ANNUAL REPORT

2023

AKWEL

EFFICIENT AUTOMOTIVE
SOLUTIONS

TABLE OF CONTENTS

MESSAGE FROM THE PRESIDENT OF THE EXECUTIVE BOARD

Dear Sir or Madam,

After celebrating the Group's 50th anniversary, we have entered a new decade by reaffirming our **values** (*Simplicity, Reliability, Collaboration and Performance*), pushing forward our **mission** (*AKWEL manufactures reliable, eco-friendly and competitive products to help its customers offer more environmentally friendly vehicles*) and adopting a **vision** (*AKWEL wants to be a trusted third party recognized by its customers and shareholders, thanks to the pride and autonomy of its teams*), in order to affirm our identity and share it with all our stakeholders.

For AKWEL in general, and for its teams in particular, 2023 has once again been a complicated year in terms of maintaining an acceptable financial situation in a highly inflationary environment and protecting our fundamentals: the security of our teams and tools, the satisfaction of our customers and the effort to bring about change that the market demands of us. I would therefore like to thank all those who have worked so hard throughout the year, who have committed themselves to the Group's present and future, and who have put their skills into action, as there have been some excellent achievements as a result. We have had to face problems that we have solved, but which have underscored our limitations and our need to improve time and time again, in an increasingly complex and unpredictable environment.

In a rapidly evolving, unstable and challenging automotive and truck market, new players are positioning themselves. The demand for us to stand out from our competitors continues to rise, with ever-increasing competition to renew sales. All this drives us to reinvent ourselves, to imagine new actions to be taken, to invest for the future, to incorporate new expertise, and to innovate.

In 2024, we will be introducing new key initiatives such as the AKWEL Academy to bolster the skills and commitment of our employees and managers. We will continue our efforts to reduce CO_2 emissions, particularly in relation to Scope 3, by working with our suppliers to achieve our targets. Our business will become ISO 27001 and Tisax certified to demonstrate the soundness of our IT and cybersecurity policy. We will increase our use of green electricity to replace fossil fuels and move closer to the end of fuel consumption. We will reduce our water consumption and integrate more green materials into our products. We will continue our remanufacturing and repair projects for our most complex products, so that they can be given a second life. And to keep pace with market trends and new product needs, we will continue to develop our industrial facilities and production resources by opening new plants and possibly restructuring.

We will continue our efforts to adapt in the face of new market demands in such a fast-changing environment, with the motto "Between possible and impossible, there are only two letters' difference and a state of mind."

Mathieu Coutier
President of the Executive Board

ADMINISTRATION, MANAGEMENT AND SUPERVISION

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, which includes the Supervisory Board's observations on the management report and annual accounts for the year, you will find information indicating their age, independent status, member status on the Audit Committee and the CSR and Remuneration Committee, the number of shares they hold in the Group, the end date of their terms of office within the Group, and the positions and offices they hold in other companies, whether listed or not.

2. Executive Board

Mathieu Coutier	President of the Executive Board
Benoit Coutier	Member — Legal & Financial VP
Nicolas Coutier	Member — Business Development VP
Frédéric Marier	Member — Manufacturing Performance VP

In Section *2.2.1.2* of the Supervisory Board's report on corporate governance, which includes the Supervisory Board's observations on the management report and annual accounts for the year, you will find information indicating their age, the number of shares they hold in the Group, the end date of their terms of office within the Group, and the positions and offices they hold in other companies, whether listed or not.

3. Executive Committee

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

4. Statutory Auditors

	Date of First Appointment	Date of Reappointment	End of Term of Office (Annual General Meeting of Shareholders Called to Approve the Accounts for the Year Ended)
Primary Auditors			
ORFIS **Nicolas Touchet** 79, boulevard de Stalingrad 69100 Villeurbanne, France	June 24, 2005	May 30, 2018	December 31, 2023
MAZARS **Jérôme Neyret** 109, rue tête d'or 69006 Lyon, France	February 23, 2004	May 30, 2018	December 31, 2023
Alternate Auditors			
Bruno Genevois 79, boulevard de Stalingrad 69100 Villeurbanne, France	May 30, 2018	-	December 31, 2023
Philippe Galofaro 109, rue tête d'or 69006 Villeurbanne, France	May 30, 2018	-	December 31, 2023

MANAGERS

Document Manager

Mathieu Coutier, President of the Executive Board

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

Certification by the Person Responsible for the Annual Financial Report

I certify that, to the best of my knowledge, the accounts have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Group and all the companies included in the scope of consolidation, and that the management report presents a true and fair view of the development of the business, the results and financial position of the Group and all the companies included in the scope of consolidation, as well as a description of the principal risks and uncertainties they face.

Mathieu Coutier
President of the Executive Board

Financial Reporting Manager

Benoit Coutier, Legal & Financial VP

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

EXECUTIVE BOARD AND SUPERVISORY BOARD REPORTS

EXECUTIVE BOARD MANAGEMENT REPORT PRESENTED TO THE COMBINED GENERAL MEETING OF SHAREHOLDERS ON THURSDAY, MAY 23, 2024

Dear Shareholders,

In accordance with legal and regulatory provisions and the Group's bylaws, the Executive Board has convened this Combined General Meeting of Shareholders to report to you on the management of your company and its subsidiaries, and to submit for your approval the accounts for the year ended December 31, 2023.

Notices of meeting were duly sent to you, and all documents and materials required by current regulations were sent to you or made available to you within the legal deadlines.

1. Presentation of the Consolidated Annual Accounts

Accounting Standards

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

During the year, the Group adopted the mandatory standards, amendments and interpretations over the reporting period. These texts had a limited impact on the Group's net income and financial position.

1.1. Significant Events during the Reporting Period

1.1.1. Vigorous Growth in Europe

In an automotive production market up by 5.7% in 2023, the Group posted turnover of €1,066.4 million, an increase of +7.7% as reported compared to the previous year. This is a return to a level close to that of 2019, the last year before the health crisis and the global market downturn. On a like-for-like basis with constant exchange rates, the increase in annual turnover was +9.6%. Growth was particularly noticeable in France and Europe, while North America's figures were slightly down. The most dynamic product lines were cooling, fuel and decontamination, thanks in particular to the successful repositioning on gas and hybrid vehicles. The Group's top three customers (Stellantis, Ford and Renault-Nissan-Mitsubishi) accounted for 73.1% of its business, compared to 65.9% in 2022 (on a like-for-like basis). Overall, the Group's top ten customers accounted for 88.2% of its turnover (87.9% in 2021). The Group's two largest markets in terms of sales were France and the United States.

1.1.2. Highlights of Financial Year 2023

During the past financial year, significant operations and events in terms of scope or organization were as follows:

- Decision to close the Gournay plant;
- The gradual impact on our customers of price increases for raw materials and other costs.

1.2. Analysis of the Consolidated Annual Accounts

The consolidated key figures for financial year 2023 were as follows:

(in thousands of euro)	12/31/2023	12/31/2022 *(restated)**
Turnover excl. tax	1,066.4	989.5
Current operating income	61.0	37.2
Operating income	49.3	36.3
Net income, Group share	**35.7**	**25.3**
Cash flow	**84.7**	**46.9**

(*) The 2022 annual accounts have been restated (*see consolidated annual accounts, note 1.3.1.1*).

The value-added ratio rose to 38.0% of turnover, compared to 36.1% in 2022. This improved performance is due to higher sales prices, which partially offset increases in material costs.

Personnel costs, including those for temporary staff and any employee profit-sharing, amounted to €298.4 million, up 9.7% compared to the previous financial year. This increase was mainly due to wage inflation.

EBITDA amounted to €101.9 million, up 26.1% compared to the previous financial year. At 9.6% of turnover, EBITDA for 2023 was 1.4 points higher than that of 2022.

Depreciation and amortization amounted to €38.6 million, compared to €40.5 million in 2022.

Net allocations to provisions amounted to €(2.3) million, compared to €(3.1) million in 2022.

Current operating income stood at €61.0 million, up 64.1% compared to the previous financial year. At 5.7% of turnover, profitability for financial year 2023 saw a net increase on the previous year (3.8%).

Other revenue and non-current expenses amounted to €(11.8) million, compared to €(0.9) million in 2022. The recognition of restructuring costs for €9.2 million, linked to the closure of the Gournay site, weighed heavily on financial year 2023.

The cost of net financial debt remained stable at €0.3 million.

Other financial income and expenses represented an expense of €0.1 million, compared to an income of €2.1 million in 2022.

The income tax expense amounted to €13.0 million, the same as in 2022.

1.3. Analysis of the Group's Financial Position, Particularly Its Debt Position

Net income, Group share amounted to €35.5 million, compared to €25.3 million in 2022 (restated figure). Net profitability stood at 3.3%, up from 2.5% in 2022.

Net cash, including lease obligations, amounted to €105.0 million, compared to €113.7 million in 2022. Gross cash amounted to €151.5 million, compared to €166.5 million in 2022.

1.4. Investment Policy

Shareholders' equity stood at €610.3 million, compared to €593.3 million (restated) the previous financial year. This accounted for 69.1% of the balance sheet total (and over 83% excluding cash and cash equivalents).

Non-financial investments amounted to €59.3 million, compared to €33.2 million the previous financial year.

1.5. Significant Events since the Financial Year-End and the Date of Preparation of the Management Report

No significant events have occurred since the financial year-end and the date of preparation of the management report.

1.6. Foreseeable Trends and Future Prospects

Financial year 2024 should continue along the same lines as 2023, with stable automotive production in the European and North American markets. The Group anticipates stable turnover and profitability compared to 2023.

1.7. Risk Factors

The Group has reviewed the risks that could have a material adverse impact on its business, financial position, results, prospects or ability to achieve its objectives, and considers that there are no significant risks other than those presented.

The criticality of the risks presented has been assessed in terms of the likelihood of occurrence and the financial impact on the Group, taking into account the risk mitigation measures implemented by the Group (net risks).

The results are classified into four categories (major, high, moderate and low) and presented by theme in the remainder of this chapter.

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

There are no risk factors specific to the Group; its main risks are inherent in a business that operates almost entirely in the automotive original equipment industry.

1.7.1. Risk Summary Table

Risk Families	Rating (Net Risk)
Operational Risks	
Risks related to dependence on the automotive industry and customers	Major
Supplier risks	High
Risk related to the development and launch of new products	High
Risks of cyber-attacks and information system failures	High
Risks related to dependence on new models	Low
Risks related to changes in the technological environment	Major
Financial and Market Risks	
Interest rate risks	Low
Foreign exchange risks	Low
Liquidity risks	Low
Risks related to the prices of raw materials and components	High
Customer risks	Low
Environmental Risks	
Environmental impact of sites and climate change	Low
Legal Risks	
Risks related to non-conformity of products sold	Moderate
Intellectual property risks (patents and trademarks)	Low
Business ethics and compliance	Moderate

1.7.2. Details of the Group's Main Risks

This section describes the main general risks facing the Group. The risk categories listed below are not presented in order of importance.

1.7.2.1. Operational Risks

1.7.2.1.1. Risks related to dependence on the automotive industry and customers

Risk Identification and Description

The Group's turnover depends directly on the level of automotive production worldwide, particularly in Europe, North America, Türkiye and Asia. This production can be affected by the general economic situation, government programs (notably vehicle purchase incentives), trade agreements, regulatory changes, and social issues (including strikes and work stoppages).

In addition, the Group does 61% of its business directly with the two automakers Stellantis and Ford. The performance of these two manufacturers therefore has a considerable impact on the Group's revenue.

Potential Impact on the Group

This risk could have a major impact on the Group.

A downturn in the automotive market, or a change in regulations, tariffs, taxes or other trade barriers or restrictions in the regions where the Group and its customers operate, could lead to a decline in the Group's results and/or the failure of some of its customers or suppliers, and affect its financial position.

Risk Management

The Group operates in 20 countries. It also benefits from the diversification of its sales by region, customer, and vehicle make and model, which reduces its exposure to unfavorable trends in any one of its markets.

The Group is working to expand its customer portfolio.

1.7.2.1.2. ***Supplier risks***

Risk Identification and Description

The Group is dependent on its suppliers to manufacture the products it sells to its customers. Securing operations by managing supplier risks remains a major strategic challenge for the Group.

Against the current backdrop of geopolitical, economic and regulatory tensions, operational risks (quality and logistics) are compounded by the risk of failure of suppliers weakened by successive crises and the global economic slowdown.

Potential Impact on the Group

As the Group's production is partly dependent on its suppliers, this risk could have a negative impact on the Group's results, as it would be unable to deliver to customers products that meet their expectations in terms of quality and quantity.

Such a situation would have a negative short-term financial impact, with a drop in sales, as well as an unfavorable non-financial impact, with damage to the Group's reputation.

Risk Management

Faced with the risks of shortages, supplier failures or supply chain disruptions, the Group has implemented a purchasing and supplier location strategy aimed at reducing the Group's dependence on a single supplier and/or country. As a result, the top direct supplier, the top five and the top ten respectively account for 4%, 18% and 28% of the Group's production purchases.

The integration of suppliers into the pool and the monitoring of supplier performance comply with current quality standards, in order to minimize the risks inherent in suppliers. Selection criteria include financial, quality, logistical, environmental, ethical, social, technical and logistical parameters, as well as dependence on the Group.

1.7.2.1.3. ***Risk related to the development and launch of new products***

Risk Identification and Description

The Group is subject to the risks inherent in the development and launch of new products. The Group may face issues related to project management, from design to industrialization, including the management of modifications after order intake.

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

Potential Impact on the Group

This risk could have a high impact on the Group.

Failure to deliver innovative solutions on time, or to meet changing standards, or to deliver products expected by customers on time, could damage the Group's reputation and affect its financial position.

The Group could also be subject to administrative and criminal sanctions, and customers and/or suppliers could temporarily or permanently suspend their activities.

Risk Management

Before acceptance, all new projects are subject to a standardized profitability analysis, with profitability and return on investment criteria set by the Executive Board. Once a project has been accepted, it is monitored from startup to series production, with milestones at which all financial and technical data are analyzed and corrected if necessary.

1.7.2.1.4. *Risks of cyber-attacks and information system failures*

Risk Identification and Description

The development, implementation and uninterrupted performance of the Group's hardware, network, website and other IT systems, including those that may be supplied by third parties, play an essential role in the Group's business, in particular purchasing and shipping management, production, customer order processing, plant performance monitoring, and new product design and development.

The Group is also dependent on its IT systems in the financial and administrative fields (invoicing, reporting, consolidation operations).

Risks to information systems may take the form of attacks on the confidentiality, integrity or availability of data and transactions processed by information systems (system malfunction, data theft, destruction or loss of data integrity).

Potential Impact on the Group

This risk could have a high impact on the Group.

There are many sources of the disruptions likely to affect the Group's business, many of which are beyond the Group's control; notably:

- loss of power and failure of telecommunication systems;
- software and hardware errors, failures, defects or interruptions;
- computer viruses and similar disruptive problems;
- fires, floods and other natural disasters;
- network attacks or damage to computer systems, software and other systems that are carried out by hackers or cybercriminals;
- the performance of third-party suppliers.

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

- result in the loss or delayed transmission of information, including data relating to customer orders and deliveries;
- have a material adverse impact on the Group's business (delays in product delivery to customers), financial position and operating results, as well as on its reputation and image.

Risk Management

The Group has implemented a series of safeguards, processes and regular analyses to mitigate the impact of a potential key system outage and to optimize its resilience:

- incident monitoring;
- backup and restoration of all application environments;
- preventive maintenance plan;
- business continuity plan.

To guard against cyber-attacks, cyber threats and cyber espionage, information systems security has been reinforced by the implementation of a security policy (ISSP), technical protection (firewalls, antivirus) and risk prevention through employee awareness-raising and training.

All the rules governing the use of information systems are set out in the Group's Charter for the proper use of IT resources, and applied by all users of the Group's information systems and technological tools.

1.7.2.1.5. ***Risks related to dependence on new models***

<u>Risk Identification and Description</u>

Supply contracts with automakers take the form of open orders for all or part of a vehicle model's equipment requirements, with no guarantee of volume. They are awarded separately for each vehicle function, and are generally valid for the life of the model.

<u>Potential Impact on the Group</u>

This risk could have a low impact on the Group.

The Group's turnover, results and financial position could be affected by the commercial failure of a model and/or by the fact that the Group is not selected for a new generation of models. In addition, in certain cases the manufacturer may reserve the right to change supplier at its own discretion during the life of the model.

<u>Risk Management</u>

These risks are widespread, as the Group offers a wide range of products, installed or used on a large number of vehicle types.

1.7.2.1.6. ***Risks related to changes in the technological environment***

<u>Risk Identification and Description</u>

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

The automotive industry is highly competitive and subject to rapid technological change.

The Group is currently in the process of adapting some of its products to meet the decarbonization objectives of the automotive market and to comply with current commitments and potential future requirements in terms of climate impact mitigation (no more registrations of new combustion-engine vehicles from 2035).

<u>Potential Impact on the Group</u>

This risk could have a major impact on the Group.

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

There could be a material adverse impact on the Group's business, operating results and financial position if it is unable to offer its customers products that allow them to participate in the electrification of vehicles, while ensuring that its products remain competitive and affordable to customers.

<u>Risk Management</u>

In order to prevent the occurrence or limit the impact of such risks, the Group implements the following measures in particular: technology monitoring to regularly keep up-to-date on the latest technologies and their marketing;

- identifying different product developments and trends, particularly in electric vehicles, and the opportunities that the Group may have with them;
- investing 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 its business, the Group raises funds on the markets and also makes use of bank loans.

Potential Impact on the Group

The Group's net income may be influenced by changes in interest rates, insofar as these have a direct impact on the cost of debt.

This risk has a low impact on the Group.

Risk Management

The Group has little exposure to interest rate risk as virtually all its debt is at fixed rates.

A one-point change in benchmark indexes would have an impact of less than €350 thousand on the amount of financial interest paid.

Therefore, no interest rate hedges have been set up.

1.7.2.2.2. Foreign exchange risks

Risk Identification and Description

As it operates in an international context, the Group may be subject to "operational currency risk," due to the location of some of its production sites and to the purchase or sale of materials and components, or the sale of production from these sites, in currencies other than the functional currencies of entities carrying out transnational operations.

In addition, the financing requirements of foreign subsidiaries outside the euro area, covered by intra-Group loans, expose certain Group entities to "financial exchange risk" (risk arising from changes in the value of financial debts or receivables denominated in currencies other than the functional currency of the borrowing or lending entity).

Lastly, the Group is subject to translation risk arising from the contribution of subsidiaries whose operating currency is not the euro to the Group's consolidated income. The sales, income and cash of these subsidiaries, when translated into euro, are sensitive to variations in the exchange rate of their reporting currency against the euro.

The main currencies used are the euro (39.9% of business) and the US dollar (30.2% of business).

Potential Impact on the Group

This risk has a low impact on the Group.

Risk Management

In order to minimize the impact of exchange rates, the Group makes purchases in the operating currencies of each entity whenever possible, and stipulates an exchange rate pass-through in its contracts with customers. Where this is not the case, exchange rate impacts are the subject of commercial discussions, which generally result in the majority of the differences being passed on to its sales prices.

Therefore, no currency hedges have been set up.

1.7.2.2.3. Liquidity risks

Risk Identification and Description

At all times, the Group must have sufficient financial resources to finance its day-to-day business and the investments required for its development, as well as to deal with any exceptional events.

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

Potential Impact on the Group

This risk has a low impact on the Group.

Risk Management

In order to manage its liquidity risk, the Group relies on the funds at its disposal. It can also tap into the capital markets through, on the one hand, long-term resources to secure all its net debt over a long period (medium-term credit lines) and, on the other hand, short-term financial instruments (account discounts, authorized overdrafts).

The share of medium-term loans granted to the Group, subject to compliance with financial covenants since 2014, accounts for almost all medium-term debt. Ratios are calculated mainly on the basis of the annual consolidated annual accounts.

Over the past 15 years, these covenants have always been respected. In addition, AKWEL's cash position is monitored on a daily basis, and that of its subsidiaries is monitored on a monthly basis.

As current assets far exceed current liabilities, no information is provided on maturities of less than one year.

The Group believes that it is in a position to meet its future maturities.

1.7.2.2.4. ***Risks related to the prices of raw materials and components***

Risk Identification and Description

The Group's business requires the purchase of significant quantities of raw materials, which are highly vulnerable to financial, geopolitical and climatic risks. Inflation, shortages, and procurement management, which have been priorities since 2020, seem to be showing signs of easing, but the situation remains fragile due to recent geopolitical events (Israeli–Palestinian conflict, Red Sea crisis, Ukraine). The main raw materials used by the Group are plastics, rubber, elastomers and steel, plus electronic components subject to long lead times.

The components that the Group purchases are also largely subject to the same risks as those observed for raw materials.

2023 also saw significant increases in transport costs, as a result of difficulties linked to the geopolitical context. In addition, CSR and sustainability issues have become more and more prevalent through regulations, which generate additional costs for purchasing as a whole.

Potential Impact on the Group

As price fluctuations are volatile, uncertain and unpredictable, they cannot always be passed on in full to the customer. In addition, the Group bears the majority of any additional costs arising from circumstantial operational difficulties and/or from occasional supplier issues, as well as costs relating to long-term purchases.

As Group purchases account for over 50% of the Group's turnover, there is a considerable risk of a decline in the Group's operating margin if these additional costs are not taken into account by our customers.

Risk Management

Most of the contracts signed with our customers do not provide for a mechanism that passes on all variations in our purchasing costs. Nevertheless, occasional negotiations with our customers allow us to minimize the impact on our operating margin, albeit with an average delay of six months and a negative impact on our WCR.

1.7.2.2.5. Customer risks

Risk Identification and Description

Given the economic context of the automotive sector, the Group cannot rule out the possibility that several of its customers may be unable to honor certain contracts, or find themselves in a difficult financial situation.

Potential Impact on the Group

This risk has a low impact on the Group.

Risk Management

Every month, the Finance Department publishes a statement of receivables outstanding and overdue by customer, as well as a summary statement of disputes by entity. Our finance and sales teams' high level of awareness of these issues has resulted in very few bad debts (see *13*).

As at December 31, 2023, late payments represented €5.7 million, or 0.5%, of consolidated turnover for the 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 harm against the natural environment, does not require significant use of the natural resources near the Group's operations, and has no significant impact on environmental quality.

The Group's business, in the various countries in which it is conducted, is subject to diverse and evolving environmental regulations requiring it to comply with increasingly strict environmental protection standards concerning emissions into the air and water, the use of hazardous substances and waste disposal.

Potential Impact on the Group

This risk could have a low impact on the Group.

Risk Management

As part of this approach, the Group has implemented an environmental policy based on the ISO 14001 standard. 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 related to non-conformity of products sold

Risk Identification and Description

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

Despite the internal procedures implemented to identify defective products, the Group cannot rule out all cases of manufacturing defects (non-compliance with specifications or the legitimate expectations of its customers), or even serious defects.

In such cases, the Group could be exposed to the risk of warranty or liability claims from its customers with regard to the products sold.

The Group is also exposed to the risk of liability claims in the event of damage caused by defects in the products and services sold.

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

Potential Impact on the Group

This risk could have a moderate impact on the Group.

The occurrence of one or more of these risks, and in particular any significant increase in product returns, could adversely affect the Group's business, results, financial position, development, prospects and image.

Risk Management

To protect itself against this risk, the Group has taken out a third-party liability insurance policy covering the financial consequences of such claims. However, the Group's liability toward its customers is usually unlimited, whereas insurance coverage is systematically capped. There is therefore a theoretical residual risk.

In addition, a reasonable provision has been made for current risks.

1.7.2.4.2. ***Intellectual property risks (patents and trademarks)***

Risk Identification and Description

The Group holds numerous patents and trademarks.

Infringement, whether intentional or unintentional, is a risk to which the Group is exposed in terms of intellectual property.

It may entail:

- third parties counterfeiting industrial products patented by the Group;
- unintentional acts on the part of the Group, given the length of time it takes third parties to publish patent applications.

Finally, the Group also faces the risk of its trademarks being infringed.

Potential Impact on the Group

This risk could have a low impact on the Group.

Risk Management

Wherever possible, and whenever the technological stakes so justify, the Group's industrial know-how and innovations are patented in order to protect industrial property.

The geographical scope and duration of protection are in line with industry practice and adapted to the needs of the operating entities; they are systematically and regularly reviewed.

Where the risk of infringement exists, this approach is an effective legal weapon in the fight against it.

The Group steadfastly defends its rights against infringement, and these measures serve as a basis for initiating legal proceedings or taking action itself to stop and punish infringements of the Group's intellectual property rights.

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

In the event of active infringement, current developments or even products recently launched on the market could also be affected. The Group would be forced to increase the research and development costs for the project, or to negotiate rights of use for the patented component.

1.7.2.4.3. ***Business ethics and compliance***

Risk Identification and Description

The Group is particularly attentive to the values of business ethics and compliance. Owing to its international presence, the Group may be impacted by legislation with a possible extraterritorial impact and extensive criminal risk.

Potential Impact on the Group

If the Group were to be questioned on these issues, it could have a significant impact on its reputation — both on the financial markets and as an employer brand — and on its business and its financial position.

This risk could have a moderate impact on the Group.

Risk Management

With the Ethics Charter and the Anti-Corruption Code of Conduct as its basis, the Group—via its General Management—is committed to promoting its values and ethical behavior, particularly with regard to the risks of corruption.

The Group's ethical commitments are therefore formalized and detailed in the Ethics Charter, which sets out the essential rules of conduct and ethics that apply to all employees and partners.

Translated into the Group's various languages, this Ethics Charter is given to each new employee and can be viewed on the Intranet.

All Group employees and managers are required to comply with the Ethics Charter, and to ensure that it is shared and respected by their colleagues.

The Group has a whistleblowing procedure, which was updated during the year following the entry into force of the Waserman Act of March 21, 2022.

1.8. Insurance and Risk Coverage

The Group has taken out insurance policies with reputable, solvent insurance companies to cover the risks arising in the normal course of its business, at levels the Group deems appropriate in view of its size and the risks involved. All companies of which the Group has over 50% ownership, or for which the Group is responsible for insurance, are covered by these insurance policies.

Where necessary, these insurance policies are backed by local policies in all the countries in which they operate.

All Group insurance policies 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 appropriate insurance policies with the help of leading insurance brokers within international networks.

The Group's insurance policies are designed to cover the main risks that could affect its business, results or assets, providing the following coverage:

- property damage and business interruption insurance;
- operations and product liability insurance, with the exception of new claims concerning SCR tanks;
- directors' and officers' liability insurance;
- insurance covering specific risks (vehicle fleet, *auto-mission* cover [coverage of employees' personal vehicles when used for work], transport of goods, employee travel).

The Group's insurance policies contain exclusions, ceilings and deductibles that could expose it to adverse consequences should significant events occur or legal action be brought against it.

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

Since January 1, 2023, the loss ratio and tougher market conditions have led to a sharp increase in premiums and in the deductibles applicable in the event of a recall.

1.9. Research and Development Activity

In 2023, the Group continued to devote significant resources to Research and Development. Research and Development costs amounted to €62.6 million, or 5.9% of consolidated turnover, compared to €58.5 million in 2022.

These Research and Development costs have been recognized as an expense, as they do not meet all the criteria required by accounting standards for capitalization.

The Group benefited from a research tax credit of €0.9 million (€1.1 million in 2022).

The main areas of focus of our Research and Development activities are aimed at providing solutions to environmental issues, in particular:

- the prevention and treatment of pollutant emissions;
- reducing CO_2 emissions (by designing lighter parts, for example);
- solutions compatible with biofuels or that meet the requirements of hybrid or electric vehicles;
- eco-design and product recycling.

2. Presentation of the Corporate Annual Accounts

The corporate annual accounts have been prepared in accordance with the accounting principles applicable in France.

2.1. Group Position and Activity during the Year — Balance Sheet and income statement

Turnover amounted to €362.2 million, up 12% compared to the previous year. This increase in turnover is partly due to the growth in business (an approximately 12.5% increase in automotive production in Europe), but is also due to price increases for materials and energy purchases being passed on to sales prices.

Value-added amounted to €92.3 million, up 24.4% compared to the previous year. It stood at 25.5% versus 22.9%. In 2022, value-added was negatively impacted by purchase price increases that could not be passed on to sales prices.

Taxes amounted to €4.2 million, up 14.6% compared to the previous financial year, mainly due to an increase in non-recoverable withholding taxes.

Personnel costs amounted to €58.4 million, down 3.3%. They accounted for 16.1% of turnover, compared to 18.7% in 2022, due to the adaptation of resources to business volumes.

EBITDA amounted to €29.7 million, compared to €10.1 million the previous financial year. This level is a direct reflection of the costs and events described above. Depreciation and amortization amounted to €9.4 million, compared to €10.5 million in 2022. This trend is logical, given the reduction in investment levels over the past few financial years.

Net allocations to (reversals of) provisions amounted to €(8.5) million, compared to €(0.6) million in 2022, impacted in particular by the announced closure of the Gournay site.

In view of the above, the operating result amounted to €11.5 million, compared to €(1.5) million in 2022.

Financial income (loss) stood at €(12.7) million, compared to €(8.0) million in 2022. The Company's financial expenses increased due to the rise in interest rates in 2023.

Exceptional items amounted to €0.6 million, thanks to net reversals of special depreciation allowances and regulated provisions.

The Company posted an income tax income of €0.5 million for the financial year, compared to €0.3 million the previous year. A research tax credit of €0.9 million was recognized (€1.1 million in 2022).

Taking into account the above items, the Company's net income (loss) amounted to €(0.09) million.

2.2. Analysis of the Company's Financial Position, Particularly Its Debt Position

Total assets stood at €454.1 million, compared to €446.0 million in 2022.

Acquisitions of intangible assets and property, plant and equipment (net of changes in assets under construction) amounted to €7.8 million, compared to €6.8 million the previous financial year. This trend reflects the resumption of capital expenditure in the current financial year.

Acquisitions of financial assets amounted to €26.2 million, compared to €37.8 million the previous financial year, as the financial needs of the Company's subsidiaries increased.

In view of the above, the Company's net debt stood at €174.4 million, compared to €173.7 million in 2022. The sharp decrease in outstanding loans over the year should be noted, falling from €40.6 million to €34.5 million in 2023. This level of debt still seems very reasonable in relation to the Group's size, assets and profitability, especially as €172.0 million, or 99%, is intra-group financing (compared to €173.7 million in 2022).

Shareholders' equity before the allocation of income amounted to €138.3 million, compared to €147.0 million the previous financial year. Shareholders' equity accounts for 30.5% of the balance sheet total. The objective remains to eventually exceed 50%.

2.3. Significant Events since the Financial Year-End and the Date of Preparation of the Management Report

Please refer to the chapter of the Group management report referred to in Section 1.5.

2.4. Foreseeable Trends and Future Prospects

Please refer to the chapter of the Group management report referred to in Section 1.6.

2.5. Research and Development Activity

Please refer to the chapter of the Group management report referred to in Section 1.9.

2.6. Income and Allocation

The Ordinary General Meeting will be asked to approve the transactions reflected in the income statement and balance sheet submitted to it, and then to approve the allocation of the €(93,890.36) loss for the year.

This loss would be charged to retained earnings, which would be reduced from €79,778,839.63 to €79,684,949.27.

It is also proposed that a dividend of €8,022,312 be distributed among the shareholders, representing a gross dividend per share of €0.30.

This amount will be deducted in full from retained earnings, which will amount to €71,662,637.27 after such allocation.

It should be noted that this dividend is subject (unless the shareholder expressly requests otherwise, and provided it meets the criteria imposed by law) to the compulsory flat-rate withholding tax of 12.8%, imposed by Article 117 *quater*, as amended, of the French General Tax Code. The dividend is also subject to social security deductions at the rate of 17.2%.

Dividends are taxed either under the 30% flat-rate withholding tax system, which has already been deducted as indicated above, or, at the shareholder's option, under the income tax system after application, for natural persons domiciled in France for tax purposes, of the deduction provided for 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 hereby inform you that the dividends distributed over the previous three financial years were as follows:

Financial Year Ended	Dividend per Share (in €)	Income Eligible or Ineligible for Tax Deduction
December 31, 2020	0.45	40% deduction when applicable
December 31, 2021	0.45	40% deduction when applicable
December 31, 2022	0.30	40% deduction when 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 referred to in Article 39.4 of said Code, which amounted to €40,618 and resulted in a tax charge of €10,155 (at the rate of 25%).

2.7. Activities of Subsidiaries and Controlled Companies

2.7.1. Table of Subsidiaries and Holdings

The table of subsidiaries and holdings is presented in the notes to the AKWEL SA financial statements (see note *5.9*).

2.7.2. Acquisition of Shareholdings or Control of Companies Headquartered in France during the Financial Year (Article L. 233-6 of the French Commercial Code)

In financial year 2023, the Company did not acquire any new shareholdings or controlling interests.

2.7.3. Reciprocal Cross Holdings (Article L. 233-29 and R. 233-19 of the French Commercial Code)

There are no reciprocal cross holdings to be disclosed in accordance with regulations in force at the date of preparation of this report.

2.7.4. Disposal of Shares to Regularize Cross Holdings

There was no disposal of shares during the financial year.

2.8. Share Capital and Shareholding Structure (Article L 233-13 of the French Commercial Code)

As at December 31, 2023, the Company's share capital was distributed as follows:

Shareholders	Shares	% of Share Capital	Voting Rights	% of Voting Rights
COUTIER DEVELOPPEMENT (1)	15,331,170	57.33	30,662,340	67.54
COUTIER SENIOR (2)	3,259,480	12.19	6,518,960	14.36
COUTIER Family (natural persons)	61,680	0.23	110,250	0.24
COUTIER family subtotal (3)	18,652,330	69.75	37,291,550	82.15
AMIRAL GESTION	2,274,785	8.51	2,274,785	5.01
Other registered and bearer shareholders	5,617,081	21.02	5,829,234	12.84
Treasury shares (4)	196,844	0.73	-	-
Total	**26,741,040**	**100.00**	**45,395,569**	**100.00**

(1) A French limited company (*société anonyme*) with an Executive Board and a Supervisory Board, and a share capital of €46,249,840, with its registered office in Champfromier (01410), France, at 975 route des Burgondes, registered in the Bourg-en-Bresse Trade and Companies Register under number 395 006 398. COUTIER DEVELOPPEMENT is controlled by Mr. André and Mr. Roger Coutier and their descendants, directly and/or indirectly via holding companies. Mr. André Coutier is President of the Executive Board and Mr. Roger Coutier is President of the Supervisory Board.
(2) A French partnership (*société civile*) with a share capital of €4,822,000, with its registered office in Champfromier (01410), France, at 975 route des Burgondes, registered in the Bourg-en-Bresse Trade and Companies Register under number 451 360 150. COUTIER SENIOR is held by COUTIER DEVELOPPEMENT (100% of share capital and voting rights). Mr. Roger Coutier is the Manager.
(3) See AMF document 207C1059 of June 6, 2007.
(4) In accordance with Article L. 225-10 of the French Commercial Code, shares held by the Group are not entitled to dividends or voting rights.

To the best of the Company's knowledge, at the date of preparation of this report, no shareholder other than those mentioned above held, directly or indirectly, alone or jointly, more than 5% of the Group's share capital or voting rights.

2.9. Agreements Referred to 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 the General Meeting of Shareholders with the agreements referred to in Article L. 225-86 of the same Code that were entered into or continued during the financial year just ended. The Statutory Auditors have been duly advised of these agreements, which they have described in their special report.

2.10. Inventory of Marketable Securities

A complete list of the Company's French and foreign holdings is provided in the table of subsidiaries and holdings.

2.11. Financial Income over the Last Five Financial Years (Articles R. 225-83 and R. 225-102 of the French Commercial Code) (in €, except "Average Number of Employees during the Financial Year")

FINANCIAL YEARS CONCERNED NATURE OF INDICATIONS	01/01/19 to 12/31/19	01/01/20 to 12/31/20	01/01/21 to 12/31/21	01/01/22 to 12/31/22	01/01/23 to 12/31/23
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
- par value of shares	0.8	0.8	0.8	0.8	0.8
c) Number of (non-voting) preference shares	-	-	-	-	-
d) Maximum number of future shares to be issued	-	-	-	-	-
- through bond conversions	-	-	-	-	-
- by exercising subscription rights	-	-	-	-	-
Operations and Results for the Financial Year					
a) Turnover, excluding taxes	394,715,527	325,148,045	318,130,181	323,462,410	362,167,517
b) Income before tax, employee profit-sharing, depreciation and amortization, and provisions	38,609,316	54,068,390	45,030,903	8,785,480	20,980,835
c) Income tax	(445,577)	(970,038)	(855,039)	(250,798)	(507,058)
d) Employee profit-sharing for the financial year	-	-	-	-	-

b) Income after tax, employee profit-sharing, depreciation and amortization, and provisions	(252,561)	1,193,005	1,230,502	(12,987,890)	(93,890)
f) Distributed earnings	5,214,502	12,033,468	12,033,468	8,022,312	8,022,312(*)
Earnings per Share		**Earnings per Share**			
a) Income after tax and employee profit-sharing, but before depreciation, amortization and provisions	0.87	0.87	0.27	(0.34)	0.76
b) Income after tax, employee profit-sharing, depreciation and amortization, and provisions	(0.01)	0.04	0.05	(0.48)	(0.78)
c) Net dividend per share	0.195	0.45	0.45	0.30	0.30(*)
Personnel					
a) Average number of employees during the financial year	1,512	1,407	1,297	1,171	1,099
b) Total payroll for the financial year	56,239,297	44,222,473	47,806,567	45,749,577	44,363,955
c) Amount paid for employee benefits during the financial year (social security, social welfare, etc.)	18,746,143	15,065,910	15,228,833	14,584,691	14,004,362

(*) This refers to the dividend distribution that the Executive Board will propose to the General Meeting on May 23, 2024.

2.12. Securities Transactions by Members of the Executive Board and Supervisory Board

In accordance with French law and AMF regulations, we hereby inform you that the following transactions were reported to the Autorité des Marchés Financiers by the corporate officers during the year.

Manager	Nature of Transactions	Description of Financial Instrument	Share Number	Average Price
André Coutier	**Acquisition**	**Share**	**10,340**	**16.53**

No other corporate officer has carried out any individual transactions. The same applies to people closely linked to them.

2.13. Employee Share Ownership

At the end of the financial year, employees of the Company and companies related to them pursuant to Article L. 225-180 of the French Commercial Code held no interest in the Company's capital under a company savings plan (*plan d'épargne d'entreprise* — PEE) governed by Articles L. 3332-1 et seqq. of the French Labor Code.

At the same date, these same employees held no interest in the Company's capital through company mutual funds.

2.14. Choice of Terms and Conditions Governing the Retention by Corporate Officers of Free Shares Allocated Resulting from the Exercise of Stock Options

None.

2.15. Calculation Elements and Results of the Adjustment of the Conversion Bases and the Subscription or Exercise Conditions for Securities Giving Access to the Capital or Share Subscriptions or Purchases

None.

2.16. Transactions in Group Securities during Financial Year 2023 under the Liquidity and Market-Making Contract

This section describes the information required by Article L. 225-211 of the French Commercial Code.

2.16.1. Share Buyback Program Authorized on May 25, 2023

The Combined General Meeting of May 25, 2023 authorized the Executive Board, for a period of 18 months from the date of said meeting, i.e. until November 25, 2024, to implement a share buyback program for up to 10% of the share capital.

The Company's share buyback program allows the Executive Board to buy back up to 10% of the Company's shares, with a view to:

- ensuring a liquid market for the Group's securities through an investment services provider, acting independently under a liquidity contract that complies with regulations;
- retaining the shares repurchased and subsequently reissuing them in exchange for or as payment in connection with merger, demerger, provision or external growth operations;
- potentially canceling some or all of the shares repurchased;
- implementing any market practice that may be permitted by regulations, and more generally carrying out any transaction that complies with the regulations in force.

A description of this share buyback program is included in the financial report filed with the AMF under number D. 22-0078 on March 30, 2023.

The maximum purchase price has been set at €50 per share, and the maximum amount of funds earmarked for this buyback program has been set at €133,403,000.

On July 27, 2023, the Executive Board decided to implement the share buyback program.

2.16.2. Transactions Carried Out under the Buyback Program

During the financial year ended, the Company made use of its authorization to purchase its own shares, acquiring a total of 190,800 of its own shares throughout the year at a weighted average price of €15.6964, for a gross amount of €2,994,865.84, including trading costs of €1,206.61.

All shares held as such have been allocated to cancellation.

No treasury shares were reallocated for any other purpose in 2023.

Summary Declaration Table as at December 31, 2023	
Number of treasury shares held directly or indirectly as at May 25, 2023	6,044
Number of shares purchased between May 25, 2023 and December 31, 2023	190,800
Number of treasury shares held as at December 31, 2023	196,844
% of share capital	0.736%
Gross weighted average price of shares purchased (in euro)	15.6964
Number of shares canceled over the past 24 months	0
Number of securities held in the portfolio as at December 31, 2023	196,844
Par value of treasury shares	€157,475.20
Net book value of treasury shares (in euro)	€3,235,167.81
Market value of the portfolio (in euro) based on the share price on December 31, 2023, i.e. €16.16	€3,180,999.04

No treasury shares were reallocated for any other purpose in 2023.

As at the date of preparation of this report, the Group/Executive Board has not canceled any of the repurchased shares.

2.16.3. Breakdown of Shares Held by the Company by Purpose

As at December 31, 2023, the 196,844 shares held by the Company were allocated to cancellation.

2.17. Description of the Share Buyback Program

This section describes the information that must be included in the description of the share buyback program pursuant to Article 241-2 of the General Regulations of the Autorité des Marchés Financiers.

As the authorization granted by the Combined General Meeting of May 25, 2023 has been partially used, it is proposed that the Combined General Meeting of May 23, 2024 authorize a new Company share buyback program, the terms of which would be as follows:

- securities concerned: AKWEL ordinary shares listed on Euronext Paris, compartment B, ISIN FR0000053027;
- maximum purchase price: €50 per share;
- the maximum amount of the transaction is therefore set at €123,863,000;
- maximum share authorized for repurchase: 10% of the share capital, it being specified that this limit is assessed at the date of the buybacks in order to take into account any capital increases or reductions that may take place throughout the duration of the program.

The number of shares used to calculate this limit corresponds to the number of shares purchased.

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

These acquisitions may be made with a view to:

- ensuring a liquid market for the Company’s securities through an investment services provider, acting independently under a liquidity contract that complies with regulations;
- retaining the shares repurchased and subsequently reissuing them in exchange for or as payment in connection with merger, demerger, provision or external growth operations;
- potentially canceling some or all of the shares repurchased, under the conditions provided for by law;
- implementing any market practice that may be permitted by regulations, and more generally carrying out any transaction that complies with the regulations in force, in which case the Company will inform its shareholders by means of a press release.

As the objective of retaining shares for subsequent reissue in connection with external growth transactions no longer qualifies as an accepted market practice under the new European regulations, it is not included in the draft resolution.

Dividends on shares will be allocated to retained earnings.

These share purchases may be carried out by any means, including the acquisition of blocks of securities, and at the times deemed appropriate by the Executive Board.

The Company reserves the right to use options or derivatives in accordance with applicable regulations.

2.18. Price Fluctuation Risk

None.

2.19. Financial Penalties for Anti-Competitive Practices

None.

2.20. Main Risks and Uncertainties Facing the Group; Use of Financial Instruments

Please refer to the chapter of the Group management report referred to in Section *1.7 Risk Factors*.

2.21. Information on Supplier and Customer Payment Deadlines (Article L. 441-6-1 of the French Commercial Code)

2.21.1. Invoices Received but Not Paid by the End of the Financial Year (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 or More	Total (1 Day or More)
(A) Payment Delay Range						
Number of invoices concerned	5,699	147	53	36	76	**312**
Total amount of invoices concerned, incl. taxes	37,535,180	493,924	311,492	119,409	106,545	**1,031,370**
Percentage of total purchases for the year, incl. taxes	10.91%	0.14%	0.09%	0.03%	0.03%	**0.30%**
(B) Invoices Excluded from (A) Relating to Disputed or Unrecorded Payables and Receivables						
Number of invoices excluded	25	94	17	24	183	**318**
Total amount of invoices excluded, incl. taxes	205,001	273,127	(256,348)	(149,081)	147,220	**14,918**
(C) Reference Payment Terms Used (Contractual or Legal — Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments	• contractual terms: excluding tooling (payment by installments and according to approval letter), the average payment term is 45 days from the end of the month, but can vary from 30 days net to 90 days from the end of month, depending on the supplier • legal terms: 45 days from the end of month with French suppliers (excluding tooling)					

2.21.2. Invoices Issued but Not Paid by the End of the Financial Year (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 or More	Total (1 Day or More)
(A) Payment Delay Range						
Number of invoices concerned	5,753	1,431	323	259	349	2,362
Total amount of invoices concerned, incl. taxes	65,552,782	1,984,375	313,416	15,095	-238,516	2,074,369
Percentage of turnover for the year, incl. taxes	18.10%	0.55%	0.09%	0.00%	-0.07%	0.06%
(B)* Invoices Excluded from (A) Relating to Disputed or Unrecorded Payables and Receivables						
Number of invoices excluded	0	38	19	12	189	258
	0	62.589	13.115	5.006	207,494	288,205

**Including 81 invoices for doubtful receivables totaling €93,192*

(C) Reference Payment Terms Used (Contractual or Legal — Article L. 441-6 or Article L. 443-1 of the French Commercial Code)	
Payment terms used to calculate late payments	• contractual terms: excluding tooling (payment by installments and according to approval letter), the average payment term is 45 days from the end of the month, but can vary from 30 days to 90 days from the end of month depending on the customer • legal terms: 45 days from the end of month with French customers (excluding tooling)

2.22. Mention of Existing Branches (Article L. 232-1 of the French Commercial Code)

The Company had no branches as at December 31, 2023.

2.23. Inter-Company Loans Granted under 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 inform you that no loans maturing in less than two years have been granted to companies with which the Company has economic ties.

2.24. Major Contracts

Over the past three years and as at the date of this document, the Company has not entered into any major contracts, other than those entered into in the ordinary course of business, that would give rise to a significant obligation or commitment for the Group as a whole.

3. Internal Control and Risk Management Procedures

In accordance with Article 117 of Law 2003-706 of August 1, 2003 supplementing Article L. 225-68 of the French Commercial Code, this section of the report is descriptive and does not include an assessment.

3.1. Reminder of the Group's Objectives in Terms of Internal Control Procedures

The Group's internal control procedures and organization are designed to:

- ensure that management actions, the performance of operations and the behavior of employees are consistent with the guidelines set for the activities of the business by the management bodies, by applicable laws and regulations, and by the internal values, standards and rules of the business;
- verify that the accounting, financial and management information provided to the Group's management bodies accurately reflects the activity and situation of the business.

One of the objectives of the Group's internal control system is to prevent and control risks arising from the Group's activities, as well as risks of error or fraud, particularly in the accounting and financial fields. Like any control system, however, it cannot provide an absolute guarantee that these risks have been totally eliminated.

The control and management of the risks associated with the Group's activities are based on the following principles:

- a decentralized operational organization based on plants grouped by industrial region and on product lines in order to promote industrial performance, responsiveness and customer proximity;
- an annual budget procedure and monthly reporting procedure that are essential for the Group in managing its operations;
- widespread and frequent risk-awareness training for all personnel;
- strong cross-functional departments responsible for enforcing Group policies within their scope, and monitoring their effective application;
- plants specialized by production technology, to reinforce and accelerate experience curves;
- formal delegation by the President of the Executive Board of the control and management of certain risks to the Directors most concerned;
- separation of functions (between operational and support functions, between those who incur expenses and those who record and settle them, between those who do and those who control, etc.);
- setting targets in line with global or internal best practices, and regularly measuring the gap between performance and these targets;
- the involvement of all hierarchical levels and all sites in improving performance and controlling activities.

In addition, Group employees are made aware of their ethical obligations through the welcome booklet, the Ethics Charter, the Code Against Corruption and Influence Peddling, the Stock Market Code of Ethics, and the Group IT Charter.

In addition, each site has its own rules of procedure, which are widely distributed to all employees.

3.2. Analysis of the Internal Control Environment

3.2.1. Summary Description of the General Organization of Internal Control Procedures

The President of the Executive Board delegates some of his powers to the various Directors.

Procedures are established by the Group. The Group distinguishes between two categories of procedures: those relating to a function (e.g. financial procedures) and those relating to a process (delivery, handling of non-conformities, etc.). There are 11 processes that have been identified within the Group (five customer-oriented processes and six support or management processes). They cover all the Group's activities (from promoting the Group to new customers to improving the performance of our suppliers). There are 33 mandatory indicators (21 performance indicators and 12 efficiency indicators) that cover these 11 processes, allowing us to verify that these operating procedures have been properly implemented and are performing well.

These procedures are available on an Intranet-type network, allowing them to be shared immediately to all those concerned.

Internal Group memos may supplement, detail or reiterate these procedures.

The cross-functional departments manage the organizational processes and ensure that they are properly implemented. At least once a year, they are required to report to the Executive Board on the results achieved within their scope.

The Quality, Safety, Environment and Energy Department (QSE²) ensures that these procedures are properly applied, by monitoring periodic reporting and carrying out internal audits.

The Finance Department ensures that accounting and financial standards are properly applied.

The Internal Audit function ensures compliance with directives, methodologies and any other instructions issued by operational or cross-functional departments. It reports directly to the Legal Department.

In addition, each Group site has its own health, safety and working conditions committee. Each committee meets regularly to assess, propose and approve all measures relating to health, safety, working conditions and risk prevention.

Each year, the Executive Board devotes at least two half-days to each cross-functional department and industrial region:

- one to approve strategic options (Products, Markets, Customers, Action Plans) within the framework of Medium-Term Plans;
- one to approve short-term financial options within the framework of budgets and year-end forecasts.

For all product lines, the Management Board devotes one day each year to reviewing and approving Research and Innovation activities (Product and/or Process).

In addition, since 2008, a specific half-day meeting has been held for each region. This meeting is dedicated to reviewing the main productivity actions implemented and those planned over the next 12 months.

3.2.2. Summary Description of Accounting and Financial Information Processing

Accounting and financial information processing is handled internally by the Finance Department.

Accounting teams are either located at production sites or grouped together in Shared Services Centers (SSCs). The accounting teams, which are managed by the Director of Accounting & Tax, carry out three main activities:

- customer relations (invoicing, collection, reminders, customer disputes)
- supplier matters
- general accounting and cash management.

The software used is an ERP (SAP). The accounting module (FI) benefits directly from these decisions. No significant specific developments have been carried out on this ERP.

Finance Controllers are present at each of the Group's main sites. There is complete separation between the finance control and accounting teams, even though information is exchanged on an ongoing basis.

Reference manuals are used to prepare:

- the annual accounts (general chart of accounts);
- the consolidated financial statements;
- the monthly internal financial reports.

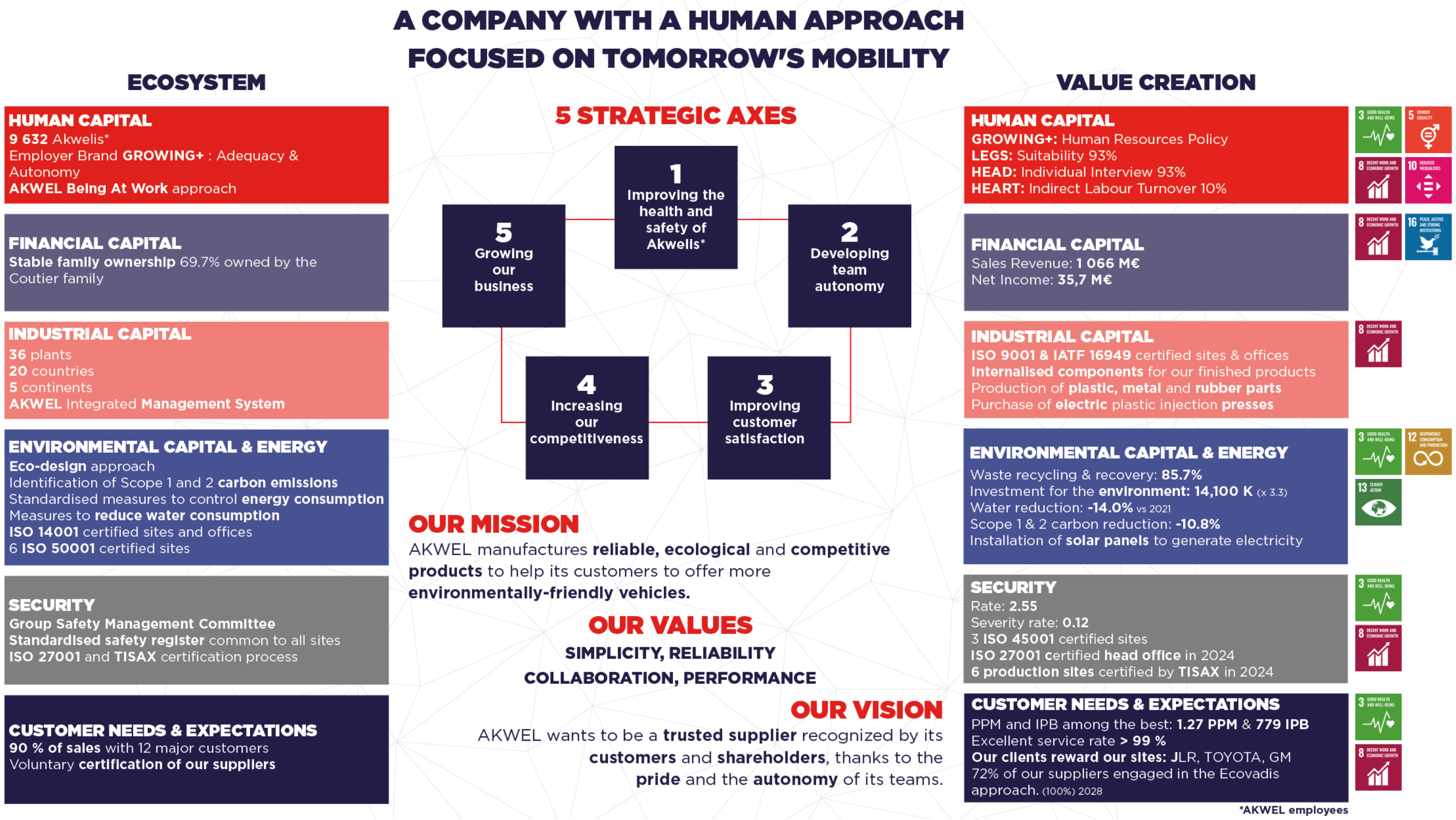
The financial data provided are regularly verified by Group personnel.

In addition, our Statutory Auditors carry out an annual audit of the annual accounts as part of its legal audit obligation.

4. Non-Financial Performance Statement

In accordance with Articles L. 225-102-5 and R. 225-105 of the French Commercial Code, the Company is required to produce a Non-Financial Performance Statement (NFPS) for the Group. The Non-Financial Performance Statement details the challenges, implemented approaches and indicators that the Group has decided to follow in order to monitor and control how its positive and negative impacts unfold. This statement is subject to mandatory verification by an independent third-party organization.

4.1. The Group's Business Model



4.2. Group Overview

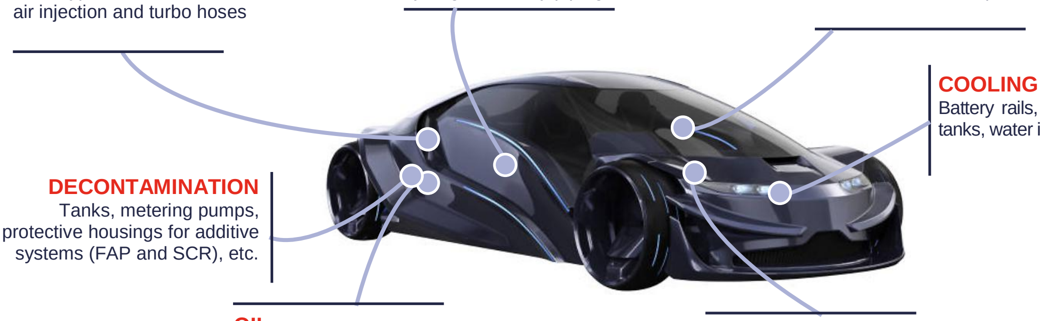
4.2.1. A Global Tier 1 Parts Manufacturer

The Group is a parts and systems manufacturer for the automotive and heavy-vehicle industries, specialized in fluid management (84% of turnover), mechanisms (14% of turnover) and structural parts for electric and other vehicles (2% of turnover).

4.2.2. Three Main Areas of Expertise

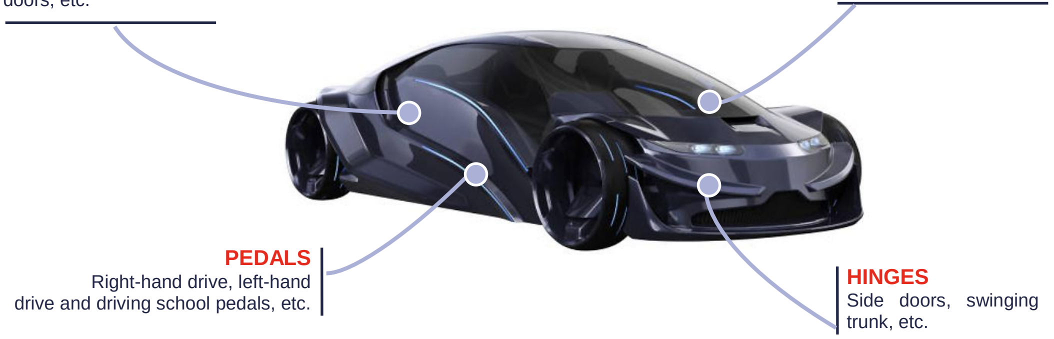
FLUID MANAGEMENT

Storage, dosing, transfer, reheating, cooling, separation, mixing, filtration, etc.



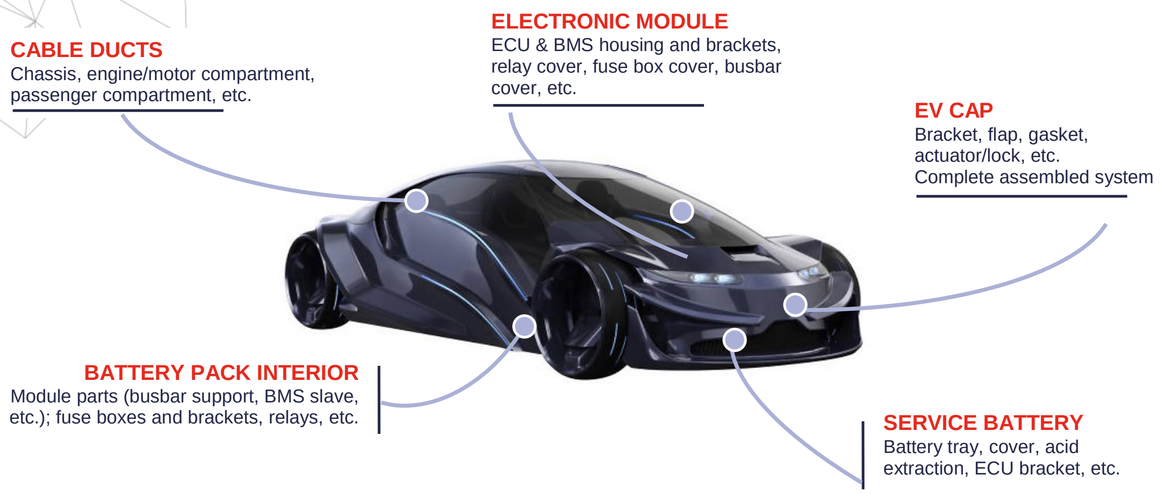
MECHANISMS

Hoods, trunks, side doors, swinging doors, car bodies, etc.



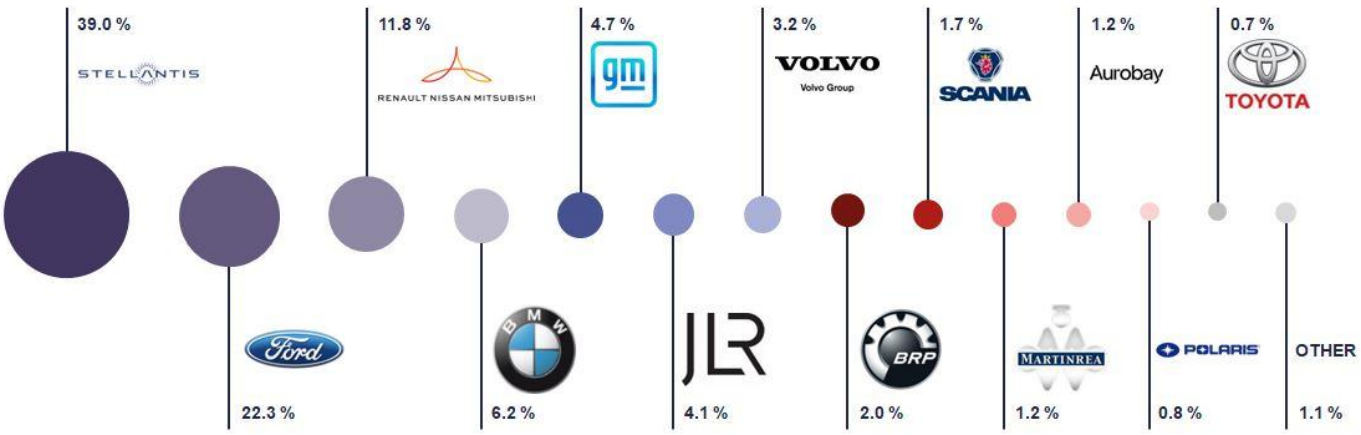
STRUCTURAL PARTS FOR ELECTRIC AND OTHER VEHICLES

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



4.2.3. Diversified Turnover Focused on the Mobility of the Future

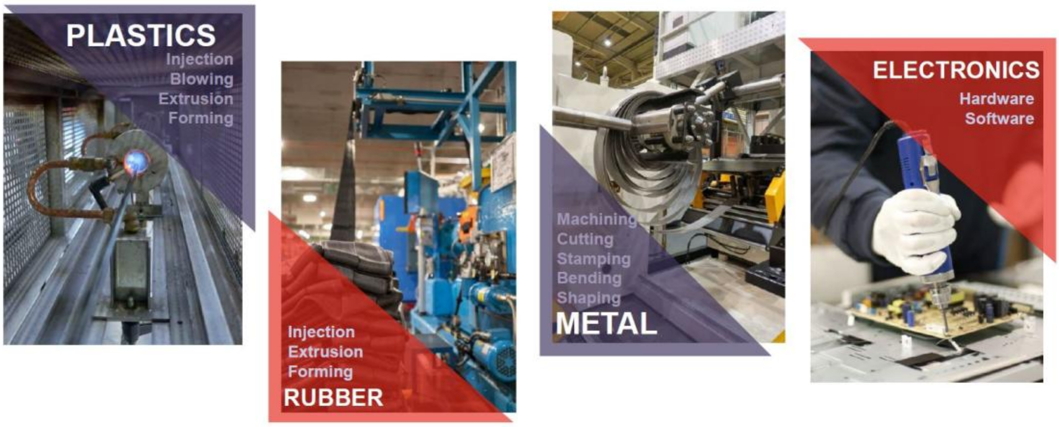
The Group supports numerous brands in their efforts to produce more environmentally friendly vehicles, by developing and distributing high-performance products and systems. Our Akwelis community* possesses first-rate industrial and technological know-how in the application and transformation of materials and in mechatronics integration.



*AKWEL employees

4.2.4. Experience and Complementary Technologies

This expertise opens up a wide range of opportunities for the Group to design, develop and manufacture the new products and components demanded by the rapid evolution of vehicles.

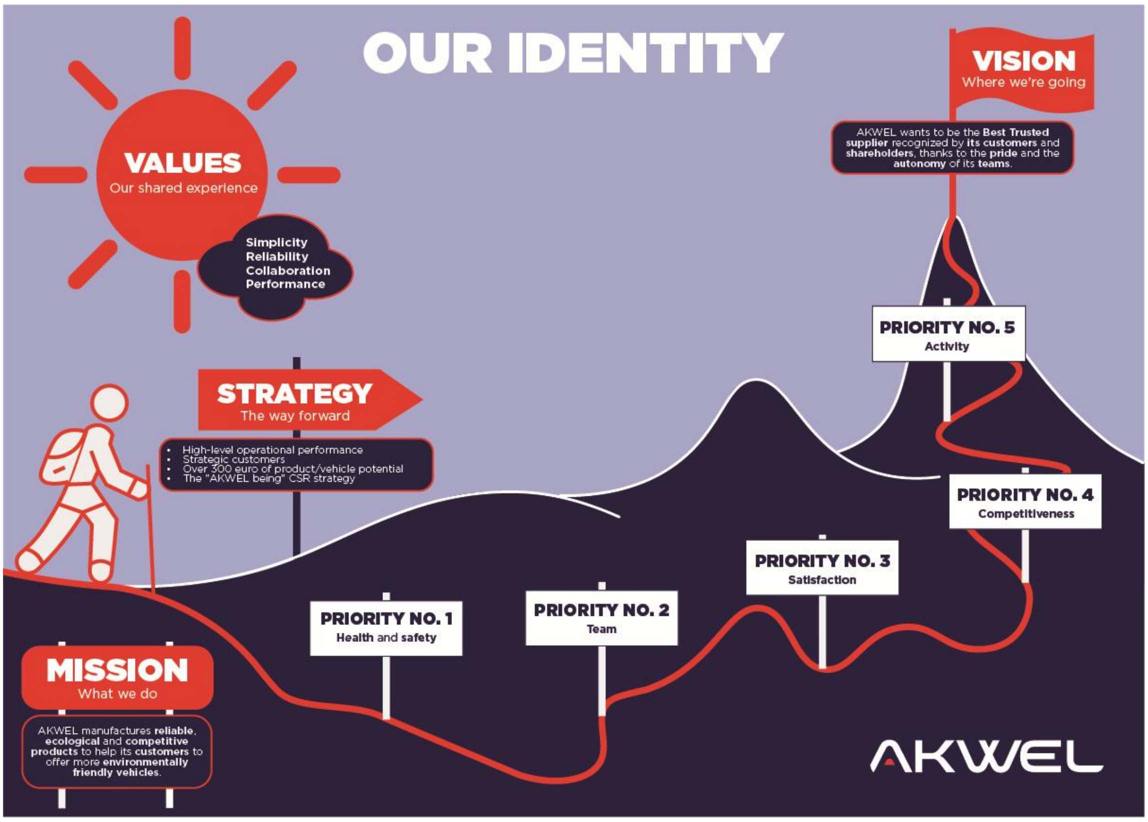


4.2.5. An International Presence Close to Its Customers

Present in 20 countries, covering 5 continents and with 36 production sites, AKWEL provides its customers with innovative, reliable solutions at competitive prices, thanks to the skills and commitment of its 9,632 employees. Our facilities are located as close as possible to production and delivery sites.

4.2.6. Our Identity

The Group’s identity has been built over the course of its history, and is expressed through its Mission, Vision and Values. AKWEL has a **Mission** to achieve while respecting its social responsibilities. AKWEL has a **Vision** that is the positioning that we are aiming for in the medium- and long-term and that we will achieve. AKWEL has **Values** to structure its ideas and actions.



4.2.7. Our Strategy

Our Mission, Vision and Values make collaboration truly meaningful. These three pillars help to define the strategy and guide its implementation in our daily work. They are essential to the success and growth of the Group. The strategy is the way forward. It determines the actions to be put in place as a priority and the resources to be used to achieve the associated objectives.

This strategy is based on the Group's ability to capitalize on its expertise and mastery of materials to develop new products, the growing use of mechatronics, a constantly evolving organization, an ever finer understanding of customer needs, and the ongoing training of its teams.

The Group conducts its business in a constantly changing environment, with a wide range of challenges and stakeholders (customers, competitors, suppliers, local authorities, investors, etc.). The risks and opportunities (past, present and future) linked to our environment are identified, classified and handled in such a way as to give us control over our future.

4.2.8. Governance that Guarantees Independence

On a comparable scale, the Group is one of the few parts manufacturers to remain family-owned. 69.7% of the Group's capital is held by the Coutier family, whose second generation is now at the helm. To preserve its independence and ensure its organization reflects its values, the Company's legal structure is built around a small governing body, comprising 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 discussions and the cross-functional sharing of best practices between the Group's business divisions;
- the Group's topic-specific management committees (Safety, Environment and Energy; Quality; Engagement; Competitiveness and Sales);
- the manufacturing performance department, which groups plants by geographical area;
- the Business Development department, which oversees the product lines of cooling, decontamination, air and oil intake, fuel and control, mechanisms and washing, as well as material and product development;
- the cross-functional departments, which provide assistance and consistency, ensure coherent strategies and optimize resources;
- the Aftermarket division, dedicated to the after-sales market.

4.2.9. Our History

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

4.2.10. The Group's Role in the Mobility of the Future

In an automotive market in the midst of a complete revolution, with the automaker ecosystem undergoing profound transformation and new types of vehicles emerging, the Group is doing its utmost to adapt its strategy and continue offering its customers the innovative solutions that will help them stand out in this shifting environment.

The automotive market is currently facing major disruptions in the medium-term. The development of totally redesigned vehicles, combining different forms of engine power, a variety of fuel and battery ranges, and diverse configurations and uses, are at the forefront of these challenges.

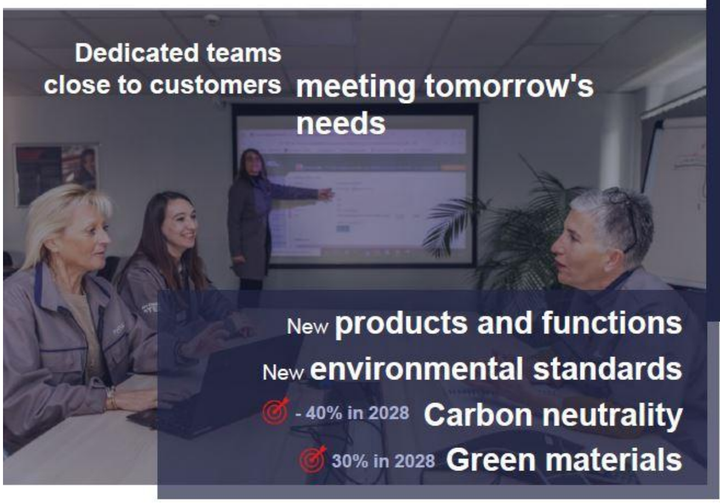
The globalization of customers and projects, the localization of production, the inflow of new stakeholders, and increasing demand for environmental protection and risk management complete this scenario. In this context, some products will evolve, while others will disappear, to be replaced by new products and solutions. On the other hand, the need for high-performance parts manufacturers who are able to combine quality, competitiveness, globalized projects and localized production will only increase for automakers.

4.2.11. Our Know-How and Expertise Rewarded

Every year, our customers reward the know-how and expertise of our Akwelis* for the quality of our parts and our continuous improvement system. We are also recognized as a supplier of excellence.

Our policies and action plans are fueled by our culture of continuous improvement. They are embodied in our AKWEL Management System, which integrates quality, personal safety, information security, the environment and energy. Developed and rolled out within the Group, the AKWEL Management System brings together our best practices and tools in a single system that applies to all our teams in their day-to-day actions. Nurtured by the Group's values, it ensures that we achieve the standard level of performance and comply with the legal requirements, standards and regulations in force at our customers' sites and with local authorities. It is regularly audited, both internally and externally, in order to verify its implementation and improve it.

A HIGH-PERFORMANCE INNOVATION APPROACH



PATENTS

23 registered worldwide in 2023

138 filed worldwide in the last 5 years

5.9% of sales devoted to Research and Development

World-class calculation, simulation and **testing resources**.

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*AKWEL employees

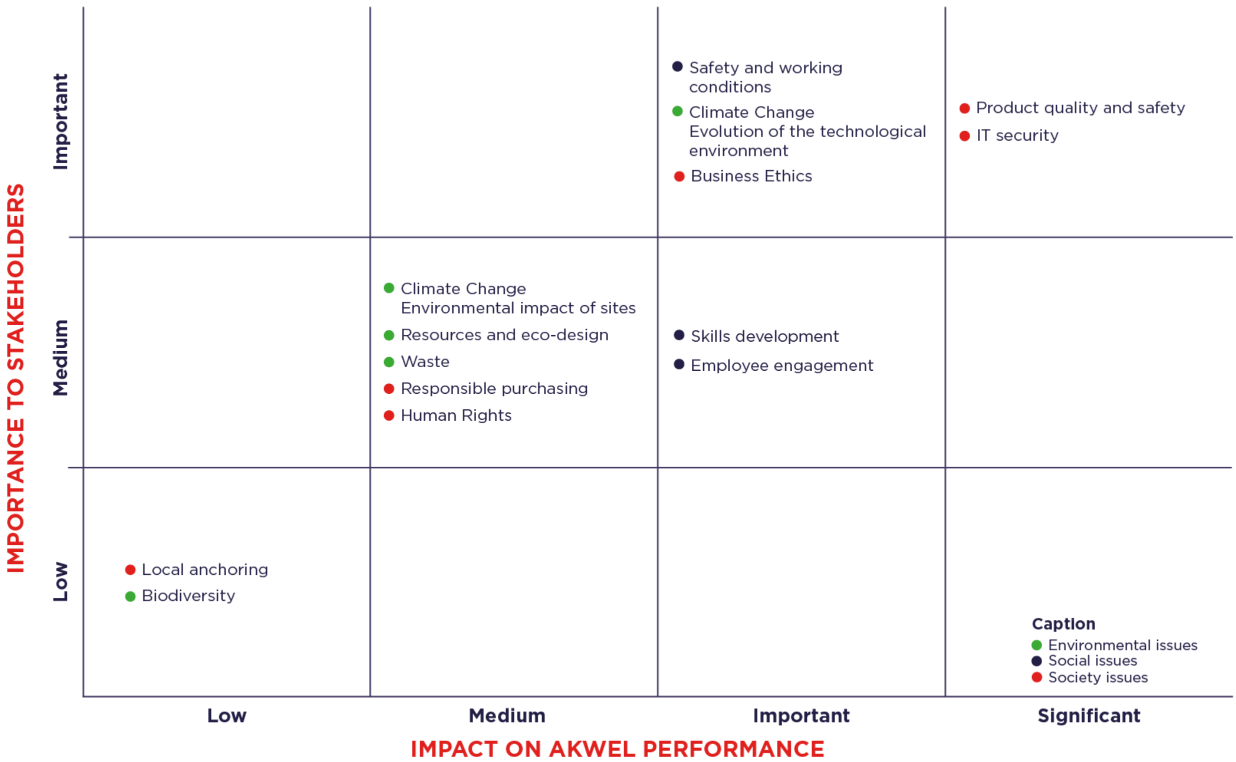
4.3. THE MAIN NON-FINANCIAL RISKS AND CHALLENGES ASSOCIATED WITH THE GROUP'S ACTIVITIES

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 an analysis of their existing materiality, their relevance and the seriousness of their implications.

AKWEL's main non-financial challenges were identified through an analysis of the requirements of the automotive parts sector. We selected 14 main challenges, which we ranked according to their importance for our stakeholders and their impact on AKWEL's overall performance. These challenges are presented in the materiality matrix.

The main risks with a financial impact, and the Group's responses to them, are described in Section *1.7. Risk Factors* of the Annual Report.

4.3.1. Materiality Matrix

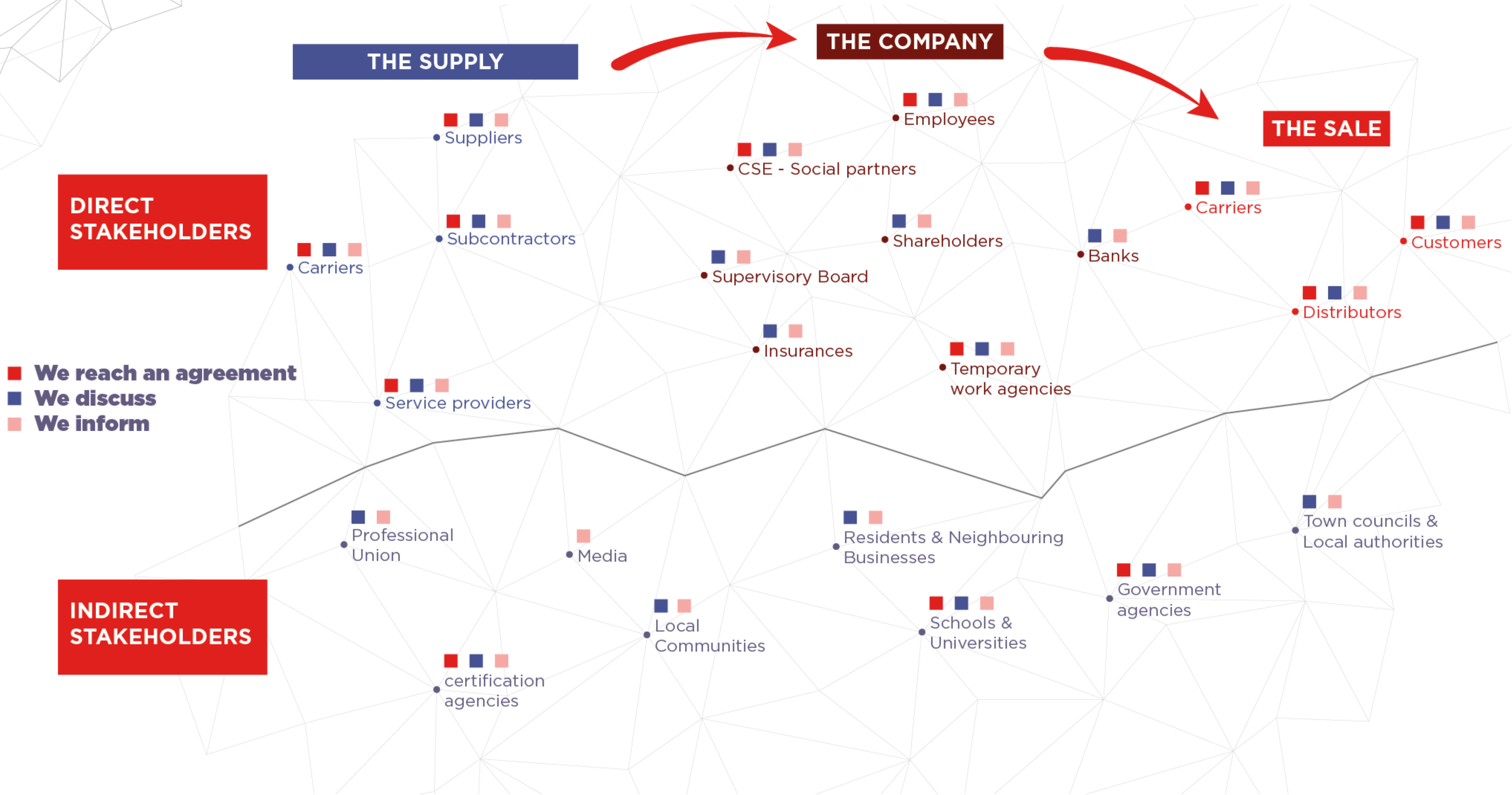


Given its business, the Group has little impact on the fight against food waste, food insecurity and the promotion of responsible, fair and sustainable food. The Group's business also has no direct impact on animal welfare.

The Group takes no action aimed at promoting the relationship between the nation and the military and supporting commitment to the reserves.

4.3.2. Stakeholder Mapping

The diagram below lists the stakeholders with whom AKWEL maintains relations, and the means of dialogue for each of them.



4.3.3. United Nations Sustainable Development Goals (SDGs)

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 provide the approach to follow in order to achieve a better, more sustainable future for all.

The Group focuses on 7 of the 17 UN Sustainable Development Goals.

4.3.4. Data Analysis Methodology

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

This data is then checked for robustness/consistency during consolidation by Head Office teams.

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

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

Since 2021, our consolidation tool has also allowed us to track Scope 3, concerning upstream activities related to the purchase of goods and services. We mainly track our consumption of plastics (process and packaging), rubber and metal. Although our current methodology is not based on specific emissions factors, our assessments show that Scope 3 is the largest contributor in terms of tCO_2e for the Group. The calculations will be refined in future studies with the contribution of our suppliers, and the scope of indirect emissions categories will be expanded.

4.3.5. Our “AKWEL being” Commitment

Ready to take on the challenge of sustainable development and the energy transition, AKWEL is a socially responsible company (in line with CSR requirements) that is committed to a secure future. Its “AKWEL being” approach highlights the actions rolled out over many years and provides guidance in terms of energy reduction, safety (in particular the STOP WORK approach), eco-innovation, developing the autonomy of its employees so they may “GROW+” and offering the “AKWEL being at Work” program to help employees become more involved in their missions and to provide them with a better quality of life at work and everyday well-being.

CDP SCORE REPORT
WATER SECURITY 2023 **C-**
CLIMATE CHANGE 2023 **C**

PRIORITY 1

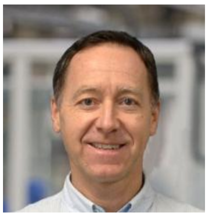
"AKWEL being"
SUSTAINABLE

ECO FRIENDLY

ECO-INNOVATIVE

CUSTOMER-CENTRIC

4.3.5.1. *"AKWEL being" Eco Friendly*



All of AKWEL's departments are involved in the environmental and social responsibility approach, and these subjects are a source of enthusiasm for and commitment to continuous improvement.

Gilles Kern
QSE² VP

Our manufacturing policy takes into account the absolute necessity of reducing our carbon footprint from the product development phase through to industrialization and production.

Frédéric Marier
Manufacturing Performance VP

GOALS

REDUCE OUR CARBON FOOTPRINT

AND

PRESERVE NATURAL RESOURCES

Reducing carbon emissions

2021 vs 2028

CO_2 -40%

Green electricity

2022	**2023**
39%	**53%**
For the Group	For the Group

Solar panels

2022	**2023**
0 plants	**2** plants

Resource consumption

2021	2023	
737,307 m^3 1.57 m^3/€K GPM*	720,482 m^3 1.35 m^3/€K GPM	-14.0%
138,418,642 KWh 208 KWh/€K GPM	131,164,556 KWh 246 KWh/€K GPM	-11.0%
97,694,219 KWh 295 KWh/€K GPM	98,547,226 KWh 185 KWh/€K GPM	-16.6%
19,885 T 42.28 kg/€K GPM	22,447 T 42.13 kg/€K GPM	-0.3%

*gross production margin

Investments to prevent environmental impact

x3.3	2023	€14,100K
	2022	€4,245K

Waste recycling and recovery

2021	83.9%
2023	85.7%

OBJECTIVES	ACTIONS	KPI	QUANTIFIED TARGETS FOR 2028	SDG
Reduce CO_2 emissions	Formalize the supply of green electricity by country and plant[*]	% of green electricity/total	70% (consolidated for the Group)	
	Install solar panels to generate electricity at plants	% of green electricity/total	5% of Group consumption	
	Reduce electricity consumption per gross production margin[**]**	KWH of electricity/GPM[2]	See Group energy intensity and CO_2 emissions	
	Reduce natural gas consumption per gross production margin**	KWH of gas/GPM[2]		
	Develop an electric alternative to gas boilers for rubber-processing plants[***]	KWH of gas/GPM[2]	-50% boilers[1]	
	Eliminate processes that consume industrial fuel	KWH of fuel/GPM[2]	0[1]	
	Reduce CO_2 emissions through the electricity and natural gas energy mix**	Metric tons of CO_2/GPM[2]	-40%[1]	
Reduce water consumption	Reduce water consumption by upgrading cooling circuits in rubber-processing plants	m^3/GPM[2]	-20%[1]	
Reduce waste production	Reduce waste production (product standardization and reduction in the number of production startups and scraps)[****]	Metric tons/GPM[2]	-15%[1]	
Recycle and recover waste	Increase the recycling and recovery rate for non-metal waste: plastic and rubber	% of production waste	95%[1]	

[1] Compared to 2021

[2] Gross production margin

[*] Implementation times depend on countries' ability to supply green electricity from nuclear, solar and wind power and others. We specifically monitor green energy strategies for the following countries: Czech Republic, Türkiye, Morocco, Tunisia, India, China, Portugal, Romania, USA, Thailand.

[**] The reduction in electricity consumption per €K of gross production margin could be impacted by reduced use of natural gas for certain processes, in favor of processes using electricity.

[***] The development of an electric alternative to gas boilers should lead to an improvement in the plant's emission factor. The development of products for electric vehicle cooling hoses (using plastics instead of rubber) will help reduce natural gas consumption, as the forming processes use electric furnaces.

[****] Standardization involves reducing the number of rubber hose structures. Reducing the number of startups has an impact on the production of startup scraps => economic production campaign. The reduction of production scraps is managed by plant action plans in the series phase (existing products) and in performance validation during production startup, from industrialization to ramp-up.

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

We take action with regard to two factors:

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

Intrinsic Equipment Consumption

The Group has defined equipment standards applicable to all plants. The fleet of plastic injection presses has been converted from hydraulic presses to electric or hybrid presses. All new investments (new projects or equipment renewal) are carried out based on AKWEL standards.

Autoclaves (the equipment needed to vulcanize the rubber used in fluid transfer) come in three standard sizes to suit plant activity levels.

Activity-Related Consumption

Takt time can be taken into account as early as the product design and industrialization phase, allowing tooling to be sized as needed, with single-cavity tooling placed on a small press and continuous production (reduced production changeovers and energy consumption at production startup).

Based on a philosophy of covering finished goods inventories (rather than just-in-time production), the Manufacturing Performance Department has introduced operating procedures and methods designed to make plant production more efficient. Finished goods inventories cushion fluctuations in customer demand and manufacturing contingencies.

The associated indicators relate resource consumption to gross production margin.

Between 2018 and 2023, electricity, gas and water consumption fell by -16%, -24% and -22% respectively, while waste production decreased by -19%.

4.3.5.1.1. ***On-Site Waste Collection***

All sites have established contracts with waste collection providers, which include rules for sorting and recovery. Monthly monitoring and half-yearly consolidation are in place to track the quantities of waste generated and the proportion recycled and recovered.

4.3.5.1.2. ***Environmental Information***

We offer our customers innovative solutions and concepts designed to meet the challenges of environmental protection (lightweighting, decontamination) and energy efficiency (localized production, recycling).

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

By reducing transport and logistics operations that pollute and have an impact on climate change, our localized production strategy helps reducing the overall environmental and energy footprint of our products.

Each of our facilities aims to act as a responsible manufacturer by reducing energy consumption, waste and scraps. Environmental and energy policies and objectives are adapted and defined locally, taking into account the specific features of each site.

All the Group's production sites are ISO 14001 certified. The Group sets quantified targets every year. These are defined for and adapted to each site. They are presented and approved during the QSE[2] Management Review of the entity concerned.

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

In September 2022, the President of the Executive Board decided to expand the Group's monthly safety management committee to include environmental and energy issues.

Resource Consumption

Consumption	2023	2022
Water (m^3)	720,482	782,102
Plastic materials (metric tons) *	14,735	13,756
Metal materials (metric tons) *	21,960	17,477
Rubber materials (metric tons) *	18,534	22,208
Electricity (MWh)	98,547	96,554
Gas (MWh)	131,164	137,521
Fuel (MWh)	2,842	3,103

(*) Metric tons purchased in 2023 based on open orders.

Waste

Waste	2023	2022
Non-hazardous industrial waste (metric tons)	21,237	15,767
Hazardous industrial waste (metric tons)	1,684	1,402
Waste recycling and recovery rate	85.7%	79%

In 2023, we observed an increase in the overall quantity of waste generated at our plants, in line with the growth in our business. This increase concerned plastic and metal, while our rubber consumption fell, which allowed us to improve our share of recycled or recovered waste.

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 levers for improving the rate of recycled/recovered waste.

Climate Change: Greenhouse Gas Emissions — Adapting to the Consequences of Climate Change

Following the implementation of a tool to consolidate our carbon accounting in 2021 (using the GHG Protocol method), the Group was able to consolidate its accounting covering Scope 1 and Scope 2 under the Protocol. As the tool was optimized throughout 2021, it allowed us to obtain a relatively complete account for 2023 for the Group as a whole. This was comparable to 2021, with the exception of two administrative and sales offices, whose consumption is negligible at the Group level.

Carbon Accounting (in Metric Tons of CO_2e)	2023	2022
Scope 1: direct emissions	28,258	28,743
Scope 2: indirect emissions	28,623	29,463
TOTAL	56,881	58,206

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

Scope 1 emissions have decreased thanks to lower natural gas consumption. Scope 2 emissions have fallen mainly thanks to changes in country emission factors, in line with the Group's energy production mix. In the course of 2022, energy-saving action plans have been initiated at each of our sites.

The Group has an ISO 50001-certified energy management approach at six French sites (Beaurepaire, Champfromier, Monteux, Nesle, Romans and Vieux-Thann), with the aim of optimizing energy performance and reducing GHG emissions.

Since January 2022, we have been committed to developing the use of green energy, particularly for electricity.

In 2023, Scope 3 for 2022 was consolidated for the France scope using the spend-based method. Although this method has a high error rate, it has allowed us to confirm that this scope represents the majority of the Group's emissions, accounting for 90% of total emissions.

The emission factor taken into account by each plant is based on the energy source used. For electricity, this factor depends on the method of production (nuclear, wind, solar, hydro, coal, etc.).

In 2023, our electricity supply contracts changed to use green sources. They are 100% green at our plants in Mexico and China, and at our new facility in Bulgaria. We are continuing this formalization process for other countries. Some countries (Sweden and France) already have low emission factors.

In addition, we are working on the installation of solar panels on the canopies of our plant parking lots, an initiative that could generate 10–15% of our electricity consumption.

In 2023, some sites (Juarez and Ixtac in Mexico) began installing solar panels in their parking lots.

Natural gas is the Group's other major energy source. Our switch from rubber products to thermoplastics has allowed us to use more green electricity, to the detriment of natural gas, whose emission factor does not change by its very nature.

Juarez site (Mexico)

Energy-Saving Measures

At the end of 2022, it was decided to standardize the continuous improvement plan for energy savings at all sites:

- appointment of an energy specialist at all sites;
- implementation of regular energy rounds and handling of discrepancies;
- monitoring and analysis of energy consumption;
- four posters on energy-saving best practices were distributed to raise awareness among Akwelis*;
- nine priorities have been defined to structure the continuous improvement plan:
  - lighting,
  - heating and air conditioning,
  - processes,
  - organization,
  - behavior,
  - controls,
  - communication,
  - green energy,
  - fossil energy.

*AKWEL employees

Biodiversity Protection: Measures Taken to Preserve or Restore Biodiversity

None of the Group's sites is located in or near biodiversity-sensitive areas. Their sites' activities have a limited impact on the surrounding natural environments. These environments are assessed through risk analyses carried out by each entity.

The Group collects and/or treats all waste that may have an impact on biodiversity.

Noise and Odor Pollution

In accordance with applicable local regulations, our sites regularly measure noise emissions outside their plants. These emissions are assessed as part of each entity's risk analysis.

Odor pollution is not considered significant in the Group's business, as the manufacturing activities of the Group companies concerned do not generally generate odors. The Group is not aware of any complaints on this subject.

Organization in Place to Deal with Pollution Accidents with Environmental Consequences

Based on risk analyses carried out at each site, the associated emergency situations have been identified. In most cases, these involve the risk of spills, fire or explosion. For each emergency situation, the steps to be taken to react and the prevention methods are identified, listed and formalized in the security plan or another document. They are tested periodically, as far as possible, on all personnel.

In addition, the QSE[2] Operational Control procedure has reinforced the following obligations:

- identifying risk management approaches in the security plan for those risks that could halt the customer's delivery (including fire, serious pollution of the natural environment, flooding, etc.);
- prohibiting smoking;
- using a prevention plan for dangerous work and a fire permit;
- having retention tanks under all storage facilities for liquid pollutants;
- having spill kits in the event of pollutant spills at various points in the plant, and resins on the ground in most production areas;
- having fire-fighting teams;
- verifying the implementation of these "instructions" by carrying out LPAs.

In 2022, the French sites (Champfromier, Vieux-Thann, Romans, Beaurepaire, Gournay, Monteux, Villieux, Condé, Vannes) underwent an audit on the management of industrial plastic granules and obtained their certificate of conformity, published on the Group's website. By the end of 2022, all the instructions and protective measures that made it possible to obtain these certificates were rolled out at all AKWEL sites that use industrial plastic granules.

Expenses Incurred to Prevent the Environmental Consequences of the Group's Activities

(in thousands of euro)	2023	2022
Investments to prevent environmental impact	14,100	4,245

As of 2019, various investments have been made to establish wastewater treatment centers in order to clean wastewater before discharging it into local networks. Replacing or purchasing equipment offers more energy efficiency, but also entails various waste management costs (treatment, storage).

At the same time, production sites have also incurred expenses to better optimize their energy consumption, either by carrying out studies to classify their energy performance and identify areas for improvement, or by financing installations following these studies (installation of new LED lighting, installation of new leakage containment equipment, purchase of waste recycling and sorting equipment).

In 2023, €14,100 thousand was invested, including €8,400 thousand in electric injection presses and €5,600 thousand in extrusion lines for electric vehicle cooling hoses.

Environmental and Energy Assessment and Certification Procedures

The Group has an integrated management system covering Quality, Safety, Environment, Energy and Information Security.

The QSE[2] Department conducts internal audits of the management system at all Group entities (product lines, production sites and cross-functional departments).

Third-party audits of the management system are carried out by an independent certification body, Bureau Veritas, with:

- IATF 16949 and ISO 9001: certification of all our production sites and product lines, with the exception of the Bressolles site, which is certified to ISO 9001 only;
- ISO 14001: Certification of all our production sites and product lines, with the exception of the Bressolles site;
- ISO 50001: six French sites (Beaurepaire, Champfromier, Nesle, Monteux, Romans, Vieux-Thann);
- ISO 27001: in 2024, certification of the Head Office and TISAX assessment for six international sites.

Training and Informing Employees about the Environment

As part of the management system, raising awareness of environmental and energy consumption issues among all on-site personnel is an integral part of the Group’s practices and operating methods.

4.3.5.1.3. Corporate Social Responsibility (CSR) and Remuneration Committee

At its meeting on February 10, 2022, the Group’s Supervisory Board decided to expand the scope of responsibility of the Remuneration Committee to include issues of Corporate, Environmental and Social Responsibility, and to change its name to reflect these new responsibilities. The first meeting of the CSR and Remuneration Committee was held on March 25, 2022.

The composition, performance and duties of the CSR and Remuneration Committee are presented in Section *2.3.1.2. Corporate Social Responsibility (CSR) and Remuneration Committee*, of the 2023 Annual Report.

A Group management committee for health, the safety of people and tools, the environment and energy meets every month under the chairmanship of the President of the Executive Board and the guidance of the QSE[2] VP.

A Group Human Resources Management committee meets every month under the chairmanship of the President of the Executive Board and the guidance of the HR VP.

These committees assess performance and progress, and take any necessary decisions. Minutes are also drawn up at these meetings.

4.3.5.2. *“AKWEL being” Eco-Innovative*

“

The AKWEL Group is always in tune with the automotive market so that it can contribute to the development of the vehicles of the future: with more environmentally friendly, sustainable and responsible mobility, in line with the environmental challenges of tomorrow.

Nicolas Coutier
Business Development VP

”

OBJECTIVES

DESIGN ENVIRONMENTALLY RESPONSIBLE PRODUCTS

AND

RECYCLE END-OF-LIFE PRODUCTS

Green materials

2024
10%
At all our sites

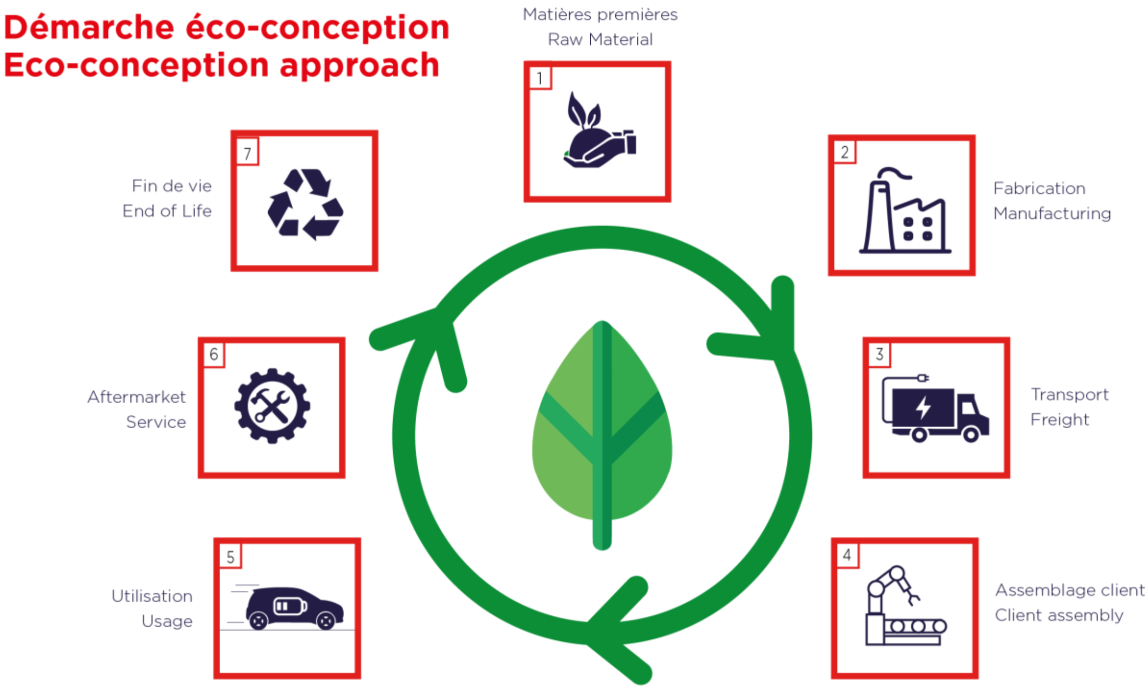
2028
30%
At all our sites

ACTIONS	KPI	QUANTIFIED TARGETS FOR 2028	SDG
Increase the amount of green materials in new projects	%	30%	13 CLIMATE ACTION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
The other actions and KPIs are linked to the objectives of priority 1.1 “AKWEL being” environmentally friendly			

4.3.5.2.1. ***The Eco-Design Approach***

An eco-design approach has been in place since 2018 and applies to all products designed or modified by the Group. This eco-design approach is part of a sustainable development approach, allowing the environmental impacts of parts designed by the Group to be taken into account throughout the life cycle of these products.

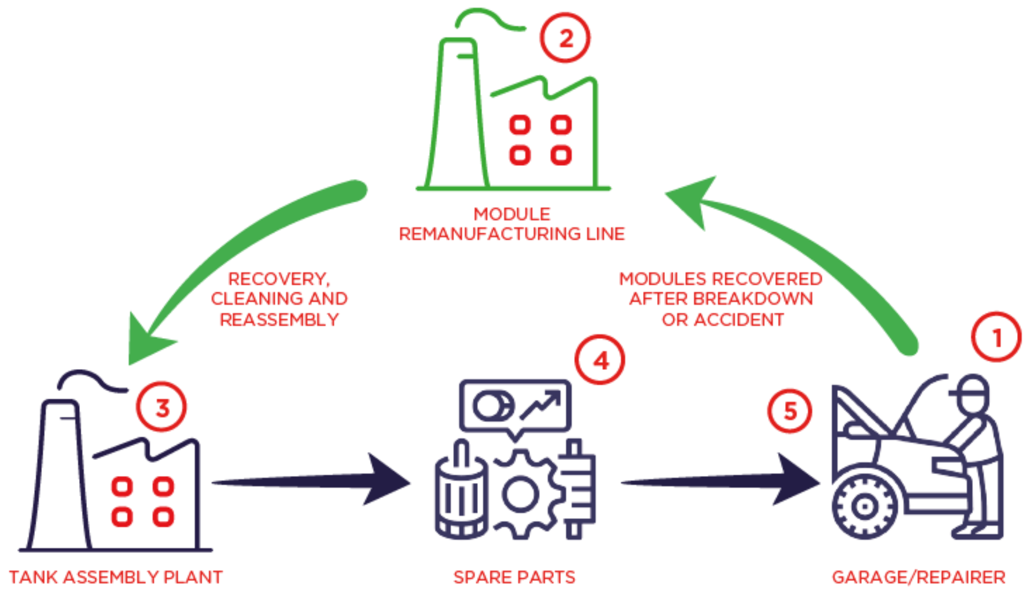
- increase product lifespan;
- minimize the impact of raw materials;
- reduce energy consumption;
- integrate manufacturing constraints;
- reduce the impact of transport;
- take action on use;
- consider the product’s end-of-life right from the design stage.



We keep a close eye on environmentally responsible materials, including bio-sourced materials, in order to better meet our customers' needs, and on the use of recycled materials in order to minimize the use of new resources.

4.3.5.2.2. *The "REMANufacturing" Project: the Circular Economy*

AKWEL has implemented a circular economy to limit the waste of resources and its environmental impact at every stage of a product's life cycle. This is based on a number of factors, including increasing product lifespan through reuse, repair and recycling. This circular economy is known as "REMANufacturing."



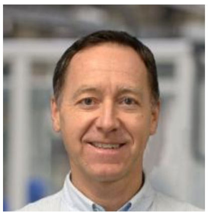
4.3.5.2.3. ***Green Materials***

Since 2021, AKWEL has been committed to finding environmentally responsible solutions for its new products and, in particular, to integrating green materials into every rubber, plastic and metal product dedicated to the vehicles of tomorrow. Projects are underway and will enter into production during 2025, allowing us to reduce our carbon footprint.

4.3.5.2.4. ***Optimizing Thermal Regulation***

With the new EURO 7 standard and new requirements on battery durability, AKWEL has been on the hunt for products that improve battery management on control circuits and structural parts.

4.3.5.3. *"AKWEL being" Customer-Centric*



"Customer satisfaction is a key concern of ours, and all our teams are committed to fulfilling this responsibility by implementing and respecting our Management System and driving improvement actions. Progress is never-ending!"

Gilles Kern
Executive VP QSE[2] DEPARTMENT

"Customer satisfaction is at the heart of our Group's strategy. We support them in their energy transition through the development and production of environmentally friendly vehicles."

Ludovic Mercier
Marketing and Sales VP

GOALS

IMPROVE CUSTOMER SATISFACTION

AND

THE QUALITY OF OUR PRODUCTS

IPB

2022	2023
967	779

PPM

2022	2023
2.48	1.27

Responsiveness to customer incidents

2022	2023
98.6%	98.2%

Service and delivery

2022	2023
99.2%	99%

ACTIONS	KPI	QUANTIFIED TARGETS FOR 2028	SDG
Reduce the number of incidents per billion parts delivered	IPB	≤ 1,000	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Reduce the number of non-conforming parts per million parts delivered	PPM	≤ 2	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Improve responsiveness to incidents	%	≥ 92	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Improve service and delivery rates	%	≥ 99	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Reduce the amount of warranty returns	%	-67% compared to 2022	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

Customer satisfaction, respect for the environment and the preservation of energy resources are at the heart of our concerns and everyday actions.

The Group offers its customers increasingly reliable and competitive solutions. The quality of the products and solutions we supply is our top priority, with the aim of falling below 1,000 IPB[1] and 2 PPM[2] for as-new quality by 2025, and reducing our warranty returns threefold by 2028 compared with 2022. A culture of performance, efficiency, results and customer satisfaction has always been the foundation our corporate vision, and is the driving force behind the Group's development and progress.

The AKWEL Quality, Safety, Environment, Energy and Information Management System, developed and rolled out within the Group, brings together our best tools and practices in a single system that applies to all our teams in their everyday actions. Based on the 2S2D philosophy (Simple, Solid, Dependable, Doable) and fueled by the Group's values, it ensures that we achieve the standard level of performance expected by our customers worldwide, and that we meet the legal requirements, standards and regulations of customers, local authorities and the ISO 9001, IATF 16949, ISO 14001, ISO 50001, ISO 45001, ISO 27001 and TISAX standards. This Management System is regularly audited, both internally and externally, in order to verify its implementation and to improve it.

The Group conducts its business in a constantly changing environment, with a wide range of challenges and stakeholders (customers, competitors, suppliers, local authorities, investors, etc.). The risks and opportunities (past, present and future) linked to our environment are identified, classified and handled in such a way as to give us control over our future. The ongoing measurement of our Management System's effectiveness and performance, as well as our risk control, fuel and support our culture of continuous improvement.

[1] IPB: number of incidents reported by the customer per billion parts delivered.

[2] PPM: number of non-conforming parts per million produced.

PRIORITY 2

"AKWEL being" HUMANLY COMMITED

SAFE

SOCIALLY ENGAGED

LOCALLY ENGAGED

4.3.5.4. "AKWEL being" Saffe

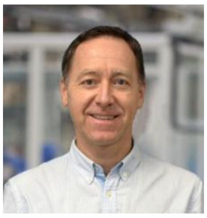
"

Information security is one of our top priorities, and everyone is responsible for guaranteeing the availability, confidentiality and integrity of our information.

Véronique Guiboud-Ribaud
Information Technology VP "

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

Gilles Kern
Executive VP QSE² DEPARTMENT



"

GOALS

STRENGTHEN THE SAFETY OF PEOPLE AND TOOLS

AND

STRENGTHEN IT SECURITY

Health and Safety

Frequency rate

2022		2023
4.09	↘	2.55

Severity rate

2022		2023
0.14	↘	0.12

IT Security

ISO/IEC 27001 and TISAX certification

2024 → **Head office + 6 sites**

PHASE 1

Maturity audit and project scoping → 100% complete

PHASE 2

Integration of the ISMS into our quality management system
Implementation of tools for safety checks → 70% complete

PHASE 3

Schedule for the rollout of the ISMS and related controls at all sites → 40% complete

OBJECTIVES	ACTIONS	KPI	QUANTIFIED TARGETS FOR 2028	SDG
Bolster the safety of people and tools	Pursue the accident reduction action plan	Frequency rate Severity rate	≤ 2.9 ≤ 0.15	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Bolster IT security	Analyze risks at each site and in each process in accordance with standards defined by IT	% of progress of IT risk management action plan	95%	8 DECENT WORK AND ECONOMIC GROWTH
	Roll out the standard “cybersecurity awareness for all staff” training module	% of employees trained in cybersecurity	100%	8 DECENT WORK AND ECONOMIC GROWTH
	Implement the ISO 27001 certification process for the Head Office and the TISAX certification process for sites	Customer notification of a cybersecurity incident	0	8 DECENT WORK AND ECONOMIC GROWTH
	Improve information system downtime	€K	≤ €80K	8 DECENT WORK AND ECONOMIC GROWTH

4.3.5.4.1. Bolster the safety of people and tools

In September 2021, the Group established the Group Safety Management Committee. It is chaired by the President of the Executive Board and led by the QSE[2] VP, who proposed the permanent members. This Committee may also call on occasional participants, depending on topics and needs.

In September 2022, the President of the Executive Board decided to include the issues of environment and energy in this Committee.

Its aim is to oversee the safety of people and property, as well as environmental and energy issues, across the entire Group organization, rather than focusing solely on individual departments or processes. The Committee decides on the working groups to be established in order for the Group to make headway, and if necessary approves the conclusions, actions and decisions proposed. Depending on the topic, cross-functional, multi-disciplinary or departmental working groups deal with the issues at hand. The Committee meets once a month and follows a standard agenda (presentation of results; analysis of significant events; monitoring of escalations; progress of working groups; approvals; decisions; COVID-19 updates; environment and energy).

All subjects (personal safety, IT security, tool safety, building security, environment, energy, etc.) are now integrated into this Committee.

In 2022, the following topics were discussed and the corresponding standards were gradually rolled out in 2023 and will continue into 2024:

- development of a STOP WORK approach: all Group employees are responsible for stopping any situation deemed to be dangerous;
- bolstering of the culture of safety: development of a welcome and awareness program for new hires and visitors, implementation of appropriate standard support;
- identification of high-risk activities and definition of mandatory behavior and actions for all — golden rules;
- machine and manual control safety, interference with moving parts and/or powered parts: cross-disciplinary best practices meeting the most demanding standards, rollout;
- structuring to comply with CDP and EcoVadis;
- visual management and wearing of protective equipment.

The Group uses a standard digital safety register for all its entities. This register now allows for a dynamic scorecard to be updated every week, noting any accidents with lost time, accidents without lost time and incidents, and for priority actions to be determined.

The Group obtained ISO 45001 certification for three sites in 2022: Orizaba (Mexico), Ixtac (Mexico) and Juarez (Mexico). This was a Group-wide approach, which is currently being expanded to all sites, based on our integrated management system. The certification process for the Ningbo site (China) began in 2023, with completion scheduled for early 2024. We plan to continue this process.

In addition, the IT department has established a structured organization and resources to strengthen its focus on cybersecurity and reduce risk. Monitoring and performance indicators have been implemented along with the appropriate actions. The Group is pursuing its ISO 27001 certification, which is expected to be obtained in early 2024.

Plant safety: The Group is continuing its program to install sprinklers in plants not previously equipped with this fire protection system.

Work is nearing completion on the Rayong (Thailand) and Champfromier (France) plants. The project for the Juarez (Mexico) plant has begun, while the project for the Orizaba (Mexico) plant has been postponed until 2024.

Safety and Working Conditions

Health and safety is our priority and forms the foundation of all our processes; it is at the heart of everything we do, every single day. Everyone involved with the Group (employees, service providers, suppliers, etc.) must work in a safe and healthy environment. Our Occupational Health and Safety policy and its related objectives are adjusted depending on the location, taking into account the specific features of each site. As part of our commitment to continuous improvement in health and safety, we aim to achieve a lost-time accident frequency rate of less than 2.9 and a severity rate of 0.15 by 2028. Our ambition is to continue our trajectory toward a frequency rate of less than 1 and 0 accidents. In 2023, we had 55 lost-time accidents.

Work-Related Accidents, Including Frequency and Severity	2023	2022
Frequency rate	2.55	4.09
Severity rate	0.12	0.14

The formula used for the frequency rate is the number of lost-time accidents divided by the number of hours worked and multiplied by 1,000,000. The severity rate corresponds to the number of days lost divided by the number of hours worked and multiplied by 1,000.

4.3.5.4.2. Bolster IT security

Information security is also one of the Group's top concerns.

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

In 2022, the IT department established a structured organization and resources to strengthen its focus on cybersecurity and reduce risk. Monitoring and performance indicators have been implemented along with the appropriate actions.

Launched in 2023, the ISO 27001 certification project defines and implements the information management system integrated into our global management system. Information system access management and traceability projects are currently being rolled out. We have launched new projects to supplement our security coverage, with an information system monitoring tool that collects and analyzes events in order to detect suspicious activity, a tool to secure our mobile fleet, and the planning of penetration tests on our information system by a third-party company.

We have created a dedicated IT security team and recruited cybersecurity administrators.

To meet the expectations of our customers, we have further developed our rollout strategy. The ISO 27001 standard will be certified at the Head Office level, and the TISAX label will be rolled out at the site level.

The awareness-raising and communication plan that has been defined is currently being implemented.

By 2024, our Head Office will be ISO 27001 certified, and we will have six TISAX-certified sites: Ixtac and Orizaba (Mexico), Ningbo (China), Stara Zagora (Bulgaria), Rudnik (Czech Republic) and Timisoara (Romania). Eventually, all our sites will be certified.

4.3.5.5. *"AKWEL being" Socially engaged*

"

AKWEL helps develop the autonomy of its employees so that they may GROW+. The development of skills (knowledge and experience) and commitment (motivation and confidence) are the main drivers of personal development within the Group. An autonomous employee is one who masters their role and performs well in their field.

Pierre Gaillard
Human Resources VP

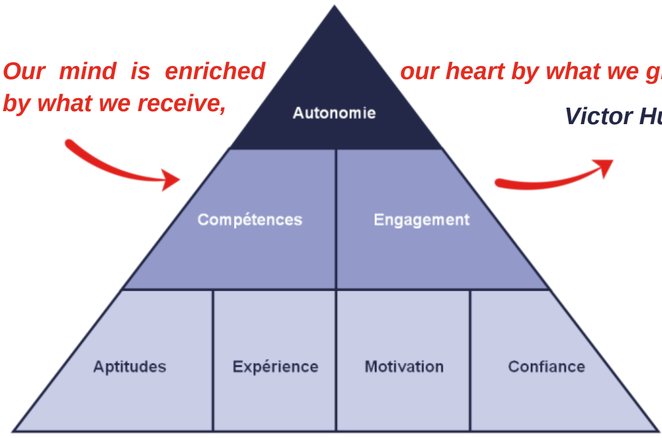
"

OBJECTIVE

DEVELOP EMPLOYEE AUTONOMY

Our mind is enriched by what we receive, our heart by what we give.

Victor Hugo



SECONDARY GOALS	ACTIONS	KPI	QUANTIFIED TARGETS FOR 2028	SDG
LEGS Ensure that resources are in line with activities	Ensure that resources are in line with Direct Labor activities	Efficiency: gross production margin (EUR) / number of direct labor production hours	Target set per site. Group: > 56	8
	Ensure that resources are in line with Indirect Labor and Support activities	Organization: % of indirect labor + support FTEs/plant FTEs	Target set per site. Group: < 36%	8
	Adequacy (autonomy)	Autonomy (% A+) - Performance (% 1&2) - Potential - Risk	Min. 50% A+ employees	8
HEAD Develop skills	Developing technical and general skills	% of completion of training plan	Target set per site. Group: > 80%	3, 5
	Develop management skills	% of annual performance review over 12 months	100%	3, 5
HEART Develop Akwelis' engagement	Encourage internal promotion	% of internal promotion	Target set per site. Group: > 41%	5, 10
	Develop the "AKWEL being at Work" approach	Rate of absenteeism	Target set per site. Group: < 5%	3
		Voluntary departure rate	Between 9% and 11% Indirect Labor and Support employees	3

HR MISSION

GROW+ with vour HEAD

Develop skills

Developing technical, general and managerial skills

GROW+ with vour HEART

Build engagement

Reinforce AKWEL's identity, AKWEL Being at Work, career development, remuneration (fixed and variable)

GROW+ with vour LEGS

Ensure that resources are in line with activities

The right person in the right place, tailoring the workforce to the workload

4.3.5.5.1. Main Achievements of 2023

GROW+ with Your Head

HR Adequacy

We assess the adequacy of Human Resources in terms of quantity and quality. Since 2023, we have supplemented this analysis with an assessment of autonomy (skills and engagement) and risk.

Performance

1: Exceeds expectations

2: Meets expectations

3: Below expectations

4: Insufficient

Potential

A: Potential to advance to other roles

B: Potential to advance in the same role or a similar role

C: Is at the required level in their role

Autonomy

A+ = Skills + and Engagement +

A = Skills + and Engagement + or Skills + and Engagement –

A- = Skills – and Engagement –

Risk

R>16: Risk of resignation x Critical position X Personal investment

GROW+ with Your Heart

AKWEL Vision Days

Since 2023, we have held an annual convention of Group VPs in order to share our vision and five-year strategy, and to show Akwelis the way.

AKWEL "Stop Work" Challenge

We have promoted the "Stop Work" safety program as part of our annual inter-entity challenge. In 2023, the Orizaba site was the challenge winner.

Watch the video: https://youtu.be/74nHFPJmRYc

GROW+ with Your Legs

Gender Equality

We encourage the development of women in management positions at AKWEL.

	AKWEL	Management	Executive Committee
Men	57%	75%	87%
Women	43%	25%	13%

AKWEL Values

We have included the four AKWEL values (Simplicity, Reliability, Collaboration and Performance) in our skills matrix and translated each of them into the required skills**:**

I = Concepts

L = Application

U = Management

O = Expertise

4.3.5.5.2. *Corporate Information*

Our employees are key to AKWEL's success. Tailoring the workforce and employee autonomy development (skills and engagement) to the Group's values and vision is essential.

4.3.5.5.2.1. Workforce and Skills Management

In 2023, the Group's workforce and skills management policy addressed two of AKWEL's major challenges:

- adapting our workforce to ensure the economic balance of our activities;
- developing our technical skills and support in order to improve the quality and performance of our products and services and maintain our development and innovation capacities.

The figures in the tables below are correct as at December 31, 2023.

Workforce

As at December 31, 2023, the Group had 9,632 employees (on permanent and fixed-term contracts), representing an increase of 2.41% compared to 2022.

Workforce	**2023**	2022
Total	9,632	9,405

Full-Time Equivalent (FTE) Employees

As at December 31, 2023, permanent staff represented 88.92% of total FTEs and non-permanent staff represented 11.08%.

FTE Employees	**2023**	**2022**
Permanent (permanent contracts)	8,868	8,528
Non-permanent (fixed-term contracts, temps)	1,105	1,135
Total	9,973	9,663

Breakdown of Workforce by Category

Breakdown of Workforce by Category	**2023**	**2022**
Executives	521	512
Employees and technicians	3,489	3,397
Workers	5,622	5,496
Total	**9,632**	**9,405**

Departures

In 2023, the Group recorded 3,992 departures, made up of voluntary departures and departures for other reasons (3,066), as well as lay-offs and terminations (829). Voluntary departures from the Direct Labor force (2,648) accounted for 66.33% of departures, mainly in Mexico where the job market remains highly competitive.

Departures	2023	2022
Lay-offs and terminations	829	920
Retirement	97	64
Voluntary departures and other reasons*	3,066	3,336
Total	**3,992**	**4,320**

*“Voluntary departures and other reasons” include resignations, the end of fixed-term contracts, trial periods and deaths.

Permanent FTE Staff Departures	2023	2022
Permanent staff	3,572	3,870
Total FTEs	9,973	9,663
Departure rate in %	**35.82%**	**40.05%**

Recruitment

In 2023, the Group recruited 4,219 new staff, mainly at sites in North America and Asia, and at other sites exposed to high-growth markets. AKWEL is committed to inclusion and diversity, creating a working environment where everyone — no matter their origin, identity or abilities — feels respected, valued and heard.

Recruitment	2023	2022
Total	**4,219**	**4,064**

Training

In addition to maintaining our workforce of employees and technicians, we have made, and will continue to make, special efforts in the area of training. Training within the Group is a lever for developing the performance and professionalism of our teams. It allows us to keep pace with changes in our businesses and to adapt to new technological developments.

Training	2023	2022
Amounts dedicated to training (as a percentage of payroll)	1.02%	0.85%
Workforce training rate (workforce trained/total workforce)	**2023**	**2022**
Workforce trained	7,049	6,814
Percentage	73.18%	72.45%
Average number of training hours per employee (no. of hours/total workforce)	**2023**	**2022**
Training hours	138,382	121,462
Average number of training hours per employee	14.37	12.91

4.3.5.5.2.2. Employee Involvement

Employee involvement and commitment are essential to AKWEL's success. We are developing a program called "AKWEL being at Work," which focuses on four essential themes to help employees become more involved in their missions and to provide them with a better quality of life at work and everyday well-being.

Communication

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

Trust and mutual respect are the glue that holds our organization together. We are committed to ensuring compliance with legal requirements, ethical standards and regulations, and anti-corruption measures.

In 2023, we encouraged assimilation of the Group's identity by highlighting a key AKWEL message through teamwork at each site. Teams illustrated AKWEL's "Stop Work" safety policy by working together to encourage initiative, creativity and teamwork. Some 23 challenges led to video or photographic productions, which helped Akwelis to fully grasp the company's safety policy by simulating situations where they needed to protect themselves or their colleagues from risky situations. Five sites were nominated and the winner was the Orizaba site. The trophy was presented to the on-site team 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 Akwelis[*] and future candidates:

- working at AKWEL means sharing in the adventure of an independent, family-owned Group whose history is rooted in a long-term approach (ENGAGE+);
- working at AKWEL involves collaboration based on reciprocal commitments, where everyone is offered the same opportunity to succeed within the Group (RESPECT+);
- working at AKWEL gives you the possibility to develop new areas of expertise. It is also about displaying pragmatism in order to come up with the perfect solution for each problem, in a spirit of creativity and agility (ACTION+);
- working at AKWEL means having the chance to learn from your peers and gain unique skills based on a clear overview of your role, as well as professional interpersonal skills (SHARE+);
- working at AKWEL means growing both individually and collectively while cultivating the capacity to excel (GROW+).

[*]AKWEL employees

This promise is expressed through key messages and visuals (the people in the photos are real Group employees) that will gradually be incorporated into AKWEL's internal procedures and work tools, as well as its external communication media.

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

Several means of communication are used at AKWEL for direct dialogue:

- a meeting between each employee and their direct manager, at the time of hiring and at least once a year thereafter;
- quarterly information meetings;
- a quarterly in-house newsletter, translated into the Group's main languages (English, Bulgarian, French, Spanish, Portuguese, Romanian, Swedish, Turkish, Czech, Chinese, Hindi and Thai);
- an internal Intranet-style information system for sharing management system procedures, among other things.

In terms of dialogue with employee representative bodies, in addition to strict compliance with legislation, the Group ensures that such dialogues run smoothly, whether through the Social and Economic Committees (or equivalents at sites outside France) at sites with such bodies, or through the Central Social and Economic Committee.

To take account of the Group's international dimension and promote social dialogue on transnational issues, an AKWEL European Works Council (EWC) was established in October 2019.

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

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

It covers a range of topics within the European scope, such as the employment situation and likely employment trends, organizational developments, the introduction of new production processes, production transfers, mergers, investments and so on.

Review of Collective Agreements, Particularly in the Field of Health and Safety at Work	**2023**	**2022**
Number of agreements reached during the year	25	27
of which occupational health and safety agreements	3	1

Negotiations at all Group sites led to the signing of 25 collective agreements.

Collective Agreements

Collective Agreements	**2023**	**2022**
Number of sites covered by a collective agreement	25	N/A

HSE Committees

HSE Committees	**2023**	**2022**
Number of sites with an HSE committee	31	N/A

Percentage of Workforce with an Annual Performance Review

In 2023, 8,643 employees had an annual performance review.

Annual Performance Review	**2023**	**2022**
Number of annual performance reviews	8,643	8,569
Percentage of workforce with an annual review	93%	92%

Remuneration

Remuneration is made up of several components: salary (fixed remuneration); bonuses (variable remuneration); benefits (health insurance, life insurance, pension, etc.); benefits in kind (company car).

In 2023, across the entire Group, 3.24% of employees were paid the minimum wage, while 96.76% were paid more.

Each component of this remuneration is governed by rules that take into account local legislation, labor market conditions in each region, the position held or level of responsibility exercised, and the employee's performance. The aim is to attract, retain and motivate Akwelis, while guaranteeing competitiveness in the local market.

For example, variable remuneration, based on the Group's strategic objectives, represents a larger proportion of remuneration the higher the level of responsibility.

Absenteeism

For all Group sites, the rate of absenteeism in 2023 was 4.33%, excluding maternity-related absences.

Absenteeism	**2023**	**2022**
Total rate of absenteeism	4.87%	5.01%
Rate of absenteeism excluding maternity leave	4.33%	4.40%

Number of Employees Working in Shifts

7,252 employees work in shifts, particularly in production (2 x 8, 3 x 8).

Number of Employees Working in Shifts	**2023**	**2022**
Total	7,252	7,048

Weekly Working Hours

Working hours are adapted to best meet our customers' needs within the framework of legal working hours, which vary from one legislation to another and range from 35 hours to 48 hours per week.

In some plants, night shifts are also organized to meet our customers' needs.

	2023	**2022**
Weekly Working Hours	35 to 48 hours	35 to 48 hours

Professional Development

The Group's professional development policy has two objectives:

- to give priority to the best-performing employees, with opportunities for training that leads to qualifications, internal promotion and individual raises, giving them the chance to grow within the business;
- to promote diversity. The Group firmly believes that diversity of gender, age, origin and skills enhances our own capabilities, particularly our ability to innovate and design innovative products. As the automotive market changes rapidly, we are strengthening our ability to adapt to new demands and technologies, and to develop the international potential of Akwelis.

Breakdown of Employees by Gender

The Group employs 3,965 women (41.16% of the total workforce) and 5,667 men (58.84%).

Breakdown of Employees by Gender	2023	2022
Men	5,667	5,398
Women	3,965	4,007
Total	9,632	9,405

Gender Equality Index

In France, the Group achieved the gender equality index target, which aims to reduce the gender pay gap, with a score of 87/100.

Gender Equality Index	2023	2022
Total out of 100	87	86

The indicators making up the index received the following scores:

- pay gap indicator: 37/40;
- individual raise rate gap indicator: 20/20;
- promotion rate gap indicator: 15/15;
- percentage of employees who received a raise during the year following their return from maternity leave: 15/15;
- number of employees of the under-represented sex among the 10 highest earners: 0/10.

Breakdown of Employees by Age

Employees in the under-30 age bracket accounted for 26.0% of the total workforce in 2023 and 26.1% of the total workforce in 2022. Employees aged 50 and over accounted for 20.39% of the total workforce in 2023 and 19.4% of the total workforce in 2022.

Breakdown of Employees by Age	2023	2022
Under 25 years old	1,078	956
25 to 29 years old	1,426	1,500
30 to 39 years old	2,777	2,689
40 to 49 years old	2,385	2,437
50 years old and over	1,966	1,823
Total	9,632	9,405

Breakdown of Employees by Geographical Area

The Group's workforce was spread across 21 countries in 2023: 34.57% of the Group's workforce is located in Europe (excluding France) and Africa; 32.32% in North America; 13.09% in France; 19.79% in Asia and the Middle East (including Türkiye); and 0.23% in South America.

Breakdown of Employees by Geographical Area	2023	2022
France	1,261	1,280
Europe (excluding France) and Africa	3,330	3,208
North America	3,113	2,992
Asia and the Middle East (including Türkiye)	1,906	1,892
South America	22	33
Total	9,632	9,405

Employment of People with Disabilities

The Group employs 141 people with disabilities.

Employment of People with Disabilities	2023	2022
Number of employees with disabilities	141	137

4.3.5.5.2.3. Information on Actions in Favor of Human Rights

The Group undertakes to comply with the following stipulations:

- fair pay policy (compliance with minimum wage scales);
- prohibition of mental or physical harassment;
- prohibition of all forms of discrimination in employment and occupation.

The Group is committed to respecting the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, and in particular the freedoms of association and collective bargaining.

The Group does not use child labor, forced labor or compulsory labor.

The Group is committed to respecting human and labor rights, as well as the 10 principles of the United Nations Global Compact (membership of the Compact is currently under consideration).

4.3.5.6. *"AKWEL being" Locally engaged*

"*AKWEL encourages its entities to strengthen their educational and sports initiatives, as well as their human-focused youth projects, in order to improve their local roots and develop actions with young people.*

Mathieu Coutier
President of the Executive Board"

OBJECTIVE

ENCOURAGE THE PLANTS TO GET INVOLVED IN THE LOCAL COMMUNITY

ACTIONS	KPI	QUANTIFIED TARGETS FOR 2028	SDG
Support local organizations using the partnership/sponsorship methodology	% of site net income	0.2%	
Implement CSR actions with Akwelis	Number of sites	All sites	

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

- **education** (artistic, technical, cultural, etc.) for young people;
- **human-focused projects**: social responsibility, sustainable projects and organizations;
- **team sports and events** in which several Group employees are involved.

Spain

Vigo Site

To mark World Environment Day, Akwelis came together on a Saturday morning to clean up the river behind the plant and its surrounding beaches.

The plant works in collaboration with the Red Cross to make professional integration easier for people in need.

On June 8, the site organized a blood donation drive for its Akwelis, in collaboration with the organ and blood donation agency.

United States

Cadillac Site

The site is a member of the Cadillac Leadership Program, which supports local associations such as Growing Dreams, which works with young people, the elderly and those with disabilities to create an area for gardening and growing fruit and vegetables.

The plant is a member of the Cadillac YMCA, which supports children in the community by providing a gymnasium and a public swimming pool, as well as childcare and schooling services. The YMCA also offers free memberships to local seventh graders to help them develop skills and confidence.

AKWEL Cadillac and the Career Technical Center help high school students (grades 11 and 12) prepare for college and offers dual enrollment college credits. Students have the opportunity to earn at least four university credits at the end of their final year of high school. These credits are granted free of charge to successful students.

France

Beaurepaire Site

AKWEL Beaurepaire decked itself out in pink to fight breast cancer, the most common cancer among women. Beaurepaire's Akwelis demonstrated their creativity with a collective work in the shape of a pink ribbon, the symbol of this breast cancer awareness campaign. The ribbon was affixed to the front of the company's building to show their commitment. To take this support even further, the site's management decided to make a donation to the association *Agir contre le Cancer 26*.

Champfromier and Head Office

The site took part in Pink October, the month of breast cancer prevention, with a "pink walk," the profits from which were donated to the association cancerdusein.org.

Monteux Site

To mark Pink October, the Monteux site and its employees provided financial support to the *Ligue contre le cancer* as part of its campaign against breast cancer.

Romans Site

The Romans plant decided to take action for Pink October, which aims to raise awareness of breast cancer screenings. In early October, pink ribbons were distributed to all employees, who were invited to wear them throughout the month. The site invited the association *AGIR CONTRE LE CANCER* to run 30-minute workshops on breast self-exams to help female employees adopt the right habits for screening. An internal challenge was organized as part of this campaign against breast cancer, with the aim of creating a fund to be donated to *AGIR CONTRE LE CANCER*. On October 23, the Akwelis in Romans were challenged to wear a pink outfit or accessory.

Head Office

The Head Office provided financial support to *Secours Populaire Français* for a golf weekend in Bourg-en-Bresse on September 30 and October 1, 2023.

Vieux-Thann Site

The Akwelis of the Vieux-Thann site took part in a tree-planting workshop, the aim of which was to maintain the level of biodiversity on the site (taking into account both the life cycle of plants previously sowed on our land and the planting of species able to adapt to climate change in our region) while improving the working environment for site employees. Nearly 100 additional shrubs, trees, fruit trees, fragrant plants and perennials, supplied by ESAT du Rangen, were planted.

Some 38 Akwelis from the Vieux-Thann plant (including four men, who participated for the first time) took part in the “Les Mulhousiennes” race, a festive event committed to the prevention of and fight against women’s cancers.

Mexico

Ixtac Site

The plant created a program for the collection and delivery of plastic caps, which are donated to the Orizaba Comprehensive Rehabilitation Center (CRIO). This institution uses these caps to purchase rehabilitation equipment such as wheelchairs and walkers.

Orizaba Site

The Orizaba site has formed a soccer team made up of employees from several departments, strengthening the engagement of these Akwelis.

The **Orizaba** and **Ixtaczoquitlán** sites in Mexico financially support all site employees who have children attending school. A food voucher in the amount of 1,300 Mexican pesos is awarded every August. This assistance is designed to help employees cover expenses at the start of the school year, such as school supplies, uniforms, registration fees, etc.

To promote education and motivate students to achieve an average of 9 or more, another benefit equivalent to 1,800 Mexican pesos is awarded to deserving students. It is paid twice a year, in March and September.

Celebration with children and their families, and graduation ceremonies.

Portugal

Paredes de Coura Site

In order to improve the local environment and contribute to the revegetation of its production site, the Paredes de Coura plant in Portugal has planted 50 Portuguese oaks, a tree emblematic of Portugal.

The site has also decided to support the volunteer fire department and the volunteer blood donor association with an endowment of €1,000 each.

Czech Republic

Rudnik Site

For over 25 years, the Rudnik site has been supporting local community sports activities by sponsoring the Rudnik soccer club with an annual grant of €7,600. The site holds the AKWEL CUP, a soccer tournament for employees and their families. The site's various departments participate in this event, with fun, educational activities also offered to the children.

The site is a partner of a summer camp, in which the Rudnik plant maintenance manager is a volunteer. The camp welcomes children, some of whom are disabled.

On June 5, 2023, AKWEL Rudnik took part in International Environment Day by organizing a toy drive for the association *MOST K ŽIVOTU*, which helps homeless parents.

Romania

Timisoara Site

For this second clean-up action, the Timisoara plant wanted to help improve its local environment by cleaning up its surroundings. In November, volunteers collected a waste container in the village of Pischia.

In May 2023, the Timisoara site opened a medical office on these premises in collaboration with the Regina Maria health network, which has been a medical services partner for six years. This initiative is a step toward improving working conditions and employee well-being.

“Timotion,” May 2023

For the past ten years, the plant has been a privileged partner of the most important marathon in western Romania. By taking part in this event, AKWEL Timisoara supports a number of social projects in the fields of health and education.

For many years now, the Timisoara plant has been supporting the local authorities with 0.2% of its net income, in order to promote education and local sporting events.

Sweden

Ulricehamn Site

The plant has established a local partnership with a number of sports teams that promote activity among young people.

Thailand

Rayong Site

The site has signed a partnership agreement with an association and donates tin can lids for the production of lightweight prosthetic legs, which are provided free of charge to amputees.

The plant donates old office calendars to the Educational Technology Center for the Blind so that it may produce educational material in braille. This initiative is part of efforts to support the community and protect the environment.

The site’s Akwelis participated in the “Zero together, planting for a sustainable future” event. 14,550 trees of six different species were planted to enhance the carbon-neutral industrial impact of the Eastern Economic Corridor (EEC) industrial zone.

Tunisia

Mateur Site

As part of Pink October, the Mateur site took part in the national breast cancer awareness and screening campaign, raising awareness of the issue among its Akwelis under the slogan “Your health is important to us, you are our human wealth.”

During the summer, the plant organized a summer camp for junior Akwelis between the ages of 7 and 15. The program included swimming lessons, daily visits, educational activities, singing workshops, games, dancing and parties. The children had a great time and enjoyed the camp, which took place in an atmosphere of camaraderie, cooperation and sharing.

The site celebrated Regional Blood Donor Day under the slogan “I’m donating, why aren’t you?” by organizing a blood drive among its Akwelis.

To mark World Environment Day, Akwelis planted trees around the plant to improve their environment and help preserve resources.

Türkiye

Gebze Site

The site supported the areas affected by the earthquake that occurred in Maraş on February 6, 2023. To mark International Women’s Day on March 8, 2023, the site sent blankets and hygiene packages to women in the earthquake zones affected by this disaster, on behalf of each of the Akwelis.

The site celebrates Akwelis’ birthdays with gifts that are purchased from LÖSEV (a foundation for children suffering from leukemia) or TEMA (a Turkish foundation that fights against erosion, reforestation and the protection of natural habitats).

Site Visits and Open Days

As part of its involvement in the local community of each of its production units, AKWEL encourages its sites to welcome the public for open days and plant tours. A methodology has been drawn up to help each site organize these events.

France

Champfromier Site

On July 1, the Champfromier site and Head Office held an open day for Akwelis, their spouses and children. Everything was organized in such a way that families discovered our business and expertise through visits and workshops led by our employees. André Coutier, one of AKWEL's founders, shared the Group's history with visitors. Lunch and games for children were also provided.

PRIORITY 3

“AKWEL being”
ETHICAL

4.3.5.7. “AKWEL being” Ethical

Our development is based on strong ethical values.

Benoit Coutier
Legal & Financial VP

OBJECTIVES

BUILD RELATIONSHIPS OF TRUST WITH OUR STAKEHOLDERS

AND

HAVE A TRANSPARENT TAX POLICY

Raising employee awareness of corruption

2024	2028
70%	90%

ACTIONS	KPI	QUANTIFIED TARGETS FOR 2028	SDG
Raise Akwelis’ awareness of: • Ethics Charter • Code Against Corruption and Influence Peddling • Stock market code of ethics • Whistleblowing procedure	% of employees made aware of corruption	90%	

Firmly committed to a long-term relationship of trust with its stakeholders, the Group maintains sound relations with its points of contact, based on respect for universal ethical rules. To promote this corporate culture and share these rules with everyone, several documents have been drawn up and are available at http://www.akwel-automotive.com:

- an Ethics Charter that serves as a guideline for everyone in the company. It defines the rules that govern our operations and our relations with all our stakeholders, wherever they may be in the world;
- a Code Against Corruption and Influence Peddling, the aim of which is to implement measures to ensure that all our employees, managers and corporate officers, wherever they may be located, can prevent AKWEL from becoming involved in any corrupt or influence-peddling practices and, if necessary, can report any such practices;
- a stock market code of ethics designed to remind all insiders (corporate officers, employees or third-party service providers acting on behalf of AKWEL) of the regulations applicable to the possession, disclosure and use of insider information to which they may have access by virtue of their roles, mandates or assignments;
- a Whistleblowing Procedure that details the terms and conditions of the whistleblowing system.

4.3.5.7.1. Information on the Fight against Corruption

The Group rejects all forms of corruption.

Pursuant to French Law 2016-1691 on transparency, fighting corruption and modernizing economic life, known as “Sapin II,” the Group has implemented tools to detect and prevent acts of corruption or influence peddling:

- risk mapping;
- a Code Against Corruption and Influence Peddling;
- internal and external accounting control procedures;
- a training system;
- a whistleblowing system;
- procedures for assessing the situation of customers, suppliers and intermediaries;
- disciplinary sanctions for breaches of the Code Against Corruption and Influence Peddling.

The Group has conducted a corruption risk mapping exercise, allowing it to identify all the risks to which it is exposed and to prioritize them in terms of impact and occurrence.

In 2019, the Code Against Corruption and Influence Peddling was revised to strengthen the anti-corruption framework in response to the Sapin II law. The aim of this code is to implement measures to ensure that all Group employees, wherever they may be located, can recognize and prevent the Group from becoming involved in any corrupt or peddling practices and, if necessary, can report any such practices.

During the year, the internal whistleblowing system was further adapted to meet the requirements of:

- French Law No. 2022-401 of March 21, 2022 aimed at improving the protection of whistleblowers;
- French Decree No. 2022-1284 of October 3, 2022 on procedures for collecting and processing whistleblower reports and establishing the list of external authorities established by French law No. 2022-401 of March 21, 2022 aimed at improving the protection of whistleblowers.

The purpose of the internal whistleblowing system is to receive reports from Group employees concerning conduct or situations that violate the Code Against Corruption and Influence Peddling. The Group has reinforced this system by expanding the topics covered to all the commitments of the Code Against Corruption and Influence Peddling, and by opening it up to external stakeholders.

The whistleblowing system is set out in the Code Against Corruption and Influence Peddling, and the procedures for reporting cases under this system are detailed in a specific procedure (AKWEL Group Whistleblowing Procedure) translated into the Group’s main languages and also accessible on the Group’s Intranet and website.

This procedure details the whistleblowing procedures implemented by the Group as part of its ethical approach.

This whistleblowing system has been presented to employee representative bodies.

In 2023, five whistleblowing reports were made. Most of them came from Mexico (two cases) and Türkiye (one case). The other two reports came from Tunisia and Spain.

All reports were considered as whistleblowing and were investigated in depth.

The majority of these reports concerned cases of fraud (three reports), while the remainder related to labor relations (one report) and violations of the Ethics Charter (one report).

Of the five reports, three proved not to be established violations. One of the reports resulted in disciplinary action, with the dismissal of the person involved. One of the reports is still under investigation.

None of the reports had a significant impact on the Group.

These aspects are presented to the Audit Committee and the CSR Committee, depending on the nature of the reports.

The Group has established a reinforced process for selecting and monitoring its suppliers in terms of both financial sustainability and social, environmental and ethical aspects. In particular, these processes cover:

- the inclusion of a new supplier in the pool via a questionnaire;
- supplier adherence to the Group's Ethics Charter;
- the CSR assessment of suppliers and subcontractors via the EcoVadis platform;
- regular review of suppliers.

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

It sets out the Group's principles, particularly in terms of compliance with legislation and respect for fair competition, prohibits conflicts of interest and insider trading, and reaffirms environmental protection, health and safety in the workplace, fair accounting and financial reporting, and the fight against all forms of discrimination and harassment.

In addition, commercial relations that do not respect 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.

4.3.5.7.2. ***Tax Policy***

The Group's tax policy is transparent and fully in line with its corporate responsibility strategy. The Group therefore practices responsible corporate citizenship, not only complying with legislation, but above all making a fair contribution to the countries in which it operates.

To this end, the Group's tax policy is based on the following principles:

- compliance with the international tax standards set out by the OECD ("Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations"), so that intra-Group transactions comply with the arm's length principle;
- not attempting to evade the payment of taxes, particularly through complex and opaque structures.

4.3.5.7.3. ***Vigilance Plan***

The Group is no longer legally obligated to draw up, publish and effectively implement a vigilance plan, as it employs fewer than 10,000 people within the Group and its direct or indirect subsidiaries headquartered in France or abroad.

PRIORITY 4

“AKWEL being”
A RESPONSIBLE BUYER

4.3.5.8. *“AKWEL being” a Responsible Buyer*

"

Responsible purchasing is at the heart of our purchasing strategy, with suppliers who meet our economic, social and environmental requirements, and who are able to share a long-term vision based on the principles of trust and stability.

Karine Lesne
Purchasing VP "

OBJECTIVES

DEVELOP A RESPONSIBLE PURCHASING POLICY

AND

HAVE ETHICAL SUPPLIERS

Adherence of Suppliers to the Ethics Charter
(Direct and Indirect Purchases)

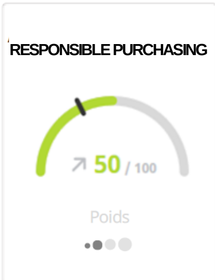
2022 55% → 2023 72%

EcoVadis-Rated Suppliers

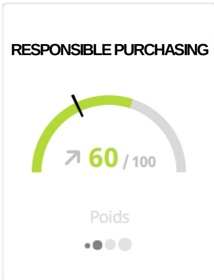
2022 33% → 2023 44%

ecovadis

2022



2023



ACTIONS	KPI	QUANTIFIED TARGETS FOR 2028	SDG
Ensure our suppliers adhere to our Ethics Charter	% of suppliers who have signed the Ethics Charter	100%	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Ensure our suppliers join EcoVadis	Suppliers representing 95% of turnover with EcoVadis rating of > 50	80%	13 CLIMATE ACTION
Measure carbon emissions	CO_2 reduction	-40%	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We believe it is important to share our common goals with our suppliers, who are strategic partners and supporters of our growth. In this way, we can achieve the highest levels of operational and sustainable performance, and satisfy our customers at the same time.

The health and safety of Akwelis*, our stakeholders and our partners is the top priority within the Group, and we expect our suppliers to ensure that sustainability, environmental, health and safety requirements are reflected and implemented throughout their supply chain.

*AKWEL employees

Carbon neutrality and corporate social responsibility are also part of AKWEL's objectives and values. We firmly believe that our suppliers can help us to act with integrity, in an ethical, environmentally friendly and sustainable manner.

Cybersecurity is also one of our key concerns, and we want our suppliers to strengthen their security policies to protect their entire supply chain, notably by obtaining ISO 27001 certification and TISAX certification.

As part of the Corporate Sustainability Reporting Directive (CSRD), in force since January 1, 2024, we also want our suppliers to meet our decarbonization and Corporate Social Responsibility objectives. Our suppliers must measure their CO_2 emissions (Scopes 1, 2 and 3) from 2024 onward, and must share their results via the platform of our CSR partner, EcoVadis, with an expected minimum score of 50.

By the end of 2023, 44% of our suppliers had been assessed by EcoVadis. This criterion is taken into account in measuring supplier performance, and thus guides our choices for future projects.

In 2023, we included all our direct and indirect suppliers in our supplier risk classification. With this new rating, we have identified 26% of our suppliers as having a high level of risk. We believe that these suppliers' participation in the EcoVadis program and our monitoring of their sustainable performance will help us improve these results.

At the same time, as part of our Group environmental policy, we measure the number of direct suppliers with ISO 14001 certification, as well as the amount of local purchases made by region and country. This will help us to protect our purchases in the long-term.

4.3.5.9. Consolidated Table

PRIORITIES	SUB-PRIORITY	OBJECTIVES	ACTIONS	KPI	2023 Objectives	2023 Results	2024 Objectives	UN SDGs*
AKWEL being “sustainable”	AKWEL being “environmentally friendly”	Reduce CO_2 emissions	Formalize the supply of green electricity by country and plant	% of green electricity/total	17 plants out of 36 47.2%	19 plants out of 36 53%	21 plants out of 35 60%	
			Install solar panels to generate electricity at plants	% of green electricity/total	2 plants (Juarez and Ixtac)	2 plants (Juarez and Ixtac)	Orizaba plant + study for 2 plants (Mateur and El Jadida)	
			Reduce electricity consumption/gross production margin	KWh of electricity/GPM	0.196 KWh/€ GPM	0.185 KWh/€ GPM or -8.9%/2022	0.181 KWh/€ GPM or -2%/2023	
			Reduce natural gas consumption/gross production margin	KWh of gas/GPM	0.274 KWh/€ GPM	0.246 KWh/€ GPM or -12.1%/2022	0.241 KWh/€ GPM or -2%/2023	
			Develop an electric alternative to gas boilers for rubber-processing plants	KWh of gas/GPM	Feasibility study	Not pursued because of very high installation costs	N/A	
			Reduce CO_2 emissions through the electricity and natural gas energy mix	Metric tons of CO_2/GPM	Collect data from plants and check results. No quantified target	-10.8% gross emissions compared to 2021 (-6,714 metric tons) and -21.5% intensity (-0.031 kg/€ GPM).	-23.3% (kg/€ GPM) compared to 2021	
		Reduce water consumption	Upgrade cooling circuits in rubber-processing plants	m^3/GPM	1.51 m^3/€K GPM	1.35 m^3/€K GPM (-14% intensity)	1.32 m^3/€K GPM (-2%/2023)	
		Reduce waste production	Reduce waste production (standardization and reduction in the number of production startups and scraps)	kg/€K GPM	40.7 kg/€K GPM	42.13 kg/€K GPM	40.7 kg/€K GPM	
		Increase waste recycling and recovery	Increase the recycling and recovery rate for non-metal waste: plastic and rubber	% of production waste	95% in 2028	85.7%	90%	

PRIORITIES	SUB-PRIORITY	OBJECTIVES	ACTIONS	KPI	2023 Objectives	2023 Results	2024 Objectives	UN SDGs*
AKWEL being “sustainable”	AKWEL being “eco-innovative”	Design environmentally responsible products and recycle end-of-life products	Increase the amount of green materials in new projects	%	N/A	N/A	10%	12, 13
	AKWEL being “customer-oriented”	Improve customer satisfaction and the quality of our products	Reduction of the number of incidents per billion parts delivered	IPB	≤ 1,200	779	≤1100	8, 12, 13
			Reduction of the number of non-conforming parts per million parts delivered	PPM	≤ 2.4	1.27	≤ 2.2	8, 12, 13
			Improve responsiveness to incidents	%	≥ 92	98.2	≥89	8, 12, 13
			Improve service and delivery rates	%	≥99	99	≥93	8, 12, 13
			Reduce the amount of warranty returns	%	N/A	-64.7%	/ 1.5	12, 13
AKWEL being “committed to people”	AKWEL being “the utmost safety and security”	Bolster the safety of people and tools	Pursuing the accident reduction action plan	Frequency rate Severity rate	5 0.19	2.55 0.12	≤ 4.5 ≤ 0.18	3, 8
		Bolster IT security	Analysis of risks at each site and in each process in accordance with standards defined by IT	% of progress of IT risk management plan	N/A	N/A	80%	8
			Rollout of the standard “cybersecurity awareness for all staff” training module	% of employees trained in cybersecurity	N/A	N/A	95%	8
			ISO 27001 certification process for the Head Office and the TISAX certification process for sites	Customer notification of a cybersecurity incident	N/A	N/A	0	8
			Improve information system downtime	€K	≤ €88K	€63.6K	≤ €88K	8

PRIORITIES	SUB-PRIORITY	OBJECTIVES	ACTIONS	KPI	2023 Objectives	2023 Results	2024 Objectives	UN SDGs*
AKWEL being "committed to people"	AKWEL being "committed to the company"	LEGS Develop Akweli autonomy	Ensure that resources are in line with Direct Labor activities	gross production margin (EUR) / number of direct labor production hours	Per site	56	Target set per site. Group: > 56	8 DECENT WORK AND ECONOMIC GROWTH
			Ensure that resources are in line with Indirect Labor and Support activities	% of indirect labor + support FTEs/plant FTEs	Per site	36%	Target set per site. Group: < 36%	8 DECENT WORK AND ECONOMIC GROWTH
			Adequacy (autonomy)	Autonomy (% A+) - Performance (% 1&2) - Potential - Risk	87%	93%	> 88%	8 DECENT WORK AND ECONOMIC GROWTH
		HEAD Develop Akweli autonomy	Develop technical and non-technical skills	% of completion of training plan	Per site	Per site	Target set per site. Group: > 80%	3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY
			Develop management skills	% of annual performance review over 12 months	100%	93%	100%	3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY
		HEART Develop Akweli autonomy	Encourage internal promotion	% of internal promotion	Per site	41%	Target set per site. Group: > 41%	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES
			Develop the "AKWEL being at Work" approach	Rate of absenteeism	Per site	5.05%	Target set per site. Group: < 5%	3 GOOD HEALTH AND WELL-BEING
				Voluntary departure rate	11%	10.06%	< 11%	3 GOOD HEALTH AND WELL-BEING
	AKWEL being "commit ted to the community"	Encourage sites to get involved in the local community	Support local organizations using the partnership/sponsorship methodology	% of site net income	0.2%	0.2%	0.2%	3 GOOD HEALTH AND WELL-BEING; 13 CLIMATE ACTION
			Implement CSR actions with Akwelis	Number of sites	N/A	17	All sites	3 GOOD HEALTH AND WELL-BEING; 13 CLIMATE ACTION

PRIORITIES	SUB-PRIORITY	OBJECTIVES	ACTIONS	KPI	2023 Objectives	2023 Results	2024 Objectives	UN SDGs*
AKWEL being "ethical"		Build trusting relationships with our stakeholders and have a transparent tax policy	Raise Akwelis' awareness of: • Ethics Charter • Code Against Corruption and Influence Peddling • Stock market code of ethics	% of employees made aware of corruption	N/A	N/A	70%	
AKWEL being "a responsible buyer"		Develop a responsible purchasing policy and use ethical suppliers	Ensure our suppliers adhere to our Ethics Charter	% of suppliers who have signed the Ethics Charter	100%	72%	100%	
			Ensure our suppliers join EcoVadis	Suppliers representing 95% of turnover with EcoVadis rating of > 50	50%	53%	50% *change of calculation method in 2024	
			Measure carbon emissions	CO_2 reduction	N/A	N/A	Present an action plan and measurement method	

4.3.6. Application of the European Green Taxonomy

4.3.6.1. Presentation — Publication Obligation

In order to promote transparency and a long-term vision in economic activities, and to redirect capital flows toward environmentally sustainable investments, the European Union (EU) action plan on financing for sustainable growth has led to the creation of a common classification system for corporate activities, allowing for the identification of economic activities considered to be sustainable.

This system is defined in European Regulation 2020/852 of June 18, 2020 (the "Taxonomy Regulation") and aims to define the EU's environmental objectives and 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) the sustainable use and protection of water and marine resources; (iv) the transition to a circular economy; (v) pollution prevention and control; and (vi) the protection and restoration of biodiversity and ecosystems.*

(ii) *do no significant harm to any of the other five environmental objectives;*

(iii) *be carried out in compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the eight core ILO Conventions and the International Bill of Human Rights.*

The European Commission adopted:

- on June 4, 2021, Delegated Regulation EU 2021/2139 (the "Climate Regulation"), which establishes the technical screening criteria relating to the first two environmental objectives (climate change mitigation and climate change adaptation) and identifies more than 80 economic activity sub-sectors representing 93% of greenhouse gas emissions in the European Union and requiring priority action ("European taxonomy-eligible" activities).
- on June 27, 2023:
  - Supplementary Delegated Regulations establishing the technical screening criteria determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.
  - Delegated Regulation (EU) 2023/2485, which amends the Climate Regulation by adding a new activity to Notes I, entitled "3.18. Manufacture of automotive and mobility components" and establishing technical screening criteria relating to climate change mitigation and adaptation for this new economic activity.

Pursuant to the Taxonomy Regulation and the Delegated Act relating to Article 8 of the Taxonomy Regulation published on July 6, 2021, the Group must publish its sensitivity to the European Green Taxonomy and sustainability indicators such as:

- the proportion of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with "eligible" activities, i.e. those classified in the European Taxonomy, and "non-eligible" activities;
- the proportion of its turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with "sustainable" activities, i.e. activities that comply with the technical criteria associated with each of the "eligible" activities, do not harm other environmental objectives (DNSH) and respect minimum social safeguards.

For 2023, the Group must publish:

- the proportion of "taxonomy-eligible" and "taxonomy-non-eligible" economic activities for its total turnover, capital expenditure (CapEx) and operating expenditure (OpEx), with regard to all published environmental objectives;
- the proportion of "taxonomy-aligned" and "taxonomy-non-aligned" economic activities for its total turnover, capital expenditure (CapEx) and operating expenditure (OpEx), only with regard to the climate change mitigation and climate change adaptation objectives.

4.3.6.2. *Methodology — Scope*

The various analyses were based on a cross-functional approach involving the Group's finance, legal and non-financial teams.

The scope of analysis covers the following points:

- the turnover, capital expenditure and operating expenses considered cover all the Group's activities corresponding to the scope of companies under its control;
- companies in which the Group and its companies exercise joint control or significant influence are excluded from the calculation of the ratios defined by the delegated act relating to Article 8 of the Taxonomy Regulation published on July 6, 2021 (Delegated Regulation (EU) 2021/2178);

Financial data is taken from the consolidated annual accounts as at December 31, 2023, and turnover and capital expenditure can therefore be reconciled with the consolidated financial statements.

4.3.6.3. *Eligibility Analysis of Activities*

The eligibility analysis consists of identifying the Group's activities listed in the various Delegated Acts of the Taxonomy Regulation. These activities are referred to as "eligible."

The analysis of Akwel's turnover under activity 3.3 "Manufacture of low carbon technologies for transport" in 2022 did not lead to the conclusion of eligibility, as recommended by the European Commission's "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," dated December 19, 2022.

In 2023, Akwel carried out a new eligibility analysis of its activities:

Result of Analysis on Climate Change Mitigation Objectives

Number	Activity	TURNOVER	CAPEX	OPEX
3.18	Manufacture of automotive and mobility components	X	X	-
6.5	Transport by motorbikes, passenger cars and light commercial vehicles	-	X	-
7.2	Renovation of existing buildings	-	X	-
7.3	Installation, maintenance and repair of energy efficiency equipment	-	X	-
7.7	Acquisition and ownership of buildings	-	X	-

Result of the Analysis on Transition to a Circular Economy Objectives

Number	Activity	TURNOVER	CAPEX	OPEX
5.1	Repair, refurbishment and remanufacturing	X	X	-
5.2	Sale of spare parts	X	-	-

4.3.6.4. Activity Alignment Review

A review of the Group's activities with regard to the technical criteria identified the following elements:

4.3.6.4.1. Revenue

Activity 3.18 — Manufacture of Automotive and Mobility Components

Part of the Group's activities consists of manufacturing products (the Flush Handle) to ensure and improve the environmental performance of electric vehicles.

4.3.6.4.2. CAPEX

Activity 6.5 — Transport by Motorbikes, Passenger Cars, and Light Commercial Vehicles

The Group has invested in greening its vehicle fleet, either by acquiring electric vehicles or leasing them.

Activity 7.2 — Renovation of Existing Buildings

Renovation work at the Group's head office was considered to be in line with the technical criteria.

Activity 7.3 — Installation, Maintenance and Repair of Energy Efficiency Equipment

Capital expenditure on LED relamping at the AKWEL Juarez site in Mexico has been accepted as aligned, as it meets the technical criteria.

4.3.6.4.3. OPEX

Operating expenses as defined by the Taxonomy Regulation are not material in relation to the total operating expenses shown in AKWEL's consolidated income statement.

Analyses led to the conclusion that the OPEX ratio was not material, as it was not relevant to the Group's activities (i.e. less than 10%).

Consequently, the exemption criterion was applied and the OPEX KPI was not calculated.

4.3.6.5. Compliance with Do No Significant Harm

In accordance with the Taxonomy Regulation, the Group has reviewed all the DNSH (Do No Significant Harm) criteria for eligible activities to in order to characterize the alignment of these activities.

4.3.6.6. Compliance with Minimum Social Safeguards

According to the Taxonomy Regulation, to be considered aligned with one of the environmental objectives, an activity must comply with minimum safeguards in four areas:

Human rights: the Group is committed to respecting human rights, notably through its Ethics Charter. This Charter defines the way in which employees must interact with business partners, suppliers, communities and other stakeholders. It also sets out the Group's whistleblowing procedure.

Corruption: the Group has implemented its procedures with regard to French Law 20166-1691 of December 9, 2016 on transparency, fighting corruption and modernizing economic life, known as "Sapin II." Actions have been implemented across all eight pillars.

Taxation: the Group has not made any arrangements to artificially reduce its corporate tax burden or transfer its taxable income to low-tax countries;

Fair competition: as detailed in its Ethics Charter, the Group is committed to ensuring that competition is fair and equitable. No Group action may prevent, restrict or distort competition.

4.3.6.7. Publication

4.3.6.7.1. Share of Turnover Aligned with the European Green Taxonomy

The turnover considered is that generated by the equipment of all types of vehicles, regardless of engine or vehicle type.

31/12/2023	2023			Substantial contribution criteria						Criteria for the absence of significant harm ("DNSH criterion")									
Economic activities	Codes	Sales figures	Share of sales	Climate change mitigation	Adapting to climate change	Aquatic and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Adapting to climate change	Aquatic and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum warranties	Share of sales aligned with taxonomy (A.1) or eligible for taxonomy (A.2), year N-1	Enabling activity	Transient activity
		(en M€)	(%)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(%)	H	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 - Environmentally sustainable activities (aligned with taxonomy)																			
3.18 - Manufacture of automotive and mobility components		3,4	0,32%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0%		
Sales of environmentally sustainable activities (aligned with taxonomy) (A.1)		**3,4**	**0,32%**	**Yes**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	0%		
Of which enabling		0	0%																
Of which transitional		0	0%																
A.2 - Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
3.18 - Manufacture of automotive and mobility components		20,6	1,93%	**yes**	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
5.1 - Repair, refurbishment and reconditioning		20	1,88%	N/EL	N/EL	N/EL	N/EL	**Yes**	N/EL								0%		
5.2 - Sale of spare parts		128	12,01%	N/EL	N/EL	N/EL	N/EL	**YES**	N/EL								0%		
Sales of activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A.2)		**168,6**	**15,82%**	0%	0%	0%	0%	0%	0%								0%		
A. Sales of tax-eligible activities (A.1 + A.2)		**172**	**16,14%**																
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Sales of activities not eligible for taxonomy (B)		894	84%																
Total (A + B)		1 066	100%																

YES: Activity eligible for taxonomy and aligned with taxonomy in terms of environmental objective.
NO: Activity eligible for taxonomy but not aligned with taxonomy in terms of environmental objective.
N/EL: Not eligible. Activity not eligible for the taxonomy with regard to the intended environmental objective.

	Share of sales/total sales	
	Aligned with taxonomy by objective	Eligible on taxonomy by objective
CCM (Climate change mitigation)	0,32%	2,25%
CCA (Adaptation to climate change)	NA	NA
WTR (Aquatic and Marine Resources)	NA	NA
CE (Circular Economy)	NA	13,88%
PPC (Pollution Prevention and Control)	NA	NA
BIO (Biodiversity)	NA	NA

4.3.6.7.2. ***Capital Expenditure (CAPEX)***

The Group's eligible and aligned capital expenditure was not significant for the 2023 financial year.

31/12/20223	2023			Substantial contribution criteria						Criteria for absence of significant harm ("DNSH criteria")									
Economic activities	Codes	CapEx	Share of CaPex	Climate change mitigation	Adapting to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adapting to climate change	Aquatic and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum warranties	Share of CapEx taxonomically aligned (A.1) or taxonomically eligible (A.2.), year N-1	Enabling activity category	Transitional activity category
		(en M€)	(%)	(Yes;No; N/EL)	(Yes;No; N/EL)	(Yes;No; N/EL)	(Yes;No; N/EL)	(Yes;No; N/EL)	(Yes;No; N/EL)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(%)	H	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with taxonomy)																			
Activity 6.5 - Motorcycle, passenger car and light commercial vehicle transport		0,04	0,1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0,0%		
Activity 7.2 - Renovating existing buildings		1,30	2,3%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0,0%		
Activity 7.3 - Installation, maintenance and repair of energy efficiency		0,05	0,1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0,0%		
taxonomy) (A.1)		**1,39**	**2,48%**	0%	0%	0%	0%	0%	0%								**0,00%**		
Of which enabling		0	0%	0%	0%														
Of which transitional		0																	
A.2 Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
		(en M€)	(%)	(EL; N/EL)	(EL; N/EL)	(EL; N/EL)	(EL; N/EL)	(EL; N/EL)	(EL; N/EL)										
Activity 3.18 - Manufacture of automotive and mobility components		4,40	7,9%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Activity 6.5 - Motorcycle, passenger car and light commercial vehicle transport		0,81	1,5%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Activity 7.2 - Renovating existing buildings		0,10	0,2%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Activity 7.3 - Installation, maintenance and repair of energy efficiency		0,43	0,8%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Activity 7.7 - Acquisition and ownership of buildings		2,00	3,6%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL										
Activity 5.1 - Repair, refurbishment and reconditioning		0,43	0,8%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL										
CapEx for taxonomy-eligible but environmentally unsustainable activities (not taxonomy-aligned) (A.2)		**8,17**	**14,62%**														0%		
A. CapEx of activities eligible for taxonomy (A.1 + A.2)		**9,56**	**17,11%**	0%	0%	0%	0%	0%	0%								0%		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
CapEx for activities not eligible for taxonomy (B)		46,32	83%																
Total (A +B)		55,88	100%																

YES: Activity eligible for taxonomy and aligned with taxonomy in terms of environmental objective.

NO: Activity eligible for taxonomy but not aligned with taxonomy in terms of environmental objective.

N/EL: Not eligible. Activity not eligible for the taxonomy with regard to the intended environmental objective.

	Share of CapEx/Total CapEx	
	Aligned with taxonomy by objective	Eligible on taxonomy by objective
CCM (Climate change mitigation)	2,48%	16,3%
CCA (Adaptation to climate change)	NA	NA
WTR (Aquatic and Marine Resources)	NA	NA
CE (Circular Economy)	0,00%	0,8%
PPC (Pollution Prevention and Control)	NA	NA
BIO (Biodiversity)	NA	NA

4.3.6.7.3. Operating Expenses (OPEX)

31/12/2023	2023			Substantial contribution criteria						Criteria for absence of significant harm ("DNSH criteria")									
Economic activities	Codes	OpEx	Share of Opex	Climate change mitigation	Adapting to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adapting to climate change	Aquatic and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum warranties	Share of OpEx aligned with taxonomy (A.1) or eligible for taxonomy (A.2), year N-1	Enabling activity category	Transitional activity category
		(in €M)	(%)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes;No;N/EL)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(%)	H	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with taxonomy)																			
No activity																	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%										
Of which transitional		0																	
A.2 Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
		(en M€)	(%)	(EL; N/EL)	(EL; N/EL)	(EL; N/EL)	(EL; N/EL)	(EL; N/EL)	(EL; N/EL)										
No activity																	0%		
A. OpEx activities eligible for taxonomy (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%										
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Opex activities not eligible for taxonomy (B)		0	0%																
Total (A + B)		0	0%																

YES: Activity eligible for taxonomy and aligned with taxonomy in terms of environmental objective.

NO: Activity eligible for taxonomy but not aligned with taxonomy in terms of environmental objective.

N/EL: Not eligible. Activity not eligible for the taxonomy with regard to the intended environmental objective.

Share of OpEx/Total OpEx Aligned with taxonomy by objective		
CCM (Climate change mitigation)	NA	NA
CCA (Adaptation to climate change)	NA	NA
WTR (Aquatic and Marine Resources)	NA	NA
CE (Circular Economy)	NA	NA
PPC (Pollution Prevention and Control)	NA	NA
BIO (Biodiversity)	NA	NA

On behalf of the Executive Board
Mathieu Coutier,
President of the Executive Board

VERIFICATION BODY REPORT

Financial Year Ended December 31, 2023

To the shareholders,

Further to the request made to us by Akwel SA (hereinafter the "entity") and in our capacity as an independent third-party body ("third party"), accredited by COFRAC Inspection under number 3-2013 rev. 1 (Cofrac Inspection accreditation, no. 3-2013 rev. 1, scope available on www.cofrac.fr), we conducted our work in order to provide a reasoned opinion expressing a conclusion of moderate assurance on the historical information (observed or extrapolated) of the Non-Financial Performance Statement, prepared in accordance with the entity's procedures (hereinafter the "Reporting Criteria"), for the financial year ended December 31, 2023 (hereinafter the "Information" and the "Statement" respectively), presented in the Group's management report in accordance with 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 performed, as described in the "Nature and scope of our work" section, and on the details we have obtained, nothing has come to our attention that causes us to believe that the Non-Financial Performance Statement is not free from material misstatement and that the Information, taken as a whole, is not presented fairly, in accordance with the Reporting Criteria.

Preparation of the Non-Financial Performance Statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information allows the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Consequently, the Information should be read and understood with reference to the Reporting Criteria, the significant elements of which are presented in the Statement.

Limitations Inherent in the Preparation of the Information

As indicated in the Statement, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain details are sensitive to the methodological choices, assumptions and/or estimates used in its preparation and presented in the Statement.

Responsibility of the Entity

The Executive Board is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- drawing up a Statement in compliance with 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 with regard to these risks as well as 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);
- implementing the internal control procedures it deems necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been drawn up by applying the entity's Reporting Criteria as mentioned above.

Responsibility of the Independent Third Party

It is our responsibility, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of moderate assurance on:

- compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fair presentation of the historical information (observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators and actions relating to the main risks.

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

Our responsibility does not include expressing an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the vigilance plan and the fight against corruption and tax evasion plan);
- the fair presentation of the details provided for in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with applicable regulations.

Applicable Regulations and Professional Standards

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seqq. of the French Commercial Code, the professional standards of the French National Institute of Auditors (*Compagnie Nationale des Commissaires aux Comptes* — CNCC) relating to this work in lieu of an audit program, and ISAE 3000 (revised).

Independence and Quality Control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and the professional standards of the CNCC.

Means and Resources

Our work involved the skills of three people and took place between March 8 and April 25, 2024, over a total period of 15 days.

We called on our sustainable development and corporate social responsibility specialists to assist us in carrying out our work. We conducted three interviews with the people responsible for preparing the Statement, representing in particular General Management, Administration and Finance, Risk Management, Compliance, Human Resources, Health and Safety, Environment and Purchasing.

Nature and Scope of Our Work

We planned and performed our work under consideration of the risk of material misstatement of the Information.

We believe that the procedures we have performed in exercising our professional judgment have allowed us to provide a conclusion of moderate assurance:

- we have familiarized ourselves with the activities of all the entities included in the scope of consolidation and with the description of the main risks;
- we have assessed the appropriateness of the Reporting Criteria in terms of their relevance, completeness, reliability, neutrality and comprehensibility, taking into account best practices in the sector, where appropriate;
- we have verified that the Statement covers each category of information specified in III of Article L. 225-102-1 concerning social and environmental issues, respect for human rights and the fight against corruption and tax evasion;
- we have verified that the Statement includes the information required under II of Article R. 225-105 when relevant to the principal risks and includes, where appropriate, an explanation of the reasons for the absence of the information required under paragraph 2 of III of Article L. 225-102-1;
- we have verified that the Statement presents the business model and a description of the main risks associated with the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators relating to the main risks;
- we consulted documentary sources and conducted interviews in order to:
    - assess the process used to select and validate the main risks, as well as the consistency of the results, including the key performance indicators selected, in relation to the main risks and policies presented, and
    - corroborate the qualitative details (actions and results) we considered most important, as presented in Notes 1. Our work was carried out at the level of the consolidating entity and in a selection of entities[3];
- we examined the internal control and risk management procedures implemented by the entity and assessed the data collection process aimed at ensuring the completeness and fairness of the Information provided;
- for the key performance indicators and other quantitative results that we considered to be the most important, presented in Notes 1,
- we have implemented:
    - analytical procedures to verify the correct consolidation of collected data and the consistency of data trends;
    - tests of details based on surveys or other selection methods, to verify the correct application of definitions and procedures, and to reconcile data with supporting documents. This work was carried out on a selection of contributing entities, covering between 27% and 100% of the consolidated data selected for these tests;

[3] Corporate indicators: Tondela, Juarez, Bursa, Cadillac and Akwel SA scope, except for the indicators Breakdown of workforce by category — employees and technicians, workers (Tondela, Juarez, Cadillac and Akwel SA scope), Breakdown of employees by geographical area (France — Akwel SA; North America — Juarez and Cadillac; Asia and Middle East [including Türkiye]; Bursa), Number of work-related accidents, Severity rate, Frequency rate, and Rate of absenteeism (Tondela, Bursa, Cadillac and Champfromier scopes).

Environmental indicators: Tondela, Juarez, Bursa, Cadillac and Champfromier scopes, except for the indicators Water consumption (Juarez, Bursa, Cadillac and Champfromier scopes), Metal consumption (Tondela, Bursa scopes), Hazardous industrial waste, Non-hazardous industrial waste, Waste recycling and recovery rate (Tondela, Bursa, Cadillac and Champfromier scopes), and Scope 1: direct emissions (Tondela, Juarez, Bursa and Cadillac scope).

Social indicators: Akwel SA scope.

- we assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures performed as part of a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional standards of the CNCC; a higher level of assurance would have required more extensive auditing work.

Lyon, France, April 29, 2024,

FINEXFI
Isabelle Lhoste

Associate

SUPPLEMENTARY EXECUTIVE BOARD REPORTS

1. Special Report on Transactions Carried Out by the Group or Its Affiliates under Stock Subscription or Purchase Options Reserved for Employees and Officers (Article L. 225-184 of the French Commercial Code)

Below, you will find the information contained in the special report designed to inform shareholders of transactions carried out pursuant to the provisions of Articles L. 225-184 and L. 225-186 of the French Commercial Code, concerning the granting and exercise, during the financial year just ended, of Group stock subscription or purchase options.

1.1. Stock Subscription or Purchase Options Granted during the Financial Year

1.1.1. Stock Subscription or Purchase Options Granted to the Top Ten Non-Corporate-Officer Employees during the Financial Year

No stock subscription or purchase option plans were implemented for the top ten non-corporate-officer employees during the financial year.

1.1.2. Stock Subscription or Purchase Options Granted to Corporate Officers during the Financial Year

No stock subscription or purchase option plans were implemented for corporate officers during the financial year.

1.2. Stock Subscription or Purchase Options Exercised during the Financial Year

1.2.1. Stock Options Exercised by the Top Ten Non-Corporate-Officer Employees during the Financial Year

No stock subscription or purchase option plans were exercised by the top ten non-corporate-officer employees during the financial year.

1.2.2. Stock Options Exercised by Corporate Officers during the Financial Year

No stock subscription or purchase option plans were exercised by corporate officers during the financial year.

2. Special Report on Transactions Carried Out by the Group or Its Affiliates Involving the Allocation of Free Shares to Employees and Officers (Article L. 225-197-4 of the French Commercial Code)

Below, you will find the information contained in the special report designed to inform shareholders of transactions carried out pursuant to the provisions of 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 free share allocation plans were implemented during the financial year.

2.2. Definitive Allocation of Free Shares Granted during the Financial Year

No free shares were granted during the year.

On behalf of the Executive Board,
Mr. Mathieu Coutier,
President of the Executive Board

EXECUTIVE BOARD'S REPORT ON THE PROPOSED RESOLUTIONS TO BE SUBMITTED TO THE COMBINED GENERAL MEETING ON THURSDAY, MAY 23, 2024

Twenty-five resolutions will be submitted to the shareholders at the Combined General Meeting to be held on Thursday May 23, 2024 at 11:00 am at the Group's Head Office.

These resolutions fall into two groups:

I — The first 23 resolutions (from the first to the twenty-second) and the last resolution (the twenty-fifth resolution) fall within the remit of the Ordinary General Meeting and concern:

- approval of the annual and consolidated annual accounts for the year ended December 31, 2023;
- the allocation of income, the approval of regulated agreements governed by Articles L. 225-86 et seqq. Of the French Commercial Code;
- the renewal of the mandate of the MAZARS Group as statutory auditors;
- the non-renewal of the ORFIS Group's mandate as statutory auditors and alternate auditors, and the appointment of the PRICEWATERHOUSECOOPERS AUDIT Group as statutory auditors;
- the appointment of the MAZARS Group as statutory auditors responsible for certifying sustainability information;
- the approval of the information referred to in I of Article L.22-10-9 of the French Commercial Code;
- the approval of the remuneration policy for corporate officers;
- the approval of the components of the remuneration and benefits of any kind paid to members of the Executive Board and the President of the Supervisory Board for the financial year ended December 31, 2023, and allocated to members of the Executive Board and the President of the Supervisory Board during the same year;
- setting the remuneration paid to Supervisory Board members and the Group's trading in its own shares on the stock market.

II — The twenty-fourth resolution is submitted to the Extraordinary General Meeting for authorization to the Executive Board to reduce the share capital by canceling treasury shares.

1. Ordinary Business

1.1. Approval of the Annual Accounts for the 2023 Financial Year (1st and 3rd Resolutions) and Full Discharge of the Members of the Executive Board and Supervisory Board (2nd Resolution)

The purpose of the 1st resolution is to approve the corporate annual accounts for the year ended December 31, 2023, showing a loss of €93,890.36 and non-tax-deductible expenses and charges.

This resolution also approves the expenses and charges referred to in Article 39-4 of the French General Tax Code, amounting to €40,618, and the corresponding tax charge of €10,155.

The purpose of the 2nd resolution is to discharge the members of the Executive and Supervisory Boards for their management of the Group during the 2023 financial year.

The purpose of the 3rd resolution is to approve the consolidated annual accounts for the year ended December 31, 2023, which show a net income, Group share, of €35,722 thousand.

1.2. Allocation of Income for 2023 (4th Resolution)

The purpose of the 4th resolution is to approve the allocation of the Company's income for the 2023 financial year and the payment of a dividend.

The annual accounts for the year ended December 31, 2023 show a net loss of €93,890.36. Together with retained earnings of €79,778,839.63, this brings the total distributable amount available to €79,684,949.27.

It is proposed that a dividend of €8,022,312 be distributed among the shareholders, representing a gross dividend per share of €0.30.

This amount will be deducted in full from retained earnings. The balance of retained earnings will then amount to €71,662,637.27.

When paid to individuals domiciled in France for tax purposes, this dividend is subject to a single flat-rate withholding tax of 12.8% on the gross dividend (Article 200 A of the French General Tax Code) or, at the taxpayer's express irrevocable option, to income tax according to the progressive scale after a 40% deduction (Article 200 A, 13, and 158 of the French General Tax Code). The dividend is also subject to social security deductions at the rate of 17.2%.

If this proposal is adopted, the coupon will be detached on June 3, 2024 and the dividend will be paid on June 5, 2024.

Upon detachment of these dividends, the dividend corresponding to treasury shares held by the Group would be allocated to "Retained earnings."

1.3. Regulated Agreements (5th, 6th, 7th and 8th Resolutions)

In the 5th resolution, we request that the renewal of the service agreement with COUTIER DEVELOPPEMENT be approved.

It is tacitly renewed each year and approved at the General Meeting as a regulated agreement.

In the 6th resolution, we request that the renewal of the technical services agreement with COUTIER DEVELOPPEMENT be approved.

It is tacitly renewed each year and approved at the General Meeting as a regulated agreement.

In the 7th resolution, we request that the renewal of the agreement with COUTIER DEVELOPPEMENT for the provision of premises and legal assistance be approved.

It is tacitly renewed each year and approved at the General Meeting as a regulated agreement.

In the 8th resolution, we request that the renewal of the agreement with COUTIER SENIOR for the provision of premises and legal assistance be approved.

It is tacitly renewed each year and approved at the General Meeting as a regulated agreement.

These agreements are listed in the Statutory Auditors' Special Report on regulated agreements and commitments — *see page 232*.

1.4. Statutory Auditors' Terms of Office (9th, 10th, 11th and 12th Resolutions)

The terms of office of the statutory auditors and alternate auditors expire at the end of the next General Meeting.

As such, we propose that you:

- renew the appointment of MAZARS as statutory auditor for a term of six years, i.e. until the end of the General Meeting to be held in 2030 to approve the annual accounts for the year ending December 31, 2029, it however being stipulated that it will be automatically dismissed at the end of the General Meeting to be held in 2027, at which time Mazars will have completed its 24th consecutive engagement.
- not to renew the mandate of ORFIS as statutory auditor, and to appoint PRICEWATERHOUSECOOPERS AUDIT as its replacement for a term of six years, i.e. until the end of the General Meeting to be held in 2030 to approve the annual accounts for the year ending December 31, 2029;
- not to renew the terms of office of Mr. Bruno Genevois and Mr. Philippe Galofaro as alternate statutory auditors.

1.5. Appointment of the MAZARS Group as Statutory Auditors Responsible for Certifying Sustainability Information (13th Resolution)

The purpose of the 13th resolution is to appoint MAZARS as statutory auditor responsible for certifying sustainability information for a term of three years, until the end of the General Meeting to be held in 2027 to approve the annual accounts for the year ending December 31, 2026.

1.6. Approval of the Information Referred to in I of Article L. 22-10-9 of the French Commercial Code (14th Resolution)

The purpose of the 14th resolution is to approve the information referred to in Article L 22-10-9 I of the French Commercial Code contained in the corporate governance report.

1.7. Approval of the Fixed and Variable Remuneration Paid or Awarded to Members of the Executive Board during 2023 (15th, 16th, 17th and 18th Resolutions)

Pursuant to Article L. 22-10-34-II paragraph 2 of the French Commercial Code, in view of the vote taken by the General Meeting on May 25, 2023 on the remuneration policy for the year ending December 31, 2023, you are asked, by voting in favor of the 15th, 16th, 17th and 18th resolutions, to approve the fixed and variable components of the total remuneration and benefits of any kind paid during the 2023 financial year or awarded during the same year to members of the Executive Board as part of their mandate, as presented in the corporate governance report in paragraph *3.3.1*.

1.8. Approval of the Remuneration and Benefits of Any Kind Paid or Awarded to André Coutier, President of the Supervisory Board, for the Financial Year Ended (19th Resolution)

The 19th resolution submits, for shareholder approval, the remuneration and benefits of any kind paid or awarded to Mr. André Coutier, President of the Supervisory Board, for the financial year just ended, as presented in the corporate governance report in paragraph *3.3.2.*

1.9. Approval of the Remuneration Policy for Corporate Officers (20th and 21st Resolutions)

The purpose of the 20th and 21st resolutions is to submit, for your approval, pursuant to Article L. 22-10-26-I of the French Commercial Code, the remuneration policy for members of the Executive Board and Supervisory Board for 2023 financial year, as presented in the corporate governance report in paragraph 3.4.

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 to shareholders called to approve the 2023 annual accounts.

1.10. Determination of Remuneration to Be Paid to Members of the Supervisory Board (22nd Resolution)

In accordance with the provisions of Article 225-83 of the French Commercial Code, and on the recommendation of the Supervisory Board after consulting with the Remuneration Committee, the 22nd resolution is submitted for your approval in order to increase the fixed annual amount to be paid to members of the Supervisory Board and its specialist committees from €132,000 to €141,000 for the current year and subsequent years, until otherwise decided.

This revision of the maximum overall amount is intended to take into account the effects of inflation.

It should be noted that the amount of this remuneration, initially set by the Combined General Meeting on May 25, 2021, had never been updated.

1.11. Authorization for a Share Buyback Program (23rd Resolution)

At the Combined General Meeting on May 25, 2023 (20th resolution), you authorized the Group to trade in its own shares on the stock market.

As at December 31, 2023, the total number of treasury shares amounted to 196,844. We remind you that these shares do not carry voting rights, and their dividends are allocated to retained earnings.

In the 23rd resolution, you are asked to authorize, for a maximum period of 18 months, the acquisition of a number of Group shares (including under a liquidity contract), up to a limit of 10% of the number of shares making up the Group's share capital, adjusted where necessary to take into account any capital increases or reductions that may take place during the term of the program, under the following conditions:

The maximum purchase price would be set at €50 and the maximum number of shares that could be acquired would be limited to 10% of the number of shares comprising the share capital as at December 31, 2023, i.e. 2,477,250 shares, for a total maximum amount of €123,863,000, as calculated on the basis of the share capital as of April 4, 2024 and the 196,844 treasury shares held at the same date.

These transactions would be carried out in accordance with Article L. 225-209 of the French Commercial Code.

This authorization would be granted for the purpose of:

- ensuring a liquid market for the Company's securities through an investment services provider, acting independently under a liquidity contract that complies with regulations;
- retaining the shares repurchased and subsequently reissuing them in exchange for or as payment in connection with merger, demerger, provision or external growth operations;
- potentially canceling some or all of the shares repurchased, under the conditions provided for by law;
- implementing any market practice that may be permitted by regulations.

The resolution stipulates that the authorization would apply at any time, including during a takeover bid.

This new authorization would cancel the authorization granted by the Combined General Meeting on May 25, 2023, subject to its approval.

2. Extraordinary Business

2.1. Authorization for the Executive Board to Cancel Group Treasury Shares Purchased under the Terms of Article L. 22-10-62 of the French Commercial Code (24th Resolution)

The 24th resolution submitted for shareholder approval concerns the authorization to be given to the Executive Board for a period of 24 months in order to reduce the share capital by canceling treasury shares acquired by the Company itself, up to a limit of 10% of the Group's share capital calculated as of the date of the cancellation decision, minus any shares canceled during the previous 24 months.

3. Ordinary Business

3.1. Powers to Carry Out Formalities (25th Resolution)

The 25th resolution is a standard resolution to authorize any bearer of a copy or extract of the minutes of the General Meeting to carry out, where appropriate, any formalities required by law to enforce the decisions made at this Meeting.

You will find the agenda on *page 239* and the text of the resolutions we propose for your approval on *page 241.*

SUPERVISORY BOARD'S REPORT ON CORPORATE GOVERNANCE, INCLUDING ITS OBSERVATIONS ON THE MANAGEMENT REPORT AND ANNUAL ACCOUNTS FOR THE YEAR

In accordance with the final paragraph of Article L. 225-68 of the French Commercial Code, the Supervisory Board's corporate governance report includes the information specified in Articles L. 22-10-9 to L. 22-10-11 and Article L. 225-37-4 of the French Commercial Code:

- specific terms and conditions for shareholder participation in the General Meeting;
- the composition of the Company's Supervisory Board and Executive Board, and a list of all the mandates and positions held by each of them in companies other than the Company;
- the conditions governing the preparation and organization of the Supervisory Board's work during the year ended December 31, 2023;
- the delegations of authority for capital increases and other authorizations granted to the Executive Board and valid for the 2023 financial year;
- agreements entered into between an officer or shareholder holding more than 10% of the Company's voting rights and a subsidiary (excluding standard agreements);
- remuneration of members of the Executive Board and Supervisory Board;
- factors that could have an impact in the event of a public offer.

This report also contains the Supervisory Board's observations on the management report prepared by the Company's Executive Board, and on the annual accounts for the 2023 financial year.

This report, which is the responsibility of the Supervisory Board, has been prepared on the basis of contributions from several departments, notably the Group's Finance and Legal Departments.

Information on corporate governance is based on various internal documents (bylaws, minutes of the Supervisory Board and its committees, etc.).

This report has been submitted to the Statutory Auditors for review at the Audit Committee meeting on March 26, 2024, and for approval by the Supervisory Board on April 4, 2024.

In terms of corporate governance, since the Supervisory Board meeting of June 26, 2015, our Company has referred to the Corporate Governance Code for small and mid-cap companies published by Middlenext, revised in September 2021. The Middlenext Code is available at www.middlenext.com.

The Supervisory Board felt that the Middlenext Corporate Governance Code was well suited to the Company, given its size and capital structure.

Pursuant to the "comply or explain" rule set out in Article L. 22-10-10 of the French Commercial Code and the Middlenext Code, the Company specifies that it applied all the recommendations of the Middlenext Code during the 2023 financial year.

1. Specific Terms and Conditions Governing Shareholder Participation in General Meetings

Articles 12 and 20 of the Company's bylaws set out the terms and conditions governing shareholder participation in General Meetings and the exercise of voting rights.

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

The Company's shareholders' meetings are convened, held and deliberate under the conditions established by law. Meetings are held either at the head office or at another location specified in the notice of meeting.

2. Governance

The Combined General Meeting on May 26, 1998 approved the adoption of a dual management structure with a Supervisory Board and an Executive Board. This organization separates the management and executive roles performed by the Executive Board from the supervisory functions performed by the Supervisory Board, which represents the shareholders.

The Company has opted for this form of organization, considering that it ensures a better balance of power for the benefit of all stakeholders.

In the case of French limited companies with an Executive Board and a Supervisory Board, executive officers include the President and members of the Executive Board.

2.1. The Supervisory Board

2.1.1. Composition of the Supervisory Board

In accordance with the Company's bylaws, the Supervisory Board is composed of a minimum of three members and a maximum of 18 members, appointed by the General Meeting of Shareholders.

The members of the Supervisory Board, the number of which may not be less than the legal minimum nor more than the legal maximum, are appointed for a term of three years, expiring at the end of the Ordinary General Meeting of Shareholders called to approve the annual accounts for the previous year and held in the year in which the term of office expires.

At the date this report was drawn up, the Company's Supervisory Board was composed of seven (7) members, including one (1) legal entity and six (6) natural persons (including the member representing employees).

One member of the Supervisory Board (Guillaume Wesolowski) was appointed by the Company's Central Works Council to represent employees.

2.1.1.1. Changes in 2023

The following changes occurred during the year:

Effective Date	Change
05/25/2023	Renewal of the term of office of Anne Vignat Ducret

2.1.1.2. Current Composition of the Supervisory Board

The members of the Supervisory Board at the date of preparation of this document are as follows:

Members of the Supervisory Board	Nationality	Age	Gender	Number of Registered Shares Held as at 12/31/2023	Main Function	Audit Committee	CSR and Remuneration Committee	Date of First Appointment	Date of Reappointment	End Date of Term of Office
André Coutier	FR	75	M	13,750	President	Member	Member	06/26/2016	05/25/2022	05/25/2025
Anne Vignat Ducret (1)	FR	60	F	0	Member	_		10/29/2020	05/25/2023	05/25/2026
COUTIER DEVELOPPEMENT Represented by Christophe Coutier	FR	46	M	15,331,170	Member	Member	Member	_	05/25/2022	05/25/2025
Geneviève Coutier	FR	76	F	11,350	Member	Member	_	06/26/2016	05/25/2022	05/25/2025
Émilie Coutier	FR	42	F	0	Member	_	_	06/29/2016	05/25/2022	05/25/2025

Nicolas Job (1)	FR	68	M	0	Vice-President	President	President	06/29/2016	05/25/2022	05/25/2025
Guillaume Wesolowski (2)	FR	44	M	0	Member	_	_	05/25/2022	_	05/25/2025

(1) Independent member. The notion of independence is defined in section 2.1.1.3 of this report.
(2) Member representing employees appointed as member of the Supervisory Board representing employees, by decision of the Central Works Council on March 3, 2022 with effect from May 25, 2022.

The average age of the Board members is 59, and 42% are under 50.

The expertise and experience of the members of the Supervisory Board stems from the various paid mandates, roles and management positions they have previously held.

2.1.1.3. Review of Board Member Independence

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

As stipulated in the Middlenext Code, five criteria are used to presume the independence of Supervisory Board members, which is characterized by the absence of any significant financial, contractual, family or close relationship likely to affect the independence of their judgment:

- not having been an employee or executive officer of the Company or a Group company in the past five years;
- not having had a significant business relationship with the Company or a Group company (customer, supplier, competitor, service provider, creditor, banker, etc.) in the past two years;
- not being a core shareholder of the Group or hold a significant percentage of voting rights;
- not having any close family ties with a corporate officer or a core shareholder;
- not having been a Group statutory auditor in the past six years.

The Board is required to verify each year—as well as at the time of their appointment—the situation of these members with regard to the independence criteria listed above.

On the basis of the independence criteria defined above, the Supervisory Board, at its meeting on April 4, 2024, at which the annual review of Board member independence was on the agenda, noted that two members, Ms. Anne Vignat Ducret and Mr. Nicolas Job, meet these criteria and can therefore be considered independent members, having no significant relationship with the Company or its management, or with a consolidated Group company, which could affect their freedom of judgment.

Mr. Guillaume Wesolowski, Supervisory Board member representing employees, does not qualify as an independent member.

The other members of the Supervisory Board (Ms. Geneviève Coutier, Ms. Emilie Coutier, Mr. André Coutier and Mr. Christophe Coutier), permanent representatives of the COUTIER DEVELOPPEMENT Group, have close family ties with the Company's management.

2.1.1.4. Balanced Representation of Men and Women on the Supervisory Board — Diversity on the Supervisory Board

With regard to the representation of men and women on the Board, it should be noted that, at the time this report was drafted, the Board had three female members.

Accordingly, the Group complies with the legal provisions concerning the "balanced representation of men and women on boards of directors and supervisory boards, and gender equality in the workplace" as set out in Article L.225-69-1 of the French Commercial Code, which stipulate that the Supervisory Board must consist of at least 40% female members and, given the size of the Board, that there may not be a difference of more than two between the number of members of each gender.

The mandate of the Board member representing employees is not taken into account when calculating gender equality on the Board.

2.1.2. Conditions Governing the Preparation and Organization of the Supervisory Board's Work

2.1.2.1. Duties and Powers of the Supervisory Board

The Supervisory Board is the supervisory body of the Company and its subsidiaries, which are managed by the Executive Board. It ensures that the strategy applied by the Executive Board is consistent with the guidelines approved by the Board.

It gives the Executive Board prior authorization to carry out any operations that it is unable to complete without the Board's approval.

It appoints the members of the Executive Board, designates its President and, where applicable, the Managing Directors, and sets their remuneration.

Without prejudice to the powers conferred by law to the General Meeting, the Supervisory Board may dismiss members of the Executive Board.

The Supervisory Board sets the remuneration of Executive Board members and/or any other benefits of a similar nature.

It determines the terms and conditions for collecting the remuneration allocated to Supervisory Board members and for distributing it among them. It also sets the remuneration of the President and, where applicable, the Vice-President, and the resources allocated to them for the performance of their duties.

At any time of the year, the Supervisory Board may carry out any checks and controls it deems appropriate, and may request any documents it deems useful for the performance of its duties.

2.1.2.2. Notice of Meetings of Supervisory Board Members and Statutory Auditors

The Group draws up a provisional schedule of Supervisory Board meetings in year N for year N+1.

In addition, the Group sends notices of meetings to the members of the Supervisory Board and to the delegate of the Social and Economic Committee around seven (7) days before a meeting is due to take place, by email, and by letter with acknowledgment of receipt for the Joint Statutory Auditors when this is required. All documents, technical files and information required by all Supervisory Board members are sent to them at the same time as the notice of meeting.

In addition, Supervisory Board members are notified of the confidentiality of documents communicated to them, whether within the documents themselves, or within emails or other correspondence accompanying them (Recommendation 1 of the Middlenext Code).

The Social and Economic Committee delegate receives the same information as Board members, within the same time frame.

The Joint Statutory Auditors are invited to attend Supervisory Board meetings called to review the half-yearly and annual accounts.

2.1.2.3. Supervisory Board Meetings and Attendance Rates

The Supervisory Board meets as often as required in the interests of the Group, and at least once a quarter.

Executive Board members are invited to attend all Supervisory Board meetings. During the 2023 financial year, all members of the Executive Board attended and participated in the various Supervisory Board meetings, speaking in their areas of expertise.

An attendance log is signed by all Supervisory Board members present.

The Supervisory Board met six times during the financial year: on February 9, 2023, April 5, 2023, May 4, 2023, August 24, 2023, September 21, 2023 and November 9, 2023. This frequency enabled in-depth examinations and discussions of matters falling within its remit.

The effective attendance rate of members at Supervisory Board meetings is calculated on the basis of the number of members present divided by the total membership. This rate for the year was 100%.

The table below shows the attendance rate for each Supervisory Board meeting held in 2023:

Date of Meeting	Attendance Rate (Members Present)
02/09/2023	100%
04/05/2023	100%
05/04/2023	100%
08/24/2023	100%
09/21/2023	100%
11/09/2023	100%

The President of the Supervisory Board chaired all meetings in 2023.

Supervisory Board meetings are held either at the head office or at any other location indicated in the notice of meeting.

In accordance with Article 16 of the bylaws and Article 5 of the rules of procedure, Supervisory Board members who take part in Board meetings by videoconference or other means of telecommunication that allow them to be identified and guarantee their effective participation are deemed to be present for the purposes of calculating the quorum and majority. However, this provision does not apply to the verification and auditing of the corporate annual accounts and consolidated annual accounts.

However, members are encouraged to attend meetings in person. If a member is unable to attend in person, they may participate by videoconference or, failing that, by telephone.

At each ordinary meeting, the Executive Board presents a report on the business and results of the Group and its main subsidiaries for the previous quarter. A detailed income statement with comments is presented by the Executive Board at each half-yearly or annual closing.

Within three months of the end of each financial year, the corporate and consolidated annual accounts approved by the Executive Board are submitted to the Supervisory Board for verification.

The Supervisory Board then submits its observations on the Executive Board's report, and on the annual accounts for the year, to the General Meeting, which are included in this corporate governance report.

With regard to the preparation of the half-yearly annual accounts, only the consolidated annual accounts are prepared and submitted to the Supervisory Board within three months of the half-year-end.

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

Minutes are drawn up at the end of each Board meeting. These are formally approved at the next Supervisory Board meeting.

2.1.2.4. Topics Discussed at Board Meetings in 2023

In 2023, the Supervisory Board's main deliberations concerned:

- the verification and control of the half-yearly and annual consolidated and corporate accounts, and the review of related financial communications;
- presentation of the budget for the 2023 financial year;
- the quarterly financial position as of March 31 and September 30, 2023;
- review of the Executive Board's quarterly activity reports,
- renewal of the share buyback agreement;
- annual review of regulated agreements;
- renewal of the annual authorization given to the Executive Board to grant sureties, endorsements and guarantees;

- review of Board member independence;
- assessment of the Supervisory Board's performance;
- the distribution of remuneration allocated to Supervisory Board members;
- deliberations on professional and salary matters, in particular equal pay for equal work;
- setting the remuneration policy for Executive Board members for the 2023 financial year;
- the main elements of the Company's policy on sustainable development and Corporate Social Responsibility;
- preparation for the General Meeting of Shareholders of May 25, 2023, and review of the reports submitted to the General Meeting.

The Supervisory Board was also informed or consulted by the Executive Board on a number of subjects, although its prior authorization was not required.

2.1.2.5. Independence and Duty of Expression

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

Each member of the Supervisory Board is required to inform the Supervisory Board of any matters of which they become aware and which they consider likely to affect the Company's interests

Each member of the Supervisory Board is expected to share their questions and opinions in order to ensure that the Group's corporate interests are safeguarded, and is expected to strive to guide the other members of the Supervisory Board toward decisions that allow such corporate interests to be maintained on an ongoing basis. In the event of a disagreement between members during a Supervisory Board meeting, the dissenting member may request that their position be recorded in the minutes of the meeting.

2.1.2.6. Independence and Conflicts of Interest

Each member must endeavor to avoid any conflict between their own interests and the Company's corporate interests. They must inform the Supervisory Board as soon as they become aware of any potential conflict of interest, and consequently refrain from taking part in discussions or voting on any resolution relating thereto.

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

To the best of the Company's knowledge, as at the date of preparation of this report there are no conflicts of interest between the duties of each Board member to the Group and their private interests or other duties.

The Supervisory Board has familiarized itself with the rules applicable to the prevention of insider misconduct, and in particular with the periods during which trading in securities is prohibited.

2.1.2.7. Loyalty and Good Faith

All Supervisory Board members shall refrain from any behavior likely to go against the Company's corporate interests in any way whatsoever, and shall act in good faith in all circumstances.

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

2.1.2.8. Confidentiality

In accordance with the provisions of Article L. 225-92 of the French Commercial Code, all members and participants of the Supervisory Board are bound by professional confidentiality with regard to the discussions and deliberations of the Supervisory Board and its Committees, and with regard to any information of which they may become aware in the course of their duties.

All Supervisory Board members and participants undertake to never disclose such information outside the Supervisory Board.

2.1.2.9. Insider Trading Policy

All Supervisory Board members and meeting participants must comply with the Company's insider trading policy.

2.1.2.10. Diligence

In accepting their mandate, each member of the Supervisory Board undertakes to devote the necessary time, care and attention to their duties, in accordance with the applicable laws and regulations. Unless unavoidable circumstances prevent them from doing so, each Supervisory Board member must attend all meetings of the Supervisory Board and the Committees to which they belong, as well as the general meetings of shareholders.

Each member of the Supervisory Board must step down from their position if they believe they are unable to perform their duties in accordance with applicable laws and regulations and/or rules of procedure.

2.1.2.11. Professionalism, Self-Appraisal and Protection

Each member of the Supervisory Board must contribute to the collaborative and efficient management of the work of the Supervisory Board and of any Committees. They must make any recommendations likely to improve Board procedures.

Each member of the Supervisory Board is required to ensure that the Supervisory Board's decisions are made in the Company's best interests, and that these are recorded in the minutes of its meetings.

Each member of the Supervisory Board is responsible for ensuring that all the information required for the discussion of an item on the agenda is obtained in a timely manner.

Once a year, the President of the Supervisory Board obtains the opinion of each Supervisory Board member on the performance of the Board and its Committees, and on the preparation of the Board's work.

As part of this process, the Supervisory Board assesses its performance through an operating rules assessment questionnaire, which is given to each Board member and is answered anonymously.

The summary of the responses from Supervisory Board members, which was shared with Board members and discussed at the meeting on November 9, 2023, continues to show that members are satisfied with the way the Supervisory Board operates.

The President of the Supervisory Board ensures that the potential liability of Supervisory Board members is duly insured, and informs each member of the coverage in place.

2.1.2.12. Assessment Procedure for Standard Agreements Concluded in the Normal Course of Business

In accordance with the provisions of Article L. 22-10-29 of the French Commercial Code, the Supervisory Board, at its meeting on February 13, 2020, implemented an internal procedure for assessing agreements related to current operations and concluded in the normal course of business.

The purpose of this procedure is to regularly assess whether agreements related to current operations and concluded in the normal course of business meet the conditions set out in Article L. 22-10-29 of the French Commercial Code.

This procedure:

- defines the criteria for identifying these standard agreements;
- establishes a procedure for categorizing and assessing them.

Each year, the Company's Finance and Legal Departments draw up a list of agreements governed by Article L. 225-87 of the French Commercial Code, and assess whether they meet the criteria for classification as standard agreements concluded in the normal course of business. The Finance and Legal Departments report annually to the Audit Committee and the Board.

In accordance with this procedure, the Supervisory Board meeting on April 4, 2024 assessed the agreements concluded by the Group.

2.1.2.13. Stock Market Code of Ethics

The Company has drawn up a Stock Market Code of Ethics, which is sent to all persons who may have access to insider information. This code includes a reminder of the definition of insider information, a description of the legal and regulatory provisions in force, a calendar for the year including blackout periods, and information on the penalties incurred.

2.1.2.14. Committees

The Supervisory Board may decide to establish its own Committees to facilitate its smooth operation and contribute effectively to the preparation of its decisions.

The role of a Committee is to study the matters and projects submitted to it by the Supervisory Board or its President, to prepare the work and decisions of the Supervisory Board related to these matters and projects, and to report its findings to the Supervisory Board in the form of reports, proposals, opinions, information and recommendations.

The Committees carry out their duties under the responsibility of the Supervisory Board. No Committee may, on its own initiative, take on matters that go beyond the specific scope of its responsibility.

The Committees have no decision-making powers.

2.1.2.15. Service Contract

Supervisory Board members have no service contracts with the Company or any of its subsidiaries.

2.2. The Executive Board

2.2.1. Composition of the Executive Board

2.2.1.1. Changes in 2023

Effective Date	Change
-	No changes took place in 2023

2.2.1.2. Current Composition of the Executive Board

The Executive Board may consist of up to seven members. As of the date of this report, the Executive Board consists of four members, all of whom are natural persons, appointed by the Supervisory Board and remunerated by the Company, and all of whom are under the age of 70.

The members of the Executive Board are appointed for a three-year term, expiring at the end of the General Meeting called to approve the annual accounts for the previous year and held in the year in which their term of office expires. All members of the Executive Board are eligible for re-appointment.

The current members of the Executive Board were reappointed by the Supervisory Board at its meeting on May 25, 2022.

The current members of the Executive Board are as follows:

Members of the Executive Board	Nationality	Age	Gender	Number of Registered Shares Held as at 12/31/2023	Main Function	Date of First Appointment	Date of Reappointment	End Date of Term of Office
Mathieu Coutier	FR	49	M	13,410	President	2009	05/25/2022	05/25/2025
Benoit Coutier	FR	46	M	23,500	Member — Legal & Financial VP	12/20/2013	05/25/2022	05/25/2025
Nicolas Coutier	FR	43	M	10	Member — Business Development VP	12/20/2013	05/25/2022	05/25/2025
Frédéric Marier	FR	61	M	0	Member — Manufacturing Performance VP	02/10/2017	05/25/2022	05/25/2025

The expertise and management experience of the members of the Executive Board stems from the various paid and management positions they have previously held.

2.2.2. Executive Board Operations

2.2.2.1. Duties and Powers of the Executive Board

The Executive Board is responsible for the management of the Company and the conducting of its business.

The Executive Board is vested with the broadest powers to act, in all circumstances. on behalf of the Group in its dealings with third parties, within the limits of the corporate purpose and subject to those powers expressly conferred by law on the Supervisory Board and on meetings of shareholders, in accordance with the provisions of Article 15 of the Company's bylaws.

The Executive Board meets as often as required in the interests of the Group, when convened by its President or half of its members, at the head office or at any other location specified in the notice of meeting.

In 2023, the Executive Board met on average once a week.

The Executive Board prepares each dossier for the Supervisory Board meetings, ensuring it presents the situation of each of the Group's businesses over the previous quarter in detail.

The Executive Board examines and makes collective decisions on the various investment projects presented to it by the operating teams.

The Executive Board also approves the half-yearly and annual accounts, as well as forecast documents and the terms of the Group's management report, which are then submitted to the Supervisory Board for review.

Finally, the Executive Board decides on the Group's financial communications.

2.2.2.2. Confidentiality

In accordance with Article L. 225-92 of the French Commercial Code, all members of the Executive Board and all other persons attending Executive Board meetings are bound by professional confidentiality with regard to the discussions and deliberations of the Executive Board, and with regard to any information of which they may become aware in the course of their duties.

2.2.2.3. Compliance

All members of the Executive Board and all other persons attending Executive Board meetings undertake to comply with the Group's insider trading policy. All members of the Executive Board are required to comply with, and ensure compliance with, the commitments set out in the Group's Ethics Charter, with regard to the activities for which each of said members, or employees acting under their responsibility, is responsible.

2.3. Specialized Committees

2.3.1. Supervisory Board Committees

In accordance with Recommendation 7 of the Middlenext Code, the Supervisory Board has established a number of committees designed to improve the Board's performance and contribute effectively to the preparation of its decisions.

The Board has established the following standing committees: the Audit Committee and the CSR and Remuneration Committee.

The Committees have not drawn up their own rules of procedure.

2.3.1.1. Audit Committee

2.3.1.1.1. Composition of the Audit Committee

The Supervisory Board's rules of procedure stipulate that the Audit Committee must be composed of at least three (3) and no more than five (5) members, at least one of whom must be chosen from among the independent members, and must not include any executive officers. From among its members, the Audit Committee appoints a member of the Board to act as its Chair. The President must be an independent member. The Audit Committee consists of four members appointed for the duration of their term of office as Supervisory Board members.

The members of the Audit Committee are:

Nicolas Job	Committee Chair — independent member
Geneviève Coutier	Member
André Coutier	Member
Christophe Coutier	Member

2.3.1.1.2. Audit Committee Operations

The Audit Committee acts as a specialized committee, monitoring issues related to the preparation and control of accounting and financial information, in accordance with Articles L. 823-19 and L. 823-20-4 of the French Commercial Code.

Each meeting of the Audit Committee is reported to and acknowledged by the members of the Supervisory Board. Minutes of each meeting are drawn up and approved at the following meeting.

During the 2023 financial year, the Audit Committee met three (3) times, with an attendance rate of 100%.

2.3.1.1.3. *Duties of the Audit Committee*

The Audit Committee is responsible for independently assessing the Group's risks, their management and their translation into financial information.

The Audit Committee performs the duties set out in Article L. 823-19 of the French Commercial Code.

In particular, it assists the Supervisory Board in the following areas:

- the process of preparing financial information and, where appropriate, making recommendations to ensure its integrity;
- the critical reviewing of the annual accounts and consolidated accounts and periodic information;
- issuing a recommendation on the Statutory Auditors proposed for appointment;
- monitoring the adequacy of internal controls, taking into account the perception of risks and the effectiveness of both internal and external audits, and more generally, ensuring compliance with regulations and legal requirements, which are essential factors in the Group's reputation and value;
- monitoring the Statutory Auditors' performance of their duties;
- ensuring the independence of the Statutory Auditors;
- approving the Statutory Auditors' provision of services other than the certification of financial statements.

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

During the financial year, the Audit Committee had the opportunity to interview both the Statutory Auditors (including in the absence of management) and the Head of Internal Audit.

The Audit Committee held in-depth discussions with the Statutory Auditors during the preparation of their report.

The work of the Audit Committee was in line with the objectives assigned to it during the year, it being specified that, since the auditing reform, the Audit Committee's scope of action has been expanded.

2.3.1.1.4. *Topics Discussed at Audit Committee Meetings in 2023*

During the 2023 financial year, the Audit Committee carried out the following work:

- review of the annual accounts and consolidated accounts;
- review of the half-yearly consolidated accounts as at June 30;
- review of off-balance sheet commitments;
- the 2024 budget;
- review of the financial sections of the financial report;
- monitoring of internal control assignments carried out during the year;
- review of risk mapping, excluding social and environmental risks;
- review of the procedure for assessing agreements concluded in the normal course of business;
- the Statutory Auditors' assignments and fees for 2023, and the 2023–2024 audit plan;
- monitoring of financial communications.

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

At its meeting on February 10, 2022, the Group's Supervisory Board decided to expand the scope of responsibility of the Remuneration Committee to include issues of Corporate, Environmental and Social Responsibility, and to change its name to reflect these new responsibilities.

2.3.1.2.1. *Composition*

The CSR and Remuneration Committee is composed of at least three (3) and no more than five (5) members, at least one of whom must be chosen from among the independent members, and must not include any executive officers.

From among its members, the CSR and Remuneration Committee appoints a member of the Board to act as its Chair. The President must be an independent member.

The CSR and Remuneration Committee consists of three members appointed for the duration of their term of office as Supervisory Board members.

The members of the CSR and Remuneration Committee are:

Nicolas Job	Chair — independent member
André Coutier	Member
Christophe Coutier	Member

2.3.1.2.2. *CSR and Remuneration Committee Operations*

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

Each meeting of the CSR and Remuneration Committee is reported to the members of the Supervisory Board.

During the 2023 financial year, the CSR and Remuneration Committee met two (2) times, with an attendance rate of 100%.

At these meetings, it mainly made proposals to the Supervisory Board concerning the achievement of the Executive Board's qualitative targets for the 2023 financial year and the amount of the corresponding payments.

2.3.1.2.3. *Duties of the CSR and Remuneration Committee*

Corporate, Environmental and Social Responsibility Duties

The role of the CSR and Remuneration Committee is to prepare the Supervisory Board's deliberations on the review and monitoring of matters related to the Group's corporate, environmental and social responsibility, and the way in which the Group strives to promote long-term value creation by considering the social and environmental challenges of its activities.

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

As part of its duties, the CSR and Remuneration Committee:

- reviews the Group's corporate, environmental and social issues, risks, challenges and opportunities (regulatory context, market, etc.);
- reviews the Group's policies and commitments in terms of corporate, environmental and social responsibility, the implementation of these policies through action plans, and the results obtained;
- monitors and examines all non-financial information published by the Group;
- regularly reviews the Group's non-financial rating.

It presents Supervisory Board members with a report on the actions taken during the year.

The Committee may be entrusted with any other regular or ad-hoc tasks assigned to it by the Supervisory Board within its area of competence. It may suggest to the Supervisory Board that it be consulted on any particular point that it deems necessary or relevant.

Remuneration Duties

At the beginning of each year, the Remuneration Committee makes recommendations to the Supervisory Board concerning the remuneration of the Group's executive officers for the current year, and ensures that the various components of remuneration are comprehensive, consistent and balanced.

It proposes rules for determining the variable component of executive officers' remuneration, and monitors the application of the rules it has recommended if they have been adopted by the Board.

It may also have a say in the Group's general policy on the remuneration of managers and all Group employees.

In addition, the Remuneration Committee is responsible for proposing to the Board any rules for the distribution of remuneration allocated to Supervisory Board members.

It is also responsible for examining any issues referred to it by the President of the Supervisory Board.

2.3.1.2.4. *Topics Discussed at CSR and Remuneration Committee Meetings in 2023*

In 2023, the CSR and Remuneration Committee gave its opinion on:

- the calculation of the variable component of Executive Board members' remuneration for 2022;
- the approval of the distribution of the amount of remuneration allocated to Supervisory Board members;
- the renewal of Anne Vignat Ducret's term of office as member of the Supervisory Board, to be submitted to the 2023 General Meeting;
- the review of the factors used to determine the independence of Board members;
- the determination of individual performance targets for each member of the Executive Board for the 2023 financial year;
- the review of the Group's Non-Financial Performance Statement;
- the review of social and environmental risk mapping.

2.3.2. Executive Committee

To involve Group managers in the Group's strategic guidelines, the Executive Board has established an Executive Committee made up of Executive Board members and managers.

2.3.2.1. Composition of the Executive Committee

The Executive Committee is composed, to date, of:

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

2.3.2.1.1. Executive Committee Operations

During the 2023 financial year, the Executive Committee met on average two (2) times per month.

2.3.2.1.2. Duties of the Executive Committee

The Executive Committee is responsible for assisting the Executive Board by issuing opinions and recommendations on any projects, operations or measures submitted to it by the President of the Executive Board. It encourages the Group's divisions to exchange and share their best practices.

3. Remuneration of Corporate Officers

In accordance with the provisions of Articles L. 22-10-9-I and L. 22-10-26-I of the French Commercial Code, the following is presented below:

- the remuneration policy for the Group's corporate officers, pursuant to Article L. 22-10-26 for the financial year beginning on January 1, 2023 (see *3.1* below);
- the elements of the remuneration policy relating to each corporate officer submitted to a shareholder vote in accordance with Article L. 22-10-26 II of the French Commercial Code (see *3.2*);
- remuneration paid during the year, duly approved by the General Meeting on May 25, 2023, or granted for the 2023 financial year in accordance with the principles and criteria approved by the same Meeting, to members of the Executive Board and to the President of the Supervisory Board (see *3.3* below);
- the information referred to in Article L. 22-10-9-I of the French Commercial Code concerning each of the directors in office during the financial year ended December 31, 2023.

3.1. Remuneration Policy for Corporate Officers

The Company's remuneration policy for corporate officers (hereinafter the "Remuneration Policy") has been drawn up pursuant to Article L. 22-10-26-I of the French Commercial Code and the recommendations of the Middlenext Corporate Governance Code. It also takes into account the Company's specific characteristics.

It is in line with the policy approved by the Combined General Meeting of Shareholders on May 28, 2020, and has not been modified since.

It will apply, where applicable, to any additional corporate officers appointed during the 2024 financial year, until the next General Meeting of Shareholders called to approve the remuneration policy for corporate officers.

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, contributes to the Company's business strategy and long-term viability, and takes into consideration the remuneration and employment conditions of the Company's employees.

The Remuneration Policy is designed to be competitive with the remuneration policies adopted by other companies of comparable size and in the same sector, in order to attract, reward and retain talent recognized as particularly competent in the Group's areas of activity.

The principles of the Remuneration Policy also take into account the following objectives:

- remuneration must be considered in its entirety: all components of remuneration and the balance between them must be taken into account;
- a balance between fixed and variable remuneration;
- when setting variable remuneration, it must take into account a combination of individual performance, the Company's general economic situation and the Group's results. The assessment of individual performance is based on quantitative (financial) and qualitative (non-financial) criteria.

3.1.1.1. Remuneration Paid to Members of the Executive Board

Remuneration paid to members of the Executive Board consists of the following components:

- fixed annual remuneration;
- variable annual remuneration;
- multi-year variable remuneration;
- benefits in kind.

Executive Board members are entitled to the reimbursement of expenses incurred in the performance of their duties, in particular travel and accommodation expenses.

3.1.1.1.1. Fixed Annual Remuneration

Fixed remuneration is designed to attract talent from within the Company's ranks or, where appropriate, from outside, to the highest management positions. It must also contribute to their commitment and loyalty.

It is determined in consideration of their experience, skills and the responsibilities assumed by each of them.

Fixed remuneration is paid in 12 monthly installments.

Changes in fixed remuneration are reviewed annually but — except in exceptional circumstances — fixed remuneration is only revised at relatively long intervals.

The criteria taken into account when deciding on an increase are changes in the scope and level of responsibility, the incumbent's performance and development in the position held, market positioning for equivalent roles in multinational companies of a comparable size, and the economic and social context of the Group and the Group to which it belongs.

3.1.1.1.2. Variable Annual Remuneration

Variable annual remuneration is intended to reflect the personal contribution of Executive Board members to the Group's development.

Its payment is conditional on the achievement of specific and demanding performance targets for each financial year, thus helping to maintain a link between the Group's performance and the remuneration of Executive Board members in a short-term perspective.

Variable annual remuneration is balanced in relation to fixed annual remuneration, and may therefore give rise to each member of the Executive Board receiving variable annual remuneration equal to 60% of their fixed remuneration (hereinafter referred to as the Variable Remuneration Cap).

The targets that determine the granting of variable annual remuneration to Executive Board members are based, in equal proportions, on return on capital employed and customer satisfaction, with these two criteria being assessed over the two half-years of the financial year.

At the beginning of the year, the Supervisory Board, on the recommendation of the Remuneration Committee, sets the performance targets for the current year, assigning a weighting coefficient reflecting its priorities, as well as the associated points grid for each of the indicators selected.

The amount of variable remuneration ranges from 0 to a cap of 60% of the Executive Board member's fixed remuneration, depending on the number of points obtained for each indicator.

The amount of variable annual remuneration is equal to the sum of the various bonuses determined in this way.

Variable remuneration is paid in June of the year of allocation, subject to approval by the General Meeting of Shareholders in accordance with the conditions set out in Article L. 22-10-34-II paragraph 2 of the French Commercial Code.

The payment of variable remuneration is not coupled with a reimbursement system.

The performance targets and indicators adopted by the Supervisory Board at its meeting on April 4, 2024 for the current year are as follows:

- Indicator linked to the return on capital employed

Return is defined as the ratio of operating income to capital employed. This indicator reflects the quality of the Group's economic and financial management.

The target set by the Supervisory Board for the current financial year and the weighting of this indicator 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 variable annual remuneration (50% of the annual remuneration cap)	0	1/3	2/3	3/3

Customer Satisfaction Indicator:

Customer satisfaction (R) groups together three quality indicators, which are:

R = PPM + IPB + Responsiveness
PPM (parts per million): number of bad or non-conforming parts declared by customers per million parts delivered.
IPB (incidents per billion): number of incidents reported by customers per billion parts delivered.
Post-incident responsiveness: 8D steps closed in time by number of 8D reports. This quality indicator makes it possible to ensure that problems identified during audits are resolved quickly.

The results of the indicators concerned will be those recorded in the manufacturer customer portals on December 31 of each year.

The purpose of these indicators is to monitor the Company’s production quality and its response to production incidents.

The target set by the Supervisory Board for the current year and the weighting of this indicator in the amount of annual variable remuneration are as follows:

Indicators	-	=	+	++
PPM	More than 4	Between 3 and 4	Between 2.5 and 3	Fewer than 2.5
IPB	More than 1,750	Between 1,500 and 1,750	Between 1,500 and 1,250	Fewer than 1,250
Post-incident responsiveness	Less than 90%	Between 90% and 92%	Between 92% and 94%	More than 94%
Weighting of the indicator in the amount of variable annual remuneration (50% of the annual remuneration cap)	0	1/3	2/3	3/3

The points grid attached to these indicators is as follows:

Number of PPM Points	Number of IPB Points	Number of Post-Incident Responsiveness Points	Rating	
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-Year Variable Remuneration

The purpose of multi-year variable remuneration is to reflect the personal contribution of the Executive Board member from a medium- and/or long-term perspective, assessed over several consecutive financial years.

Multi-year variable remuneration is balanced in relation to fixed annual remuneration, and capped at 10% of the cumulative amount of fixed annual remuneration paid to each member of the Executive Board over a reference period, which may not be less than two financial years (hereinafter the “Reference Period”).

The target on which the granting of multi-year variable remuneration is based is the Group’s turnover outlook, or any other performance indicator (alternative or otherwise), as determined by the Supervisory Board.

Multi-year variable remuneration is paid in the year following the end of the Reference Period.

Multi-year variable remuneration is paid in June of the year of allocation, subject to approval by the General Meeting of Shareholders under the conditions set out in Article L. 22-10-34-II of the French Commercial Code.

The payment of multi-year variable remuneration is not coupled with a reimbursement system.

At its meeting on April 5, 2023, the Supervisory Board, acting on a proposal from the CSR and Remuneration Committee, made its payment conditional on criteria related to social and environmental responsibility (CSR) and selected the following criteria:

- Reference Period: January 1, 2023 to December 31, 2025
- qualitative criteria: EcoVadis Silver Medal awarded to the Company following the assessment of its Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) by EcoVadis, based on data submitted in 2025.

3.1.1.1.4. Benefits in Kind

Executive Board members are entitled to the benefits in kind customary for corporate officers of groups or companies of a comparable size, such as a company car and a cell phone.

3.1.1.2. Remuneration Paid to Members of the Supervisory Board

3.1.1.2.1. Annual Remuneration Package Allocated to Supervisory Board Members for Their Work, and Rules for Allocation

In accordance with Article L. 225-83 of the French Commercial Code, Supervisory Board members are entitled to a fixed annual remuneration decided by the General Meeting of Shareholders in recognition of their work and participation in the work of the Board and its committees.

This cap applies to remuneration paid to Supervisory Board members for a calendar year, irrespective of the date of payment.

The rules governing the allocation of remuneration to Supervisory Board members were amended in 2022.

At its meeting on April 7, 2022, the Supervisory Board, acting on a proposal from the CSR and Remuneration Committee, reviewed the rules governing the allocation of remuneration to Supervisory Board members 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 comprise a fixed portion, in recognition of each member’s attendance at and contribution to Board and committee meetings, and a predominantly variable portion, based on actual attendance at meetings.

The terms and conditions governing the allocation of this remuneration among Supervisory Board members are decided by the Board on the recommendation of the Remuneration Committee.

At the end of the financial year, the Supervisory Board reviews the allocation of remuneration to Supervisory Board members remuneration and the individual amount allocated to each member for the year, on the basis of verifications on their actual attendance at Supervisory Board meeting; absence from a Supervisory Board meeting is accepted and will have no impact on the payment of the overall cap.

For terms of office ending or taking effect during the year, the remuneration payable is calculated *pro rata temporis*.

Supervisory Board members are entitled to the reimbursement of expenses incurred in the performance of their duties (in particular any travel and accommodation expenses incurred in connection with Board and Committee meetings).

3.1.1.2.2. Remuneration of the President and Vice-President of the Supervisory Board

Pursuant to Article L. 225-81 paragraph 1 of the French Commercial Code, the President and Vice-President of the Supervisory Board will receive a fixed remuneration.

The Supervisory Board will determine the amount of this remuneration, taking into account, in particular, market conditions, the specific developments of the Company, changes in the remuneration of Group employees and the remuneration practices of comparable companies.

The President and Vice-President of the Supervisory Board's annual fixed remuneration will only be revised at relatively long intervals, except in exceptional circumstances.

3.1.1.3. Other Remuneration of Corporate Officers

3.1.1.3.1. Extraordinary Remuneration

The Supervisory Board has adopted the following principle:

- the members of the Executive Board may receive extraordinary remuneration in exceptional circumstances, which must be explicitly communicated and substantiated. Such remuneration can only be paid subject to the approval of the shareholders pursuant to Article L. 22-10-26-I of the French Commercial Code;
- members of the Supervisory Board may receive extraordinary remuneration in cash for specific assignments entrusted to certain members or due to the unique nature of their profile or role; such remuneration is subject to the approval procedure for related-party transactions.

3.1.1.3.2. Share Subscription or Purchase Option Plans

The corporate officers do not receive allocations of options to subscribe or purchase shares.

3.1.1.3.3. Performance Shares

The corporate officers do not receive allocations of performance shares or bonus shares.

3.1.1.3.4. Post-Employment Benefits

Remuneration or benefits payable or likely to become payable upon termination or change of duties.

Corporate officers do not receive any contractual compensation for the termination of their mandate.

End-of-Career Benefits. Corporate officers do not receive end-of-career benefits in the event of retirement. Employment contracts of corporate officers who had such a contract before their appointment are suspended for the duration of their corporate mandate. Moreover, on the same basis and under the same conditions as Group employees, members of the Management Board who have an employment contract may receive a statutory end-of-career bonus.

Corporate Benefits. Corporate officers benefit, on the same basis as all executives, from the collective welfare, health and retirement plans in force within the Group.

Non-Compete Agreement. The corporate officers do not benefit from any commitment made by the Company corresponding to indemnities under a non-compete clause.

3.1.2. Decision-Making Process for Drafting, Revising and Implementing the Remuneration Policy

To ensure that the remuneration of corporate officers aligns with the interests of shareholders and the Group's performance, the Supervisory Board and the CSR and Remuneration Committee play a crucial role in drafting, revising and implementing the Remuneration Policy.

The same applies to shareholders who vote on the Remuneration Policy and the components paid out through a binding vote annually at the General Meeting.

At the beginning of the year, the Remuneration Policy is subject to review by the CSR and Remuneration Committee, which proposes that the Supervisory Committee keep it unchanged or amend it according to market conditions, changes in the Company itself, changes in employee remuneration at the Company and the remuneration paid 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 Committee stipulates the remuneration of the Group's corporate officers.

Specifically, it determines their fixed and their variable annual remuneration (ceiling, thresholds, terms and criteria for allocation) for the financial year ending on December 31 of the previous year, taking into account the changes in the environment and competitive context. It sets the economic and non-economic criteria on which the variable remuneration for the coming year will be based.

The CSR and Remuneration Committee develops the decisions to be submitted to the General Meeting of Shareholders concerning these matters.

The Supervisory Board has adopted the principle that it shall not deviate from the application of the Remuneration Policy.

3.1.3. Process of Evaluating the Performance of Executive Board Members

Following the close of the financial year, the Remuneration Committee assesses to what extent achievement of these annual or multi-year objectives have been achieved. Then, based on this review, the Supervisory Board decides to allocate all or part of the variable annual remuneration and, if applicable, the multi-year variable remuneration to the members of the Executive Board.

As such, variable remuneration allocated for a financial year is settled and paid during the following financial year, after approval by the General Meeting, in accordance with Article L. 22-10-34. II paragraph 2 of the French Commercial Code.

3.2. Items in the Remuneration Policy Pertaining to Each Corporate Officer Subject to a Shareholders' Vote Pursuant to Article L. 22-10-26 II of the French Commercial Code

Pursuant to Article L. 22-10-26. II of the French Commercial Code, the General Meeting of Shareholders on May 23, 2024 will be asked to vote on a resolution proposal establishing the remuneration policy for corporate officers as follows.

The remuneration policy for members of the Executive Board was approved by the General Meeting of Shareholders on May 25, 2023, with a majority of 99.91%, and the policy for members of the Supervisory Board was also approved with a majority of 100%.

3.2.1. Remuneration Policy for the Members of the Supervisory Board

Types of Remuneration	Principles	Determination Criteria
Remuneration	The General Meeting shall determine the total amount of remuneration paid to the members of the Board.	
Variable remuneration	Each member of the Supervisory Board receives variable remuneration based on the Board and Committee meetings they attend.	The amount of variable remuneration is defined in accordance with the rules mentioned in the Section *3.1.1.2* of the corporate governance report.
Extraordinary Remuneration	Supervisory Board members may receive exceptional remuneration for specific assignments entrusted to certain members or due to the uniqueness of their profile or role.	Such remuneration is subject to the approval procedure for related-party transactions.

3.2.2. Remuneration Policy Applicable to Mr. André Coutier, President of the Supervisory Board

At its meeting on April 4, 2024, the Supervisory Board, at the recommendation of the Remuneration Committee, set the fixed annual remuneration for the President of the Supervisory Board at €176,000 and that of the Vice-President at €61,000, effective July 1, 2024.

Types of Remuneration	Principles	Determination Criteria
Remuneration	Mr. André Coutier receives his remuneration in 12 fixed monthly installments.	Mr. André Coutier's fixed remuneration amounts to €176,000 per annum.
Variable remuneration	In his capacity as a Member of the Supervisory Board, Mr. André Coutier receives variable remuneration based on the Board and Committee meetings he attends.	The amount of variable remuneration is defined in accordance with the rules mentioned in the Section *3.1.1.2* of the corporate governance report.

3.2.3. Remuneration Policy for the Members of the Executive Board

At its meeting on April 4, 2024, the Supervisory Board, at the recommendation of the Remuneration Committee, decided to increase the remuneration of the Executive Board members by 10%, with the exception of that of Mr. Frédéric Marier, who decided to resign from his post as Member of the Executive Board as of May 31, 2024.

This increase in remuneration of the Executive Board members is to account for inflation.

It will take effect on July 1, 2024.

3.2.3.1. Remuneration Policy Applicable to Mr. Mathieu Coutier, President of the Executive Board

Types of Remuneration	Principles	Determination Criteria
Remuneration	Mr. Mathieu Coutier receives his remuneration in 12 fixed monthly installments.	This annual remuneration is fixed at €441,000.
Variable Annual Remuneration	Mr. Mathieu Coutier receives variable remuneration, the amount of which is tied to his performance. This remuneration is paid over the course of the financial year following the one for which the performances were assessed. Pursuant to 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 Mathieu Coutier's remuneration components pursuant to Article L. 22-10-34. II of the French Commercial Code. The payment of the variable annual remuneration is not subject to any restitution mechanism.	According to the policy described in Section 3.1.1.1.2 of the corporate governance report, the amount of the variable remuneration attributable to Mr. Mathieu Coutier is capped at 60% of the amount of his fixed remuneration. This remuneration is equally reliant on both the return on the capital employed and customer satisfaction, with assessment of these two criteria conducted over the two halves of the financial year. The Board reserves the right to amend these criteria as needed.
Multi-year variable remuneration	Mr. Mathieu Coutier receives multi-year variable remuneration, the amount of which is tied to his performance. Multi-year variable remuneration is paid over the financial year following the end of the Reference Period. This remuneration relies on criteria pertaining to the Group's corporate, social and environmental responsibility (CSR). Pursuant to 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 Mathieu Coutier's remuneration components pursuant to Article L. 22-10-34. II of the French Commercial Code. The payment of the multi-year variable remuneration is not subject to any restitution mechanism.	In accordance with the policy described in Section 3.1.1.1.3 of the corporate governance report, the amount of the multi-year variable remuneration attributable to Mr. Mathieu Coutier is capped at 10% of the cumulative amount of his fixed annual remuneration paid over the period from January 1, 2023 through December 31, 2025. The payment of the multi-year variable remuneration is subject to the achievement of the following objective: EcoVadis Silver Medal awarded to the Group following the assessment of its Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) by EcoVadis, based on data submitted in 2025. The Board reserves the right to amend these criteria as needed.
Benefits in Kind	Mr. Mathieu Coutier has a company vehicle.	

3.2.3.2. Remuneration Policy Applicable to Mr. Benoit Coutier, Member of the Executive Board

Types of Remuneration	Principles	Determination Criteria
Remuneration	Mr. Benoit Coutier receives his remuneration in 12 fixed monthly installments.	This annual remuneration is fixed at €390,000.
Variable Annual Remuneration	Mr. Benoit Coutier has a company vehicle and receives variable remuneration, the amount of which is tied to his performance. This remuneration is paid over the course of the financial year following the one for which the performances were assessed. Pursuant to 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 Benoit Coutier's remuneration components pursuant to Article L. 22-10-34. II of the French Commercial Code. The payment of the variable annual remuneration is not subject to any restitution mechanism.	According to the policy described in Section *3.1.1.1.2* of the corporate governance report, the amount of the variable remuneration attributable to Mr. Benoit Coutier is capped at 60% of the amount of his fixed remuneration. This remuneration is equally reliant on both the return on the capital employed and customer satisfaction, with assessment of these two criteria conducted over the two halves of the financial year. The Board reserves the right to amend these criteria as needed.
Multi-year variable remuneration	Mr. Benoit Coutier receives multi-year variable remuneration, the amount of which is tied to his performance. Multi-year variable remuneration is paid over the financial year following the end of the Reference Period. This remuneration relies on criteria pertaining to the Group's corporate, social and environmental responsibility (CSR). Pursuant to 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 Benoit Coutier's remuneration components pursuant to Article L. 22-10-34. II of the French Commercial Code. The payment of the multi-year variable remuneration is not subject to any restitution mechanism.	In accordance with the policy described in Section *3.1.1.1.3* of the corporate governance report, the amount of the multi-year variable remuneration attributable to Mr. Benoit Coutier is capped at 10% of the cumulative amount of his fixed annual remuneration paid over the period from January 1, 2023 through December 31, 2025. The payment of the multi-year variable remuneration is subject to the achievement of the following objective: EcoVadis Silver Medal awarded to the Group following the assessment of its Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) by EcoVadis, based on data submitted in 2025. The Board reserves the right to amend these criteria as needed.
Benefits in Kind	Mr. Benoit Coutier has a company vehicle.	

3.2.3.3. Remuneration Policy Applicable to Mr. Nicolas Coutier, Member of the Executive Board

Types of Remuneration	Principles	Determination Criteria
Remuneration	Mr. Nicolas Coutier receives his remuneration in 12 fixed monthly installments.	This annual remuneration is fixed at €390,000.
Variable Annual Remuneration	Mr. Nicolas Coutier receives variable remuneration, the amount of which is tied to his performance. This remuneration is paid over the course of the financial year following the one for which the performances were assessed. Pursuant to 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 Nicolas Coutier's remuneration components pursuant to Article L. 22-10-34. II of the French Commercial Code. The payment of the variable annual remuneration is not subject to any restitution mechanism.	According to the policy described in Section 3.1.1.1.2 of the corporate governance report, the amount of the variable remuneration attributable to Mr. Nicolas Coutier is capped at 60% of the amount of his fixed remuneration. This remuneration is equally reliant on both the return on the capital employed and customer satisfaction, with assessment of these two criteria conducted over the two halves of the financial year. The Board reserves the right to amend these criteria as needed.
Multi-year variable remuneration	Mr. Nicolas Coutier receives multi-year variable remuneration, the amount of which is tied to his performance. Multi-year variable remuneration is paid over the financial year following the end of the Reference Period. This remuneration relies on criteria pertaining to the Group's corporate, social and environmental responsibility (CSR). Pursuant to 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 Nicolas Coutier's remuneration components pursuant to Article L. 22-10-34. II of the French Commercial Code. The payment of the multi-year variable remuneration is not subject to any restitution mechanism.	In accordance with the policy described in Section 3.1.1.1.3 of the corporate governance report, the amount of the multi-year variable remuneration attributable to Mr. Nicolas Coutier is capped at 10% of the cumulative amount of his fixed annual remuneration paid over the period from January 1, 2023 through December 31, 2025. The payment of the multi-year variable remuneration is subject to the achievement of the following objective: EcoVadis Silver Medal awarded to the Group following the assessment of its Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) by EcoVadis, based on data submitted in 2025. The Board reserves the right to amend these criteria as needed.
Benefits in Kind	Mr. Nicolas Coutier has a company vehicle.	

3.2.3.4. *Remuneration Policy Applicable to Mr. Frédéric Marier, Member of the Executive Board*

Types of Remuneration	Principles	Determination Criteria
Fixed remuneration	Mr. Frédéric Marier receives his remuneration in 12 fixed monthly installments.	This annual remuneration is fixed at €354,000.
Variable Annual Remuneration	Mr. Frédéric Marier receives variable remuneration, the amount of which is tied to his performance. This remuneration is paid over the course of the financial year following the one for which the performances were assessed. Pursuant to 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 Frédéric Marier's remuneration components pursuant to Article L. 22-10-34. II of the French Commercial Code. The payment of the variable annual remuneration is not subject to any restitution mechanism.	According to the policy described in Section *3.1.1.1.2* of the corporate governance report, the amount of the variable remuneration attributable to Mr. Frédéric Marier is capped at 60% of the amount of his fixed remuneration. This remuneration is equally reliant on both the return on the capital employed and customer satisfaction, with assessment of these two criteria conducted over the two halves of the financial year. The Board reserves the right to amend these criteria as needed.
Multi-year variable remuneration	Mr. Frédéric Marier receives multi-year variable remuneration, the amount of which is tied to his performance. Multi-year variable remuneration is paid over the financial year following the end of the Reference Period. This remuneration relies on criteria pertaining to the Group's corporate, social and environmental responsibility (CSR). Pursuant to 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 Frédéric Marier's remuneration components pursuant to Article L. 22-10-34. II of the French Commercial Code. The payment of the multi-year variable remuneration is not subject to any restitution mechanism.	In accordance with the policy described in Section *3.1.1.1.3* of the corporate governance report, the amount of the variable remuneration attributable to Mr. Frédéric Marier is capped at 10% of the cumulative amount of his fixed annual remuneration paid over the period from January 1, 2023 through December 31, 2025. The payment of the multi-year variable remuneration is subject to the achievement of the following objective: EcoVadis Silver Medal awarded to the Group following the assessment of its Corporate Social Responsibility management system (Environment, Social & Human Rights, Ethics and Responsible Purchasing) by EcoVadis, based on data submitted in 2025. The Board reserves the right to amend these criteria as needed.
Benefits in Kind	Mr. Frédéric Marier has a company vehicle.	

3.3. Information Referred to in Article L. 22-10-9 Paragraph I, of the French Commercial Code for Each of the Group's Corporate Officers

In accordance with the provisions of Article L. 22-10-34-II paragraph 1 of the French Commercial Code, the General Meeting of Shareholders on May 23, 2024 will be asked to vote on a resolution proposal concerning the remuneration paid in 2023 or allocated during the same financial year to the corporate officers.

All of the remuneration paid or attributed to the Executive Board members for the 2023 financial year was in compliance with the Remuneration Policy adopted by the shareholders at the General Meeting on May 25, 2023 in the 18th and 19th resolutions.

3.3.1. Remuneration Paid to the Executive Board Members

The total amount of remuneration that the Group paid to the members of the Executive Board for exercising their duties in 2023 amounts to €1,911,994.

3.3.1.1. Table Summarizing the Remuneration for Each Executive Board Member Due and/or Paid in 2023 and during the Financial Year Ended December 31, 2022

	Amounts for Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Mr. Mathieu Coutier President of the Executive Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Fixed remuneration (1)	400,800	400,800	400,800	400,800
Variable remuneration (2)	141,720	120,240	120,240	200,400
Multi-year variable remuneration	0	0	0	0
Benefits in kind (3)	4,135	4,135	4,135	4,135
Total	**546,655**	**525,175**	**525,175**	**605,335**

	Amounts for Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Mr. Benoit Coutier Member of the Executive Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Fixed remuneration (1)	354,000	354,000	354,000	354,000
Variable remuneration (2)	123,900	106,200	106,200	177,000
Multi-year variable remuneration	0	0	0	0
Benefits in kind (3)	1,595	1,595	1,595	1,595
Total	**479,495**	**461,795**	**461,795**	**532,595**

	Amounts for Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Mr. Nicolas Coutier Member of the Executive Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Fixed remuneration (1)	354,000	354,000	354,000	354,000
Variable remuneration (2)	123,900	106,200	106,200	177,000
Multi-year variable remuneration	0	0	0	0
Benefits in kind (3)	1,595	1,595	1,595	1,595
Total	**479,495**	**461,795**	**461,795**	**532,595**

Mr. Frédéric Marier Member of the Executive Board	Amounts for Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
	Due	**Paid in 2023**	**Due**	**Paid in 2022**
Fixed remuneration [(1)]	354,000	354,000	354,000	354,000
Variable remuneration [(2)]	123,900	106,200	106,200	177,000
Multi-year variable remuneration	0	0	0	0
Benefits in kind [(3)]	3,029	3,029	3,029	3,029
Total	**480,929**	**463,229**	**463,229**	**534,029**

(1) Gross basis before tax.
(2) The objectives underlying the granting of the variable annual remuneration are based on quantitative criteria related, in particular, to the return on capital employed, and qualitative criteria related, in particular, to customer satisfaction; both criteria being assessed over the two halves of the financial year.
(3) The benefits in kind correspond to the provision by the Group of a passenger vehicle.

3.3.1.2. Decisions regarding the Variable Remuneration of the Members of the Executive Board Allocated for the 2023 Financial Year

3.3.1.2.1. Variable Annual Remuneration of the Members of the Executive Board

Reminder of Objectives and of Quantitative and Qualitative Criteria

The payment of the variable annual remuneration for 2023 to the members of the Executive Board is subject to the achievement of several specific and pre-established objectives, both quantitative and qualitative in nature, with minimum, target and maximum thresholds set by the Supervisory Board.

The variable annual remuneration is equally based on return on capital employed and customer satisfaction.

For 2023, the Supervisory Board decided to frame the Executive Board's objectives around the following two indicators:

- Indicator linked to the return on capital employed

Indicator	**-**	**=**	**+**	**++**
ROCE (RE/CE)	<= 10.4%	> 10.4% =/<11.7%	> 11.7% =/<13%	> 13%
Weighting of the indicator in the amount of variable annual remuneration (50% of the annual remuneration cap)	0	1/3	2/3	3/3

- Customer Satisfaction Indicator:

Customer satisfaction (R) groups together three quality indicators, which are:

R = PPM + IPB + Responsiveness
PPM (parts per million): number of bad or non-conforming parts declared by customers per million parts delivered.
IPB (incidents per billion): number of incidents reported by customers per billion parts delivered.
Post-incident responsiveness: 8D steps closed in time by number of 8D reports. This quality indicator makes it possible to ensure that problems identified during audits are resolved quickly.

The Supervisory Board has also decided that these two indicators will be assessed over the two halves of the financial year.

The target set by the Supervisory Board for the 2023 financial year and the weighting of this indicator related to customer satisfaction in the amount of annual variable remuneration was as follows:

Indicators	**-**	**=**	**+**	**++**
PPM	More than 4	Between 3 and 4	Between 2.5 and 3	Fewer than 2.5
IPB	More than 1,750	Between 1,500 and 1,750	Between 1,500 and 1,250	Fewer than 1,250
Post-incident responsiveness	Less than 90%	Between 90% and 92%	Between 92% and 94%	More than 94%
Weighting of the indicator in the amount of variable annual remuneration (50% of the annual remuneration cap)	0	1/3	2/3	3/3

The scoring grid associated with these indicators for 2023 is as follows:

Number of PPM Points	**Number of IPB Points**	**Number of Post-Incident Responsiveness Points**	**Rating**	
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. *Calculation of the Variable Annual Remuneration Amount*

Based on the achieved results, the Supervisory Board, at its meeting on April 4, 2024, at the recommendation of the CSR and Remuneration Committee, determined the variable annual remuneration amount for each member of the Executive Board for the 2023 financial year as follows:

a) Results Achieved and Amount of Variable Remuneration Attributable to the Members of the Executive Board in the 1st Half of 2023

	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 fixed remuneration (in euro)	400,800	354,000	354,000	354,000
Amount of the variable annual remuneration cap (in euro)	240,480	212,400	212,400	212,400
Amount of the variable remuneration cap in the 1st half of 2023 (in euro)	120,240	106,200	106,200	106,200
Structure and level of the variable annual component (expressed as a percentage of the fixed component)	Variable component: from 0 to 100% if the objectives set by the Board are achieved			
Indicator linked to the return on capital employed	Weighting in the target variable component: 50% of the variable annual remuneration cap.			
ROCE (RE/CE) as at 06/30/2023	8.80%			

Indicator achievement rate	0/3	0/3	0/3	0/3
Amount of the variable component with regard to the targets related to the return on capital employed as at 06/30/2023 (in euro) (A1)	0	0	0	0
Customer satisfaction indicator	Weighting in the target variable component: 50% of the variable annual remuneration cap.			
PPM (parts per million) as at 06/30/2023	23.84			
Achievement rate	0/3	0/3	0/3	0/3
Number of points	0	0	0	0
IPB (incidents per billion) as at 06/30/2023	905			
Achievement rate	3/3	3/3	3/3	3/3
Number of points	9	9	9	9
Post-incident responsiveness as at 06/30/2023	98.20%			
Achievement rate	3/3	3/3	3/3	3/3
Number of points	3	3	3	3
Total number of points	12	12	12	12
Overall indicator achievement rate	+	+	+	+
Amount of the variable component with regard to the targets related to customer satisfaction as at 06/30/2023 (in euro) (A2)	40,080	35,400	35,400	35,400
Global amount of the variable annual remuneration as at 06/30/2023 (in euro) (A) = (A1) + (A2)	40,080	35,400	35,400	35,400

b) Results Achieved and Amount of Variable Remuneration Attributable to the Members of the Executive Board in the 2nd Half of 2023

	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 fixed remuneration (in euro)	400,800	354,000	354,000	354,000
Amount of the variable annual remuneration cap (in euro)	240,480	212,400	212,400	212,400
Amount of the variable remuneration cap in the 2nd half of 2023 (in euro)	120,240	106,200	106,200	106,200
Structure and level of the variable component (expressed as a percentage of the fixed component)	Variable component: from 0 to 100% if the objectives set by the Board are achieved			
Indicator linked to the return on capital employed	Weighting in the target variable component: 50% of the variable annual remuneration cap.			
ROCE (RE/CE) as at 12/31/2023	12.10%			
Indicator achievement rate	2/3	2/3	2/3	2/3
Amount of the variable component with regard to the targets related to the return on capital employed as at 12/31/2023 (in euro) (B1)	40,800	35,400	35,400	35,400
Customer satisfaction indicator	Weighting in the target variable component: 50% of the variable annual remuneration cap.			
PPM (parts per million) as at 12/31/2023	2.47			
Achievement rate	2/3	2/3	2/3	2/3
Number of points	4	4	4	4
IPB (incidents per billion) as at 12/31/2023	1,046			
Achievement rate	3/3	3/3	3/3	3/3
Number of points	9	9	9	9
Post-incident responsiveness as at 12/31/2023	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 indicator achievement rate	++	++	++	++

Amount of the variable component with regard to the targets related to customer satisfaction as at 12/31/2023(in euro) (B2)	60,120	53,100	53,100	53,100
Global amount of the variable annual remuneration as at 12/31/2023 (in euro) (B) = (B1) + (B2)	100,920	88,500	88,500	88,500

c) **Global Variable Annual Remuneration for the Entire Financial Year Ended December 31, 2023**

	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**
Global amount of the variable annual remuneration as at 06/30/2023 (in euro) (A)	40,800	35,400	35,400	35,400
Global amount of the variable annual remuneration as at 12/31/2023 (in euro)	100,920	88,500	88,500	88,500
Global amount of the variable annual remuneration (in euro) (A+B)	141,720	123,900	123,900	123,900
Amount of the fixed remuneration (in euro)	400,800	354,000	354,000	354,000
Percentage of the variable component compared to the target variable component	58.93%	58.33%	58.33%	58.33%
Percentage of the variable remuneration in relation to the fixed remuneration	35.36%	35%	35%	35%

Pursuant to the provisions of Article L. 22-10-34. II paragraph 2 of the French Commercial Code, the payment of the variable remuneration to the President and members of the Executive Board requires the approval by the Combined General Meeting of May 23, 2024 of the remuneration of the relevant person under the conditions provided for in Article L. 225-100 of the French Commercial Code.

3.3.1.2.3. Multi-Year Variable Remuneration of the Members of the Executive Board

No variable remuneration is due for the 2023 financial year.

3.3.1.2.4. Percentage of the Variable Remuneration in Relation to the Fixed Remuneration for the Executive Board Members

	Percentage of the Variable Remuneration in Relation to the Fixed Remuneration Paid Out in 2023
Mathieu Coutier, President of the Executive Board	35.36%
Benoit Coutier, Member of the Executive Board	35%
Nicolas Coutier, Member of the Executive Board	35%
Fréderic Marier, Member of the Executive Board	35%

3.3.2. Remuneration Due or Paid Out in 2023 to the Supervisory Board Members and during the Financial Year Ended December 31, 2023

The total amount of remuneration that the Group paid to the members of the Supervisory Board for exercising their duties in 2023 amounts to €341,000.

The following table summarizes the amount of remuneration for the roles of members of the Supervisory Board and other remuneration received in 2023 and 2022 by the members of the Group's Supervisory Board.

	Amounts for Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Mr. André Coutier President of the Supervisory Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Fixed remuneration for role as President of the Supervisory Board (1)	160,000	160,000	160,000	160,000
Remuneration for role as a 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 Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Mr. Nicolas Job Vice-President of the Supervisory Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Fixed remuneration for role as Vice-President of the Supervisory Board (1)	55,000	55,000	55,000	55,000
Remuneration for role as a 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 Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Ms. Geneviève Coutier Member of the Supervisory Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Remuneration for role as a 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 Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Ms. Emilie Coutier Member of the Supervisory Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Remuneration for role as a 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 Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Ms. Anne Vignat Ducret Member of the Supervisory Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Remuneration for role as a 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 Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Mr. Christophe Coutier — Permanent Representative of COUTIER DEVELOPPEMENT Member of the Supervisory Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Remuneration for role as a 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 Financial Year 2023 (in euro)		Amounts for Financial Year 2022 (in euro)	
Mr. Guillaume Wesolowski Member of the Supervisory Board	**Due**	**Paid in 2023**	**Due**	**Paid in 2022**
Remuneration for role as a Member of the Supervisory Board(1)	12,000	12,000	6,000(2)	6,000(2)
Total	**12,000**	**12,000**	**6,000(2)**	**6,000(2)**

(1) Gross basis before tax.
(2) The amount of remuneration allocated to Guillaume Wesolowski, whose term of office commenced on May 25, 2022, was calculated pro rata temporis.

3.3.3. Remuneration and Benefits of Any Kind Due or Paid to Corporate Officers

3.3.3.1. Share Subscription or Purchase Options Exercised during the Financial Year Ended December 31, 2023

None.

3.3.3.2. Share Subscription or Purchase Options Allocated during the Financial Year Ended December 31, 2023

None.

3.3.3.3. Bonus Shares Allocated during the Financial Year Ended December 31, 2023

None.

3.3.3.4. Bonus Shares Allocated during the Financial Year Ended December 31, 2023 and Tied to Multi-Year Performance

None.

3.3.3.5. Bonus Shares Acquired during the Financial Year Ended December 31, 2023

None.

3.3.3.6. Remuneration Paid or Allocated by a Company Included in the Scope of Consolidation within the Meaning of Article L. 233-16 of the French Commercial Code.

None.

3.3.3.7. Commitments of Any Kind Made by the Group and Corresponding Remuneration, Indemnities or Benefits Due or Likely to Become Due As a Result of the Assumption, Cessation or Change of Duties, or Subsequent to the Exercise Thereof

None.

3.3.4. Equity Ratio and Change in Remuneration and in the Group's Performance

In accordance with Article L.22-10-9 of the French Commercial Code, the table below indicates, for each corporate officer of the Group, the ratios between their level of remuneration and:

- the mean remuneration on a full-time equivalent basis of Group employees other than corporate officers;
- the median remuneration on a full-time equivalent basis of Group employees other than corporate officers.

Furthermore, in addition to the regulatory requirements mentioned above and in accordance with the provisions of the Middlenext Code, the table indicates for each corporate officer of the Group the ratio between their level of remuneration and the level of the gross annual minimum wage (SMIC).

The table also presents the annual changes in remuneration for each corporate officer, the performance of the Group (consolidated turnover and current operating income, and the mean remuneration of Group employees over the past five financial years).

The evolution of the equity ratio is compared with the evolution of consolidated turnover and current operating income.

The amount of annual gross minimum wage was obtained by adding the monthly minimum wage amount as at January 1, 2023 (€1,709.28 gross monthly), multiplied by 4 and the minimum wage amount as at May 1, 2023 (€1,747.20 gross monthly) multiplied by 8.

As such, the amount of the gross annual net minimum wage for 2023 is €20,814.72 (based on 35 hours per week).

For 2023, the median salary of Group employees employed full time, other than corporate officers, amounts to €29,588.88 and the mean salary of employees employed full time amounts to €36,810.96.

In order to identify the median and mean employee salaries, all employees registered at the end of the month were taken into account, with the exception of subsidized contracts (apprentices, professionalization) and interns. Part-time employees were excluded from the calculation.

Total remuneration includes:

- for Group employees: the base salary, arrears, bonuses (quality bonus, performance bonus, other bonuses [exceptional bonus, birth, patent, purchasing power compensation]), sums received under profit-sharing schemes and benefits in kind;
- for members of the Executive Board: (i) their fixed remuneration for corporate officer positions held in the Group, (ii) their variable remuneration (bonuses), and (iii) benefits in kind paid out;
- for the President of the Supervisory Board, the total remuneration includes (i) his remuneration for his role as President of the Supervisory Board and (ii) his remuneration allocated for his participation in the governance of the Group (formerly attendance fees).

André Coutier — President of the Supervisory Board					
	12/31/2023	**12/31/2022**	**12/31/2021**	**12/31/2020**	**12/31/2019**
Total remuneration (in euro)	184,000.00	184,000.00	184,000.00	162,666.00	184,000.00
Change compared to the previous financial year	0.00	0.00	13.12	-11.59	0.00
Mean employee remuneration (in euro)	36,810.96	34,264.72	33,909.00	33,020.00	32,940.00
Ratio compared to mean employee remuneration	5.00	5.37	5.43	4.93	5.59
Change in ratio compared to the previous financial year	-6.91	-1.04	10.15	-11.81	-3.61
Median employee remuneration (in euro)	29,588.88	27,438.72	27,624.00	24,024.00	26,679.00
Ratio compared to median employee remuneration	6.22	6.71	6.66	6.77	6.90
Change in ratio compared to the previous financial year	-7.27	0.67	-1.63	-1.82	-4.77
Amount of the minimum wage over 12 months (in euro)	20,814.72	19,449.24	18,759.63	18,473.04	18,254.64
Ratio compared to the minimum wage	8.71	9.46	9.81	8.81	10.08
Change in ratio compared to the previous financial year	-7.97	-3.55	11.39	-12.64	-1.50
Change in COI compared to the previous financial year	58.06	-48.64	-32.72	23.32	19.12
Change in consolidated turnover compared to the previous financial year	7.65	7.38	-1.58	-14.89	3.67

Mathieu Coutier — President of the Executive Board					
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total remuneration (in euro)	525,175.56	605,335.56	493,742.00	579,462.00	623,361.00
Change compared to the previous financial year	-13.24	22.60	-14.79	-7.04	20.69
Mean employee remuneration (in euro)	36,810.96	34,264.72	33,908.88	33,020.00	32,940.00
Ratio compared to mean employee remuneration	14.27	11.67	14.56	17.55	18.92
Change in ratio compared to the previous financial year	-19.24	21.32	-17.03	-7.27	16.34
Median employee remuneration (in euro)	29,588.88	27,438.72	27,623.88	24,024.00	26,679.00
Ratio compared to median employee remuneration	17.75	22.06	17.87	24.12	23.37
Change in ratio compared to the previous financial year	-19.55	23.43	-25.90	3.23	14.93
Amount of the minimum wage over 12 months (in euro)	20,814.72	19,449.24	18,759.63	18,473.04	18,254.64
Ratio compared to the minimum wage	25.23	31.12	26.32	31.37	34.15
Change in ratio compared to the previous financial year	-18.93	18.25	-16.09	-8.14	18.88
Change in COI compared to the previous financial year	58.06	-48.64	-32.72	23.32	19.12
Change in consolidated turnover compared to the previous financial year	7.65	7.38	-1.58	-14.89	3.67

Benoit Coutier — Member of the Executive Board					
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total remuneration (in euro)	461,795.40	532,595.40	435,083.00	512,743.00	551,093.00
Change compared to the previous financial year	-13.29	22.41	-15.15	-6.96	28.95
Mean employee remuneration (in euro)	36,810.96	34,264.72	33,908.88	33,020.00	32,940.00
Ratio compared to mean employee remuneration	12.55	15.54	12.83	15.53	16.73
Change in ratio compared to the previous financial year	-19.29	21.13	-17.37	-7.18	24.30
Median employee remuneration (in euro)	29,588.88	27,438.72	27,623.88	24,024.00	26,679.00
Ratio compared to median employee remuneration	15.61	19.41	15.75	21.34	20.66
Change in ratio compared to the previous financial year	-19.59	23.24	-26.20	3.32	22.81
Amount of the minimum wage over 12 months (in euro)	20,814.72	19,449.24	18,759.63	18,473.04	18,254.64
Ratio compared to the minimum wage	22.19	27.38	23.19	27.76	30.19
Change in ratio compared to the previous financial year	-18.98	18.07	-16.44	-8.06	27.03
Change in COI compared to the previous financial year	58.06	-48.64	-32.72	23.32	19.12
Change in consolidated turnover compared to the previous financial year	7.65	7.38	-1.58	-14.89	3.67

Nicolas Coutier — Member of the Executive Board	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total remuneration (in euro)	461,795.40	532,595.40	435,083.00	512,743.00	551,093.00
Change compared to the previous financial year	-13.29	22.41	-15.15	-6.96	29.36
Mean employee remuneration (in euro)	36,810.96	34,264.72	33,908.88	33,020.00	32,940.00
Ratio compared to mean employee remuneration	12.55	15.54	12.83	15.53	16.73
Change in ratio compared to the previous financial year	-19.29	21.13	-17.37	-7.18	24.69
Median employee remuneration (in euro)	29,588.88	27,438.72	27,623.88	24,024.00	26,679.00
Ratio compared to median employee remuneration	15.61	19.41	15.75	21.34	20.66
Change in ratio compared to the previous financial year	-19.59	23.24	-26.20	3.32	23.19
Amount of the minimum wage over 12 months (in euro)	20,814.72	19,449.24	18,759.63	18,473.04	18,254.64
Ratio compared to the minimum wage	22.19	27.38	23.19	27.76	30.19
Change in ratio compared to the previous financial year	-18.98	18.07	-16.44	-8.06	27.42
Change in COI compared to the previous financial year	58.06	-48.64	-32.72	23.32	19.12
Change in consolidated turnover compared to the previous financial year	7.65	7.38	-1.58	-14.89	3.67

Fréderic Marier — Member of the Executive Board	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total remuneration (in euro)	463,228.56	534,028.56	436,383.00	516,022.00	550,266.00
Change compared to the previous financial year	-13.26	22.74	-15.43	-6.22	39.51
Mean employee remuneration (in euro)	36,810.96	34,264.72	33,908.88	33,020.00	32,940.00
Ratio compared to mean employee remuneration	12.58	15.88	12.87	15.63	16.71
Change in ratio compared to the previous financial year	-19.25	21.46	-17.65	-6.45	34.48
Median employee remuneration (in euro)	29,588.88	27,438.72	27,623.88	24,024.00	26,679.00
Ratio compared to median employee remuneration	15,66	19.46	15.80	21.48	20.63
Change in ratio compared to the previous financial year	-19.56	23.57	-26.45	4.14	32.86
Amount of the minimum wage over 12 months (in euro)	20,814.72	19,449.24	18,759.63	18,473.04	18,254.64
Ratio compared to the minimum wage	22.25	27.46	23.26	27.93	30.14
Change in ratio compared to the previous financial year	-18.95	18.36	-16.73	-7.33	37.42
Change in COI compared to the previous financial year	58.06	-48.64	-32.72	23.32	19.12
Change in consolidated turnover compared to the previous financial year	7.65	7.38	-1.58	-14.89	3.67

3.4. Remuneration Components and Any Benefits Provided or Allocated for the Past Financial Year to Members of the Executive Board and the President of the Supervisory Board for Their Positions (Ex-Post Individual Say on Pay) Subject to Shareholder Vote 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 on May 23, 2024, will be asked to vote on resolutions concerning the fixed, variable and extraordinary components of the total remuneration and benefits of any kind provided during 2023 or allocated for the same financial year:

- to the President of the Executive Board: Mathieu Coutier;
- to the other members of the Executive Board: Benoit Coutier, Nicolas Coutier and Frédéric Marier;
- to the President of the Supervisory Board.

These components, which are the subject of this Supervisory Board report on corporate governance, are also presented in the Executive Board's report on the proposed resolutions.

Please keep in mind that the payment of components of variable remuneration to the members of the Executive Board will be conditional on the approval by the Ordinary General Meeting of the components of remuneration and benefits paid out or allocated in connection with their position for the past financial year.

The components of remuneration presented below will be submitted to the General Meeting for its approval under Resolutions 15 (for Mathieu Coutier), 16 (for Benoit Coutier), 17 (for Nicolas Coutier) and 18 (for Frédéric Marier).

As a reminder, the components of remuneration due or allocated under the financial year ended December 31, 2023 to Mathieu Coutier, in his capacity as President of the Executive Board, and to Benoit Coutier, Nicolas Coutier and Frédéric Marier, in their capacities as Members of the Executive Board, have been submitted to the vote of the shareholders at the Ordinary General Meeting on May 25, 2023, in the 12th, 14th, 15th and 16th resolutions and were each approved by 99.91% of the votes cast.

3.4.1. The Components of Remuneration Due or Paid Out to Mathieu Coutier, President of the Executive Board, for the 2023 Financial Year Are As Follows:

Components of Remuneration Paid to or Attributed for the Financial Year Ended December 31, 2023 (Article R.225-56-1 of the French Commercial Code)	Amounts (in euro)	Remarks
Fixed Annual Remuneration	400,800	
Variable Annual Remuneration	120,240	Amount paid following the General Meeting of May 25, 2023.
Variable Annual Remuneration	141,720	Amount to be paid after approval by the General Meeting.
Remuneration for role as a Member of the Supervisory Board	None	Executive Board members may not be members of the Supervisory Board and, as such, are not entitled to any remuneration in this regard.
Allocations of options to subscribe or purchase shares	None	
Allocations of bonus shares	None	
Remuneration, compensation or benefits due or likely to become due upon taking office	None	
Severance pay	None	
Non-compete clause	None	
Components of remuneration and benefits of any kind due or likely to become due, under agreements concluded, directly or through an intermediary, due to the position, with the Group, any company controlled by it within the meaning of Article L.233-16, any company controlling it within the meaning of the same article, or any company under the same control as it within the meaning of this article	None	
Any other kind of remuneration attributable due to the position	None	
Benefits of any kind granted due to the corporate position	4,135	

3.4.2. The Components of Remuneration Due or Attributed to Benoit Coutier, Member of the Executive Board, for the 2023 Financial Year Are As Follows:

Components of Remuneration Paid to or Attributed for the Financial Year Ended December 31, 2023 (Article R.225-56-1 of the French Commercial Code)	Amounts (in euro)	Remarks
Fixed Annual Remuneration	354,000	
Variable Annual Remuneration	106,200	Amount paid following the General Meeting of May 25, 2023.
Variable Annual Remuneration	123,900	Amount to be paid after approval by the General Meeting.
Multi-year variable remuneration	None	
Extraordinary Remuneration	None	
Remuneration for role as a Member of the Supervisory Board	None	Executive Board members may not be members of the Supervisory Board and, as such, are not entitled to any remuneration in this regard.
Allocations of options to subscribe or purchase shares	None	
Allocations of bonus shares	None	
Remuneration, compensation or benefits due or likely to become due upon taking office	None	
Severance pay	None	
Non-compete clause	None	
Components of remuneration and benefits of any kind due or likely to become due, under agreements concluded, directly or through an intermediary, due to the position, with the Group, any company controlled by it within the meaning of Article L.233-16, any company controlling it within the meaning of the same article, or any company under the same control as it within the meaning of this article	None	
Any other kind of remuneration attributable due to the position	None	
Benefits of any kind granted due to the corporate position	1,595	

3.4.3. The Components of Remuneration Due or Attributed to Nicolas Coutier, Member of the Executive Board, for the 2023 Financial Year Are As Follows:

Components of Remuneration Paid to or Attributed for the Financial Year Ended December 31, 2023 (Article R.225-56-1 of the French Commercial Code)	**Amounts (in euro)**	**Remarks**
Fixed Annual Remuneration	354,000	
Variable Annual Remuneration	106,200	Amount paid following the General Meeting of May 25, 2023.
Variable Annual Remuneration	123,900	Amount to be paid after approval by the General Meeting.
Extraordinary Remuneration	None	
Remuneration for role as a Member of the Supervisory Board	None	
Allocations of options to subscribe or purchase shares	None	
Allocations of bonus shares	None	
Remuneration, compensation or benefits due or likely to become due upon taking office	None	
Severance pay	None	
Non-compete clause	None	
Components of remuneration and benefits of any kind due or likely to become due, under agreements concluded, directly or through an intermediary, due to the position, with the Group, any company controlled by it within the meaning of Article L.233-16, any company controlling it within the meaning of the same article, or any company under the same control as it within the meaning of this article	None	
Any other kind of remuneration attributable due to the position	None	
Benefits of any kind granted due to the corporate position	1,595	

3.4.4. The Components of Remuneration Due or Attributed to Frédéric Marier, Member of the Executive Board, for the 2023 Financial Year Are As Follows:

Components of Remuneration Paid to or Attributed for the Financial Year Ended December 31, 2023 (Article R.225-56-1 of the French Commercial Code)	**Amounts (in euro)**	**Remarks**
Fixed Annual Remuneration	354,000	
Variable Annual Remuneration	106,200	Amount paid following the General Meeting of May 25, 2023.
Variable Annual Remuneration	123,900	Amount to be paid after approval by the General Meeting.
Multi-year variable remuneration	None	
Extraordinary Remuneration	None	
Attendance fees associated with the position	None	Executive Board members may not be members of the Supervisory Board and, as such, are not entitled to any remuneration in this regard.
Allocations of options to subscribe or purchase shares	None	
Allocations of bonus shares	None	
Remuneration, compensation or benefits due or likely to become due upon taking office	None	
Severance pay	None	
Non-compete clause	None	
Any other kind of remuneration attributable due to the position	None	
Benefits of any kind granted due to the corporate position	3,029	

3.4.5. The Components of Remuneration Due or Attributed in the Financial Year Ended December 31, 2023 to André Coutier, President of the Supervisory Board, Are Set Out Below:

The components of remuneration set out below for André Coutier will be submitted for approval to the General Meeting as the 19th resolution.

Components of Remuneration Paid to or Attributed for the Financial Year Ended December 31, 2023 (Article R.225-56-1 of the French Commercial Code)	Amounts (in euro)	Remarks
Fixed Annual Remuneration	160,000	
Remuneration for their role as a Member of the Supervisory Board (formerly attendance fee)	24,000	
Any other kind of remuneration attributable due to the position	None	

3.5. Employment Contract, Specific Pensions, Severance Pay and Non-Compete Clause

	Employment Contract	Supplementary Retirement Scheme	Remuneration or Benefits Likely to Become Due upon Termination or Change of Duties	Remuneration Related to a Non-Compete 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, President 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
Fréderic Marier, Member of the Executive Board	Yes (1)	No	No	No

(1) Contract suspended upon nomination.

The powers delegated to the Executive Board regarding capital increases and other authorizations granted to the Executive Board.

The General Meeting of Shareholders has not granted any delegation of authority to the Executive Board concerning capital increases.

The powers delegated to the Executive Board in accordance with Article L.22-10-62 of the French Commercial Code are as follows:

- Authorization in force

	Date of the Meeting	Maturity	Maximum Authorized Amount
Delegation of authority to the Executive Board to oversee the redemption of the Group's own shares	05/25/2023 (20th resolution)	18 months (11/25/2024)	€50 per share 10% of the capital
Authorization to be granted to the Executive Board to cancel shares repurchased by the Group	05/25/2023 (21st resolution)	24 months (05/25/2025)	€50 per share 10% of the capital

- Authorization submitted to the vote of the General Meeting of Shareholders on May 23, 2024

	Date of the Meeting	Maturity	Maximum Authorized Amount
Authorization to be given to the Executive Board to oversee the repurchase of the Group's own shares	05/23/2024 (23rd resolution)	18 months (11/23/2025)	€50 per share 10% of the capital
Authorization to be granted to the Executive Board to cancel shares repurchased by the Group	05/23/2024 (24th resolution)	24 months (05/23/2026)	€50 per share 10% of the capital

4. Factors That Could Have an Impact in the Event of a Public Offer

Please take note of the following points pursuant to Article L. 22-10-11 of the French Commercial Code:

The capital structure as well as the known direct stakes in the Group's capital are described above and below.

There is concerted action within the meaning of Article 233-10 of the French Commercial Code between COUTIER DEVELOPPEMENT (a family holding company controlled by André, Roger, the successors of Joseph Coutier and their family) and André, Roger and the successors of Joseph Coutier, which represent 69.70% of the capital and 82.08% of the voting rights.

In addition, please keep in mind that COUTIER DEVELOPPEMENT and André and Roger Coutier signed an agreement on May 24, 1994 in which they decided to coordinate to implement a common shareholder policy for the Group. This agreement has been subject to regulatory declarations to the supervisory authorities, who have ensured its disclosure (SBF Notice No. 94-2365 of July 29, 1994). The duration of this shareholder agreement is five years, automatically renewable for successive five-year periods unless one of the parties terminates its commitment before the expiration of the period. In such case, the remaining members in the agreement would still be bound by the resulting obligations.

Double voting rights exist.

Article 10 paragraph III of the Group's bylaws imposes an obligation of disclosure on any person who acquires or disposes of a percentage of capital or voting rights equal to or greater than 1%, or any multiple thereof, up to a threshold of 50%.

In case of non-compliance with this disclosure obligation, the shares exceeding the portion that should have been declared are deprived of voting rights at shareholder meetings if, at a meeting, the failure to declare is noted and if one or more shareholders jointly holding 5% of the capital or voting rights make such request at that meeting. In this case, the shares deprived of voting rights regain this right only after a period of two years following the date on which such notice is properly served.

The Group's bylaws do not contain any other specific provisions, particularly regarding the rules for appointing and revoking members of the Executive Board and the Supervisory Board, as well as the rules governing the management of powers within these bodies.

Any amendment to the Group's bylaws must carried out in accordance with legal and regulatory provisions.

5. Additional Information

5.1. Family Links between the Corporate Officers

The Company is majority-owned by a group of family shareholders. As a result, there is a family link between various members of the Executive Board and/or some 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 best of the Group's knowledge, there are no other close family relationships among the corporate officers.

5.2. Lack of Fraud Convictions against Members of the Executive Board or the Supervisory Board

To the best of the Company's knowledge, no member of the Executive Board or the Supervisory Board has been subject to a fraud conviction in the past five years.

5.3. Bankruptcy, Court-Ordered Receivership or Liquidation with Which Members of the Executive Board or the Supervisory Board Have Been Associated

To the best of the Company's knowledge, none of the members of the Management Board or the Supervisory Board has been involved in a bankruptcy, court-ordered receivership or liquidation in the past five years as a member of a management, executive or supervisory body.

5.4. Official Public Indictment and/or Sanction Imposed against Members of the Executive Board or the Supervisory Board

To the best of the Company's knowledge, no member of the Executive Board or the Supervisory Board has been subject to any official public indictment or sanction imposed by the statutory or regulatory authorities (including designated professional bodies) in the last five years.

5.5. Ban on Acting As a Corporate Officer or Intervening in the Management or Conduct of Affairs of an Issuer

To the best of the Company's knowledge, no member of the Executive Board or the Supervisory Board has been prohibited by a court from acting as a member of a management body, including executive or supervisory roles, or from intervening in the management or conduct of affairs of an issuer in the last five years.

5.6. Conflicts of Interest at the Level of Executive and Supervisory Bodies

As at the date of this report, to the best of the Company's knowledge, no conflicts of interest have been identified between the duties of each member of the Executive Board or the Supervisory Board toward the Group in their capacity as corporate officers and their private interests or other duties.

5.7. Restrictions on Asset Transfers

To the best of the Company's knowledge, no restriction has been accepted by a member of the Supervisory Board concerning the transfer, for a given period, of their holding in the Group's share capital.

5.8. Agreements Entered Into between a Director or a Significant Shareholder and a Subsidiary

Throughout the financial year, the agreements entered into within the scope of Article L.225-37-4 (2) of the French Commercial Code are as follows:

- lease agreement between COUTIER DEVELOPPEMENT and AKWEL GERMANY SERVICES GMBH;
- lease agreement between COUTIER DEVELOPMENT and AKWEL CADILLAC USA, INC.

6. Observations by the Supervisory Board on the Management Report Prepared by the Executive Board and on the Annual Accounts for the 2023 Financial Year

Dear Shareholders,

Summoned to the Combined General Meeting in accordance with the law and the bylaws, notably to present the financial statements of the past financial year for your consideration and approval, you have recently reviewed the reports of the Executive Board and of the Statutory Auditors on the financial year ended December 31, 2023.

In accordance with the provisions of Article L. 22-10-20 of the French Commercial Code, we would like to draw your attention to our observations regarding the Executive Board's management report and the annual accounts for the financial year ended December 31, 2023.

Furthermore, we wish to inform you of the topics discussed by the Supervisory Board, as presented in Section *2.1.2.4* of the annual report.

Firstly, good relations were maintained throughout the financial year with the Executive Board, which regularly provided reports on its activities and all necessary information, enabling the Supervisory Board to fulfill its ongoing monitoring endeavor with due diligence.

We would like to inform you that the statutory and consolidated annual accounts for the financial year ended December 31, 2023, along with the management report, have been submitted to the Supervisory Board within the deadlines stipulated by the legal and regulatory provisions.

Thus, during the meeting of the Supervisory Board on April 4, 2024, the Executive Board presented to us the statutory annual accounts for the 2023 financial year, the consolidated financial statements and the management report prepared on the accounts and operations for the year ended December 31, 2023.

The Executive Board's report to the General Meeting does not elicit any specific comments from the Supervisory Board.

The accounts for the financial year ended December 31, 2023, highlight the following main items:

(in thousands of euro)	Consolidated Accounts	Corporate Accounts
Balance Sheet Total	882,942	454,128
Revenue	1,066,373	362,168
Profit/Loss for the Year	35,469	(94)

Over the year, the activity was notably marked by:

- the 5.7% growth of the global automotive market, which allowed the Group to increase its revenue and to return to profitability. The Group's entities were also able to pass on some of the cost increases to their sales prices; and
- a slightly lower net cash position compared to 2022 but still at a high level (€105 million).

The Supervisory Board studied the proposals for resolutions that were submitted to the General Meeting and invites you to approve them in order to provide the Executive Board the necessary means to implement its strategy.

The Supervisory Board does not have any particular observation to make concerning the accounts for the year ended December 31, 2023, as they were presented to you after being examined by the Audit Committee and certified by the Statutory Auditors. The Supervisory Board members also ask that you approve the agreements and commitments provided for in Article L. 22-10-20 of the French Commercial Code, duly authorized. Your Statutory Auditors have been regularly informed of these agreements. They will present them to you and provide you with their special report.

For the Supervisory Board
André Coutier,
President of the Supervisory Board

LIST OF MANDATES, DUTIES AND PROFESSIONAL ADDRESSES OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD AS AT DECEMBER 31, 2023

7. List of Mandates and Duties of the Supervisory Board as at December 31, 2023

7.1. André Coutier

Duties:	**Professional Address:**
President and Member of the Supervisory Board Member of the Audit Committee Member of the Remuneration Committee	975, route des Burgondes 01410 Champfromier, France
Current Mandates:	
French companies	***Duties***
COUTIER DEVELOPPEMENT SA with Executive and Supervisory Boards (Champfromier)	President and Member of the Executive Board
COFA2M, SAS (Champfromier)	CEO
COFA2B, SAS (Champfromier)	CEO
FOREX, SAS (Champfromier)	CEO
Foreign Companies	***Duties***
AKWEL USA, INC (United States) (formerly AVON AUTOMOTIVE HOLDING Inc)	Director
COUTIER DEVELOPMENT LCC (United States)	Director
AKWEL RUDNIK CZECH REPUBLIC AS (Czech Republic) (formerly AVON AUTOMOTIVE AS)	Member of the Supervisory Board
Mandates and Duties Expired in the Last Five Financial Years:	
Permanent representative of the AKWEL Group in his capacity as Director of the P.E.P VALORISATION Group (until 2021) Director of the COUTIER DEVELOPPEMENT Group (formerly COUTIER JUNIOR) President of the Executive Board of the AKWEL Group (formerly MGI COUTIER) President of the Board of Directors of the AKWEL VIGO SPAIN SLU Group (Spain) (formerly MGI COUTIER ESPANA) President of the Board of Directors of the AKWEL TIMISOARA ROMANIA SRL Group (Romania) (formerly MGI COUTIER ROM) Representative of AKWEL BIRMINGHAM UK LTD (formerly MGI COUTIER UK) (United Kingdom) in his capacity as Director President of the Board of Directors of the AKWEL MEXICO SA DE CV Group (Mexico) (formerly MGI COUTIER MEJICO SA DE CV) Director and Vice-President of the Board of Directors of the AKWEL BURSA TURKEY OTOMOTIVE Group (Türkiye) (formerly MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI)	

7.2. Geneviève Coutier

Duties:	Professional Address:
Member of the Supervisory Board Member of the Audit Committee	975, route des Burgondes 01410 Champfromier, France
Current Mandates: None	
Mandates and Duties Expired in the Last Five Financial Years: None	

7.3. Émilie Coutier

Duties:	Professional Address:
Member of the Supervisory Board	975, route des Burgondes 01410 Champfromier, France
Current Mandates:	
French companies	***Duties***
COUTIER DEVELOPPEMENT, SA with Executive and Supervisory Boards (Champfromier)	Permanent representative of the COFA2E Group, in her capacity as Member of the Supervisory Board
COFA2E, SAS (Champfromier)	President
Mandates and Duties Expired in the Last Five Financial Years: None	

7.4. COUTIER DEVELOPPEMENT

Duties:	Professional Address:
Member of the Supervisory Board	975, route des Burgondes 01410 Champfromier, France
Current Mandates: None	
Mandates and Duties Expired in the Last Five Financial Years: None	

7.5. Christophe Coutier

Duties:	**Professional Address:**
Permanent representative of the COUTIER DEVELOPPEMENT, SA Group with Executive and Supervisory Boards (Champfromier) Member of the Audit Committee Member of the Remuneration Committee	975, route des Burgondes 01410 Champfromier, France
Current Mandates:	
French companies	***Duties***
COUTIER DEVELOPPEMENT SA with Executive and Supervisory Boards (Champfromier)	Member of the Executive Board
COFA2C, SAS (France) (Champfromier)	President
FOREX, SAS (France) (Champfromier)	President
GFF Groupement Forestier (Champfromier)	Manager
Foreign Companies	***Duties***
COUTIER DEVELOPMENT LCC (United States)	President
Mandates and Duties Expired in the Last Five Financial Years:	
Director of the COUTIER DEVELOPPEMENT Group (formerly COUTIER JUNIOR)	

7.6. Anne Vignat Ducret

	Address
Member of the Supervisory Board	891, Route de Saint André sur Vieux Jonc Le Thioudet, 01960 Peronnas, France
Current Mandates:	
French companies	***Duties***
COUTIER DEVELOPPEMENT SA with Executive and Supervisory Boards (Champfromier)	Member of the Supervisory Board
FORESTIERE & DEVELOPPEMENT (SAS) (Maillat)	CEO
LES FILS DE CYRILLE DUCRET (SAS) (Maillat)	CEO
FORETS ET SCIAGES AUTUN - F.S.A (SAS) (Autun)	CEO
POINT BOIS (SAS) (Cayenne, Guyana)	CEO
CAISSE REGIONALE DE CREDIT AGRICOLE CENTRE-EST (Champagne-au-Mont d'Or)	Director
SCIAGE USINAGE PANNEAUX BOIS-SUPBOIS (SA) (Janville-en-Beauce)	Director
FORETS & SCIAGES COMTOIS: FSC (SARL) (Pierrefontaine-les-varans)	Manager

BOIS & SCIAGES GUYANAIS – BSG (SARL) (Roura, Guyana)	Manager
MATBOIS (SARL) (Le Lamentin, Martinique)	Manager
PACABOIS (SARL) (Maillat)	Manager
SYSCOBOIS (SARL) (Baume-les-dames)	Manager
GROUPEMENT FORESTIER DE LA VIELLE (Autun)	Manager
COVEMAT (SARL) (France — Martinique)	Manager
BOIS CARRE (SARL) (Baume-les-dames)	Manager
SOCIETE CIVILE DES PRES (SCI) (Pierrefontaine-les-varans)	Manager
Foreign Companies	***Duties***
MBAO BOIS SENEGAL (SARL) (Senegal)	Manager
Mandates and Duties Expired in the Last Five Financial Years:	
Manager of the SCI (real estate investment company) Sous les Roches (France)	
Manager of Groupement Forestier du Violon (France)	

7.7. Nicolas Job

Duties:	**Professional Address:**
Vice-President and Member of the Supervisory Board President and Member of the Audit Committee Member of the Remuneration Committee	11, chemin des anciennes vignes 69410 Champagne-au-Mont-d'Or, France
Current Mandates:	
French companies	***Duties***
NJ CONSULTING	Manager
COUTIER DEVELOPPEMENT SA with Executive and Supervisory Boards (Champfromier)	Member of the Supervisory Board
Mandates and Duties Expired in the Last Five Financial Years: None	

7.8. Guillaume Wesolowski

Duties:	**Professional Address:**
Member of the Supervisory Board Engineering Manager	AKWEL — European Industrial Area 76220 GOURNAY-EN-BRAY, France
Current Mandates: None	
Mandates and Duties Expired in the Last Five Financial Years: None	

8. List of Mandates and Duties of the Members of the Executive Board as at December 31, 2023

8.1. Mathieu Coutier

Duties:	**Professional Address:**
President and Member of the Executive Board	975, route des Burgondes 01410 Champfromier, France
Current Mandates:	
French companies	***Duties***
COUTIER DEVELOPPEMENT, SA with Executive and Supervisory Boards (Champfromier)	Member of the Executive Board
AKWEL VANNES FRANCE, SAS (Vannes)	Permanent representative of the AKWEL Group, in his capacity as President
AKWEL AUTOMOTIVE VANNES FRANCE, SAS (Vannes)	Permanent representative of the AKWEL Group, in his capacity as President
COFA2M, SAS (Champfromier)	President
SCI DU PAYS DE BRAY SUD (Champfromier)	Manager
FERMOB (Champfromier)	Director (as of 01/25/2023)
Foreign Companies	***Duties***
AKWEL CHIPPENHAM UK LTD (United Kingdom)	Director
AKWEL BIRMINGHAM UK LTD (United Kingdom)	Permanent representative of the AKWEL Group, in his capacity as Director
AKWEL GERMANY SERVICES GMBH (Germany)	Manager
AKWEL RUDNIK CZECH REPUBLIC (Czech Republic)	Member of the Executive Board
AKWEL VIGO S.L (Spain)	Director and President
AKWEL SANT JUST SPAIN S.L (Spain)	Director and President
AKWEL TIMISOARA ROMANIA SRL (Romania)	Director
AKWEL SWEDEN AB (Sweden)	Director and President
AKWEL AUTOMOTIVE SWEDEN AB (Sweden)	Director and President
AKWEL BURSA TURKEY OTOMOTIVE A.S. (Türkiye)	Vice-President and Director
GOLD SEAL AVON POLYMERS PVT LTD (India)	Director
AKWEL NINGBO CHINA CO, LTD	Director
AKWEL WUHAN AUTO PARTS CO, LTD	Director

AKWEL CHONGQING AUTO PARTS CO, LTD	Director and President
AKWEL JAPAN SERVICES CO LTD (Japan)	Director
AKWEL USA, INC (United States)	Director and President
AKWEL CADILLAC USA, INC (United States)	Director and Treasurer
AKWEL MEXICO USA, INC (United States)	Director and Treasurer
AKWEL AUTOMOTIVE USA, INC (United States)	Director and President
AKWEL JUAREZ MEXICO, S.A. DE C.V (Mexico)	Director and President
AKWEL MEXICO, S.A. DE C.V (Mexico)	Director and President
AKWEL ORIZABA MEXICO, S.A. DE C.V (Mexico)	Director and Treasurer
MGI COUTIER ILIA CO PJS (Iran)	Director
Mandates and Duties Expired in the Last Five Financial Years:	
Director of the COUTIER DEVELOPPEMENT Group (formerly COUTIER JUNIOR) President of the Board of Directors of AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD)	

8.2. Benoit Coutier

Duties:	**Professional Address:**
Member of the Executive Board	975, route des Burgondes 01410 Champfromier, France
Current Mandates:	
French companies	***Duties***
COUTIER DEVELOPPEMENT, SA with Executive and Supervisory Boards (Champfromier)	Member of the Executive Board
COFA2B, SAS (Champfromier)	President
Foreign Companies	***Duties***
AKWEL STARA ZAGORA (Bulgaria) EOOD (Bulgaria) (formerly AKWEL VIDIN (BULGARIA) EOOD)	Manager
AKWEL TIMISOARA ROMANIA SRL (Romania)	President and Director
AKWEL TONDELA (PORTUGAL), LDA (Portugal)	Manager
AKWEL SWEDEN AB (Sweden)	Director
AKWEL AUTOMOTIVE SWEDEN AB (Sweden)	Director
AKWEL VIGO S.L (Spain)	Director
AKWEL SANT JUST SPAIN S.L (Spain)	Director
MGI COUTIER FINANCE, LTD (United Kingdom)	Director
AKWEL CHIPPENHAM UK LTD (United Kingdom)	Director

AKWEL BIRMINGHAM UK LTD (United Kingdom)	Director
AKWEL CHONGQING AUTO PARTS CO, LTD	Director
AKWEL WUHAN AUTO PARTS CO, LTD	Director
GOLD SEAL AVON POLYMERS PVT LTD (India)	Director
AKWEL AUTOMOTIVE PUNE INDIA PVT LTD (India)	Director
AKWEL RAYONG (THAILAND) CO, LTD (Thailand)	Director
AKWEL JAPAN SERVICES CO LTD (Japan)	Director
MGI COUTIER ILIA CO PJS (Iran)	Permanent representative of AKWEL in his capacity as Director
AKWEL BURSA TURKEY OTOMOTIV AS (Türkiye)	Director and President of the Board of Directors
AKWEL USA, INC (United States)	Director and Secretary (Officer)
AKWEL MEXICO USA, INC (United States)	Director and President
AKWEL AUTOMOTIVE USA, INC (United States)	Director and Officer
AKWEL CADILLAC USA, INC (United States)	Director and Secretary
AKWEL MEXICO, S.A. DE C.V (Mexico)	Director and President
AKWEL ORIZABA MEXICO, S.A. DE C.V (Mexico)	Director
AKWEL JUAREZ MEXICO, S.A. DE C.V (Mexico)	Director and Vice-President
Mandates and Duties Expired in the Last Five Financial Years:	
Director of the COUTIER DEVELOPPEMENT, SA Group (formerly COUTIER JUNIOR), Manager of AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA (Brazil)	

8.3. Nicolas Coutier

Duties:	**Professional Address:**
Member of the Executive Board	975, route des Burgondes 01410 Champfromier, France
Current Mandates:	
French companies	***Duties***
COUTIER DEVELOPPEMENT, SA with Executive and Supervisory Boards (Champfromier)	Member of the Executive Board
COFA2N, SAS (Champfromier)	President
Foreign Companies	***Duties***
AKWEL VIGO SPAIN SL (Spain) (formerly MGI COUTIER ESPANA SL)	Director
AKWEL AUTOMOTIVE PUNE INDIA PVT LTD (formerly. MGI COUTIER ENGINEERING PVT LTD)	Director
AKWEL JAPAN SERVICES CO LTD (Japan) (formerly AVON AUTOMOTIVE JAPAN CO.LTD)	Supervisor
AKWEL AUTOMOTIVE SWEDEN AB (Sweden) (formerly AUTOTUBE GROUPE AB (Holding)	Director
AKWEL SWEDEN AB (Sweden) (formerly AUTOTUBE AB)	Director
Mandates and Duties Expired in the Last Five Financial Years: None	

Director of the COUTIER DEVELOPPEMENT, SA Group (formerly COUTIER JUNIOR)

Manager of the AKWEL PAREDES DE COURA Group (Portugal) UNIPESSOAL, LDA (formerly MGI COUTIER LUSITANIA UNIPESSOAL LDA)

Director of the Group GOLD SEAL AVON POLYMERS (India)

8.4. Frédéric Marier

Duties:	**Professional Address:**
Member of the Executive Board	975, route des Burgondes 01410 Champfromier, France
Current Mandates: None	
Mandates and Duties Expired in the Last Five Financial Years: None	

FINANCIAL STATEMENTS — AKWEL GROUP

CONSOLIDATED BALANCE SHEET

At December 31, 2023
(in thousands of euro)

ASSETS	Notes	12/31/2023 Net Amounts	12/31/2022 restated*	12/31/2022 Published
Goodwill	7	35,476	36,298	36,298
Other intangible assets	8	706	699	704
Intangible assets		**36,182**	**36,997**	**37,002**
Land		21,710	17,584	17,584
Buildings		70,433	61,939	64,600
Technical installations and equipment		126,650	130,453	136,475
Other property, plant and equipment		9,168	7,868	8,820
Assets related to usage rights		13,159	13,120	12,818
Work in progress, advances and prepayments		42,560	34,623	35,125
Property, plant and equipment	9	**283,681**	**265,588**	**275,422**
Non-current financial assets	10	2,204	3,970	3,948
Other non-current receivables		-	837	837
Deferred tax assets	11	10,054	6,208	6,118
Total non-current assets		**332,121**	**313,600**	**323,326**
Inventory and work in progress	12	173,452	156,535	152,770
Accounts receivable and other assets related to customer contracts	13	166,233	156,286	155,648
Other receivables	14	59,613	67,525	67,448
Cash and cash equivalents	1.6.7	151,523	166,512	166,512
Total current assets		**550,821**	**546,858**	**542,378**
Assets held for sale or disposal	19	-		-
Total assets		**882,942**	**860,458**	**865,704**

*See note 1.3.1.1 of the notes to the consolidated accounts

LIABILITIES	*Notes*	12/31/2023	12/31/2022 restated*	12/31/2022 Published
Share capital	*15*	21,393	21,393	21,393
Revaluation surplus on land		2,333	2,333	2,333
Reserves and retained earnings		550,802	543,487	561,985
Interim dividends		-		-
Net income attributable to the Group		**35,722**	**25,250**	**11,080**
Equity attributable to the Group		**609,718**	**592,463**	**596,792**
Minority interests		**532**	**815**	**815**
Shareholder equity		**610,250**	**593,278**	**597,607**
Non-current provisions	*16*	57,782	48,711	48,157
Medium and long-term financial debt	*17*	2,237	8,193	8,193
Non-current lease liabilities	*17*	9,181	8,412	8,169
Deferred tax liabilities	*11*	6,314	5,780	7,088
Total non-current liabilities		**75,514**	**71,095**	**71,607**
Current provisions	*16*	11,896	8,398	8,398
Current financial liabilities	*17*	33,561	34,786	34,784
Current lease liabilities		1,520	1,759	1,683
Trade payables		110,402	112,103	111,119
(including liabilities related to trade payables)		*3,269*	*2,084*	*2,084*
Other debt	*18*	39,798	39,039	40,507
Total current liabilities		**197,177**	**196,085**	**196,491**
Liabilities held for sale or disposal	*19*	-		-
Total liabilities		**882,942**	**860,458**	**865,704**

* See note *1.3.1.1* of the notes to the consolidated accounts

CONSOLIDATED INCOME STATEMENT

At December 31, 2023
(in thousands of euro)

	Notes	12/31/2023 (12 Months)	12/31/2022 restated[*]	12/31/2022 Published
TURNOVER	1.7.1	**1,066,373**	**989,455**	**990,532**
Change in production held as inventory		10.791	9.598	9.296
Consumption		(502,579)	(488,554)	(489,016)
Discounts granted		(245)	(92)	(92)
Other external expenses		(169,539)	(153,245)	(152,746)
VALUE-ADDED		**404,801**	**357,163**	**357,974**
Taxes and levies		(4,521)	(4,309)	(4,313)
Personnel and temporary employee costs		(298,374)	(272,072)	(272,408)
EBITDA		**101,905**	**80,783**	**81,253**
Depreciation and amortization		(38,599)	(40,501)	(39,725)
Net charges to/reversals from provisions		(2,265)	(3,085)	(2,903)
CURRENT OPERATING INCOME	1.7.4	**61,042**	**37,197**	**38,624**
Other net non-current revenue (expenses)		(11,786)	(920)	(962)
OPERATING INCOME		**49,255**	**36,277**	**37,662**
Cash and cash equivalents		2,004	2,053	2,045
Cost of gross financial indebtedness		(1,690)	(1,654)	(1,427)
Cost of net financial indebtedness	5	**314**	**400**	**618**
Other financial income (and expenses)	5	(148)	2,188	2,200
Gains and losses on monetary position	5	-	-	(14,186)
Current and deferred taxes	6	(12,978)	(12,972)	(14,572)
Income from associated companies		(975)	(614)	(614)
NET INCOME FROM CONTINUING OPERATIONS		**35,469**	**25,279**	**11,108**
Net income from discontinued operations or operations being discontinued		-		
NET INCOME		**35,469**	**25,279**	**11,108**
* of which the portion attributable to the		35,722	25,250	11,080
* of which the portion attributable to minority		-253	28	28
Net income attributable to the Group per share (in euro)		**1.34**		**0.41**
Diluted net income attributable to the Group per share (in euro)		**1.34**		**0.41**

Value-added and EBITDA are indicators used in the Group's management reports. As such, they are presented above.

[*] See note 1.3.1.1 of the notes to the consolidated accounts

NET INCOME STATEMENT AND THE GAINS AND LOSSES RECOGNIZED DIRECTLY IN SHAREHOLDER EQUITY

At December 31, 2023
(in thousands of euro)

	12/31/ 2023	12/31/2022 Restated*	12/31/2022 Published
NET INCOME	**35,469**	**25,279**	**11,108**
Translation adjustment	(5,128)	8,525	26,479
OCI — Recyclables	-		-
Actuarial gains and losses on pension obligations, net of taxes	(439)	2,239	2,239
OCI — Non-recyclables	-		-
GAINS AND LOSSES RECOGNIZED IN SHAREHOLDER EQUITY	**(5,567)**	**10,764**	**28,718**
COMPREHENSIVE INCOME	**29,902**	**36,043**	**39,827**
* of which the portion attributable to the consolidated Group	30,184	36,025	39,808
* of which the portion attributable to minority interests	(282)	18	18

Clarification: all components of other comprehensive income are intended to be recycled into profit or loss, except for actuarial gains and losses related to post-employment obligations and fair value changes of non-consolidated equity securities.

* See note 1.3.1.1 of the notes to the consolidated accounts

CONSOLIDATED CASH FLOW STATEMENT

At December 31, 2023
(in thousands of euro)

	Notes	12/31/ 2023 (12 Months)	12/31/2022 (12 Months)
NET INCOME		**35,469**	**11,108**
Goodwill amortization	7	-	-
Amortization excluding usage rights	9.1	35,667	36,936
Amortization including usage rights	9.2	2,932	2,789
Capital gains/losses on asset disposals		18	(2,586)
Changes in provisions and other operational resources		9,591	(1,972)
Net income from discontinued operations or operations being discontinued		-	-
Elimination of income from equity associates		975	614
SELF-FINANCING		**84,652**	**46,889**
Changes in other short-term assets and liabilities		(20,748)	1,989
CHANGES IN CASH FROM OPERATING ACTIVITIES		**63,904**	**48,878**
Acquisitions of tangible and intangible fixed assets	8 and 9	(57,535)	(40,352)
Financial asset acquisitions		334	34
Disposal of fixed assets		939	8,865
Change in the scope of consolidation	2	(2,995)	(1,718)
CHANGES IN CASH FROM INVESTMENTS		**(59,258)**	**(33,171)**
Distribution of dividends		(8,020)	(12,471)
Changes in debt	17	(8,702)	(15,877)
Capital increase/decrease		-	-
Changes in rental debts		728	(1,708)
CHANGES IN CASH FROM FINANCING		**(15,993)**	**(30,056)**
Impact of exchange rate fluctuations		(3,687)	13,457
NET CHANGE IN CASH FLOW		**(15,036)**	**(892)**
OPENING CASH BALANCE		**166,512**	**167,404**
CLOSING CASH BALANCE	1.11	**151,476**	**166,512**
of which: Cash and cash equivalents		*151,476*	*166,512*
Bank overdrafts		-	-

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

Breakdown of Changes in Other Short-Term Assets and Liabilities

	12/31/ 2023 (12 Months)	12/31/2022 (12 Months)
Changes in financial expenses	-	-
Changes in inventory	(18,314)	(24,269)
Changes in current receivables	(6,275)	(5,175)
Changes in current payables	(1,473)	29,850
Changes in non-current receivables	4,884	720
Changes in non-current payables	430	863
Changes in assets and liabilities available for sale	-	-
Changes in other short-term assets and liabilities	**(20,748)**	**1,989**

Breakdown of changes in debt (excluding rental debts)

	12/31/ 2023 (12 Months)	12/31/2022 (12 Months)
Capital increase or contributions	-	-
Receipts from loans	664	(345)
Loan repayments	(9,366)	(15,532)
Changes in debt (excluding rental debts)	**(8,702)**	**(15,877)**

CHANGES IN CONSOLIDATED SHAREHOLDER EQUITY

At December 31, 2023
(in thousands of euro)

	Capital	Premiums	Reserves	Gains and Losses Recognized in Shareholder Equity	Total Group Share	Minority interests	Total
Shareholder Equity as at December 31, 2021	21,393	9,704	632,834	(94,127)	569,804	1,368	571,172
Profit/loss for 2022	-	-	11,080	-	11,080	28	11,108
Gains and Losses Recognized in Shareholder Equity	-	-	-	26,489	26,489	(10)	26,479
OCI	-	-	-	2,239	2,239	-	2,239
Comprehensive income subtotal	-	**-**	**11,080**	**28,728**	**39,808**	**18**	**39,827**
Distribution of dividends	-	-	(12,031)	-	(12,031)	(441)	(12,472)
Other changes	-	-	(790)	-	(790)	(130)	(920)
Shareholder Equity as at December 31, 2022	21,393	9,704	631,093	(65,399)	596,791	815	597,607
Impact of restating the standard for Turkish entities				(4,329)	(4,329)		(4,329)
Shareholder equity as at December 31, 2022 restated	**21,393**	**9,704**	**631,093**	**(69,728)**	**592,463**	**815**	**593,278**
Profit/loss for 2023	-	-	35,722	-	35,722	(253)	35,469
Gains and Losses Recognized in Shareholder Equity	-	-	-	(770)	(770)	(29)	(799)
OCI	-	-	-	(439)	(439)	-	(439)
Comprehensive income subtotal	-	**-**	**35,722**	**(1,209)**	**34,513**	**(282)**	**34,231**
Distribution of dividends	-	-	(8,020)	-	(8,020)	-	(8,020)
Other changes	-	-	(9,237)	-	(9,237)	(1)	(9,238)
Shareholder Equity as at December 31, 2023	**21,393**	**9,704**	**649,558**	**(70,937)**	**609,718**	**532**	**610,250**

End-of-career bonuses were calculated taking into account the update to standard IFRIC IC. Actuarial gains and losses, recognized in OCI amount to €(439K).

NOTES TO THE CONSOLIDATED ACCOUNTS

December 31, 2023

1. Accounting Rules and Methods

The Group's consolidated accounts were approved by the Executive Board on April 3, 2024.

1.1. Key Events of the Past Financial Year

During the past financial year, significant operations and events in terms of scope or organization were as follows:

- Decision to close the Gournay site
- Increase in turnover due to growth in the automotive production market and the impact of increases in raw material costs and other costs on sales prices
- Increase in personnel costs due to wage inflation

1.2. Compliance Statement

In accordance with European Regulations 1606/2002 and 1725/2003, the consolidated financial statements of the AKWEL Group are prepared in accordance with the international accounting standards applicable within the European Union as at December 31, 2023. International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards), and amendments by the SIC and the IFRIC (Standards Interpretations Committee and International Financial Reporting Interpretations Committee) and their interpretations, which are available on the following website: http://eur-lex.europa.eu/en/index.htm.

The consolidated accounts are presented in euro and rounded to the nearest thousand.

1.3. New Standards, Amendments and Interpretations Applicable in 2023

The consolidated accounts are prepared in accordance with the accounting and valuation rules defined by the IFRS framework (standards, amendments and interpretations) adopted by the European Commission as at December 31, 2023. This framework is available on the European Commission's website.

The new standards, amendments and interpretations adopted by the European Commission, applicable from January 1, 2023, are presented below:

- amendments to IAS 1, Disclosure of Accounting Policies; and update of a practical application guide on materiality (IFRS Practice Statement 2: Making Materiality Judgements), adopted by the European Union (EU) in March 2022;
- amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, adopted by the EU in March 2022;
- amendments to IAS 12, Deferred taxes related to assets and liabilities arising from a single transaction, adopted by the EU in August 2022;
- amendments to IAS 12 – Pillar 2, adopted by the EU in November 2023 and immediately applicable in 2023 (a). IFRS 17 and amendments – "Insurance Contracts" and amendments to standard 17.

These amendments had no impact on the Group's accounts as at December 31, 2023.

The Group applied the IAS 12 "Income Taxes" amendment concerning the application of European Directive Pillar 2, which enables it to exclude potential effects of the Directive on the calculation of deferred taxes. The impact on the Group's consolidated accounts is currently being assessed. Based on the information available to date, the Group does not anticipate a significant impact from the implementation of Pillar 2, starting from the 2024 financial year, on the current tax expenses related to the top-up tax payable under Pillar 2.

Other new standards, amendments and interpretations applicable from January 1, 2023 are either not applicable or have not had a significant impact on the Group's financial statements.

The Group has chosen not to implement in advance the standards, amendments and interpretations adopted or in the process of being adopted by the European Union, but whose early application would have been possible as interpretations of existing texts, and which will come into force after December 31, 2023, notably:

For periods beginning on or after January 1, 2024:

- the IFRS 16 amendment "Lease Liability in a sale and Leaseback Transaction," published by the EU in November 2023;
- the IAS 1 amendment "Presentation and Disclosure in Financial Statements: Classification of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants," adopted by the EU in December 2023;
- the IFRS 7 amendment "Financial Instruments: Supplier Finance Arrangements," adopted by the IASB in May 2023 and currently being adopted by the EU;
- the amendment of standard and interpretation IFRS 14 "Regulatory Deferral Accounts."

For periods beginning on or after January 1, 2025:

- The IAS 21 amendment "Lack of Exchangeability," adopted by the IASB in August 2023 and currently being adopted by the EU.

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 made by the Group's Management. Presenting financial statements requires the use of estimates and assumptions in order to evaluate certain assets, liabilities, income, expenses and commitments. The final data may differ from these estimates and assumptions. Goodwill, impairment tests, deferred tax assets, provisions recorded in the balance sheet liabilities and lease contract durations are the main elements of the consolidated financial statements affected by the use of assumptions and estimates.

During the financial year, the Group did not observe a significant change in the level of uncertainties related to these estimates and assumptions, especially considering the uncertainties associated with the macroeconomic and geopolitical environment, with the exception of the very high volatility of the discount rate used to calculate employee commitments (see note *1.6.9* *Pension Obligations*) and those related to translation adjustments.

1.3.1. The Impacts of Hyperinflation in Türkiye and Argentina on the Group

1.3.1.1. The Euro as the Functional Currency for Turkish Subsidiaries

In 2022, due to the high inflation rate in Türkiye (64% for the year) and the continuous depreciation of the Turkish lira since 2020, Türkiye was included in the list of hyperinflationary economies. This led the Group to apply IAS 29 "Financial Reporting in Hyperinflationary Economies." The impact of applying this standard resulted in recognizing a loss on monetary position of €14.3 million in the consolidated income statement at December 31, 2022.

In 2023, after thorough analysis, it was determined that the functional currency for both Turkish subsidiaries was the euro. As a result, the Group now applies IAS 21 "The Effects of Changes in Foreign Exchange Rates."

The chosen effective date is January 1, 2022, closest to the date when Türkiye was declared to be in hyperinflation (April 2022). As a result, the Group had to revise its 2022 accounts.

The consolidated financial statements (Consolidated Balance Sheet and Consolidated Income Statement) present, in a dedicated column, the restated figures for the 2022 financial year. Where appropriate, the notes disclose the impact accordingly.

In accordance with IAS 8, significant adjustments resulting from error corrections must be recognized retrospectively, i.e. by correcting the recognition, measurement and disclosures (IAS 8.5 and 8.42).

The corrections made in the 2022 financial year have the following impacts:

(in thousands of euro)	12/31/2022 Published	Including impacts IAS 29	12/31/2022 Published, Excluding Impacts IAS 29	Impacts IAS 21	12/31/2022 Corrected
Intangible assets	37,002	14	36,988	9	36,997
Property, plant and equipment	275,422	12,134	263,288	2,300	265,588
Other non-current assets	10,903		10,903	112	11,015
Total non-current assets	***323,327***	***12,148***	***311,179***	***2,421***	***313,600***
Inventory and work in progress	152,770	169	152,601	3,934	156,535
Accounts receivable and other assets related to customer contracts	155,648		155,648	638	156,286
Other receivables	67,448		67,448	77	67,525
Cash and cash equivalents	166,512		166,512	0	166,512
Total current assets	***542,378***	***169***	***542,209***	***4,649***	***546,858***
Total assets	**865,705**	**12,317**	**853,388**	**7,070**	**860,458**

(in thousands of euro)	12/31/2022 Published	Including impacts IAS 29	12/31/2022 Published, Excluding Impacts IAS 29	Impacts IAS 21	12/31/2022 Corrected
Shareholder equity	597,607	9,481	588,126	5,152	593,278
Non-current liabilities	71,607		71,607	-512	71,095
Total current liabilities	196,491	2,835	193,656	2,429	196,085
Total liabilities	**865,705**	**12,317**	**853,388**	**7,070**	**860,458**

(in thousands of euro)	12/31/2022 Published	Including impacts IAS 29	12/31/2022 Published, Excluding Impacts IAS 29	Impacts IAS 21	12/31/2022 Corrected
Turnover	990,532	15,966	974,566	14,889	989,455
Operating income	37,662	-1,001	38,663	-2,386	36,277
Gains and losses on monetary position	-14,186	-14,186	0	0	0
Net income	**11,108**	**-16,618**	**27,726**	**-2,447**	**25,279**

The impact on the profit for 2022 is €14,171 million, i.e. €0.53 per share.

However, these reclassifications have no impact on the Group’s cash flows or on the valuation of the CGUs (no amendment to the conclusions of the impairment tests conducted as at December 31, 2022).

1.3.1.2. Impacts of Hyperinflation in Argentina

Considering the non-significant nature of the subsidiary, the Group does not apply IAS 29 “Financial Reporting in Hyperinflationary Economies.”

1.4. Scope of Consolidation

Significant companies in which the Group has direct or indirect exclusive control are fully consolidated. The exclusive control is assessed according to the criteria defined by IFRS 10 (direct or indirect power to direct the financial and operational policies of the relevant activities, exposure to variable returns and the ability to use its power to influence returns). This control is generally presumed to exist in companies where the Group directly or indirectly holds more than 50% of the voting rights of the controlled entity. To assess this control, potential immediately exercisable voting rights are taken into account, including those held by another entity.

Significant associated companies in which the Group directly or indirectly exerts notable influence are accounted for using the equity method. Notable influence refers to having the power to shape the financial and operational policies of a company without, however, exercising control over its policies. It is presumed to exist when the Group directly or indirectly holds between 20% and 50% of the voting rights. Equity accounting involves substituting the carrying amount of the securities held with the share they represent in the associated Group's equity, including the results of the financial year.

The analysis of partnerships conducted according to the criteria defined by IFRS 11 revealed only joint ventures and no joint activities. Joint ventures are accounted for using the equity method.

The list of companies included in the consolidation scope as of December 31, 2023, is provided in *note 2*.

All significant transactions between the consolidated companies are eliminated, as well as unrealized internal profits included in the fixed assets and inventories of the consolidated entities.

1.4.1. Business Combinations

Since 2010, the Group has been applying the revised standards IFRS 3 "Business Combinations" and IAS 27 "Consolidate and Separate Financial Statements." In accordance with this method, the Group recognizes the identifiable assets, liabilities and contingent liabilities at their fair value, as of the date of acquisition.

The acquisition cost corresponds to the fair value, at the date of the exchange, of the assets transferred, liabilities incurred and/or equity instruments issued in exchange for control of the acquired entity.

Expenses related to a business combination are not part of the fair value exchanged. They are recognized as expenses and are not included in the acquisition cost of the securities.

The Group assesses minority interests in a takeover either at their fair value (full goodwill method) or based on their share of the acquired Group's net assets (partial goodwill method). The option is chosen for each acquisition.

The impact of changes in the consolidation scope without amending the control is recognized directly in consolidated reserves.

When the business combination agreement provides for a price adjustment dependent on future events, the Group includes the amount of this adjustment in the business combination cost at the acquisition date if this adjustment is likely and can be reliably measured. Any subsequent variation is recognized in profit or loss.

The Group has a 12-month period from the acquisition date to complete the accounting for the considered business combination (excluding variations in price adjustments — see above). Any change to the acquisition price made outside the allocation period results in no change to the acquisition cost or goodwill. This 12-month period does not apply to price adjustment clauses, the variations of which are recognized in profit or loss post-acquisition.

1.5. Conversion of the Financial Statements and Foreign-Currency Transactions

The financial statements of foreign subsidiaries are prepared in their functional currency, which is the currency that is significant to the operations of the respective subsidiary. This is most often the local currency.

The Group applies the closing-rate method to convert subsidiary financial statements:

- all balance-sheet items of foreign subsidiaries are converted at the closing rate, except for equity;
- income statement items of foreign subsidiaries, denominated in the local currency, are converted at the average rate for the period;
- Group share of equity is converted at the historical rate, except for the current year's profit, which is converted at the average rate;
- translation adjustments are recognized in other comprehensive income;

- goodwill arising from foreign subsidiaries is recorded in the subsidiary's currency.

Exchange differences resulting from currency transactions during the period are included in the income statement under current operating income.

The accounting principles adopted for the conversion of subsidiaries located in hyperinflationary economies are presented in note *1.3.1*. Except for Turkish subsidiaries from 2022 onward, the Group has no other significant subsidiaries in hyperinflationary countries.

The Group has not implemented any currency risk hedging instruments for the periods presented.

In the event of the disposal of foreign subsidiaries that prepare their accounts in a currency other than the euro, the cumulative translation adjustments are recycled into profit or loss to be included in the gain or loss on disposal.

Exchange differences related to a monetary item that is essentially part of the net investment in a foreign subsidiary are recognized directly in consolidated equity under the "Translation adjustment" item, provided the criteria defined by the standard are met.

1.6. Accounting Principles and Methods

The accounts of the Group's companies, prepared according to the accounting rules in force in their country of operation, are adjusted before being consolidated when there are discrepancies in accounting principles compared to those adopted by the Group.

1.6.1. Intangible assets

Intangible assets are recorded on the balance sheet at their acquisition cost and primarily include the following:

- patents (amortized on a straight-line basis over their protection period);
- software (amortized on a straight-line basis over a period ranging from one to three years).

Research expenses are recognized as charges in the financial year in which they are incurred. Development costs are recognized as intangible assets when the conditions related to technical feasibility, market potential, the ability to reliably measure attributable costs, and the generation of future economic benefits are met. Development costs are reviewed on an annual basis in order to determine whether the accounting criteria of an intangible asset have been fulfilled.

In 2023, as in 2022, no development cost has been capitalized as the capitalization criteria were not met. Indeed, in order to capitalize development costs incurred as part of a new product project or a significant change in an existing product, six criteria must be met.

One of these criteria requires that the existence of a market for the output of the project be demonstrated. The market is considered proven when the Group has received manufacturer homologation and the volumes proposed by the manufacturers generate sufficient profitability. However, the corresponding development costs are incurred at a stage of the project prior to manufacturer homologation. The amount of Research and Development expenses recognized as expenses during the 2023 financial year amounts to €62.6 million (€58.5 million in 2022).

1.6.2. Goodwill

The positive difference between the acquisition cost of the securities and the fair value of the subsidiary's assets and liabilities at that date constitutes goodwill, which is recorded as an intangible asset under "Goodwill" in the consolidated balance sheet. Unallocated business goodwill is also deemed goodwill.

The acquisition price includes the impact of any adjustments to the acquisition price, such as price supplements. Price supplements are calculated by applying the criteria stipulated in the purchase agreement (turnover, income, etc.) to the most likely forecasts. They are estimated again upon each closure, and any changes are allocated to profit or loss (including within a year following the acquisition date). They are updated whenever there is a significant impact. Where appropriate, the impact of the "unwinding" of the debt recorded in the liabilities is recognized in the "Cost of net financial indebtedness" category. Acquisition costs are recognized directly as expenses.

In accordance with the exception provided by IFRS 1, the value of positive goodwill determined according to French GAAP was not adjusted to IFRS standards during the transition to IFRS in 2005.

When goodwill is negative, it is immediately recognized in profit or loss.

Goodwill is not amortized. It is, however, subject to impairment tests (see *note 7*).

Impairment Tests on Non-Financial, Non-Current Assets

In accordance with IAS 36, impairment tests are conducted at least once a year for non-amortized assets (mainly goodwill), and for other tangible and intangible assets if there are indications of impairment.

In practice, non-financial, non-current assets mainly consist of goodwill and land.

For the impairment testing of goodwill, the goodwill is allocated among the cash-generating units (CGUs), which are homogeneous groups that generate independent cash flows.

Regarding goodwill, the CGUs correspond to the countries of operation (France, Spain, Türkiye, China, United States, Sweden, etc.). There have been no CGU changes over the financial years presented.

The carrying amount of the assets grouped in this manner is compared to the higher of their value in use and their net market value minus sales costs. In practice, only the value in use is applied.

The value in use of goodwill is determined based on the discounted future cash flows of the CGUs using the following economic assumptions:

- the cash flows used are derived from the 2024 budgets and are extended over a total explicit period of five years;
- beyond this period, the terminal value is calculated by capitalizing the last cash flow of the explicit period indefinitely at a perpetual growth rate of 1.5% (1.5% in 2022);
- the discount rate corresponds to a weighted average cost of capital after tax. Using this method results in recoverable amounts that are identical to those obtained using a pre-tax rate on pre-tax cash flows.

The discount rate used as at December 31, 2023 to discount future cash flows is 10.3%, compared to 9.0% as at December 31, 2022.

In the absence of identified country risks, identical industry sectors, a similar customer base and homogeneous operations, the Group has not customized the discount rate or the perpetual growth rate for each CGU.

When the tests indicate an impairment, it is first charged against goodwill, and then against the other assets of the CGU, up to their recoverable amount. Impairments are recognized in either current or non-current operating income, depending on the cause of the impairment. Impairments on goodwill are irreversible until the related cash-generating units are disposed of, except in the case of equity associates.

1.6.3. Property, plant and equipment

Fixed assets are measured at their acquisition cost or at their fair value in the case of business combinations. The Group has opted for the revaluation of land as presented below in *note 9*.

The analysis conducted according to IAS 23 did not result in the capitalization of borrowing costs.

For consistency, depreciation is adjusted on a straight-line basis over the assets' useful life.

The generally adopted depreciation periods are as follows:

- buildings: 25 to 40 years;
- building fixtures: 5 to 10 years;
- technical installations: 5 to 10 years;
- industrial equipment and tools: 5 to 10 years;
- general installations: 10 years;
- furniture and office equipment: 5 to 10 years.

In accordance with IAS 36, the Group would conduct impairment tests, using a methodology similar to that applied to goodwill, if any indicators of impairment were identified.

The Group's assets are not subject to expenditures under major multi-year maintenance or overhaul programs. The expenses incurred serve solely to verify the proper functioning of the installations and to perform maintenance without extending their useful life beyond the initially planned period.

The Group's property, plant and equipment do not have significant residual values.

The analysis conducted did not identify any lease-related assets that would need to be tested independently of a cash generating unit (CGU).

Accounting Principles Related to the Adjustments of Lease Contracts

IFRS 16 no longer distinguishes, from the lessee's perspective, between finance leases and operating leases.

Lease contracts, or contracts that contain a lease, are agreements that grant the right to control the use of an identified asset for a specified period in exchange for consideration.

Lease contracts meeting this definition are accounted for according to the guidelines below, except in cases of exemptions stipulated by the standard (such as contracts with terms under 12 months or low-value underlying assets) and for contracts not adjusted due to their negligible impact. In practice, the analysis has resulted in adjustments being made solely for real estate lease contracts.

For contracts not treated as lease contracts, rental payments are recognized as expenses evenly over the contract term.

For contracts falling under the purview of IFRS 16, the accounting treatment is as follows:

- at the contract start date, the Group recognizes an asset for the right of use and a financial liability for the lease obligation;
- the lease obligation is assessed at the discounted value of the unpaid lease payments over the contract term. The discounted value is calculated using the explicit interest rate for finance leases and the incremental borrowing rate for other cases. The incremental borrowing rate is calculated for each country according to the contract term and the repayment profile (duration rate);
- the lease term is the non-cancellable period that corresponds to the enforceable period. In accordance with the IFRS IC interpretation of November 2019, the Group considers the date until which the lessee is reasonably certain to continue the lease beyond the contractual term;
- there are no early termination clauses in the various leases, and there are no clauses that would lead lessors to pay the Group a more than insignificant penalty if the lease is not renewed at the end of the non-cancellable period.

In practice:

- the durations used for lease contracts in France correspond to the enforceable period of nine years ("3/6/9" commercial leases): a non-cancellable period of three years and certainty of exercising renewal options after three and six years. In cases where there is no specified duration in the contract, assets related to the right of use will be amortized over ten years, which corresponds to the average economic useful life of the assets concerned.
- there are no early termination clauses in the various leases, and there are no clauses that would lead lessors to pay the Group a more than insignificant penalty if the lease is not renewed at the end of the non-cancellable period.

Lease payments include fixed payments, variable payments dependent on an index or rate, and the exercise prices of purchase options that the lessee is reasonably certain to exercise. In practice, most lease payments are fixed and there are no purchase options.

Assets related to usage rights are measured using the cost model as follows: the cost is reduced by the accumulated depreciation and impairment losses, and adjusted to reflect any revaluations of the lease liability.

Assets related to usage rights are amortized over the economic useful life for leases with a purchase option, and over the lease term used to determine the lease liability for other leases.

Impact on Cash Flows

In accordance with IAS 7, only the repayments of debt related to lease liabilities are reported in the cash flow statement — under financing activities. The flows related to the increase in assets and liabilities from lease contracts are offset.

The interest paid on lease liabilities is presented under "Changes in debt," similar to other interest payments.

1.6.4. Non-current financial assets

Financial assets valued at amortized cost:

This item primarily includes deposits and guarantees paid by the Group's companies.

Assets measured at fair value through other comprehensive income:

The Group measures non-consolidated equity securities at their fair value through other comprehensive income, which is not recyclable to profit or loss (see *1*.9). In exceptional circumstances (e.g. lack of reliable and recent information), the historical cost is deemed to be an acceptable benchmark of the fair value.

Assets measured at fair value through profit and loss:

No non-current financial assets are included in this category.

1.6.5. Inventory

Inventory is valued at the purchase price for raw materials and at the factory cost price for finished goods and work in progress. Factory cost price excludes overheads that do not contribute to production and financial expenses. All of these costs are calculated using the first in, first out method and, given the inventory turnover, are close to the latest cost prices.

A provision for impairment is recognized when the net value of the inventory exceeds its net realizable value and/or when indicators of value loss are identified (turnover, obsolescence, etc.).

Tools are valued at full cost up to the billable price to customers.

1.6.6. Accounts Receivable , Other Asset and Liabilities Related to Customer Contracts

Accounts Receivable:

Accounts receivable are initially recorded at the fair value of the consideration to be received. The fair value of accounts receivable is considered to be their nominal value, given the usual payment terms of three months or less. Accounts receivable are adjusted at the balance sheet date for bills sent for collection that are not yet due, as well as for bills subject to discounting. Trade receivables that have not yet matured and are sold under a factoring agreement, but do not meet the derecognition criteria of IAS 39, remain under the “Trade and similar receivables” item; otherwise, they are recorded as cash.

A provision is recognized in accordance with IFRS 9 based on expected credit losses, taking into account any collateral. It should be noted that, overall, the customer risk is considered to be low.

The Group applies the simplified approach for impairment of receivables. The Group distinguishes doubtful receivables (customers with a high risk of default) from other accounts receivable.

Doubtful receivables are adjusted on a case-by-case basis.

Non-doubtful accounts receivable are adjusted based on a provisioning matrix, which considers both the probability of default and the probability of loss given default.

The probabilities are based on a risk analysis considering quantitative and qualitative criteria such as the financial situation of the customer, the age of the receivable and the existence of any disputes.

Other assets related to customer contracts:

There are no assets related to the costs of obtaining or executing contracts.

Netting agreements:

None.

Contracts with a significant financing component:

None.

Liabilities related to customer contracts:

Liabilities related to customer contracts include:

- debts owed to customers for consideration to be paid to customers;
- deferred income, of little significance, aimed at allocating revenue over the financial year.

1.6.7. Cash and cash equivalents

Cash at bank and in hand essentially comprises overdraft bank accounts.

Cash and cash equivalents are marketable securities that meet the criteria of IAS 7 for classification as “cash and cash equivalents”: short-term investments, highly liquid and easily convertible into a known amount of cash, and subject to negligible risk of value fluctuations.

They are initially recorded at acquisition cost and subsequently measured at fair value, which corresponds to the market value at the balance sheet date. Changes in fair value are recorded under financial income.

1.6.8. Payable and Deferred Taxes

Taxes Payable

Tax receivables and payables include assets and liabilities related to tax uncertainties and risks, in accordance with IFRIC 23. In practice, no amount has been reported in the financial years presented regarding tax uncertainties.

Deferred taxes

Deferred taxes reflect the timing differences between expenses and revenues recognized for financial reporting purposes in the consolidated financial statements and those recognized for corporate income tax purposes.

These deferred taxes, determined using the variable-rate method, mainly result from:

- provisions not deductible on a temporary basis;
- consolidation adjustments (amortization method, lease contracts, severance pay, etc.).
- elimination of internal profit included in inventories.

Deferred tax assets and liabilities are calculated using the enacted or substantially enacted tax rate at year-end. In practice, no significant changes in tax rates are expected. Deferred tax assets related to deductible temporary differences and tax loss carryforwards are recognized only to the extent that they can be offset against future taxable differences when there is a reasonable likelihood of realization or recovery through offsetting against future results, or when there are opportunities for tax optimization initiated by AKWEL. The time horizon for estimating future profits is a maximum of five years, with a periodic review of the assumptions and forecasts used. Furthermore, any regulations governing the capping of the use of deficits are considered, where relevant.

Applying the above principles has led to the non-recognition, at Group level, of deferred tax assets related to tax losses incurred by certain subsidiaries at year-end due to uncertainties regarding their future use and the absence of a precise schedule for using tax losses.

Deferred tax assets and liabilities have been offset when they relate to the same tax entity.

In accordance with IAS 12, deferred taxes are not discounted.

1.6.9. Pension Obligations

For defined contribution plans, the Group’s payments are recognized as expenses in the period to which they relate.

For defined benefit plans concerning post-employment benefits, the costs of benefits are estimated using the projected unit credit method with end-of-career salary.

The amounts of rights acquired by employees under various applicable collective agreements are assessed based on actuarial assumptions (changes in salary, retirement age, mortality, staff turnover), then discounted to their present value based on a discount rate. The corresponding provision for these acquired rights is fully recognized in provisions for retirement and other benefits.

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

The discount rate was determined taking into account the yield on private bonds with no risk and a maturity close to that of the commitments.

The amounts were calculated based on a discount rate of 3.22% (compared to 3.84% at year-end 2022), a salary increase of 2.5% (compared to 2.5% at year-end 2022) for both executives and non-executives, a retirement age of 67 and average assumptions regarding staff turnover. These assumptions apply to the French entities, which represent the most significant portion of the recognized pension obligations.

Active and former members of the governing and management bodies does not receive any specific benefit in terms of pension.

The cost of services rendered and the financial cost are reported in consolidated profit or loss. The impact of changes in system is also immediately recognized in consolidated profit or loss. There have been no changes in system over the financial years presented.

Actuarial gains and losses (related to changes in actuarial assumptions and experience adjustments) are recognized in other comprehensive income and are not recyclable to profit or loss.

No changes or amendments to the plan have occurred during the periods presented, except for the pension reform in France, which was adopted in April 2023 and came into force on September 1, 2023. The impact of this reform is insignificant.

Finally, the Group has not opted to outsource funding of the obligation to a fund.

1.6.10. Share-Based Payments

Where applicable, pursuant IFRS 2, the stock subscription or purchase options granted to employees that are settled in shares are measured at their fair value. This fair value is recognized in the income statement over the vesting period of the exercise rights by the employees, taking into account a probability of rights vesting, re-evaluated at each year-end. The cumulative benefit amount is fixed at the vesting date, based on the rights actually vested. It is then reclassified to reserves when the rights are exercised or forfeited.

1.6.11. Provisions (Excluding Tax Uncertainties)

In general, management has reviewed every known dispute involving the Group as at the balance sheet date. Where appropriate, after consulting with external advisors, provisions deemed necessary have been made to hedge the estimated risks.

Contingent assets are disclosed in the notes when their realization is likely and their amount is significant. Contingent liabilities are disclosed in the notes when their amount is significant.

1.6.12. Loans and Financial Debt

Loans and financial debt are measured at amortized cost using the effective interest rate method.

The accounting rules for lease liabilities under IFRS 16 are presented in note *1.6.3* on accounting principles related to the adjustments of lease contracts.

1.6.13. Derivatives

1.6.13.1. Currency Risk

The Group and its subsidiaries primarily conduct purchase and sales transactions in the same currencies, thereby naturally hedging against exchange rate fluctuations. As a result, the Group does not currently use financial instruments to hedge its commercial flows.

1.6.13.2. Interest-Rate Risk

Historically, the Group’s companies have not held any hedging contracts to secure a maximum fixed rate on a portion of the variable-rate financings in place.

1.6.14. Assets/Liabilities Held for Sale, Discontinued Operations

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value minus costs to sell.

When applicable, and in compliance with IFRS 5, the results of discontinued operations are presented on a separate line in the income statement. No assets or liabilities meet this definition for the periods presented.

1.6.15. Own Shares

Movements (acquisitions and disposals) of the parent company’s shares, whether held by the Parent Company itself or by one of its consolidated subsidiaries, are recognized directly in equity.

Gains or losses on the disposal of these shares are directly allocated to equity, net of the corresponding tax.

1.7. Presentation of the Income Statement

1.7.1. Revenue

IFRS 15 establishes the principles for recognizing revenue based on a five-step analysis:

- identification of the contract;
- identification of the various performance obligations, i.e. the list of goods or services the seller has committed to providing to the buyer;
- determination of the overall contract price;
- allocation of the overall price to each performance obligation;
- recognition of revenue and the related costs when a performance obligation is met.

Sales of parts and tools are recognized as revenue at the time of delivery, which corresponds to the date control is transferred, according to the specific terms of each contract or order.

The Group has selected the main transactions and contracts that represent its current and future activities. These transactions and contracts have been analyzed according to the five-step model required by the standard, particularly to identify areas of judgment. The conclusions of this analysis are outlined below.

For a particular automotive project, the three main commitments made by the Group to a manufacturer, generally identified during the preliminary analysis, are as follows:

- product study, which includes determining the intrinsic technical specifications of the parts as well as those related to the associated production process;
- provision of production tools, such as molds and other equipment used for manufacturing parts;
- supply of parts.

The analysis concluded that these three phases are distinct performance obligations for which the Group recognizes revenue upon delivery/completion. In most cases, each performance obligation has a specific legal contract. Each contract is therefore independent, and after fulfilling the performance obligation, the manufacturer can opt out of the other contracts related to the same references without penalty, demonstrating the distinct nature of these performance obligations. When multiple performance obligations are combined in a single contract, the Group’s policy is to set the price for each performance obligation independently. This approach mitigates the risk of loss if a contract is terminated after a specific service is completed.

Revenue from tools is recognized when control is transferred to the customer, which is considered satisfied when the customer validates the conformity of the tool. Until this transfer is completed, production costs are capitalized up to the billable amount to the customer.

Transaction prices are allocated to the performance obligations based on the contractual prices specific to each obligation as described above. Given the independence of the contracts and the risk of the manufacturer opting out of executing the other legal contracts, the Group negotiates with manufacturers for each contract based on standalone prices.

As for contributions received from clients on development costs and prototypes, they are now presented on the "Turnover" line as they result from a contract with a customer to obtain, in exchange for consideration, goods or services derived from the Group's regular activities. Moreover, the guarantees given are not optional.

Guarantees:

Furthermore, the Group considers that the contractual promise made to the manufacturer regarding the warranty of supplied parts does not meet the definition of a distinct performance obligation as it does not entail an "additional service." Therefore, warranty costs will continue to be recognized in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets."

Agent/Principal Distinction:

The use of subcontracting is limited due to the degree of integration within the Group. When subcontracting occurs, the Group bundles subcontracted products into larger groups and therefore remains responsible for providing the goods or services as the principal.

For certain specific contracts, upon reviewing the relationship with the end customer, the Group considers itself to be acting as an agent rather than a principal.

Other points:

- customer contracts do not include a "financing" component;
- revenue recognition rules do not rely on significant estimates.

1.7.2. Personnel expenses

Personnel expenses include temporary staff costs and employee profit-sharing.

1.7.3. Territorial Economic Contribution

Both CVAE (contribution on the added value of enterprises) and CFE (business property tax) are classified as operational expenses.

1.7.4. Current operating income

The Group primarily uses current operating income as a performance indicator.

The current operating income corresponds to the net income before taking into account:

- various income and expenses, which mainly include significant restructuring costs;
- gains and losses and changes in provisions covering exceptional events, either because they are abnormal in amount or impact, or because they occur rarely;
- gains or losses on disposals or depreciation of assets;
- non-current impairments of goodwill, where the event leading to the impairment is non-current;
- of the financial income;
- current and deferred taxes;
- the net income of associated companies.

This presentation is in line with the recommendation of the French Accounting Standards Authority (ANC) No. 2013-03 dated November 7, 2013.

1.8. Earnings per Share

Earnings per share is calculated based on the average number of shares in circulation during the financial year, using the net income attributable to the Group.

Diluted earnings per share takes into account potential shares resulting from the exercise of rights attached to issued subscription warrants. As at December 31, 2023, there were no new shares that could potentially be created, as no subscription options were outstanding or exercised.

1.9. Financial Instruments — Financial Assets and Liabilities, Derivatives

Financial assets and liabilities are presented in several sections of the balance sheet (non-current financial assets, customers, other current assets, trade payables, other current debt, financial liabilities, cash and cash equivalents). Financial instruments are allocated to categories that do not correspond to identified sections of the balance sheet, with the allocation determining the rules for recognition and measurement.

Presentation of the three categories of financial assets: see *note 1.6.4.*

The main financial liabilities (mainly loans and trade payables) are evaluated at amortized cost.

The Group has not implemented hedging instruments meeting the definition of hedge as provided in IFRS 9.

In accordance with IFRS 13, financial instruments are presented in three categories (see *note 22*), according to a hierarchy of methods for determining fair value:

- Level 1: Fair value calculated by reference to unadjusted quoted prices in 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 quoted prices), or indirectly through data derived from pricing techniques based on observable data such as prices of similar assets or liabilities or parameters quoted in an active market;
- Level 3: Fair value calculated by reference to data relating to the asset or liability that is not based on observable market data (e.g. based on valuation techniques relying in whole or in part on unobservable data such as prices in an inactive market or valuation based on multiples for unquoted securities).

The application of this standard to calculate the fair value of financial instruments did not result in identifying adjustments due to non-performance risk (counterparty risk and own credit risk) compared to previous calculations.

1.10. Segment Information

The Group has defined only one business segment, which is the design, production and delivery of components, parts or functions for the automotive industry.

The Group has identified five geographical regions to allocate resources to different sectors and to assess their performance:

- France;
- Europe and 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 assets by geographical areas is provided in *note 3.1*.

Geographical data tracked in the Group's management reports is limited to investments only.

The Group's revenue depends directly on the level of automotive production worldwide, particularly in Europe, North America, Türkiye and China. This production can be affected by the general economic situation, government programs (notably vehicle purchase incentives), trade agreements, regulatory changes, and social issues (including strikes and work stoppages). In addition, the Group does 67% of its business directly with the three automakers (Stellantis, Ford and Renault-Nissan-Mitsubishi). The performance of these three manufacturers therefore has a considerable impact on the Group's revenue.

1.11. Cash Flow Statement

The Group applies the indirect method of presenting cash flows, following a presentation similar to the model proposed by the French Accounting Standards Authority (ANC) in its recommendation 2013-03 of November 7, 2013.

The cash flows for the financial year are divided between cash flows generated by operating activities, investing activities and equity transactions.

The cash flow statement is prepared based on the following rules:

- net cash corresponds to the net of debit and credit positions;
- capital gains and losses are presented net of tax when the Group incurs a tax liability;
- provisions for current assets are recorded in the changes in operating flow of working capital and are allocated to the corresponding asset items (inventory, accounts receivable, other current or non-current receivables).
- property, plant and equipment acquisitions are presented net of changes in liabilities related thereto. Income from disposals is presented net of changes in receivables from fixed asset disposals;
- increases in assets related to usage rights (IFRS 16) are offset against increases in lease liabilities;
- repayments of lease-related debts are presented in financing cash flows;
- the interest paid on lease liabilities is presented under "Changes in debt," similar to other interest payments.

The impact of changes in consolidation scope is presented as a net amount in investment cash flows. It corresponds to the price actually paid/received during the financial year, adjusted for the acquired cash assets/liabilities.

2. Scope of Consolidation

Companies	% Owned	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, Chine
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, Türkiye
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, Türkiye

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 REPUBLIC 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 STARA ZAGORA (Bulgaria) EOOD (formerly AKWEL VIDIN (BULGARIA) EOOD)	100	Full consolidation	Vidin, Bulgaria
HOLDING ENRICAU	21.47	Equity method	Vougy, France
BIONNASSAY REAL ESTATE	50	Equity method	Vougy, France
AKWEL SERVICE TUNISIA	100	Full consolidation	Tunis, Tunisia

All of the Group’s subsidiaries close their financial year on December 31 of each year with the exception of AKWEL AUTOMOTIVE PUNE INDIA PVT LTD and GOLD SEAL AVON POLYMERS PVT LTD, whose financial year closes on March 31 of each year.

AKWEL Service Tunisia was fully consolidated into the Group’s scope of consolidation for the first time in 2023.

3. Segment Information

3.1. By Geographic Area

(in thousands of euro)	France	Europe and Africa	North America	South America	Rest of the world	Internal Eliminations	Total
As at December 31, 2023							
Total sales	390,779	491,320	450,456	4,832	171,534	(442,548)	1,066,373
Current operating income	25,957	8,767	17,971	1,265	7,569	(487)	61,042
(in thousands of euro)	**France**	**Europe and Africa**	**North America**	**South America**	**Rest of the world**	**Internal Eliminations**	**Total**
As at December 31, 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

The breakdown of fixed assets excluding goodwill (intangible and tangible) by geographic area is as follows:

(in thousands of euro)	Gross Values	Net Values
France	304,257	55,360
Europe and Africa	263,035	92,573
North America	152,410	92,215
South America	3,691	438
Rest of the world	71,941	43,801
Total fixed assets	**795,334**	**284,387**

3.2. By Category

(in millions of euro)	12/31/2023	12/31/2022
Products and functions	1,031.8	951.4
Tools	26.6	21.4
Miscellaneous	7.9	17.7
Total	**1,066.4**	**990.5**

4. Net Non-Current Revenue and Expenses

(in thousands of euro)	12/31/2023	12/31/2022
Restructuring costs (net)	(9,956)	(3,625)
Net capital gains on asset disposals	18	1,309
Goodwill impairment	-	-
Other	(1,848)	1,354
Total	**(11,786)**	**(962)**

In 2023, restructuring costs include a provision of €9.2 million for the closure of the Gournay site.

5. Financial income

(in thousands of euro)	12/31/2023	12/31/2022
Bank interest on short- and medium-term financing [(1)]	314	618
Net gains (losses) on foreign exchange	-	-
Gains and losses on monetary position	-	(14,186)
Other income (expenses)	(148)	2,200
Total	**166**	**(11,368)**

[(1)] Of which €619 thousand in interest related to IFRS 16.

The Group's exposure to foreign exchange and credit risks is outlined in Section *1.7.2.2.2* of the management report.

The 2022 financial income included gains and losses on monetary positions primarily related to subsidiaries in Türkiye (see note *1.3.1.1*). This amount no longer exists in the restated version of the 2022 accounts.

6. Income Taxes

(in thousands of euro)	12/31/2023	12/31/2022
Current taxes	(15,715)	(15,285)
Deferred taxes	2,737	713
Total	**(12,978)**	**(14,572)**

The tax calculation is performed individually at the level of each consolidated tax entity. Deferred tax positions have been recognized using an overall rate of 25%, based on the projected timing of the reversal of deferred tax bases.

The reconciliation between the total tax expense recognized in the consolidated financial statements and the theoretical tax expense is as follows:

(in thousands of euro)	12/31/2023	12/31/2022
Income before tax of consolidated entities	49,421	25,680
Non-taxable income (temporary exemption)	-	-
Utilization of previously unrecognized/lost tax losses	4,479	10,691
Long-term capital gains	-	-
Permanent differences and others (*)	(1,514)	25,915
Taxable base	**52,386**	**62,286**
Tax at the standard rate of 25%	(13,097)	(15,572)
Different tax rates	239	994
Tax credit	(102)	10
Other impacts (including tax adjustments)	(18)	(4)
Effective tax expense	**(12,978)**	**(14,572)**

The “Other impacts” line primarily includes incentives and tax benefits for American companies. Deferred taxes are presented below in *note 11*.

(*) Concerning the treatment of assets measured at fair value by other comprehensive income — see note *1.6.4*.

7. Goodwill

(in thousands of euro)	12/31/2023	12/31/2022
Net value as at January 1	36,298	34,566
Acquisitions	162	591
Adjustment of asset and liability values of activities acquired before the current year	-	-
Disposals	-	-
Translation adjustment (and other items)	(983)	1,121
Depreciation	-	20
Net amount	**35,476**	**36,298**

The goodwill mainly concerns the AKWEL sub-entity in the USA for €26,968 thousand, AKWEL SANT JUST SPAIN S.L in Spain for €2,307 thousand and other entities for €6,201 thousand.

8. Other intangible assets

The other intangible assets changed as follows:

(in thousands of euro)	Software	Other	Total
Gross amounts recognized			
Value as at January 1, 2023	13,899	-	**13,899**
Acquisitions	1,106	-	**1,106**
Disposals	(134)	-	**(134)**
Translation adjustment and other items	(1,073)	-	**(1,073)**
Value as at December 31, 2023	**13,798**	**-**	**13,798**
Accumulated depreciation and impairment losses			
Value as at January 1, 2023	(13,062)	-	**(13,062)**
Amortization	(496)	-	**(496)**
Reversals of amortizations	-	-	**-**
Net impairment losses	-	-	**-**
Disposals	134	-	**134**
Translation adjustment and other items	(331)	-	**(331)**
Value as at December 31, 2023	**(13,092)**	**-**	**(13,098)**
Net amounts recognized as at December 31, 2023	**706**	**-**	**706**

9. Property, plant and equipment

9.1. Property, Plant and Equipment (Excluding Usage Rights)

There changes in property, plant and equipment were as follows:

(in thousands of euro)	Land	Buildings	Technical Installations, Equipment and Tools	Other property, plant and equipment	Assets under Construction*	Total
Gross amounts recognized						
Value as at January 1, 2023	17,908	114,108	497,734	45,138	35,125	**710,013**
Acquisitions	-	1,670	6,992	1,871	44,112	**54,645**
Disposals	-	(183)	(3,464)	(1,994)	(893)	**(25,113)**
Activation of assets under construction	3,810	10,442	15,988	1,412	(31,653)	**-**
Translation adjustment and other items	356	(2,982)	(18,128)	(227)	(4,131)	**(25,113)**
Value as at December 31, 2023	**22,074**	**123,055**	**499,122**	**46,200**	**42,560**	**733,011**
Accumulated Depreciation and Impairment Losses						
Value as at January 1, 2023	(323)	(49,509)	(361,259)	(36,318)	-	**(447,409)**
Amortization	(38)	(3,500)	(28,797)	(2,623)	-	**(34,958)**
Reversals	-	-	-	-	-	**-**
Net impairment losses	-	-	-	-	-	**-**
Disposals	-	27	3,335	793	-	**4,155**
Translation adjustment and	(3)	361	14,249	1,116	-	**15,723**
Value as at December 31, 2023	**(364)**	**(52,621)**	**(372,472)**	**(37,032)**	**-**	**(462,489)**
Net amounts recognized as at December 31, 2023	**21,710**	**70,434**	**126,650**	**9,168**	**42,560**	**270,522**

Translation adjustments include the impact of revaluing Turkish entities under IAS 21 instead of IAS 29 for an amount of -€10.1 million (see note *1.3.1.1*).

* Assets under construction mainly correspond to the extension of the Ixtaczoquitia plant (final delivery early 2024) and ongoing projects in Juarez (molding projects for 2023 and 2024) and Cadillac (project completed in March 2024).

9.2. Assets related to usage rights

Changes in assets related to usage rights were as follows:

(in thousands of euro)	Land	Buildings	Technical Installations, Equipment and Tools	Other property, plant and equipment	Total
Gross amounts recognized					
Value as at January 1, 2023	266	36,345	10,291	406	**47,308**
Increases	-	3,128	-	60	**3,188**
Decreases	-	(1,727)	-	(222)	**(1,949)**
Translation adjustment and other items	-	(269)	(111)	394	**14**
Value as at December 31, 2023	**266**	**37,477**	**10,180**	**637**	**48,294**
Accumulated Depreciation and Impairment Losses					
Value as at January 1, 2023	-	(23,824)	(10,259)	(406)	**(33,156)**
Amortization	-	(2,818)	-	(119)	**(2,794)**
Reversals	-	-	-	-	**-**
Net impairment losses	-	-	-	-	**-**
Decreases	-	1,711	-	222	**1,288**
Translation adjustment and other items	-	254	79	(241)	**174**
Value as at December 31, 2023	**-**	**(24,678)**	**(10,180)**	**(543)**	**(35,401)**
Net amounts recognized as at December 31, 2023	**266**	**12,799**	**-**	**93**	**13,159**

As indicated in *note 1.6.3*, the analysis performed did not identify any assets related to usage rights that should be tested as standalone assets.

In accordance with IAS 7, increases and decreases not generating cash flows are not reported in the investment flows of the cash flow statement.

10. Non-current financial assets

Changes in non-current financial assets were as follows:

(in thousands of euro)	Equity Investments (*)	Other	Total
Gross amounts recognized			
Value as at January 1, 2022	2,905	4,056	**6,961**
Increases	-	24	**24**
Decreases	-	(804)	**(804)**
Changes in the scope of consolidation	-	-	**-**
Translation adjustment and other items	(960)	(4)	**(964)**
Value as at December 31, 2023	**1,945**	**3,272**	**5,217**
Accumulated depreciation and impairment losses			
Value as at January 1, 2022	(1,164)	(1,849)	**(3,013)**
Depreciation	-	-	**-**
Net impairment losses	-	-	**-**
Disposals/reversals	-	-	**-**
Changes in the scope of consolidation	-	-	**-**
Translation adjustment and other items	-	-	**-**
Value as at December 31, 2023	**(1,164)**	**(1,849)**	**(3,013)**
Net amounts recognized as at December 31, 2023	**781**	**1,423**	**2,204**

(*) Concerning the treatment of assets measured at fair value by other comprehensive income — see *note 1.6.4*.

The Group's exposure to foreign exchange and liquidity risks is outlined in Section *1.7.2.2.2*

In order to prevent the occurrence or limit the impact of such risks, the Group implements the following measures in particular: technology monitoring to regularly keep up-to-date on the latest technologies and their marketing;

- identifying different product developments and trends, particularly in electric vehicles, and the opportunities that the Group may have with them;
- investing in research and innovation.
- Financial and Market Risks of the management report.

11. Deferred taxes

Deferred taxes (€10,054 thousand to assets, €6,314 thousand to liabilities, i.e. a net amount of €3,740 thousand) are analyzed as follows:

(in thousands of euro)	12/31/2023	12/31/2022
Expert revaluation of land in France	(875)	(875)
Acceleration depreciation and other regulated provisions	(6,722)	(6,899)
Retirement	1,618	1,655
Capitalized tax losses	6,743	5,870
Other differences	2,976	(721)
Total	**3,740**	**(970)**
of which deferred tax assets	**10,054**	**6,118**
of which deferred tax liabilities	**(6,314)**	**(7,088)**

As at December 31, 2022, the uncapitalized losses were as follows:

(bases — in thousands of euro)	12/31/2023	12/31/2022
AKWEL SANT JUST SL	22,310	22,310
AKWEL AUTOMOTIVE VANNES France	3,997	3,998
AKWEL CHONGQING AUTO PARTS CO., LTD (formerly AVON AUTOMOTIVE COMPONENTS CHONGQING CO LTD)	8,129	8,500
AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD)	1,448	1,565
AKWEL RAYONG (THAILAND) CO, LTD	6,155	6,286
Total	**41,939**	**42,659**

A portion of the deficits for the AKWEL SANT JUST SL Group is recognized at a rate of 25%, as these tax losses are expected to be utilized within the next five years.

12. Inventory

(in thousands of euro)	Gross Value as at 12/31/2023	Provision for Impairment	Net Value as at 12/31/2023	Net Value as at 12/31/2022
Materials, components and merchandise	74,085	(9,420)	64,664	56,881
Intermediate and finished products	87,638	(4,861)	82,777	68,752
Work in progress	26,010	-	26,010	27,137
Total	**187,733**	**(14,281)**	**173,452**	**152,770**

As at the close of 2023, the Group is not affected by a decrease in production, given the near-normal level of operations.

The change includes the impact of revaluing Turkish entities according to IAS 21 (+€3.7 million) (see note *1.3.1.1*).

The analysis performed did not lead to changes in inventory writedown methods.

13. Accounts receivable and other assets related to customer contracts

(in thousands of euro)	12/31/2023	12/31/2022
Accounts receivable	167,605	156,385
Provisions for impairment	(1372)	(737)
Net value	**166,233**	**155,648**
Advances and prepayments made on orders	28,477	29,353
Trade receivables	2,579	2,579
Total contract assets	**31,056**	**31,932**

Accounts receivable have a maturity of less than one year.

The Group is unable to report the total amount of overdue receivables. Each entity performs monthly tracking, but this is not consolidated. However, due to the historical attention given to this matter, overdue receivables are very minimal, even for delays of one to five days.

Receivables over six months old that are not impaired are not significant. There are no other significant unimpaired receivables.

Almost all provisions for impairment relate to doubtful receivables, which are fully impaired for the amounts excluding tax. No significant unpaid receivables were recorded during the financial year.

The analysis performed did not lead to any changes to the provisioning model for accounts receivable, nor to the implementation procedures.

14. Other Current Receivables

(in thousands of euro)	12/31/2023	12/31/2022
Prepaid expenses	1,775	1,455
Tax receivables	15,873	14,916
Employee receivables	477	619
Miscellaneous receivables	11,197	19,217
Assets on contracts [1]	31,056	31,932
Gross value	**60,378**	**68,139**
Depreciation	(766)	(691)
Net value	**59,613**	**67,448**

[1] See *note 14*. All receivables classified under the “Other receivables” heading are considered to be due within one year.

Miscellaneous receivables include insurance claims to be received, including €9.5 million in 2023 related to guaranteed returns and modernization campaigns.

15. Share capital

As at December 31, 2023, the capital consists of 26,741,040 shares each with a nominal value of €0.80. The family group holds 67.53% of the capital, of which 57.33% is held by COUTIER DEVELOPPEMENT.

The Group is not subject to any specific regulatory or contractual obligation regarding share capital.

The Group does not have a specific capital management policy. The balance between external financing and capital increase is made on a case-by-case basis depending on the operations envisaged. The equity monitored by the Group includes the same components as the consolidated equity.

16. Current and Non-Current Provisions

(in thousands of euro)	12/31/2022	Increases	Utilizations	Unallocated Reversals/ Others	12/31/2023
End-of-career and retirement bonuses	12,097	1,918	(1,618)	1,209	13,606
Other provisions for risks and expenses	44,458	35,918	(23,859)	(444)	56,073
Total	**56,555**	**37,836**	**(25,477)**	**765**	**69,679**

The changes in consolidation scope during the year are not significant.

The increase in other provisions for risks and expenses is mainly due to technical and commercial risks, notably guaranteed returns. In the latter case, the amounts recognized as provision allowances were estimated based on the guaranteed returns observed during the year, contractual warranty periods and available insurance claim histories net of insurance proceeds.

The other provisions for risks and expenses also include a provision established in 2023 and related to the closure of the Gournay site.

As at December 31, 2023, the provisions are analyzed as follows according to their maturity:

- under one year: €11,896 thousand;
- over one year: €57,782 thousand.

At the close of the presented financial years, there were no significant contingent assets or liabilities.

17. Net Financial Debt

Financial debt is analyzed as follows:

(in thousands of euro)	12/31/2022	Loan Issuance	Repayments	Translation Adjustment and Other Items	Change in Method	12/31/2023
Loans and debts with credit institutions	**42,748**	515	(7,866)	-	-	**35,397**
Lease liabilities	**9,852**	3,800	(3,071)	121		**10,702**
Other	**-**	-	-	-	-	**-**
Other financing	**229**	150	(1,500)	1,475	-	**354**
Bank overdrafts	**-**	-	-	-	-	**-**
Subtotal financial debt	**52,829**	**4,465**	**(12,437)**	**1,596**	**-**	**46,452**
Subtotal cash at bank and in hand, and cash equivalents	**166,512**	**-**	**(11,709)**	**(3,280)**	**-**	**151,476**
Net Financial Debt	**(113,683)**	**4,465**	**(728)**	**4,876**	**-**	**(105,023)**

As at December 31, 2023, financial debt is analyzed as follows according to its maturity:

- under one year: €35,034 thousand, of which €1,520 thousand for lease liabilities (€36,284 thousand in 2022);
- one to five years: €6,698 thousand (€11,831 thousand in 2022);
- over five years: €4,720 thousand (€4,714 thousand in 2022).

At the end of the presented financial years, the Group had no debt related to the acquisition of securities. Fixed-rate debts amount to €18,452 thousand, and variable-rate debts amount to €28,000 thousand.

Certain bank loans are subject to compliance with financial covenants (based on profitability, debt and capitalization criteria). At December 31, 2023, all Group companies were in full compliance with these covenants.

The Group's exposure to credit and liquidity risks is outlined in Section *1.7.2.2.2* of the management report.

18. Other debt

(in thousands of euro)	12/31/2023	12/31/2022
Advances and prepayments received	3,582	2,876
Deferred income	137	204
Subtotal of Other contract liabilities	**3,719**	**3,080**
Tax liabilities	5,177	9,194
Employee liabilities	30,717	28,018
Other debt	186	214
Total	**39,798**	**40,506**

Deferred income primarily corresponds to tools billed in advance at the request of the customers in question.

19. Assets and Liabilities Held for Sale or Disposal

As of the end of December 2023, no assets are intended to be disposed of or abandoned.

20. Off-Balance Sheet Commitments and Guarantees Provided

Commitments related to external growth operations: none.

Commitments related to financial transactions:

As at December 31, 2023, the amount of other commitments to financial institutions is €6,648 thousand, in respect of guarantees provided by the Parent Company for the needs of certain foreign subsidiaries of the Group, including:

- AKWEL EL JADIDA MOROCCO SARL: €458 thousand;
- BIONNASSAY REAL ESTATE: €988 thousand;
- €5,202 thousand, in respect of guarantees granted on non-financial assets (this amount is already included in the Group's financial debts).

21. Workforce

The breakdown of the workforce by category at year-end is as follows:

	12/31/2023	12/31/2022
Executives	521	512
Employees and technicians	3,489	3,397
Workers	5,622	5,496
Total	**9,632**	**9,405**

As at December 31, 2023, the total workforce of the Group is 9,632 people, including 1,261 in France. The changes in the workforce are as follows:

Companies	12/31/2023	12/31/2022
AKWEL (PARENT COMPANY)	1,100	1,116
AKWEL TOOLING FRANCE (formerly DEPLANCHE FABRICATION SARL)	15	16
AKWEL VANNES FRANCE SAS (formerly AVON POLYMERES FRANCE SAS)	146	148
Total (France)	**1,261**	**1,280**
NINGBO MGI COUTIER AUTO PLASTICS CO LTD	106	115
AKWEL MATEUR TUNISIA SARL (formerly MGI COUTIER TUNISIE SARL)	854	806
AKWEL SERVICES TUNISIA SARL	32	
AKWEL CORDOBA ARGENTINA SA (formerly MGI COUTIER ARGENTINA SA)	1	11
AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA (formerly MGI COUTIER BRASIL LTDA)	21	22
AKWEL BIRMINGHAM UK LTD (formerly MGI COUTIER UK LTD)	0	0
AKWEL BURSA TURKEY OTOMOTIV AS (formerly MGI COUTIER MAKINA YEDEK PARÇA IMALAT VE SANAYI A.S.)	725	732
AKWEL VIGO SPAIN S.L (formerly MGI COUTIER ESPAÑA SL)	378	375
AKWEL TIMISOARA ROMANIA SRL (formerly MGI COUTIER ROM SRL)	543	519
AKWEL AUTOMOTIVE PUNE INDIA PVT LTD (formerly MGI COUTIER ENGINEERING PRIVATE LTD)	30	33
AKWEL CADILLAC USA INC (formerly CADILLAC RUBBER & PLASTICS INC)	387	393
AKWEL JUAREZ MEXICO SA DE CV (formerly CADIMEX SA DE CV)	1,144	1,088
AKWEL ORIZABA MEXICO SA DE CV (formerly CADILLAC RUBBER & PLASTICS DE MEXICO SA DE CV)	1,582	1,511
AKWEL CHIPPENHAM UK LTD (formerly AVON AUTOMOTIVE UK HOLDINGS LTD)	35	44

Companies	**12/31/2023**	**12/31/2022**
AKWEL GEBZE TURKEY OTOMOTIVE SANAYI LTD SIRKETI (formerly AVON OTOMOTIV SANAYI VE TICARET LTD SIRKETI)	726	701
AKWEL GERMANY SERVICES GMBH (formerly AVON AUTOMOTIVE DEUTSCHLAND GMBH)	7	8
AKWEL RUDNIK CZECH REPUBLIC A.S (formerly AVON AUTOMOTIVE A.S)	374	392
AKWEL SANT JUST SPAIN S.L (formerly INDUSTRIAL FLEXO SL)	145	148
AKWEL TONDELA (PORTUGAL), LDA (formerly AVON AUTOMOTIVE PORTUGAL LDA)	388	417
GOLD SEAL AVON POLYMERS PVT LTD	57	69
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)	42	50
AKWEL AUTOMOTIVE SWEDEN AB (formerly AUTOTUBE AB)	270	267
AKWEL PAREDES DE COURA (PORTUGAL) UNIPESSOAL, LDA (formerly MGI COUTIER LUSITANIA)	195	156
AKWEL EL JADIDA MOROCCO SARL (formerly MGI COUTIER MAROC SARL)	79	76
AKWEL WUHAN AUTO PARTS CO, LTD (formerly WUHAN MGI COUTIER AUTO PARTS CO LTD)	50	54
AKWEL RAYONG (THAILAND) CO, LTD (formerly MGI COUTIER THAILAND CO LTD)	167	135
AKWEL STARA ZAGORA (Bulgaria) EOOD (formerly AKWEL VIDIN (BULGARIA) EOOD)	30	0
Total	**9,632**	**9,405**

22. Financial Instruments

Balance-Sheet Items — Financial Year 2023 (in thousands of euro)	Designation of Financial Instruments	Fair Value Levels (See Below)	Net Carrying Amount	Fair value
Assets				
Non-consolidated equity securities and related receivables	A	2	685	685
Other non-current financial assets	D	-	738	738
Trade and similar receivables	D	-	166,233	166,233
Other current assets (excluding prepaid expenses and employee and tax receivables)	D	-	42,253	42,253
Fair value of financial instruments	B	2	-	-
Cash and cash equivalents	B	1	151,523	151,523
Liabilities				
Financial debt (non-current and current)	C	2	35,798	35,798
Liabilities related to security acquisition (non-current and current)	C	2	-	-
Current bank overdrafts	D	2	-	-
Fair value of financial instruments	B	2	-	-
Trade and similar payables	D	-	110,402	110,402
Other current debt (excluding deferred income and employee and tax liabilities)	D	-	186	186

A: Financial assets and liabilities valued at amortized cost.
B: Financial assets at fair value through other comprehensive income (a).
C: Assets at fair value through profit and loss.
D: Financial liabilities at fair value (a).
E: Derivatives.

When fair value is used, either to measure financial assets/liabilities (such as marketable securities) or to provide information in the notes in the previous table on the fair value of other financial assets/liabilities, financial instruments are classified according to the hierarchy defined by IFRS 13, implemented in 2013, which is very similar to the previously applied IFRS 7 standard.

The definitions of fair value levels are presented in *note 1.9*. No level of assessment is indicated when the net carrying amount is close to the fair value.

23. Remuneration of Corporate Officers

The total remuneration paid to the members of the Executive Board concerning AKWEL amounts to €1,911,994 for the financial year ended December 31, 2023 (€2,310,154 in 2022), while the remuneration paid to the members of the Supervisory Board amounts to €341,000 (€341,000 in 2022).

24. Share Purchase Options

AKWEL has not authorized or granted any share purchase options to corporate officers.

25. Risks and Disputes

The review of risks that could have a significant adverse effect on the Group's business, financial position or income is presented in Section *1.7* of the management report.

26. Business combinations

The impacts of acquisitions during the period are not significant.

27. Post-Balance Sheet Events

No major events have occurred since the end of the financial year and the date of preparation of the management report.

28. Statutory Auditors' Fees

(in euro)	MAZARS SA — MAZARS			ORFIS SAS — ORFIS (1)			OTHERS (2)		
	Amount (Excl. Tax) N	Amount (Excl. Tax) N-1	% (N)	Amount (Excl. Tax) N	Amount (Excl. Tax) N-1	% (N)	Amount (Excl. Tax) N	Amount (Excl. Tax) N-1	% (N)
Audit									
Statutory Audit, Certification, Review of Statutory and Consolidated Accounts:									
Issuer	189,000	134,600	40.2%	109,800	101,800	7.9%	-	-	-
Fully consolidated subsidiaries	270,000	245,600	9.9%	-	-	-	170,700	139,000	22.8%
Services Other than Audit Services:									
Issuer	36,500	15,000	143.3%	10,000	10,000	0.0%	-	-	-
Fully consolidated subsidiaries	13,500	63,767	-78.8%	-	-	-	15,000	-	-
Total	**509,000**	**458,967**	**+10.9%**	**119,800**	**111,800**	**+7.9%**	**185,700**	**139,000**	**+33.6%**

(1) ORFIS SAS as a member of Allinial Global International.
(2) OTHERS corresponds to fees received by members of Allinial Global International.

Services other than audit services involve tax compliance reviews, particularly in the areas of taxonomy, functional currency studies in Türkiye, internal control reviews in China, Spain and Tunisia, and reviews following IT migrations at Rudnik.

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED ACCOUNTS

Financial Year Ended December 31, 2023

ORFIS
149, Boulevard de Stalingrad
69100 Villeurbanne, France

MAZARS
Parc des Glaisins
13, avenue du Pré Félin
Annecy-le-Vieux
74949 Annecy, France

To the General Meeting of the AKWEL Group,

Opinion

In accordance with the assignment entrusted to us by your General Meeting, we have conducted an audit of AKWEL's consolidated accounts for the financial year ended December 31, 2023, as attached to this report.

We hereby certify that the consolidated accounts are, in accordance with IFRS as adopted by the European Union, regular and accurate and provide a true and fair picture of the results of the operations for the past financial year, as well as the financial position and assets at the end of the financial year, of the entire group comprised of the persons and entities included in the consolidation.

The opinion expressed above is consistent with the content of our report to the audit committee.

Basis for the Opinion

Audit Standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated accounts" section of this report.

Independence

We carried out our audit engagement in compliance with the independence rules set forth in the French Commercial Code and the Code of Ethics for Statutory Auditors for the period from January 1, 2023 to the date of issuance of our report. We did not provide any services prohibited under Article 5 Paragraph 1 of Regulation (EU) No 537/2014.

Observation

Without qualifying our opinion expressed above, we would like to draw your attention to the matter described in note 1.3.1.1 of the notes to the consolidated accounts, which outlines the accounting treatment applied at the end of the financial year for the Turkish subsidiaries.

Justification of Assessments — Key Audit Matters

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code concerning the justification of our assessments, we wish to bring to your attention the key audit matters related to the risks of material misstatement. The latter, in our professional judgment, were the most significant for the audit of the consolidated accounts for the year, as well as the responses we provided to address these risks.

These assessments are made in the context of the audit of the consolidated accounts taken as a whole and in the formation of our opinion expressed above. We do not express an opinion on individual components of these consolidated accounts.

Evaluation of Provisions Related to Technical and Commercial Risks

Notes 1.6.11 and 16 of the Notes to the Consolidated Accounts

Identified Risk

As the Group is present in several countries and is a supplier to numerous automotive manufacturers, it is exposed to risks inherent in its business, particularly regarding commercial and industrial considerations.

With this in mind, the Group may encounter uncertain, litigious or contentious situations, particularly in the context of technical risks and recall campaigns carried out by automobile manufacturers.

The estimation of risks is regularly reviewed by the Group's management. Incomplete identification and/or incorrect assessment of a risk could result in the Group overestimating or underestimating its provisions.

At the close of the 2023 financial year, other provisions for risks and charges amounted to €56.1 million and are primarily related to technical and commercial risks. We considered the evaluation of provisions related to technical and commercial risks to be a key audit matter due to the potential financial impact on the Group and management's judgment in estimating the risks and the amounts recognized.

Responses Provided during Our Audit

Our work predominantly included:

- Obtaining external confirmations from attorneys to identify the litigations and contentious situations involving the Group;
- Reviewing the Group's risk analysis, corresponding documentation and, where applicable, the written consultations of its external advisors;
- Conducting interviews with the product line director responsible for technical risks;
- Assessing the main risks identified and examining the soundness of the assumptions made by management in estimating the amount of provisions recognized, based on the information collected.

Specific Checks

Additionally, in accordance with the professional standards applicable in France, we performed specific checks required by legal and regulatory texts regarding the information related to the Group provided in the Executive Board's management report.

We have no comments to make concerning their accuracy and their consistency with the consolidated accounts.

We hereby certify that the consolidated Non-Financial Performance Statement, as required by Article L.225-102-1 of the French Commercial Code, is included in the information related to the Group provided in the management report. It should be noted that, in accordance with the provisions of Article L.823-10 of said code, the information contained in this statement has not been subject to verification by us for accuracy or consistency with the consolidated accounts and must be subject to a report by an independent third-party.

Other Checks or Information Required by Legal and Regulatory Texts

Presentation Format of the Consolidated Accounts Intended for Inclusion in the Annual Financial Report

In accordance with the professional standard on the auditor's procedures relating to the annual and consolidated accounts set out in the European Single Electronic Format (ESEF), we also verified the compliance of this format as defined by the Delegated European Regulation No 2019/815 of December 17, 2018 in the presentation of the consolidated accounts intended to be included in the annual financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the President of the Executive Board. With regard to consolidated accounts, our procedures include verifying the compliance of the tagging of these accounts with the format defined by the aforementioned regulation.

We are unable to conclude on the compliance of the presentation of the consolidated accounts intended to be included in the annual financial report with ESEF. Indeed, we were unable to perform the necessary procedures to verify this compliance for the following reason: the ESEF-formatted accounts intended for inclusion in the financial report were not provided in time to allow for the organization of the verification work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of AKWEL by the Ordinary General Meeting of February 23, 2004 for Mazars, and by the Ordinary General Meeting of June 24, 2005, for Orfis.

As at December 31, 2023, Mazars was in the 20^{th} consecutive year of engagement, and Orfis was in its 19^{th} consecutive year of engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Accounts

Management is responsible for preparing consolidated accounts that provide a true and fair picture in accordance with IFRS as adopted by the European Union. It is also tasked with implementing the internal control it deems necessary to ensure the consolidated accounts are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, management is obligated to assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and overseeing the effectiveness of internal control and risk management systems, as well as internal audit—where applicable—in relation to the procedures involved in preparing and processing accounting and financial information.

The consolidated accounts have been approved by the Executive Board.

Responsibilities of the Statutory Auditors Relating to the Audit of the Consolidated Accounts

Audit Objective and Approach

We are tasked with preparing a report on the consolidated accounts. Our goal is to achieve reasonable assurance that the consolidated accounts, as a whole, are free from material misstatements. Reasonable assurance means a high level of assurance, but there is no guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if it could reasonably be expected that they, individually or collectively, could impact the economic decisions made by users relying on these accounts.

As specified by Article L.821-55 of the French Commercial Code, our certification engagement does not involve guaranteeing the viability or quality of your company's management.

In the context of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. Furthermore:

- it identifies and assesses the risks of significant misstatements in the consolidated accounts whether due to fraud or error, defines and implements audit procedures to address these risks, and gathers sufficient and appropriate evidence to support its opinion. The risk of not detecting a significant misstatement resulting from fraud is higher than that of a significant misstatement resulting from an error, as fraud may involve collusion, falsification, deliberate omissions, misrepresentations or circumvention of internal controls;
- it reviews the relevant internal control for the audit to define appropriate audit procedures in the circumstances, not to express an opinion on the effectiveness of internal control;
- it assesses the appropriateness of the accounting methods adopted and the reasonableness of management's accounting estimates, as well as the information concerning them provided in the consolidated accounts;
- it evaluates the appropriateness of management's application of the going concern basis of accounting and, based on the information collected, determines whether there is significant uncertainty regarding events or circumstances that could raise doubts about the company's ability to continue operating. This assessment is based on the information collected up to the date of its report; however, it should be kept in

mind that subsequent events or circumstances could challenge the going concern assumption. If it determines that there is significant uncertainty, it will draw the attention of readers to the information provided in the consolidated accounts regarding this uncertainty. In cases where such information is not provided or is irrelevant, it issues a qualified opinion or declines to certify;

- it evaluates the overall presentation of the consolidated accounts and assesses whether they accurately reflect the underlying transactions and events to provide a true and fair picture;
- regarding the financial information of persons or entities included in the consolidation scope, it gathers sufficient and appropriate evidence to express an opinion on the consolidated accounts. It is responsible for directing, overseeing and conducting the audit of the consolidated accounts, as well as for the opinion expressed on these accounts.

Report to the Audit Committee

We submit to the Audit Committee a report outlining the scope of our audit work and the executed work plan, as well as the conclusions resulting from our work. Additionally, we bring to its attention any significant weaknesses in internal control that we have identified regarding procedures related to the preparation and processing of accounting and financial information.

Included in the report to the Audit Committee are the risks of significant misstatements that we deem to have been the most important for the audit of the consolidated accounts for the period. These risks represent the key audit areas, which we are responsible for describing in this report.

Furthermore, we provide the Audit Committee with the declaration required under Article 6 of Regulation (EU) No 537/2014 confirming our independence, in accordance with the applicable rules in France as defined primarily by Articles L.821-27 to L.821-34 of the French Commercial Code and the code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguard measures implemented.

The Statutory Auditors

Mazars	Orfis
In Annecy on April 29, 2024	In Villeurbanne on April 29, 2024
Jérôme Neyret	Jean-Louis Flèche

FINANCIAL STATEMENTS — AKWEL

BALANCE SHEET

Financial Statements as at December 31, 2023 (in thousands of euro)

ASSETS	Notes	Gross Amounts	Amort./Deprec. or Provisions	12/31/23 Net Amounts	12/31/22 Net Amounts
Intangible Assets	3.1	**16,957**	**14,941**	**2,016**	**2,133**
Property, Plant and Equipment	3.1				
Land		989	188	801	806
Buildings		29,018	18,806	10,212	9,245
Technical installations, equipment and too		174,505	150,062	24,443	27,212
Other property, plant and equipment		21,844	18,742	3,102	3,080
Work in progress, advances and prepayments		2,678	-	2,678	4,368
		229,035	**187,798**	**41,237**	**44,712**
Financial Assets	3.2				
Investments and related receivables		335,190	102,012	233,178	228,714
Other financial assets		3,318	147	3,171	184
		338,508	**102,159**	**236,349**	**228,898**
Inventory	3.3	**45,221**	**6,738**	**38,483**	**34,252**
Advances and prepayments made on orders		**25,761**	**-**	**25,761**	**25,756**
Receivables					
Trade and similar receivables	3.4	64,152	86	64,066	55,167
Other receivables	3.5	13,178	-	13,178	20,166
		77,330	**86**	**77,244**	**75,333**
Cash at bank and in hand, and securitie	3.6	**32,416**	-	**32,416**	**34,340**
Prepaid expenses		**555**	-	**555**	**370**
Expenses to be amortized over several financial years	3.8	**67**	-	**67**	**189**
Translation adjustment for assets		**-**	**-**	**-**	**-**
Total assets		**765,850**	**311,722**	**454,128**	**445,982**

LIABILITIES	*Notes*	**December 31, 2023**	**December 31, 2022**
Shareholder Equity	3.9		
Share capital		21,393	21,393
Merger and contribution premiums		9,705	9,705
Legal reserve		2,139	2,139
Regulated reserves		41	41
Other reserves		-	-
Retained earnings		79,779	100,787
Interim dividends		-	-
Profit/loss for the year		(94)	(12,988)
Regulated provisions		25,346	25,963
Net Equity before Distribution		**138,308**	**147,040**
Other equity			
Conditional advances		-	-
Provisions for Liabilities and Expenses	3.10	**42,200**	**37,260**
Liabilities			
Financial debt	3.11	34,816	41,116
Related — miscellaneous financial debt	3.11	172,000	166,893
Trade and similar payables		51,914	41,643
Employee and tax liabilities	3.12	10,860	10,493
Other debt	3.12	4,030	1,535
		273,619	**261,679**
Deferred income		**-**	**-**
Translation Adjustment for Liabilities		**-**	**2**
Total Liabilities		**454,128**	**445,982**

INCOME STATEMENT

As at December 31, 2023
Corporate Accounts (in thousands of euro)

	Notes	12/31/23 (12 Months)	12/31/22 (12 Months)
NET TURNOVER	4.1	**362,168**	**323,462**
Change in production held as inventory		2,748	592
Operating subsidies		68	38
Other operating income		4,768	5,014
OPERATING INCOME		**369,752**	**329,106**
Purchases		(84,754)	(83,471)
Changes in inventory and work in progress		1,552	3,446
Other purchases and external expenses		(194,278)	(174,936)
VALUE-ADDED		**92,272**	**74,145**
Taxes and levies		(4,164)	(3,632)
Personnel expenses		(58,368)	(60,334)
EBITDA		**29,740**	**10,178**
Depreciation and amortization		(9,358)	(10,483)
Reversals and provision (allowances)		(8,458)	(684)
Other income and (expenses)		(464)	(482)
OPERATING INCOME		**11,460**	**(1,471)**
Financial income and (expenses)	4.2	(12,665)	(8,032)
OPERATING INCOME BEFORE TAXES		**(1,205)**	**(9,502)**
Extraordinary financial income and (expenses)	4.3	604	(3,736)
Employee participation		-	-
INCOME BEFORE TAXES		**(601)**	**(13,239)**
Provisions for taxes	4.4	507	251
NET INCOME		**(94)**	**(12,988)**

NOTES TO THE CORPORATE ACCOUNTS

December 31, 2023

1. Presentation of AKWEL and Key Events in the Financial Year

AKWEL's activities include designing, developing and producing tools and parts, which are mainly sold to French and international automobile and heavy-vehicle manufacturers. Its mission is to act as a designer, manufacturer and assembler of functional components. AKWEL, as the Group's parent company, also coordinates the industrial and financial activities of all the Group's subsidiaries.

The annual accounts are prepared in thousands of euro.

For the past financial year, significant operations or events concerning the scope or organization include:

- an increase in turnover linked to the growth in global automobile production;
- an increase in value-added and EBITDA, owing to a reduction in warranty return costs and the passing on of price increases (transport, energy, wage inflation) to our customers;
- recognition of a provision allowance of up to €9.2 million for the closure of the Gournay site offset by a reversal of the provision for warranty return risks amounting to -€4.6 million;
- significantly negative financial income impacted by write-downs of securities and current accounts (primarily related to one of the subsidiaries in Sweden).

2. Accounting Principles and Valuation Methods

2.1. Accounting Principles

The accounts as at December 31, 2023 are presented in accordance with generally accepted accounting principles in France and take into account ANC Regulation 2023-05 of November 10, 2023 amending ANC Regulation No. 2014-03 related to the General Accounting Plan.

The general accounting conventions have been applied while adhering to the principle of prudence, in accordance with the following basic assumptions:

- going concern;
- consistency of accounting methods from one financial year to the next;
- independence of financial years.

Furthermore, the general rules for preparing and presenting annual accounts have been followed.

There have been no changes in accounting methods during the financial years presented.

2.2. Fixed Assets and Depreciation

Fixed assets are valued at their acquisition or production cost.

2.2.1. Intangible Assets

Research and development expenses are recorded as expenses in the financial year during which they are incurred.

Goodwill is recorded based on its transfer value. Goodwill listed on the balance sheet is subject to a depreciation provision when the inventory value is lower than the book value. The inventory value is determined based on criteria related to the observed profitability and future prospects of the relevant activity. After applying Regulation 2002-10 on January 1, 2005, AKWEL no longer amortizes goodwill listed as an asset on the balance sheet.

Microcomputer software is amortized over a period of 12 months. Other software or expenses incurred while setting up a new information system (SAP) are capitalized and amortized over a period of three years.

Patents are amortized over their protection period.

AKWEL performs impairment tests on its goodwill each year.

The useful life of goodwill is presumed to be indefinite.

AKWEL depreciates the value of an asset when its current value (the higher of fair value and value in use) falls below its net carrying amount.

2.2.2. Tangible Assets

Depreciation of tangible assets is calculated over the useful life of the assets, using either the straight-line method or the declining-balance method.

The main depreciation periods selected can be summed up as follows:

- buildings: 25 to 40 years;
- building fixtures: 5 to 10 years;
- technical installations: 5 to 10 years;
- industrial equipment and tools: 5 to 10 years;
- general installations: 10 years;
- furniture and office equipment: 5 to 10 years.

Additional depreciations resulting from the application of tax provisions (declining-balance, extraordinary) are treated as accelerated depreciation, which is recognized under “Regulated provisions.”

2.2.3. Financial Assets

Equity investments and other equity interests are recorded on the balance sheet at their acquisition cost.

Equity investments are subject to a provision for impairment when their value in use appears to be lower than their book value. The value in use of equity investments is assessed using several criteria, in particular including equity, multiples of EBITDA, and growth and profitability prospects.

2.3. Receivables Concerning Associated Companies

As of January 2, 2002, the Group has established cash management agreements among all its subsidiaries. Such agreements stipulate that all matured and unpaid intra-group commercial receivables and debts are treated as cash advances. As the settlement of these advances is not scheduled, they are recognized under the headings “Receivables concerning associated companies” or “Payables related to investments.”

The receivables are measured at their nominal value and may be impaired, in connection with the analysis conducted on the equity investments, to reflect the risks of non-recovery to which they may give rise based on the information available at the closing date of the accounts.

2.4. Inventory

Inventory is valued at the purchase price for raw materials using the first in, first out method, and at the factory cost price for finished goods and work in progress. Cost price excludes overheads that do not contribute to production and financial expenses.

Provisions are made as necessary for inventory at risk of obsolescence or for which the cost exceeds the realization value. Tools are valued at full cost (external costs) up to the billable price to customers.

2.5. Accounts receivable

Receivables and payables are valued at their nominal value. Provisions for doubtful receivables are determined based on the age of unrecovered receivables. A provision is also recorded whenever a real and serious dispute is identified, or when a customer becomes subject to legal proceedings.

Additionally, provisions for the impairment of accounts receivable are calculated based on the age of the outstanding invoices, following these guidelines:

- provision equal to 25% of the amount excluding taxes of unrecovered receivables for receivables overdue by more than 150 days but less than 360 days;
- provision equal to 100% of the amount excluding taxes of unrecovered receivables for receivables overdue by more than 360 days.

2.6. Provisions for Liabilities and for Expenses

In general, management has reviewed every known dispute involving AKWEL as at the balance sheet date. Where appropriate, after consulting with external advisors, provisions deemed necessary have been made to hedge the estimated risks.

2.7. Pension Obligations

Rights acquired by employees for end-of-career bonuses are not adjusted. However, they are valued and their amount at the end of the financial year is disclosed as financial commitments (see 5.1).

The amounts of rights acquired by employees under various applicable collective agreements are assessed based on assumptions (changes in salary, retirement age, mortality, staff turnover), then discounted to their present value based on a discount rate. The assumptions were made based on a discount rate of 3.22% (compared to 3.84% at year-end 2022), a salary increase of 2.5% (compared to 2.5% at year-end 2022) for both executives and non-executives, a retirement age of 67 and average assumptions regarding staff turnover. AKWEL has assessed the impact of Law No. 2010-1330 of November 9, 2010 concerning pension reform on the valuation of its employee commitments. After examining the characteristics of its employee population (age, date of entry into employment, career profile, etc.), AKWEL has maintained the assumption of a retirement age of 67. Long-service awards are not subject to provisions for liabilities and expenses because the corresponding commitments are not significant. The collective agreements applicable to AKWEL’s establishments do not provide for this obligation, and AKWEL’s practices in this area remain incidental.

2.8. Extraordinary Expenses and Income

Extraordinary income includes, in particular, income and expenses resulting from events or transactions clearly distinct from the company’s ordinary activities and that, as such, are not expected to occur frequently or regularly. Extraordinary expenses and income include, in particular, allocations or reversals related to accelerated depreciation, proceeds from asset disposals, and income and expenses unrelated to ordinary activities.

2.9. Foreign Currency Transactions

Foreign currency expenses and income are recorded at their equivalent value on the transaction date. Foreign currency receivables and payables are valued at the exchange rate in effect at the closing date. The difference resulting from the revaluation of foreign currency payables and receivables at the closing rate is recognized in the balance sheet as translation adjustment. Unrealized exchange losses are treated as provisions for liabilities.

2.10. Tax Consolidation

AKWEL has entered into a tax consolidation agreement with its French subsidiaries with a direct or indirect holding of over 95%.

This agreement, which first came into effect on December 22, 2011, was signed as part of AKWEL's choice for the Group regime as defined in Articles 223 A et seqq. of the French General Tax Code. Each fiscally integrated company is placed in the situation it would have been in if it had been taxed separately. The additional tax savings or expense resulting from the difference between the tax owed by the consolidated subsidiaries and the tax resulting from the determination of the consolidated result is recorded by AKWEL.

The application of the tax consolidation regime resulted in a net tax savings of €193,147 in 2023 for the scope of consolidation.

3. Notes to the Balance Sheet

3.1. Intangible and Tangible Assets

(in thousands of euro)	12/31/2022	Increases	Decreases	12/31/2023
Intangible assets	16,774	318	(134)	16,957
Land	989	-	-	989
Buildings	27,363	1,674	(19)	29,018
Technical installations, equipment and tools	172,029	5,001	(2,525)	174,505
Other property, plant and equipment	21,489	805	(449)	21,844
Work in progress, advances and prepayments	4,367	-	(1,689)	2,678
Gross Values	**243,010**	**7,798**	**(4,816)**	**245,992**
Amortization of other intangible assets	(14,640)	(435)	134	(14,941)
Land provisions	(184)	(5)	-	(188)
Building depreciation	(18,117)	(707)	19	(18,806)
Depreciation of technical installations	(144,816)	(7,309)	2,064	(150,062)
Depreciation of other fixed assets	(18,408)	(780)	446	(18,742)
Total depreciation/provisions	**(196,165)**	**(9,236)**	**2,663**	**(202,739)**
Net value	46,845	(1,438)	2,153	43,253

"Intangible assets" as at December 31, 2023 are as follows:

(in thousands of euro)	Gross amount	Amortization	Net amount
Software	3,746	(3,644)	102
Goodwill	6,327	(4,726)	1,601
Other intangible assets	6,884	(6,571)	313
Total	**16,957**	**(14,941)**	**2,016**

Research and Development expenses recognized as expenses for the financial year amounted to €18,789 thousand (€19,130 thousand for the 2022 financial year).

3.2. Financial Assets

(in thousands of euro)	12/31/2022	Increases	Decreases	12/31/2023
Investments	248,053	8,055	-	256,108
Receivables Concerning Associated Companies	74,839	15,115	(10,872)	79,082
Other financial assets	324	2,995	-	3,318
Gross Values	**323,215**	**26,165**	**(10,872)**	**338,508**
Provisions for equity investments	(74,733)	(1,564)	-	(76,297)
Provisions for related receivables	(19,445)	(6,270)	-	(25,715)
Provisions for other fixed assets	(140)	(21)	14	(147)
Total provisions	**(94,318)**	**(7,855)**	**14**	**(102,159)**
Net value	**228,898**	**18,310**	**(10,858)**	**236,349**

Other financial assets include own shares for €3,235 million at the end of December 2023, which corresponds to 196,844 shares. The operations carried out under the share buyback program are outlined in Section *2.16.2*.

3.3. Inventory

(in thousands of euro)	12/31/2023	12/31/2022
Raw materials	18,393	16,836
Work in progress	3,057	3,429
Intermediate and finished products	23,770	20,650
Merchandise	1	5
Gross value	**45,221**	**40,920**
Provisions for impairment	(6,738)	(6,669)
Net value	38,483	34,252

3.4. Accounts receivable

(in thousands of euro)	12/31/2023	12/31/2022
Accounts receivable	64,152	55,254
Provisions for impairment	(86)	(87)
Net value	**64,066**	**55,167**

3.5. Other receivables

(in thousands of euro)	12/31/2023	12/31/2022
Income taxes	3,538	4,285
VAT	1,510	1,129
Other	8,130	14,761
Gross value	**13,178**	**20,175**
Provisions for impairment	0	(9)
Net value	**13,178**	20,166

3.6. Cash at bank and in hand, and securities

(in thousands of euro)	12/31/2023	12/31/2022
Cash and cash equivalents	32,416	34,340
Net value	**32,416**	**34,340**

3.7. Maturity of Receivables and Payables

Receivables are due within one year, except for those listed under the following headings:

(in thousands of euro)	Maturity > 1 Year
Receivables concerning associated companies	79,082
Other financial assets	3,318
Adjusted accounts receivable	93
Other adjusted receivables	9
Total	**82,502**

Payables are due within one year, except for those listed under the following headings:

(in thousands of euro)	Due in 1 to 5 Years	Due > 5 Years	Total
Financial debt	34,816	0	34,816
Related — miscellaneous financial debt	172,000	0	172,000
Total	**206,816**	**0**	**206,816**

3.8. Expenses to be amortized over several financial years

The issuance costs of borrowing are recognized as expenses to be amortized over several financial years and are spread linearly over the term of the loans. As at December 31, 2023, the remaining unamortized expenses to be allocated for loan issuance costs amount to €66,717.

3.9. Shareholder equity

The share capital consists of 26,741,040 shares with a nominal value of €0.80.

The evolution of equity during the 2023 financial year is as follows:

(in thousands of euro)	Amounts
Shareholder equity as of 12/31/2022	147,040
Distribution of dividends	(8,021)
Profit/Loss for the Year	(94)
Movements in regulated provisions	(617)
Total	**138,308**

3.10. Provisions for Liabilities and for Expenses

Provisions for liabilities and for expenses, which correspond in particular to ongoing disputes with third parties, to redundancy measures and to unrealized exchange losses, are analyzed as follows:

(in thousands of euro)	12/31/2022	Allocations	Utilizations	Unallocated Reversals/Other Movements	12/31/2023
Provisions for disputes	37,252	13,481	(18,497)		32,236
Provisions for site closures		9,185			9,185
Provisions for foreign-exchange losses	8	-	-	8	0
Total	**37,260**	**22,666**	**(18,497)**	**(8)**	**41,421**

Allocations and reversals for disputes in the 2023 financial year are mainly related to technical and commercial risks, notably warranty returns. In the latter case, the amounts were estimated based on the guaranteed returns observed during the year, contractual warranty periods and available insurance claim histories. They also include a provision of €9.2 million for the closure costs of the Gournay site.

3.11. Financial debt

(in thousands of euro)	12/31/2023	12/31/2022
Group payables	172,000	166,893
Non-Group payables:		
- Loans	34,525	40,563
- Interest payable	164	66
- Other	127	487
Total	**206,816**	**208,008**

Certain bank loans are subject to compliance with financial covenants. As of December 31, 2023, AKWEL complies with all these covenants.

3.12. Tax, Employee and Other Liabilities

(in thousands of euro)	12/31/2023	12/31/2022
Social security bodies	3,636	3,759
Personnel	4,752	4,944
State (VAT, corporate tax, etc.)	2,472	1,790
Advances and prepayments received	992	1,453
Other payables, expenses payable	3,038	83
Total	**14,890**	**12,028**

3.13. Expenses Payable and Accrued Income

Accrued income includes the following:

(in thousands of euro)	12/31/2023	12/31/2022
Insurance proceeds related to warranty returns	8,094	14,663
Trade receivables	6,547	6,696
Unbilled revenue	4,394	2,911
Other	30	74
Total	**19,065**	**24,344**

Expenses payable include the following:

(in thousands of euro)	12/31/2023	12/31/2022
Accrued invoices	19,232	14,541
Credit notes to be issued	9,150	5,752
Tax and employee liabilities payable	7,294	7,261
Other	3,202	66
Total	**38,878**	**27,620**

3.14. Bills of Exchange

Accounts receivable includes a sum of €276 thousand (€229 thousand in 2022) corresponding to the unmatured and undiscounted bills received. Trade payables include bills due for an amount of €442 thousand (€834 thousand in 2022).

4. NOTES TO THE INCOME STATEMENT

4.1. Turnover Breakdown

Turnover in France amounts to €196,227 million, representing 54.18% of the total turnover (53.08% in 2022). Export turnover amounts to €165,940 million, representing 45.82% of the total turnover (46.92% in 2022).

4.2. Financial Income and Expenses

(in thousands of euro)	12/31/2023	12/31/2022
Income from equity investments	610	16,371
Net currency differences	-	-
(Net charges to)/Reversals from provisions	(8,604)	(23,445)
Write-offs of receivables	-	-
Financial interest and other financial charges (net)	(4,671)	(958)
Total	**(12,665)**	**(8,032)**

Provision allowances for equity investments amount to €1,564 thousand (€13,183 thousand in 2022). These provisions concern the subsidiaries AKWEL JUNDIAI (Brazil) and AKWEL EL JADIDA (Morocco).

Provision allowances for receivables concerning associated companies amount to €7,041 thousand (€16,443 thousand in 2022). They mainly concern the subsidiaries AKWEL SWEDEN AB, AKWEL RAYONG THAILAND CO LTD and HOLDING ENRICAU.

4.3. Extraordinary Income

(in thousands of euro)	12/31/2023	12/31/2022
Depreciation/amortization and provisions (net)	617	843
Net asset disposals	(11)	(4,608)
Other income (expenses)	(2)	29
Total	**604**	**(3,736)**

4.4. Allocation of Tax between Current and Extraordinary Income

(in thousands of euro)	Pre-tax income	Taxes	Net income after taxes
Operating income (and investments)	(1,205)	507	(698)
Extraordinary Income	604	-	604
Accounting income	**(601)**	**507**	**(94)**

4.5. Increase and Decrease in Future Tax Liability

The carryforward tax loss and items leading to deferred taxation result in a future tax relief of €2,406 thousand (€1,951 thousand in 2022), based on a future tax rate of 25%.

5. OTHER INFORMATION

5.1. Retirement

The cumulative amount of unprovided retirement indemnity commitments at the financial year-end amounts to €3,969 thousand. The calculation assumptions are specified in *note 2*.7.

5.2. Lease agreements

The original value of assets acquired under lease agreements amounts to €30,101 thousand, and their net value would be €3,063 thousand if they had been acquired outright and depreciated.

As AKWEL no longer has any ongoing contracts, there are no lease payments to be made.

5.3. Identity of the consolidating Group

AKWEL is the consolidating parent of its Group. As such, it presents consolidated accounts under its name alone.

5.4. Other financial commitments

At December 31, 2023, other commitments to financial institutions are analyzed as follows:

- €1,446 thousand, for guarantees provided;
- €5,202 thousand, in respect of guarantees granted on non-financial assets (this amount is already included in the Group's financial debts).

5.5. Related Companies

Except for the agreements mentioned in the special report of the Statutory Auditors on *page 232,* transactions with related parties are concluded on normal market terms.

5.6. Remuneration to Corporate Officers

Total remuneration paid to members of the Executive Board amounts to €1,911,994 for the financial year ended December 31, 2023 (€2,310,154 in 2022). The total remuneration paid to members of the Supervisory Board amounts to €341,000 for the financial year ended December 31, 2023 (€341,000 in 2022).

5.7. Average Workforce

	2023	2022
Executives	234	257
Middle management	460	473
Workers	406	441
Total	**1,100**	**1,171**

5.8. Transfer of Expenses

The amount of operating expense transfers recorded during the financial year amounts to a net debit balance of €4,222 thousand (compared to a net debit balance of €130 thousand in 2022), mainly related to a decrease in insurance indemnification.

5.9. Table of Subsidiaries and Equity Investments

(in thousands of euro)	Shareholder Equity before Allocation of Profits	Share of Capital Held (%)	Book Value of Shares Held	
			Gross	Net
Holdings of AKWEL and Its Subsidiaries				
SCI PAYS DE BRAY SUD	690	100.00	762	762
AKWEL MATEUR TUNISIA SARL	16,252	100.00	4,424	4,424
AKWEL NINGBO CHINA CO, LTD	26,941	100.00	10,511	10,511
AKWEL CORDOBA ARGENTINA SA	(854)	100.00	13,925	-
AKWEL BURSA TURKEY OTOMOTIVE A.S.	31,527	100.00	14,775	14,775
AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA	3,116	100.00	13,919	3,426
AKWEL BIRMINGHAM UK LTD	149,137	100.00	96,517	96,517
AKWEL VIGO SPAIN S.L	47,982	100.00	4,772	4,772
AKWEL MEXICO SA DE CV	(1,981)	100.00	6	-
AKWEL TIMISOARA ROMANIA SRL	51,598	100.00	1,963	1,963
MGI COUTIER ILIA CO PJS	-	50.00	1,164	-
AKWEL TOOLING FRANCE	4,964	100.00	895	895
AKWEL USA INC	428,154	100.00	28,402	28,402
AKWEL VANNES FRANCE	5,543	100.00	-	-
AKWEL AUTOMOTIVE PUNE INDIA PVT LTD	781	100.00	2,597	-
AKWEL AUTOMOTIVE SWEDEN AB	2,465	100.00	32,881	-
AKWEL PAREDES DE COURA (PORTUGAL) UNIOESSOAL, LDA	26,244	100.00	7,350	7,350
AKWEL EL JADIDA MOROCCO SARL	(520)	100.00	7,265	2,147
AKWEL RAYONG (THAILAND) CO, LTD	6	100.00	7,925	-
AKWEL STARA ZAGORA (BULGARIA) EOOD	(3,076)	100.00	1,000	529
AKWEL WUHAN AUTO PARTS CO, LTD	14,895	100.00	3,260	3,260
HOLDING ENRICAU	(3,592)	21.47	1,717	-
BIONNASSAY REAL ESTATE	1,562	50.00	67	67
Others (AKWEL Tunisie Services)	-	-	10	10
Total	**-**	**-**	**256,108**	**179,811**

(in thousands of euro)	Gross Advances Granted (1) (2)	Revenue at 12/31/23	Net Income at 12/31/23	Dividends Paid by the Company in 2023	Guarantees and Endorsements
Holdings of AKWEL and Its Subsidiaries					
SCI PAYS DE BRAY SUD	-	95	68	-	-
AKWEL MATEUR TUNISIA SARL	-	50,687	1,695	-	-
AKWEL NINGBO CHINA CO, LTD	-	9,796	968	-	-
AKWEL CORDOBA ARGENTINA SA	1,510	2,295	1,133	-	-
AKWEL BURSA TURKEY OTOMOTIVE A.S.	1,929	70,988	1,692	44	-
AKWEL JUNDIAI BRASIL-INDUSTRIA DE AUTOPEÇAS LTDA	-	2,536	210	566	-
AKWEL BIRMINGHAM UK LTD	-	418	4,066	-	-
AKWEL VIGO SPAIN S.L	-	113,327	4,260	-	-
AKWEL MEXICO SA DE CV	-	41,513	2,795	-	-
AKWEL TIMISOARA ROMANIA SRL	-	85,213	1,455	-	-
MGI COUTIER ILIA CO PJS	1,849	-	-	-	-
AKWEL TOOLING FRANCE	-	2660	353	-	-
AKWEL USA INC	-	-	(595)	-	-
AKWEL VANNES FRANCE	-	26,025	1,710	-	-
AKWEL AUTOMOTIVE PUNE INDIA PVT LTD	2,404	4,540	504	-	-
AKWEL AUTOMOTIVE SWEDEN AB	-	-	-	-	-
AKWEL PAREDES DE COURA (PORTUGAL) UNIOESSOAL, LDA	-	78,575	5,029	-	-
AKWEL EL JADIDA MOROCCO SARL	9,725	9,499	(2,943)	-	456
AKWEL RAYONG (THAILAND) CO,	14,488	20,251	(425)	-	-
AKWEL STARA ZAGORA (BULGARIA) EOOD	9,221	16	(3,606)	-	-
AKWEL WUHAN AUTO PARTS CO, LTD	-	3,711	(80)	..	..
HOLDING ENRICAU	-	110,507	(8,825)	-	-
BIONNASSAY REAL ESTATE	630	1,600	356	-	988
Others (AKWEL Services Tunisie)	209	-	-	-	-
Total (1)	41,965			610	1,444

(in thousands of euro)	Gross Advances Granted (1) (2)	Revenue at 12/31/23	Net Income at 12/31/23	Dividends Paid by the Company in 2023	Guarantees and Endorsements
Advances to Indirect Subsidiaries of AKWEL SA					
AKWEL SWEDEN AB	10,837	58,146	(2,022)	-	-
AKWEL CADILLAC USA	19,000	183,348	(751)	-	-
AKWEL GEBZE	3,902	56,424	2,405		
AKWEL CHONGQING	3,156	5,547	(173)	-	-
OTHER	200			-	-
Total (2)	37,095				
Total (1)+(2)		79,060		610	1,444

(1) Net amount: €59,616 thousand.
(2) Accounts receivable from subsidiaries RAYONG, MGI COUTIER ILIA CO PJS, AKWEL AUTOMOTIVE PUNE INDIA PVT LTD, AKWEL CORDOBA ARGENTINA SA and AKWEL SWEDEN AB are impaired by €14,482 thousand, €1,849 thousand, €1,015 thousand, €1,510 thousand and €6,858 thousand respectively.

STATUTORY AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

Financial Year Ended December 31, 2023

To the General Meeting of the AKWEL Group,

Opinion

In accordance with the assignment entrusted to us by your General Meeting, we have conducted an audit of AKWEL's annual accounts for the financial year ended December 31, 2023, as attached to this report.

We certify that the annual accounts, in accordance with French accounting rules and principles, are regular and sincere and provide a true and fair picture of the results of operations for the past financial year as well as the financial position and assets of the company at the end of this financial year.

The opinion expressed above is consistent with the content of our report to the audit committee.

Basis for the Opinion

Audit Standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the "Responsibilities of the Statutory Auditors relating to the audit of the annual accounts" section of this report.

Independence

We carried out our audit engagement in compliance with the independence rules set forth in the French Commercial Code and the Code of Ethics for Statutory Auditors for the period from January 1, 2023 to the date of issuance of our report. We did not provide any services prohibited under Article 5 Paragraph 1 of Regulation (EU) No 537/2014.

Justification of Assessments — Key Audit Matters

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code concerning the justification of our assessments, we wish to bring to your attention the key audit matters related to the risks of material misstatement. The latter, in our professional judgment, were the most significant for the audit of the annual accounts for the year, as well as the responses we provided to address these risks.

These assessments are made in the context of the audit of the annual accounts taken as a whole and in the formation of our opinion expressed above. We do not express an opinion on individual components of these annual accounts.

Valuation of Equity Investments and Receivables Concerning Associated Companies

Notes 2.2.3., 2.3 and 3.2 of the notes to the annual accounts

Identified Risk

Equity investments and receivables concerning associated companies are reported on AKWEL's balance sheet as at December 31, 2023, for a net amount of €233.2 million.

Equity investments are recognized at their acquisition cost and are impaired when their estimated value in use at the end of the reporting period is lower than their carrying amount. The value in use of equity investments is assessed using several criteria, in particular including equity, multiples of EBITDA, and growth and profitability prospects. This assumption requires management to exercise judgment, particularly when based on forecast items.

Due to the inherent uncertainties associated with forecast items used in these calculations, we have considered the evaluation of equity investments, and by extension, the receivables related to them, to be a key point of our audit.

Our Response

We have reviewed the controls implemented by the company to estimate the value in use of equity investments. Our work predominantly included:

- comparing the proportional share of net assets used to determine the values in use of equity investments to data derived from the accounting records;
- verifying, when values in use were determined based on forecast elements, that their estimation was based on an appropriate valuation method;
- assessing the soundness of the main assumptions used in estimating values in use through discussions with Management;
- checking the arithmetic accuracy of the value-in-use calculations performed by the Company;
- assessing the recoverability of receivables related to the results of impairment tests for equity investments.

Evaluation of Provisions Related to Technical and Commercial Risks

Notes 2.6 and 3.10 of the notes to the annual accounts

Identified Risk

As a first-tier supplier to numerous automotive manufacturers, the company is exposed to risks inherent in its business, particularly regarding commercial and industrial considerations.

With this in mind, the company may encounter uncertain, litigious or contentious situations, particularly in the context of technical risks and recall campaigns carried out by automobile manufacturers.

The estimation of risks is regularly reviewed by the company's management. Incomplete identification and/or incorrect assessment of a risk could result in the company overestimating or underestimating its provisions.

At the close of the 2023 financial year, provisions for disputes amounted to €32.2 million and are primarily related to technical and commercial risks. We considered the evaluation of provisions related to technical and commercial risks to be a key audit matter due to the potential financial impact on the company and management's judgment in estimating the risks and the amounts recognized.

Responses Provided during Our Audit

Our work predominantly included:

- Obtaining external confirmations from attorneys to identify the litigations and contentious situations involving the company;
- Reviewing the company's risk analysis, corresponding documentation and, where applicable, the written consultations of its external advisors;
- Conducting interviews with the product line director responsible for technical risks;
- Assessing the main risks identified and examining the soundness of the assumptions made by management in estimating the amount of provisions recognized, based on the information collected.

Specific Checks

We have also conducted specific checks in accordance with the applicable professional standards in France, as required by legal and regulatory texts.

Information Provided in the Management Report and in Other Documents on the Financial Position and Annual Accounts Addressed to Shareholders

We have no observations to make as to whether the information provided by the Executive Board in the management report and other financial documents sent to shareholders accurately matches the annual accounts.

We attest to the accuracy and consistency with the annual accounts of the information regarding payment terms mentioned in Article D.441-6 of the French Commercial Code.

Corporate Governance Report

We certify the presence, in the Supervisory Board's corporate governance report, of the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Regarding the information provided in accordance with the provisions of Article L.22-10-9 of the French Commercial Code concerning the remuneration and benefits paid or attributed to corporate officers, as well as commitments made in their favor, we have verified their consistency with the accounts or the data used to prepare these accounts and, where appropriate, with the information gathered by your company from the companies controlled by it that are included in the scope of consolidation. Based on this work, we confirm the accuracy and sincerity of this information.

With regard to the information on items that your company has considered could potentially be impacted in the event of a public takeover bid or exchange offer, provided in accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we have verified their conformity with the documents from which they originate and that have been shared with us. Based on this work, we have no comments to make on this information.

Other Information

In accordance with the law, we have ensured that various information regarding the identity of shareholders or voting rights holders and reciprocal interests has been communicated to you in the management report.

Other Checks or Information Required by Legal and Regulatory Texts

Presentation Format of the Annual Accounts Intended for Inclusion in the Annual Financial Report

In accordance with the professional standard on the auditor's procedures relating to the annual and consolidated accounts set out in the European Single Electronic Format (ESEF), we also verified the compliance of this format as defined by the Delegated European Regulation No 2019/815 of December 17, 2018 in the presentation of the annual accounts intended to be included in the annual financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the President of the Executive Board.

We are unable to conclude on the compliance of the presentation of the annual accounts intended to be included in the annual financial report with ESEF. Indeed, we were unable to perform the necessary procedures to verify this compliance for the following reason: the ESEF-formatted accounts intended for inclusion in the financial report were not provided in time to allow for the organization of the verification work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of AKWEL by the ordinary general meetings of February 23, 2004 for Mazars, and June 24, 2005, for Orfis.

As at December 31, 2023, Mazars was in the 20th consecutive year of engagement, and Orfis was in its 19th year.

Responsibilities of Management and Those Charged with Governance for the Annual Accounts

Management is responsible for preparing annual accounts that provide a true and fair picture in accordance with French accounting rules and principles. It is also tasked with implementing the internal control it deems necessary to ensure the annual accounts are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, management is obligated to assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and overseeing the effectiveness of internal control and risk management systems, as well as internal audit—where applicable—in relation to the procedures involved in preparing and processing accounting and financial information.

The annual accounts have been approved by the Executive Board.

Responsibilities of the Statutory Auditors Relating to the Audit of the Annual Accounts

Audit Objective and Approach

We are tasked with preparing a report on the annual accounts. Our goal is to achieve reasonable assurance that the annual accounts, as a whole, are free from material misstatements. Reasonable assurance means a high level of assurance, but there is no guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if it could reasonably be expected that they, individually or collectively, could impact the economic decisions made by users relying on these accounts.

As specified by Article L.821-55 of the French Commercial Code, our certification engagement does not involve guaranteeing the viability or quality of your company's management.

In the context of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. Furthermore:

- it identifies and assesses the risks of significant misstatements in the annual accounts whether due to fraud or error, defines and implements audit procedures to address these risks, and gathers sufficient and appropriate evidence to support its opinion. The risk of not detecting a significant misstatement resulting from fraud is higher than that of a significant misstatement resulting from an error, as fraud may involve collusion, falsification, deliberate omissions, misrepresentations or circumvention of internal controls;
- it reviews the relevant internal control for the audit to define appropriate audit procedures in the circumstances, not to express an opinion on the effectiveness of internal control;
- it assesses the appropriateness of the accounting methods adopted and the reasonableness of management's accounting estimates, as well as the information concerning them provided in the annual accounts;
- it evaluates the appropriateness of management's application of the going concern basis of accounting and, based on the information collected, determines whether there is significant uncertainty regarding events or circumstances that could raise doubts about the company's ability to continue operating. This assessment is based on the information collected up to the date of its report; however, it should be kept in mind that subsequent events or circumstances could challenge the going concern assumption. If it determines that there is significant uncertainty, it will draw the attention of readers to the information provided in the annual accounts regarding this uncertainty. In cases where such information is not provided or is irrelevant, it issues a qualified opinion or declines to certify;
- it evaluates the overall presentation of the annual accounts and assesses whether they accurately reflect the underlying transactions and events to provide a true and fair picture.

Report to the Audit Committee

We submit to the Audit Committee a report outlining the scope of our audit work and the executed work plan, as well as the conclusions resulting from our work. Additionally, we bring to its attention any significant weaknesses in internal control that we have identified regarding procedures related to the preparation and processing of accounting and financial information.

Included in the report to the Audit Committee are the risks of significant misstatements that we deem to have been the most important for the audit of the annual accounts for the period. These risks represent the key audit areas, which we are responsible for describing in this report.

Furthermore, we provide the Audit Committee with the declaration required under Article 6 of Regulation (EU) No 537/2014 confirming our independence, in accordance with the applicable rules in France as defined primarily by Articles L.821-27 to L.821-34 of the French Commercial Code and the code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguard measures implemented.

The Statutory Auditors

Mazars	Orfis
In Annecy on April 29, 2024	In Villeurbanne on April 29, 2024
Jérôme Neyret	Jean-Louis Flèche

SPECIAL STATUTORY AUDITOR'S REPORT ON THE RELATED-PARTY TRANSACTIONS

Financial Year Ended December 31, 2023

ORFIS
149, Boulevard de Stalingrad
69100 Villeurbanne, France

MAZARS
Parc des Glaisins
13, avenue du Pré Félin
Annecy-le-Vieux
74949 Annecy, France

To the General Meeting of the AKWEL Group,

As the Statutory Auditors of your company, we hereby present our report on related-party transactions.

It is our responsibility to report to you, based on the information provided to us, the characteristics, essential terms and reasons justifying the interest of the company in the transactions of which we have been informed or that we may have discovered in the course of our duties, without having to assess their usefulness and merit or to search for the existence of other transactions. It is your responsibility, according to the terms of Article R.225-58 of the French Commercial Code, to assess the interest attached to the conclusion of these transactions for their approval.

Additionally, it is our responsibility, if applicable, to communicate to you the information required by Article R.225-58 of the French Commercial Code concerning the execution, during the past financial year, of transactions already approved by the General Meeting.

We have performed the necessary due diligence according to the professional standards set forth by the French National Company of Statutory Auditors concerning this engagement. This due diligence involved verifying the consistency of the information provided to us with the underlying documents.

Transactions Submitted for the Approval of the General Meeting

Transactions Authorized and Concluded during the Past Financial Year

In accordance with Article L.225-88 of the French Commercial Code, we have been informed of the following transactions concluded during the past financial year, which were subject to prior authorization by your Supervisory Board.

The persons involved in these transactions and commitments are indicated in the attached table at the end of this report.

- Liquidity agreement with COUTIER DEVELOPPEMENT

The company entered into a liquidity agreement with COUTIER DEVELOPPEMENT.

The purpose of this agreement is for COUTIER DEVELOPPEMENT to provide its own resources, assistance and advice in defining the general policy and strategy of the AKWEL Group through its advisory, planning, organizational and coordination activities, as well as its internal and external knowledge.

This agreement was concluded for a term of three years, renewable by tacit renewal from July 1, 2015.

The liquidity services rendered are not subject to any remuneration.

No expenses were recognized for this agreement during the 2023 financial year.

The continuation of this agreement was authorized for the 2023 financial year by the Supervisory Board on May 4, 2023.

- Technical service provision agreement with COUTIER DEVELOPPEMENT

The company entered into a technical service provision agreement with COUTIER DEVELOPPEMENT.

The purpose of this agreement includes assisting in the technical definition of new products, identifying new markets, research, and focusing on industrialization in line with "Tack Time" and "One piece Flow" for the factory of the future, as well as optimizing tool design.

Initially drawn up for a period of three years starting from July 1, 2015, this agreement is subsequently renewed annually by tacit renewal.

The remuneration for the agreement corresponds to the costs incurred by COUTIER DEVELOPPEMENT, plus a margin of 8%.

Charges recognized under this agreement during the 2023 financial year amounted to €249,000.

The continuation of this agreement was authorized for the 2023 financial year by the Supervisory Board on May 4, 2023.

- Agreement with COUTIER DEVELOPPEMENT and COUTIER SENIOR for the provision of premises and legal assistance

Your company provides these two companies with a premises to accommodate their headquarters and performs legal assistance services during the approval of their annual accounts.

Initially drawn up for a period of one year starting from January 1, 2004, this agreement is renewed annually by tacit renewal.

AKWEL's legal intervention in COUTIER DEVELOPPEMENT is not limited to approving the accounts, but it has also encompassed secretary and accounting engagements since 2019. The terms of the agreement have been amended accordingly.

Income recognized under this agreement during the 2023 financial year amounted to:

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

The continuation of this agreement was authorized for the 2023 financial year by the Supervisory Board on November 10, 2022.

Transactions Already Approved by the General Meeting

We inform you that we have not been notified of any transactions already approved by the General Meeting whose execution continued during the past financial year.

The Statutory Auditors

Mazars	Orfis
In Annecy on April 29, 2024	In Villeurbanne on April 29, 2024
Jérôme Neyret	Jean-Louis Flèche

ADDITIONAL INFORMATION

GENERAL INFORMATION ON AKWEL

Name and Head Office:

AKWEL

975, route des Burgondes — 01410 Champfromier, France

Incorporation Date and Duration of the Group:

AKWEL was incorporated on February 14, 1989. It will expire in 2088 unless there is dissolution or extension.

Nationality:

French

Form and Legislation:

Société anonyme (French joint-stock company) with an Executive Board and Supervisory Board, governed by French law.

Trade and Companies Register:

344 844 998 RCS BOURG-EN-BRESSE — APE (principal activity) code: 2932 Z

Activity:

AKWEL's purpose, directly and indirectly, both in France and abroad, is:

- manufacturing and selling thermoplastic parts obtained through extrusion, blow molding and injection, with a focus on plastic materials processing;
- injection molding, blow molding, extrusion molding and other plastic material transformation techniques, as well as similar general mechanics and mold mechanics;
- cutting, stamping, welding, assembly, turning, stamping shop operation, metalworking, light and general mechanical work, including various mechanical developments;
- manufacturing, purchasing and selling parts and accessories, as well as electrical, mechanical and electronic equipment;
- designing, producing and assembling industrial assemblies, parts, mechanisms, accessories and manufactured products made of various materials and alloys;
- patenting, transferring and exploiting patents directly or through licensing, and industrial processes required for AKWEL's activities;
- purchasing, selling, importing, exporting, leasing, representing, licensing and distributing all industry-related equipment, objects and products;
- direct or indirect participation by AKWEL in any industrial, commercial or financial activities or operations whatsoever, movable or immovable, in France or abroad, as long as they are directly or indirectly related to its corporate purpose or to any similar, related or complementary purposes;
- the company may engage in its activities directly or indirectly, for its own account or for third parties, either alone or with partners, through the creation of new companies, contributions, limited partnerships, subscriptions, purchases of securities or social rights, mergers, alliances, joint ventures, management of any assets or rights or by other means;
- in general, it may undertake any financial, commercial, industrial, civil, real estate or movable operations that relate directly or indirectly to its stated purposes or to any similar or related purposes that could promote its expansion or development.

Financial Year:

Each financial year lasts one year, beginning on January 1 and ending on December 31.

General Meetings (Article 20 of the Bylaws):

General Meetings are convened and deliberate under the conditions set by law.

Shareholders' collective decisions are made at ordinary, extraordinary or special General Meetings, depending on the type of decisions to be made.

The Executive Board, the Supervisory Board, the Statutory Auditors, or a court-appointed representative may convene General Meetings, as provided by law.

Meetings take place at the company's headquarters or any other location specified in the notice.

Every shareholder is entitled to participate in the deliberations, either personally or through a proxy, upon providing proof of the accounting registration of their shares in their name or in the name of an intermediary registered on their behalf pursuant to Article L.228-1 paragraph 7 of the French Commercial Code, by midnight, Paris time, on the second business day prior to the meeting. This can be in either the registered share accounts kept by AKWEL or in the bearer share accounts kept by an intermediary mentioned in Article L.211-3 of the French Monetary and Financial Code.

Each shareholder can only be represented by their spouse or another shareholder; the proxy must provide evidence of their authorization to this effect.

Shareholders may also vote by mail using a form prepared and sent to AKWEL under the conditions set by law and regulations; this form must reach AKWEL for counting three days before the meeting date.

An attendance sheet, duly signed by the shareholders present and represented, to which the powers granted to each proxy and, if applicable, the postal voting forms are attached, is certified as accurate by the Meeting's committee.

General Meetings are chaired by the President of the Supervisory Board or, in their absence, by the Vice-President of the Supervisory Board or by a member of the Board specifically delegated for this purpose by the Board. Failing this, the Meeting itself will appoint its Chair.

The functions of vote tellers are performed by the two shareholders, present and accepting, who have the greatest number of votes, either personally or as proxies.

The assembled committee shall appoint a secretary, who may not be a shareholder.

Minutes are recorded, and copies or extracts of the deliberations are issued and certified in accordance with the law.

Ordinary and extraordinary general meetings, deliberating under the quorum and majority conditions prescribed by their respective governing provisions, exercise the powers attributed to them by law.

Voting Rights:

In accordance with Law 2014-384 of March 29, 2014 (the "Florange" law), a double voting right is granted to all shares fully paid up that have been registered in the name of the same shareholder for at least two years.

Corporate Results (Article 22 of the Bylaws):

If the accounts for the financial year approved by the General Meeting show a distributable profit as defined by law, the General Meeting shall decide whether to allocate it to one or more reserve accounts, to carry it forward or to distribute it as dividends.

Any losses, after the accounts are approved by the General Meeting, are carried forward to be offset against future profits until fully absorbed.

Each shareholder's share of profits and contribution to losses is proportional to their share in the capital stock.

The General Meeting may decide to distribute amounts taken from reserves, specifying the exact reserve accounts being used. However, dividends are primarily taken from the distributable profit of the financial year.

Dividend Payments (Article 23 of the Bylaws):

The General Meeting may offer shareholders the option to receive all or part of the dividend or interim dividends either in cash or in shares, as per legal conditions.

The methods for paying cash dividends are determined by the General Meeting, or by the Executive Board if the Meeting does not specify.

Dividends in cash must be paid within a maximum period of nine months after the close of the financial year, provided a court has not authorized an extension.

Threshold Crossing (Article 10 III of the Bylaws):

Any person, acting alone or in concert, who acquires a percentage of the capital or voting rights (if the number and distribution of voting rights do not correspond to the number and distribution of shares) equal to or greater than 1%, or any multiple of this percentage, up to the threshold of 50%, must inform AKWEL of their stake as well as any subsequent changes in this stake. Starting from the date the participation threshold is exceeded, this information must be communicated by registered mail with acknowledgment of receipt to AKWEL at its head office within the timeframe specified by stock market regulations.

The same information must also be provided within the same time frames if the stake falls below the thresholds specified.

If they have not been declared under the conditions mentioned above, the shares exceeding the portion that should have been declared are deprived of voting rights at shareholder meetings if, at a meeting, the failure to declare is noted and if one or more shareholders jointly holding 5% of the capital or voting rights make such request at that meeting. In this case, the shares deprived of voting rights regain this right only after a period of two years following the date on which such notice is properly served.

Place for Consulting the Documents and Information about AKWEL

Documents about AKWEL and, specifically, its bylaws, its accounts, and the reports that the Executive Board, Supervisory Board and Statutory Auditors present to its Meetings can be consulted at the head office from:

Mr. Benoit Coutier, Legal & Financial VP
AKWEL
975, route des Burgondes
01410 CHAMPFROMIER (France)
Tel.: +33 (0)4 50 56 98 98

GENERAL INFORMATION CONCERNING THE GROUP'S CAPITAL

Share Capital:

The share capital as at December 31, 2023 is €21,392,832, divided into 26,741,040 shares of €0.80.

AKWEL's shares have been registered on the Euronext Paris market — sub-fund B, since April 4, 2011 under security code FR 00000 53027.

Stock Market Information:

The average price over the 2023 financial year was €14.97.

The highest price reached during the financial year was €18.24 (on January 3, 2023), while the lowest price was €12.80 (on April 6, 2023).

The closing price on December 29, 2023 was €16.16, valuing the Group at €432.14 million.

Total volumes traded during the year amounted to 2,350,314 shares across 28,552 transactions (compared to 1,777,551 shares across 32,231 transactions in 2022), representing a decrease in the number of transactions of approximately 11.41% compared to the previous financial year.

Securities Giving Access to Capital:

None.

Share Purchase Options:

None.

Threshold-Crossing Declarations during the 2023 Financial Year:

On March 30, 2023, Amiral Gestion declared that it had crossed the statutory threshold of 8% ownership of the Group's capital, increasing its stake to 8.02% of the capital and 4.73% of the voting rights.

On July 12, 2023, Amiral Gestion declared that it had crossed the statutory threshold of 5% ownership of the voting rights, increasing its stake to 8.51% of the capital and 5.01% of the voting rights.

AGENDA OF THE COMBINED GENERAL MEETING OF THURSDAY, MAY 23, 2024

1. Ordinary Business

1. Approval of the annual accounts for the year ended December 31, 2023 — Approval of non-deductible expenses and charges for tax purposes.
2. Discharge of the members of the Executive Board and the Supervisory Board.
3. Approval of the consolidated accounts for the year ended December 31, 2023.
4. Allocation of the result of the year and determination of the dividend.
5. Approval of the renewal of the liquidity agreement with COUTIER DEVELOPPEMENT as outlined in the special report of the Statutory Auditors.
6. Approval of the renewal of the technical services agreement with COUTIER DEVELOPPEMENT as outlined in the special report of the Statutory Auditors.
7. Approval of the renewal of the agreement with COUTIER DEVELOPPEMENT for the provision of premises and legal assistance as outlined in the special report of the Statutory Auditors.
8. Approval of the renewal of the agreement with COUTIER SENIOR for the provision of premises and legal assistance as outlined in the special report of the Statutory Auditors.
9. Renewal of the mandate of MAZARS as principal joint statutory auditor.
10. Non-renewal of the mandate of Mr. Philippe Galofaro as deputy joint statutory auditor.
11. Non-renewal of the mandate of ORFIS as principal joint statutory auditor and appointment of the PRICEWATERHOUSECOOPERS AUDIT Group as the new principal joint statutory auditor.
12. Non-renewal of the mandate of Mr. Bruno Genevois as deputy joint statutory auditor.
13. Appointment of the MAZARS Group as statutory auditor responsible for certifying sustainability information.
14. Approval of the information referred to in Article L. 22-10-9 paragraph I of the French Commercial Code for the Group’s corporate officers,
15. Approval of all components of remuneration and benefits paid during the past financial year or attributed to the same year to Mr. Mathieu Coutier, President of the Executive Board.
16. Approval of all components of remuneration and benefits paid during the past financial year or attributed to the same year to Mr. Benoit Coutier for his role as Member of the Executive Board.
17. Approval of all components of remuneration and benefits paid during the past financial year or attributed to the same year to Mr. Nicolas Coutier for his role as Member of the Executive Board.
18. Approval of all components of remuneration and benefits paid during the past financial year or attributed to the same year to Mr. Frédéric Marier for his role as Member of the Executive Board.
19. Approval of all components of fixed and variable remuneration and benefits paid during the past financial year or attributed to the same year to Mr. André Coutier, President of the Supervisory Board.
20. Approval of the Remuneration Policy for the members of the Executive Board.
21. Approval of the Remuneration Policy for the members of the Supervisory Board.
22. Determination of the annual remuneration allocated to the Supervisory Board.
23. Authorization to be given to the Executive Board to implement a share buyback program pursuant to Articles L.22-10-62 et seqq. of the French Commercial Code.

2. Extraordinary Business

24. Authorization for the Executive Board to cancel group shares purchased under the terms of Articles L. 22-10-62 et seqq. of the French Commercial Code.

3. Ordinary Business

25. Powers to carry out formalities

TEXT OF THE RESOLUTIONS PROPOSED TO THE COMBINED GENERAL MEETING OF THURSDAY, MAY 23, 2024

1. Ordinary Business

1.1. First Resolution

(Approval of the annual accounts for the year ended December 31, 2023 — Approval of non-deductible expenses and charges for tax purposes.)

The General Meeting, deliberating under the conditions of quorum and majority required for ordinary general meetings — having reviewed the management report from the Executive Board, the Supervisory Board report, which it fully approves, as well as the Statutory Auditors' report on the annual accounts — approves the annual accounts for the financial year ending December 31, 2023, as presented, showing a loss of €93,890.36, along with the transactions reflected in these accounts and summarized in these reports.

The General Meeting also approves the total amount of non-deductible expenses and charges for corporate tax purposes, amounting to €40,618, as well as the related tax incurred due to these expenses and charges, amounting to €10,155.

1.2. Second Resolution

(Discharge of the members of the Executive Board and the Supervisory Board.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, grants full and unconditional discharge to the members of the Executive Board and the members of the Supervisory Board to perform their duties for said financial year.

1.3. Third Resolution

(Approval of the consolidated accounts for the year ended December 31, 2023.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, after reviewing the Group Management Report and the Statutory Auditors' Report, approves the consolidated accounts as at December 31, 2023, as presented, showing a positive Group net income of €35,722,289, as well as the transactions reflected in these accounts and reports.

1.4. Fourth Resolution

(Allocation of net income.)

The General Meeting, at the proposal of the Executive Board, deliberating under the quorum and majority conditions required for ordinary general meetings, resolves to allocate the net income for the financial year ended December 31, 2023, amounting to €(93,890.36), as follows:

Determination of Distributable Amounts	
Profit/Loss for the Year	€(93,890.36)
Retained earnings	€79,778,839.63
Amount to be allocated	**€79,684,949.27**
Proposed Allocation	
Retained earnings	€71,662,637.27
Dividends: €0.30 per share (x 26,741,040)	€8,022,312.00
Total	**€79,684,949.27**

The General Meeting reports that the total gross dividend per share is set at €0.30. When paid to individuals domiciled in France for tax purposes, this dividend is subject to a single flat-rate withholding tax of 12.8% on the gross dividend (Article 200 A of the French General Tax Code) or, at the taxpayer's express irrevocable option, to income tax according to the progressive scale after a 40% deduction (Article 200 A, 13, and 158 of the French General Tax Code). The dividend is also subject to social security deductions at the rate of 17.2%.

The dividend to be paid will go ex-dividend on June 3, 2024 and will be paid out on June 5, 2024. It is specified that if the Group holds any of its own shares at the time the dividend goes ex-dividend, then the amounts corresponding to the unallocated dividends for those shares will be allocated to the "Retained earnings" item.

In accordance with the law, the General Meeting notes that the dividends distributed for the past three financial years were as follows:

Financial Year Ended	Dividend per Share (in €)	Income Eligible or Ineligible for Tax Deduction
December 31, 2020	0.45	40% deduction when applicable
December 31, 2021	0.45	40% deduction when applicable
December 31, 2022	0.30	40% deduction when applicable

1.5. Fifth Resolution

(Approval of the renewal of the liquidity agreement with COUTIER DEVELOPPEMENT as outlined in the special report of the Statutory Auditors.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the special report of the Statutory Auditors on the agreements and commitments referred to in Articles L. 225-86 et seqq. of the French Commercial Code, approves the renewal of the liquidity agreement entered into during the financial year between the Group and COUTIER DEVELOPPEMENT.

1.6. Sixth Resolution

(Approval of the renewal of the technical services agreement with COUTIER DEVELOPPEMENT as outlined in the special report of the Statutory Auditors.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the special report of the Statutory Auditors on the agreements and commitments referred to in Articles L. 225-86 et seqq. of the French Commercial Code, approves the renewal of the technical services agreement entered into during the financial year between the Group and COUTIER DEVELOPPEMENT.

1.7. Seventh Resolution

(Approval of the renewal of the agreement with COUTIER DEVELOPPEMENT for the provision of premises and legal assistance as outlined in the special report of the Statutory Auditors.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the special report of the Statutory Auditors on the agreements and commitments referred to in Articles L. 225-86 et seqq. of the French Commercial Code, approves the renewal of agreement for the provision of premises and legal and administrative assistance entered into during the financial year between the Group and COUTIER DEVELOPPEMENT.

1.8. Eighth Resolution

(Approval of the renewal of the agreement with COUTIER SENIOR for the provision of premises and legal assistance as outlined in the special report of the Statutory Auditors.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the special report of the Statutory Auditors on the agreements and commitments referred to in Articles L. 225-86 et seqq. of the French Commercial Code, approves the renewal of agreement for the provision of premises and legal assistance entered into during the financial year between the Group and COUTIER SENIOR.

1.9. Seventh Resolution

(Renewal of the mandate of MAZARS Group as joint principal statutory auditor.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, at the proposal of the Supervisory Board, decides—after noting that the term of the MAZARS Group as principal joint statutory auditor expires at the end of this meeting—to reappoint MAZARS as principal joint statutory auditor for a further six-year term, i.e. until the conclusion of the Annual Ordinary General Meeting to be held in 2030 to approve the accounts for the year ending December 31, 2029.

1.10. Tenth Resolution

(Non-renewal of the mandate of Mr. Philippe Galofaro as joint statutory auditor.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, at the proposal of the Supervisory Board, decides—after noting that the term of Mr. Philippe Galofaro as deputy joint statutory auditor expires at the end of this meeting—not to renew his mandate or replace him, in accordance with the law.

1.11. Eleventh Resolution

(Non-renewal of the mandate of ORFIS Group as joint statutory auditor and appointment of the PRICEWATERHOUSECOOPERS AUDIT Group as the principal joint statutory auditor.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, at the proposal of the Supervisory Board, decides—after noting that the term of ORFIS as principal statutory auditor expires at the end of this meeting—not to renew its mandate and to instead appoint as the new principal joint statutory auditor PRICEWATERHOUSECOOPERS AUDIT, Grand Hôtel Dieu, 3 Cour du Midi, CS 30259, 69287 Lyon Cedex 02, France, registered in the Nanterre Trade and Companies Register under number 672 006 483, for a duration of six financial years, i.e. until the conclusion of the annual ordinary general meeting to be held in 2030 to approve the accounts for the year ending December 31, 2029.

PRICEWATERHOUSECOOPERS AUDIT has indicated its acceptance of these duties and that it is not affected by any incompatibility or prohibition that could prevent its appointment.

1.12. Twelfth Resolution

(Non-renewal of the mandate of Mr. Bruno Genevois as joint statutory auditor.)

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, at the proposal of the Supervisory Board, decides—after noting that the term of Mr. Bruno Genevois as deputy statutory auditor expires at the end of this Meeting—not to renew his mandate or replace him, in accordance with the law.

1.13. Thirteenth Resolution

(Appointment of the MAZARS Group as statutory auditor responsible for certifying sustainability information.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, at the proposal of the Supervisory Board, and in accordance with Article L232-6-3 of the French Commercial Code, decides to appoint, as auditor responsible for the mission of certifying sustainability information, the company MAZARS, residing at 109 Rue Tête d'Or, 69451 Lyon Cedex, France, registered with the Lyon Trade and Companies Register under number 351 497 649, for a period of three financial years, until the conclusion of the Annual Ordinary General Meeting to be held in the year 2027 and called to decide on the accounts closed on December 31, 2026.

MAZARS has indicated its acceptance of these duties and that it is not affected by any incompatibility or prohibition that could prevent its appointment.

1.14. Fourteenth Resolution

(Approval of the information referred to in Article L. 22-10-9 paragraph I of the French Commercial Code contained in the corporate governance report.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the corporate governance report referred to in Article L. 225-68 of the French Commercial Code, approves, pursuant to Article L.22-10-34-I of the French Commercial Code, the information mentioned in paragraph 1 of Article L. 22-10-9 of the French Commercial Code as presented in the corporate governance report appearing in the 2023 annual financial report.

1.15. Fifteenth Resolution

(Approval of all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. André Coutier, President of the Executive Board).

The General Meeting, deliberating pursuant to Article L.22-10-34-II of the French Commercial Code and under the quorum and majority conditions required for ordinary general meetings, having reviewed the corporate governance report referred to in Article L. 225-68 of the French Commercial Code, approves all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. Mathieu Coutier owing to his role as President of the Executive Board, as presented in the corporate governance report and appearing in the 2023 annual financial report.

1.16. Sixteenth Resolution

(Approval of all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. Benoit Coutier, Member of the Executive Board.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the Group corporate governance report 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, all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. Benoit Coutier owing to his role as a Member of the Group's Executive Board, as presented in the corporate governance report and appearing in the 2023 annual financial report.

1.17. Seventeenth Resolution

(Approval of all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. Nicolas Coutier, Member of the Executive Board.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the Group corporate governance report 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, all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. Nicolas Coutier owing to his role as a Member of the Group's Executive Board, as presented in the corporate governance report and appearing in the 2023 annual financial report.

1.18. Eighteenth Resolution

(Approval of all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. Fréderic Marier, Member of the Executive Board.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the Group corporate governance report 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, all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. Frédéric Marier owing to his role as a Member of the Group's Executive Board, as presented in the corporate governance report and appearing in the 2023 annual financial report.

1.19. Nineteenth Resolution

(Approval of all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. André Coutier, President of the Supervisory Board.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the Group corporate governance report 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, all fixed and variable components of the total remuneration and benefits paid during the 2023 financial year or attributed to the same year to Mr. André Coutier owing to his role as a President of the Group's Supervisory Board, as presented in the corporate governance report and appearing in the 2023 annual financial report.

1.20. Twentieth Resolution

(Approval of the Remuneration Policy for the members of the Executive Board.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report referred to in Article L. 225-68 of the French Commercial Code, describing the components of the Remuneration Policy for corporate officers, approves, pursuant to Article L. 22-10-26 of the French Commercial Code, the Remuneration Policy for the members of the Executive Board as presented in the aforementioned report, appearing in the 2023 annual financial report.

1.21. Twenty-First Resolution

(Approval of the Remuneration Policy for the members of the Supervisory Board.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the Supervisory Board's corporate governance report referred to in Article L. 225-68 of the French Commercial Code, describing the components of the Remuneration Policy for corporate officers, approves, pursuant to Article L. 22-10-26 of the French Commercial Code, the Remuneration Policy for the Supervisory Board as presented in the aforementioned report, appearing in the 2023 annual financial report.

1.22. Twenty-Second Resolution

(Determination of the annual remuneration allocated to the Supervisory Board.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having heard the reading of the report of the Supervisory Board, sets the amount of the annual remuneration allocated to the Supervisory Board at the sum of €141,000.

This decision applies for the current financial year and for subsequent financial years until a new decision by the General Meeting.

1.23. Twenty-Third Resolution

(Authorization to be given to the Executive Board to implement a share buyback program pursuant to Articles L.22-10-62 et seqq. of the French Commercial Code.)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, having reviewed the Executive Board's report, authorizes it to acquire shares of the Group, in compliance with the conditions and obligations set forth in Articles L.22-10-62 et seqq. of the French Commercial Code, as well as Articles 241-1 to 241-6 of the General Regulation of the Autorité des Marchés Financiers.

The Company may acquire its own shares on the market or off-market, and sell all or part of the shares thus acquired, subject to the following limits:

- The total number of shares held shall not exceed 10% of the total number of shares composing the share capital. It is specified that this limit shall apply to an amount of the Company's share capital adjusted, if necessary, to take into account operations affecting the share capital during the authorization period. The acquisitions made by the Company shall in no case allow it to directly or indirectly hold more than 10% of its share capital;
- The number of shares used to calculate the 10% limit mentioned above corresponds to the number of shares purchased, net of shares resold during the authorization period;
- The unit purchase price shall not exceed €50 (excluding acquisition costs). However, the Board of Directors may adjust the aforementioned maximum purchase price in the event of the incorporation of reserves, profits or share premiums, merger or contributions, or any other amounts whose capitalization would be permitted, resulting in either an increase in the share's par value, the creation and free allocation of shares and in the event of a split of the share's par value, or a consolidation of shares, or any other transactions affecting shareholder equity to take into account the impact of these transactions on the share value;
- Shares may be acquired, sold or transferred by any means, on the market or over the counter, including by acquisition or sale of blocks, under conditions authorized by the market authorities. These transactions may be performed at any time in compliance with the applicable legal and regulatory provisions.

As a result, the maximum amount of funds allocated to the buyback program amounts to €123,863,000, calculated based on the share capital as at April 4, 2024 and the 196,844 treasury shares held on the same date.

The General Meeting decides that these redemptions may be made for the following purposes:

- to ensure a liquid market for the Company's securities through an investment services provider, acting independently under a liquidity contract that complies with regulations;
- to retain the shares repurchased and subsequently reissuing them in exchange for or as payment in connection with merger, demerger, provision or external growth operations;
- to potentially cancel some or all of the shares repurchased, under the conditions provided for by law;

- to implement any market practice that may be permitted by regulations, and more generally carrying out any transaction that complies with the regulations in force, in which case the Group will inform its shareholders by means of a press release.

The Executive Board is granted full authority, with powers to subdelegate, to:

- Assess the appropriateness of implementing this delegation;
- Determine the conditions and terms of acquisition and disposal, including the price of the shares purchased;
- Carry out, by any means, the acquisition, sale or transfer of these shares, and place orders on the stock exchange;
- Conclude any agreements, especially to maintain the registers of share purchases and sales, making all necessary declarations to the Autorité des Marchés Financiers and any other relevant body, and complying with all formalities;
- Establish, where appropriate, the description of the communication plan related to the implementation of the buyback program and publish it in accordance with the provisions of Article 221-3 of the same regulation, prior to the implementation of a buyback program;
- In general, do everything necessary to perform and implement this decision.

This authorization is granted for a period of 18 months from the date of this General Meeting, i.e. until November 23, 2025.

This authorization terminates, with immediate effect, for the unused portion and replaces the authorization granted by the Ordinary General Meeting of May 25, 2023 in its 20th resolution of ordinary business to proceed with the purchase of its own shares by the Group.

2. Extraordinary Business

2.1. Twenty-Fourth Resolution

(Authorization for the Executive Board to cancel group shares purchased under the terms of Articles L. 22-10-62 et seqq. of the French Commercial Code.)

The General Meeting, deliberating under the quorum and majority conditions of extraordinary general meetings, having taken note of the Executive Board's report and the special report of the Statutory Auditors:

- grants the Executive Board, with delegation powers and at its sole discretion, the authorization to cancel, once or multiple times, in the proportions and at the times it deems appropriate, within the limit of 10% of the total number of shares making up the share capital on the day the Executive Board makes this cancellation decision, after deducting any shares canceled during the previous 24 months, the shares that the Company holds or may hold owing to redemptions made under Article L.22-10-62 of the French Commercial Code, as well as to reduce the share capital accordingly within the legal and regulatory provisions in force;
- sets the validity period of this authorization at 24 months from the date of this Meeting.

The Board of Directors is granted full powers, with the option of delegation, to implement this authorization, in particular including:

- making all decisions necessary for the execution of transactions to cancel or reduce the capital;
- allocating the difference between the share purchase prices and their nominal value to reserves of its choice, including “share premiums, mergers and contributions”;
- adjusting the 10% limit on the capital to account for transactions that would affect this capital after the date of this Meeting;
- amending the Company’s bylaws accordingly;
- taking all actions, making all declarations, completing all formalities, including all declarations to the French Autorité des Marchés Financiers; and
- more generally, taking all necessary measures.

This authorization is granted for a period of 24 months from the date of this Meeting.

3. Ordinary Business

3.1. Twenty-Fifth Resolution

(Powers to carry out formalities)

The General Meeting, deliberating under the quorum and majority conditions required for ordinary general meetings, grants full powers to the bearer of copies or excerpts of these minutes to comply with all legal formalities.

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