 61.68% |

| Average number of training hours per employee (number of hours/total workforce) | 2022 | 2021 |
|---|---|---|
| Training hours | 121,462 | 120,491 |
| Average number of training hours/employee | 12.91 | 12.47 |

*4.6.7.1.2. Staff mobilisation*

Employee mobilisation and engagement are essential to AKWEL's success. We are developing an "AKWEL being at Work" programme focusing on four key themes to help employees become more involved in their assignments and to provide them with a better quality of life at work and well-being on a daily basis.

**Communication**

Communication and dialogue are essential to sharing the Group's values, the corporate development plan, the 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 2022, we furthered the uptake of the Group's DNA by highlighting an AKWEL key message through team work on each site. The teams illustrated AKWEL's mission through collective work that left space for initiative, creativity and the collective. 27 challenges resulted in video or photographic productions that enabled Akwelis[4] to deepen the company's mission, in order to give meaning to their daily contribution to the company's performance: "Be a trusted tier-one supplier for our customers, helping them to manufacture autonomous and smart vehicles that are more reliable and more ecologically responsible at a competitive price." Five sites were nominated and the winner was the Monteux site. The award was handed to the team onsite by the President of the Executive Board.

We continued to roll out AKWEL's employer brand to 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 which 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).


[4] AKWEL employees

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.

Regarding direct dialogue, several means of communication are used within AKWEL:

- each employee's interview with their direct manager, upon recruitment and 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 internal intranet-type information system used, for example to share the management system procedures.

Concerning dialogue with staff representation 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 Group's international aspect 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 | 2022 | 2021 |
|---|---:|---:|
| Number of agreements concluded during the year | 27 | 39 |
| *Of which health and safety at work agreements* | 1 | 0 |

Across all of the Group's sites, negotiations resulted in the signature of 27 collaborative agreements.

**Percentage of staff with an annual appraisal interview**

In 2022, 8,569 employees had an annual appraisal interview.

| Annual appraisal interview | **2022** | 2021 |
|---|---:|---:|
| Number of annual appraisal interviews | 8,569 | 8,628 |
| Percentage of staff with an annual interview | 92% | 91% |

**Remuneration**

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

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

For example, variable remuneration, based on the Group's strategic objectives, represents an even larger part of compensation as the level of responsibility is high.

### Absenteeism

At all of the Group's sites, the level of absenteeism in 2022 was 4.40% not including absences due to maternity leave.

| Absenteeism | 2022 | 2021 |
|---|---|---|
| Total rate of absenteeism | 5.01% | 5.25% |
| Rate of absenteeism excluding maternity leave | 4.40% | 4.70% |

### Number of employees who work in a team

7,048 persons worked in a team, notably in production (2 x 8, 3 x 8).

| Number of employees who work in a team | 2022 | 2021 |
|---|---|---|
| Total | 7,048 | 7,133 |

### 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.

| | 2022 | 2021 |
|---|---|---|
| Weekly working time | 35 hours to 48 hours | 35 hours to 48 hours |

### Professional development

The Group's policy on professional development has two objectives:

- favour the highest-performing staff with opportunities for qualifying training, internal promotion and individual pay rises to give them the opportunity to grow within the company;
- promote diversity. AKWEL is convinced that gender, age, background and skill diversity can improve our skills, including 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 4,007 women (42.6% of the total headcount) and 5,398 men (57.4%).

| Breakdown of employees by gender | 2022 | 2021 |
|---|---|---|
| Male | 5,398 | 5,593 |
| Female | 4,007 | 4,068 |
| Total | 9,405 | 9,661 |

**Gender equality in the workplace rating**

AKWEL has achieved the objective for the gender equality in the workplace rating, which aims to reduce the pay gap between women and men, with a score of 86/100.

| Gender equality in the workplace rating | 2022 | 2021 |
|---|---|---|
| Total out of 100 | 86 | 86 |

The indicators that make up the rating obtained the following scores:

- pay gap indicator: 36/40
- indicator of differences in the rate of individual increases: 20/20
- indicator of differences in the rate of promotions: 15/15
- percentage of employees who received an increase during the year following their return from maternity leave: 15/15
- number of employees of the under-represented sex among the top 10 remunerations: 0/10

**Breakdown of employees by age**

Employees in the under-30 age group accounted for 26.1% of the total headcount in 2022 and 26.4% of the total headcount in 2021. Those aged 50 and over accounted for 19.4% of the total headcount in 2022 and 19.5% of the total headcount in 2021.

| Breakdown of employees by age | 2022 | 2021 |
|---|---|---|
| Under 25 | 956 | 1,035 |
| 25 to 29 years | 1,500 | 1,514 |
| 30 to 39 years | 2,689 | 2,749 |
| 40 to 49 years | 2,437 | 2,482 |
| 50 years and over | 1,823 | 1,881 |
| Total | 9,405 | 9,661 |

**Breakdown of employees by geographical region**

The Group's workforce is spread across 20 countries. 34.11% of the Group's workforce is located in the Europe (excluding France) and Africa region; 31.81% in the North America region; 13.61% in France; 20.12% in the Asia and Middle East region (including Turkey) and 0.35% in the South America region.

| Breakdown of employees by geographical region | 2022 | 2021 |
|---|---|---|
| France | 1,280 | 1,423 |
| Europe (excluding France) and Africa | 3,208 | 3,463 |
| North America | 2,992 | 2,817 |
| Asia and the Middle East (incl. Turkey) | 1,892 | 1,918 |
| South America | 33 | 40 |
| Total | 9,405 | 9,661 |

**Occupational integration of people with a disability**

The Group employs 137 people recognised as workers with a disability.

| Occupational integration of people with a disability | **2022** | 2021 |
|---|---|---|
| Number of employees with a disability | 137 | 158 |

*4.6.7.1.3. 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.

### 4.6.8."AKWEL being" locally engaged

"*AKWEL encourages its entities to strengthen their educational and sporting initiatives and youth projects with a human aspect to improve their local roots and develop activities aimed at young people.*"

**Mathieu Coutier**
**President of the Executive Board**

## OBJECTIVE

**ENCOURAGE THE SITES TO GET INVOLVED IN THE LOCAL COMMUNITY**

**Amount allocated per entity**

**0.2% of operating income**

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

- **education** (artistic, technical, cultural, etc.) for young people;
- **projects with a human aspect**: social responsibility, sustainable projects and organisations;
- **team sports and team sporting events** in which several of the Group's employees are involved.

*Mexico*

The production sites in Orizaba and Ixtaczoquitlán in Mexico provide financial support to all employees at sites who have school children. A meal voucher benefit worth Mex$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 Mex$1,800.00 is awarded to deserving students. It is paid twice a year in March and September.

*Celebration with the winners of the academic motivation and their families, and handout of diplomas.*

## *Czech Republic*

For more than 25 years, the Rudnik site in the Czech Republic has supported the local community's sports activity by sponsoring the Rudnik football club with a grant of €7,600 each year. The site organises the AKWEL CUP, a football tournament for its employees and their family members. The site's various departments the participate in this event, which includes educational and fun activities for children.

## *Romania*

Employees at the Timisoara site in Romania participate in a race involving boats made from 100% recycled materials. 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 fourth participation by the site enabled it to further embrace sustainable development activities.

"Timotion" is the largest charity sports event in Western Romania. Each year, the event supports around 20 NGOs and initiative groups, helping them to implement projects with a positive impact on the community. The 2022 edition took place on 28 and 29 May, with the theme of "Optimism for the community". AKWEL Timisoara has been a partner and supporter of Timotion for the last eight years. One of the most popular races of the competition is the "AKWEL 10 km cross-country", involving hundreds of runners. Around 20 employees from the Timisoara site take part in this event, which has become a tradition and an unmissable annual event. "Through our support for "Timotion", we are once again strengthening our commitment to being an active and responsible social partner in the community by focusing on education, sport and social aid projects," says Timisoara Site General Manager Matthieu Legrand.


For the site employees, the event allows them to strengthen their team spirit while having fun, training and challenging their own personal boundaries.

The "Reading corner" project was initiated by employees at the Timisoara site, who are passionate about reading and wanted to share books from different fields such as business, literature and personal development. Some of the books were donated by colleagues and other books were purchased.


For many years, the Timisoara establishment has also supported communities in the city in the amount of 0.2% of net income to promote educational support and local sporting events.

*Portugal*

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

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

*France*

The head office supports the Valserhône secondary school's environmental awareness project. Saint-Exupéry high school in the town of Valserhône, located 15 km from the head office in Champfromier, is working on an environmental awareness-raising project in partnership with the *Association du Réseau des 'Sites Rivières sauvages'* [Association of the Network of "Wild River Sites"] and the *Fonds pour la conservation des rivières sauvages* [Wild River Conservation Fund], with the aim of protecting the last wild rivers in France and Europe. The first-year class, aged 15-16, which is taking the "Organisation and activity management assistance" pathway, is running this project with another first-year class from Marcelle Pardé high school in Bourg-en-Bresse.

The two classes will explore and promote the river Valserine, which has been awarded the *Rivières Sauvages* ("Wild Rivers") label, through various activities:

- creating a "Happy Families" game and a calendar;
- a body painting art project;
- producing a video, a blog and a photo exhibition on the theme of ecology;
- participating in the La Valserine festival.

In addition to raising awareness of environmental protection, this inter-school project enables high school students to create a dialogue between young people on the same course from the same department, and to develop their ability to work in groups and remotely.

Protecting the river Valserine and raising the environmental awareness of young people are issues that are important to AKWEL, which is providing financial support for this project.

## Site visit and open house day

To establish its involvement in the local community of each of its production units, AKWEL encourages its sites to welcome the public during "Open house" days or plant visits. A methodology has been drawn up to help each site organise these events.

## 4.7. Application of the European Green Taxonomy

### 4.7.1. Presentation – Methodology

To promote transparency and a long-term vision in economic activities and to redirect capital flows towards environmentally sustainable investments, the action plan on financing the sustainable growth of the European Union (EU) has 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) climate change adaptation, (iii) sustainable use and protection of water and marine resources, (iv) transition to a circular economy, (v) pollution prevention and control, and (vi) protection and restoration of biodiversity and ecosystems;*

*(ii)* *comply with the technical screening criteria established by the Commission;*

*(iii)* *not significantly harm any of the environmental objectives;*

*(iv)* *be carried out in compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work, the eight fundamental conventions of the ILO and the International Bill of Human Rights.*

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 (climate change mitigation and adaptation to climate change) and identified more than 80 sub-sectors of economic activities accounting for 93% of greenhouse gas emissions in the territory of the European Union and which require priority action (activities known as "eligible for the European taxonomy").

The other four environmental objectives will subsequently be subject to additional delegated acts that have not yet been published.

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 its sensitivity to the European green taxonomy and sustainability indicators such as:

- the share of its revenue, capital expenditure (CAPEX) and operating expenditure (OPEX) for 2022 associated with "eligible" activities, i.e. classified in the European taxonomy;
- the share of its revenue, capital expenditure (CAPEX) and operating expenditure (OPEX) for 2022 associated with "sustainable" activities, i.e. meeting the technical criterion/criteria associated with each of the eligible activities, the absence of harm to the five other environmental objectives (DNSH) and compliance with minimum social guarantees.

No comparative data for 2021 is required for this closing under the alignment.

As such, the Company must publish the proportion of (i) eligible and ineligible economic activities (ii) aligned and not aligned with the taxonomy of its total revenue, capital expenditure (CAPEX) and operating expenditure (OPEX), in respect of the environmental objectives defined to date by the European Regulation.

### 4.7.2. Scope

The scope of analysis covers the following points:

- the revenue, capital expenditure and operating expenditure in question cover all of the Company's activities corresponding to the scope of the companies under its control;
- companies in which the Company and its companies exercise joint control or significant influence are excluded from the calculation of 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 come from the consolidated financial statements as at 31 December 2022 and revenue and capital expenditure can therefore be reconciled with the financial statements.

### 4.7.3. Review of activities with regard to eligibility

The eligibility analysis consists of comparing the Company's activities with the description given by the Taxonomy of the so-called "eligible" activities described in the Delegated Acts (Appendix 1 and Appendix 2 of the Regulation) in the scope corresponding to the Filing of Non-Financial Performance and with regard to the two environmental objectives.

The Company is an automotive and HGV equipment and systems manufacturer specialising in fluid management, mechanisms and structural components for electric vehicles. In this context, the Company develops and manufactures plastic, rubber and metal components and parts to be fitted in all types of vehicles.

As part of the review of its activities with regard to eligibility, the Company had considered, for the 2021 financial year, in the absence of clarification by the Taxonomy Regulation on the activities of automotive suppliers 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 and the stated position of the CLEPA (European Association of Automotive Suppliers) that all of its activities were eligible for the taxonomy framework, including the manufacture of products for internal combustion engine vehicles.

This year, following the clarifications made in the document "Draft commission notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy eligible and Taxonomy-aligned economic activities and assets" of the European Commission of 19 December 2022 reaffirming that equipment suppliers are not eligible for activity 3.3 "Low-carbon manufacturing technology for transport", the Company changed its position and considered that none of its activities were eligible for the European Green Taxonomy for the revenue indicator.

### 4.7.4. Review of activities with regard to alignment

The alignment analysis consists of screening each of its eligible activities based on the defined technical criteria, DNSH and compliance with minimum social guarantees.

In the absence of eligible activities, the Company considered that these activities are not aligned with the European Green Taxonomy and therefore did not perform an analysis on the alignment of its revenue with regard to technical reviews and DNSH.

### 4.7.5. Capital Expenditure (CAPEX) / Operating Expenditure (OPEX)

Due to the absence of eligible revenue aligned with the European Green Taxonomy, OPEX and CAPEX attached to the Company's activities cannot be categorised as eligible and aligned.

As a result, the analysis of CAPEX focused exclusively on individual measures enabling activities to become low-carbon or lead to greenhouse gas reductions. No significant eligible and aligned CAPEX was identified for the 2022 financial year.

Operating expenditure (OPEX) as defined by the Taxonomy Regulation are not material in relation to all operating expenses recorded in AKWEL's consolidated income statement. The analyses led to the conclusion of the non-materiality of the OPEX ratio, which is not relevant to the Group's activities (i.e. less than 10%).

### 4.7.6. Publication

*4.7.6.1. Proportion of revenue aligned with the European Green Taxonomy*

The revenue in question is that generated for the equipment of all types of vehicles regardless of the engine and the type of vehicle.

| Economic activities | Codes | Absolute sales (in €M) | Share of sales (%) | Substantial contribution criteria: Climate change mitigation (%) | Adapting to climate change (%) | Aquatic and marine resources (%) | Circular economy (%) | Pollution (%) | Biodiversity and ecosystems (%) | Does Not Significantly Harm (DNSH) criteria: Climate change mitigation (Yes/No | Adapting to climate change (Yes/No | Aquatic and marine resources Yes/No | Circular economy Yes/No | Pollution Yes/No | Biodiversity and ecosystems (Yes/No) | Minimum warranties Yes/No | Share of sales aligned with taxonomy in 2022 (%) | Share of sales aligned with taxonomy in 2021 (%) | Enabling activity H | Transient activity T |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. Activities eligible for taxonomy | | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (aligned with taxonomy) | | | | | | | | | | | | | | | | | | | | |
| Sales of environmentally sustainable activities (aligned with taxonomy) (A.1) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| A.2 Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) | | | | | | | | | | | | | | | | | | | | |
| Sales of activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A.2) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| Total (A.1 + A.2) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| B. Activities not eligible for the taxonomy | | | | | | | | | | | | | | | | | | | | |
| Sales of activities not eligible f o r taxonomy (B) | | 990 | 100% | | | | | | | | | | | | | | | | | |
| Total (A + B) | | 990 | 100% | | | | | | | | | | | | | | | | | |

*4.7.6.2. Capital Expenditure / CAPEX*

The Group's eligible and aligned capital expenditure are not material for the 2022 financial year.

| Economic activities | Codes | CapEx absolute (in €M) | Share of CaPex (%) | Substantial contribution criteria: Climate change mitigation (%) | Adapting to climate change (%) | Aquatic and marine resources (%) | Circular economy (%) | Pollution (%) | Biodiversity and ecosystems (%) | Does Not Significantly Harm (DNSH) criteria: Climate change mitigation (Yes/No | Adapting to climate change (Yes/No | Aquatic and marine resources Yes/No | Circular economy Yes/No | Pollution Yes/No | Biodiversity and ecosystems (Yes/No) | Minimum warranties Yes/No | Share of CapEx aligned with taxonomy in 2022 (%) | CapEx share of taxonomy in 2021 (%) | Enabling activity H | Transient activity T |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. Activities eligible for taxonomy | | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (aligned with taxonomy) | | | | | | | | | | | | | | | | | | | | |
| CapEx for environmentally sustainable activities (aligned with taxonomy) (A.1) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| A.2 Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) | | | | | | | | | | | | | | | | | | | | |
| CapEx for taxonomy-eligible but environmentally unsustainable activities (not taxonomy-aligned) (A.2) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| Total (A.1 + A.2) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| B. Activities not eligible for the taxonomy | | | | | | | | | | | | | | | | | | | | |
| CapEx for activities not eligible for taxonomy (B) | | 40 | 100% | | | | | | | | | | | | | | | | | |
| Total (A + B) | | 40 | 100% | | | | | | | | | | | | | | | | | |

*4.7.6.3. Operating Expenditure / OPEX*

Within the framework of the Taxonomy, operating expenditure (OPEX) are defined restrictively as direct non-capitalised costs linked to:

- research and development;
- building renovation measures;
- short-term leases;
- maintenance and repairs;
- all other direct expenses linked to the day-to-day maintenance of property, plant and equipment by the company or by a third-party subcontractor that are necessary to ensure the continuous and effective operation of these assets.

Operating expenditure as defined by the Taxonomy Regulation are not material in relation to all operating expenditure recorded in AKWEL's consolidated income statement. The analyses led to the conclusion of the non-materiality of the OPEX ratio, which is not relevant to the Group's activities (i.e. less than 10%).

As a result, the exemption criterion was applied and the OPEX KPI was not calculated.

| Economic activities | Codes | Absolute OpEx (in €M) | OpEx share (%) | Substantial contribution criteria: Climate change mitigation (%) | Adapting to climate change (%) | Aquatic resources and mariness (%) | Circular economy (%) | Pollution (%) | Biodiversity and ecosystems (%) | Does Not Significantly Harm (DNSH) criteria: Climate change mitigation (Yes/No | Adapting to climate change (Yes/No | Aquatic and marine resources Yes/No | Circular economy Yes/No | Pollution Yes/No | Biodiversity and ecosystems (Yes/No) | Minimum warranties Yes/No | Percentage of OpEx aligned with taxonomy in 2022 (%) | Percentage of OpEx aligned with taxonomy in 2021 (%) | Enabling activity H | Transient activity T |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. Activities eligible for taxonomy | | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (aligned with taxonomy) | | | | | | | | | | | | | | | | | | | | |
| Environmentally sustainable OpEx (aligned with taxonomy) (A.1) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| A.2 Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) | | | | | | | | | | | | | | | | | | | | |
| OpEx eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A.2) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| Total (A.1 + A.2) | | 0 | 0% | | | | | | | | | | | | | | | | | |
| B. Activities not eligible for the taxonomy | | | | | | | | | | | | | | | | | | | | |
| OpEx not eligible for taxonomy (B) | | 73 | 100% | | | | | | | | | | | | | | | | | |
| Total (A + B) | | 73 | 100% | | | | | | | | | | | | | | | | | |

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

# REPORT BY THE VERIFICATION BODY

## *Financial year ended 31 December 2022*

To the shareholders,

At the request of AKWEL (hereinafter "entity") and in our role as an independent third-party body ("third party"), accredited by the COFRAC Inspectorate under number 3-2013, scope available at www.cofrac.fr, we conducted work aimed at formulating a reasoned opinion expressing a conclusion of moderate assurance on the historical (stated or extrapolated) information in the filing of non-financial performance, prepared in accordance with the entity's procedures (hereinafter the "Reference Material"), for the financial year ended 31/12/2022 (hereinafter respectively the "Information" and the "Filing"), presented in the Group's management report pursuant to the provisions of articles L.225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

### Conclusion

Based on the procedures that we implemented, as described in the section "Nature and the extent of work", and the information we collected, we have not identified any material misstatement likely to call into question the fact that the Group's filing of non-financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented in a truthful manner, in accordance with the Reference Material.

### Preparation of the filing of non-financial performance

The absence of a generally accepted and commonly used reference framework or established practices on which to assess and measure the Information makes it possible to use different but acceptable measurement techniques that may affect comparability between entities and over time.

As a result, the Information must be read and understood by reference to the Reference Material, the significant elements of which are presented in the Filing.

### Responsibility of the entity

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- 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 and in addition the information provided for in article 8 of Regulation (EU) 2020/852 (green taxonomy);
- as well as implementing the internal control system that it deems necessary for the preparation of Information that does not contain any material misstatements, whether due to fraud or error.

The Filing was prepared by applying the Entity's Reference Material as mentioned above.

### 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 historical information (stated or extrapolated) 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.

As it is our responsibility to formulate an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of said Information, as this could compromise our independence.

It is not our responsibility to give a verdict on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly in terms of information provided for in Article 8 of Regulation (EU) 2020/852 (green taxation), the vigilance plan and the fight against corruption and tax evasion);

- the truthfulness of the information provided for in article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of the products and services with applicable regulations.

## Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes relating to this work operation as an audit programme and with the international standard ISAE 3000 (revised).

## 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 accounting profession. In addition, we have put in place a quality control system that includes documented policies and procedures aimed at ensuring compliance with applicable laws and regulations, ethical rules and the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes relating to this work operation.

## Means and resources

Our work leveraged the skills of three people and took place between 10 March 2023 and 27 April 2023 over a total period of 15 days.

We called on our specialists in sustainable development and social responsibility to assist us in carrying out our work. We conducted three interviews with the individuals responsible for preparing the Filing, including general management, administration and finance, risk management, compliance, human resources, health and safety, environment and procurement.

## Nature and extent of the work

We planned and carried out our work taking into account the risk of material misstatements in the Information.

We believe that the procedures we have carried out by exercising our professional judgement enable us to formulate a conclusion of moderate assurance:

- we familiarised ourselves with the activity of all of the entities included in the scope of consolidation, and with the presentation of the main risks;
- 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 provided for in III of article L. 225-102-1 in social and environmental matters, as well as respect for human rights and the fight against corruption and tax evasion;
- we verified that the Filing presents the information provided for in II of article R. 225-105 where it is relevant to the main risks and includes, where applicable, an explanation of the reasons justifying the absence of the information required by the 2nd paragraph of III of article L. 225-102-1;
- we verified that the Filing presents the business model and the description of 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 relating to the main risks;
- we consulted the documentation sources and conducted interviews to:
  - assess the process for selecting and validating the main risks and the consistency of the results, including the selected key performance indicators, with regard to the main risks and policies presented, and,

  - corroborate the qualitative information (actions and results) that we considered to be the most important information presented in Appendix 1. Our work was carried out at the level of the consolidating entity and in a selection of entities5;
- we reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process aimed at ensuring the completeness and truthfulness of the Information;
- regarding the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1,
- we implemented:
  - 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 or other selection methods, 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 covering between 26% and 62% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Filing relative to our knowledge of all of the entities included in the scope of consolidation.

The procedures implemented as part of a moderate assurance assignment are less extensive than those required for a reasonable assurance assignment carried out in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes; higher-level assurance would have required more extensive audit work.

Lyon, 27 April 2023,

FINEXFI
Isabelle Lhoste

Partner

[5] Corporate scope: Cadillac, Champfromier, Orizaba and Timisoara except for the following indicator: Number of training hours (Champfromier and Orizaba scope)

Environmental scope: Cadillac, Champfromier, Orizaba and Timisoara except for the following indicators: Quantity of water consumed, Quantity of gas consumed, Consumption of plastic raw materials, Scopes 1 and 2 direct and indirect emissions (Cadillac, Orizaba and Timisoara scope)

# 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 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. Free share allocation 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

# EXECUTIVE BOARD'S REPORT ON THE WORDING OF RESOLUTIONS PROPOSED TO THE COMBINED GENERAL MEETING OF THURSDAY 25 MAY 2023

Twenty three resolutions will be submitted to the shareholders at the Combined General Meeting of 25 May 2023 at 11 am at the Company's head office.

These resolutions are divided into two groups:

The first 20 resolutions (from the 1st to the 20th resolution) and the last resolution (23rd resolution) 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 2022, the appropriation of income, the approval of the regulated agreements stated in articles L.225-86 et seq. of the French Commercial Code, the review of a member of the Supervisory Board, the approval of the information stated in I of 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 2022 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 Company's involvement on the market for its own shares.

II – The other two resolutions (21st and 22nd resolution) fall under the competence of the Extraordinary General Meeting and concern the authorisation to be granted to the Executive Board to reduce the share capital by cancelling own shares held by the Company, as well as an amendment to the Company's articles of association to bring them into line with regulatory provisions.

## 1. Ordinary resolutions

### 1.1. Approval of the financial statements for the 2022 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 2022, resulting in a loss of €12,987,890.35 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 €31,288, as well as the corresponding tax charge, i.e. €7,822.

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 2022 financial year.

The purpose of the 3rd resolution is to approve the consolidated financial statements for the financial year ended 31 December 2022, which show positive Net Income Group share of €11,080,090.

### 1.2. 2022 income appropriation (4th resolution)

The purpose of the 4th resolution is to decide on the appropriation of income for the Company's 2022 financial year and the distribution of a dividend.

The annual financial statements ended 31 December 2022 indicate a net loss of €12,987,890.35. This income, combined with retained earnings of €100,787,228.78, brings the total distributable amount to €87,799,338.43.

It is proposed to distribute to shareholders as dividends the sum of €8,022,312, or a gross dividend per share of €0.30.

This sum will be deducted in full from the retained earnings account.

This brings the balance of retained earnings to €79,777,026.43.

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 2023 and the dividend will be paid on 10 June 2023.

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 - *page 206*.

## 1.4. Renewal of an office as members of the Supervisory Board (10th resolution)

The 10th resolution submitted for shareholder approval concerns the renewal of the office of Ms ANNE VIGNAT DUCRET, member of the Supervisory Board.

The office of Ms ANNE VIGNAT DUCRET expires at the end of this General Meeting.

Your Supervisory Board has unanimously decided to propose to you the renewal of said office for a three-year term, i.e. after the Ordinary General Meeting called to rule in 2026 on the financial statements for the financial year ending 31 December 2025.

## 1.5. Approval of the information referred to in I of article L.22-10-9 of the French Commercial Code (11th resolution)

The 11th 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 2022 financial year to the members of the Executive Board (from the 12th resolution to the 16th 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 25 May 2022 ruling on the remuneration policy envisaged for the financial year ended 31 December 2022, you are asked, in accordance with the vote on the 12th, 13th, 14th, 15th and 16th resolutions, to approve the fixed and variable items comprising the total remuneration and benefits of any nature paid during the 2022 financial year or awarded in respect of the same financial year to the members of the Executive Board in respect of their office, 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 nature paid or awarded in respect of the last financial year to André Coutier, President of the Supervisory Board (17th resolution)

The 17th 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 *3.2.2.*

## 1.8. Approval of the corporate officer remuneration policy (18th and 19th resolutions)

The purpose of the 18th and 19th resolutions 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 2023 financial year, as presented in the corporate governance report in section *3.2.*

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 2023 financial statements.

## 1.9. Authorisation concerning share buyback programmes (20th resolution)

During the Ordinary General Meeting of 25 May 2022 (20th resolution), you gave your Company authorisation to conduct stock market transactions in its own shares.

We remind you that the liquidity contract with Gilbert Dupont ended on 7 December 2022.

At 31 December 2022, the total number of treasury shares was 6,044 shares.

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 20th 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 10% 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 10% of the number of shares comprising the share capital as at 31 December 2022, or 2,668,060 shares, in the maximum total amount of €133,403,000, as calculated based on the share capital on 3 April 2023 and the 6,044 treasury shares on that same date.

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 market-making for the company's securities by an investment services provider, acting independently under a liquidity contract in accordance with regulations;
- retain the purchased shares and subsequently deliver them for exchange or payment as part of mergers, demergers, contributions or acquisitions;
- cancel all or part of the shares thusly repurchased, under the conditions provided for by law;
- implement any market practice that is permitted by regulations.

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 25 May 2022, subject to its approval.

## 2. Extraordinary resolutions

### 2.1. Authorisation to be given to the Executive Board with a view to cancelling the treasury shares held by the Company repurchased under the provisions of article L 22-10-62 of the French Commercial Code (21st resolution)

The 21st resolution submitted for shareholder approval concerns the authorisation to be granted to the Executive Board for a period of 24 months to reduce the share capital by cancelling treasury shares acquired by itself up to a limit of 10% of the Company's share capital calculated on the date of the decision to cancel, minus any shares cancelled during the previous 24 months.

### 2.2. Harmonisation of the articles of association (22nd resolution)

By means of the vote on the 22nd resolution, it is proposed that the articles of association be brought into line with the provisions of article L. 823-1 of the French Commercial Code as amended by act no. 2016-1691 of 9 December 2016 concerning the appointment of the Statutory Auditors and to amend article 19 of the articles of association accordingly.

## 3. Powers

### 3.1. Powers to complete formalities (23rd resolution)

The 23rd resolution is a common resolution intended to authorise any holder of a copy or of an 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.

*Page 215* contains the agenda and *page 217* contains the text of the resolutions that we propose to submit for your approval.

# SUPERVISORY BOARD'S REPORT ON 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 offices 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 2022;
- the delegations concerning capital increases and other authorisations granted to the Executive Board still valid during the 2022 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 2022 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 at the meetings of the Audit Committee on 23 and 29 March 2023 and for approval by the Supervisory Board on 5 April 2023.

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, revised 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 by the Middlenext Code, the Company states that, during the 2022 financial year, it applied all 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.

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

## 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.

One member of the Supervisory Board was appointed by the Company's central works council and representing the employees.

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 term 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 office expires.

#### *2.1.1.1. Changes occurring in 2022*

The changes occurring during the financial year were as follows:

| Effective date | Change occurred |
|---|---|
| 25.05.2022 | Renewal of the office of (i) Ms Geneviève Coutier and Ms Emilie Coutier, (ii) Messrs André Coutier and Nicolas Job and (iii) the company COUTIER DEVELOPPEMENT, represented by Mr Christophe Coutier |
| 25.05.2022 | Renewal of the office of Mr André Coutier as President of the Supervisory Board |
| 25.05.2022 | Renewal of the office of Mr Nicolas Job as Vice-President of the Supervisory Board |
| 25.05.2022 | Appointment by the Central Works Council on 03.03.2022 of Mr Guillaume Wesolowski as a member of the Supervisory Board representing employees on the Supervisory Board, replacing Mr Christophe Besse |

### 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 | Sex | Number of registered shares at 31 December 2022 | Primary position | Audit Committee | CSR and Remuneration Committee | Date of first appointment | Date of reappointment | Date of office expiry |
|---|---|---|---|---|---|---|---|---|---|---|
| **André Coutier** | FR | 74 | M | 20 | Pdt(3) | Member | Member | 26.06.2016 | 25.05.2022 | 25.05.2025 |
| **Anne Vignat Ducret (1)** | FR | 59 | F | 0 | Member | _ | | 29.10.2020 | - | 25.05.2023 |
| **COUTIER DEVELOPPEMENT Represented by Christophe Coutier** | FR | 45 | M | 15,331,170 | Member | Member | Member | _ | 25.05.2022 | 25.05.2025 |
| **Geneviève Coutier** | FR | 75 | F | 11,350 | Member | Member | _ | 26.06.2016 | 25.05.2022 | 25.05.2025 |
| **Emilie Coutier** | FR | 41 | F | 0 | Member | _ | _ | 29.06.2016 | 25.05.2022 | 25.05.2025 |
| **Nicolas Job(1)** | FR | 68 | M | 0 | Member | Pdt | Pdt | 29.06.2016 | 25.05.2022 | 25.05.2025 |
| **Guillaume Wesolowski (2)** | FR | 44 | M | 0 | Member | _ | _ | 14.12.2017 | 25.05.2022 | 25.05.2025 |

(1) Independent member. The notion of independence is defined in 2.1.1.3. of this report.
(2) Member representing employees
(3) President

The average age of the Board is 58 and 42% of the members are under 50 years of age.

The expertise and experience of the members of the Supervisory Board are the result of the various salaried and management office and positions they previously held.

The office of Ms Anne Vignat Ducret as a member of the Supervisory Board expires at the end of the General Meeting of 25 May 2023.

A proposal will be made to the General Meeting of 25 May 2023 to renew the office of Anne Vignat Ducret for a further three years, i.e. until the end of the General Meeting to be held in 2026 called to approve the financial statements for the past financial year.

### 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.

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 05 April 2023, 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 Guillaume Wesolowski, 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) permanently representing COUTIER DEVELOPPEMENT have close family ties with the Company's directors.

#### *2.1.1.4. Gender-balanced representation in the Supervisory Board – Diversity of 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 office 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 supervisory body of the Company and its subsidiaries, managed by the Executive Board. It ensures that the strategy applied by the Executive Board is aligned with the guidelines it has approved.

It grants the Executive Board the authorisations prior to the conclusion of transactions that the Executive Board cannot carry out 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 similar benefit.

It determines the terms and conditions for receiving the remuneration awarded to the members of the Supervisory Board and its distribution among the latter. It also sets the remuneration of the President and, where applicable, the Vice-President and the resources awarded 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 convened 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 2022 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 seven times: on 10 February 2022, 7 April 2022, 5 May 2022, 25 August 2022, 22 September 2022 and 10 November 2022. 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 relative to the total workforce, was 100% for all 2022 meetings.

The table below shows the attendance rates per meeting of the members of the Supervisory Board during the 2022 financial year:

| Meeting date | Attendance rate (member present) |
|---|---|
| 10.02.2022 | 100% |
| 7.04.2022 | 100% |
| 5.05.2022 | 100% |
| 25.05.2022 | 100% |
| 25.08.2022 | 100% |
| 22.09.2022 | 100% |
| 10.11.2022 | 100% |

The President chaired all meetings during 2022, with the exception of the 5 May 2022 meeting, which was shared by the Vice-President.

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 2022*

During 2022, 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 2022 financial year;
- the quarterly financial position as at 31 March and 30 September 2022;
- 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;
- the renewal of the office of the President and Vice-President of the Supervisory Board;
- the observation of the appointment by the Central Works Council of a member of the Supervisory Board representing employees;
- the renewal of the offices of the members of the Audit Committee and the CSR and Remuneration Committee;
- the renewal of the offices of the members of the Executive Board whose mandate expired;
- 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 preparation of the policy on remuneration for the members of the Executive Board for the 2022 financial year;
- the amendment of the internal regulations of the Supervisory Board;
- the main elements of the Company's policy on sustainable development and Corporate Social Responsibility;
- the preparation of the General Meeting of Shareholders of 25 May 2022 and the examination of the reports presented at the General Meeting;
- the assessment of the functioning of the Supervisory Board.

The Supervisory Board was also informed or consulted on various subjects by the Executive Board, although its prior authorisation was not necessary.

#### *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.

Each 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, no conflict of interest existed between the duties of each of the members of the board Company and their private interests or other duties.

The Supervisory Board took note of the rules applicable to the prevention of insider breaches, in particular concerning the periods during which it is prohibited to carry out securities transactions.

*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 office, 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 office 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 2022, shows the members' satisfaction with the operation 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 on 5 April 2023, 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 2022*

| Effective date | Change occurred |
|---|---|
| 25.05.2022 | Renewal of the office of Messrs Mathieu Coutier, Benoit Coutier, Nicolas Coutier and Frédéric Marier |
| 25.05.2022 | Renewal of the office of Mr Mathieu Coutier as President of the Executive Board during the Supervisory Board meeting of 25 May 2022 |
| 25.05.2022 | The office of Mr Jean-Louis Thomasset as a member of the Executive Board was not renewed at the Supervisory Board meeting of 25 May 2022. |

#### *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 four 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 office expires. Any member of the Executive Board can be reappointed.

The office of the members of the Executive Board currently serving was renewed by the Supervisory Board during its meeting of 25 May 2022.

The members of the Executive Board are as follows:

| Members of the Executive Board | Nationality | Age | Sex | Number of registered shares at 31 December 2022 | Primary position | Date of first appointment | Date of reappointment | Date of office expiry |
|---|---|---|---|---|---|---|---|---|
| **Mathieu Coutier** | FR | 48 | M | 13,410 | President | 2009 | 25.05.2022 | 25.05.2025 |
| **Benoit Coutier** | FR | 45 | M | 23,500 | Member - Legal VP | 20.12.2013 | 25.05.2022 | 25.05.2025 |
| **Nicolas Coutier** | FR | 42 | M | 10 | Member - Business Development VP | 20.12.2013 | 25.05.2022 | 25.05.2025 |
| **Frédéric Marier** | FR | 60 | M | 0 | Member - Manufacturing Performance VP | 10.02.2017 | 25.05.2022 | 25.05.2025 |

The expertise and management experience of the members of the Executive Board are the result of the various salaried and management positions they previously held.

### 2.2.2. Functioning of the Executive Board

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

The Executive Board is in charge of the Company's management 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 2022, 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 thereby 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*

The Internal Regulations of the Supervisory Board stipulate that the Audit Committee is comprised of at least three (3) members and five (5) members, of which at least one member is chosen from among the independent members and must not include any executive corporate officer.

Since 29 May 2019, the Audit Committee has been comprised of four members appointed for the duration of their office 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 2022 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 alignment 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. Social, Environmental and Societal Responsibility (CSR) and Remuneration Committee*

During its meeting of 10 February 2022, the Company's Supervisory Board decided to include Social, Environmental and Societal Responsibility issues within the scope of responsibility of the Remuneration Committee and to change its name to reflect these new assignments.

*2.3.1.2.1. Composition*

The CSR and Remuneration Committee is comprised of at least three (3) members and at most five (5) members, of which at least one member is chosen from among the independent members and must not include any executive corporate officer.

The CSR and Remuneration Committee appoints a member of the Board from among its members, who acts as President of the Remuneration Committee. The latter must be an independent member.

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

The CSR and 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 timing 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 2022 financial year, the CSR and Remuneration Committee met once, with a 100% attendance rate.

During these meetings, it primarily formulated proposals to the Supervisory Board regarding the achievement of the Executive Board's qualitative objectives in respect of the 2022 financial year and the amount of corresponding payments.

*2.3.1.2.3. Mission of the CSR and Remuneration Committee*

**Mission in terms of Social, Environmental and Societal Responsibility**

The CSR and Remuneration Committee is responsible for preparing the Supervisory Board's deliberations concerning the review and monitoring of issues relating to the Company's social, environmental and societal responsibility and the way in which the Group strives to promote long-term value creation by considering the social and environmental considerations of its activities.

To this 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 itself, and informs it of any difficulties encountered in the performance of its missions.

As part of its missions, the Social, Environmental and Societal Responsibility Committee:

- examines the Group's social, environmental and societal issues, risks, challenges and opportunities (regulatory context, market, etc.);
- examines the Group's policies and commitments in terms of social, environmental and societal responsibility, 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 the members of the Supervisory Board with a review of the actions carried out during the year.

The Committee may be assigned any other mission, whether regular or ad hoc, entrusted to it by the Supervisory Board in its area of competence. It may suggest that the Supervisory Board refer it to any particular point that it deems necessary or relevant.

**Role in terms of remuneration**

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, to date, of:

| | |
|---|---|
| Benoit Coutier | Member of the Executive Board - Legal VP |
| Mathieu Coutier | President of the Executive Board |
| Nicolas Coutier | Member of the Executive Board - Business Development VP |
| Maxime Delorme | Operation VP |
| Thierry Foubert | Operation VP |
| Pierre Gaillard | Human Resources Director |
| Véronique Guiboud-Ribaud | Information Technology VP |
| Sylvain Jaquet | Operation VP - Product Line Director |
| Gilles Kern | Quality, Safety, Environment and Energy VP |
| Karine Lesne | Purchasing VP |
| Philippe Mao | Operation VP |
| Frédéric Marier | Member of the Executive Board - Manufacturing Performance VP |
| Ludovic Mercier | Marketing and Sales VP |
| Alfredo Soto | Operation VP |
| Grégory Voisin | Financial VP |

#### *2.3.2.2. Operation of the Executive Committee*

The Executive Committee met twice per month on average during the 2022 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 are presented, 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 2022 (see *3* 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.* );
- the items of remuneration paid during this financial year, duly approved by the General Meeting of 25 May 2022 or awarded in respect of this 2022 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 *3.1.1.* below);
- the information referred to in article L. 22-10-9-I of the French Commercial Code concerning each of the corporate officers in office during the financial year ended 31 December 2022.

## 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 2023 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 office, 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 changed 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 5 April 2023 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) | <= 10.4% | > 10.4% =/<11.7% | > 11.7% =/<13% | 13% |
| 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** | **-** | **=** | **+** | **++** |
|---|---|---|---|---|
| PPM | Over 4 | 3 to 4 | 2.5 to 3 | Less than 2.5 |
| IPB | Over 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% | Over 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 multi-annual variable remuneration is not associated with a reclaim system.

The Supervisory Board, at the proposal of the CSR and Remuneration Committee, during its meeting of 5 April 2023, made its payment conditional on social and environmental responsibility (CSR) criteria and adopted the following criteria:

- reference period: 1 January 2023 to 31 December 2025
- qualitative criterion: The Company obtaining the "EcoVadis SILVER" medal following the assessment of the Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) conducted by EcoVadis based on data provided in 2025.

*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 for distributing the remuneration of members of the Supervisory Board were amended in respect of 2022.

At its meeting of 7 April 2022, the Supervisory Board, at the proposal of the CSR and Remuneration Committee, reviewed the rules for distributing remuneration to members of the Supervisory Board in order to comply with the recommendations of the Middlenext Code in this area, by introducing a minimum fixed remuneration.

The remuneration allocated to each member of the Supervisory Board would include a fixed portion, as remuneration for each member's participation in and contribution to Board and Committee meetings, and a predominant variable portion, according to actual participation in meetings.

The total annual amount of remuneration allocated to 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 according to their actual participation, regardless of the method, in Board meetings. This variable portion amounts to 1. €200 per meeting, the total amount of which is capped at €6,000 per year;
- in addition to these amounts, there is an additional fixed allocation (i) of €6,000 for members of the Supervisory Board who participate in meetings of the Audit Committee and (ii) €6,000 for members of the Supervisory Board who participate in meetings of the CSR and Remuneration Committee.

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 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 office (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 office.

*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 office. 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 CSR and 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 CSR and 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 CSR and 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 CSR and 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.

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 2023 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 99.98% approved by the General Meeting of Shareholders of 25 May 2022 and the remuneration policy for members of the Supervisory Board was 99.98% 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 André 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 remuneration 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 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 the Company's social and environmental responsibility (SER) criteria.<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 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 2023 to 31 December 2025.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: The Company obtaining the "EcoVadis SILVER" medal following the assessment of the Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) conducted by EcoVadis based on data provided in 2025.<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 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 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 the Reference Period.<br>This remuneration is based on the Company's social and environmental responsibility (SER) criteria.<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. | 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 remuneration paid during the period from 1 January 2023 to 31 December 2025.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: The Company obtaining the "EcoVadis SILVER" medal following the assessment of the Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) conducted by EcoVadis based on data provided in 2025.<br>The Board reserves the right to change these criteria as required. |
| Benefits in kind | Mr Benoit Coutier receives a company vehicle. | |

*3.2.3.3. 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 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 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 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 the Company's social and environmental responsibility (SER) criteria.<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 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 2023 to 31 December 2025.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: The Company obtaining the "EcoVadis SILVER" medal following the assessment of the Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) conducted by EcoVadis based on data provided in 2025.<br>The Board reserves the right to change these criteria as required. |
| Benefits in kind | Mr Nicolas Coutier receives a company vehicle. | |

*3.2.3.4. 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 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 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 the Company's social and environmental responsibility (SER) criteria.<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 2023 to 31 December 2025.<br>The payment of multi-annual variable remuneration is subject to the achievement of the following target: The Company obtaining the "EcoVadis SILVER" medal following the assessment of the Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) conducted by EcoVadis based on data provided in 2025.<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 Company corporate officer

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 2023 will be called upon to vote on a proposed resolution concerning the remuneration items paid in 2022 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 2022 financial year complies with the Remuneration Policy adopted by the shareholders during the General Meeting of 25 May 2022 in its 22nd and 23rd 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 2022 financial year totals €2,310,154.

*3.3.1.1. Summary table of the remuneration of each member of the Executive Board due and/or paid in 2022 and during the financial year ended 31 December 2021*

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Mr Mathieu Coutier President of the Executive Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Fixed remuneration [1] | 400,800 | 400,800 | 400,800 | 400,800 |
| Variable remuneration [2] | 120,240 | 200,400 | 200,400 | 89,849 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind [3] | 4,135 | 4,135 | 3,096 | 3,096 |
| **Total** | **525,175** | **605,335** | **604,296** | **493,745** |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Mr Jean Louis Thomasset Vice-President of the Executive Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Fixed remuneration [1] | 115,200 | 48,000 [7] | 115,200 | 115,200 |
| Variable remuneration [2] | 0 | 57,600 | 57,600 | 29,400 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind [5] | 0 | 0 | 0 | 0 |
| Fees [4] | 323,622 | 323,622 | 454,085 | 454,085 |
| **Total** | **438,822** [6] | **429,222** [6] | **626,885** [6] | **598,685** [6] |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Mr Benoit Coutier Member of the Executive Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Fixed remuneration [1] | 354,000 | 354,000 | 354,000 | 354,000 |
| Variable remuneration [2] | 106,200 | 177,000 | 177,000 | 79,355 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind [3] | 1,595 | 1,595 | 1,728 | 1,728 |
| **Total** | **461,795** | **532,595** | **532,728** | **435,083** |

| Mr Nicolas COUTIER Member of the Executive Board | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| | Due | Paid in 2022 | Due | Paid in 2021 |
| Fixed remuneration (1) | 354,000 | 354,000 | 354,000 | 354,000 |
| Variable remuneration (2) | 106,200 | 177,000 | 177,000 | 79,355 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind (3) | 1,595 | 1,595 | 1,728 | 1,728 |
| **Total** | **461,795** | **532,595** | **532,278** | **435,083** |

| Mr Frédéric Marier Member of the Executive Board | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| | Due | Paid in 2022 | Due | Paid in 2021 |
| Fixed remuneration (1) | 354,000 | 354,000 | 354,000 | 354,000 |
| Variable remuneration (2) | 106,200 | 177,000 | 177,000 | 79,335 |
| Multi-annual variable remuneration | 0 | 0 | 0 | 0 |
| Benefits in kind (3) | 3,029 | 3,029 | 3,029 | 3,029 |
| **Total** | **463,229** | **534,029** | **534,029** | **436,384** |

*(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 amount of remuneration allocated to Jean-Louis Thomasset, whose office ended on 25 May 2022, was calculated on a pro rata basis.*

### *3.3.1.2. Decisions concerning the variable remuneration of members of the Executive Board awarded in respect of the 2022 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 2022 annual variable remuneration of the members of the Executive Board is subject to the achievement of several specific and pre-established objectives, of a quantitative or qualitative nature, the minimum, target and maximum thresholds of which have been set by the Supervisory Board.

Annual variable remuneration is based equally on the return on capital employed and customer satisfaction.

For 2022, 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 2022 financial year and the of the indicator linked to customer satisfaction in the amount of annual variable remuneration were as follows:

| Indicators | - | = | + | ++ |
|---|---|---|---|---|
| PPM | Over 4 | 3 to 4 | 2.5 to 3 | Less than 2.5 |
| IPB | Over 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% | Over 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 2022 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 5 April 2023, at the proposal of the CSR and Remuneration Committee, approved as follows the amount of the annual variable remuneration of each member of the Executive Board for 2022:

**a) Results obtained and amount of the variable portion attributable to members of the Executive Board in respect of H1 2022**

| | Mathieu Coutier President of the Executive Board | Benoit Coutier Member of the Executive Board | Nicolas Coutier Member of the Executive Board | Fréderic Marier Member of the Executive Board |
|---|---|---|---|---|
| Amount of the annual variable remuneration ceiling (in euros) | 240,480 | 212,400 | 212,400 | 212,400 |
| Amount of the annual variable remuneration ceiling | 120,240 | 106,200 | 106,200 | 106,200 |

| | | | | |
|---|---|---|---|---|
| for H1 2022 (in euros) | | | | |
| Structure and level of the annual 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 annual variable remuneration ceiling. | | | |
| ROCE (RE/CE) at 30/06/2022 | 6.5% | | | |
| Achievement rate for this indicator | 0/3 | 0/3 | 0/3 | 0/3 |
| Amount of the variable portion with regard to the objectives related to the return on capital employed at 30/06/2022 (in euros) (A1) | 0 | 0 | 0 | 0 |
| Customer satisfaction indicator | Weighting in the target variable portion: 50% of the annual variable remuneration ceiling. | | | |
| PPM (Parts per Million) at 30/06/2022 | 1.95 | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 6 | 6 | 6 | 6 |
| IPB (Incidents per Billion) at 30/06/2022 | 1.046 | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 9 | 9 | 9 | 9 |
| Responsiveness after incident at 30/06/2022 | 98.60% | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 3 | 3 | 3 | 3 |
| Total number of points | 18 | 18 | 18 | 18 |
| Overall achievement rate for this indicator | ++ | ++ | ++ | ++ |
| Amount of the variable portion with regard to the customer satisfaction objectives at 30/06/2022 (in euros) (A2) | 60,120 | 53,100 | 53,100 | 53,100 |
| Total annual variable remuneration at 30/06/2022 (in euros) (A) = (A1) + (A2) | 60,120 | 53,100 | 53,100 | 53,100 |

**b) Results obtained and amount of the variable portion attributable to members of the Executive Board in respect of H2 2022**

| | Mathieu Coutier President of the Executive Board | Benoit Coutier Member of the Executive Board | Nicolas Coutier Member of the Executive Board | Fréderic Marier Member of the Executive Board |
|---|---|---|---|---|
| Amount of the annual variable remuneration ceiling (in euros) | 240,480 | 212,400 | 212,400 | 212,400 |
| Amount of the annual variable remuneration ceiling for H2 2022 (in euros) | 120,240 | 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 annual variable remuneration ceiling. | | | |
| ROCE (RE/CE) at 31/12/2022 | 8% | | | |
| Achievement rate for this indicator | 0/3 | 0/3 | 0/3 | 0/3 |
| Amount of the variable portion with regard to the objectives related to the return on capital employed at 30/06/2022 (in euros) (B1) | 0 | 0 | 0 | 0 |
| Customer satisfaction indicator | Weighting in the target variable portion: 50% of the annual variable remuneration ceiling. | | | |
| PPM (Parts per Million) at 31/12/2022 | 2.47 | | | |
| Achievement rate | 2/3 | 2/3 | 2/3 | 2/3 |
| Number of points | 4 | 4 | 4 | 4 |
| IPB (Incidents per Billion) at 31/12/2022 | 1.046 | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 9 | 9 | 9 | 9 |
| Responsiveness after incident at 31/12/2022 | 98.50% | | | |
| Achievement rate | 3/3 | 3/3 | 3/3 | 3/3 |
| Number of points | 3 | 3 | 3 | 3 |
| Total number of points | 16 | 16 | 16 | 16 |
| Overall achievement rate for this indicator | ++ | ++ | ++ | ++ |
| Amount of the variable portion with regard to the customer satisfaction | 60,120 | 53,100 | 53,100 | 53,100 |

| | | | | |
|---|---|---|---|---|
| objectives at 31/12/2022 (in euros) (B2) | | | | |
| Total annual variable remuneration at (in euros) (B) = (B1) + (B2) | 60,120 | 53,100 | 53,100 | 53,100 |

**c) Total amount of annual variable remuneration for the full financial year ended 31/12/2022**

| | Mathieu Coutier President of the Executive Board | Benoit Coutier Member of the Executive Board | Nicolas Coutier Member of the Executive Board | Fréderic Marier Member of the Executive Board |
|---|---|---|---|---|
| Total annual variable remuneration at 30/06/2022 (in euros) (A) | 60,120 | 53,100 | 53,100 | 53,100 |
| Total annual variable remuneration at 31/12/2022 (in euros) (B) | 60,120 | 53,100 | 53,100 | 53,100 |
| Total annual variable remuneration (in euros) (A+B) | 120,240 | 106,200 | 106,200 | 106,200 |
| Percentage of the variable portion compared to the target variable portion | 50% | 50% | 50% | 50% |
| Percentage of variable remuneration relative to fixed remuneration | 30% | 30% | 30% | 30% |

In accordance with the provisions of Article L. 22-10-34. II paragraph 2 of the French Commercial Code, payment of the components of variable remuneration to the President and members of the Executive Board is subject to approval by the Ordinary General Meeting of 25 May 2023 of the components 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*

During its meeting of 5 April 2023, the Supervisory Board, after observing that the performance target governing the award of multi-annual variable remuneration to the members of the Executive Board due in respect of the 2022 financial year had not been achieved, decided to not award the multi-annual variable remuneration to the members of the Executive Board.

*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 2022 |
|---|---|
| Mathieu Coutier, President of the Executive Board | 30% |
| Benoit Coutier, Member of the Executive Board | 30% |
| Nicolas Coutier, Member of the Executive Board | 30% |
| Frédéric Marier, Member of the Executive Board | 30% |

### 3.3.2. Remuneration due and/or paid in 2022 to the members of the Supervisory Board and during the financial year ended 31 December 2021

The total amount of remuneration paid by the Company in respect of the positions of Member of the Supervisory Board in respect of the 2022 financial year total €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 2022 and 2021 by the members of the Supervisory Board of the Company.

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Mr André Coutier<br>President of the Supervisory Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Fixed remuneration in respect of his office as President of the Supervisory Board (1) | 160,000 | 160,000 | 160,000 | 160,000 |
| Remuneration in respect of his office as Member of the Supervisory Board (1) | 24,000 | 24,000 | 24,000 | 24,000 |
| **Total** | **184,000** | **184,000** | **184,000** | **184,000** |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Mr Nicolas Job<br>Vice-President of the Supervisory Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Fixed remuneration in respect of his office as Vice-President of the Supervisory Board (1) | 55,000 | 55,000 | 55,000 | 55,000 |
| Remuneration in respect of his office as Member of the Supervisory Board(1) | 24,000 | 24,000 | 24,000 | 24,000 |
| **Total** | **79,000** | **79,000** | **79,000** | **79,000** |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Ms Geneviève Coutier<br>Member of the Supervisory Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Remuneration in respect of her office as Member of the Supervisory Board(1) | 18,000 | 18,000 | 18,000 | 18,000 |
| **Total** | **18,000** | **18,000** | **18,000** | **18,000** |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Ms Emilie Coutier<br>Member of the Supervisory Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Remuneration in respect of her office as Member of the Supervisory Board(1) | 12,000 | 12,000 | 12,000 | 12,000 |
| **Total** | **12,000** | **12,000** | **12,000** | **12,000** |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Ms Anne Vignat Ducret Member of the Supervisory Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Remuneration in respect of her office as Member of the Supervisory Board(1) | 12,000 | 12,000 | 12,000 | 12,000 |
| **Total** | **12,000** | **12,000** | **12,000** | **12,000** |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Mr Christophe Coutier - Permanent representative of COUTIER DEVELOPPEMENT Member of the Supervisory Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Remuneration in respect of his office as Member of the Supervisory Board(1) | 24,000 | 24,000 | 24,000 | 24,000 |
| **Total** | **24,000** | **24,000** | **24,000** | **24,000** |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Mr Christophe Besse Member of the Supervisory Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Remuneration in respect of his office as Member of the Supervisory Board(1) | 6,000(2) | 6,000(2) | 12,000 | 12,000 |
| **Total** | **6,000**(2) | **6,000**(2) | **12,000** | **12,000** |

| | Amounts for 2022 (in euros) | | Amounts for 2021 (in euros) | |
|---|---|---|---|---|
| **Mr Guillaume Wesolowski Member of the Supervisory Board** | **Due** | **Paid in 2022** | **Due** | **Paid in 2021** |
| Remuneration in respect of his office as Member of the Supervisory Board(1) | 6,000(3) | 6,000(3) | - | - |
| **Total** | **6,000** (3) | **6,000** (3) | **-** | **-** |

*(1) Pre-tax gross basis*
*(2) The amount of remuneration awarded to Christophe Besse, whose office ended on 25 May 2022, was calculated on a pro rata basis*
*(3) The amount of remuneration awarded to Guillaume Wesolowski, whose office took effect on 25 May 2022, was calculated on a pro rata basis*

### 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 2022*

None.

*3.3.3.2. Share subscription or purchase options awarded during the financial year ended 31 December 2022*

None.

*3.3.3.3. Bonus shares awarded during the financial year ended 31 December 2022*

None.

*3.3.3.4. Bonus shares awarded during the financial year ended 31 December 2022 and linked to multi-annual performance*

None.

*3.3.3.5. Bonus shares acquired during the financial year ended 31 December 2022*

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 remunerations 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 corporate officer of the Company the ratio between the level of his remuneration and the level of the gross annual guaranteed minimum wage (SMIC).

The table also shows the annual change in the remuneration of each executive corporate officer, the Company's performance (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 SMIC amount was obtained by adding the monthly SMIC amount on 1 January 2022 multiplied by 7 and the amount of the SMIC on 1 August 2022 multiplied by 5. As such, the gross annual SMIC amount for 2022 is €19,449.24 (35-hour basis).

In respect of 2022, the median wage of the Company's full-time employees other than the corporate officers was €27,438.72, while the average wage of full-time employees was €34,264.72.

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 for 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, and (ii) his remuneration allocated in respect of his participation in the Company's governance (formerly directors' fees).

| **André Coutier – President of the Supervisory Board** | | | | | |
|---|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2020** | **31.12.2019** | **31.12.2018** |
| Total remuneration (in euros) | 184,000.00 | 184,000.00 | 162,666.00 | 184,000.00 | 184,000.00 |
| Change compared with the previous financial year | 0.00 | 13.12 | -11.59 | 0.00 | 127.56 |
| Average employee remuneration (in euros) | 34,264.72 | 33,909.00 | 33,020.00 | 32,940.00 | 31,752.00 |
| Ratio relative to the average remuneration of employees | 5.37 | 5.43 | 4.93 | 5.59 | 5.79 |
| Change in the ratio compared with the previous financial year | -1.04 | 10.15 | -11.81 | -3.61 | 125.26 |
| Median remuneration of employees (in euros) | 27,438.72 | 27,624.00 | 24,024.00 | 26,679.00 | 25,407.00 |
| Ratio relative to the median remuneration of employees | 6.71 | 6.66 | 6.77 | 6.90 | 7.24 |
| Change in the ratio compared with the previous financial year | 0.67 | -1.63 | -1.82 | -4.77 | 123.43 |
| 12-month SMIC amount (in euros) | 19,449.24 | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 |
| Ratio to the SMIC | 9.46 | 9.81 | 8.81 | 10.08 | 10.23 |
| Change in the ratio compared with the previous financial year | -3.55 | 11.39 | -12.64 | -1.50 | 124.80 |
| Change in current operating income compared with the previous financial year | -48.64 | -32.72 | 23.32 | 19.12 | -32.75 |
| Change in consolidated revenue compared with the previous financial year | 7.38 | -1.58 | -14.89 | 3.67 | 3.71 |

| **Mathieu Coutier – President of the Executive Board** | | | | | |
|---|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2020** | **31.12.2019** | **31.12.2018** |
| Total remuneration (in euros) | 605,335.56 | 493,742.00 | 579,462.00 | 623,361.00 | 516,504.00 |
| Change compared with the previous financial year | 22.60 | -14.79 | -7.04 | 20.69 | 79.64 |
| Average employee remuneration (in euros) | 34,264.72 | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 |
| Ratio relative to the average remuneration of employees | 11.67 | 14.56 | 17.55 | 18.92 | 16.27 |
| Change in the ratio compared with the previous financial year | 21.32 | -17.03 | -7.27 | 16.34 | 77.83 |
| Median remuneration of employees (in euros) | 27,438.72 | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 |
| Ratio relative to the median remuneration of employees | 22.06 | 17.87 | 24.12 | 23.37 | 20.33 |
| Change in the ratio compared with the previous financial year | 23.43 | -25.90 | 3.23 | 14.93 | 76.38 |
| 12-month SMIC amount (in euros) | 19,449.24 | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 |
| Ratio to the SMIC | 31.12 | 26.32 | 31.37 | 34.15 | 28.72 |
| Change in the ratio compared with the previous financial year | 18.25 | -16.09 | -8.14 | 18.88 | 77.46 |
| Change in current operating income compared with the previous financial year | -48.64 | -32.72 | 23.32 | 19.12 | -32.75 |
| Change in consolidated revenue compared with the previous financial year | 7.38 | -1.58 | -14.89 | 3.67 | 3.71 |

| **Jean-Louis Thomasset** | | | | | |
|---|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2020** | **31.12.2019** | **31.12.2018** |
| Total remuneration (in euros) (1) | 429,222.00 | 598,685.00 | 666,010.00 | 720,676.00 | 636,026.00 |
| Change compared with the previous financial year | -28.31 | -10.11 | -7.59 | 13.31 | 24.67 |
| Average employee remuneration (in euros) | 34,264.72 | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 |
| Ratio relative to the average remuneration of employees | 12.53 | 17.66 | 20.17 | 21.88 | 20.03 |
| Change in the ratio compared with the previous financial year | 15.64 | -12.47 | -7.81 | 9.22 | 23.41 |
| Median remuneration of employees (in euros) | 27,438.72 | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 |
| Ratio relative to the median remuneration of employees | 15.64 | 21.67 | 27.72 | 27.01 | 25.03 |
| Change in the ratio compared with the previous financial year | -27.82 | -21.82 | 2.63 | 7.91 | 22.41 |
| 12-month SMIC amount (in euros) | 19,449.24 | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 |
| Ratio to the SMIC | 22.07 | 31.91 | 36.05 | 39.48 | 35.37 |
| Change in the ratio compared with the previous financial year | -30.85 | -11.48 | -8.68 | 11.61 | 23.16 |
| Change in current operating income compared with the previous financial year | -48.64 | -32.72 | 23.32 | 19.12 | -32.75 |
| Change in consolidated revenue compared with the previous financial year | 7.38 | -1.58 | -14.89 | 3.67 | 3.71 |

*(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 expertise services and, on an ancillary basis, for tax monitoring, of which Mr Jean-Louis Thomasset is a partner and majority manager.*

| **Mr Benoit Coutier – Member of the Executive Board** | | | | | |
|---|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2020** | **31.12.2019** | **31.12.2018** |
| Total remuneration (in euros) | 532,595.40 | 435,083.00 | 512,743.00 | 551,093.00 | 427,354.00 |
| Change compared with the previous financial year | 22.41 | -15.15 | -6.96 | 28.95 | 139.40 |
| Average employee remuneration (in euros) | 34,264.72 | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 |
| Ratio relative to the average remuneration of employees | 15.54 | 12.83 | 15.53 | 16.73 | 13.46 |
| Change in the ratio compared with the previous financial year | 21.13 | -17.37 | -7.18 | 24.30 | 136.98 |
| Median remuneration of employees (in euros) | 27,438.72 | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 |
| Ratio relative to the median remuneration of employees | 19.41 | 15.75 | 21.34 | 20.66 | 16.82 |
| Change in the ratio compared with the previous financial year | 23.24 | -26.20 | 3.32 | 22.81 | 135.05 |
| 12-month SMIC amount (in euros) | 19,449.24 | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 |
| Ratio to the SMIC | 27.38 | 23.19 | 27.76 | 30.19 | 23.77 |
| Change in the ratio compared with the previous financial year | 18.07 | -16.44 | -8.06 | 27.03 | 136.49 |
| Change in current operating income compared with the previous financial year | -48.64 | -32.72 | 23.32 | 19.12 | -32.75 |
| Change in consolidated revenue compared with the previous financial year | 7.38 | -1.58 | -14.89 | 3.67 | 3.71 |

| Nicolas Coutier – Member of the Executive Board | | | | | |
|---|---|---|---|---|---|
| | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
| Total remuneration (in euros) | 532,595.40 | 435,083.00 | 512,743.00 | 551,093.00 | 426,023.00 |
| Change compared with the previous financial year | 22.41 | -15.15 | -6.96 | 29.36 | 144.32 |
| Average employee remuneration (in euros) | 34,264.72 | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 |
| Ratio relative to the average remuneration of employees | 15.54 | 12.83 | 15.53 | 16.73 | 13.42 |
| Change in the ratio compared with the previous financial year | 21.13 | -17.37 | -7.18 | 24.69 | 141.85 |
| Median remuneration of employees (in euros) | 27,438.72 | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 |
| Ratio relative to the median remuneration of employees | 19.41 | 15.75 | 21.34 | 20.66 | 16.77 |
| Change in the ratio compared with the previous financial year | 23.24 | -26.20 | 3.32 | 23.19 | 139.89 |
| 12-month SMIC amount (in euros) | 19,449.24 | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 |
| Ratio to the SMIC | 27.38 | 23.19 | 27.76 | 30.19 | 23.69 |
| Change in the ratio compared with the previous financial year | 18.07 | -16.44 | -8.06 | 27.42 | 141.35 |
| Change in current operating income compared with the previous financial year | - 48.64 | -32.72 | 23.32 | 19.12 | -32.75 |
| Change in consolidated revenue compared with the previous financial year | 7.38 | -1.58 | -14.89 | 3.67 | 3.71 |

| Frédéric Marier – Member of the Executive Board | | | | | |
|---|---|---|---|---|---|
| | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
| Total remuneration (in euros) | 534,028.56 | 436,383.00 | 516,022.00 | 550,266.00 | 394,429.00 |
| Change compared with the previous financial year | 22.74 | -15.43 | -6.22 | 39.51 | 39.34 |
| Average employee remuneration (in euros) | 34,264.72 | 33,908.88 | 33,020.00 | 32,940.00 | 31,752.00 |
| Ratio relative to the average remuneration of employees | 15.88 | 12.87 | 15.63 | 16.71 | 12.42 |
| Change in the ratio compared with the previous financial year | 21.46 | -17.65 | -6.45 | 34.48 | 37.93 |
| Median remuneration of employees (in euros) | 27,438.72 | 27,623.88 | 24,024.00 | 26,679.00 | 25,407.00 |
| Ratio relative to the median remuneration of employees | 19.46 | 15.80 | 21.48 | 20.63 | 15.52 |
| Change in the ratio compared with the previous financial year | 23.57 | -26.45 | 4.14 | 32.86 | 36.81 |
| 12-month SMIC amount (in euros) | 19,449.24 | 18,759.63 | 18,473.04 | 18,254.64 | 17,981.64 |
| Ratio to the SMIC | 27.46 | 23.26 | 27.93 | 30.14 | 21.94 |
| Change in the ratio compared with the previous financial year | 18.36 | -16.73 | -7.33 | 37.42 | 37.65 |
| Change in current operating income compared with the previous financial year | -48.64 | -32.72 | 23.32 | 19.12 | -32.75 |
| Change in consolidated revenue compared with the previous financial year | 7.38 | -1.58 | -14.89 | 3.67 | 3.71 |

## 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 office (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 2023 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 2022 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 office in respect of the last financial year.

The items of remuneration presented below will be subject to approval by the General Meeting in resolutions 12 (for Mathieu Coutier), 13 (for Jean-Louis Thomasset), 14 (for Benoit Coutier), 15 (for Nicolas Coutier) and 16 (for Frédéric Marier).

Note that the remuneration items due or awarded in respect of the financial year ended 31 December 2022 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 25 May 2022, in the 16th, 17th, 18th, 19th and 20th 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 Mr Mathieu Coutier, President of the Executive Board, in respect of the 2022 financial year are as follows:

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2022 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 400,800 | |
| Annual variable remuneration | 200,400 | Amount paid following the General Meeting of 25 May 2022. |
| Annual variable remuneration | 120,240 | Amount to be paid after approval by the General Meeting. |
| Remuneration in respect of his office 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 remuneration 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 office, 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 office | None | |
| Benefits of any nature awarded in respect of the corporate appointment | 4,135 | |

### 3.4.2. The remuneration items due or awarded to Jean-Louis Thomasset in respect of the 2022 financial year are as follows:

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2022 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 48,000 | |
| Annual variable remuneration | 57,600 | Amount paid following the General Meeting of 25 May 2022. |
| Annual variable remuneration | 0 | Amount to be paid after approval by the General Meeting. |
| Multi-annual variable remuneration | None | |
| Exceptional remuneration | None | |
| Remuneration in respect of his office 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 remuneration 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 office, 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 office | 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 2022 financial year are as follows

| **Remuneration items paid or awarded in respect of the financial year ended 31 December 2022 (Article R.225-56-1 of the French Commercial Code)** | **Amounts (in euros)** | **Comments** |
|---|---|---|
| Annual fixed remuneration | 354,000 | |
| Annual variable remuneration | 177,000 | Amount paid following the General Meeting of 25 May 2022. |
| Annual variable remuneration | 106,200 | Amount to be paid after approval by the General Meeting. |
| Multi-annual variable remuneration | None | |
| Exceptional remuneration | None | |
| Remuneration in respect of his office 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 remuneration 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 office, 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 office | None | |
| Benefits of any nature awarded in respect of the corporate appointment | 1,595 | |

### 3.4.4. The remuneration items due or awarded to Nicolas Coutier, member of the Executive Board, in respect of the 2022 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 | 177,000 | Amount paid following the General Meeting of 25 May 2022. |
| Annual variable remuneration | 106,200 | Amount to be paid after approval by the General Meeting. |
| Exceptional remuneration | None | |
| Remuneration in respect of his office 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 office, 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 office | None | |
| Benefits of any nature awarded in respect of the corporate appointment | 1,595 | |

### 3.4.5. The remuneration items due or awarded to Frédéric Marier, member of the Executive Board, in respect of the 2022 financial year are as follows:

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2022 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 354,000 | |
| Annual variable remuneration | 177,000 | Amount paid following the General Meeting of 26 May 2022. |
| Annual variable remuneration | 106,200 | 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 office | None | The members of the Executive Board may not be a member of the Supervisory Board and therefore cannot be awarded remuneration 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 office | None | |
| Benefits of any nature awarded in respect of the corporate appointment | 3,029 | |

### 3.4.6. The remuneration items due or awarded in respect of the financial year ended 31 December 2022 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 17th resolution.

| Remuneration items paid or awarded in respect of the financial year ended 31 December 2022 (Article R.225-56-1 of the French Commercial Code) | Amounts (in euros) | Comments |
|---|---|---|
| Annual fixed remuneration | 160,000 | |
| Remuneration in respect of his office as Member of the Supervisory Board (formerly attendance fee) | 24,000 | |
| Any other remuneration item that can be awarded in respect of the office | None | |

## 3.5. Employment contract, specific retirements, retirement benefits and non-competition clause

| | Employment contract | Supplementary pension | 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 |
| Guillaume Wesolowski, member of the Supervisory Board | Yes | No | No | No |
| Mathieu Coutier, 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 |
|---|---|---|---|
| Delegation of authority to the Executive Board to have the Company buy back its own shares | 25.05.2022 (24th resolution) | 18 months (25.11.2023) | €50 per share 0.5% of capital |

- Authorisations put to the vote at the General Meeting of Shareholders of 25 May 2023

| | Meeting date | Expiry | Maximum amount authorised |
|---|---|---|---|
| Authorisation to be granted to the Executive Board to have the Company buy back its own shares | 25.05.2023 (20th resolution) | 18 months (25.11.2024) | €50 per share 10% of capital |
| Authorisation to be granted to the Executive Board with a view to cancelling the shares bought back by the Company | 25.05.2023 (21st resolution) | 24 months (25.05.2025) | €50 per share 10% 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 may hold or cease to hold a percentage of the capital or voting rights at least equal to 1% or any multiple of this percentage, up to the 50% threshold.

If this obligation to inform is not met, 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 between 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, Nicolas Coutier and Christophe Coutier are cousins of Benoit Coutier and Mathieu Coutier.

Emilie Coutier, Nicolas Coutier and Christophe Coutier are siblings.

To the Company's knowledge, there are no other close family ties between the corporate officers.

## 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 DEVELOPMENT 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 2022 financial statements

Ladies and Gentlemen,

Invited to the Combined General Meeting in accordance with the law and the articles of association, notably in order to submit for your attention and 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 2022.

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 2022.

Furthermore, we bring to your attention the purpose of the work of the Supervisory Board as presented in *2.1.2.4.* 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 2022 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 05 April 2023, presented to us the financial statements for the 2022 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 2022.

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 2022 show the following key items:

| (in thousands of Euros) | Consolidated financial statements | Corporate financial statements |
|---|---|---|
| Balance sheet total | 865,704 | 445,982 |
| Revenue | 990,532 | 323,462 |
| Income for the financial year | 11,109 | (12,988) |

During this financial year, activity was notably marked by:

- the decline on the automotive market in Europe and the increase in production in North America. A sharp decline in profitability, as all of the Group's entities were adversely affected by the increases in materials and components, as well as cyclical increases (transport, energy, wage inflation) that could not be immediately and fully reflected in sales prices. A foreign exchange loss on the monetary position linked to Turkish hyperinflation.

- a record net cash position due to a reduction in gross financial debt.

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 2022, 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 OFFICES, POSITIONS AND BUSINESS ADDRESSES OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD AS AT 31 DECEMBER 2022

## 1. List of the office and positions of the members of the Supervisory Board as at 31 December 2022

### 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 offices:** | |
| ***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 |
| ***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 |
| **Offices and positions expired during the last five financial years:** | |
| Permanent Representative of AKWEL in his role as Executive Director of P.E.P VALORISATION (until 2021)<br>Executive Director of COUTIER DEVELOPPEMENT (formerly COUTIER JUNIOR)<br>President of the Executive Board of AKWEL (formerly MGI COUTIER)<br>President of the Board of Directors of AKWEL VIGO SPAIN SLU (Spain) (formerly MGI COUTIER ESPANA)<br>President of the Board of Directors of AKWEL TIMISOARA ROMANIA SRL (Romania) (formerly MGI COUTIER ROM)<br>Representative of AKWEL BIRMINGHAM UK LTD (formerly MGI COUTIER UK) (United Kingdom) in his role as Executive Director<br>President of the Board of Directors of AKWEL MEXICO SA DE CV (Mexico) (formerly MGI COUTIER MEJICO SA DE CV)<br><br>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 offices:** None | |
| **Offices 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 offices:** | |
| ***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 |
| **Offices 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 offices:** None | |
| **Offices 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 offices:** | |
| ***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 |
| **Offices and positions expired during the last five financial years:** . | |
| Executive Director of COUTIER DEVELOPPEMENT (formerly COUTIER JUNIOR) | |

## 1.6. Anne Vignat Ducret

| | **Address** |
|---|---|
| Member of the Supervisory Board | 891, Route de Saint André sur Vieux Jonc<br>Le Thioudet - 01960 Peronnas |
| **Current offices:** | |
| ***French companies*** | ***Positions*** |
| COUTIER DEVELOPPEMENT<br>Limited Company with an Executive Board and Supervisory Board (Champfromier) | Member of the Supervisory Board |
| FORESTIERE & DEVELOPPEMENT (SAS) (France) | Chief Executive Officer |
| LES FILS DE CYRILLE DUCRET (SAS) (France) | Chief Executive Officer |
| FORETS ET SCIAGES AUTUN - F.S.A (SAS) (France) | Chief Executive Officer |
| POINT BOIS (SAS) (France) | Chief Executive Officer |
| CAISSE REGIONALE DE CREDIT AGRICOLE CENTRE-EST (France) | Executive Director |
| SUPBOIS (SA) (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 |
| COVEMAT | Manager |
| BOIS CARRE (SARL) (France) | Manager |
| SOCIETE CIVILE DES PRES (SCI) (France) | Manager |
| GROUPEMENT FORESTIER DU VIOLON (France) | Manager |
| ***Foreign companies*** | ***Positions*** |
| MBAO BOIS SENEGAL (SARL) (Senegal) | Manager |
| **Offices and positions expired during the last five financial years:** | |
| Manager of SCI Sous Les Roches (France) | |

## 1.7. Nicolas Job

| **Positions:** | **Business address:** |
|---|---|
| Vice-President of the 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 offices:** | |
| ***French companies*** | ***Positions*** |
| NJ CONSULTING | Manager |
| COUTIER DEVELOPPEMENT<br>Limited Company with an Executive Board and Supervisory Board (Champfromier) | Member of the Supervisory Board |
| **Offices and positions expired during the last five financial years:** None | |

## 1.8. Guillaume Wesolowski

| **Positions:** | **Business address:** |
|---|---|
| Member of the Supervisory Board<br>Head of Development | AKWEL – Zone Industrielle de l'Europe<br>76220 GOURNAY EN BRAY |
| **Current offices:** None | |
| **Offices and positions expired during the last five financial years:** None | |

## 2. List of the offices and positions of the members of Executive Board as at 31 December 2022

### 2.1. Mathieu Coutier

| | Business address: |
|---|---|
| President and member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |
| **Current offices:** | |
| ***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)<br>(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)<br>(formerly AVON AUTOMOTIVE UK HOLDING Ltd) | Executive Director |
| AKWEL BIRMINGHAM UK LTD (United Kingdom)<br>(formerly MGI COUTIER UK CO LTD) | Permanent representative of AKWEL, in his role as Executive Director |
| AKWEL GERMANY SERVICES GMBH (Germany)<br>(formerly AVON AUTOMOTIVE DEUTSCHLAND GMBH) | Manager |
| AKWEL RUDNIK CZECH REPUBLIC (Czech Republic) (formerly AVON AUTOMOTIVE AS) | Member of the Executive Board |
| AKWEL VIGO S.L (Spain)<br>(formerly MGI COUTIER ESPANA SL) | Executive Director and President |
| AKWEL SANT JUST SPAIN S.L (Spain)<br>(formerly INDUSTRIAL FLEXO SL) | Executive Director and President |
| AKWEL TIMISOARA ROMANIA SRL (Romania)<br>(formerly MGI COUTIER ROM SRL) | Executive Director |
| AKWEL SWEDEN AB (Sweden)<br>(formerly AUTOTUBE AB AKTIEBOLAG) | Executive Director and President |
| AKWEL AUTOMOTIVE SWEDEN AB (Sweden)<br>(formerly AUTOTUBE GROUP HOLDING AKTIEBOLAG) | Executive Director and President |
| AKWEL BURSA TURKEY OTOMOTIVE A.S. (Turkey)<br>(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<br>(formerly NINGBO MGI COUTIER AUTO PLASTICS CO LTD) | Executive Director |
| AKWEL WUHAN AUTO PARTS CO, LTD<br>(formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | Executive Director |
| AKWEL CHONGQING AUTO PARTS CO, LTD<br>(formerly AVON AUTOMOTIVE COMPONENTS CHONGQING CO | Executive Director and President |

| | |
|---|---|
| LTD | |
| AKWEL JAPAN SERVICES CO LTD (Japan)<br>(formerly AVON AUTOMOTIVE JAPAN CO.LTD) | Executive Director |
| AKWEL USA, INC (US)<br>(formerly AVON AUTOMOTIVE HOLDING INC) | Executive Director and President |
| AKWEL CADILLAC USA, INC (US)<br>(formerly CADILLAC RUBBER & PLASTICS, INC) | Executive Director and Treasurer |
| AKWEL MEXICO USA, INC (US)<br>(formerly CT RUBBER & PLASTICS INC) | Executive Director and Treasurer |
| AKWEL AUTOMOTIVE USA, INC (US)<br>(formerly PETROLE AUTOMOTIVE HOLDING INC) | Executive Director and President |
| AKWEL JUAREZ MEXICO, S.A. DE C.V (Mexico)<br>(formerly CADIMEX SA DE CV) | Executive Director and President |
| 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 and Treasurer |
| MGI COUTIER ILIA CO PJS (Iran) | Executive Director |
| **Offices 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 AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | |

## 2.2. Benoit Coutier

| **Positions:** | **Business address:** |
|---|---|
| Member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |
| **Current offices:** | |
| ***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) | Executive Director |

| | |
|---|---|
| (formerly MGI COUTIER ESPANA SL) | |
| 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<br>(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) | IMALAT Director and Secretary (Officer) |
| AKWEL MEXICO USA, INC (US)<br>(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 |

| **Offices 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) |

## 2.3. Nicolas Coutier

| **Positions:** | **Business address:** |
|---|---|
| Member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |

**Current offices:**

| ***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) | Executive Director |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD<br>(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 |

**Offices 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)

## 2.4. Frédéric Marier

| **Positions:** | **Business address:** |
|---|---|
| Member of the Executive Board | 975, route des Burgondes<br>01410 Champfromier |

**Current offices:** None

**Offices and positions expired during the last five financial years:** None

# FINANCIAL STATEMENTS - AKWEL GROUP

# CONSOLIDATED BALANCE SHEET

*As at 31 December 2022*
*(in thousands of Euros)*

| ASSETS | Notes no. | 31.12.2022 Net amounts | 31.12.2021 Net amounts |
|---|---|---|---|
| Goodwill | 7 | 36,298 | 34,566 |
| Other intangible assets | 8 | 704 | 1,203 |
| **Intangible assets** | | **37,002** | **35,769** |
| Land | | 17,584 | 18,445 |
| Buildings | | 64,600 | 63,503 |
| Equipment | | 136,475 | 137,048 |
| Other tangible assets | | 8,820 | 7,779 |
| Assets linked to use rights | | 12,818 | 13,769 |
| Assets under construction, advances and progress payments | | 35,125 | 24,196 |
| **Tangible fixed assets** | 9 | **275,422** | **264,740** |
| Non-current financial assets | 10 | 3,948 | 1,673 |
| Other long-term receivables | | 837 | - |
| Deferred tax assets | 11 | 6,118 | 5,822 |
| **Total non-current assets** | | **323,326** | **308,004** |
| Inventory | 12 | 152,770 | 129,836 |
| Trade accounts receivable and other assets linked to customer contracts | 13 | 155,648 | 150,146 |
| Non-trade receivables | 14 | 67,448 | 73,607 |
| Cash and cash equivalents | 1.6.7. | 166,512 | 167,404 |
| **Total current assets** | | **542,378** | **520,993** |
| Assets held for sale or discontinuation | 19 | - | 1,293 |
| **Total assets** | | **865,704** | **830,290** |

| LIABILITIES | *Notes no.* | 31.12.22 | 31.12.21 |
|---|---|---|---|
| Share capital | *15* | 21,393 | 21,393 |
| Revaluation adjustment for land | | 2,333 | 2,333 |
| Reserves and retained earnings | | 561,985 | 497,683 |
| Interim dividends | | - | - |
| **Income for the financial year, Group share** | | **11,080** | **51,151** |
| **Group share of shareholders' equity** | | **596,792** | **569,804** |
| **Minority interests** | | **815** | **1,368** |
| **Shareholders' equity** | | **597,607** | **571,172** |
| Long-term provisions | *16* | 48,157 | 44,539 |
| Medium and long-term financial debts | *17* | 8,193 | 17,430 |
| Debts on non-current lease obligations | *17* | 8,169 | 8,420 |
| Deferred tax liabilities | *11* | 7,088 | 6,936 |
| **Total non-current liabilities** | | **71,607** | **77,325** |
| Current provisions | *16* | 8,398 | 14,275 |
| Financial debts falling due within one year | *17* | 34,784 | 41,407 |
| Debts on current lease obligations | | 1,683 | 1,920 |
| Trade accounts payable | | 111,119 | 81,623 |
| *(including fixed asset trade receivables)* | | *2,084* | *1,952* |
| Other debts | *18* | 40,507 | 40,049 |
| **Total current liabilities** | | **196,491** | **179,274** |
| Liabilities held for sale or discontinuation | *19* | - | 2,519 |
| **Total liabilities** | | **865,704** | **830,290** |

# CONSOLIDATED INCOME STATEMENT

*As at 31 December 2022*
*(in thousands of Euros)*

| | *Notes No.* | 31.12.22 (12 months) | 31.12.21 (12 months) |
|---|---|---|---|
| **REVENUE** | *1.7.1.* | **990,532** | **922,472** |
| Change in inventoried products | | 9,296 | 1,692 |
| Quantities consumed | | (489,016) | (426,244) |
| Discounts granted | | (92) | (38) |
| Other external expenses | | (152,746) | (122,033) |
| **ADDED VALUE** | | **357,974** | **375,849** |
| Taxes and dues | | (4,313) | (3,659) |
| Payroll and temporary staffing expenses | | (272,408) | (255,149) |
| **EBITDA** | | **81,253** | **117,041** |
| Amortisation allowances | | (39,725) | (42,501) |
| Provisions/net write-back of provisions | | (2,903) | 687 |
| **CURRENT OPERATING INCOME** | *1.7.4.* | **38,624** | **75,227** |
| Other net non-current profits (charges) | | (962) | (4,865) |
| **OPERATING INCOME** | | **37,662** | **70,362** |
| *Income from cash and cash equivalents* | | 2,045 | 1,052 |
| *Cost of gross financial debt* | | (1,427) | (1,752) |
| **Cost of net financial debt** | 5 | **618** | **(700)** |
| Other financial income (and charges) | 5 | 2,200 | (1,510) |
| Gains and losses on monetary position | 5 | (14,186) | |
| Current and deferred taxes | 6 | (14,572) | (16,293) |
| Proportionate interest of the affiliated companies in the profit or loss | | (614) | (460) |
| **NET INCOME FROM CONTINUING OPERATIONS** | | **11,108** | **51,399** |
| Income after tax from discontinued operations or operations held for sale | | - | (467) |
| **NET PROFIT (LOSS)** | | **11,108** | **50,932** |
| * of which consolidated Group share | | 11,080 | 51,151 |
| * of which share accruing to minority interests | | 28 | (219) |
| **Group share of net income per share (in euros)** | | **0.41** | **1.90** |
| Diluted Group share of net income per share (in euros) | | **0.41** | **1.90** |

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 2022*
*(in thousands of Euros)*

| | 31.12.22 | 31.12.21 |
|---|---|---|
| **NET INCOME** | **11,108** | **50,932** |
| Translation differences | 26,479 | (9,171) |
| OCI - Reclassification items | - | - |
| Actuarial differences on retirement commitments net of tax | 2,239 | (251) |
| OCI - Non-recyclable | - | - |
| **PROFITS AND LOSSES ACCOUNTED IN SHAREHOLDERS' EQUITY** | **28,718** | **(9,422)** |
| **COMPREHENSIVE INCOME** | **39,827** | **41,510** |
| * of which consolidated Group share | 39,808 | 41,621 |
| * of which share accruing to minority interests | 18 | (111) |

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 2022*
*(in thousands of Euros)*

| | *Notes no.* | 31.12.22 (12 months) | 31/12/2021 (12 months) |
|---|---|---|---|
| **NET INCOME** | | **11,108** | **50,932** |
| Goodwill amortisation allowances | *7* | - | 3,675 |
| Allowances for amortisation excluding use rights | *4* | 36,936 | 37,593 |
| Allowances for amortisation linked to use rights | *9.2.* | 2,789 | 2,717 |
| Capital gains/losses on asset transfers | | (2,586) | 137 |
| Changes in provisions and other operating resources | | (1,972) | (3,476) |
| Income after tax from discontinued operations or operations held for sale | | - | 467 |
| Elimination of income from companies treated using the equity method | | 614 | 460 |
| **CASH FLOW** | | **46,889** | **92,505** |
| Change in other short-term assets and liabilities | | 1,989 | (6,839) |
| **CHANGE IN CASH FROM OPERATING OPERATIONS** | | **48,878** | **85,666** |
| Acquisitions of tangible and intangible fixed assets | 8 and 9 | (40,352) | (28,852) |
| Acquisitions of financial fixed assets | | 34 | (1,492) |
| Transfers of fixed assets | | 8,865 | 335 |
| Change in the scope of consolidation | *2* | (1,718) | - |
| **CASH FLOW VARIATION INITIATED FROM INVESTMENTS** | | **(33,171)** | **(30,009)** |
| Dividend distribution | | (12,471) | (12,031) |
| Variation of indebtedness | *17* | (15,877) | (42,055) |
| Capital increase/decrease | | - | 19 |
| Repayment of lease debts | | (1,708) | 1,466 |
| **CASH FLOW VARIATION INITIATED FROM FUNDING** | | **(30,056)** | **(52,601)** |
| Impact of foreign exchange variations | | 13,457 | (10,702) |
| **NET CHANGE IN CASH FLOW** | | **(892)** | **(7,646)** |
| **CASH FLOW AT OPENING** | | **167,404** | **175,050** |
| **CASH FLOW AT CLOSING** | *1.11.* | **166,512** | **167,404** |
| *of which: Cash and cash equivalents* | | *166,512* | *167,404* |
| *Bank credit balances* | | - | - |

The rules for preparing the Cash Flow Statement are stated in note *1.11.* below.

**Details of other short-term assets and liabilities**

| | 31.12.22 (12 months) | 31.12.21 (12 months) |
|---|---|---|
| Change in financial costs | - | - |
| Inventory change | (24,269) | (7,000) |
| Change in current receivables | (5,175) | 35,141 |
| Change in current liabilities | 29,850 | (37,141) |
| Change in non-current receivables | 720 | 955 |
| Change in non-current liabilities | 863 | 1,673 |
| Change in assets and liabilities available for sale | - | (467) |
| **Change in other short-term assets and liabilities** | **1,989** | **(6,839)** |

**Details of the change in debts (excluding lease debts)**

| | 31.12.22 (12 months) | 31.12.21 (12 months) |
|---|---|---|
| Capital increase or contributions | - | 19 |
| Receipts from borrowings | (345) | 9,102 |
| Repayment of loans | (15,532) | (51,157) |
| **Change in debts (excluding lease debts)** | **(15,877)** | **(42,036)** |

# VARIATION IN CONSOLIDATED SHAREHOLDERS' EQUITY

*As at 31 December 2022*
*(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 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 |
| Income for the 2022 financial year | - | - | 11,080 | - | 11,080 | 28 | 11,108 |
| Gains and losses recognised under shareholders' equity | - | - | - | 26,489 | 26,489 | (10) | 26,479 |
| OCI | - | - | - | 2,239 | 2,239 | - | 2,239 |
| **S/Total global P/L** | - | **-** | **11,080** | **28,728** | **39,808** | **18** | **39,827** |
| Dividend distribution | - | - | (12,031) | - | (12,031) | (441) | (12,472) |
| Other variations | - | - | (790) | - | (790) | (130) | (920) |
| **Shareholders' equity at 31 December 2022** | **21,393** | **9,704** | **631,093** | **(65,399)** | **596,791** | **815** | **597,607** |

The amount of dividends proposed for distribution during the next General Meeting of 25 May 2023 is €8,022,468.

Retirement 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 €2,239,000.

# APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

*31 December 2022*

## 1. Accounting rules and methods

The Group's consolidated financial statements were closed by the Executive Board on 3 April 2023.

### 1.1 Key events during the last financial year

The Group has no activity in Russia and Ukraine and has not suffered any direct or indirect consequences of the conflict in Ukraine.

Over the last financial year, the major operations and events in terms of the scope of business or organisation are as follows:

- lack of visibility on projected customer needs, including those who were confirmed or were subject to logistical protocols;
- supply difficulties regarding electronic components, due to global demand exceeding supply;
- accentuation of the increases in prices of raw materials and components, as well as cyclical increases (transport, energy, wages);
- order intakes, which remained at a satisfactory level, particularly in electric vehicles;
- acceleration of Safety, Quality, Environment and Energy initiatives;
- disposal of the stake in Sinfa Câbles in Morocco;
- sale of the Birmingham site (United Kingdom);
- purchase of a new production site in Bulgaria.

Over the last financial year, the major operations and events in terms of the scope of business or organisation are as follows:

Note that the significant activities mentioned in respect of the 2021 financial year were as follows:

- lack of visibility on projected customer needs, including those who were confirmed or were subject to logistical protocols;
- supply difficulties regarding almost all raw materials and electronic components due to global demand exceeding supply;
- surge in purchase prices for almost all raw materials and electronic components;
- multiple stoppages or reductions in vehicle production in connection with supply difficulties, leading to a very small increase in global car production compared to 2020, which was nevertheless down by around 16% compared to 2019;
- reduction of the number of strategic customers from 12 to 9;
- order intakes, which remained at a satisfactory level, particularly in electric vehicles;
- a quality performance of 0 km, the highest level in the Group's history;
- split of the Aftermarket activity into a Spare Parts section that is still located at the Villieu site (France) and an independent Distribution section that has been transferred to a new site (Bressolles – France);
- attachment of the Spare Parts sales team to the Marketing & Sales Department;
- hierarchical reporting of the Site IT officers to the Information Technology Department (decision effective 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 start the first productions at the end of 2022);
- announcement of the closure of the Birmingham (United Kingdom) site, which will be effective by the end of July 2022 at the latest, 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 cease in the third quarter of 2022;

- decision to discontinue activity at the Casablanca site (Morocco) by April 2022 (the shutdown may take the form of a closure or disposal).

## 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 2022. 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 2022

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 2022. 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 2022, are presented below:

- amendments to IAS 16, Property, plant and equipment - Proceeds before intended use; IAS 37, Onerous Contracts - Cost of fulfilling a contract; IFRS 3, Reference to the conceptual framework;
- improvements to the following 2018-2020 standards: IAS 41 - Taxation in fair value measurements; IFRS 1 - Subsidiary as a first-time adopter; IFRS 9 - Fees and cost included in the 10 per cent test for derecognition of financial liabilities; IFRS 16 - Lease incentives.

Furthermore, the analysis of the IFRS IC decision of April 2021, on the treatment of configuration or customisation costs in an SaaS agreement, had no significant impact on the Group's financial statements.

The other new standards, amendments and interpretations applicable from 1January 2022 are not applicable or did not have a significant impact on the Group's financial statements.

The Group decided to not apply in advance the standards, amendments and interpretations adopted or in the progress of being adopted by the European Union, but the early application of which would have been possible under the interpretation of existing texts, and which will come into effect after 31 December 2022, in particular:

- amendment to IAS 1, Presentation of financial statements: classification of liabilities as current or non-current (currently being adopted by the EU);
- amendment to IAS 1, Disclosure of accounting principles and methods; update to the guidance on the application of materiality, adopted in March 2022 by the EU;
- amendment to IAS 8, Definition of an accounting estimate; adopted in March 2022 by the EU;
- amendment to IAS 12, Deferred tax relating to assets and liabilities arising from a single transaction, adopted in August 2022 by the EU.

The various amendments will apply from 1 January 2023, with the exception of amendment IAS 1 - classification of liabilities as current or non-current, which will apply from 1 January 2024.

The other standards, amendments and interpretations adopted by the IASB, whose adoption process is in progress, are:

- amendment to IFRS 10 and IAS 28;
- amendments to IFRS 16 (lease liability in a sale and leaseback transaction). Date of first IASB application: 1 January 2024.

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 geopolitical crisis in Ukraine, 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.

### 1.3.1. The impact of Turkish and Argentine hyperinflation on the Group

*1.3.1.1. First application of hyperinflationary accounting to Turkish subsidiaries*

Over the last 12 months, inflation in Turkey has reached 64%, 30% of which in the second half of 2022, including Turkey on the list of hyperinflationary countries on 1 April 2022.

The decline in the Turkish lira's exchange rate changed as follows:

- 31 December 2020: 9.11 TRL for €1;
- 31 December 2021: 15.23 TRL for €1;
- 31 December 2022: 19.96 TRL for €1, a 31.1% devaluation over the financial year.

IAS 29 "Financial reporting in hyperinflationary economies" therefore applies to the Group's two Turkish entities, which are wholly owned and fully consolidated, with the Turkish lira as the functional currency.

The impact of the application of IAS 29 was significant at 31 December 2022. The two subsidiaries account for 11% of the Group's revenue. Similarly, the weighting of assets on the AKWEL group's balance sheet total is 7.4%. The main impact resulted in a foreign exchange loss on monetary position of €14.3 million.

*1.3.1.2. Impacts of Argentine hyperinflation*

Given the non-material nature of the subsidiary, the Group does not apply IAS 29 "Financial reporting in hyperinflationary economies".

## 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 2022 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 of 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 accounting principles used for converting subsidiaries located in hyperinflationary economies were presented in note 1.3. With the exception of the Turkish subsidiaries as of 2022, the Group has no other significant subsidiary in hyper-inflationary 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 1 to 3 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 both 2022 and 2021, 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 2022 financial year totalled €58.5 million (€55.9 million in 2021).

### 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. 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 2023 budgets and are extended over an explicit overall period of five years;
- beyond that period, the terminal value corresponding to capitalisation in perpetuity, with a perpetual growth rate of 1.5% (1.5% in 2021), 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 2022 to discount future cash flow was 9.0%, versus 9.0% as at 31 December 2021.

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 the 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. Impairments of goodwill are irreversible until the date on which the linked generating units are removed, except when they relate to companies accounted for using the equity method.

### 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;
- fittings of constructions: 5 to 10 years;
- technical installations:  5 to 10 years;
- industrial equipment and tools: 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.

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).

**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;
- 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. In the event that there is no term mentioned in the contract, the assets linked to the rights of use 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 rents are fixed, there is no purchase option.

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 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.

**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.

A depreciation provision is recorded when the stocks' net value is higher than their net realisable value, and/or when there are asset losses highlighted (low or no turnover, 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, leases, 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 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.

In the absence of collective agreements providing for ceilings and/or tranches for the acquisition of rights, the obligations are recorded taking into account employees' length of service.

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 3.84% discount rate (versus 1% at the 2021 year end), a 2.5% wage increase (versus 2.5% at the 2021 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.

### 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 accumulated benefit is fixed at the vesting date, depending on the rights actually acquired. It is then reclassified to reserves when the rights have been exercised or have lapsed.

### 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.

Where applicable, when they meet the definition set out in IFRS 5, 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

Movements (acquisitions and disposals) of shares in the Parent Company that are held by itself or by one of its consolidated subsidiaries are recognised directly in shareholders' 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, i.e. the list of goods or services that the seller has agreed to supply to the buyer;
- the 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 are analysed based on a five-step model introduced by the standard in order, in particular, to identify the assessment areas. 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 specific to each performance obligation presented above. 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)

Both the French company added-value contribution (CVAE) and the company property tax (CFE) are classified as 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 incomes 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 2022, 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 geographical sectors 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 2*

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 of vehicle purchasing, trade agreements, regulatory changes and labour relations (including strikes and work disruptions). Moreover, the Group generates 65.9% 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 and 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;
    - increases in right-of-use assets (IFRS 16) are offset against those related to lease obligations;
    - repayments of debts related to lease obligations are presented in the financing flow;
    - interest paid on debt linked to lease obligations is presented under "Changes in debt" flows, as is other interest 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 |
| 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 |
| 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 | 100 | Full consolidation | Gebze, Turkey |

| | | | |
|---|---|---|---|
| TICARET LTD SIRKETI) | | | |
| 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 |
| 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 |
| HOLDING ENRICAU | 21.47 | 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.

HOLDING ENRICAU, accounted for using the equity method in the amount of 21.47%, was included in the scope of consolidation in 2022. BIONASSAY M&P TECHNOLOGIE, previously accounted for the equity method, was sold to Holding ENRICAU in 2022 and was merged with HOLDING ENRICAU.

SINFA CABLES SARL (Casablanca, Morocco) was removed from the scope at 30 June 2022 following the closure of the entity. It was previously fully integrated.

## 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 2022** | | | | | | | |
| Total sales | 354,237 | 421,690 | 421,637 | 5,713 | 164,472 | (377,217) | 990,532 |
| Current operating income | (1,152) | (2,349) | 27,251 | 642 | 12,906 | 1,327 | 38,625 |
| **(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 |

The breakdown of fixed assets (intangible and tangible) by geographical area is analysed as follows:

| (in thousands of Euros) | Gross values | Net values |
|---|---|---|
| France | 300,964 | 59,971 |
| Europe & Africa | 251,321 | 93,791 |
| North America | 120,986 | 68,700 |
| South America | 3,303 | 288 |
| Rest of the world | 94,510 | 53,377 |
| **Total fixed assets** | **771,084** | **276,127** |

### 3.2. By category

| (in millions of euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Products and functions | 951.4 | 882.3 |
| Tooling | 21.4 | 30.7 |
| Miscellaneous | 17.7 | 9.5 |
| **Total** | **990.5** | **922.5** |

## 4. Net non-current revenue and expenses

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Restructuring costs (net) | (3,625) | - |
| Capital gains | 1,309 | (71) |
| Goodwill impairment | - | (3,675) |
| Other | 1,354 | (1,119) |
| **Total** | **(962)** | **(4,865)** |

## 5. Financial income

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Bank interest on short- and medium-term financing [(1)] | 618 | (700) |
| Net foreign exchange gains and (losses) | - | - |
| Gains and losses on money market positions | (14,186) | |
| Other income (charges) | 2,200 | (1,510) |
| **Total** | **(11,368)** | **(2,210)** |

[(1)] Of which €495,000 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.* of the management report

## 6. Income tax

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Current taxes | (15,285) | (19,094) |
| Deferred taxes | 713 | 2,801 |
| **Total** | **(14,572)** | **(16,293)** |

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) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Pre-tax income of integrated companies | 25,680 | 67,684 |
| Non-tax profits (temporary exemption) | - | - |
| Use of deficits not recognised previously/Loss deficits | 10,691 | 131 |
| Long-term capital gain | - | - |
| Permanent and other differences (*) | 25,915 | (4,815) |
| **Tax base** | **62,286** | **63,000** |
| Tax at standard rate of 25% | (15,572) | (17,325) |
| Different tax rates | 994 | 2,951 |
| Tax credit | 10 | 76 |
| Other impacts (including tax adjustments) | (4) | (1,995) |
| **Effective tax expense** | **(14,572)** | **(16,293)** |

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) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Net value on 1 January | 34,566 | 36,282 |
| Acquisitions | 591 | - |
| Adjustment of asset and liability values for operations acquired prior to financial year | - | - |
| Disposals | - | (32) |
| Translation differential (and other transactions) | 1,121 | 2,024 |
| Impairment | 20 | (3,708) |
| **Net amount** | **36,298** | **34,566** |

Goodwill mainly concerns the AKWEL sub-group in the USA in the amount of €27,939,000, AKWEL SANT JUST SPAIN S.L in Spain in the amount of €2,307,000 and the other entities in the amount of €6,052,000.

Following the tests conducted in 2021, the goodwill of AKWEL AUTOMOTIVE SWEDEN AB (formerly AUTOTUBE AB GROUP) was fully impaired. There was therefore no impairment in 2022.

## 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 2022 | 13,341 | - | **13,341** |
| Acquisitions | 168 | - | **168** |
| Disposals | (156) | - | **(156)** |
| Translation and other differences | 413 | - | **413** |
| **Value at 31 December 2022** | **13,766** | **-** | **13,766** |
| **Total amortisations and impairment losses** | | | |
| Value at 1 January 2022 | (12,138) | - | **(12,138)** |
| Amortisation | (732) | - | **(732)** |
| Amortisation reversals | - | - | **-** |
| Net impairment losses | - | - | **-** |
| Disposals | 156 | - | **156** |
| Translation and other differences | (348) | - | **(348)** |
| **Value at 31 December 2022** | **(13,062)** | **-** | **(13,062)** |
| **Net amounts recognised at 31 December 2022** | **704** | **-** | **704** |

# 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 installations, equipment & tooling | Other tangible assets | Current fixed assets | Total |
|---|---|---|---|---|---|---|
| **Gross value recognised** | | | | | | |
| Value at 1 January 2022 | 18,735 | 110,174 | 475,852 | 41,914 | 24,196 | **670,871** |
| Acquisitions | - | 998 | 9,070 | 1,871 | 27,634 | **39,574** |
| Disposals | (1,206) | (4,944) | (22,354) | (1,994) | (12) | **(30,510)** |
| Activation of assets under construction | - | 773 | 9,474 | 115 | (10,380) | **(18)** |
| Translation and other differences | 379 | 7,106 | 25,692 | 3,232 | (6,313) | **30,095** |
| **Value at 31 December 2022** | **17,908** | **114,108** | **497,734** | **45,138** | **35,125** | **710,013** |
| **Cumulative depreciation and impairment losses** | | | | | | |
| Value at 1 January 2022 | (290) | (46,671) | (338,804) | (34,135) | - | **(419,900)** |
| Amortisation | (38) | (3,512) | (30,153) | (2,516) | - | **(36,219)** |
| Reversals | - | - | - | - | - | **-** |
| Net impairment losses | - | - | - | - | - | **-** |
| Disposals | - | 3,075 | 19,750 | 1,854 | - | **24,679** |
| Translation and other differences | 5 | (2,401) | (12,052) | (1,521) | - | **(15,969)** |
| **Value at 31 December 2022** | **(323)** | **(49,509)** | **(361,259)** | **(36,318)** | **-** | **(447,409)** |
| **Net amounts recognised at 31 December 2022** | **17,584** | **64,600** | **136,475** | **8,820** | **35,125** | **262,604** |

## 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 assets | Current fixed assets | Total |
|---|---|---|---|---|---|---|
| **Gross value recognised** | | | | | | |
| Value at 1 January 2022 | 266 | 35,962 | 10,291 | 406 | - | **46,925** |
| Increases | - | 763 | - | - | - | **763** |
| Decreases | - | (1,484) | - | - | - | **(1,484)** |
| Translation and other differences | - | 1,103 | - | - | - | **1,103** |
| **Value at 31 December 2022** | **266** | **36,345** | **10,291** | **406** | **-** | **47,308** |
| **Cumulative depreciation and impairment losses** | | | | | | |
| Value at 1 January 2022 | - | (22,513) | (10,237) | (406) | - | **(33,156)** |
| Amortisation | - | (2,772) | (22) | - | - | **(2,794)** |
| Reversals | - | - | - | - | - | **-** |
| Net impairment losses | - | - | - | - | - | **-** |
| Decreases | - | 1,288 | - | - | - | **1,288** |
| Translation and other differences | - | 174 | - | - | - | **174** |
| **Value at 31 December 2022** | **-** | **(23,824)** | **(10,259)** | **(406)** | **-** | **(34,489)** |
| **Net amounts recognised at 31 December 2022** | **266** | **12,521** | **31** | **-** | **-** | **12,818** |

As indicated in *note 1.6.3.* , the analysis performed did not lead to the identification of right-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 | 1,592 | 4,217 | **5,810** |
| Increases | 1,717 | (49) | **1,668** |
| Decreases | (1,420) | 39 | **(1,381)** |
| Changes in the scope of consolidation | 1,688 | - | **1,688** |
| Translation and other differences | (672) | (152) | **(824)** |
| **Value at 31 December 2022** | **2,905** | **4,056** | **6,961** |
| **Total amortisations and impairment losses** | | | |
| Value at 1 January 2021 | (1,164) | (2,972) | **(4,136)** |
| Impairments | 4,649 | 647 | **5,296** |
| Net impairment losses | - | - | **-** |
| Transfers / write-backs | (4,649) | 462 | **(4,187)** |
| Changes in the scope of consolidation | - | - | **-** |
| Translation and other differences | - | 14 | **14** |
| **Value at 31 December 2022** | **(1,164)** | **(1,849)** | **(3,013)** |
| **Net amounts recognised at 31 December 2022** | **1,741** | **2,207** | **3,948** |

(*) 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.* In order to prevent the occurrence or limit the impact of such risks, the Group implements the following measures, in particular:

- technology monitoring to systematically learn about the most recent techniques and their commercialisation;
- investment in research and innovation.
- Financial and market risks of the management report.

## 11. Deferred taxes

Deferred taxes (€6.118 million in assets, €7.088 million in liabilities, giving a net amount of €970,000) are broken down as follows:

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Expert revaluation of land in France | (875) | (875) |
| Special amortisations and other regulated provisions | (6,899) | (7,122) |
| Pension | 1,655 | 2,280 |
| Activated tax losses | 5,870 | 4,234 |
| Other differences | (721) | 369 |
| **Total** | **(970)** | **(1,114)** |
| **Of which deferred tax assets** | **6,118** | **5,822** |
| **Of which deferred tax liabilities** | **(7,088)** | **(6,936)** |

As at 31 December 2022, non-activated losses were as follows:

| (bases - in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| AKWEL SANT JUST SL | 22,310 | 24,046 |
| AKWEL AUTOMOTIVE VANNES France | 3,998 | 2,976 |
| AKWEL CHONGQING AUTO PARTS CO., LTD<br>(formerly AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD | 8,500 | 8,609 |
| AKWEL WUHAN AUTO PARTS CO, LTD<br>(formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | 1,565 | 1,421 |
| AKWEL RAYONG CO, LTD | 6,286 | |
| **Total** | **42,659** | **37,052** |

Part of 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 31.12.2022 | Prov. for impairment | Net value 31.12.2022 | Net value 31.12.2021 |
|---|---|---|---|---|
| Materials, components & goods | 66,203 | (9,322) | 56,881 | 41,239 |
| Semi-finished and finished products | 73,570 | (4,818) | 68,752 | 63,865 |
| Work in progress | 27,137 | - | 27,137 | 24,732 |
| **Total** | **166,910** | **(14,140)** | **152,769** | **129,836** |

The Group is not concerned at the end of 2022 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.

## 13. Trade accounts receivable and other assets linked to customer contracts

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Trade accounts receivable | 156,385 | 151,557 |
| Impairment allowances | (737) | (1,411) |
| **Net value** | **155,648** | **150,146** |
| Advances and deposits paid on orders | 29,353 | 28,712 |
| Trade credit notes to be received | 2,579 | 2,578 |
| **Total assets on contracts** | **31,932** | **31,290** |

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 analysis conducted did not lead to a change in the provisioning model for trade receivables, nor the terms and conditions for their implementation.

Assets on contracts in 2022 include €30.4 million (€30.4 million in 2021) of provision 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) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Deferred expenses | 1,455 | 1,533 |
| Deferred tax | 14,916 | 19,997 |
| Social security receivables | 619 | 448 |
| Sundry debtors | 19,217 | 20,434 |
| Assets on contracts (1) | 31,932 | 31,290 |
| **Gross value** | **68,139** | **73,702** |
| Impairment | (691) | (95) |
| **Net value** | **67,448** | **73,607** |

(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 €14.7 million in 2022 relating to warranty returns and modernisation campaigns.

## 15. Share capital

As at 31 December 2022, 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) | 31.12.2021 | Increases | Uses | Unallocated write-backs/Other transactions | 31.12.2022 |
|---|---|---|---|---|---|
| Retirement & severance benefits | 12,810 | 2,319 | (644) | (2,388) | 12,097 |
| Other provisions for liabilities and charges | 46,004 | 19,604 | (21,415) | 265 | 44,458 |
| **Total** | **58,814** | **21,923** | **(22,059)** | **(2,123)** | **56,555** |

The variations of scope occurring over the financial year are not significant.

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 2022, provisions are broken down as follows based on their due date:

- less than one year: €8.398 million;
- more than one year: €48.157 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) | 31.12.2021 | Issuance of debt | Repayments | Translation and other differences | Change of method | 31.12.2022 |
|---|---|---|---|---|---|---|
| Debts and borrowings from credit institutions | **58,626** | - | (15,304) | (574) | - | **42,748** |
| Debts on lease obligations | **10,340** | 766 | (2,474) | 1,220 | | **9,852** |
| Other | **-** | - | - | - | - | **-** |
| Other financing | **212** | (345) | (227) | 590 | - | **229** |
| Bank credit balances | **-** | - | - | - | - | **-** |
| **Sub-total Financial debts** | **69,177** | **420** | **(18,005)** | **1,237** | **-** | **52,829** |
| **Sub-total Cash and cash equivalents** | **167,404** | **-** | **877** | **(1,769)** | **-** | **166,512** |
| **Net financial debts** | **(98,227)** | **420** | **(18,882)** | **3,006** | **-** | **(113,683)** |

At 31 December 2022, financial debts are broken down as follows based on their due date:

- less than one year: €36.284 million of which €1.683 million for lease obligations (€43.159 million in 2021);
- one to five years: €11.831 million (€17.197 million in 2021);
- more than five years: €4.714 million (€8.654 million in 2021).

At the close of the financial years presented, the Group had no debts on the acquisition of securities. Fixed-rate debts totalled €27.829 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 2022.

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) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Advances and deposits received | 2,876 | 3,390 |
| Deferred payments | 204 | 81 |
| **Sub-total Other liabilities on contracts** | **3,080** | **3,471** |
| Tax debts | 9,194 | 7,304 |
| Payroll expenses | 28,018 | 28,989 |
| Other debts | 214 | 285 |
| **Total** | **40,506** | **40,049** |

Deferred payments mainly correspond to tooling invoiced early at the request of the customers concerned.

## 19. Assets and liabilities held for sale or discontinuation

During the 2021 financial year, a decision was made to close SINFA CABLES. The closing operations, which began at the end of 2021, were completed during the 2022 financial year.

## 20. Off-balance sheet commitments and granted guarantees

**Commitments linked to external growth operations**: none.

**Commitments related to financial operations:**

At 31 December 2022, other commitments to financial institutions amounted to €10.817 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: €480,000;
- BIONNASSAY REAL ESTATE: €988,000;
- AKWEL GEBZE TURKEY OTOMOTIV SANAYI LTD SIRKETI: €400,000;
- AKWEL TIMOSOARA ROMANIA: €300,000;
- €8.615 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:

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Executives | 512 | 548 |
| Employees and technicians | 3,397 | 3,255 |
| Operatives | 5,496 | 5,858 |
| **Total** | **9,405** | **9,661** |

As at 31 December 2022, the Group's total headcount was 9,404 people, 1,280 of whom were in France. Changes in headcount are as follows:

| Companies | 31.12.2022 | 31.12.2021 |
|---|---|---|
| AKWEL (PARENT COMPANY) | 1,116 | 1,236 |
| AKWEL TOOLING FRANCE (formerly DEPLANCHE FABRICATION SARL) | 16 | 17 |
| AKWEL VANNES FRANCE SAS (formerly AVON POLYMERES FRANCE SAS) | 148 | 170 |
| **Total France** | **1,280** | **1,423** |
| NINGBO MGI COUTIER AUTO PLASTICS CO LTD | 115 | 116 |
| AKWEL MATEUR TUNISIA SARL (formerly MGI COUTIER TUNISIE SARL) | 806 | 838 |
| AKWEL CORDOBA ARGENTINA SA (formerly MGI COUTIER ARGENTINA SA) | 11 | 14 |
| AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA (formerly MGI COUTIER BRASIL LTDA) | 22 | 26 |
| AKWEL BIRMINGHAM UK LTD (formerly MGI COUTIER UK LTD) | 0 | 76 |
| AKWEL BURSA TURKEY OTOMOTIV AS (formerly MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI A.S.) | 732 | 755 |
| AKWEL VIGO SPAIN S.L (formerly MGI COUTIER ESPAÑA SL) | 375 | 329 |
| AKWEL TIMISOARA ROMANIA SRL (formerly MGI COUTIER ROM SRL) | 519 | 546 |
| AKWEL AUTOMOTIVE PUNE INDIA PVT LTD (formerly MGI COUTIER ENGINEERING PRIVATE LTD) | 33 | 26 |
| AKWEL CADILLAC USA INC (formerly CADILLAC RUBBER & PLASTICS INC) | 393 | 378 |
| AKWEL JUAREZ MEXICO SA DE CV (formerly CADIMEX SA DE CV) | 1,088 | 1,086 |
| AKWEL ORIZABA MEXICO SA DE CV (formerly CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV) | 1,511 | 1,353 |
| AKWEL CHIPPENHAM UK LTD (formerly AVON AUTOMOTIVE UK HOLDINGS LTD) | 44 | 39 |
| AKWEL GEBZE TURKEY OTOMOTIVE SANAYI LTD SIRKETI (formerly AVON OTOMOTIV SANAYI VE TICARET LTD SIRKETI) | 701 | 704 |
| AKWEL GERMANY SERVICES GMBH (formerly AVON AUTOMOTIVE DEUTSCHLAND GMBH) | 8 | 9 |
| AKWEL RUDNIK CZECH REPUBLIC A.S (formerly AVON AUTOMOTIVE A.S) | 392 | 489 |
| AKWEL SANT JUST SPAIN S.L (formerly INDUSTRIAL FLEXO SL) | 148 | 154 |
| AKWEL TONDELA (PORTUGAL), LDA (formerly AVON AUTOMOTIVE PORTUGAL LDA) | 417 | 409 |
| GOLD SEAL AVON POLYMERS PVT LTD | 69 | 73 |

| **Companies** | **31.12.2022** | **31.12.2021** |
|---|---|---|
| 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 | 50 | 67 |
| AKWEL AUTOMOTIVE SWEDEN AB (formerly AUTOTUBE AB) | 267 | 292 |
| AKWEL PAREDES DE COURA (PORTUGAL) UNIPESSOAL, LDA (formerly MGI COUTIER LUSITANIA) | 156 | 162 |
| AKWEL EL JADIDA MOROCCO SARL (formerly MGI COUTIER MAROC SARL) | 76 | 72 |
| SINFA CABLES SARL | 0 | 48 |
| AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD) | 54 | 52 |
| AKWEL RAYONG (THAILAND) CO, LTD (formerly MGI COUTIER THAILAND CO LTD) | 135 | 122 |
| AKWEL VIDIN (BULGARIA) EOOD (formerly MGI COUTIER BULGARIA EOOD) | 0 | 0 |
| **Total** | **9,405** | **9,661** |

## 22. Financial instruments

| Balance sheet items - 2022 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 | 1,508 | 1,508 |
| Other non-current financial assets | D | - | 709 | 709 |
| Trade and other receivables | D | - | 155,648 | 155,648 |
| Other current assets (excluding deferred expenses, tax receivables) | D | - | 51,149 | 51,149 |
| Fair value of financial instruments | B | 2 | - | - |
| Cash and cash equivalents | B | 1 | 166,512 | 166,512 |
| **Liabilities** | | | | |
| Financial debt (non-current and current portion) | C | 2 | 42,977 | 42,977 |
| 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 | - | 111,119 | 111,119 |
| Other current liabilities (excluding deferred revenue, tax liabilities and payroll expenses) | D | - | 3,091 | 3,091 |

*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 €2,310,154 in respect of the financial year ended 31 December 2022 (€1,944,557 in 2021), while remuneration paid to the members of the Supervisory Board totalled €341,000 (€341,000 in 2021).

## 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. Concerning the geopolitical crisis linked to the military offensive launched by Russia 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 or financial statements related to war and/or the sanction measures taken by various countries against Russia.

Activity at the Daman site (India) is expected to cease in the second quarter of 2023 and may take the form of a site closure or a disposal.

## 28. Statutory Auditors' fees

| | MAZARS SA - MAZARS | | | ORFIS SAS – ORFIS (1) | | | OTHER (2) | | |
|---|---|---|---|---|---|---|---|---|---|
| (in euros) | 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 | 144,600 | 115,000 | 25.7% | 111,800 | 95,000 | 17.7% | - | - | - |
| Fully-consolidated subsidiaries | 245,600 | 209,440 | 17.3% | - | - | - | 139,000 | 116,000 | 19.8% |
| **Services other than account certification:** | | | | | | | | | |
| Issuer | 5,000 | 5,000 | 0% | - | - | - | - | - | - |
| Fully-consolidated subsidiaries | 53,267 | - | 100% | - | - | - | - | - | - |
| **Sub-total** | **448,467** | **329,440** | **+36%** | **111,800** | **95,000** | **+18%** | **139,000** | **116,000** | **+20%** |
| **Other services delivered by the networks to fully-consolidated subsidiaries** | | | | | | | | | |
| Legal, tax, social | 10,500 | 7,558 | 38.9% | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Sub-total | 10,500 | 7,558 | 38.9% | - | - | - | - | - | - |
| **Total** | **458,967** | **336,998** | **36%** | **111,800** | **95,000** | **+18%** | **139,000** | **116,000** | **+20%** |

(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 2022*

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 the company 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 2022, 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 2022 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 0.1 of the appendix to the consolidated financial statements, which presents the new standards, amendments and interpretations that your company applied from 1 January 2022.

## Explanatory notes on our assessment - Key points of the audit

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 of the appendix 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 2022 financial year, other provisions for liabilities and charges totalled €48 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 assumptions chosen by the Management in view of the information collected to assess the amount of provisions recognised.

## Specific checks

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 filing of non-financial performance provided for in article L. 225-102-1 of the French Commercial Code appears in the information concerning the group provided in the group's management report, it being stated that, 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 relating to the annual and consolidated financial statements presented in accordance with the European single electronic information format, we also verified compliance with this format 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 that the tagging of these financial statements complies with the format defined by the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic information format.

Due to the technical limits inherent in the macro-tagging of the consolidated financial statements in accordance with the European single electronic information format, it is possible that the content of certain tags in the attached notes may not be displayed identically to the consolidated financial statements attached to this report.

Furthermore, 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 the company 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 2022, the consulting firm MAZARS was in the 19th uninterrupted year of its assignment and the consulting firm ORFIS was in the 18th uninterrupted year of its assignment.

## Responsibilities of the management and 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 made 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.

*The Statutory Auditors*

| Mazars | Orfis |
| --- | --- |
| In Annecy, 27 April 2023 | In Villeurbanne, on 27 April 2023 |
| Jérôme Neyret | Jean-Louis Fleche |

# FINANCIAL STATEMENTS - AKWEL

## BALANCE SHEET

*Corporate financial statements*
*as at 31 December 2022*
*(in thousands of Euros)*

| ASSETS | Notes no. | Gross amounts | Amortisation or provisions | 31.12.22 Net amounts | 31.12.21 Net amounts |
|---|---|---|---|---|---|
| **Intangible fixed assets** | 3 | **16,774** | **14,641** | **2,133** | **2,496** |
| **Tangible fixed assets** | 3 | | | | |
| Land | | 989 | 184 | 806 | 810 |
| Buildings | | 27,363 | 18,117 | 9,245 | 9,124 |
| Plant, machinery and equipment | | 172,029 | 144,816 | 27,212 | 30,443 |
| Other tangible assets | | 21,488 | 18,408 | 3,080 | 3,390 |
| Assets under construction, advances and progress payments | | 4,368 | - | 4,368 | 3,276 |
| | | **226,237** | **181,525** | **44,712** | **47,043** |
| **Financial assets** | 3.2. | | | | |
| Equity investments and related debts | | 322,892 | 94,178 | 228,714 | 224,673 |
| Other financial assets | | 323 | 140 | 184 | 211 |
| | | **323,216** | **94,318** | **228,898** | **224,884** |
| **Inventories** | 3.3. | **40,920** | **6,669** | **34,252** | **30,061** |
| **Advances and received downpayment** | | **25,756** | **-** | **25,756** | **26,151** |
| **Accounts receivable** | | | | | |
| Trade and other receivables | 0 | 55,254 | 87 | 55,167 | 51,483 |
| Non-trade receivables | 3.5. | 20,175 | 9 | 20,166 | 21,769 |
| | | **75,429** | **96** | **75,333** | **73,252** |
| **Cash assets and marketable securities** | 3.6. | **34,340** | - | **34,340** | **42,392** |
| **Deferred Expenses** | | **370** | - | **370** | **543** |
| **Charges deferred over several financia years** | 3.8. | **189** | - | **189** | **311** |
| **Translation Gains/Losses on Assets** | | **-** | **-** | **-** | **1** |
| **Total Assets** | | **743,230** | **297,298** | **445,982** | **447,134** |

| LIABILITIES | Notes no. | 31.12.22 | 31.12.21 |
|---|---|---|---|
| **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 | | 100,787 | 111,587 |
| Interim dividends | | - | - |
| Profit/loss for the financial period | | (12,988) | 1,231 |
| Regulatory provisions | | 25,963 | 26,806 |
| **Net Provision Before Distribution** | | **147,040** | **172,902** |
| **Other equity** | | | |
| Conditional subsides | | - | - |
| **Provisions for Liabilities & Charges** | 3.10. | **37,260** | **36,548** |
| **Debts** | | | |
| Financial debt | 3.11. | 41,116 | 55,196 |
| Associates - various financial debts | 3.11. | 166,893 | 133,535 |
| Trade and other accounts payable | | 41,643 | 37,056 |
| Tax liabilities and personnel expenses | 3.12. | 10,493 | 10,509 |
| Other debts | 3.12. | 1,535 | 1,387 |
| | | **261,679** | **287,683** |
| **Deferred Revenue** | | **-** | **-** |
| **Translation Gains/Losses on Liabilities** | | **2** | **1** |
| **Total Liabilities** | | **445,982** | **447,134** |

## INCOME STATEMENT

*As at 31 December 2022*
*Corporate financial statements*
*(in thousands of Euros)*

| | *Notes no.* | 31.12.22 (12 months) | 31.12.21 (12 months) |
|---|---|---|---|
| **NET REVENUE** | *4* | **323,462** | **318,130** |
| Change in inventoried products | | 592 | (1,416) |
| Operating subsidies | | 38 | 22 |
| Other operating profits | | 5,014 | (1,503) |
| **OPERATING PROFITS** | | **329,106** | **315,233** |
| Purchases | | (83,471) | (73,054) |
| Variation in inventory and WIP | | 3,446 | 1,009 |
| Other purchases and external charges | | (174,936) | (174,001) |
| **ADDED VALUE** | | **74,145** | **69,187** |
| Taxes and dues | | (3,632) | (4,777) |
| Personnel costs | | (60,334) | (63,035) |
| **EBITDA** | | **10,178** | **1,375** |
| Amortisation allowances | | (10,483) | (11,276) |
| Write-offs and provisions | | (684) | 7,783 |
| Other income and (expenses) | | (482) | (460) |
| **OPERATING PROFIT (LOSS)** | | **(1,471)** | **(2,578)** |
| Financial income and (expenses) | *4.2.* | (8,032) | 2,142 |
| **CURRENT PROFIT (LOSS) BEFORE TAX** | | **(9,502)** | **(436)** |
| Exceptional income and (expenses) | *4.3.* | (3,736) | 812 |
| Employee profit-sharing | | - | - |
| **INCOME BEFORE TAX** | | **(13,239)** | **376** |
| Tax provisions | *4.4.* | 251 | 855 |
| **NET PROFIT (LOSS)** | | **(12,988)** | **1,231** |

# APPENDIX TO THE CORPORATE FINANCIAL STATEMENTS

*31 December 2022*

## 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. As the parent company, 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.

Over the last financial year, the major activities or events in terms of the scope of business or organisation are as follows:

- increase in revenue slightly above the trend in diesel engines and on the French and European automotive market;
- increase in added value and EBITDA due to lower warranty return costs, higher than the increase in materials and components and cyclical increases (transport, energy, wage inflation) partially passed on to customers;
- recognition of a non-recurring allowance for provisions for risks in the amount of over €5 million due to a reassessment of the level of warranty returns on a system delivered for several years;
- significantly negative financial income impacted by impairments on assets and current accounts (Sweden, Thailand);
- realisation of financial investments totally €37.8 million following the increase in the subsidiaries' needs;
- increase in net debt as a result of the reduction in gross financial debt (repayment of borrowings).

## 2. Accounting principles and valuation method

### 2.1. Accounting principles

The financial statements at 31 December 2022 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:

- continuous operation;
- consistency of accounting methods from one financial year to another;
- independence of financial years.

And in accordance with the general rules for preparing and presenting annual accounts.

No accounting method change occurred during the financial years presented, except for the valuation of pension commitments (which only has an impact on 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;
- fittings of constructions : 5 to 10 years;
- technical installations : 5 to 10 years;
- industrial equipment and tools: 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 days;
- 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*).

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 3.84% discount rate (versus 1% at the 2021 year end), a 2.5% wage increase (versus 2.5% at the 2021 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. 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 issued in May 2021 amended the rules for staggering the post-employment benefit expense, spread over service years that give rights, 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 2022, as far as the scope of consolidation is concerned, in a net tax saving of €459,481. As AKWEL did not make any tax profit in 2022, there is no net tax expense before tax integration.

## 3. Notes on the balance sheet

### 3.1. Tangible and intangible assets

| (in thousands of Euros) | 31.12.2021 | Increases | Decreases | 31.12.2022 |
|---|---|---|---|---|
| Intangible assets | 16,832 | 70 | (128) | 16,774 |
| Land | 989 | - | - | 989 |
| Buildings | 26,593 | 813 | (44) | 27,363 |
| Plant, machinery and equipment | 176,369 | 5,325 | (9,666) | 172,029 |
| Other tangible assets | 22,050 | 564 | (1,125) | 21,489 |
| Assets under construction, advances and progress payments | 3,276 | 1,091 | - | 4,367 |
| **Gross values** | **246,109** | **7,864** | **10,963** | **243,010** |
| Amortisation of other intangible assets | (14,336) | (433) | 128 | (14,640) |
| Provisions for land | (179) | (5) | - | (184) |
| Buildings depreciation | (17,469) | (678) | 30 | (18,117) |
| Technical installations depreciation | (145,926) | (8,390) | 9,500 | (144,816) |
| Depreciation of other assets | (18,660) | (855) | 1,107 | (18,408) |
| **Total amortisations/provisions** | **(196,570)** | **(10,361)** | **10,766** | **(196,165)** |
| Net value | 49,539 | (2,497) | 197 | 46,845 |

"Intangible assets" are analysed as follows as at 31 December 2022:

| (in thousands of Euros) | Gross amount | Amortisation | Net amount |
|---|---|---|---|
| Software | 10,447 | (9,915) | 532 |
| Goodwill | 6,327 | (4,726) | 1,601 |
| Other intangible assets | - | - | - |
| **Total** | **16,774** | **(14,641)** | **2,133** |

Research and Development costs recognised as expenses during the financial year totalled €19.130 million (€19.337 million during the 2021 financial year).

## 3.2. Financial assets

| (in thousands of Euros) | 31.12.2021 | Increases | Decreases | 31.12.2022 |
|---|---|---|---|---|
| Participating interests | 250,985 | 3,347 | (6,279) | 248,053 |
| Receivables from participating interests | 44,441 | 36,129 | (5,731) | 74,839 |
| Other financial assets | 338 | - | (14) | 324 |
| **Gross values** | **295,764** | **37,846** | **(10,395)** | **323,215** |
| Provisions for participating interests | (66,199) | (13,183) | 4,649 | (74,733) |
| Provisions for related liabilities | (4,555) | (16,435) | 1,545 | (19,445) |
| Provisions for other assets | (126) | (28) | 14 | (140) |
| **Total provisions** | **(70,880)** | **(29,646)** | **6,208** | **(94,318)** |
| **Net value** | **224,884** | **8,200** | **(4,186)** | **228,898** |

## 3.3. Inventories

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Raw materials | 16,836 | 13,390 |
| WIP | 3,429 | 3,762 |
| Semi-finished and finished products | 20,650 | 19,725 |
| Goods | 5 | 5 |
| **Gross value** | **40,920** | **36,882** |
| Impairment allowances | (6,669) | (6,821) |
| Net value | 34,252 | 30,061 |

## 3.4. Trade accounts receivable

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Trade accounts receivable | 55,254 | 51,569 |
| Impairment allowances | (87) | (86) |
| **Net value** | **55,167** | **51,483** |

## 3.5. Non-trade receivables

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Income tax | 4,285 | 4,992 |
| VAT | 1,129 | 1,552 |
| Other | 14,761 | 15,234 |
| **Gross value** | **20,175** | **21,778** |
| Impairment allowances | (9) | (9) |
| **Net value** | **20,166** | **21,769** |

## 3.6. Cash assets and marketable securities

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Cash assets | 34,340 | 42,392 |
| **Net value** | **34,340** | **42,392** |

## 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 | 74,839 |
| Other financial assets | 323 |
| Customer debt provisions | 87 |
| Other debt provisions | 9 |
| **Total** | **75,258** |

Debts are payable within one year with the exception of those displayed under the following headings:

| (in thousands of Euros) | Due dates 1 to 5 years | Due dates > 5 years | Total |
|---|---|---|---|
| Financial debt | 40,629 | 0 | 40,629 |
| Miscellaneous financial debts | 166,893 | 0 | 166,893 |
| **Total** | **207,522** | **0** | **207,522** |

## 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 2022, deferred charges still to be amortised in respect of debt issuance expenses totalled €189,037.

## 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 2022 financial year is analysed as follows:

| (in thousands of Euros) | Amounts |
|---|---|
| Shareholders' equity at 31.12.2021 | 172,902 |
| Dividend distribution | (12,031) |
| Income for the financial year | (12,988) |
| Regulated provisions transactions | (843) |
| **Total** | **147,040** |

## 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) | 31.12.2021 | Transfers | Uses | Unallocated write-backs/Other transactions | 31.12.2022 |
|---|---|---|---|---|---|
| Provisions for disputes | 36,548 | 41,513 | (6,803) | (34,007) | 37,252 |
| Provisions for foreign exchange losses | 0 | 8 | - | - | 8 |
| **Total** | **36,548** | **41,521** | **(6,803)** | **(34,007)** | **37,260** |

Allowances for litigation are primarily linked, in respect of the 2022 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) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Group debts | 166,893 | 133,536 |
| Debts exclusive of Group: | - | - |
| - Loans | 40,563 | 54,574 |
| - Interest payable | 66 | 31 |
| - Others | 487 | 590 |
| **Total** | **208,008** | **188,731** |

Some bank loans are subject to financial covenants. As at 31 December 2022, AKWEL has abided by all of these covenants.

## 3.12. Tax liabilities, payroll expenses and other debts

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Welfare organisations | 3,759 | 3,822 |
| Personnel | 4,944 | 4,863 |
| Statutory taxes (VAT, corporate tax, etc.) | 1,790 | 1,824 |
| Advances and deposits received | 1,453 | 1,204 |
| Other debts and expenses | 83 | 183 |
| **Total** | **12,028** | **11,896** |

## 3.13. Related payables

Income receivable mainly consists of insurance income relating to customer warranty returns of €14.663 million (€14.726 million in 2021), supplier assets of €6.696 million (€8.068 million in 2021) and invoices to be drawn up of €2.911 million (€4.875 million in 2021). Accrued liabilities are primarily comprised of accrued invoices in the amount of €14.541 million (€16.718 million in 2021), accrued credit notes in the amount of €5.752 million (€6.587 million in 2021) and tax liabilities and personnel expenses in the amount of €7.261 million (€7.225 million in 2021).

## 3.14. Negotiable instruments

Trade accounts receivable include an amount of €229,000 (€273,000 in 2021) corresponding to received trade bills not yet due and not anticipated. Trade accounts payable include notes payable in the amount of €834,000 (€272,000 in 2021).

# 4. NOTES TO THE INCOME STATEMENT

## 4.1. Breakdown of revenue

Revenue in France totalled €171.693 million, or 52.60% of total revenue (52.60% in 2021). Export revenue totalled €151.769 million, or 46.83% of total revenue (45.10% in 2021).

## 4.2. Financial profits and charges

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Equity investment profits | 16,371 | 7,183 |
| Net translation differences | - | (77) |
| (Expenses)/net reversal of provisions | (23,445) | (3,589) |
| Write-offs | - | - |
| Interest expenses and other financial expenses (net) | (958) | (1,375) |
| **Total** | **(8,032)** | **2,142** |

Allowances for provisions on participating interests totalled €13.183 million (€6.334 million in 2021). These only concern the subsidiaries AKWEL AUTOMOTIVE SWEDEN AB and HOLDING ENRICAU. A reversal was mainly recorded for SINFA in the amount of €1.761 million (3.350 million in 2021).

Allowances for provisions for receivables from participating interests totalled €16.443 million (€600,000 in 2021). They concern the subsidiaries AKWEL AUTOMOTIVE SWEDEN AB and AKWEL RAYONG THAILAND CO LTD. Reversals of provisions on receivables from participating interests amounted to €1.559 million (€0.000 million in 2021) and relate to the subsidiaries AKWEL PUNE INDIA and SINFA.

## 4.3. Exceptional income

| (in thousands of Euros) | 31.12.2022 | 31.12.2021 |
|---|---|---|
| Depreciation and provisions (net) | 843 | 873 |
| Net asset sales | (4,608) | (63) |
| Other income (charges) | 29 | 2 |
| **Total** | **(3,736)** | **812** |

## 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) | (9,502) | 251 | (9,251) |
| Exceptional income | (3,736) | - | (3,736) |
| **Profit/loss** | **(13,239)** | **251** | **(12,988)** |

### 4.5. Increase and relief of future tax debt

Items generating a tax deferral entail a future tax increase of €6.952 million (€7.067 million in 2021), 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 €4.175 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 €3.374 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 2022, other commitments to financial organisations were as follows:

- €2.022 million in guarantees granted,
- €8.615 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 concerning transactions with related parties is available in the Statutory Auditors' special report on regulated agreements and commitments on page 206.

### 5.6. Remuneration paid to Directors

Remuneration paid to members of the Executive Board totalled €2,310,154 during the financial year ended 31 December 2022 (€1,947,557 in 2021). Total remuneration paid to the members of the Supervisory Board totalled €341,000 during the financial year ended 31 December 2022 (341,000 in 2021).

### 5.7. Average headcount

| | 2022 | 2021 |
|---|---|---|
| Executives | 257 | 274 |
| Employees, Technicians & Supervisors | 473 | 512 |
| Operatives | 441 | 511 |
| **Total** | **1,171** | **1,297** |

## 5.8. Transfer of expenses

The amount of transfers of operating expenses recorded during the financial year amounted to a debit balance of €130,000 (versus a debit balance of €5.708 million in 2021, mainly concerning 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 2022*

To the General Meeting of the company 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 2022, 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 2022 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

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 1.1.2, 1.2 and 2.1 of the appendix to the annual financial statements*

<u>Risk identified</u>

Participating interests and receivables from participating interests appear on the balance sheet of AKWEL as at 31 December 2022 in the net amount of €229 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 1.5 and 2.9 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 2022 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 and 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 remunerations and benefits paid or awarded to the corporate officers and on compensations awarded to them, we checked their consistency with the financial statements and with the information used to prepare these financial statements and, where applicable, with the items collected by your company from companies controlled by it and included in the scope of consolidation. On the basis of this work, we certify the accuracy and faithfulness of this information.

With regard to information relating to items that your company considered likely to have an impact in the event of a takeover or exchange offer, provided in accordance with the provisions of L.22-10-11 of the French Commercial Code, we verified their compliance with the documents from which they were issued and which were communicated to us. Based on 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 acquisitions of equity and controlling interests, and 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 relating to the annual and consolidated financial statements presented in accordance with the European single electronic information format, we also verified compliance with this format 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 intended to be included in the annual financial report complies, in all material respects, with the European single electronic information 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 the company 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 2022, the consulting firm MAZARS was in the 19th uninterrupted year of its assignment and the consulting firm ORFIS was in the 18th 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 made 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.

*The Statutory Auditors*

Mazars

In Annecy, 27 April 2023

Jérôme Neyret

Orfis

In Villeurbanne, on 27 April 2023

Jean-Louis Flèche

# STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

*Financial year ended 31 December 2022*

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 the company 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 subject to the approval of the General Meeting

### Agreements 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**

The company 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 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 2022 financial year amount to €269,685.

The continuation of this agreement was authorised for the 2022 financial year by the Supervisory Board meeting of 25 May 2022.

- **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 2022.

The continuation of this agreement was authorised for the 2022 financial year by the Supervisory Board meeting of 25 May 2022.

- **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 2022 financial year amount to €249,000.

The continuation of this agreement was authorised for the 2022 financial year by the Supervisory Board meeting of 25 May 2022.

- **Agreement on premises and support services with COUTIER DEVELOPMENT and COUTIER SENIOR DEVELOPPEMENT 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 July 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 2022 financial year amount to:

- COUTIER DEVELOPPEMENT: €32,156
- COUTIER SENIOR: €383

The continuation of this agreement was authorised for the 2022 financial year by the Supervisory Board meeting of 25 May 2022.

## Agreements 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.

*The Statutory Auditors*

| | |
|---|---|
| Mazars | Orfis |
| In Annecy, 27 April 2023 | In Villeurbanne, on 27 April 2023 |
| Jérôme Neyret | Jean-Louis Flèche |

## Appendix table

**Staff members affected by the agreements and commitments pertaining to article L. 225-86 of the French Commercial Code**

| Companies | André Coutier | Benoît Coutier | Jean-Louis Thomasset | Mathieu Coutier | Christophe Coutier | Nicolas Coutier | Emilie Coutier | Nicolas Job | Anne Vignat-Ducret |
|---|---|---|---|---|---|---|---|---|---|
| AKWEL | President of the SB | Member of the Executive Board | VP of the Executive Board | President of the Executive Board | Representative of COUTIER DEVELOPPEMENT on the SB | Member of the Executive Board | Member of the SB | Member of the SB | Member of the SB |
| COUTIER DEVELOPPEMENT | Member and Pdt of the Executive Board | Member of the Executive Board | | Member of the Executive Board | Member of the Executive Board | Member of the Executive Board | Member of the SB (*) | Member of the SB | Member of the SB |
| COUTIER SENIOR (**) | | | | | | | | | |
| ATF | | | Majority stakeholder | | | | | | |

Pdt: President - SB: Supervisory Board

(*) As a permanent representative of COFA2E SAS, member of the supervisory board of COUTIER DEVELOPPEMENT

(**) As a shareholder with a fraction of voting rights greater than 10% in the company AKWEL

# 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 AKWEL'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 for 2022 was €15,725.

The highest price during the last financial year was €25 (on 18.01.2022), while the lowest was €13.60 (23.09.2022).

The closing price on 30 December 2022 was €17.40, valuing the Group at €465.2 million.

The total trade volumes over the financial year stood at 1,777,551 shares with a total number of transactions of 32,231 (versus 4.735.421 shares with 76,201 transactions in 2021), a fall of around 62.46% in the number of transactions compared to the previous financial year.

**Securities giving access to the capital:**

None.

**Share purchase options:**

None.

**Declaration of crossing of thresholds declared during the 2022 financial year**

On 1 April 2022, Norges Bank (The Central Bank of Norway) declared that it had breached the 2% threshold of the Company's share capital, increasing its stake to 2.02% of the capital and voting rights.

# AGENDA OF THE COMBINED GENERAL ASSEMBLY OF THURSDAY 25 MAY 2023

## 1. Ordinary resolutions

1. Approval of the annual financial statements for the financial year ended 31 December 2022 – 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 2022,
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 Ms Anne Vignat Ducret as a member of the Supervisory Board,
11. 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,
12. 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,
13. 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 office as Vice-President of the Executive Board,
14. 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 office as Member of the Executive Board,
15. 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 office as Member of the Executive Board,
16. 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 office as Member of the Executive Board,
17. Approval of the fixed and variable 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 André Coutier, President of the Supervisory Board,
18. Approval of the policy on remuneration for members of the Executive Board,
19. Approval of the policy on remuneration for members of the Supervisory Board,
20. 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,

## 2. Extraordinary resolutions

21. Authorisation to be given to the Executive Board with a view to cancelling the shares held by the Company repurchased under the provisions of L.22-10-62 et seq. of the French Commercial Code,
22. Harmonisation of the articles of association,

## 3. Powers

23. Powers to complete formalities.

# WORDING OF RESOLUTIONS PROPOSED TO THE COMBINED GENERAL MEETING OF THURSDAY 25 MAY 2023

## 1. Ordinary resolutions

### First resolution

*(Approval of the annual financial statements for the financial year ended 31 December 2022 – 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 2022, as presented to it, resulting in a loss of €12,987,890.35, 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 €31,228, and to the tax incurred as a result of these expenses and charges, amounting to €7,822.

### 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 offices for said financial year.

### Third resolution

*(Approval of the consolidated financial statements for the financial year ended 31 December 2022).*

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, approves the consolidated financial statements as at 31 December 2022, as presented to it, which show positive Net Income Group share of €11,080,090, 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 2022, totalling the sum of €(12,987,890.35), as follows:

| **Determination of distributable amounts** | |
|---|---|
| Income for the financial year | €(12,987,890.35) |
| Retained earnings | €100,787,228.78 |
| **Amount to allocate** | **€87,799,338.43** |
| **Proposed allocation** | |
| Retained earnings | €87,799,338.43 |
| Dividends equal to €0.30 per share (x 26,741,040) | €8,022,312.000 |
| **Total** | **€79,777,026.43** |

The General Meeting notes that the gross overall dividend for each share is set at €0.30. 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 08 June 2023 and paid on 10 June 2023. 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 2019 | 0.195 | Relief of 40% where applicable |
| 31 December 2020 | 0.45 | Relief of 40% where applicable |
| 31 December 2021 | 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 office of Anne Vignat Ducret 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 office of member of the Supervisory Board of:

- *Ms Anne Vignat Ducret,*

ends today, renews this office 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 2025, to be held in the year 2026.

## Eleventh 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 2022 financial year.

## Twelfth 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 2022 financial year or granted in respect of that same fiscal year, to Mr Mathieu Coutier in respect of his office as President of the Executive Board, as presented in the corporate governance report and included in the annual financial report for 2022.

## Thirteenth 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 2022 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 2022 or granted in respect of that same fiscal year to Mr Jean-Louis Thomasset in respect of his office 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 2022.

## Fourteenth 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 2022 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 2022 financial year or granted in respect of that same fiscal year to Mr Benoit Coutier in respect of his office 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 2022.

## Fifteenth 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 2022 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 2022 financial year or granted in respect of that same fiscal year to Mr Nicolas Coutier due in respect of his office 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 2022.

## Sixteenth 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 2022 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 2022 financial year or granted in respect of that same fiscal year to Mr Frédéric Marier in respect of his office 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 2022.

## 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 2022 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 2022 financial year or granted in respect of that same fiscal year to Mr André Coutier in respect of his office as President of the Supervisory Board of the Company, as presented in the corporate governance report and included in the annual financial report for 2022.

## Eighteenth 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 2022.

## Nineteenth 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 2022.

## Twentieth resolution

*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.*

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 latter, 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 10% 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 10% 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.

As a result, the maximum amount of funds intended for the buyback programme amounts to €133,403,000, as calculated on the basis of the share capital as at 3 April 2023 and the 6,044 treasury shares held on the same date.

The General Meeting resolves that these buybacks may be carried out with a view to:

- ensure market-making for the company's securities by an investment services provider, acting independently under a liquidity contract in accordance with regulations;
- retain the purchased shares and subsequently deliver them for exchange or payment as part of mergers, demergers, contributions or acquisitions;
- cancel all or part of the shares thusly repurchased, under the conditions provided for by law;
- implement any market practices that may be accepted by the regulations, and more generally to carry out any transaction in compliance with the regulations in force, with the Company informing its shareholders by means of a press release.

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;
- if applicable, draw up a description of the information programme relating to the implementation of the buyback programme and publish it in accordance with the terms and conditions set out in article 221-3 of the same Regulations, prior to the completion of a buyback 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 2024.

This authorisation shall interrupt, with immediate effect, and replace the authorisation conferred by the Ordinary General Meeting of 25 May 2022 in its 24th ordinary resolution.

## 2. Extraordinary resolutions

### Twenty-first resolution

(Authorisation to be given to the Executive Board with a view to cancelling the shares held by the Company repurchased under the provisions of L.22-10-62 et seq. of the French Commercial Code)

Ruling under the quorum and majority requirements for extraordinary general meetings, the General Meeting, having familiarised itself with the Executive Board's report and the Statutory Auditors' special report:

- grants the Executive Board, with the option of delegation, the authorisation to cancel, at its sole discretion, on one or more occasions, in the proportions and at the times it deems fit, limited to 10% of the total number of shares comprising the share capital on the day on which the Executive Board takes this decision to cancel, less any shares cancelled during the previous 24 months, the shares that the Company holds or may hold as a result of buybacks carried out under article L.22-10-62 of the French Commercial Code and to reduce the share capital in accordance with the legal and regulatory provisions in force,
- sets the period of validity of this authorisation at 24 months from the date of the present Meeting.

All powers are granted to the Executive Board, with the right to delegate, to implement this authorisation and in particular to:

- take all decisions to carry out cancellation and capital reduction operations;
- charge the difference between the purchase price of the shares and their nominal value to the reserve items of its choice, including that of "issue premiums, mergers and contributions";
- adjust the limit of 10% of the capital to take into account transactions that would affect this capital after the date of this meeting;
- amend the Company's articles of association accordingly;
- carry out all acts, make all declarations, complete all formalities, including all declarations to the French Financial Markets Authority;
- and, more generally, do what is necessary.

This authorisation is valid for a period of 24 months starting from the date of this meeting.

### Twenty-second resolution

*(Harmonisation of the articles of association)*

Ruling under the quorum and majority conditions required for Extraordinary General Meetings, the General Meeting, having familiarised itself with the Executive Board's report, decides:

- to harmonise the articles of association with the provisions of article L. 823-1 of the French Commercial Code, as amended by act no. 2016-1691 of 9 December 2016;
- to amend article 19 of the articles of association accordingly and as follows:

***Article 19 – Statutory Auditors***

*In accordance with the law, the General Meeting appoints one or more principal statutory auditors and, where the principal statutory auditor is a natural person or a single-person company, one or more substitute statutory auditors, meeting the conditions laid down by law and the regulations.*

*The Statutory Auditors are appointed for six financial years, with their duties expiring after the General Meeting called to approve the financial statements for the sixth financial year. They may be re-elected. The Statutory Auditors are vested with the functions and powers conferred on them by law.*

## 3. Powers

### Twenty-third 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

AKWEL-AUTOMOTIVE.COM

975, route des Burgondes
01410 Champfromier
France
TEL +33 (0)4 50 56 98 98