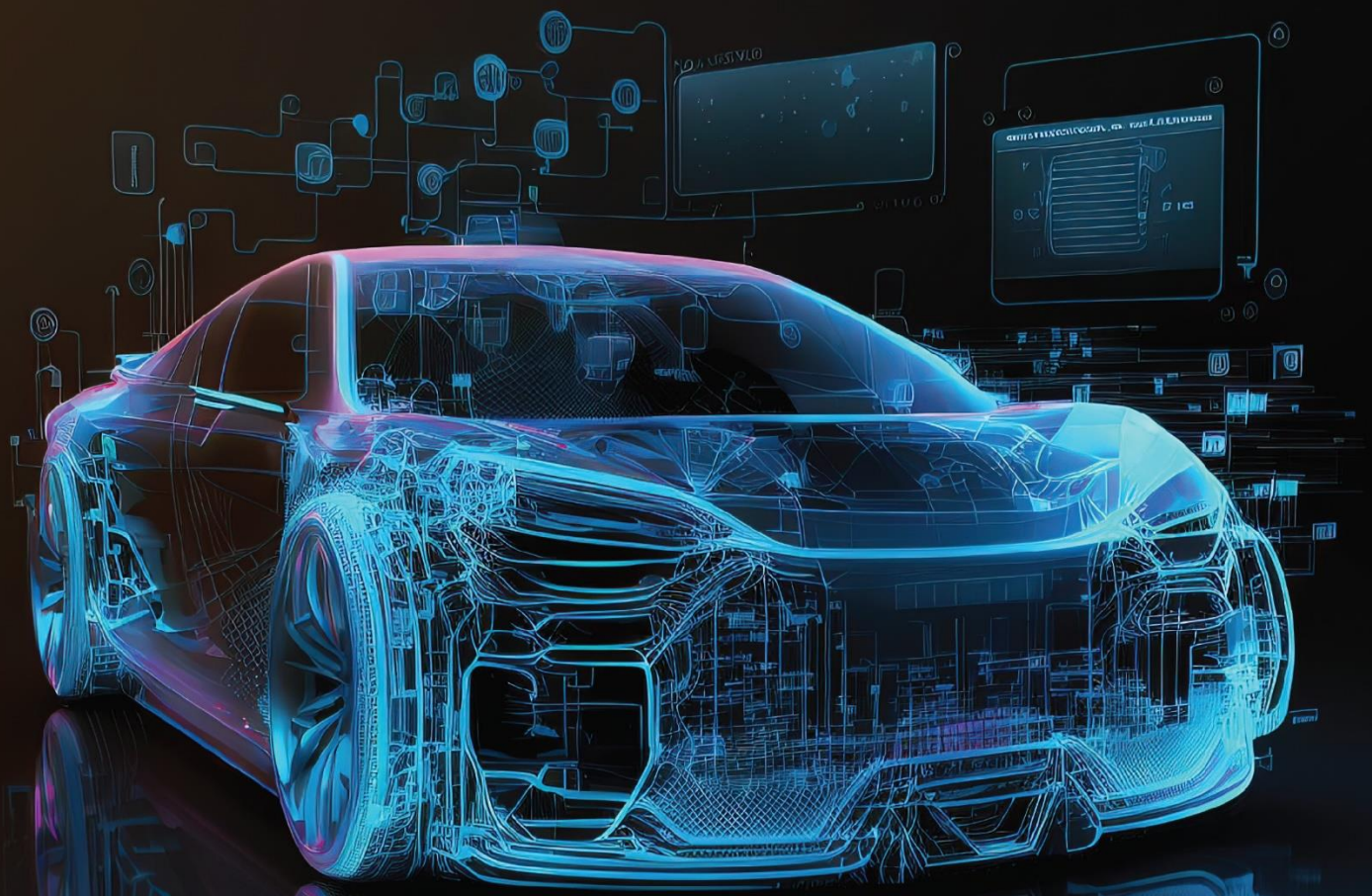
DELFINGEN
INDUSTRY



2022 URD

UNIVERSAL REGISTRATION DOCUMENT

WWW.DELFINGEN.COM

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DPEF Non-Financial Statement
RFA Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on April 28, 2023 with the Autorité des Marchés Financiers in its capacity as competent authority under Regulation (EU) 2017/1129 without prior approval, in accordance with Article 9 of said Regulation.
The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by an offering circular and, where applicable, a summary of any amendments made to the Universal Registration Document. The package thus formed is approved by the AMF in accordance with regulation (EU) 2017/1129.

Copies of the Universal Registration Document are available from the Company, on the Company's website www.delfingen.com, and on the website of the Autorité des Marchés Financiers www.amffrance.org.

INTRODUCTION

INTERVIEW WITH GÉRALD STREIT

President and Chief Executive Officer

« DELFINGEN IS STEADILY EXPANDING THROUGH EXTERNAL GROWTH AND THE ABILITY TO INTEGRATE IS AN IMPORTANT PART OF ITS KNOW-HOW »

DELFINGEN continues to transform its business through acquisitions and partnerships. Could you explain your strategy?

DELFINGEN is steadily expanding through external growth and the ability to integrate is an important part of its know-how. It is a growth accelerator that represents a definite competitive advantage in our market. We aim to continue to diversify in markets outside the automotive sector in order to counterbalance its various cycles.

One of the biggest challenges for the sector is "zero emissions" and sustainable development. What action are you taking in this area?

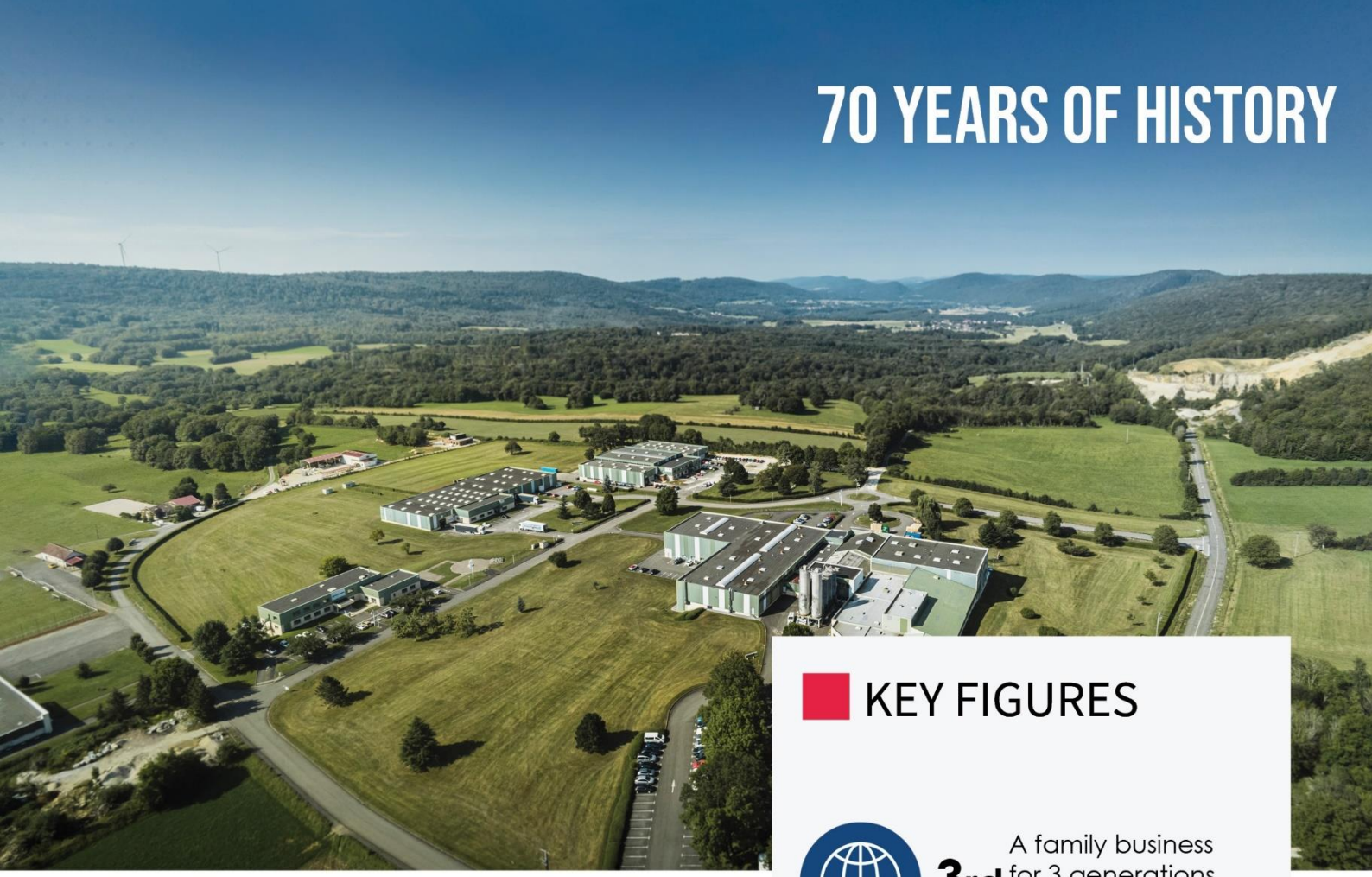
Zero emissions for vehicles means more electrification in the vehicle or more responsible fuel. The need to protect electrical networks and data is increasing in areas that are becoming secure or subject to tight constraints. We aim to protect these networks in the face of these new constraints. Our responsibility is also to significantly reduce the impact of DELFINGEN's activities on the planet while pursuing our development. Our principal aim is to reduce greenhouse gas emissions related to our activities, as well as to improve the efficient use and recycling (circular economy) of plastic raw materials.

In view of the pandemic and the ensuing economic crisis, the effects of shortages and the inflation of raw material costs on the automotive sector are still present. How has DELFINGEN been handling this situation?

One of the company's values is solidarity. The collective work of all co-workers made it possible to continue to ensure procurement, despite supply chain difficulties. This level of service, combined with our customer relationships, has enabled us to pass on some of these increases while pursuing our savings programmes.

How do you see the next few years?

We are experiencing a "green mobility" revolution with new players, greener mobility, new modes of transport and strong societal impacts linked to the consequences of recent years. It's impossible to miss the opportunities there!



OVERVIEW

ABOUT DELFINGEN

DELFINGEN is a world leader in electrical network protection systems and a key player in electrified mobility.

KEY FIGURES

3rd A family business for 3 generations générations

Created in 1954
1954

+3800
Co-workers

- Protection Systems
- Fluid Transfer Tubing

Present in
21 COUNTRIES

420 million
in turnover

Euronext Growth
PARIS STOCK EXCHANGE

A GLOBAL PRESENCE

AMERICAS

Brazil
Canada
Honduras
Mexico
United States

EUROPE & AFRICA

France
Germany
Italy
Morocco
Spain
Portugal
Romania
Slovakia
Tunisia

ASIA

China
India
Japan
Korea
Philippines
Thailand
UAE

FROM A FAMILY-OWNED COMPANY... TO A GLOBAL INDUSTRIAL GROUP

40 sites worldwide dedicated to product development, innovation, production, logistics and marketing, spread across 21 countries on 4 continents. A global player, DELFINGEN supports the deployment of automotive suppliers and manufacturers in their global platform strategies.

25 Plants

11 R&D Centres

11 Sales offices

6 Logistics Centers

A LOCAL PARTNER

A TRUSTED GLOBAL PARTNER

As well as the geographical proximity of its plants and engineering centres, proximity reflects the sense of the relationship built with its customers.

DELFINGEN supports them through the responsiveness of its teams, the flexibility of its industrial organisation and the co-development of products and processes.

40 WORLDWIDE LOCATIONS IN 21 PAYS COUNTRIES

DELFINGEN INDUSTRY IS ENGAGED

To meet the challenges of the automotive sector, DELFINGEN engages with its auto equipment maker and manufacturer customers, thanks to:

- A global network
- Local logistics
- Competitiveness
- A presence in fast-growing markets
- Innovation to build the car of the future

« It was the boldness, courage and determination of women and men that enabled the small family business to be transformed into a global automotive supplier, a leader in its markets»

Gérald Streit,
President and CEO

OUR HISTORY

1954

Emile Streit, from Radelfingen in Switzerland, creates SOFANOU in Anteuil, France

1973

Bernard Streit, son of Emile, joined SOFANOU in 1973 and became its manager in 1984

1992

First foreign venture (Spain). Roll-out and growth in Europe

1998

US acquisitions (APTC, Truesdell, Markel and Jenisco)

2000

Worldwide expansion: new sites in North Africa, Eastern Europe, South America and Asia

2007

SOFANOU becomes DELFINGEN

2013

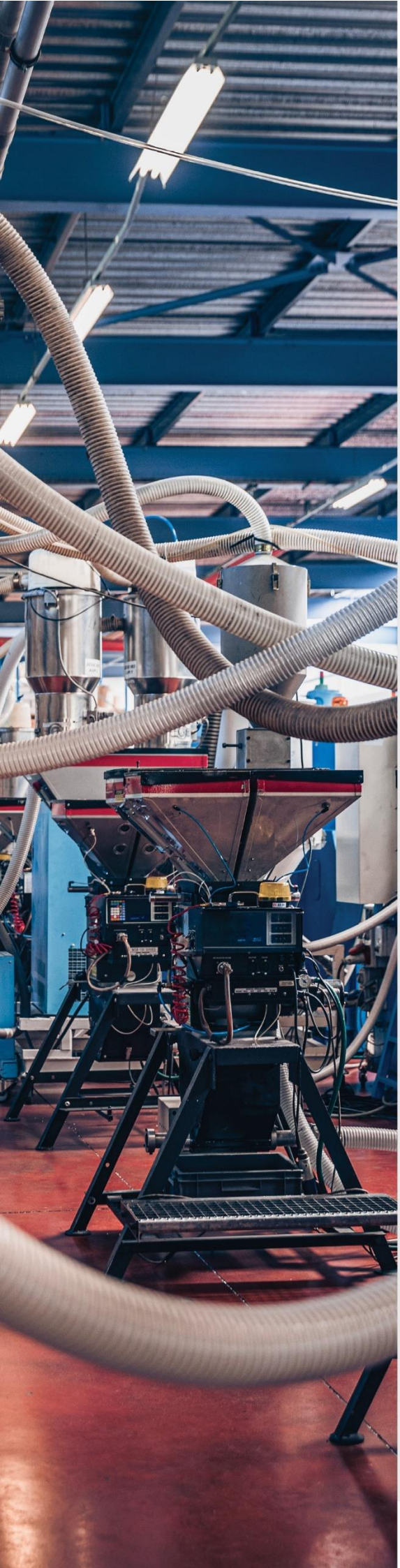
New sites in China, India and Germany

2015

Gérald Streit, son of Bernard, who joined the Group in 2011, becomes its CEO

2020

Acquisition of Schlemmer Europe/Africa



ORIGINS

It all began in the small Swiss village of Radelfingen in early 1900. Christian Streit, a farmer without great wealth, left Radelfingen to seek work in France. Like so many men in the world, he was spurred on by his duty to provide for his family.

His son Émile thus became a smallholder. Very quickly, he showed skill and dexterity with tools. He repaired, manufactured and was passionate about engines, and practised his art at businesses in the region.

The family's fate was marked by Jeannette's disability. Her two brothers, Émile and René, created a small job for her making plastic sleeves. Thus, an approach of mutual assistance and solidarity first appeared in 1954.

Émile relished the spirit of enterprise, and production was expanded to the manufacture of plastic bags for Peugeot. SOFANOU was born.

The first extruder was purchased in 1958 and was installed in the family home in Anteuil. The company then expanded into a garage and its first workshop in 1964.

Bernard, Émile's son, joined the company when he returned from military service in 1973.

Self-taught, he listened and learned. In 1984, Bernard took the reins of the company and embarked on a shift in direction that would prove strategic. After 30 years as an artisanal firm, SOFANOU entered its industrial era.

An exciting period of change was beginning in the automotive sector: become a specialist, diversify your customer portfolio and grow. The company then moved into the extrusion of convoluted tubing for the protection of on-board wiring harnesses.

A STRATEGY OF GROWTH

Three ambitious plans were put in place to give the company a global dimension:

1986-1991

From 1986, in Europe (acquisition of Felicio in Portugal and Plastico Simo in Spain)

1995-2008

The late 1990s, until 2008, in the US market (APTC, TRUESDELL, MARKEL, JENISCO and M&Q Plastics), positioning itself as a leader on this market

2000

In the 2000s, supporting its customers in North Africa (Tunisia and Morocco), then in Eastern Europe (Slovakia, Romania), as well as in the Philippines, Honduras and Mexico

These plans were backed by the financial partners and an IPO on the Paris stock exchange in 1996. In the 2000s, the DELFINGEN Group positioned itself in emerging countries (Brazil, China, India and Thailand) with the aim of continuing its deployment in Asia. This region is one of the main challenges of DELFINGEN as it continues to dare, to move forward and to take action. In 2007, all the Group's entities were united around the name DELFINGEN, a nod to the history of a global Group born in a small Swiss village. From 2015 onwards, the DELFINGEN Group showed its commitment to meeting the challenges of growth by opening other sites: Cavite (Philippines), Hebi, Chongquing and Tianjin (China), Tangier (Morocco) and Chennai (India).

NEW MARKETS AND NEW ACTIVITIES

2010

Keen to diversify its products, in 2010 the DELFINGEN Group launched a new fluid transfer activity, making the company a key player in the fuel tank environment. Due to new vehicle transmission modes (electrification and hybridisation), which in particular require battery cooling, this activity is now even more strategic for the DELFINGEN Group.

2014

The acquisition of German companies LANGENDORF and MBG strengthened the presence of DELFINGEN among German automotive suppliers and manufacturers, as well as its technological content in textile sleeves. It offers the widest range of wiring harness and hose protection solutions on the market.

2017

In 2017, the DELFINGEN Group acquired the DROSSBACH North America Group, which specialises in the manufacture and distribution of wiring protection solutions for the transport, industry, environment and robotics markets.

2020

DELFINGEN pursued its strategy of growth with the acquisition of Schlemmer's Europe/Africa activities. This growth operation was particularly significant: it enabled the Group to become the leader in its sector, strengthen its position in the German automotive market and increase its capacity for innovation in solutions for hybrid and electric vehicles.

2023

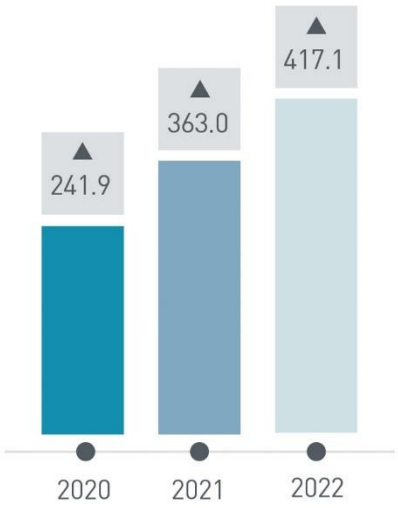
The Group's growth drivers were expanded with the acquisition of AHN Chem, a specialist in textile sleeves, and REIKU, recognised in the industrial market for its wiring management and protection solutions in robotics.

ROBUST GOVERNANCE

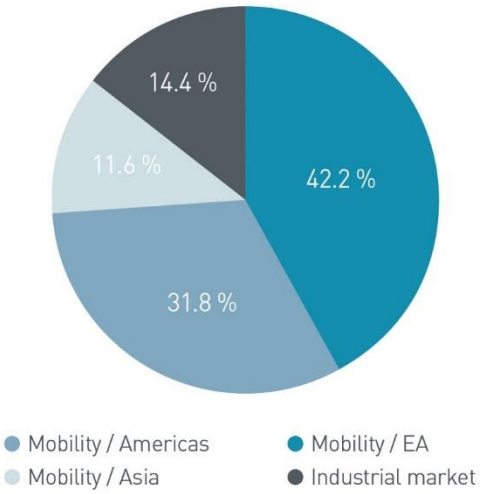
2015 marked a historic turning point for DELFINGEN, carefully considered and prepared for by the Streit family and the Executive Committee: after several years of working together, Bernard Streit decided to entrust the role of CEO to his son, Gérald Streit.
This development was part of the natural progression of Gérald Streit's career within the company. Since 2007, he had carried out various mandates and duties at DELFINGEN.
Bernard Streit then passed on the chairmanship of the Board of Directors in June 2018. Gérald Streit thus became Chairman and Chief Executive Officer.

KEY FIGURES

REVENUES (M€)

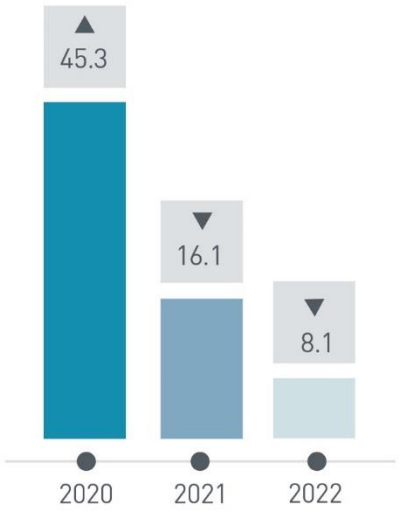


SALES BY SECTOR (M€)



CURRENT OPERATING INCOME (M€)

NET INCOME (GROUP SHARE) (M€)



RATIO OF NET FINANCIAL DEBT / SHAREHOLDERS' EQUITY AT DECEMBER 31

See note 34-2 to the consolidated financial statements for the definition of net financial debt

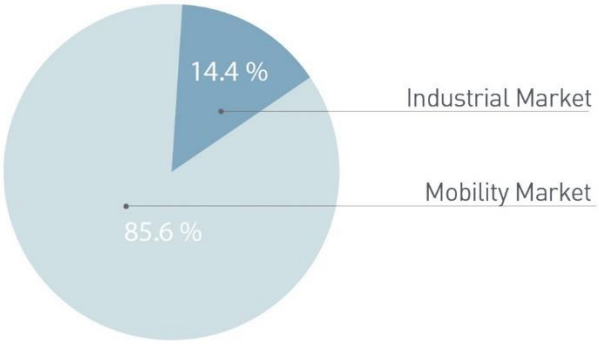
CAPEX AND INDUSTRIAL INVESTMENTS (M€)

CAFICE: cash flow from operations before tax and cost of net financial debt

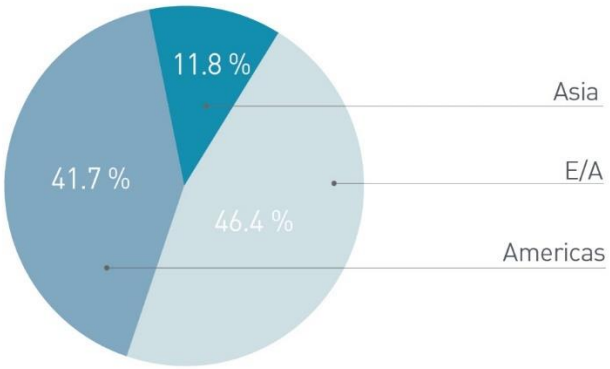
	CAFICE	INVESTMENTS
2020	33.9	9.4
2021	44.0	14.1
2022	40.3	18.1

Investments represent "acquisitions of non-current assets" as presented in note 41 to the consolidated financial statements.

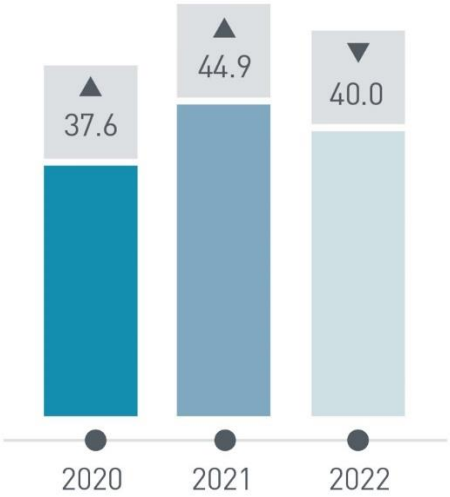
BREAKDOWN OF SALES BY MARKET



BREAKDOWN OF REVENUES BY GEOGRAPHIC AREA

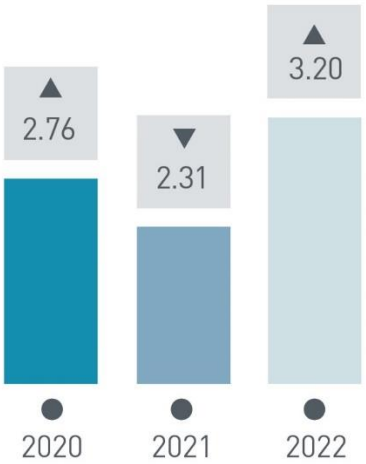


EBITDA (M€)

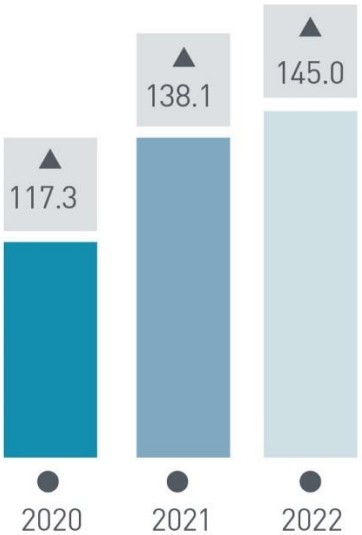


NET FINANCIAL DEBT (M€)

LEVERAGE RATIO

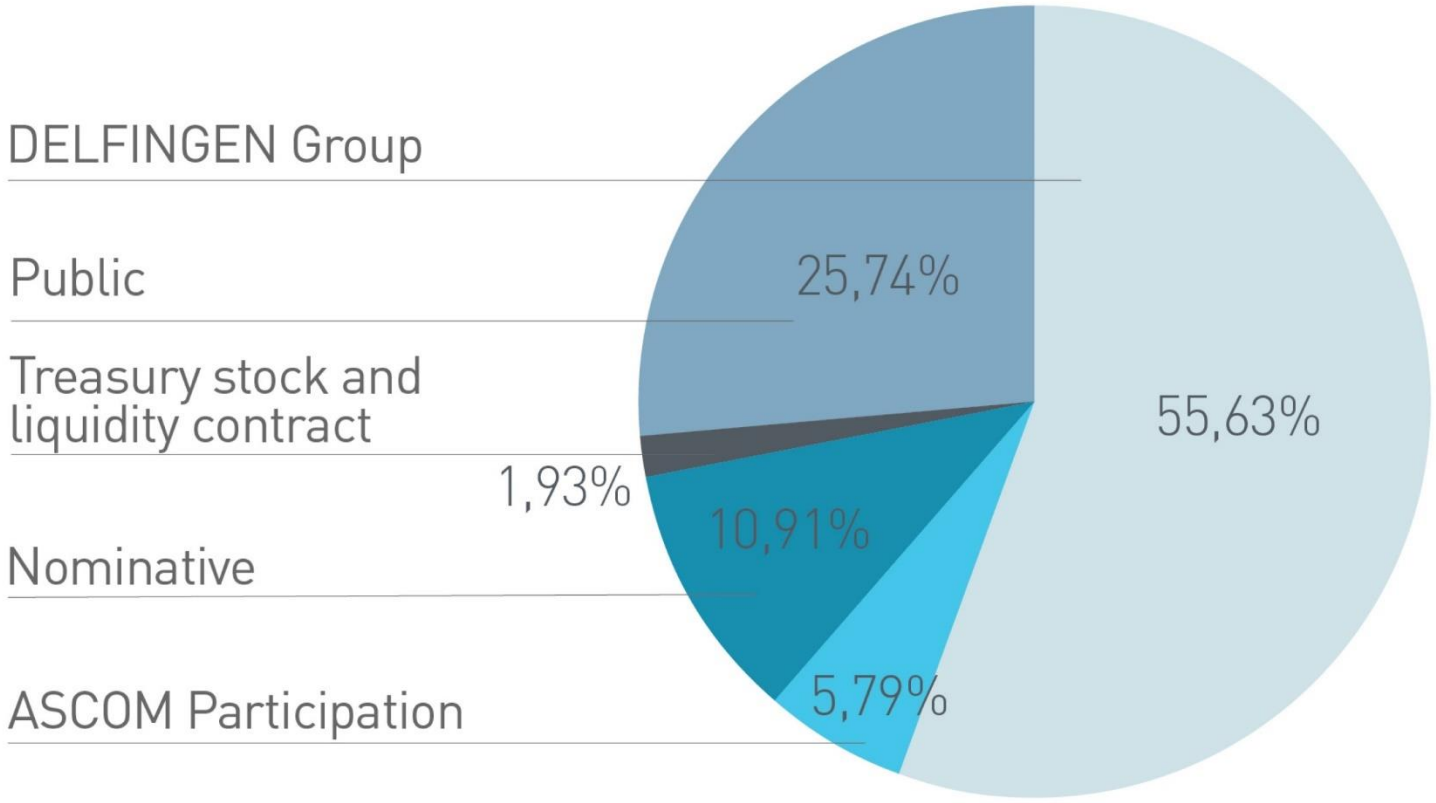


SHAREHOLDERS' EQUITY (GROUP SHARE) (M€)



SHAREHOLDING STRUCTURE

AS AT 31 DECEMBER 2022



NON-FINANCIAL INFORMATION

ETHICAL commitment

88/100
Gender equality index

54 305
training hours delivered in 2022

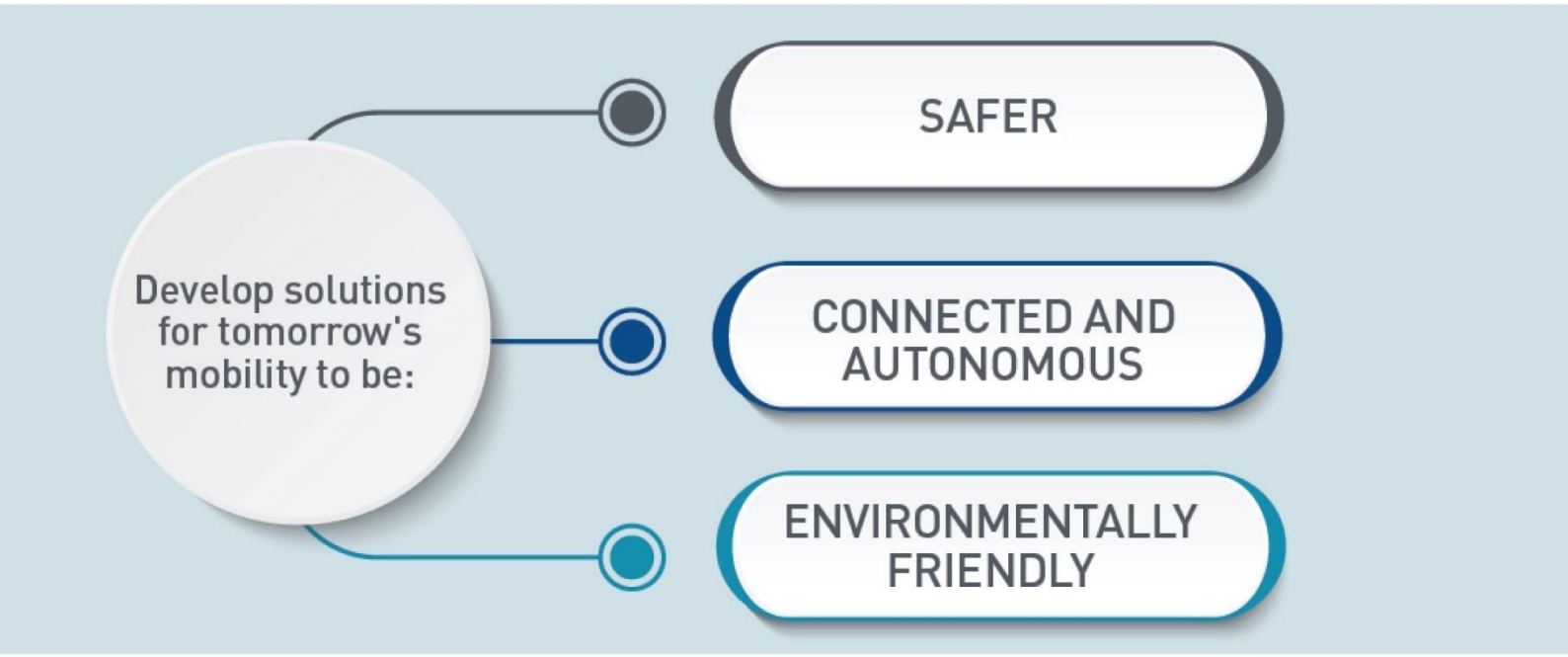
77 %
DOF PURCHASES MADE IN LOW-CORRUPTION COUNTRIES

94 %
of co-workers happy to work at DELFINGEN

+10 %
new co-workers in 2022

AWARD
Vitrine du Futur Prize awarded by the Alliance Industrie du Futur (AIF) (2021)

1.1 THE MARKET



OUR VISION

The long-term trend in the automotive industry is growth in the number of vehicles.
This trend is offset by congestion in large urban centres.

It is also combined with a high level of autonomisation, to reduce the risk of accidents due to human factors and reduce the impact of cars on the environment.

Vehicle personalisation will continue to increase, requiring adaptation of our development and production tools, in connection with Industry 4.0 technologies (decreased procurement logistics time, supply chain streamlining, late customisation, etc.). Industry 4.0 is therefore a major focus in the development of the automotive industry.

1.2 OBJECTIVES AND STRATEGY

DELFINGEN is a human and industrial adventure that has lasted nearly 70 years. What a long way we have come!

The DELFINGEN Group is continually renewing itself to anticipate the requirements of the markets and its customers: movement, dynamism and growth.

This is why DELFINGEN has invested for many years in its women and men, as well as in its high product quality, excellent industrial organisation and capacity for innovation. These same women and men are able to understand their environment and adapt to it individually and collectively at all times, in order to tackle the day-to-day challenges that face them.

Talented individuals, values, connections and exchanges give meaning to our action and help to make DELFINGEN a sustainable company and a company unlike any other.

94% **of our co-workers believe that DELFINGEN is a great place to work.**

DELFINGEN'S VALUES

ENTREPRENEURSHIP

- The freedom to transform an idea into a result by taking action, within the space of your mission and position.
- Encouraging initiative, daring to change and capitalising on mistakes.
- Being demanding with yourself.

SOLIDARITY

- Promoting the collective interest in all circumstances to ensure the sustainability of the company.
- Providing assistance and support so that everyone can successfully carry out their missions.
- Being kind.

HARMONY

- Seeking balance in human relationships.
- Developing a relationship of trust and being open about disagreements in order to reach a consensus.
- Listening and striving to challenge yourself.

RESPONSIBILITY

- Making decisions related to your role and reporting on them.
- Being aware of the consequences of your actions and taking responsibility for them.
- Complying with your individual and collective commitments.

A STRATEGIC POSITIONING THAT RESPONDS TO THE CHALLENGES OF THE SECTOR

« Mobility is undergoing a period of change. »

The automotive industry is at the heart of a radical transformation. The mobility of the future is based on several solutions that are simultaneously more environmentally friendly, economical, connected, shared and secure.

The 2020 health crisis came as a shock for many consumers. In the face of the dual challenges of the ecological transition and the digital transition, mobility needs to be adapted to better meet the expectations of users and society as a whole.

DELFINGEN Industry has anticipated these trends and is actively participating in the transformation of the industrial and commercial mobility landscape of the future. Its status as a world leader in the protection of on-board wiring and networks and its recent acquisitions are opening up a growing number of development opportunities.

A STRATEGIC PLAN FOCUSED ON FIVE KEY AREAS:

« PERFORMANCE 25 »

PARTNERSHIP

- Our customers' preferred partner
- Multi-channel distribution
- Alliance strategies

PRODUCTS

- High value-added technological solutions
- An offer adapted to new market needs
- Unique products and services (quality, lead times, etc.)

PLEASURE

- Everyone should enjoy their work
- A strong corporate culture
- Social and human connection

PERFORMANCE

- Operational excellence
- Digital transformation
- Financial strength

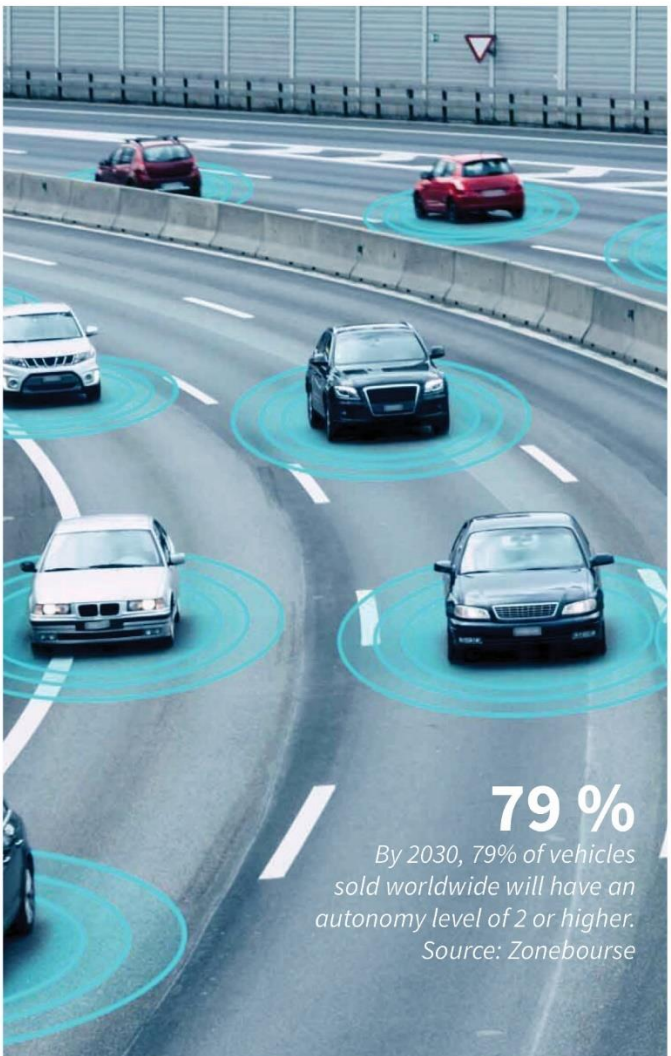
PLANET

- Reduction of the carbon footprint
- Circular economy
- Combating plastic pollution

MORE SUSTAINABLE, CONNECTED, SHARED AND BETTER THOUGHT-OUT MOBILITY.

The mobility sector is changing rapidly, with the development of new and increasingly ambitious technologies (AI, robotics, autonomous cars, etc.). As people become more aware of climate issues for future generations, global demand is increasingly turning to more sustainable and responsive transport solutions, as well as to autonomous and connected vehicles that improve our safety. These developments are galvanising the research and innovation of an entire ecosystem of players.

Underlying trends include the emergence of electric cars over the past decade. The roll-out of electrification is expected to undergo exponential rather than linear growth. This movement has recently gained momentum with the arrival of new competitors and the release of new vehicle models.



79 %

By 2030, 79% of vehicles sold worldwide will have an autonomy level of 2 or higher. Source: Zonebourse

Although electric vehicles are not a silver bullet, potential improvements in manufacturing methods and battery components are likely to reduce the total carbon impact of these means of transport.

70 %

of vehicles in service will be electric by 2030. Source: UBS Report, 2021.

The rapid growth in electrification of the global car fleet is expected to continue, with an electrification level of 70% of vehicles in service by 2030. Widespread electrification will be necessary to achieve the European Union's net zero carbon emissions targets by 2050.

Autonomous vehicles are also gaining momentum. They promise to reduce the number of serious accidents and to improve traffic flow through inter-vehicle communication.

By 2030, 79% of vehicles sold worldwide will have an autonomy level of 2 or higher (Source: UBS Report, 2021).

With the creation of autonomous cars, the entire interior of the vehicle has to be redesigned. The entire urban network and infrastructure will also benefit from this advance. 2023 will be a key year for autonomous vehicles: the forthcoming easing of legislation will allow for more extensive testing phases.

Our vehicles will be filled with electronics, artificial intelligence, batteries, sensors, software, etc. This trend towards zero emission mobility therefore depends on the creation of a coordinated ecosystem that includes infrastructure and energy suppliers.

AN ORGANISATION TO SUPPORT GROWTH

CUSTOMERS

"Customer-centric" orientation, as close as possible to the customer's needs.

WOMEN AND MEN

A local organisation strongly based on common values and taking into account the specificities of each region.

ROBUSTNESS

The complete integration of quality procedures into all our processes.

PROFITS

Improving our economic performance guarantees our long-term future.

DECARBONISATION PLAN

Aiming to reduce our greenhouse gas emissions and promoting a sobriety approach.

Alliance INDUSTRIE DU FUTUR

A PROMISING DIRECTION

Aligned with the problems of its market, DELFINGEN has been named a "Showcase Industry of the Future" (Vitrine Industrie du Futur) by the AIF.

The AIF assigned its "Showcase Industry of the Future" label to DELFINGEN, which thus joins the 75 other symbols of industrial transformation working to revitalise the French industrial fabric.

DELFINGEN "INDUSTRY OF THE FUTURE" PROJECT

The company's transformation project is based on a pragmatic approach, incorporated into the Group's operational excellence processes, with three key areas:

- The freedom of initiative of co-workers as drivers of innovation within the company;

- Close collaboration with the ecosystem to increase agility, frugality and creativity;

- An open, integrating and scalable information system promoting the convergence of IT networks and industrial networks.

To meet these challenges, DELFINGEN has been able to implement concrete actions, such as taking into account the human dimension in business performance through innovative HR initiatives (The Annex, DELFINGEN Lab and Academy) and a strong corporate culture (corporate values, Decent Work Charter and Corporate Foundation).

Integration within different ecosystems, through partnerships (start-ups, schools and universities, consortia, etc.), has been and still is a source of very rich exchanges.

Lastly, the DELFINGEN Group has been able to implement an original IT approach in an environment undergoing technological change, while managing the complexity of a very strong drive towards internationalisation. Marc Lemke, Group Chief Information Officer: "We want the digital transformation to be inclusive, by enabling all DELFINGEN co-workers to benefit from it".

The AIF assigned the label to DELFINGEN for its business plan, which uses the building blocks of the industry of the future, in response to market positioning driven by international operations and the mobility of the future, but also incorporating a prevailing human component as well as a strong link with the local fabric.

INNOVATION: A MAJOR CHALLENGE

Innovation is a major challenge for DELFINGEN, which bases its development strategy on the diversification of its product and technology portfolio.

To accelerate its growth, DELFINGEN makes significant investments, in order to be at the forefront of technological evolutions in the development of new products and the streamlining of its production processes.

INNOVATION: CREATIVITY & CO-DEVELOPMENT

The development of partnerships with strategic players such as research centres, competitiveness clusters, engineering schools and universities broadens the field of knowledge.

THE INNOVATION PROCESS

The coordination of innovation means a high level of interaction within multidisciplinary teams on a daily basis, going beyond R&D and involving the marketing, sales, purchasing, quality, industrialisation and production teams. These regular exchanges, veritable laboratories of ideas, create a dynamic and foster the emergence of new concepts.

DELFINGEN has also created its own "DELFINGEN Lab". The aim of the lab is to offer a physical location for the development of projects generated by the internal ideation platform (The Annex). It is a place where everyone (including, in the future, external people) can test new technologies and (why not?) work on some of DELFINGEN's future products. Lastly, the lab provides resources representing future technologies and makes it possible to start using them, in particular by producing prototypes, to speed up projects.

« For DELFINGEN, innovation has to feed on and respond to both the expressed and the unexpressed needs of the customer. A specific advance engineering team is dedicated to seeking new products/materials/processes »

R&D AT DELFINGEN

R&D IS STRUCTURED AROUND THE FOLLOWING AREAS OF EXPERTISE:

- Processing of plastic materials (extrusion, injection, etc.)
- Technical textiles & coating
- Technologies for forming, assembly & new processes

The R&D team is structured as a network, with teams distributed throughout the world:

FRANCE (ANTEUIL)	GERMANY (HASSFURT, (MARKTRODACH)	PORTUGAL (PORTO)	CHINA (HEBI)	
USA (ROCHESTER HILLS, NIAGARA FALLS)	MEXICO (CELAYA)	PHILIPPINES (CEBU)	INDIA (PUNE)	ROMANIA (SATU MARE)

EXPERIMENTATION AND CONTINUOUS IMPROVEMENT ARE APPLIED TO THE INNOVATION PROCESS:

- Dedicated workshops to effectively respond to prototyping and feasibility validation requirements;
- Testing and metrology laboratories to test solutions at the limits of performance and to conduct experimental plans;
- A development process that complies with the ISO/TS 16949 standard and includes technical-economic validation at each key stage of the project, from idea to industrialisation;
- An advance engineering team;
- DELFINGEN Lab.

AREAS OF INNOVATION

The advantage of DELFINGEN is its unique and very extensive technical expertise in:

- The development of comprehensive and innovative plastic and/or textile solutions
- Simultaneous product/process engineering
- The development of special machines adapted to these new processes
- The development and qualification of new material formulations
- The global sourcing of materials
- ISO 14001 certification: recycling and reducing the environmental footprint of products and processes
- Controlling cleanliness levels: production in a controlled environment

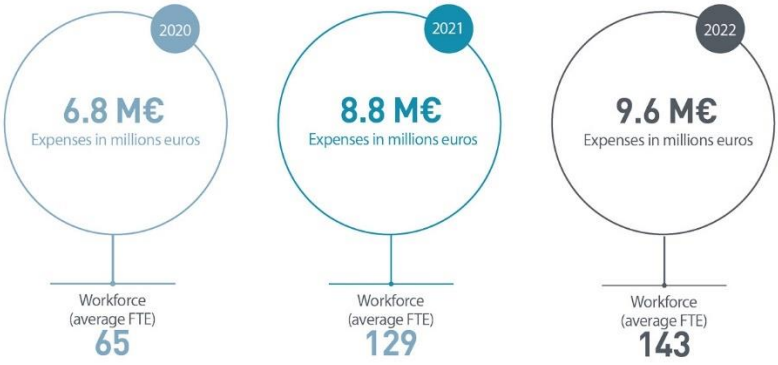
Anticipating and meeting the needs of its customers continuously guides the work and thinking of the DELFINGEN Industry innovation groups.

To achieve this, DELFINGEN monitors technology in its areas of business and skills: changes in standards, raw materials, new technologies, patent applications, etc. The co-development of products with its customers is also a key success factor, essential for any new market launch. The association of the DELFINGEN teams with those of its customers, and their long-term commitment, strengthen cooperation and help in the achievement of shared goals.

R&D HIGHLIGHTS

The Group is continuing its research and development efforts, with an annual expenditure budget of €9.6 million in 2022, compared with €8.8 million in 2021. These expenses include all research and development costs, excluding:

- direct costs of patents, models and brands that are capitalised;
- development costs, which are capitalised.



OPERATIONAL EXCELLENCE IS A PRIORITY

A GLOBAL INDUSTRIAL ORGANISATION

DELFINGEN deploys its operational excellence system at all stages of its organisation, sharing this approach with both its co-workers and its customers.

In order to be as close as possible to the organisations and teams of the DELFINGEN Group, Management has been reorganised in order to set up a decision-making centre for each region (Americas, Europe/Africa and Asia). At the head of each region, a member of the Executive Committee leads a team of experts.

Lastly, the organisation between the different markets is also structured. Following the acquisition of the Drossbach North America Group in 2017, Schlemmer Europe/Africa in 2020 and REIKU & AHN Chem in 2023, DELFINGEN enjoys real brand recognition in this market.

EXCELLENCE, PROXIMITY AND RESPONSIVENESS, TO RESPOND TO ITS CUSTOMERS WORLDWIDE

DELFINGEN, A "GLOBAL & LOCAL" PLAYER

Global, because its international deployment allows DELFINGEN to respond appropriately to the expectations/needs of its customers with the same level of quality and excellence. Local, as it is located as close as possible to the suppliers, manufacturers and industrial groups, DELFINGEN provides personalised and local solutions in terms of lead times and packaging.

CLOSE TO ITS CUSTOMERS

With 40 locations in 21 countries, DELFINGEN is present in the main automotive production areas. DELFINGEN's production and assembly plants are located close to its customers' plants, ensuring just-in-time delivery, within very short deadlines from receipt of the order.

RESPONSIVENESS AND INVOLVEMENT

As well as the physical proximity of its plants, its close collaboration with its customers' teams, constant desire to better serve them, standardisation of its production tool and homogenisation of its methods enable DELFINGEN to adapt in real time to its customers' requests, particularly in emergency situations.

CONTINUOUS IMPROVEMENT

Continuous improvement lies at the heart of DELFINGEN's operations. Rolled out at all of its sites, using the same methods, the Continuous Improvement Plan contributes to the efficiency and performance of DELFINGEN 's internal processes and to the streamlining of QCDR (quality, costs, deadlines and responsiveness) for the customer.

INDUSTRIAL PERFORMANCE

Within DELFINGEN, the production facilities are structured around its business expertise.

Technical textiles (braiding, weaving, knitting and coating)

The transformation of plastic materials (extrusion)

Customised design of injected parts (accessories, conduits and connectors)

Assembly and forming technologies

SUPPLY CHAIN PERFORMANCE

AN INTEGRATED MODEL

The supply chain is a key operational challenge in a just-in-time industry on a global scale. Anticipating fluctuations in activity, avoiding supply and delivery disruption, controlling stocks and reducing transport costs are all challenges that the DELFINGEN teams handle on a daily basis.

The supply chain process includes both the skills and know-how related to its management:

- Procurement planning;
- Customer delivery calls;
- Inventory management;
- Data management;
- Sourcing of purchases;
- Management of supplier relations.

Aware of the impact of supply chain activity on environmental issues, DELFINGEN is evolving its indicators and intends to incorporate, alongside financial indicators (transport cost, storage cost) and operational indicators (stock level, service rate, lead time), indicators such as the measurement of the CO_2 footprint.

QUALITY PERFORMANCE

A STATE OF MIND

Quality is a requirement of manufacturers and suppliers. The implementation of the quality approach within DELFINGEN goes beyond methods and tools and is embedded in the corporate culture. The quality approach is in line with the values shared by all DELFINGEN co-workers.

The aim is not to impose regulatory constraints, but to energise the quality management system by directing the company's activities towards customer satisfaction. Co-workers involvement is therefore a fundamental element.

Continuous improvement of processes, methods and organisation helps to reduce the number of quality incidents. However, DELFINGEN is committed to be as responsive as possible in the event of any problems. The trained teams develop QRQC (Quick Response Quality Control) and 8D approaches in order to resolve problems efficiently. Their actions are carried out as close as possible to the ground and include a multidisciplinary component (maintenance, supply chain, etc.).

On the other hand, capitalisation and cross-functionality, essential stages of the 8D, are essential for DELFINGEN to serve all its customers at the required level.

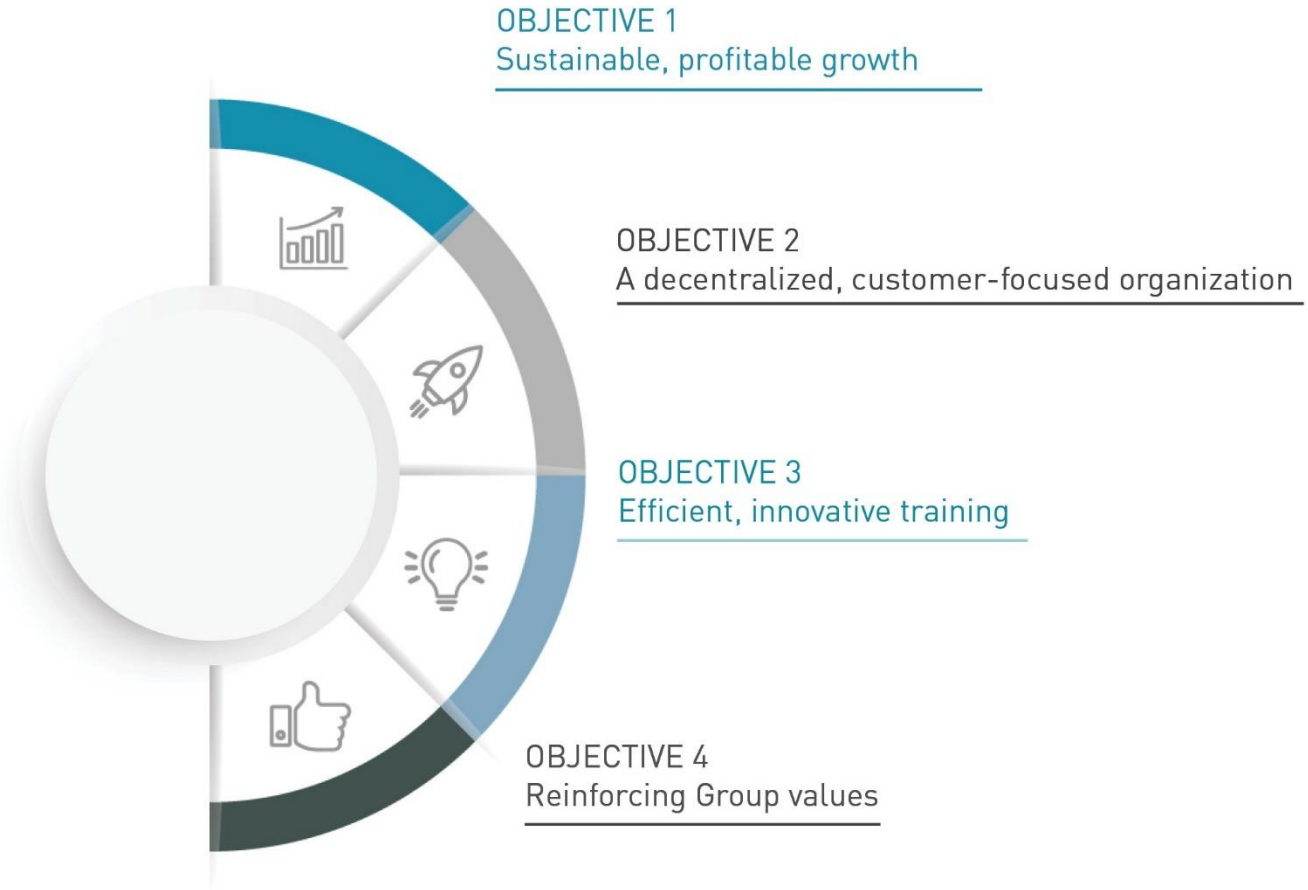
DELFINGEN shares responsible environmental behaviour and complies with local regulations while controlling its waste and discharges and optimising its consumption of natural and energy resources.

Protecting the environment is at the heart of what we do.

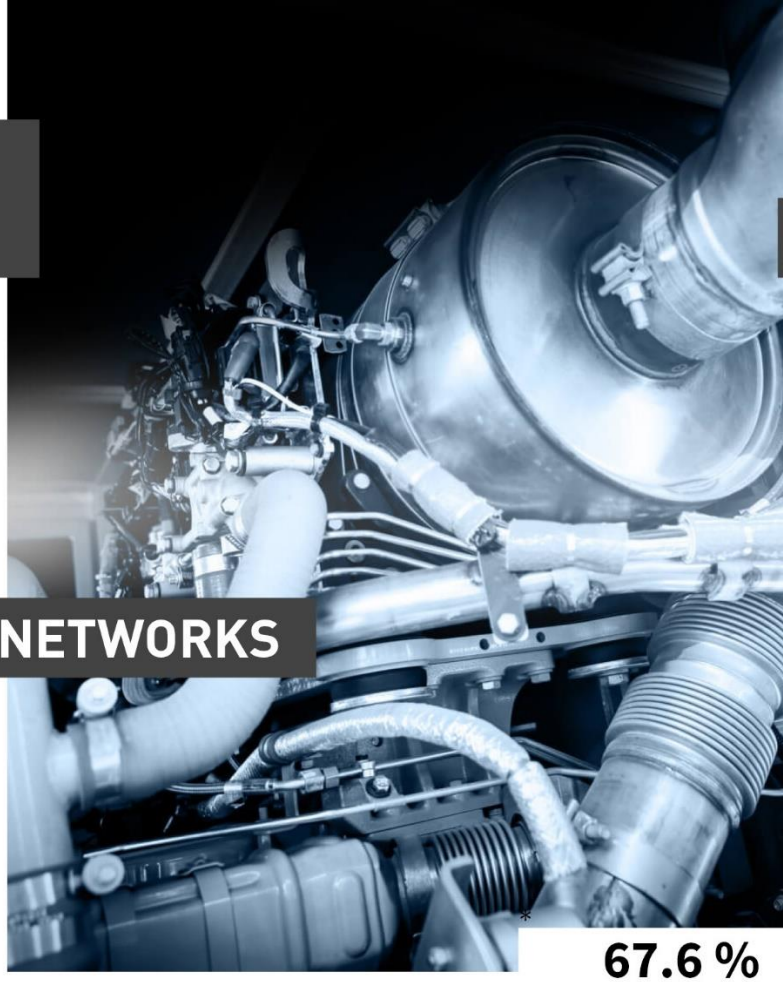
FINANCIAL AND NON-FINANCIAL OBJECTIVES

The DELFINGEN Group has put an ambitious strategic plan in place for 2020, with objectives for the end of 2025. The main aim of this plan is to increase the Group's growth, while maintaining the fundamentals derived from its historical values.

For more detailed information on the company's strategy, see paragraph 1.2 above.



1.3 DESCRIPTION OF ACTIVITIES



MOBILITY MARKET

PROTECTION OF ON-BOARD NETWORKS

Safety, comfort, driver assistance, reduced emissions, etc. Innovations are constantly multiplying. The development of hybrid and electric propulsion and the growing number of sensors in vehicles are creating complexity in vehicle systems and architectures.

67.6 %
OF TOTAL SALES

OUR KNOW-HOW:
Protect electrical and fluid networks in highly demanding environments.

NWe offer efficient and reliable protection solutions for electrical and fluid hose networks for the industrial and automotive sectors. Whether it be through plastic tubing or textile sleeves, we offer a wide selection of protection solutions for the harshest environments: abrasion, temperature, radiation, noise, vibration, electromagnetic pollution, etc.

The range of protection products is enhanced by routing, fixing and branching products to offer complete solutions to customers.

Electrical and fluid hose networks are the true nervous system of a vehicle. Vehicles have been enriched with media content, safety and comfort features and increased autonomy, and with the development of hybrid and electrical powertrains, the architecture of this nervous system is becoming more complex. With our experience and know-how, we offer the most appropriate solutions, meeting the expectations of the automotive sector in terms of quality and performance.

DELFINGEN is the only player to offer protective solutions using plastic tubing and textile sleeves. In the plastic tubing protection market, the main competitor is FRW.

DELFINGEN is the leader in the Americas, the leader in Europe and a challenger in the Asia region. Regarding the market for protection by textile sleeves, the world number 1 is the American Federal-Mogul, challenged by DELFINGEN and Relats.

TECHNICAL FLUID TRANSFER TUBING

Hybridisation and the use of biofuels has led to changes in tanks and related systems (increased pressure, physical properties of materials).

15.3 %
OF TOTAL SALES

The challenge is to respond to these physical and chemical constraints while ensuring the fittability and longevity of its products. Drawing on our expertise in the extrusion and processing of plastic materials, we design and produce, in close collaboration with our customers, dedicated solutions to meet their in-vehicle fluid transfer needs. Integrated from the design stage, we offer manufacturers and equipment manufacturers pipes and systems for routing, filling, evacuation, transfer and distribution of low pressure fluids.

FUEL TANK ENVIRONMENT:

We support the evolution of the environment around the fuel tank in terms of both technical definition and speed of execution. Our tubing solutions inside or outside the tank, conveying liquid or vapour, integrate product responses (i.e. materials) and process responses (i.e. multi-layer extrusion ring) ensuring efficiency and quality for our customers.

UNDER-THE-HOOD SYSTEM:

“Under-the-hood” environments are particularly demanding, particularly in terms of technicality. Through our proven solutions, we meet the expectations of various functions such as hydraulic clutch control, condensate and battery acid removal and canister purge lines.

WASHING SYSTEM:

This is an important part of vehicle safety. Our washing solutions transport the liquid from the filling pipe to the jets on the vehicle. The range of materials used for the tubing and the associated connectors perfectly meet the needs of the windscreen, projector and sensor cleaning function.

In this market, DELFINGEN is positioned as a niche player, an expert in the design and creation of highly technical tubing for customers including Delphi, TI Automotive, Contitech, Hutchinson, Inergy, YAPP, etc. The competition is very fragmented, the leader being FRW.

INTERIOR TRIM FASTENING

The customisation of the visible components of the seat, which improve the comfort of the occupants (covers, headrests), plays an essential role in the attractiveness of the vehicle through the perceived quality and the enjoyment of life on board. Invisible and yet indispensable, the profiles and fixing components for the seats and car interior trims are the result of long experience.

In co-development with its customers, DELFINGEN offers individual solutions that are perfectly suited to modern and precise design, easy implementation, optimised stitching and assembly time as well as a high level of comfort for leather and textile seat covers and trims.

2.3 %
OF TOTAL SALES

SEAT PROFILES:

DELFINGEN 's expertise in extrusion, the integrated design of specific tools and customisation and cutting to length make it possible to offer tailor-made and cost-effective solutions:

- Plastic profiles for attachment to reinforcements (J shape, arrow shape, harpoon shape);
- Dual-material profiles: PP/non-woven, pre-cut, pre-pierced;
- Shaped profiles, etc.

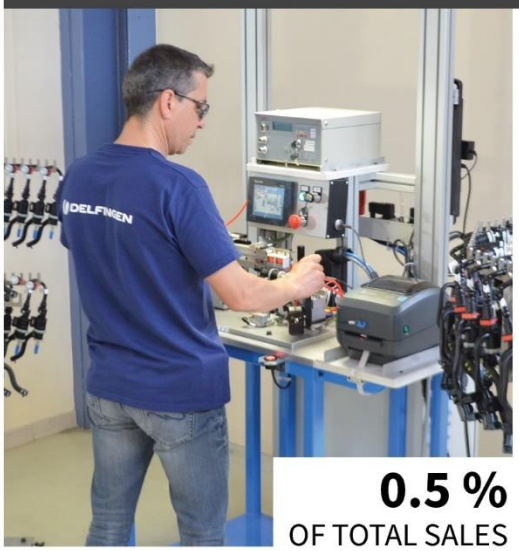
FELTS AND SPECIFIC PRODUCTS:

DELFINGEN offers a complete range of solutions for fastening and assembling interior trims:

- Special profiles for headrest, rear seat pocket and armrest;
- Plastic plates and inserts;
- Spacers (seat sliders).

With this activity, DELFINGEN only targets the local Indian market, of which it is the leader.

LOGISTICS AND ASSEMBLY SERVICES



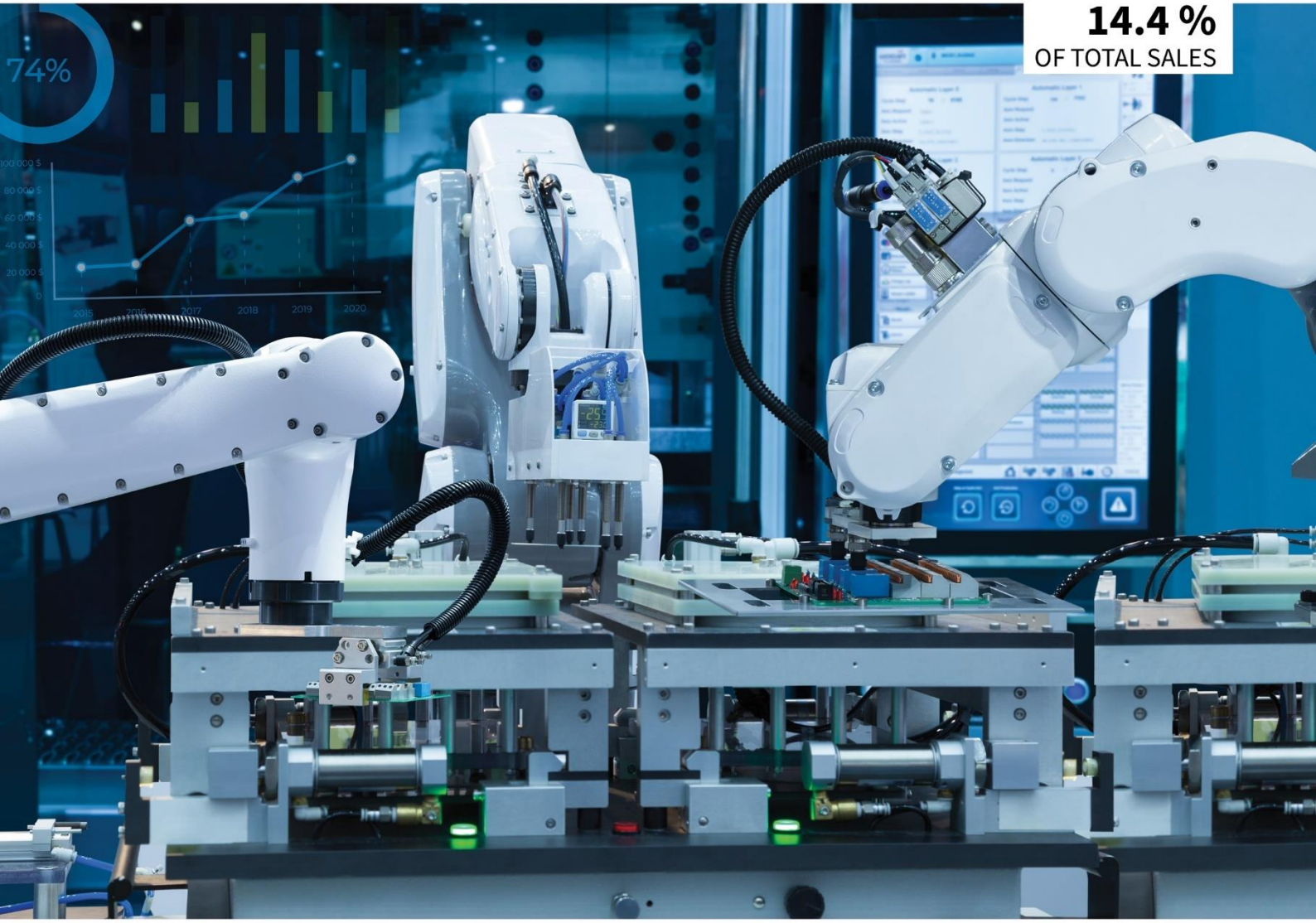
0.5 %
OF TOTAL SALES

A wealth of services associated with our solutions to promote the agility and performance of our customers.

We support our customers in their ongoing quest to optimise their processes and supply chains. Thanks to our global network of sites and our know-how in supply chain management, we provide our customers with more than products and solutions, as well as associated services:

- manual and semi-automatic assemblies;
- the localisation of processes and optimisation;
- component management;
- quality assurance.

INDUSTRIAL MARKET



14.4 %
OF TOTAL SALES

In the industrial market, there are multiple needs for electrical and thermal insulation and mechanical protection, including for steel making and electromechanics, electrical control boxes and household appliances, transformers and electronic circuits.

In order to meet these needs, DELFINGEN designs and manufactures a wide range of plastic and textile products distributed worldwide.

DELFINGEN insulation sleeves are used by ABB, Alstom, Baldor, Emerson, General Electric, Leroy Somer, Schneider Electric, Siemens, Toshiba, etc. With this activity, DELFINGEN only targets the local North American market.

Its main competitors are Varflex and Atkins & Pearce.

1.4 ORGANIZATION

LEGAL STRUCTURE

Chart of consolidated companies held by DELFINGEN Industry at 31/12/2022.

DELFINGEN GROUP
FRANCE
|
DELFINGEN INDUSTRY
FRANCE

AMERICAS

DELFINGEN US Holding (USA)
DELFINGEN US (USA)
DELFINGEN US-Texas (USA)
DELFINGEN US-New York (USA)
Drossbach NA (CAN)
Drossbach (USA)
DELFINGEN US-Central America (USA)
- DELFINGEN HN-Cortes (HN)

DELFINGEN US-Nicaragua (USA)
- DELFINGEN NI-Leon (NI)

DELFINGEN US-Mexico (USA)
- Companeros en Excelencia en Extrusion (MX)
- DELFINGEN MX-Coahuila (MX)

EUROPE AFRICA

DELFINGEN INDUSTRY (FR)
DELFINGEN Deutschland Holding (DE)
- DELFINGEN DE-Verwaltungs (DE)
- DELFINGEN DE-Marktrodach (DE)

DELFINGEN BR-Sao Paulo (BR)
DELFINGEN DE-Aschheim (DE)
- DELFINGEN DE-Haßfurt (DE)

DELFINGEN FR-Anteuil SA (FR)
- DELFINGEN FR-Anteuil SAS (FR)

DELFINGEN Iberica (SP)
DELFINGEN IT-Verona (IT)
- DELFINGEN MA-Tanger 2 (MA)
- DELFINGEN TN-Fouchana (TN)

DELFINGEN LU-Luxembourg (LU)
DELFINGEN MA-Casablanca (MA)
DELFINGEN PT-Porto (PT)
DELFINGEN RO-Satu Mare (RO)
DELFINGEN RO-Transilvania (RO)
DELFINGEN SK-Nitra (SK)
DELFINGEN TN-Tunis (TN)

ASIA

DELFINGEN Asia Pacific Holding (SG)
DELFINGEN (Hebi) Automotive parts (CN)
- DELFINGEN CN-Shanghai (CN)
- Wuhan DELFINGEN Automotive tubing (CN)

DELFINGEN India (IN)
DELFINGEN Japan (JP)
DELFINGEN PH-ROHQ (PH)
DELFINGEN SG-Filipinas (SG)
- DELFINGEN PH-Cavite (PH)
- DELFINGEN PH-Filipinas (PH)

DELFINGEN ROH (Asia) (TH)
DELFINGEN SIAM (TH)
DELFINGEN Middle-East (EAU)

INTRA-GROUP RELATIONS

PARENT COMPANY/SUBSIDIARY RELATIONS

The Group comprises 47 legal entities, all of which are consolidated (see Note 5 to the consolidated financial statements for more detailed information on the subsidiaries and their countries of registration). The number of legal entities is mainly related to the Group's organisation: a global market and a local presence.

DELFINGEN provides its various subsidiaries with services that can be grouped into two areas: a financial area and a support area.

FINANCIAL AREA

DELFINGEN finances the activities of a large number of its subsidiaries. At 31 December 2022, approximately 94% of their financial liabilities were carried by DELFINGEN. It aims to provide a significant portion of the Group's financing, directly or indirectly, through loans thanks to its access to the banking networks. However, by way of exception, in the "dollar" zone, part of the financing is borne directly by DELFINGEN US-Holding, a wholly owned subsidiary of DELFINGEN. In addition, financing is directly taken out by some of the consolidated subsidiaries, mainly in Germany.

As part of the regionalisation of the Group's operations, the daily consolidation and management of the cash of the subsidiaries is carried out by DELFINGEN for the Europe/Africa region, DELFINGEN Asia Pacific Holding for the Asia region and DELFINGEN US-Holding for the Americas region.

SUPPORT AREA

DELFINGEN supports its subsidiaries either directly with operational management issues (General Management, sales, supply chain, etc.) or indirectly with administrative, financial, HR and legal matters and information and communication systems, through its intermediary or through staff provided by the DELFINGEN Group (see Chapter N of the notes to the consolidated financial statements).

It should be noted that industrial patents and know-how are the property of DELFINGEN FR-Anteuil, a subsidiary of DELFINGEN. DELFINGEN FR-Anteuil grants the rights to use its patents and know-how to the subsidiaries of DELFINGEN.

2

Risk factors and internal control

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2.1 Risk factors and risk management

Introduction

In accordance with the requirements of the "Prospectus 3" regulations, applicable since 21 July 2019, the presentation of the "Risk factors" chapter of this Document has been revised for ease of reading. Only material risks specific to the company are set out in this chapter.

The Audit Committee reviewed the risk mapping carried out by the company's Management at its meeting of 22 March 2023.

As part of the company's risk management approach, all of these identified risks are regularly analysed.

2.1.1 Main risk factors

The DELFINGEN Group operates in a constantly changing environment.

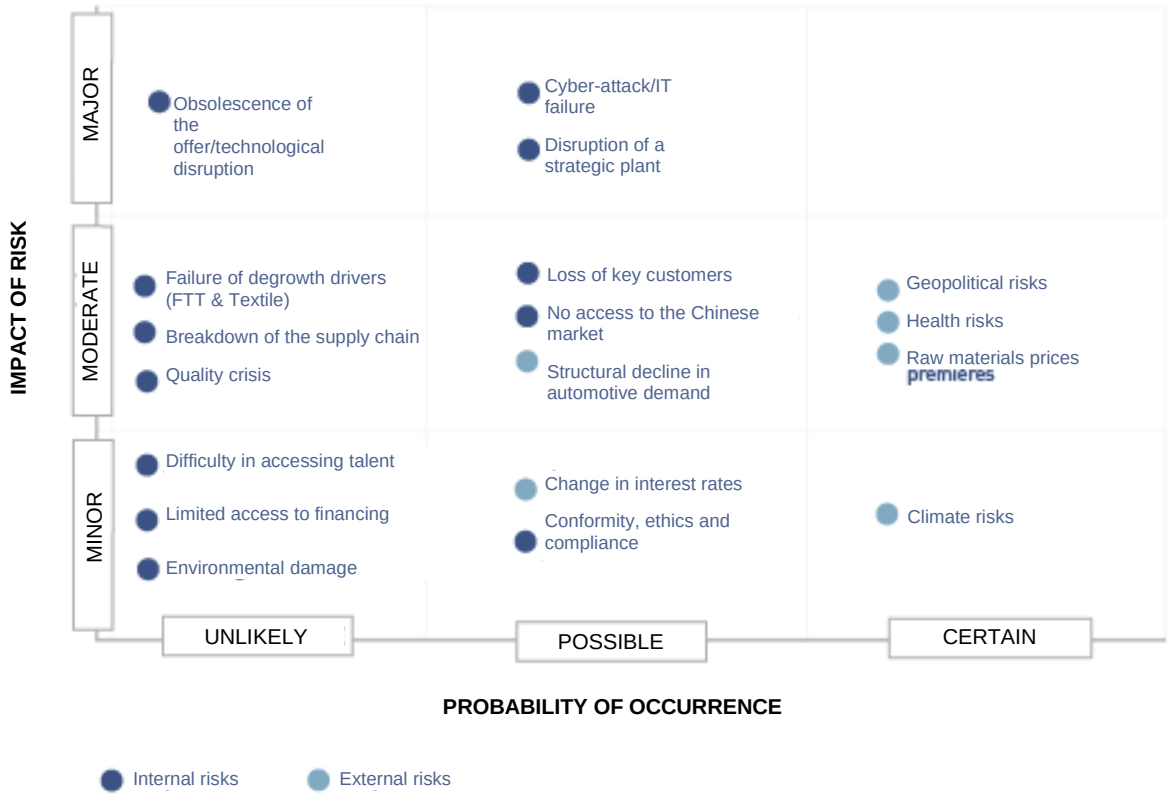
It is therefore exposed to risks whose occurrence could have an adverse effect on its activities, results, financial situation, image and outlook. This chapter presents the most material risks to which the DELFINGEN Group believes it is exposed.

However, the DELFINGEN Group cannot provide an absolute guarantee on the achievement of objectives and the total elimination of risks. The internal control system, which is implemented by General Management and the teams of the DELFINGEN Group, aims to identify them, categorise them and reduce the probability of their occurrence and the potential impact on the Group.

Finally, in view of the situation being experienced worldwide on the date of publication of this Universal Registration Document, these risks may vary in terms of intensity and probability.

2.1.1.1 Matrix of main risks identified

The table below summarises the most material risks to the Group's activities, whether internal or external.



2.1.1.2 Risk factors

Internal risks

Risk factors	Detail	Impact	Probability	Remaining critical issues	Management measures
Strategic positioning, customer relations, competitive intensity	Risk that our products and services no longer meet the expectations of the automotive market, in a context of technological disruption	Major	Unlikely	Low	**Co-development** with customers **Performance** of market studies Advance engineering, monitoring and innovation **Unit**
	Not being able to nurture sustainability through new growth drivers	Moderate	Unlikely	Moderate	Sales **efforts** R&D **efforts** (€9.6m in 2022) **Acquisition** of know-how

Strategic positioning, customer relations, competitive intensity	Not having a significant presence in the Chinese automotive market	Moderate	Possible	Moderate	**Acquisitions** carried out in 2013 in China to gain a foothold in this market Local **sites** (industrial, commercial and engineering) **Regionalisation** of decision-making centres **Search** for targets to catch up with the competition
	Loss of market share due to customer dissatisfaction or competitive pressure (ranges, prices, etc.)	Moderate	Possible	Low	**Reduction** of customer exposure: the largest customer accounts for 9% of sales (five largest: 35%) **Quality** and best-in-class service in the sector Continuous **effort** to improve operational excellence **Competitiveness** of our offer
Quality	Lack of quality of products manufactured by the DELFINGEN Group that could result in manufacturer recalls	Moderate	Unlikely	Low	**Strengthening** of processes and quality plan from development to customer delivery **Performance** of internal and external audits IATF **certification** for the entire scope **Taking out** of appropriate insurance coverage
Dependencies on certain production sites	Disruption in the operation of certain plants considered critical due to their size (El Paso) and/or their specific business lines (Celaya, Marktrodach)	Major	Possible	Moderate	**Implementation** of risk prevention plan (RPP) **Audit** of strategic sites by third parties

Procurement	Disruption in the supply chain due to a supplier failure or pressure on access to certain materials	Moderate	Unlikely	Low	**Reduction** in supplier exposure: the leading supplier accounts for 4% of purchases (5 largest: 17%) **Qualification**/assessment of suppliers **Multi-sourcing** of strategic materials and upstream needs assessment **Building up** safety stocks
Access to financing	Limitation or refusal of access to financing, lack of investor interest due to debt level	Minor	Unlikely	Low	**Implementation** of multi-year credit facilities **Diversification** of financing sources (traditional loans, EuroPP, BPIfrance, etc.) **Building loyalty** among our financial partners over the long term **Creditworthiness** of our financial partners **History** of financial performance
Digital failure or cyber attack	Stopping certain operations (manufacturing, scheduling, delivery, invoicing, etc.) Data hacking and/or alteration	Major	Possible	Moderate	**Establishment** of a global information systems security policy **Staff awareness** and training **Security audits** by external service providers **Strengthening** of the governance of information systems **Use** of "state-of-the-art" technologies **Security** of system access and continuity plan

Difficulty in hiring and retaining talent	Not having access to talent, not having engaged women and men	Minor	Unlikely	Low	**Implementation** of corporate attractiveness policies **Creation** of an internal Academyto develop skills **Acting** in line with our Values in all circumstances **Importance** given to the prevention of physical/psychological risks **94%** of employees are satisfied with working at the DELFINGEN Group (internal survey)
Environment	Harming the environment (pollution, overconsumption of resources, etc.)	Minor	Unlikely	Low	**Implementation:** decarbonisation plan, alignment with Paris objectives **Implementation** of an empowering approach: consumption of resources, waste management, etc. **Use** of non-polluting or highly recyclable materials **Reduction** of international transport flows
Taxation and customs	Non-compliance with local legislation in the context of Group management	Minor	Possible	Low	**Application** of OECD rules **Analysis** by third-party firms of internal transfer pricing policies, transfer pricing and remuneration of Group services, procedures, etc. **Existence** of auditors in each entity
Compliance & ethics	Non-compliance with legislation in the context of Group management and non-compliance with ethical commitments	Minor	Possible	Low	**Application** of the rules and policies applicable to the DELFINGEN Group **Implementation** of an adequate compliance programme (in particular

External risks

Risk factors	Detail	Impact	Probability	Remaining critical issues	Management measures
Geopolitical risks	Increased costs Restriction of the freedom of movement of goods	Moderate	Certain	Moderate	**The DELFINGEN Group**, a global and local player: procurement, production and sale in the same geographical area **Limitation** of inter-region flows
Health risks	Risks associated with a pandemic, epidemic and, more generally, the health situation	Moderate	Certain	Moderate	**Having the ability** to adapt and be flexible in dealing with health risks
Change in raw materials prices	Significant increase in the cost of plastic materials	Moderate	Certain	Moderate	**Having a significant market share** to strengthen our trading position **Developing** a product offering with higher added value
Change in exchange rate and/or interest rate	Exposure to changes in the EUR/USD exchange rate, as a significant portion of sales and assets are in the USD area	Minor	Possible	Moderate	**The DELFINGEN Group**, a global and local player: procurement, production and sales in the same currency area **Setting up** forward hedges, based on budget rates
Climate risks	Some sites are exposed to climate risks (typhoons, etc.)	Minor	Certain	Low	**Implementation** of continuity and disaster recovery plans validated with customers

Focus on the Ukraine-Russia conflict and sale of DELFINGEN RU-Volga: From a global point of view, this geopolitical crisis has an impact on the general business climate in or out of Russia, on the cost of raw materials and energy. This event is a factor of instability and uncertainty on the outlets for wiring companies based in this region (approximately €10 million in annual sales for DELFINGEN).

DELFINGEN Industry had a direct presence with its plant in Nizhny Novgorod (Russia) until May 2022, or via its customers in the affected area (Russia, Belarus and Ukraine).

On 25 March 2022, DELFINGEN Industry announced the suspension of its activities in Russia operated at its Nizhny Novgorod plant with impacts in terms of the potential value of DELFINGEN Industry's assets (approximately €2.5 million). On 30 May 2022, DELFINGEN Industry sold its plant in Nizhny Novgorod and has had no activity with and in Russia since that date (see press release of the same date). The funds received from the sale of the plant were paid into the account of the DELFINGEN Foundation (Swiss fee structure).

As a reminder, the Nizhny Novgorod site had become part of the DELFINGEN Group on 1 September 2020 following the acquisition of Schlemmer. It had 60 employees with annual turnover of around €6 million for the 2021 financial year, i.e. approximately 1.6% of the Group's total turnover.

2.2 Insurance policy and risk hedging

The major risks identified by the DELFINGEN Group are covered by insurance under international programmes.

The DELFINGEN Group's insurance scheme for 2022 is based on the following principle:

- The insurance policy is general for all sites: the nature and levels of cover are defined by the Group's Legal Department. Each site takes out local policies in accordance with the regulations of the country. A "master" policy is taken out at Group level and added to local cover, both in terms of cover and limits, if the local cover is insufficient.

- Risk is managed with the support of an insurance broker specialised in covering major risks, with recognised insurers in the industrial risk insurance sector and benefiting from an international network to cover all of the sites. This risk management takes the form of an annual visit to the industrial sites of DELFINGEN Industry by the experts and engineers of the insurers. At the end of these visits, reports are issued containing recommendations to adapt the site safety procedures and conditions. The DELFINGEN Group, in conjunction with these experts, strives to raise the level of safety of its sites every year, in both material and human terms, by working to ensure the safety of its staff.

The main insurance policies are as follows:

General insurance
Comprehensive insurance covers damage to the Group's property, rental risk (owned or leased buildings, facilities, equipment and materials) and operating losses during events such as fire, storm and water damage.

The master contract provides for an overall damage cover limit of around €49 million per claim.

Liability insurance
This policy insures the company and its subsidiaries against the financial consequences of its liability in all cases where it may be sought as a result of bodily injury (physical or moral harm and resulting losses), material damage and ensuing or consequential losses (damage or losses such as, in particular, loss of enjoyment, immobilisation, loss of production, loss of profit) caused to third parties in connection with the activities of the company and its subsidiaries.

The master policy covers operational liability and product liability before and after delivery and/or receipt.

The master cover limits (global cover) are in the order of:
- Operational liability: €10 million;
- Product liability: €15 million.

Executives' liability insurance
The purpose of this cover is for the insurance company to pay the financial consequences of claims made against executives (corporate officers and directors) or bringing into play their individual civil liability, attributable to any actual or alleged professional misconduct.

It insures the executives of all Group companies. The maximum level of cover is €15 million.

In addition, DELFINGEN Industry has adopted a risk prevention and protection policy that enables it to identify, assess and reduce risks thanks to:
- The audit of the operational sites by the Legal Department as well as by insurers/brokers;
- An annual assessment of values at risk;
- The following of the organisational/equipment recommendations of its insurers;
- Staff training;
- The implementation of appropriate emergency plans.

2.3 Internal control and risk management procedure

2.3.1 Description of the DELFINGEN Group's internal control environment

DELFINGEN Industry has established tools and procedures as part of its internal control. Internal control includes a set of resources, behaviours, procedures and actions adapted to the specific characteristics of each company and of the Group as a whole.

The internal control system contributes to the control of activities, the effectiveness of operations and the efficient use of resources. It must enable material risks, whether operational, financial or legal, to be taken into account in an appropriate way.

Scope of internal control and risk management

The internal control system is applied throughout the Group, with the Group being defined as the parent company, DELFINGEN Industry, as well as all companies consolidated according to the full consolidation method.

Control environment

The control system is built around an organisation based on:

1. An Operational Department that brings together all the subsidiaries of the three regions (Americas, Europe/Africa and Asia), under the responsibility of a Regional Director.
General Management and the regional directors rely on:

- The Sales Departments;
- the Research and Development Department;
- Central Operational Departments (Quality, Purchasing, Supply Chain, Data Management and Industrial).

2. A Central Department based on the Finance, Human Resources, Legal, Communication and Information Systems business lines.

The Group defines, for each of its entities, its mission, organisation, contribution to critical decisions, performance measurement and exchanges with the other entities.
The Group is strongly committed to the values of integrity and ethics that are expressed in the Group's fundamental values. This value framework provides a reference for the proper conduct of daily activities and aims in particular to promote fair and honest behaviour in the conduct of business and towards customers, suppliers, employees, shareholders, etc. All employees have a responsibility to comply with the framework.

Risk assessment and management

The Group Executive Committee is responsible for risk identification and analysis.

More specifically, the Operations Department monitors operational risks, in particular industrial risks and risks related to raw materials, safety and the environment.

The Legal Department manages the Group's legal risks, in particular those related to industrial property, and liability actions.

The Human Resources Department ensures the proper application of local employment legislation and compliance with our values.

The Finance Department manages the risks associated with the Group's financial activities, in particular the compliance of financial statements with local accounting standards and foreign exchange, interest rate, liquidity, tax and fraud risks.

The Information Systems Department ensures the replicability of the information stored, as well as the management of cyber risks.

Taking risk exposure into account is an integral part of decision-making and operational processes.

Control activities

The DELFINGEN Industry quality system describes the company's processes. Procedures and instructions set out the responsibilities of each person and specify the operating procedures and associated controls. As part of this system, audits are organised to verify the application of the Group's standards. Qualified auditors are trained for this purpose. In addition to these internal audits, certifications are awarded by external bodies, customers and suppliers.

Control activities, carried out at all hierarchical and functional levels, are based on standards and procedures that help to ensure that the guidelines issued by Management are implemented.

Information and communication

Information from the management systems is analysed and distributed to the managers concerned, who thus have performance indicators to manage their activities.

Individual directors are responsible for their activities and financial and operational performance in accordance with the action plan and the provisional budget discussed and approved by the Board of Directors.

Performance monitoring and control are based on a reporting process. In this context, each Group company prepares:

- Monthly reports on all financial and operational information (HR indicators, turnover analysis, analysis of overdue receivables, etc.);
- Monthly reports on actual and forecast cash flows;
- An annual budget cycle.

These elements, defined at Group level, are consolidated and distributed to the Executive Committee and the various managers. They are essential tools in managing the Group's activity and in choosing its strategic direction. They make it possible to identify, analyse and deal with any drift as soon as possible.

The Operational Department carries out a review with each Site Director to analyse changes in the site's results and performance, and proposes action plans to improve these. These reviews are carried out on a monthly basis at the local level and every two months at the regional level.

Through Management Control, the Finance Department analyses and approves the monthly reports incorporated into the scope of consolidation.

The Executive Committee meets every month to analyse changes in the Group's financial results and performance, and to propose action plans to improve these. These reviews are conducted on a monthly basis. Additional reviews are also conducted prior to each Board meeting.

2.3.2 The control bodies of the DELFINGEN Group

2.3.2.1 Board of Directors

The Board of Directors, assisted by the Audit Committee in its supervisory role, ensures the quality of internal control and the reliability of the information provided to shareholders as well as to the financial markets.

2.3.2.2 The Audit Committee

In accordance with Article L. 823-19 of the French Commercial Code and its rules of procedure, the Audit Committee is responsible for assisting the Board of Directors in its supervisory role so that it can verify the quality of the internal control and the reliability of the information provided to shareholders and to the financial markets.

In terms of risks, the Committee has the following main responsibilities:

Risk management and internal control:

The Audit Committee examines and assesses the consistency and effectiveness of the internal control system used to ensure the quality of the financial information.
As such, it ensures the implementation of internal control and risk management procedures and monitors their effectiveness.
It ensures the proper monitoring of the financial reporting process.

The Committee must ensure that the main risks are identified and to this end it is responsible for reviewing the annual status of major disputes and, at the request of the Board, for reviewing the major operations envisaged by the Group.
The Committee is responsible for reviewing the conditions of use of derivatives.

Internal and external audit:

The Audit Committee is regularly informed of the audit work, and in particular examines the statutory auditors' reports, the annual report, etc.
The Committee is also responsible for reviewing the annual work schedules of the external and internal auditors.

During its meetings, the Audit Committee, in particular:

- Interviewed the Finance Department on the Group's financial policy;
- Reviewed and analysed the report of the Group Information Systems Department on the main risks of the information systems, the implementation of action plans, the governance of information systems, the security of information systems and cybersecurity;
- Reviewed and analysed the report of the Group Ethics Committee on the Group Ethics and Compliance programme (in particular Sapin 2 and duty of vigilance);
- Monitored currency hedges;
- Monitored the project to strengthen internal control;
- Reviewed and analysed key risks and opportunities.

For 2022, the members of the Audit Committee made the following requests to Management in relation to risks:

- The risk associated with the Schlemmer integration was removed;
- The supply chain disruption risk was revised downwards to moderate impact with low probability;
- Geopolitical risk is no longer limited to US-China and Ukraine-Russia risk. This risk is identified as having a moderate impact and a certain probability. For DELFINGEN, geopolitical risk and health risks are the highest risks in terms of impact and probability;
- The structural decline in automotive demand is now classified as moderate risk with a possible probability.

2.3.2.3 The internal audit unit

The internal control system is jointly managed by "support services" General Management and "industrial" General Management with the support of the Finance Department.

In agreement with the Audit Committee, a multi-year plan of visits to subsidiaries, based on an analysis of the Group's general risks and risks specific to each subsidiary, was defined and implemented. The findings from these assignments are the subject of recommendations to the audited operational entities, which must then implement appropriate action plans.

Ad hoc assignments on specific issues are also implemented.

Procedures relating to the preparation and processing of accounting and financial information for the annual financial statements and consolidated financial statements

The Finance Department is responsible for internal control procedures related to the preparation and processing of accounting and financial information. These procedures are implemented locally.

It monitors changes in standards and the consistency of accounting policies and, in conjunction with Management Control, regularly monitors the proper accounting translation of operations.

The consolidation manager is responsible for preparing the half-year and annual consolidated financial statements in accordance with IFRS. The consolidation manager defines detailed closing instructions, including in particular the closing timetable, changes in scope, the classification and flows of the main balance sheet items and the process for reconciling operations between Group companies.

The separate and consolidated financial statements are prepared monthly under conditions similar to those of the half-yearly and annual closings.

Management Control analyses the relevance and consistency of the information reported at the level of each subsidiary and measures their performance, as well as the Group's economic performance. It prepares a summary of management indicators for the attention of General Management. The analyses performed relate in particular to sales, margins, expenditure, payroll and the operating result by geographical area and/or market.

Monthly changes are analysed, as well as deviations from the budget and/or the previous financial year. These elements are reviewed monthly by the Executive Committee.

The Group's Finance Department is responsible for designing and disseminating all financial communications to the financial markets:

- Universal Registration Document;
- Financial press releases;
- Documents used during meetings with financial analysts and investors.

The design of the Universal Registration Document is shared by the Finance Department and the Legal Department, reviewed by the Support Services Department and approved by the Board of Directors. The drafting of the Document involves numerous participants who are experts in their field and contribute to the breadth and quality of the information provided.

The financial information disclosed is systematically reviewed by the Support Services Department. Announcements of results are also reviewed by the Audit Committee and the Board of Directors.

Analysis approach and outlook

The Group's objective is to:

- Continue to improve the process for preparing and processing financial information and for identifying and analysing risks;
- Constantly adapt these management and control tools to the Group's development.

The Group aims to have relevant and effective internal control systems in place at each level of responsibility:

Based on:

- A more comprehensive set of procedures;

- The accountability of all operational staff at the heart of the processes;
- The establishment of an accounting and financial platform common to all sites.

Used to:

- Control and strengthen the application of the accounting and financial methods adopted for the preparation of the financial statements;
- Better control and strengthen the monitoring of the internal procedures for collecting and controlling the financial and accounting information transmitted;
- Limit risks.

The entire approach is actively supported by the Group's General Management as well as by the Audit Committee and the Board of Directors.

2.3.2.4 External controllers

This organisation is supplemented by the work of the statutory auditors, who certify the Group's consolidated financial statements at 30 June and 31 December. The financial statements of the companies contributing to the preparation of the consolidated financial statements are examined in a collaborative way by the statutory auditors of the parent company and the local auditors. This consultation takes the form of sending audit instructions, drawing up and using audit questionnaires, and the sending by the local auditors of a limited audit report at 30 June and an audit report at 31 December and a notice on specific points.

The audit work of the parent company's statutory auditors is enhanced by visits to several Group sites each year.

2.3.2.5 The Group's internal control framework

The internal control system put in place provides reasonable assurance of the control of operations with regard to the following objectives:

- Compliance with applicable laws and regulations;
- Compliance with the instructions and guidelines set by Management;
- Safeguarding assets;
- Fraud prevention and detection;
- The reliability, completeness and quality of the information produced, particularly financial information.

In essence, the internal control system cannot provide an absolute guarantee that risks have been completely eliminated. Its purpose is to reduce the probability of risks materialising and their potential impact.

Within the Group, the parent company ensures that internal control systems exist within its subsidiaries. These systems are adapted to the specific characteristics of the subsidiaries and to the relations between the parent company and the consolidated companies.

3

Non-financial performance

DELFINGEN

2022 SUSTAINABILITY REPORTING

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01. PRESENTATION OF THE GROUP AND ITS COMMITMENTS

STATEMENT OF INTENT

The measures implemented by DELFINGEN to control the social, societal and environmental consequences of its activity.

This Non-Financial Statement (NFS) contains the social, societal and environmental information required under Article L. 225-102-1 of the French Commercial Code, amended by Law no. 2018-938 of 30 October 2018 - Art. 55, Order no. 2017-1180 and Implementing Decree no. 2017-1265, having transposed Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 on the publication of non-financial information*, as well as by Order no. 2020-1142 of 16 September 2020.

This NFS aims to present the measures implemented by DELFINGEN to control the social, societal and environmental consequences of its activity. It takes on its full meaning in the context of the publication of the Annual Financial Report of DELFINGEN, where the risk-based approach taken within the Group is presented. The risk factors are therefore not included in the NFS and are described:

- in the "Internal control and risk management procedure" section of the Annual Financial Report;
- in the "Risk factors" section of Chapter 2 of this Document.

** Due to its activities, DELFINGEN has little impact on the fight against food waste, food insecurity and the promotion of responsible, fair and sustainable food. Furthermore, the activities of DELFINGEN have no direct impact on animal welfare. In addition, DELFINGEN has not been able to incorporate actions to promote physical and sporting activities, given the date on which the Sports Law was published (2 March 2022).*

INTRODUCTION

Founded in 1954, DELFINGEN has been a family business for three generations. In June 2018, the Group's governance was renewed according to a principle of continuity. Gérald Streit became Chairman and Chief Executive Officer, taking over from his father, Bernard Streit.

A new chapter has begun, but the fundamentals of corporate culture remain the same: **Our growth and international development are deeply respectful of people. As an international group, DELFINGEN invests in a practical way in favour of socially responsible globalisation.**

As an industrial group, DELFINGEN works to preserve the environment. This action will be strengthened by the forthcoming implementation of a specific action plan dedicated to reducing the Group's carbon footprint.

OUR VISION

The CSR strategy of DELFINGEN is based on the belief that the social and societal dimensions of CSR are dealt with simultaneously because they feed into each other and cannot exist independently, given the way in which they are experienced and applied within DELFINGEN.

CSR governance is organised at the highest level of the Group, through management organised around the approach advocated by Gérald Streit, President and Chief Executive Officer, which is reviewed and monitored by the Board of Directors.

COMPANY OVERVIEW

WWW.DELFINGEN.COM

DELFINGEN is the world leader in protection systems for electrical wiring, tubes and hoses, as well as low-pressure fluid transfer tubing.

Created in **1954,** **family business for 3 generations**

+3800 Co-workers

420 **Millions of euros in sales**

PARIS STOCK EXCHANGE Euronext Growth

A LOCAL PARTNER :

40 LOCATIONS IN 21 COUNTRIES WOLRLWIDE

BUSINESS MODEL

A strategy based on women and men, expertise, proximity, innovation and responsiveness

Trends in the automotive industry

- Towards increasingly connected, autonomous and electrified vehicles
- Increasingly rapid societal and technical changes
- A growing Asian market

Operational excellence to serve our customers in both markets

Mobility market:
- Protection systems
- Fluid transfer tubing
- Interior trim fastening

Industrial market:
- Protection systems
- Robot cable protection

PERFORMANCE 2025

DELFINGEN, a free, independent & successful company

PARTNERSHIP

The preferred partner of our customers

Multi channel distribution

Alliance strategies

PRODUCTS

High value-added technological solutions

An adapted offer to the new needs of the market

Unique products and services (quality, deadlines, etc.)

PLEASURE

Pleasure in your work

Strong corporate culture

Human and social connections

PERFORMANCE

Operational excellence

Digital transformation

Financial strength

PLANET

Reducing the carbon footprint

Promoting the circular economy

Tackling plastic pollution

DELFINGEN
Safe networks in motion

OUR RESOURCES

FINANCIAL CAPITAL

- A stable family shareholding structure
- Listing on Euronext Growth (Paris Stock Exchange)

HUMAN CAPITAL

- A decent work charter
- Strong values
- Over 3,800 staff
- A centralised QSE approach

INDUSTRIAL CAPITAL

- 40 sites in 21 countries on 4 continents

INTELLECTUAL CAPITAL

- €9.6 million in innovation spending

ENVIRONMENTAL CAPITAL

- A controlled environmental footprint with 22 ISO 14001-certified sites
- 143 people in Research & Development at 11 R&D centres

SOCIETAL AND RELATIONAL CAPITAL

- The DELFINGEN Foundation for socially responsible globalisation
- A responsible purchasing strategy
- Strong and historic regional roots

VALUE CREATION

FINANCIAL CAPITAL

- Operating income of €21.2 million
- Net income attributable to shareholders €8.1 million
- EBITDA €40.0 million
- Earnings per share €3.11
- Net dividend per share (2022) ~€0.64
- Transmission from 2nd to 3rd generation

HUMAN CAPITAL

- +10% increase in new co-workers in the last year
- 94% of co-workers are happy to work at DELFINGEN

INDUSTRIAL CAPITAL

- All our production sites are IATF 16949-2016 and ISO 9001-2015 certified
- For one million parts delivered, an average of 35 parts rejected by our customers
- The tubing and sleeves produced per year is equivalent to 30 times the earth's circumference

INTELLECTUAL CAPITAL

- More than 30 patents held
- Co-developments with customers
- Development of partnerships with local engineering schools (UTBM in particular)

ENVIRONMENTAL CAPITAL

- 1 new ISO 14001-certified site in 2022 (TN-Fouchana)

SOCIETAL AND RELATIONAL CAPITAL

- Suppliers in more than 30 countries
- An ethics charter rolled out in all the Group's languages
- An ethics committee in charge of the whistleblowing line
- Towards a regionalisation of the Foundation

GLOBAL PRESENCE

From a family-owned company...To a global industrial group

40 sites worldwide dedicated to product development, innovation, production, logistics and marketing, spread across 21 countries on 4 continents.

A global player, DELFINGEN supports the deployment of automotive suppliers and manufacturers in their global platform strategies.

25 Plants

11 R&D centres

11 Sales offices

6 Logistics centres

AMERICAS

- Brazil
- Canada
- USA
- Honduras
- Mexico

EUROPE & AFRICA

- Germany
- Spain
- France
- Italia
- Morocco
- Portugal
- Romania
- Slovakia
- Tunisia

ASIA

- China
- South Korea
- United Arab Emirates
- India
- Japan
- Philippines
- Thailand

ALIGNMENT OF DELFINGEN'S CSR CHALLENGES WITH THE SUSTAINABLE DEVELOPMENT GOALS

A STRONG COMMITMENT & A COMMON THREAD

SUSTAINABLE DEVELOPMENT GOALS

DELFINGEN puts its CSR challenges into perspective with the frame of reference most commonly used in its ecosystem, namely the Sustainable Development Goals (SDGs).
As a reminder, the SDGs have been adopted by the United Nations.

They constitute the 2030 Agenda, which links to each goal targets to be achieved by 2030, with a view to eradicating poverty and ensuring prosperity for all.

	Material topics	SDGs concerned
A strong social pact	Continuous improvements in working conditions	
Lifelong learning	DELFINGEN Academy	
A commitment to solidarity	Fondation DELFINGEN	
A shared ethical commitment	Ethics and compliance Governance and values Regional anchoring	
An innovative company	Responsible purchasing R&D and eco-design IT systems security Product quality and reliability	
A desire to limit environmental impacts	Waste Transport and logistics Energy management	

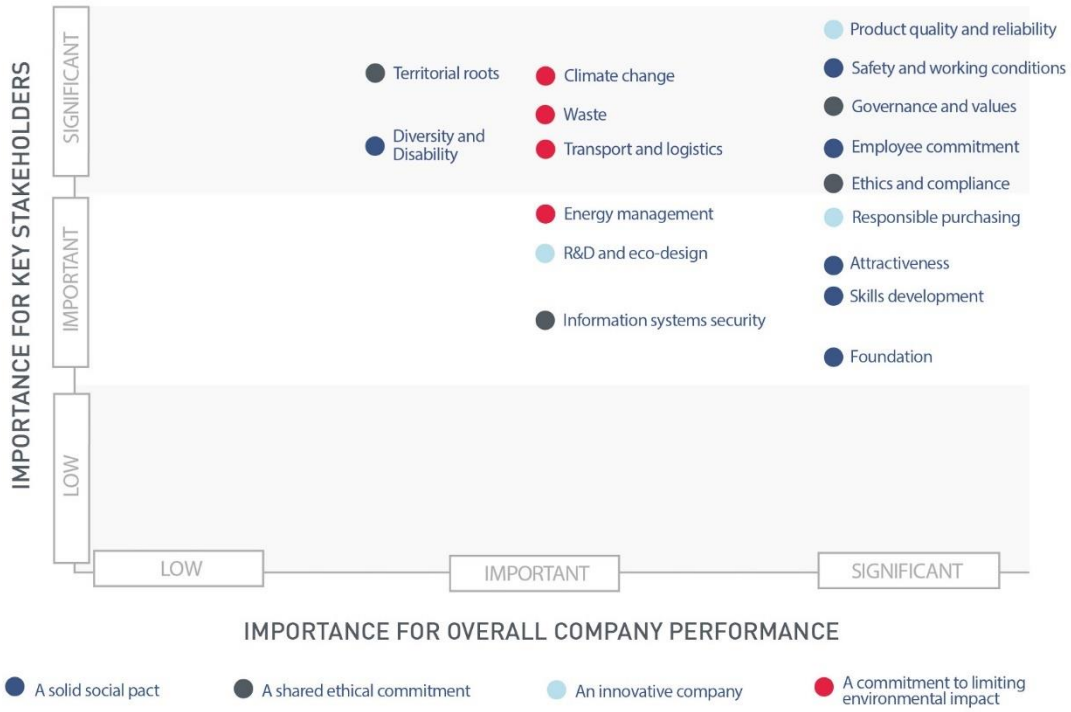
MAPPING OF CSR ISSUES

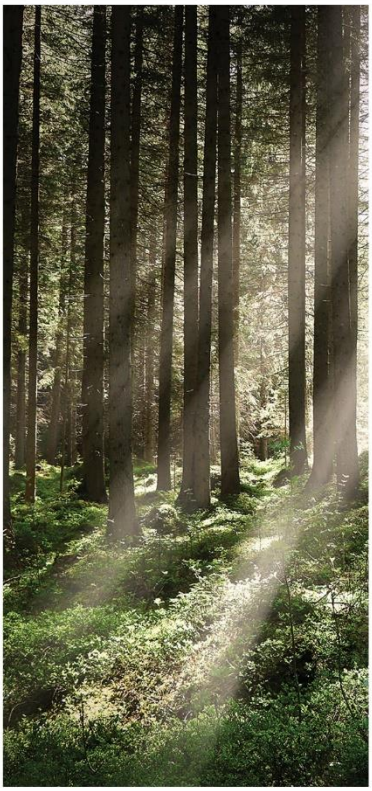
DEVELOPMENT METHODOLOGY

Issues were identified using the method proposed by Decree No. 2017/1265 on the NFS, and by analysing the work done in order to obtain the ISO 14 001 certifications, the results of the staff survey and the customer and supplier questionnaires.

These issues were cross-referenced with those of SASB's Materiality Map®, available on the website https://materiality.sasb.org/ and corresponding to the Transportation/Auto parts business sector.

The issues were then placed in the following materiality matrix. Issues considered to be non-material are not shown on this matrix. The matrix was reviewed in 2022, given the importance of the subject of climate change, both among stakeholders and at DELFINGEN.





OUR ECOSYSTEM

Aware that the company contributes to a wider economic and social whole much bigger than itself, DELFINGEN takes into account the impacts of its activity on its customers, the end users of its products and services, its staff, its suppliers, its industrial partners, the financial community, citizens, the State and government.

These stakeholders' expectations of the company are growing. We believe we can respond to this, making our contribution to the collective interest while ensuring the longevity and sustainability of DELFINGEN.

Being our customers' preferred partner, developing alliance strategies, promoting responsible sourcing, committing to a business ethics and loyalty approach, helping our staff to grow and adopting a decent work charter, co-developing the products of the future and adding our actions to the fight against global warming are all examples of taking the interests of stakeholders into account.

Furthermore, we believe that the company is not "off-ground" and that its ecosystem also has a regional reality. For this reason, DELFINGEN invests in the vitality of the regions where it operates by promoting partnerships with schools and universities, clusters of companies, start-ups and citizen initiatives.

MAPPING OF STAKEHOLDERS

OUR COMMITMENTS

DELFINGEN IS COMMITTED TO COMBATING GLOBAL WARMING AND CONTRIBUTES TO THE OBJECTIVES OF THE PARIS AGREEMENTS (COP21).

Generating 85% of its turnover with the automotive sector, each year processing tens of thousands of tonnes of plastic materials and present in many countries with physical aspects linked to climate change (the Philippines, Thailand, India, etc.), DELFINGEN has made the fight against global warming a key pillar of its strategic plan. It could hardly be otherwise when the objective affirmed by family shareholders has always been the sustainability of the company.

FOR SUSTAINABLE AND RESPONSIBLE MOBILITY

Transport accounts for almost one quarter of global CO_2 emissions. The entire automotive sector has embarked on investment and innovation programmes to effect the transition to vehicles with less polluting engines (electric, hydrogen, etc.). DELFINGEN is contributing to this movement by offering ever-more innovative wiring harness protection solutions in increasingly restrictive environments (heat, radiation, electromagnetic) created by these new engines. In addition, DELFINGEN offers battery cooling and sensor washing solutions, which are essential for the proper operation of these vehicles.

COMBATING PLASTIC POLLUTION

In this area, DELFINGEN is principally committed to two areas: waste reduction and product recyclability. Globally, only 9% of plastics are recycled. Reducing quantity and improving recovery capacity are not only a response to an environmental challenge, but also a source of economic benefits. To this end, DELFINGEN conducts product life cycle analyses for each new development.

FOR A MORE CIRCULAR ECONOMY

In a globalised economy, DELFINGEN has done its utmost, since the 1990s, to source, produce and sell locally, which largely explains the fact that its industrial facilities are distributed across more than 20 countries. However, given the complexity of the automotive supply chain, many efforts still need to be made, in particular to limit transcontinental flows. In 2022, DELFINGEN emphasised, for its local market, the relocation to the Americas of production previously located in Asia.

In order to ensure that concrete actions with measurable and tangible effects are implemented, DELFINGEN has launched a study of its carbon footprint according to the rules of the GHG Protocol with the support of EcoAct, the climate consultancy. At the end of this study, clear and ambitious targets were set to reduce greenhouse gas emissions right across the company's business by 2030.

Demonstrating the company's interest in climate risks and their strategic challenges, DELFINGEN has made them an essential pillar of its Performance 2025 plan and the main theme of its annual meeting of company managers (Leadership Meeting).

OUR COMMITMENTS

For the past two years, the Group has had its corporate social responsibility record assessed by two recognised bodies in the automotive industry: **CDP** (driving sustainable economies) and **EcoVadis** (business sustainability ratings). These assessments highlight DELFINGEN Industry's awareness of corporate social responsibility issues. In 2023, new assessments will be carried out to measure our progress on these crucial subjects.

CDP
DRIVING SUSTAINABLE ECONOMIES

CDP is a standard for corporate environmental reporting and is fully aligned with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD).

By responding to the CDP's climate change questionnaire, DELFINGEN is transparent about its contribution to climate change.

Results: C

ecovadis
Business Sustainability Ratings

EcoVadis, which assesses the sustainable development performance of suppliers on behalf of customers.

The assessment is based on four themes: industrial relations and human rights; the environment; ethics; and responsible purchasing.

Results: 52/100

BRONZE
ecovadis
CSR Rating

02. HUMAN & SOCIAL

A STRONG SOCIETAL VISION IN THE COMPANY'S DNA

An engaged and citizen-based group founded by the Streit family, to support an aunt with polio, DELFINGEN has historically had strong values in its DNA that affect its activities on a daily basis.

VACCINATION IN ACCORDANCE WITH THE WORLD HEALTH ORGANIZATION

Wherever it operates, the Group helps to create value and jobs through its growth and profitability.

Its growth takes place:

- While limiting the environmental impacts of its activities;
- While promoting the development and empowerment of its staff and good living conditions for them;
- While sharing the wealth created with its staff.

Its Corporate Foundation undertakes initiatives to improve the living and health conditions of the regions in which it operates. DELFINGEN has developed worldwide while choosing to source, produce and sell locally, as much as possible. The COVID-19 crisis has shown that it is essential to use supply chains for its activities that are less mutually interdependent. The Group mainly operates in the major automotive wiring manufacturing areas. As wiring is an activity that requires a large amount of labour, wiring manufacturing sites are often located in largely emerging countries.

WWW.DELFINGEN.COM

GLOBALISATION IS AN OPPORTUNITY FOR ALL, AS LONG AS IT IS BASED ON SOLIDARITY

WWW.DELFINGEN.COM/FONDATION-DELFINGEN-2

DELFINGEN helps to create wealth through employment and training, and also through the initiatives of its Corporate Foundation to improve living conditions.

These actions are implemented in accordance with the Decent Work Charter in force at all the Group's sites since 2007 and amended in 2017 to take disability-related situations into account.

THE GROUP'S POLICY HAS HISTORICALLY BEEN BASED ON THESE CORE BELIEFS:

1. The women and men of DELFINGEN are its most important assets worldwide
2. Since its creation, the Group has claimed and taken on its social responsibility wherever it operates
3. Globalisation is an opportunity for all as long as it is based on solidarity

These beliefs underpin the actions carried out through the Group's values, its Decent Work Charter and the DELFINGEN Corporate Foundation.

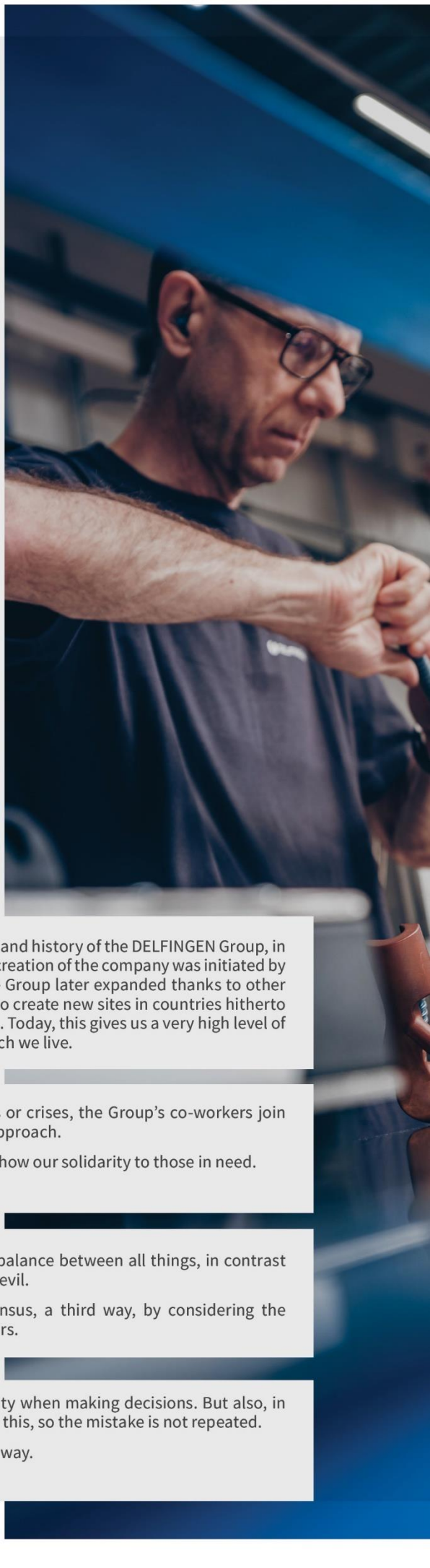
THE GROUP'S VALUES

The Group's values form the basis of the fundamental principles of "working" and "living together" of DELFINGEN co-workers. Created in Franche-Comté (France), the DELFINGEN Group has developed internationally in 21 countries, incorporating multiple cultures within it. These common values unite the women and men of DELFINGEN worldwide.

The values, which have always been present but were defined in 1984, only make sense if they are shared by everybody. It was the co-workers themselves, with their wealth of differences and cultures, who defined, based on the beliefs of the creator of the Group, the body of values of DELFINGEN and the behaviour that stems from these values.

Since then, the Group's footprint has increased in Asia. In 2019, the Executive Committee, at the initiative of Gérald Streit, decided to launch an in-depth exploration of this subject, ending in 2020. The challenge was to revisit these four historical values (freedom, responsibility, continuous improvement and sharing) in order to adapt to our new co-workers.

The Group's four new values have therefore evolved from the values defined in 1984:



IT IS ONLY BY RESPECTING THESE VALUES THAT THE GROUP CAN LEGITIMATELY ASK A LOT OF ITS CO-WORKERS

ENTREPRENEURSHIP

This value corresponds to the DNA and history of the DELFINGEN Group, in that, from the very beginning, the creation of the company was initiated by an entrepreneur: Emile Streit. The Group later expanded thanks to other entrepreneurs, who went abroad to create new sites in countries hitherto unknown to the DELFINGEN Group. Today, this gives us a very high level of agility in the complex world in which we live.

SOLIDARITY

In the event of errors, constraints or crises, the Group's co-workers join forces, taking a solidarity-based approach.

Our Foundation also allows us to show our solidarity to those in need.

HARMONY

This is a strong value in Asia: the balance between all things, in contrast with black and white, or good and evil.

The aim here is to seek a consensus, a third way, by considering the opinions of the various interlocutors.

RESPONSABILITY

It is important to take responsibility when making decisions. But also, in the event of an error, to learn from this, so the mistake is not repeated.

It is perpetual learning, in a caring way.

A STRONG SOCIAL PACT

So that each co-workers can give his or her best, DELFINGEN shares its vision and strategy with all, establishes clear objectives and provides the means to achieve these in accordance with its values and beliefs: these are the conditions in which the women and men of DELFINGEN can do extraordinary work.

The Decent Work Charter

Respectful of human rights, in line with the values that drive it, DELFINGEN provides the same working conditions to all its co-workers, regardless of the countries in which they work. The Group makes every effort to provide a working environment in which every co-worker can find a space for professional and personal development.

Its "Decent Work Charter" is rooted in the principles of human rights, labour law and respect for the environment. New articles on disability and anti-corruption were added in 2017. This enables every person to express all of his or her talents in his or her unique way. In 2022, new items formalised our policy on the prohibition of child labour, forced labour and modern slavery.

In force at all the Group's sites, and translated into all languages used by co-workers, it undertakes to:

- Ensure the same level of security at all sites
- Ensure the same level of environmental protection at all sites
- Promote equality in the face of hardship in an identical position
- Offer employees vaccination against five pandemics (e.g. diphtheria, tetanus, poliomyelitis, etc.), with the DELFINGEN Foundation, where appropriate, covering costs not covered by local social insurance
- Prohibit the employment of children under 16 at the Group and at subcontractors and suppliers
- Ensure equal pay for equivalent work by site without discrimination
- Not to accept behaviour that violates dignity
- Ensure zero tolerance of sexual harassment
- Promote access to Group information in the language of the relevant country
- Continually ensure that we provide a living wage to our co-workers
- Encourage co-workers to respect the traditions, cultures and religions of each country
- Promote the personal development of all our employees in order to make them more independent every day
- Prioritise skills over qualifications when hiring and promoting
- Promote the literacy of our employees
- Make every effort to maintain in employment any person who has worked at the Group for more than one year who is found to have a disability due to accident or illness
- Make efforts to adjust the working hours of any employee who has a spouse and/or child(ren) with disabilities
- Act impeccably with stakeholders in order to respect the integrity of the business and the Group's reputation and to combat corruption and influence peddling

A GREAT HUMAN ADVENTURE

The women and men of DELFINGEN are its most important assets worldwide. The Group attaches great importance to the management of human resources. Encouraging engagement by offering a pleasant and motivating work environment in which human relations play an essential role is a daily challenge.

"It was the boldness, courage and determination of women and men of DELFINGEN that enabled the small family plastic bag business to be transformed into a global automotive supplier, a leader in its market".

The implementation of a Human Resources Information System (HRIS) for the entire Group will quickly enable more detailed consolidation of data, without any re-inputting by the teams. This ambitious project, carried out in collaboration with market leader Workday, will be implemented in several waves in 2023.

WORKFORCE

At 31 December 2022, the Group employed 3,491 staff, plus 443 temporary workers, for a total of 3,934 employees across the three regions.

Regions*	2022	2021	2020
Europe / Africa	1 849	1 863	1 994
Asia	1 004	788	695
Americas	1 081	870	903
Group Total	3 934	3 521	3 675

* The sites are divided into three geographical areas: EA: includes the European countries (France, Germany, Portugal, Romania, Slovakia, Italy, Spain) and Africa (Tunisia and Morocco); ASIA: includes the Philippines, Japan, the United Arab Emirates, China, India and Thailand; AMERICAS: includes countries in North, Central and South America: United States, Canada, Mexico, Honduras and Brazil.

2022	E/A	Asia	Americas	TOTAL
Workforce	1 849	1 004	1 081	3 934
Distribution by region	47 %	26 %	27 %	100 %

WORKFORCE

Type of Contract	2022	2021	2020
Open-ended contracts	3 478	3 198	3 335
Fixed-term contracts (including work-study arrangements)	13	13	13
Temporary workers	443	310	328
Group Total	3 934	3 521	3 675

The fixed-term contracts only relate to the French companies. They are mainly replacement fixed-term contracts and work-study contracts. The Group's policy favours permanent contracts.

For the tables below, the scope used does not include temporary staff.

	2022	2021	2020
Executive	1	1	1
Managers	593	595	451
Employees	2 897	2 615	1 926
Group Total	3 491	3 211	2 378

The percentage of managers in the company remained stable at 17% of the total workforce in 2022. The large number of engineers and managers demonstrates the growing importance of innovation to promote the diversification of the product and technology portfolio.

ORGANISATION OF WORK

Working hours at the Group are from 35 hours to 48 hours depending on the countries in which DELFINGEN operates; all these time periods comply with the working hours in force in each country. Working hours vary by country, but the production staff are mainly organised into 2x8, 3x8 or 5x8 teams in order to meet the workload of each site and optimise the operation of the machines.

The practice of part-time work mainly takes place in France, where the "Parenting Charter" signed in 2009 was the practical outcome of DELFINGEN's wish to reconcile private and professional life.

To enable its co-workers located in France to benefit from a childcare system, DELFINGEN has developed a partnership with a nursery in the municipality of Anteuil (where its registered office is located).

The remote working agreement signed in 2017 and renewed in 2018 and 2019 was once again signed by management and the workforce at the end of 2020, for a three-year period, with the longer option of three days of remote working per week. It aims to take into account quality of life at work while maintaining the efficiency and quality of the work provided and incorporating operational, organisational, technical and financial requirements. The COVID-19 crisis has shown us the value of such a system in our business continuity plan.

An external carpooling app will be implemented in early 2023 to facilitate contact between staff. This initiative should reduce their transport costs and also significantly reduce their carbon footprint. A digitisation project took place in several workshops around the world with the provision of scanners to all operators for better ergonomics, traceability of failures and faults and a more modern approach. The aim is to achieve an inclusive digital transformation without a digital divide.

88/100

2022 index of professional equality between women and men, France*

A WELCOMING ORGANIZATION FOR ALL

	2022	2021	2020
Women	39 %	41 %	43 %
Men	61 %	59 %	57 %

As well as the aspects of safety, the working environment, arduous work, bullying and disability, DELFINGEN promotes equality between women and men.

The action plan to promote gender equality in the workplace signed in June 2018 within the scope of the UES (France) is ongoing. As a reminder, this involves, inter alia, improving the level of diversity in recruitment and ascertaining and, where appropriate, mitigating any gender-related effect in terms of working conditions. Furthermore, DELFINGEN signed the UN charter in 2011. Gender equality within the Group can be assessed by the presence of women at the head of several production sites (France, Portugal, Morocco, Tunisia, Romania, the United States and Honduras), which is rare in an industrial company; similarly, 25% of managers within the Group are women. Some countries, such as the United States, have signed an anti-discrimination charter.

Annual performance reviews are conducted at least once a year to ensure objectivity in staff appraisal, regardless of discriminatory criteria. As part of its social policy, the company has extended this practice to the entire Group. In 2022, DELFINGEN employed 12 people with disabilities at its French site, and has adapted workstations to ensure that staff carry out their daily work under the best conditions. At the same time, DELFINGEN uses ESATs** to produce certain parts. Finally, DELFINGEN, at the same French production site, regularly welcomes around ten young people with learning difficulties on internships to find out about the corporate world

*(based on Decree no. 2019-15)

** ESAT: Etablissements et Services d'Aide par le Travail (Employment Assistance Establishments and Services), which enable people with disabilities to work in a protected environment if they are not sufficiently independent to work in an ordinary environment.

A SAFE WORKING ENVIRONMENT

At DELFINGEN, in accordance with the "Decent Work Charter", all staff have access to a safe working environment that is the subject of significant attention paid by the Quality, Safety, Environment (QSE) Department and by the management of each site. Our **security policy** aims to:

- Inform and train all staff on safety in accordance with the country's regulations;
- Harmonise our safety practices with respect to incident/accident management and through a risk analysis approach and the roll-out of tools and methodologies common to all our sites.

All workstations are analysed for safety risks and all employees are provided with appropriate personal protective equipment. In 2022, 67 workplace accidents occurred across the Group scope.

Areas*	2022	2021	2020
Europe / Africa	40	17	10
Asia	14	10	9
Americas	13	21	17
Total Group	67	48	36

* The sites are divided into three geographical areas: EA: includes the European countries (France, Germany, Portugal, Romania, Slovakia, Italy, Spain and Russia) and Africa (Tunisia and Morocco); ASIA: includes the Philippines, Japan, China, the United Arab Emirates, India and Thailand; AMERICAS: includes countries in North, Central and South America: United States, Canada, Mexico, Honduras and Brazil.

The increase in accidents (2022 vs 2021) is due to the incorporation of all sites into Group reporting.

In France, a safety management system was first implemented in Anteuil and then extended to certain sites, representative of the Group's activity. Accidents at work are counted as soon as a health professional intervenes.

At each site, the safety risk is assessed by Management.

Similarly, a safety "coordinator" has been appointed for each site and acts as a liaison to facilitate the roll-out of the system and best practices from the central unit

	2022 France-Production	2021 France-Production	2020	2019
Number of work-related accidents with lost time	3	2	4	3
Frequency rate	7.20	5.47	12.7	7.20
Severity rate	0.252	0.04	0.5	0.6

2022 was marked by a new trajectory for safety with a roadmap defined for the main working areas in 2023:

- Reduction in the number of accidents, particularly at the "head of the Pareto chart" (accident related to hands/ fingers)
- Roll-out and strengthening of the "harmonised" system: safety audits, risk analyses and regulatory compliance in particular. Security audits are carried out by the sites. The security part is also indirectly checked during internal QSE system audits.
- The French site will be a pilot site for simplified safety data sheets and virtual reality (for the onboarding of new hires).

These two projects will be launched in 2023, with the aim of rolling them out to all sites thereafter.

It should be noted that, also since September 2022, the calculation of frequency and severity rates is now available at Group level (not only at the France FR-Anteuil site). Reporting is automated in the following way: Example for the period September – December 2022:

- 22 accidents at the DELFINGEN Group level
- Frequency rate = 8.76 (≤13.9 reference for our branch)
- Severity rate = 0.067 (≤0.9 reference for our branch)

WORKING CONDITIONS CONDUCIVE TO CO-WORKER FULFILMENT

DELFINGEN offers fulfilling career paths as soon as employees are hired and throughout their careers. Particular attention is paid to talent development with appropriate and varied training offerings.

EQUAL TREATMENT

COMPENSATION

All staff receive at least the statutory or contractual minimum wage in force in each country. DELFINGEN practices a transparent remuneration policy in terms of annual increases, mainly taking into account changes in the cost of living and the local context of the labour market. It should be mentioned that when calculating the gender equality index in the workplace, no discrimination was observed on the individual rate of increase or on the rate of increase upon returning from maternity leave.

In 2022, DELFINGEN anticipated rampant inflation in many countries where it operates, to limit the decrease in the purchasing power of its staff, particularly in Europe. It increased the lowest wages, awarded “inflation bonuses” and significantly increased the value of meal vouchers. In addition, the profit-sharing system in place since 1984 makes it possible to share the company’s good results and profits among all staff. An employee shareholding agreement is in force in France in accordance with the law, as well as a profit-sharing agreement.

French co-workers can invest their employee shareholding and profit-sharing gains into a company savings plan (Plan Epargne Entreprise – PEE), or allocate all or part of these gains to a group retirement savings plan (Plan Epargne Retraite Collectif – PERCO, an agreement signed with the UES in January 2018) to enable them to build up a collective portfolio of securities with a view to their retirement, while benefiting from tax advantages.

Benefits in terms of mutual insurance and supplementary pensions have been put in place in most countries, thus covering almost the entire Group workforce.

It should be noted that since 2021, France has harmonised its mutual insurance policy by providing all co-workers with the mutual insurance cover previously reserved for managers

RECRUITMENT

Across the entire DELFINGEN Group, permanent contracts (CDI in France) are favoured.

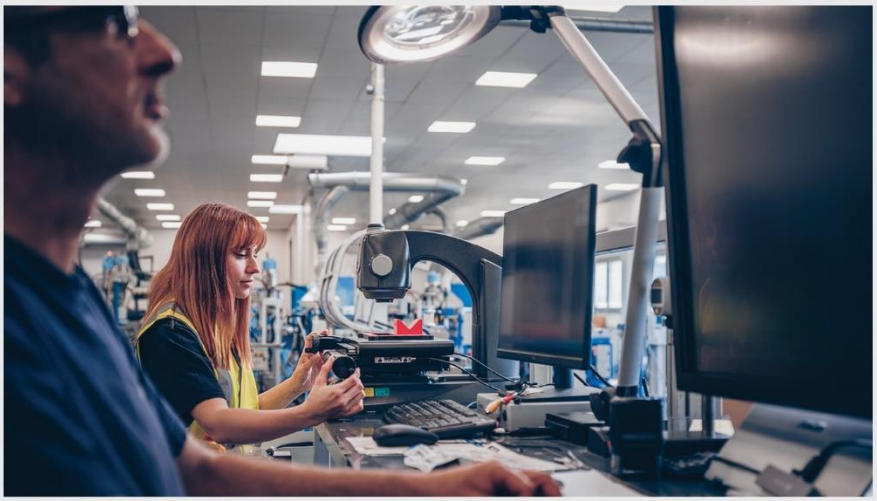
In some areas, tensions are apparent in the labour market, with significant turnover, particularly in Texas, Romania and Mexico. At the global level, the results of the 2022 annual satisfaction survey showed that 94% of respondents believe that the DELFINGEN Group is a great place to work.

This remarkable figure, demonstrating the loyalty of our co-workers, is also highlighted in job advertisements to attract candidates.

In France, the Group seeks to facilitate the recruitment of staff, particularly managers, by communicating more about its employer brand, particularly on LinkedIn and Instagram. Its partnership with the Belfort-Montbéliard University of Technology (Université de Technologie de Belfort-Montbéliard – UTBM) allows it to offer internships to students. Other relationships with schools have been forged, for example the Ecole Nationale Supérieure des Arts et Industries in Roubaix and other local schools.

As part of its recruitment operations, DELFINGEN emphasises its digital strategy and the possibilities offered to staff to reach their potential.

In France, for example, initiatives such as "The Annex" (see below) and "DELFINGEN Lab" can make the difference for a candidate.



VARIED CAREER OPPORTUNITIES

The Group is expanding, investing, diversifying its activities, innovating and offering rich and varied career paths. Job transfers, geographical mobility and project responsibilities are all opportunities offered to talents.

Internal promotion is emphasised when new positions are opened. Internal mobility is a factor in attracting talented individuals, who can thus expand their fields of expertise and experience to serve their personal development and the business project.

A few good examples of career paths can be found at:

HTTPS://WWW.DELFINGEN.COM/TEMOIGNAGES/

SUPPORT FOR INTRAPRENEURSHIP AND INCLUSION OF THE ACTIVITY IN ITS ECOSYSTEM

« THE ANNEX »

To support entrepreneurship, the Group launched its intrapreneurship programme, "The Annex", in 2018. A real accelerator of projects, the aim is to launch creative challenges to create competition around a process, a DELFINGEN Lab to model and test new products or concepts and a support programme for intrapreneurs to bring projects to fruition.

"The Annex" allows individual staff to put forward ideas. Once an idea has been accepted by Management, the staff member can develop it. For example, a 3D hand prosthesis benefited a child of one of the Group's staff. A shared educational garden was also popular.

"The Annex" is a space and a digital platform for thinking "out of the box" on themes chosen by staff.

Links have been established with the Vehicle of the Future Cluster to train employees in the jobs of the future. Thus, they can learn how to maintain a 3D printer that will be part of their day-to-day lives. In virtual reality or with e-learning modules, they become familiar with Industry 4.0 and will be ready to learn the jobs of tomorrow that do not yet exist.

After this initial period of activity, in early 2023 it was decided that the activities of this platform should be focused on CSR actions in general, to allow the Group's staff to share with their colleagues the actions launched regarding the protection of the planet, health, etc.

Staff can therefore submit their ideas and receive a budget from Management to implement this idea at their site. If the idea works, it can be rolled out to all the Group's sites.

For this new strategic area, the platform has been renamed "Sustainabler".

TRAINING & ACADEMY

TRAINING

To ensure the high quality of its products and continuous innovation, skills development is one of the Group's priorities: the training effort is substantial, in all countries.

The digital transformation of DELFINGEN is also supported by awareness-raising of cybersecurity among all staff.

Areas*	Number of training hours			Number of employees trained			Number of trainees		
Year	2022	2021	2020	2022	2021	2020	2022	2021	2020
Europe / Africa	31 525	25 274	18 960	835	710	443	1 317	1 322	608
Asia	14 734	11 550	6 705	665	313	270	1 207	652	458
Americas	8 046	18 580	6 848	435	416	176	689	1 124	271
TOTAL	**54 305**	**55 404**	**32 482**	**1 935**	**1 439**	**889**	**3 213**	**3 098**	**1 337**

Zones*	Number of hours of safety and and environmental training			Number of people trained in safety and environment		
Year	2022	2021	2020	2022	2021	2020
Europe / Africa	4 688	3 195	5 918	236	229	297
Asia	2 035	392	1 244	214	90	139
Americas	1 086	1 546	696	137	126	160
TOTAL	**7 809 (1)**	**5 133 (2)**	**7 858**	**587**	**445**	**596**

(1)i.e. 14% of training time
(2)i.e. 9% of training time

DELFINGEN ACADEMY

Transmission means promoting the know-how of expert colleagues and enabling trained people to develop their skills.

Created more than 20 years ago and named DELFINGEN ACADEMY in 2017, the Group's skills development centre aims to enable the transmission of know-how and the acquisition of the knowledge and skills needed to support the company's strategy.

DELFINGEN ACADEMY
Learning Together

The DELFINGEN ACADEMY offers a wide range of internal and external training courses in various fields: technical, languages, management and international culture. In addition to training, DELFINGEN ACADEMY promotes the dissemination of good practices for the transmission and acquisition of skills, in particular through the implementation of learning, tutoring and academic partnerships. Digitisation is a great lever to facilitate and accelerate knowledge acquisition: the DELFINGEN ACADEMY incorporates webinars, tutorials, videos, massive open online courses (moocs), serious games, etc. into its programmes and makes more and more e-learning modules available to staff, who can thus train themselves. Its mission is to ensure that all staff members are properly trained in their positions and will be so throughout their careers.

"L'Atelier" ("Workshop") days take place once a month with 30-minute modules. These modules, initially launched in Anteuil, are currently being rolled out worldwide (first sessions in March 2021). Thus, everyone can be trained in better use of the office suite, what the term Industry 4.0 means, the culture of Japan and China and the Group's tools. Consequently, everyone is associated with the transformation of the company in small increments, without excessive limitations.

The DELFINGEN ACADEMY has also launched an onboarding programme for new staff to enable them to integrate as effectively as possible. Managers have not been forgotten: promotions of 10 to 15 people follow a course of 10 sessions once a month. By starting with the tasks and expectations of each person, putting these into perspective in a changing context, they are supported in their career paths. The sessions are supplemented by personalised coaching.

A broad-based strategy to roll out this manager training programme worldwide is under way. Similarly, specific training for all Group site directors will be implemented, in order to increase their level of competence to operational excellence.

ACADEMY *Masterclass*

THE DELFINGEN CORPORATE FOUNDATION FOR SOCIALLY RESPONSIBLE GLOBALISATION

#SOLIDARITY

"Globalisation is an opportunity for humanity, as long as it is socially responsible"

The DELFINGEN Corporate Foundation was founded in 2007 to pursue the Group's activities in the regions where it operates. A genuine link between the Group, its staff and the regions, it aims to develop long-term solutions that make individuals more autonomous and dignified, helping them to take their destinies into their own hands.

Its areas of intervention are: health, education, housing, disability and, since 2022, the environment

100K€ FOR THE IMPLEMENTATION OF DISABILITY COMPENSATIONS

DISABILITY PILLAR

In 2017, on the Foundation's ten-year anniversary, a conference was organised with 80 volunteers from all DELFINGEN sites. After a review of the previous decade, the new Disability pillar was introduced, and it was an opportunity for volunteers to present cases identified at the different sites.

In 2022, 26 cases involving 38 people were studied and nearly €100,000 was released for the implementation of disability compensation.

REPORT ON ACTIONS

Education • Health • Environment • Housing • Disability

2022 REPORT

HOUSING:

The Foundation helped to rebuild the homes of 31 colleagues, eight of which had been badly damaged after the January 2022 super typhoon in the Philippines. Our colleagues and their families received collective assistance and moral and financial support, enabling them to find decent housing. Individual support was also provided for the homes of some of our co-workers in Slovakia.

EDUCATION:

The distribution of educational materials for children at 12 sites in Romania, Tunisia, Morocco, the Philippines, India, Mexico and Brazil; and the granting of scholarships to four students in the Philippines, three in the United States and one in China. The Foundation also paid particular attention to the resocialisation of children through certain activities that enabled them to fill the gap that could have been created after two abnormal years.

HEALTH:

Flu vaccination campaigns were conducted for colleagues in Brazil and the Philippines. Sight tests were carried out on 282 people in Cebu in the Philippines. One-off assistance during surgical operations, drug supplies and laboratory procedures involving family members. Staff have completed the programme in the Philippines, Morocco, Portugal, India, the United States and Slovakia. Specific measures related to COVID-19 were taken in China to support colleagues during periods of lockdown (tests, masks, distribution of vitamins, foodstuffs, etc.).

DISABILITY:

Various compensation schemes have been set up for co-workers and their families (United States, Tunisia, Philippines, Brazil and China), for therapy, eyeglasses, hearing aids, educational equipment, etc. The Foundation provided financial support for various operations to offer the family members of colleagues a better quality of life.

ENVIRONMENT:

This new pillar, added in 2022, has raised awareness among colleagues, their families and their communities on these issues (CO_2, plastic pollution), and has enabled support to be provided to local initiatives, as well as the creation of partnerships with local players where DELFINGEN is located. The Foundation has teamed up with Ocean Quest on the coral reef rehabilitation project. After a few months of work on the devastated reefs of Cebu, we are starting to see our propagated corals grow.

DELFINGEN has also become a partner of Plastic Odyssey, a laboratory vessel and an ambassador for the reduction and recycling of plastic waste, which designs, creates and develops simple and accessible solutions for everyone to reduce waste at sea and plastic pollution.

THE ANNEX:

The internal platform, “The Annex”, has provided colleagues with information on the Foundation, in particular the range of initiatives taking place at the various DELFINGEN sites worldwide.

THE FOUNDATION'S RESOURCES

WWW.DELFINGEN.COM/FONDATION

1 **THE DELFINGEN GROUP**

The Group pays 1% of its net income to the Corporate Foundation.

2 **DONATIONS**

Donations from colleagues, in particular, increase its resources. An endowment fund was also created to supplement the system with external donations from partners, friends, suppliers and customers. An online donation form has been set up on the Foundation’s website through the endowment fund.

For more information, visit

FONDATION@DELFINGEN.COM

3 **MISCELLANEOUS SALES**

Sale of the Group’s historical book in exchange for a donation to the DELFINGEN Foundation; sale of books and toys, computers, telephones and various obsolete equipment; organisation of raffles; recycling of waste, etc.

4 **EVENTS**

In 2022, the organisation of events was again restricted by the health crisis.

The only notable action was participation in a car boot/garage sale in the neighbouring village.

OUTLOOK OF THE FOUNDATION

The Group wishes to step up its efforts by taking advantage of local levers.

Thus, in 2022, a Swiss Foundation was created by the DELFINGEN Group to manage the actions of all DELFINGEN Foundations worldwide. Switzerland, the country of origin of the Streit family in the early 20th century, allows us to return to the source of the DELFINGEN Group, which was created to provide for a person with disabilities. This Swiss Foundation, which has a multidisciplinary and multicultural board of directors, will further accelerate DELFINGEN's actions worldwide. One of the first areas of work is, in particular, the creation of partnerships to increase the scope of actions.

FOCUS ON OCEAN QUEST

The DELFINGEN Foundation has teamed up with Ocean Quest on the project to rehabilitate coral reefs, particularly in the Philippines. After a few months of work on the devastated reefs of Cebu, we are starting to see growth of the corals that we have multiplied. Our trainers, Anuar Abdullah, founder of Ocean Quest, and Monica Chin, are guiding us in the methods to use to enable marine life to recover. We have more than 20 years of research and experience with them. Little by little, and thanks to their help, we will make this reef sparkle again. Let the journey begin!

#biodiversity #coralreef #protection

POST-COVID

2022 was marked by the emergence from COVID and the possibility of organising group events again. A partnership with Hoya was launched in the Philippines for vision screening and free distribution of eyeglasses to colleagues and their families. This partnership will continue in 2023 at several other sites within the Group.

As psychological problems and a decline in morale among adults and children have come to light in the post-COVID period, a psychological support programme is being rolled out in China in particular, which only emerged from strict lockdown measures in January 2023.

In Asia, where children experienced a period of absence from school during COVID that was longer than in Europe and America, socialisation programmes will be launched. A focus on learning must also be put in place.

In addition to regular and recurring initiatives, this year the Foundation will focus on developing measures related to the environment and post-COVID effects.

QUALITY OF LIFE AT WORK

CONTINUOUS IMPROVEMENTS IN WORKING CONDITIONS

Every year for more than ten years, DELFINGEN has conducted a survey of its employees to measure motivation and the social climate within the Group. Action plans are then drawn up at each site to respond to the wishes expressed. The social climate barometer at the end of 2022 reached a participation rate of 80% (+3 points compared with 2021). The level of satisfaction was 85%, which was stable and substantially identical to previous years.

94% of respondents believe that the DELFINGEN Group is a great place to work.

The quality of relations with colleagues is recognised as a strong point. Recognition remains the main area for improvement, despite constant progress.

At each site, action plans based on the 2021 satisfaction survey were conducted in 2022. Thanks in particular to this ability to listen on the ground, social dialogue within the Group is fluid. The consistency and feasibility of the actions are studied while they are defined.

A GREAT PLACE TO WORK

Making DELFINGEN a great place to work is one of the main missions of the Human Resources Department. Encouraging engagement by offering a pleasant and motivating work environment where human relations play an essential role is a daily challenge.

In order to compare the actions undertaken with how they are perceived by colleagues, each year we implement a social climate barometer and measure staff satisfaction. We are proud of the results. DELFINGEN really is a great place to work.

OUR STRENGTHS:

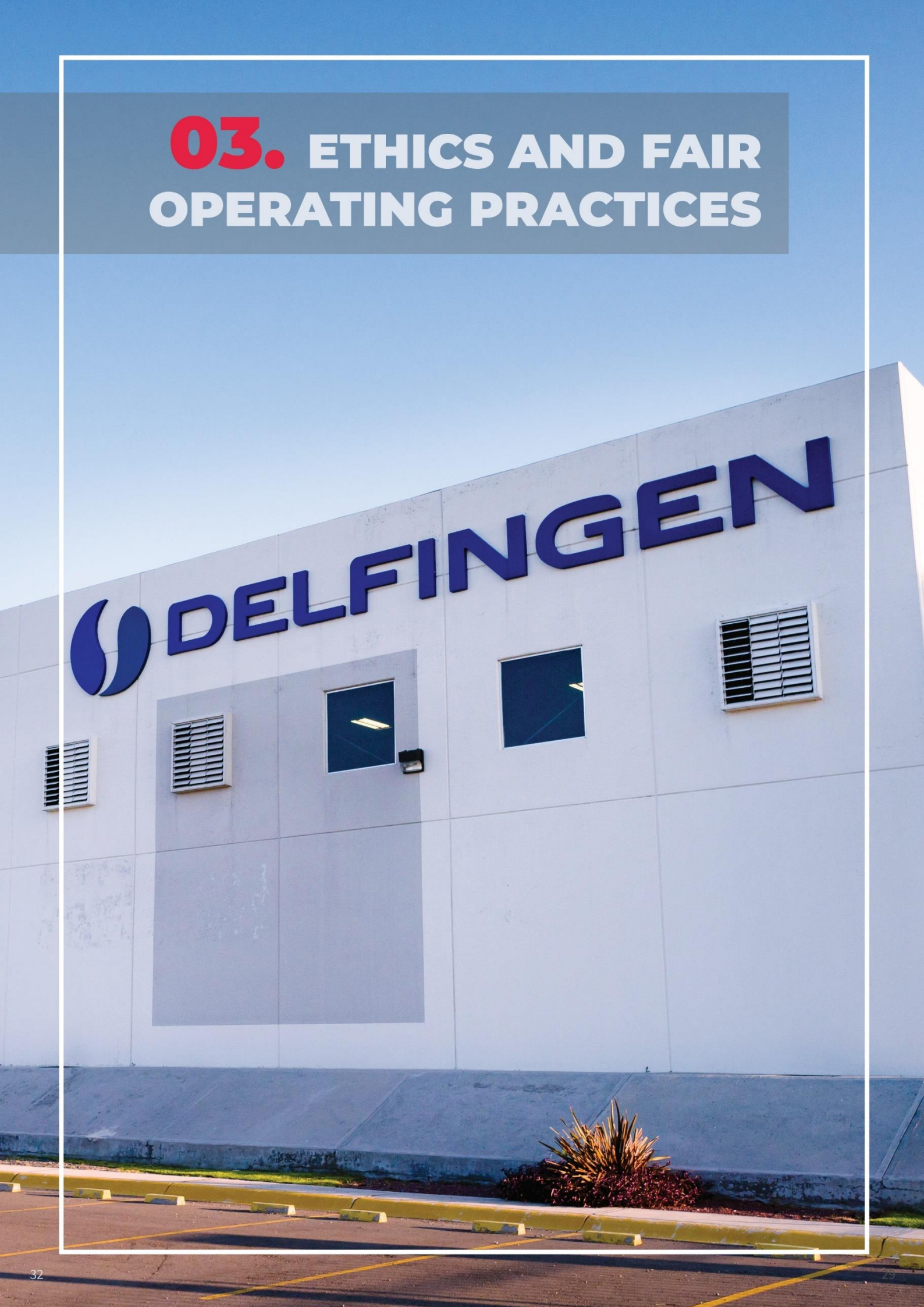
- **Giving meaning**
- **Investing in relationship**

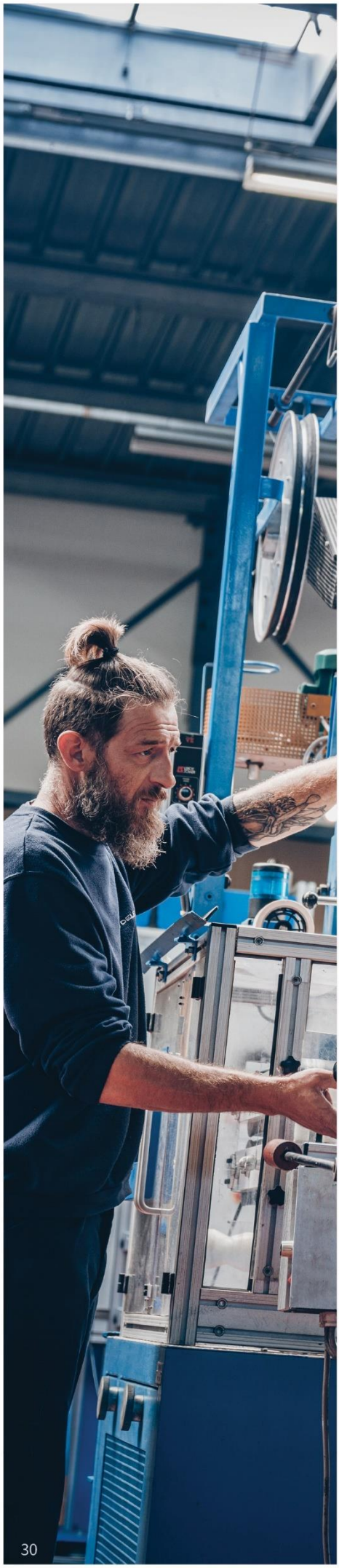
A company that is expanding, investing, diversifying its activities, innovating and offering rich and varied career paths.

94 %

OF COWORKERS FIND DELFINGEN IS A GREAT PLACE TO WORK

03. ETHICS AND FAIR OPERATING PRACTICES





A SHARED ETHICAL COMMITMENT

We attach the utmost importance to actions vis-a-vis our stakeholders that are above reproach. DELFINGEN is committed to an anti-corruption policy in all its forms and strives to ensure that it is applied across all its sites. It is specified that coverage of ethics and compliance actions extends across all DELFINGEN entities and the entire scope.

This policy translates into:

- Rigorous accounting that complies with accounting rules and tax obligations when recording all financial flows;
- An uncompromising approach to perpetrators of fraud;
- The drafting and implementation of an anti-corruption code specific to the Group in accordance with the recommendations of Middlenext and training of all staff in these principles. This code is available on the website in 12 languages (section: ethical commitment).

In 2022, **intensive communication** was pursued through various channels (DNN (company newsletter), world days, awareness-raising, etc.) to reach all DELFINGEN Group staff. 100% of persons identified as high-risk and 100% of management bodies have been trained in anti-corruption.

A **new whistleblowing system,** outsourced to EQS - Integrity Line and designed to be more accessible, has been put in place on the DELFINGEN website. The system is ergonomically better and more adapted to local languages, with more protection for whistleblowers (pursuant to the Waserman Law). **The Ethics Committee,** composed of three representative functions (Human Resources, Finance and Legal), is responsible for investigating reports and issuing conclusions for each of them. The Ethics Committee reports to the Audit Committee on its work and progress at least twice a year.

A **Compliance management committee** meets every month to oversee actions related to personal data protection (GDPR), anti-corruption and insider trading.

In 2022, the main topics and actions were as follows:

- Implementation of personal data compliance software (Data Legal Drive)
- Accelerated implementation of compliance processes, through the distribution of a compliance pack to all the DELFINGEN Group sites, allowing site directors to carry out the reporting measures for their sites, and thus comply with the applicable rules in this regard;
- Implementing corrective actions;
- Numerous face-to-face or remote training courses on compliance topics: personal data protection, anti-corruption, new whistleblowing system tool, etc.;
- Internal and external risk mapping and possible domino effects.

In addition, a set of documents and procedures that are as simple as possible have been implemented in all countries with a great deal of educational support so that the approach can be absorbed by the site management teams.

RESPONSIBLE PURCHASING AS AN ESSENTIAL LINK OF TRUST WITH OUR CUSTOMERS

This approach is most fully expressed in our purchasing policy, managed by a team of 16 people present in three world regions.

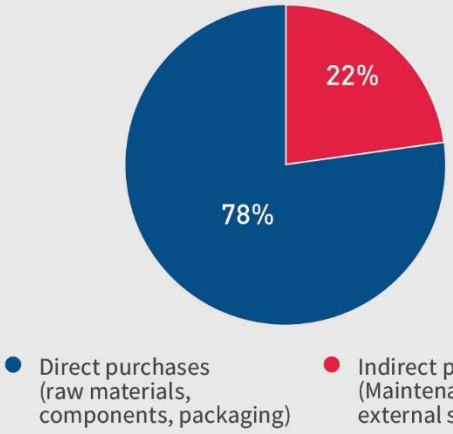
TOTAL PURCHASES : 73% OF SALES

Given the sizeable amount of the purchases, the supply chain issues are fundamental. The quality of our finished products for our customers is in fact intrinsically linked to that of raw materials. The choice of suppliers therefore meets requirements in terms of quality, which must continue throughout the life of the products.

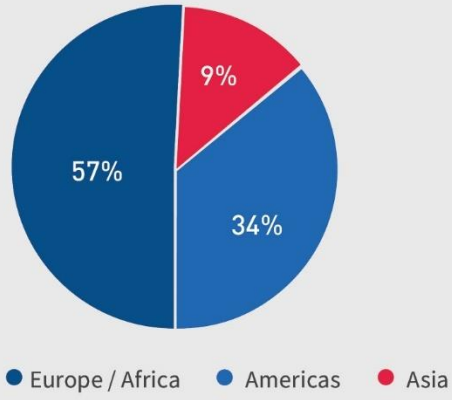
Logistics are also essential. Raw materials must be available in the right place at the right time. After 2021, 2022 was marked by tension for some suppliers, with very strong global demand. Some suppliers created new plants to make supply as secure as possible, but the consequences of the COVID-19 crisis, the ongoing lockdowns in some countries, the inertia in the global supply chain, the war in Ukraine and the surge in energy costs put strong pressure on markets, resulting in a scarcity of certain products and a sharp rise in prices.

Recycling is progressively developing under different process angles (chemical or mechanical). Some raw materials resulting from these innovations are in the referencing phase.

Breakdown of 2022 purchases by type (k€)



Breakdown of 2022 purchases by region (k€)



77 % OF PURCHASES ARE MADE IN COUNTRIES WITH LOW CORRUPTION

(according to the Transparency International 2022 ranking, threshold score set at 45).

Suppliers are selected according to a rigorous procedure, in line with the company's objectives and the requirements of the IATF 16949 standard. For suppliers not imposed by our end-customers, an analysis of environmental, dependency and transport risks is carried out. In particular, this enables certain suppliers to make progress in order to maintain business relations with DELFINGEN.

We have greatly improved the visualisation of our supplier maps in order to monitor them more easily and legibly and to be more responsive in the event of any drift.

We carefully monitor all technological developments enabling us to improve the energy consumption of our industrial processes. A paragraph on "compliance" has been added to our general terms and conditions of purchase and our ethics charter is available on our website.

PERSONAL DATA PROTECTION

PERSONAL DATA ARE PROCESSED WITH CARE AND IN COMPLETE CONFIDENTIALITY

For this reason, DELFINGEN implements the necessary technical and organisational measures to ensure that personal data are processed with care and in complete confidentiality.

Firstly, DELFINGEN has decided to apply the General Data Protection Regulation (GDPR) as a minimum protection for all our staff and business partners, in accordance with local law. For its operational application, we have established an internal audit process and staff training.

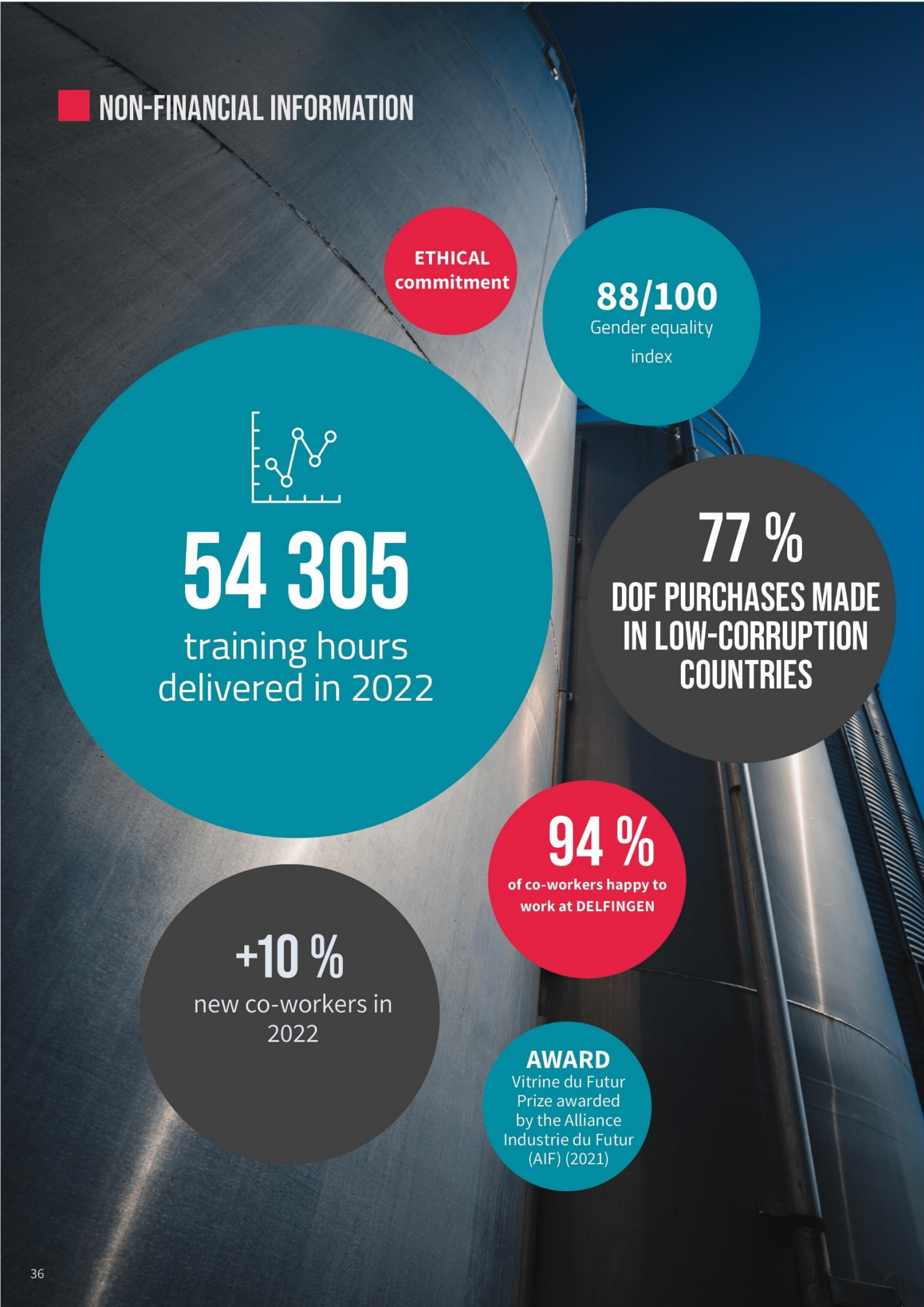
There are also regular communications to all Group staff, in particular through the company newsletter (DNN) and World Data Protection Day.

Updated in 2022

In Europe: training of managers and staff who regularly process personal data (in human resources, for example)

Implementation of a management and compliance tool relating to personal data protection (Data Legal Drive)

NON-FINANCIAL INFORMATION



ETHICAL commitment

88/100
Gender equality index

54 305
training hours delivered in 2022

77 %
DOF PURCHASES MADE IN LOW-CORRUPTION COUNTRIES

94 %
of co-workers happy to work at DELFINGEN

+10 %
new co-workers in 2022

AWARD
Vitrine du Futur Prize awarded by the Alliance Industrie du Futur (AIF) (2021)

04. ENVIRONMENT

A DESIRE TO LIMIT ENVIRONMENTAL IMPACTS

ENVIRONMENTAL POLICY

Since its creation, the Group has been sensitive to environmental issues.

It has therefore formalised an environmental policy and objectives that target “zero waste”. The aim is to implement actions on the Group’s sites to minimise all of its environmental impacts.

The Group is aware of the climate changes in progress and the speed of these changes. Faced with this systemic problem, DELFINGEN understands its place as a plastics processor and equipment manufacturer in the automotive market and implements a strategy, based on scientific recommendations, to reduce its greenhouse gas emissions.

OUR ENVIRONMENTAL RESPONSIBILITY

Our environmental goals:
“Goal: zero waste”

SOIL

We aim to:
• Protect the soil from any potential risk of spillage of pollutants.

WATER

We aim to:
• Control water consumption by all sites and limit waste.

AIR

We aim to:
• Analyse the atmospheric emissions that are likely to pollute, according to the country’s regulations, and implement corrective measures if necessary.

TRANSPORT

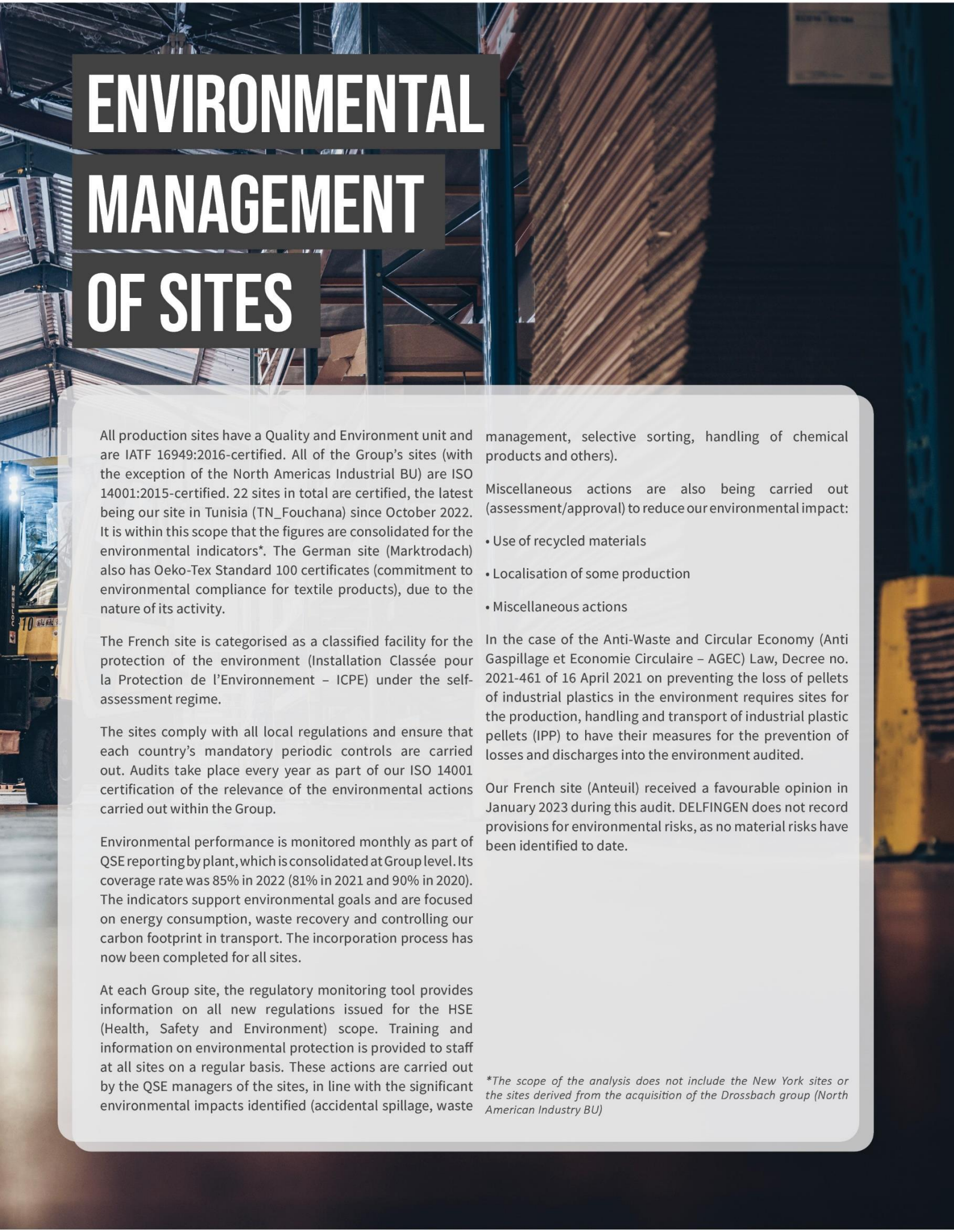
We aim to:
• Reduce our logistics flows

ENERGY

We aim to:
• Control energy consumption (electricity and/or gas);
• Look for ways to reduce consumption (energy diagnostics, etc.).

WASTE

We aim to:
• Sort at source and limit the volume of ultimate waste;
• Develop the search for recycling channels for sorted waste;
• Design and develop new environmentally friendly products and processes;
• Increase material consumption efficiency at each site.



ENVIRONMENTAL MANAGEMENT OF SITES

All production sites have a Quality and Environment unit and are IATF 16949:2016-certified. All of the Group's sites (with the exception of the North Americas Industrial BU) are ISO 14001:2015-certified. 22 sites in total are certified, the latest being our site in Tunisia (TN_Fouchana) since October 2022. It is within this scope that the figures are consolidated for the environmental indicators*. The German site (Marktrodach) also has Oeko-Tex Standard 100 certificates (commitment to environmental compliance for textile products), due to the nature of its activity.

The French site is categorised as a classified facility for the protection of the environment (Installation Classée pour la Protection de l'Environnement – ICPE) under the self-assessment regime.

The sites comply with all local regulations and ensure that each country's mandatory periodic controls are carried out. Audits take place every year as part of our ISO 14001 certification of the relevance of the environmental actions carried out within the Group.

Environmental performance is monitored monthly as part of QSE reporting by plant, which is consolidated at Group level. Its coverage rate was 85% in 2022 (81% in 2021 and 90% in 2020). The indicators support environmental goals and are focused on energy consumption, waste recovery and controlling our carbon footprint in transport. The incorporation process has now been completed for all sites.

At each Group site, the regulatory monitoring tool provides information on all new regulations issued for the HSE (Health, Safety and Environment) scope. Training and information on environmental protection is provided to staff at all sites on a regular basis. These actions are carried out by the QSE managers of the sites, in line with the significant environmental impacts identified (accidental spillage, waste management, selective sorting, handling of chemical products and others).

Miscellaneous actions are also being carried out (assessment/approval) to reduce our environmental impact:

- Use of recycled materials
- Localisation of some production
- Miscellaneous actions

In the case of the Anti-Waste and Circular Economy (Anti Gaspillage et Economie Circulaire – AGEC) Law, Decree no. 2021-461 of 16 April 2021 on preventing the loss of pellets of industrial plastics in the environment requires sites for the production, handling and transport of industrial plastic pellets (IPP) to have their measures for the prevention of losses and discharges into the environment audited.

Our French site (Anteuil) received a favourable opinion in January 2023 during this audit. DELFINGEN does not record provisions for environmental risks, as no material risks have been identified to date.

**The scope of the analysis does not include the New York sites or the sites derived from the acquisition of the Drossbach group (North American Industry BU)*

POLLUTION AND WASTE MANAGEMENT

The business is not a source of significant air, water or soil pollution, but the Group wishes to reduce its impact on the environment as much as possible.

The noise impact on the environment close to the plants is almost zero and monitoring is carried out by periodic surveys carried out by approved organisations. To date, no plant has exceeded the authorised regulatory threshold.

The cooling systems are in closed circuits with retention tanks. The same applies to hydraulic systems.

Production processes are centralised and standardised so that all sites benefit from the latest technological advances (reduced energy consumption, reduced waste and more efficient use of plastic material). All sites around the world sort their waste and tend to reduce non-hazardous waste (NHW) (according to the new nomenclature for ordinary industrial waste) at source:

• Simple plastic materials are recycled in the extrusion manufacturing processes after grinding;

• Ongoing optimisation actions are implemented across all sites;

• A systematic search for new reprocessing channels is carried out (extension to new sites and new materials);

• Regular surveys are conducted with local environmental agencies.

In 2022, 158.2 tonnes of waste (internal and external) were recovered at the French site (+14.1% compared with 2021, 138.6 tonnes), i.e. 83.3% of waste produced (vs 64% in 2021)

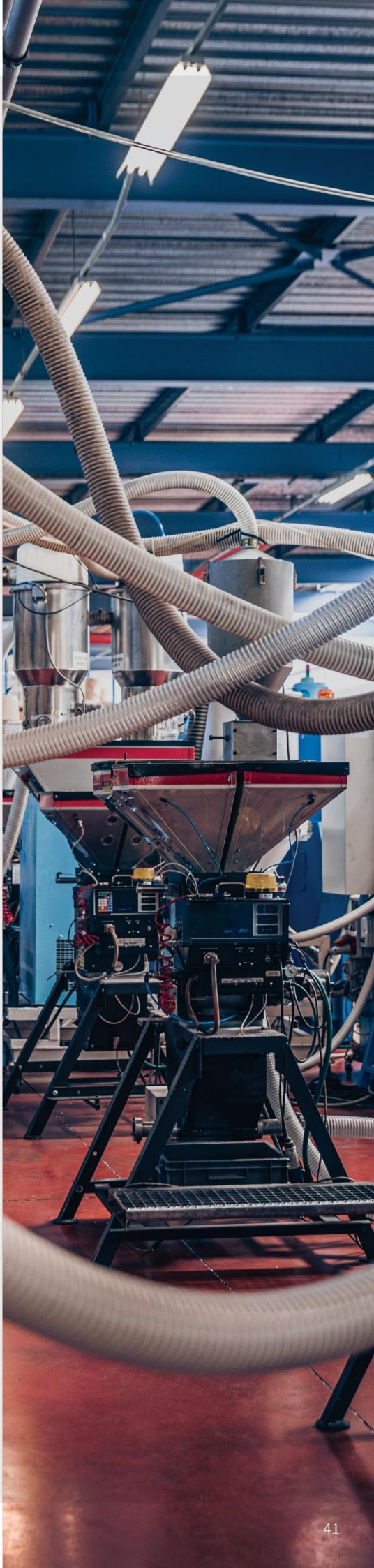
The improvement in the percentage is due to the recovery of the “protectglass” (polypropylene) product, which began in 2022.

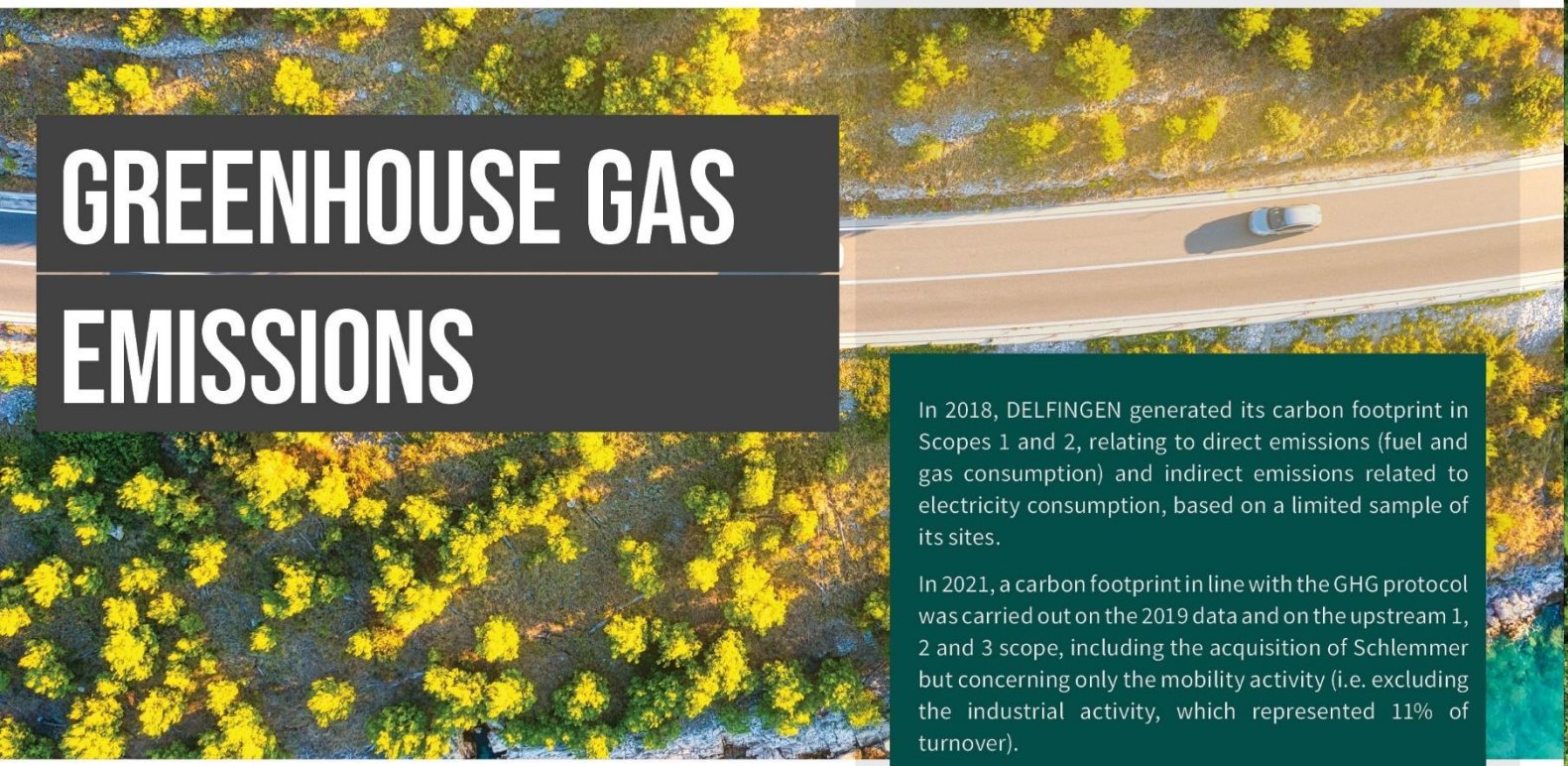
On this site, various recovery channels have been sought and have been successful. The recovery of the “protectglass” manufactured in Anteuil (windshield packaging) was implemented in conjunction with our main customer and a waste recovery partner. Polypropylene oxydisable materials were no longer placed in the bin thanks to the implementation of on-site grinding, and were reused in an industrial process.

Waste reduction is the main priority of the Group’s environmental policy. Waste is managed by actively using and seeking recycling channels for its recovery. NHW regulations are complied with and hazardous waste (in small quantities) is monitored so that it can be processed by certified entities. Each site uses a waste register that allows waste to be traced (destination of the waste and the processing that it undergoes).

The impact of the sites on the ground is non-existent as no effluent is discharged into the environment: the cooling systems are in a closed circuit and the domestic and sanitary consumption of water is connected to a sanitation network managed by the local authorities. Regulatory controls imposed by local legislation are carried out to monitor the impact on the water network.

To date, all sites are compliant with the regulations.





GREENHOUSE GAS EMISSIONS

In 2018, DELFINGEN generated its carbon footprint in Scopes 1 and 2, relating to direct emissions (fuel and gas consumption) and indirect emissions related to electricity consumption, based on a limited sample of its sites.

In 2021, a carbon footprint in line with the GHG protocol was carried out on the 2019 data and on the upstream 1, 2 and 3 scope, including the acquisition of Schlemmer but concerning only the mobility activity (i.e. excluding the industrial activity, which represented 11% of turnover).

In 2022, DELFINGEN's carbon footprint. according to the GHG protocol, includes Scopes 1, 2 and 3 for its entire activity, including activities excluding mobility.

DELFINGEN's knowledge of how it contributes to climate change has matured. The next methodological challenges relate to the characterisation of the multi-criteria impact to link the impact of activity to other planetary limits such as biodiversity, land use and the introduction of new entities (chemical pollution) in the biosphere.

However, a carbon footprint is always an estimate that contains inaccuracies. A better knowledge of the use of DELFINGEN products will in particular be a major step forward in characterising the impact of DELFINGEN's activities more precisely

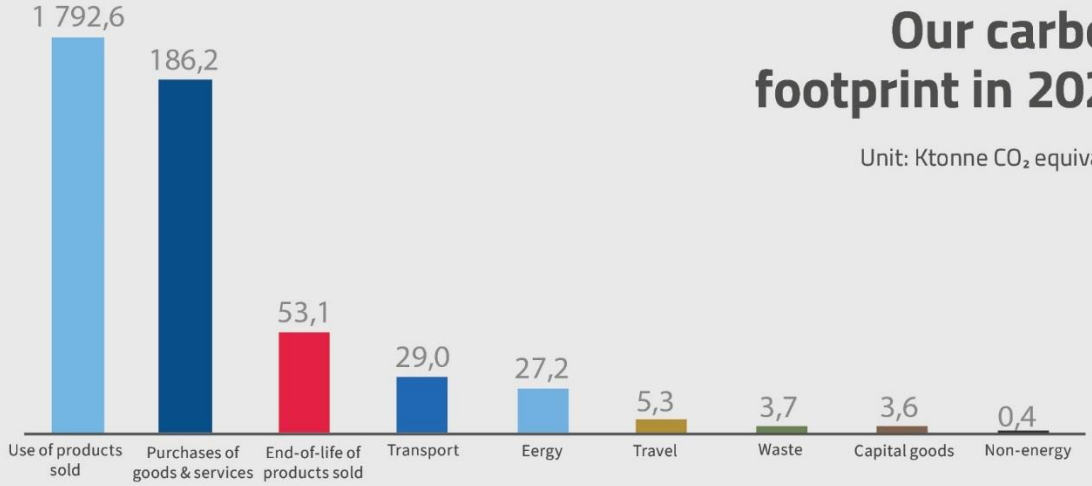
How our methodology has evolved

	Percentage of sales studied	Scope studied GHG protocol
2018	18 %	Scope 1 / Scope 2
2019	89 %	**Scope 1 / Scope 2 / Scope 3 without the non-material categories:** Assets rented upstream, use of products sold, assets rented downstream, franchises, investments
2022	100 %	**Scope 1 / Scope 2 / Scope 3 without the non-material categories:** Assets rented upstream, assets rented downstream, franchises

Category GHG protocol	Uncertainty due to primary data	Uncertainty due to emission factors	Final uncertainty 2022
Energy	Low	Low	10 %
Non-Energy	Low	Medium	30 %
Purchase of goods and services	Low	Medium	29 %
Physical capital	High	High	51 %
Transport	Medium	Medium	30 %
Moving	Medium	Medium	33 %
Waste generated during processing	High	High	53 %
Use of products sold	High	High	50 %
End-of-life of products sold	High	High	50 %

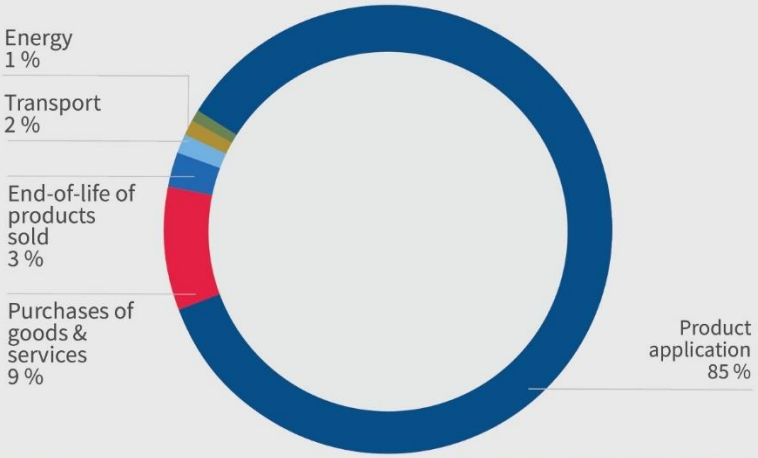
Our carbon footprint in 2022

Unit: Ktonne CO_2 equivalent



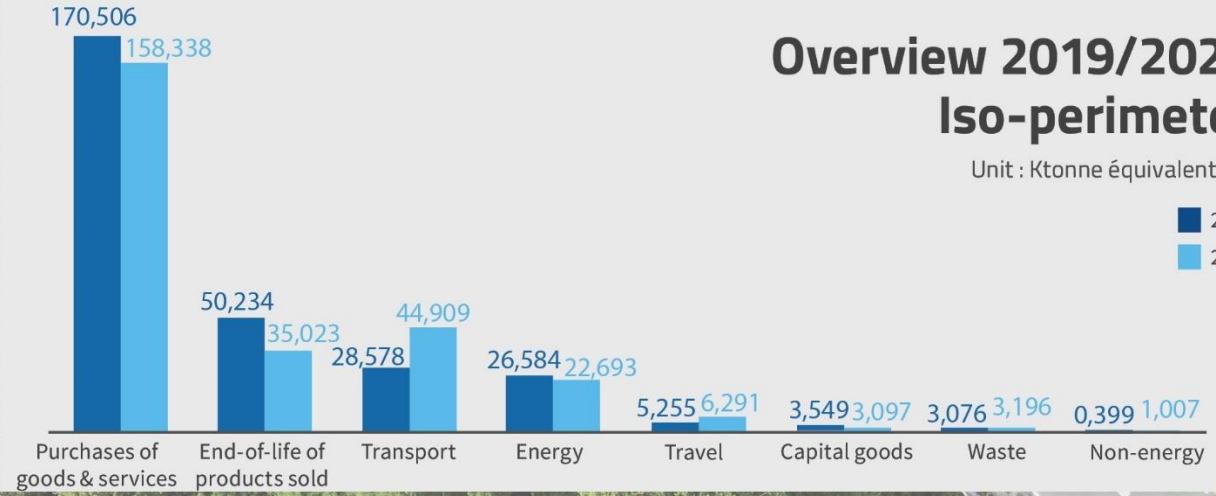
In 2022, DELFINGEN generated the equivalent of 2,101,155 tonnes of CO_2. The majority of the impact is linked overall to the use of DELFINGEN products in vehicles, mainly with internal combustion engines (85%).

The purchase of raw materials, which represented 58% of greenhouse gas emissions in 2019, accounted for only 9% of the Group's total footprint in 2022.



Overview 2019/2022 Iso-perimeter

Unit : Ktonne équivalent CO_2



OUR AIMS

Committed to the Science Based Targets Initiative since November 2022, DELFINGEN aims to obtain approval for its roadmap for reducing environmental impacts and to translate this into annual objectives in 2023. The Group also has dedicated specific resources to developing and implementing this strategy. The global objectives have been established, while decisions on where to allocate efforts and specific KPIs for departments and sites remain to be defined.

Our commitment	Our 2029 targets	Our approach	Our progress
To reduce our greenhouse gas emissions (Scopes 1 and 2)	**To reduce Scopes 1 and 2 by** **37,8 %** based on 2022 (market-based)	• Purchase of renewable energy • Increase our renewable energy production capacity	• Two production sites switched to energy consumption from renewable sources in 2022 (market-based)
To reduce the intensity of our greenhouse gas emissions (Scope 3)	**Reduction of** **31,97 %** in Scope 3 in value added* based on 2022	• Raw materials: increase the proportion of recycled material in our product ecodesign material mix • Transport: reduced use of air freight • Use of our products: increase our market share in low-carbon vehicles • Develop our sales in sectors other than mobility and low carbon	• First products designed with recycled materials • Development of products specific to electric mobility

** Added value = EBITDA (Earnings before interest, taxes, depreciation and amortization) + payroll costs + taxes - operating subsidies*

PROTECTING BIODIVERSITY

Our sites are located close to our customers. The sites are in existing or new industrial areas, so as to benefit from local infrastructure. They are all some distance away from protected environmental zones.

An analysis of the environment is provided in the environmental risk analysis of each site (impact on water, air, soil, wildlife and the vicinity). The registered office in Anteuil is in the middle of the Franche-Comté countryside.

Only the buildings at the Anteuil site and one of the buildings in the Philippines were built by the Group. The buildings at the German sites acquired in 2014, the Canadian site of the Drossbach North America Group acquired in 2017, and a building on the Hassfurt site and the Tangier site, following the acquisition of Schlemmer in 2020, are the property of the Group. All other buildings are leased and pre-existing.

On the other hand, the Group is keen to limit its impact on the environment and applies rules for waste disposal and maintenance of green spaces at all its sites until the site is returned.

DELFINGEN aims to pursue its climate trajectory within the most internationally recognised frames of reference. The 2022 reporting is therefore aligned with the principles of the TCFD, as set out in the table below.

Themes	TCFD recommendations	2022 actions	2023 focus areas
GOVERNANCE Describe the organisation's governance regarding climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities	The Executive Committee, including the Chairman of the Board of Directors, is regularly informed of climate and biodiversity risks and opportunities.	The Audit Committee responsible for approving the financial statements and assessing risks is kept up to date on an annual basis on key issues relating to climate and biodiversity. The Boarding of Directors is kept up to date on an annual basis of the progress of the decarbonisation roadmap.
	b) Describe the role of management in the assessment and management of climate-related risks and opportunities.	The Executive Committee, the central services departments and the country and regional departments (RISE) are informed of the measures taken in terms of the CSR strategy and the climate trajectory. The Executive Committee and the central services departments are incorporated into the development of the decarbonisation roadmap, the general objectives of which were set in 2022.	Establishment of specific governance for the monitoring of the decarbonisation roadmap and the division of general objectives into specific objectives approved by the central service departments; quarterly information from the Executive Committee, twice-yearly information from the RISE meeting and annual information from the Leadership Meeting. Strengthening the skills of the directors of local subsidiaries on key issues relating to climate and biodiversity.
STRATEGY Describe the existing and potential impacts of climate-related risks and opportunities on the activities of the organisation and its strategy and financial planning, insofar as the information is relevant	a) Describe the climate-related risks and opportunities that the organisation has identified for the short, medium and long term.	In the short term, DELFINGEN has identified a low level of vulnerability to climate change risks. DELFINGEN has identified opportunities related to the electrification of mobility, as well as helping its customers to decarbonise their products.	DELFINGEN has been responding to the CDP questionnaire since 2022 and in this context is continuing its work on climate-related risks and opportunities. Medium- and long-term scenarios will be analysed in 2023. DELFINGEN sent its letter of commitment to the Science Based Targets Initiative (SBTi) in 2022.
	b) Describe the impacts of climate-related risks and opportunities on the activities of the organisation and its strategy and financial planning.		
	c) Describe the resilience of the organisation's strategy, taking into account different climate-related scenarios, including a scenario of 2°C or less.		

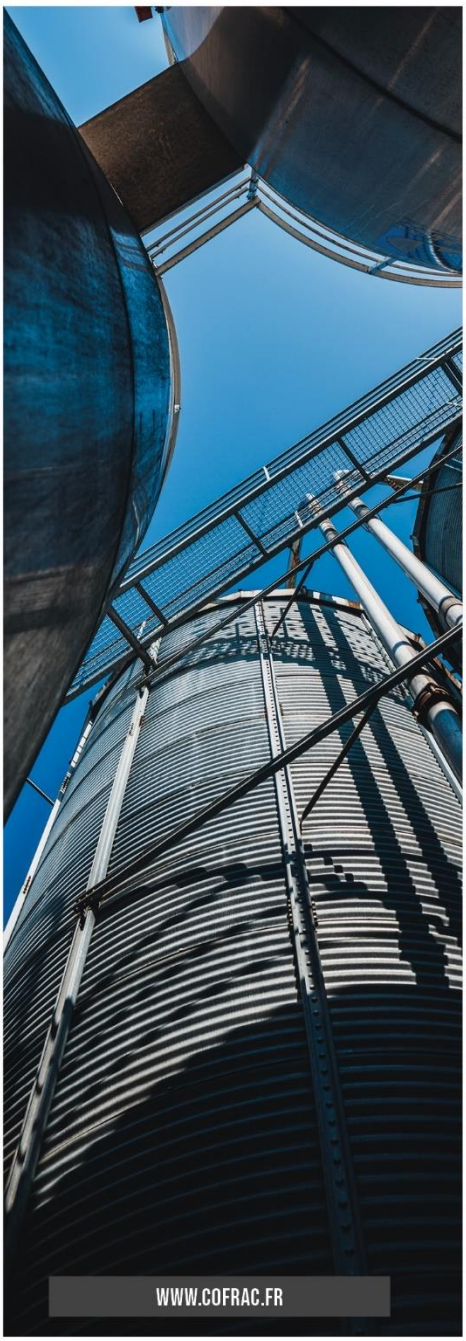
Themes	TCFD recommendations	2022 actions	2023 focus areas
RISK MANAGEMENT Describe how the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how the processes for identifying, assessing and managing climate-related risks are incorporated into the organisation's risk management.	In the short term, DELFINGEN has identified a low level of vulnerability to the risks associated with climate change.	Medium- and long-term scenarios will be analysed in 2023.
INDICATORS & TARGETS Describe the indicators and targets used to assess and manage climate-related risks and opportunities, insofar as the information is relevant.	a) Describe the indicators used by the organization to assess climate-related risks and opportunities, in relation to its strategy and risk management process. b) Publish Scope 1, Scope 2 and, where relevant, Scope 3 greenhouse gas (GHG) emissions and corresponding risks. c) Describe the objectives used by the organization to manage climate-related risks and opportunities, and its performance against these objectives.	DELFINGEN publishes its complete carbon footprint in its activity report and shares it by responding to the CDP questionnaire.	As a continuation of the measurement exercise carried out, DELFINGEN will work on its carbon trajectory objectives and align them according to the SBTi frame of reference. The general objectives will be broken down into specific objectives approved by the central departments.

ACCREDITATION NO. 3-2013
SCOPE AVAILABLE AT WWW.COFRAC.FR

THE ENTITY'S REPORT

YEAR ENDED 31 DECEMBER 2022

To the shareholders,
Following the request made to us by DELFINGEN Industry SA (hereinafter the "entity") and in our capacity as an independent third party ("third party"), accredited by COFRAC Inspection under number 3-2013 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have carried out work in order to formulate a reasoned opinion expressing a limited assurance conclusion on the historical information (recorded or extrapolated) in the non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Frame of Reference"), for the financial year ended 31 December 2022 (hereinafter respectively the "Information" and the "Statement"), presented in the Group's report on operations pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.



CONCLUSION

Based on the procedures we have implemented, as described in the section entitled "Nature and scope of work", and the information we have collected, we have not identified any material misstatements that could call into question the fact that the consolidated non-financial statement complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented fairly, in accordance with the Frame of Reference.

PREPARATION OF THE NON-FINANCIAL STATEMENT

The absence of a generally accepted and commonly used frame of reference and established practices that can be used to assess and measure the Information makes it permissible to use different, but acceptable, measurement techniques that may affect comparability between entities and over time. Accordingly, the Information should be read and understood in relation to the Frame of Reference, the material elements of which are presented in the Statement.

LIMITATIONS INHERENT IN THE PREPARATION OF INFORMATION

As indicated in the paragraph "How our methodology has evolved", Information relating to CO2 equivalent emissions may be subject to the uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological ₂choices, assumptions and/or estimates used to prepare it and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

The Management Board is responsible for:

- Selecting or establishing appropriate criteria for the preparation of the Information;
- Drawing up a Statement that complies with statutory 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 and the results of these policies, including key performance indicators and also the information provided for by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- Putting in place such internal control as it deems necessary for the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by applying the Group Frame of Reference as mentioned above.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

It is our responsibility, based on our work, to formulate a reasoned opinion expressing a limited assurance conclusion on:

- The compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- The truthfulness of the historical information (recorded or extrapolated) provided pursuant to paragraph 3, Sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the results

of the policies, including key performance indicators, and the actions relating to the main risks.

As it is our responsibility to formulate an independent conclusion on the Information as prepared by Management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence. It is not our responsibility to comment on:
• The entity's compliance with other applicable statutory and regulatory provisions (in particular with respect to information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the anti-corruption and tax evasion plan);
• The accuracy of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
• Compliance of products and services with applicable regulations.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL GUIDANCE

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidelines of the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this intervention in lieu of an audit programme and the ISAE 3000 international standard (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 aimed at ensuring compliance with applicable statutory and regulatory texts, ethical rules and the professional guidelines of the French National Institute of Statutory Auditors relating to this intervention.

MEANS AND RESOURCES

Our work required the expertise of three people and took place between 3 March 2023 and 26 April 2023 over a total intervention period of 8 working days. We called on our specialists in sustainable development and social responsibility. We conducted 12 interviews with the persons responsible for preparing the Statement, representing in particular general management, administration and finance, risk management, compliance, human resources and the environment.

NATURE AND SCOPE OF WORK

We planned and performed our work taking into account the risk of material misstatement of the Information. We believe that the procedures we carried out by exercising our professional judgement allow us to express a limited assurance conclusion:
• We noted the activities of all the entities in the scope of consolidation and the presentation of the main risks;
• We assessed the appropriateness of the Frame of Reference with respect to relevance, completeness, reliability, neutrality and comprehensibility, taking industry best practices into account, where applicable;
• We verified that the Statement covers each category of information provided for in Section III of Article L. 225-102-1 on social and environmental matters;
• We verified that the Statement presents the information provided for in Section II of Article R. 225-105 when relevant to the main risks and includes, where applicable, an explanation of the reasons justifying the absence of the information required by the second paragraph of Section III of Article L. 225-102-1;
• We verified that the Statement presents the business model and a description of the main risks associated with the activity of all entities 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 for selecting and validating the main risks and the consistency of the results, including the selected key performance indicators, with regard to the main risks and policies presented, and corroborate the qualitative information (actions and results) that we considered the most important presented in Annex 1. For certain risks such as anti-corruption, etc., our work was carried out at the level of the consolidating entity, and for other risks, work was carried out at the level of the consolidating entity and in a selection of entities;
• We verified that the Statement covers the scope of consolidation, i.e. all entities in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Statement;
• We reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process aimed at ensuring the completeness and accuracy of the Information;
• For the key performance indicators and other quantitative results that we considered the most important presented in Annex 1,
• We implemented:
• Analytical procedures that consisted in verifying the correct consolidation of the data collected as well as the consistency of any changes to the data;
• Detailed tests based on sampling or other means of selection, consisting in verifying the correct application of definitions and procedures and reconciling the data with supporting documents.

This work was carried out on a selection of contributing entities and covers between 67% and 100% of the consolidated data selected for these tests;
• We assessed the overall consistency of the Statement with our knowledge of all the entities in the scope of consolidation.

The procedures implemented as part of a moderate assurance assignment are less extensive than those required for a reasonable assurance assignment carried out in accordance with the professional guidelines of the French National Institute of Statutory Auditors; a higher level of assurance would have required more extensive auditing work.

Lyon, 27 April 2023, FINEXFI, Isabelle Lhoste, Partner

Environmental data: Group scope (tonnes of CO2), Anteuil scope (tonnes of recovered waste)

Social data: Group scope (workforce), Anteuil scope (training), Anteuil, Hassfurt, Porto, MX Celaya and Marktrodach scope (number of workplace accidents), Anteuil, Porto, Marktrodach scope (frequency rate, severity rate)

Societal data: Group scope

DELFINGEN

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4

Board of Directors' corporate governance report

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4.1 Presentation of governance

4.1.1 Corporate governance code

List of departments involved in the preparation of this report

In order to comply with the recommendations of the AMF as set out in paragraph 1 of the "2009 AMF report on corporate governance and internal control", the Chairman specifies the units that contributed to this report, namely:

- General Management;
- Finance Department;
- Legal Department;
- Human Resources Department;
- Communications Department;
- Operational Departments.

(Article L. 225-37 of the French Commercial Code)

Pursuant to the law, we report to you on the conditions for the preparation and organisation of the work of the Board as well as on the principles and rules used to determine the remuneration and benefits of any kind granted to the corporate officers.

The company has endeavoured to respect the spirit of the reference framework along with the application guide drawn up by the stock exchange working group created by the AMF to develop and improve the organisation and implementation of its internal control system while ensuring that this organisation is appropriate for its operational processes and the size of the Group.

This report was approved by the Board of Directors at its meeting of 26 April 2023.

Principles and rules for determining the remuneration of corporate officers

Since 5 March 2010, the corporate governance code for small and mid-caps established by Middlenext has been applied at the company. It should be noted that, at its meeting of 10 February 2017, the Board of Directors analysed the points for vigilance and the recommendations set out in this code. Following this analysis, the Board decided to adopt the amended Middlenext corporate governance code and apply it in its entirety. This annual commitment was reiterated at its meeting of 4 December 2020. At the Board of Directors' meeting of 3 December 2021, the Board analysed the new version of the Middlenext corporate governance code and decided to adopt this amended code and apply it in its entirety. At the Board of Directors' meeting of 2 December 2022, the directors renewed their commitment to this code.

As a result of this unreserved adherence to these recommendations, DELFINGEN Industry declares that it refers in particular to the provisions of the recommendations of said code concerning information on remuneration paid to executives (and in particular the remuneration of directors, as stipulated in Article

14 of the rules of procedure of the Board of Directors, which establishes the following allocation rule: attendance at meetings of the Board of Directors as well as any ancillary committee or commission, specific technical contribution during specific operations).

Moreover, in order to comply with the recommendations on corporate governance for 2010 issued by the French Financial Management Association (*Association Française de la Gestion Financière*), information on remuneration is now included in a table that sets out this data for three financial years.

It should be noted that Mr Gérald Streit is not bound to DELFINGEN Industry (nor, moreover, to any other company in the DELFINGEN Industry Group, namely DELFINGEN Group S.A, DELFINGEN Industry S.A and its foreign and French subsidiaries) by any employment contract of any kind whatsoever.

No executive or non-executive corporate officer has received remuneration within DELFINGEN Industry since 1 July 2007, the date of activation of the DELFINGEN Group. The persons concerned are remunerated within the DELFINGEN Group for their corporate office or as employees.

4.1.2 Governance and Board of Directors

As a family-owned company, DELFINGEN Industry has governance tools in place to ensure the continuity of the shareholding structure, to share decisions in the best interests of the company, shareholders and employees and to manage the company efficiently and effectively.

4.1.2.1 The reference shareholder

The Streit family, which founded the DELFINGEN Group, is the reference shareholder and directly or indirectly holds more than two-thirds of the voting rights. The long-term future of the family shareholding structure was organised in 2007. Today, Gérald Streit, grandson of founder Emile Streit and son of Bernard Streit, is Chairman and Chief Executive Officer.

It should be noted that it is important for the reference shareholder to protect the interests of minority shareholders within the capital of DELFINGEN Industry S.A. In particular, the results of voting on resolutions at Shareholders' Meetings are analysed. It appears that, for all the resolutions proposed, the majority of the minority shareholders vote in the same way as the reference shareholder.

4.1.2.2 Chairman and Chief Executive Officer

GERALD STREIT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

NATIONALITY: French

BIOGRAPHY:
- Born 3 October 1976
- Former rheumatologist
- Chief Executive Officer and Chairman of the Board of Directors
- Director of DELFINGEN Industry
- Chief Executive Officer of the company since 3 April 2015
- Chairman of the Board of Directors since 6 June 2018

Limitation of the powers of the Chief Executive Officer

The company's articles of association and the Board of Directors have not placed any limits on the powers of the Chief Executive Officer.

4.1.2.3 Board of Directors: composition and work

At the time of the DELFINGEN Industry IPO in 1996, the Streit family wished to extend the Board of Directors to include independent members. A diversity of backgrounds and experience enhances the debates and discussions within the Board.

The Board of Directors is composed of six members, including one representative of the Streit family, one representative of the Executive Committee and four independent directors as defined by the Middlenext corporate governance code.

At 31 December 2022, the composition of the Board was as follows:

GERALD STREIT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

NATIONALITY: French

BIOGRAPHY:
- Born 3 October 1976
- Former rheumatologist
- Chief Executive Officer and Chairman of the Board of Directors.
- Chief Executive Officer of the company since 3 April 2015. o Director appointed until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2025.

NAME	MANDATES AND DUTIES
FRENCH COMPANIES	
Chief Executive Officer/Director	DELFINGEN GROUP
Director	DELFINGEN INDUSTRY
Chairman and Chief Executive Officer	DELFINGEN INDUSTRY
Chairman	DELFINGEN FR ANTEUILS.A.S Since 1 January 2023
Chief Executive Officer/Director	DELFINGEN FR-ANTEUILSA Until 31 December 2022
FOREIGN COMPANIES	
Director	DELFINGEN PT-PORTO SA
Director	DELFINGEN RO-TRANSILVANIA Sri
Director	DELFINGEN US-HOLDING Inc.
Director	DELFINGEN USTEXAS Inc.
Director	DELFINGEN US-NEW YORK Inc
Director	DELFINGEN US Inc.
Director	DELFINGEN US-CENTRAL AMERICA Inc.
Director	DELFINGEN US-MEXICO Inc
Director	DELFINGEN MX-COAHUILA Sri.

DELFINGEN Group is the parent company of DELFINGEN Industry.

NUMBER OF SHARES HELD: 61 shares in its own name, and 1,483,182 shares via DELFINGEN Group S.A.

ADDITIONAL DECLARATION:
In the last five years, neither the DELFINGEN Group nor Gérald Streit have been the subject of any conviction for fraud, any collective or sequestration proceedings, any official public incrimination or sanction or any ban on managing any legal entity.

Director	COMPANEROS en EXCELENCIA en EXTRUSION S de RL de CV
Director	DELFINGEN HN-CORTES
Director	DELFINGEN US-NICARAGUA Inc.
Director	DELFINGEN INDIA Pvt.Ltd.
Director	DELFINGEN (Hebi) Automotive Parts Co, Ltd.
Director	DELFINGEN SIAMCo.
Director	DELFINGEN ROHCo.
Director	DELFINGEN ASIA PACIFIC HOLDING Pte. Ltd.
Director	DELFINGEN SG-FIUPIN AS Pte. Ltd.
Director	DELFINGEN PH-CAVITEInc
Director	DELFINGEN PH-FILIPINAS Inc
Director	DELFINGEN JP-TOKYOKK

ANNIE KAHN

DIRECTOR

NATIONALITY: French

BIOGRAPHY:
o Born 4 May 1950
o Annie Kahn has been a journalist with *Le Monde* since 1987 and is responsible for the newspaper's development and diversification. Annie Kahn has also written a column on management and human relations in business She was previously Head of the Multimedia section, Assistant Editor for Science, and Joint Head of the "Monde Affaires" business section
o Before joining *Le Monde*, Ms Kahn managed media engineering company Annie Kahn Communication after working as editor-in-chief of an IT magazine
o Director appointed until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2025

NUMBER OF SHARES HELD: 10 shares

ADDITIONAL DECLARATION:
In the last five years, Ms Kahn has not been the subject of any conviction for fraud, any collective or sequestration proceedings, any official public incrimination or sanction or any ban on managing any legal entity

MANDATES AND DUTIES

FRENCH COMPANIES	
Director	DELFINGEN INDUSTRY

FOREIGN COMPANIES
None

DINAH LOUDA

DIRECTOR

NATIONALITY: Franco-American

BIOGRAPHY:
o Born 16 April 1955
o Political scientist by training. Ms Louda is a graduate of the Paris Institute of Political Studies (*Institut d'Etudes Politiques*
o In 2011, Ms Louda became an Advisor to the Chairman and Chief Executive Officer on international relations at the VEOLIA Group. Ms Louda is also a member of the Group Ethics Committee and was an Executive Director of the Veolia Institute from 2015 to May 2020. She has been President of the Veolia Institute since May 2020.
o Director appointed until the Ordinary Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2025

NUMBER OF SHARES HELD: 150 shares

ADDITIONAL DECLARATION:
In the last five years, Ms Louda has not been the subject of any conviction for fraud, any collective or sequestration proceedings, any official public incrimination or sanction or any ban on managing any legal entity.

MANDATES AND DUTIES

FRENCH COMPANIES	
Director	DELFINGEN Industry S.A.
Director	French-American Foundation

de Paris) (PG Diploma in Contemporary History) and of Harvard University (Master of Arts in International Relations).
o After a career as a journalist (in particular as a correspondent for *Business International*, which was taken over by The Economist Group), Ms Louda held positions as a director of communications with leading groups including Abeille Assurances (now AVIVA), Crédit Agricole Indosuez (now Calyon) and Areva T&D (member of the Executive Committee).
o In 2006, Ms Louda joined the VEOLIA Water Group as Director of Communications and a member of the Executive Committee.

Director	Veolia Foundation
FOREIGN COMPANIES	
None	

CATALDO MANGIONE

DIRECTOR

NATIONALITY: French

BIOGRAPHY:
o Born 19 April 1953
o Cataldo Mangione was responsible for developing the SCHNEIDER ELECTRIC Group's activities at the international level

o Director appointed until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2025

NUMBER OF SHARES HELD: 10 shares

ADDITIONAL DECLARATION:
In the last five years, Mr Mangione has not been the subject of any conviction for fraud, any collective or sequestration proceedings, any official public incrimination or sanction or any ban on managing any legal entity

MANDATES AND DUTIES

FRENCH COMPANIES	
Director	DELFINGEN INDUSTRY
FOREIGN COMPANIES	
None	

PATRICK CHERRIER

DIRECTOR

NATIONALITY: French

BIOGRAPHY:
o Born 30 March 1949

o A global executive with over 45 years of experience - including 40 in Asia.

o Before retiring in April 2017, Patrick Cherrier was CEO and Executive Director of Essilor International, a leading ophthalmic optics company in the Asia-Pacific, Middle East, Russia and Africa region. He was a member of the company's Executive Committee. As CEO of Asia Pacific, Middle East, Russia and Africa, he was responsible for the strategic management and guidance of 135 subsidiaries in this vast region.
o Patrick Cherrier has extensive management and strategic experience at the global level, first as President of SCOA Taiwan and then as President of Sommer-Allibert's Asia-Pacific operations for five years. He was also President of the Givenchy unit of the LVMH Group in Japan for four years before joining Essilor International.

o During his 24 years at Essilor, Patrick Cherrier spearheaded the company's market expansion through organic growth, joint ventures and acquisitions in countries in Asia, Oceania, Africa, the Middle East, the Mediterranean region and CIS, as well as in Russia.

NUMBER OF SHARES HELD: None

MANDATES AND DUTIES

FRENCH COMPANIES	
Director	DELFINGEN INDUSTRY
FOREIGN COMPANIES	
None	

DISTINCTIONS

2007: French National Order of Merit awarded by the President of the French Republic

ASCOM

ASCOM PARTICIPATION:
ASCOM Participation, a French simplified limited company with share capital of €420,000, with its registered office at Rue Emile Streit 25340 Anteuil, registered in the Besancon Trade and Companies Register under no. 890 517 915, was appointed as a new director until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2026.

- The company was created on 29 October 2020
- Represented by Christophe Clerc, Chairman

NUMBER OF SHARES HELD: 154,324 shares

Pursuant to the articles of association, the company is administered by a Board of Directors with at least three members and no more than 18 members.

The director from the Streit family is Mr Gérald Streit. In order to benefit from an external viewpoint and independent opinions, the Board of Directors wanted to open itself up to persons outside the Group. Since 2001, its members have included people with different backgrounds and experience, providing their know-how, skills and expertise in managerial practices, from international business in the automotive field.

The independence criterion used within the company complies with the Middlenext corporate governance code. On the basis of this criterion, the independent directors are:

- Ms Annie Kahn;
- Ms Dinah Louda;
- Mr Cataldo Mangione;
- Mr Patrick Cherrier.

Conditions for preparing and organising work

Operation of the Board of Directors and committees

At the end of the financial year, the Chairman draws up the schedule of Board meetings for the following financial year. He prepares the agenda, sends it to the members of the Board about one week before each meeting, and convenes the Board within the same period. He leads discussions at meetings.

During financial year 2022, the Board of Directors met in the following periods (in some months, the Board met several times):

1 APRIL

- Approval of the minutes of the Board of Directors' meeting of 3 December 2021; report of the Chairman of the Audit Committee on the annual and consolidated financial statements for the year ended 31 December 2021;
- Review and approval of the annual and consolidated financial statements for the year ended 31 December 2021;
- Proposed appropriation and distribution of earnings for the financial year ended 31 December 2021;
- Remuneration of members of the Board of Directors;
- Approval of the reimbursement of all expenses incurred by the directors in connection with the work meetings of the Board of Directors as well as any other ancillary committee;
- Approval of new agreements, as well as previous agreements, entered into pursuant to Article L. 225-38 of the French Commercial Code;
- Proposal to dispose of all the activities of the DELFINGEN RU-Volga site
- Proposal to delegate the authority to the Chief Executive Officer to grant bank and corporate guarantees; setting of authorisation limits;
- Adoption of the reports of the Board and the draft resolutions submitted to the Shareholders' Meeting;
- Calling of the Shareholders' Meeting to approve the financial statements for the year ended 31 December 2021;
- Any other business.

28 APRIL

- Approval of the minutes of the previous Board meeting;
- Approval of the notes to the annual financial statements;
- Approval of the notes to the consolidated financial statements;
- Review of provisional management documents;
- Adoption of the reports of the Board and the draft resolutions submitted to the Shareholders' Meeting;
- Adoption of the draft Universal Registration Document containing the Report on Operations and the Annual Financial Report, and review of the Non-Financial Statement;
- Any other business.

28 JULY

- Approval of the Board of Directors' meeting of 28 April 2022;
- Approval of consolidated turnover for the first half of 2022;
- Prior authorisation to sign a subscription agreement relating to a bond;
- Proposal to pay the funds resulting from the disposal of the Russian entity to the "DELFINGEN Swiss" Corporate Foundation;
- Explanations of the proposed reorganisation of the French legal entities; proposal to dissolve our subsidiary, DELFINGEN FR-Anteuil, without liquidation;
- Calling of an Ordinary Shareholders' Meeting during the second half of 2022.
- Any other business.

2 SEPTEMBER

- Approval of the Board of Directors' meeting of 28 July 2022;
- Audit Committee's report;
- Statutory auditors' report;
- Approval of the 2022 consolidated half-year financial statements;
- Approval of the interim activity report;
- Revision of the provisional income statement of DELFINGEN Industry S.A;
- Establishment of the position with respect to current and available assets and the current liabilities for the first half of the year of DELFINGEN Industry S.A;
- Advance payment of directors' remuneration;
- Any other business.

10 OCTOBER

- Approval of the minutes of the Board of Directors' meeting of 2 September 2022;
- Proposal to change the corporate object,
- Confirmation of the calling of the Shareholders' Meeting on 21 November 2022 and addition of items to the agenda;
- Amendment of the report and draft resolutions;
- Any other business.

2 DECEMBER

- Approval of the Board of Directors' meeting of 2 September 2022;
- Vote on the 2023 budget;
- Proposed schedule of sessions for financial year 2023;
- Compliance and renewal of the Ethics Committee;
- Examination and review of the Middlenext corporate governance code;
- Self-assessment of the work of the Board of Directors;
- Any other business.

The Board of Directors takes all legal decisions and implements the strategy defined by the Executive Committee, at DELFINGEN Group S.A, contributes to its expression and takes note of the life of the company as well as the outlook envisaged. The Chairman of the Board of Directors is responsible for presenting the dossiers and the Chief Executive Officer, in his capacity as a corporate officer, is responsible for applying them.

Important decisions arising from the strategic guidelines laid down by the Executive Committee are the result of meetings, interviews or discussions between the Board of Directors, General Management and the operational managers.

Information provided to directors

Board members are regularly informed about day-to-day business. They are specifically informed of major events in the life of the company and the Group.

In 2022, the Board of Directors met six times. Prior to the meeting, each member receives detailed information on the agenda items.

The rules of procedure require that the Chairman provide relevant information to the members of the Board of Directors within a reasonable time frame.

Board of Directors' meetings

Pursuant to Article 19 of the articles of association, the Board meets as often as the interests of the company require. It meets at least four times a year to approve the half-year and annual separate and consolidated financial statements.

In accordance with Article 19 of the articles of association, directors are called by any means, including verbally. Pursuant to Article 19-I of the articles of association, Board of Directors' meetings may be held at the registered office or in any other location with the agreement of the majority of directors. In general, Board of Directors' meetings are held at the company's registered office.

Minutes of meetings are drawn up at the end of each meeting, sent to the directors and approved by the Board at the next meeting.

All six Board meetings held during the year were chaired by Mr Gérald Streit.

The average actual attendance rate of Board members at meetings was 80%.

Working sessions of the Board of Directors

The Board of Directors, in its "working session" form, includes all directors. These meetings are working sessions for analysis and reflection on developments in the Group's situation, or on particular, more specific events or subjects, at the instigation of the Chairman.

Joint meetings

Joint meetings of directors and members of the Executive Committee take place periodically.

During these meetings, the Chairman and the members of the Executive Committee present a report on the Group's activity and general situation with respect to human resources, finance and business affairs. Points are submitted by them, which the Board is asked to discuss and take a position on, as well as deciding on the measures to be implemented.

During these meetings, the questions and issues raised by the Board of Directors are also examined. Experts from within or outside the Group may also be invited, in order to contribute their expertise depending on the subject to be discussed.

Audit Committee

A/ Tasks and composition

The Board of Directors has created an Audit Committee made up of its members. The main duties of the Audit Committee are:

- To ensure that matters relating to the preparation and control of accounting and financial information are monitored. To this end, the Audit Committee monitors the financial reporting process and, where applicable, makes recommendations to ensure its integrity. The Audit Committee examines the Group's draft half-year and annual financial statements, as well as the presentation made by Management describing the Group's risk exposure and significant off-balance sheet commitments, as well as the accounting options adopted;
- To ensure the existence and effectiveness of the internal control and internal audit systems, as well as the management of the more material risks that the Group may face in the course of its activities;
- To monitor the statutory audit of the Group's annual and half-year financial statements, the independence of the statutory auditors and, more generally, to monitor the performance of their assignment.

The members of the Audit Committee are:

- Cataldo Mangione, Chairman;
- Annie Kahn.

It should be noted that, in order to adapt to the size of the Board of Directors, the said Board decided, in its resolution of 15 March 2019, to amend the rules of procedure of the Board of Directors in order to reduce the number of members of the Audit Committee from three to two.

B/ Audit Committee meetings

In early 2021, the Audit Committee adopted an operating charter. Lastly, in 2022, the Audit Committee met three times, with an attendance rate of 100%.

March 2022

- Approval of the report of the previous Audit Committee
- Presentation of 2021 results
- Review of general risks and risks identified in the URD
- Financing and bank covenants
- Statutory auditors' report on the closing of the 2021 financial statements
- Reports from Exco P2B Audit and Auditis auditors on interim controls on procedures and the latest site visits
- Review of the draft SFAF presentation, to be published on the DELFINGEN Industry S.A. website
- Progress report on the compliance process
- Proposal to reappoint Auditis SAS as joint statutory auditor within DELFINGEN FR-Anteuil S.A.
- Any other business.

April 2022

- Approval of the minutes of the previous Audit Committee meeting
- Review of the draft Universal Registration Document containing the Non-Financial Statement, the certification of the independent third party, the Report on Operations and the Annual Financial Report (annual financial statements and consolidated financial statements)

Sept. 2022

- Approval of the minutes of the previous Audit Committee meeting;
- Presentation of the 2022 first half results;
- Review of the draft SFAF presentation, to be published on the DELFINGEN Industry S.A website;
- Statutory auditors' report on their limited audit of the financial statements for the period ended 30 June 2022;
- Update on compliance with the GDPR and the Sapin 2 anti-corruption law; review of processes and action plans;
- Any other business.

4.1.2.4 Executive Committee

Executive Committee

The Executive Committee comprises a small team of Executive Vice Presidents around the Chairman and Chief Executive Officer, Gérald Streit. It steers strategic projects, sets financial and operational objectives, decides on priorities and allocates the necessary resources.

> left to right
Sébastien Roux, Executive Vice President, Fluid Transfer Tubing Director
Emmanuel Klinklin, Executive Vice President, Chief Operating Officer & Europe/Africa Director
Christophe Clerc, Executive Vice President, Chief Corporate Officer
Marc Lemke, Executive Vice President, Chief Information Officer
Gérald Streit, CEO, Chief Executive Officer
Damien Personeni, Executive Vice President, Global Business Development & Asia Director
Jean-François Remond, Executive Vice President, Americas Director
Christophe Bellicam, Executive Vice President, Industrial Performance Director

4.1.3 Conflicts of interest

Declaration of no conflict of interest

There are no conflicts of interest between any member of the administrative, Management or General Management bodies and his/her private interests or any other duties incumbent upon him/her in carrying out this function, and the company.

4.2 Remuneration and benefits

4.2.1 Remuneration of executive corporate officers

Summary table of the remuneration of the Chairman and Chief Executive Officer

Name	2022	2021	2020
Gérald Streit			
Remuneration for directorship	**€15,250**	€15,250	€10,675
Remuneration resulting from an employment contract	**-**	-	-
Total	**€15,250**	€15,250	€10,675

We certify that this table correctly reflects all remuneration received by corporate officers of all Group companies.

Employment contracts, indemnities and supplementary pension plans for executive corporate officers

Executive corporate officers	Employment contract	Supplementary pension plan	Remuneration/benefits likely to be due as a result of termination/change of duties	Indemnities relating to a non-compete clause
Gérald Streit, CEO appointed by the Board of Directors at its meeting of 03/04/2015, and Chairman and Chief Executive Officer since 6 June 2018	No	No	No	No

4.2.2 Remuneration of non-executive corporate officers

Table of remuneration for directorships and other remuneration received by non-executive corporate officers, at 31 December 2022

	2022	2021	2020
Cataldo Mangione			
Remuneration for directorship	€15,250	€19,825	€12,200
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€15,250**	**€19,825**	**€12,200**
Annie Kahn			
Remuneration for directorship	€15,250	€18,300	€12,200
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€15,250**	**€18,300**	**€12,200**
Dinah Louda			
Remuneration for directorship	€9,150	€12,200	€3,050
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€9,150**	**€12,200**	**€3,050**
Patrick Cherrier			
Remuneration for directorship	€13,725	€6,100	-
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€13,725**	**€6,100**	**-**
ASCOM Participation			
Remuneration for directorship	€10,675	€6,100	-
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€10,675**	**€6,100**	**-**

We certify that this table correctly reflects all remuneration received by corporate officers of all Group companies.

4.2.3 Other remuneration

Stock subscription or purchase options granted during the year to each executive corporate officer – History of grants in previous years

None

Performance shares granted to executive and non-executive corporate officers

None

Special report on the stock option plan

None

Stock options granted to corporate officers

The corporate officers of DELFINGEN Industry do not hold stock options of any kind whatsoever and were not granted stock options during the financial year ended 31 December 2022.

4.2.4 Regulated agreements in the financial year

Interested parties	Name	Summary of content	Interested person(s)	Date of Board meeting
		2022		
Delfingen Industry S.A. /Directors	Reimbursement of expenses	Reimbursement of travel expenses in FY2021	Directors	01/04/2022 (Authorisation)
Delfingen Industry S.A. /Directors	Directors' remuneration	Interim dividend on remuneration for second half of 2021	Directors	01/04/2022 (Authorisation)
Delfingen Industry S.A.	Agreements L. 225-38 French Commercial Code	Review of agreements entered into and authorised in previous financial years, and which remained in effect	Directors	01/04/2022 (Authorisation)
Delfingen Industry S.A. /Directors	Directors' remuneration	Interim dividend for first half of 2022	Directors	02/09/2022 (authorisation)

These four agreements are considered normal and current.

AUDITIS

5 Rue René Char

21000 DIJON

EXCO P2B AUDIT

16 Rue Frédéric Japy

25200 MONTBELIARD

DELFINGEN INDUSTRY

Public limited company with share capital of €4,105,824.80
Registered office: Rue Emile Streit
25340 ANTEUIL

STATUTORY AUDITORS'

SPECIAL REPORT

ON REGULATED AGREEMENTS

Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2022

Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2022

To the Shareholders' Meeting of DELFINGEN INDUSTRY,

In our capacity as statutory auditors of your company, we present to you our report on regulated agreements.

It is our responsibility to report to you, based on the information we have been provided, on the main characteristics and terms, as well as details of the benefits for the company, of any agreements disclosed to us or that we may have discovered during our audit, without being required to comment on their relevance or substance, or to identify any other agreements. In accordance with Article R. 225-31 of the French Commercial Code, it is your responsibility, in considering whether to approve these agreements, to determine whether they should have been entered into.

It is also our responsibility, where applicable, to report to you as provided for in Article R.225-31 of the French Commercial Code on the implementation over the past year of any agreements already approved by the Shareholders' Meeting.

We performed those checks that we considered necessary in accordance with the professional guidance issued by the French National Institute of Statutory Auditors relating to this assignment. These procedures consisted in verifying that the information provided to us was consistent with the data in the documents from which it was taken.

AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorised in the past financial year

We hereby inform you that we have not been advised of any agreement authorised and entered into in the past financial year to be submitted for the approval of the Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements approved in previous years that remained in effect during the past year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous years, remained in effect during the past year.

Granting of a renewable annual grant to the DELFINGEN Foundation

Your Board of Directors has authorised the granting of a renewable annual grant to the DELFINGEN Foundation corresponding to an amount of 1% of consolidated net income less costs incurred by the subsidiaries in connection with the actions undertaken by the DELFINGEN Foundation. The amount recorded in 2022 was €80,666.

The interest for your company is the financing of its Foundation, created to help the most disadvantaged.

Pledging of shares

Your company has pledged 119,978 shares of DELFINGEN FR-ANTEUIL to the banking pool consisting of CIC EST, CREDIT AGRICOLE FRANCHE COMTE, BECM, BANQUE POPULAIRE BOURGOGNE FRANCHE COMTE, SOCIETE GENERALE, BGL and HSBC until 31 December 2022.

The interest for your company is the provision of collateral for loans taken out to finance its expansion.

Guarantees, collateral, comfort letters and letters of indemnity

Your company has made commitments of guarantees, collateral and/or support in the context of transactions between third parties and the companies with which it has executives in common.

The nature of these commitments, their amounts and the parties concerned are presented in the summary table below:

Nature of commitment	Companies with executives in common	Third-party beneficiaries	Commitment amount
Comfort letter	**DELFINGEN PT -PORTO**	**BPI**	**Maximum €200k**
Letter of guarantee	**DELFINGEN DE-Hassfurt**	**Lehmann & Voss & Co**	**€200k**
Letter of guarantee	**DELFINGEN MA-Tanger 2**	**TechnoCompound GmbH**	**€100k**
Letter of guarantee	**DELFINGEN DE-Hassfurt**	**NOVALFA**	**€100k**
Letter of guarantee	**DELFINGEN DE-Hassfurt**	**PSA Bank**	**€23k**

Nature of commitment	Companies with executives in common	Third-party beneficiaries	Commitment amount
Letter of guarantee	**DELFINGEN DE-Hassfurt DELFINGEN RO-Satu Mare DELFINGEN PT-Porto**	**Aurora Kunststoffe GmbH**	**€820k**
First-demand guarantee instrument	**DELFINGEN MA-Tanger DELFINGEN MA-Casablanca DELFINGEN TN-Tunis**	**TOTAL Petrochemicals**	**€870k**
Letter of guarantee	**DELFINGEN PH-Filipinas**	**FORMOSA**	**€445k**
Guarantee commitment	**DELFINGEN RO-Transilvania**	**SOLVENCY PROJECT**	**Maximum €70k**
Letter of guarantee	**DELFINGEN DE-Hassfurt**	**BASF**	**€600k**
Letter of guarantee until 31/12/2022	**DELFINGEN DE-Hassfurt**	**UBE Europe GmbH**	**€50k**
Letter of guarantee	**DELFINGEN BR-Brasil**	**Savoy Imobiliaria Constructora**	**€200k**

The Statutory Auditors

Dijon, 27 April 2023

AUDITIS

Philippe Dandon
Partner

Montbéliard, 27 April 2023

EXCO P2B AUDIT

Pierre Burnel
Partner

5

Capital and shareholding structure

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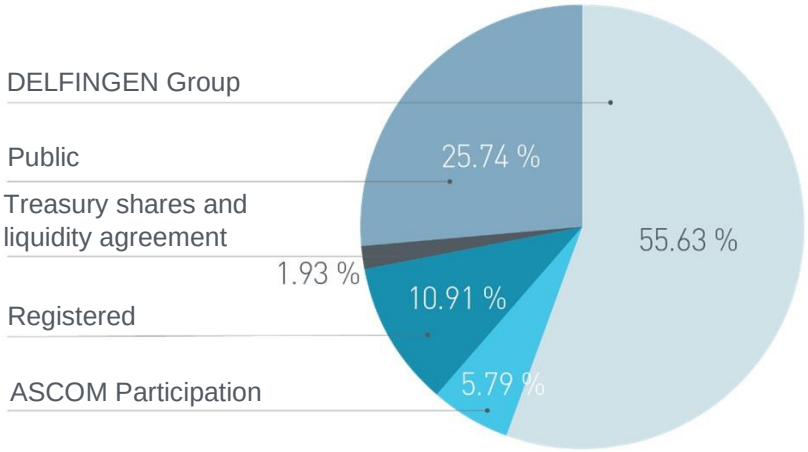
5.1 Shareholding structure



5.1.1 Breakdown of capital and voting rights

Position at 31 December 2022

Shareholders	No. of shares	% of capital	Double voting rights	Actual number of voting rights	% of voting rights
DELFINGEN Group[1] [2]	1,483,182	55.63%	1,473,182	2,956,364	71.41%
ASCOM Participation[4]	154,324	5.79%	0	154,324	3.73%
Gérald Streit[1]	61	NS	61	122	0.00%
Miscellaneous (registered and Streit family)	290,960	10.91%	562	291,522	7.04%
Sub-total concert	**1,928,527**	**72.33%**	**1,473,805**	**3,402,332**	**82.18%**
Treasury shares[5]	50,688	1.90%	None	50,688	1.22%
Liquidity agreement	752	0.03%	None	752	0.02%
Other public[5]	686,153	25.74%	None	686,153	16.58%
TOTAL	**2,666,120**[3]	**100.00%**	**1,473,805**	**4,139,925**	**100.00%**

(1) Two commitments to retain shares of DELFINGEN Industry were signed by Mr Bernard Streit, his wife and their two children, as well as the DELFINGEN Group, on 6 January 2010; these commitments were the subject of a press release published on 24 February 2010 via professional broadcaster Hugin.

(2) A company wholly owned by the members of the Streit family, mainly Mr Gérald Streit, holding 12,317,041 shares in full ownership, and Mr and Mrs Bernard Streit, holding the usufruct attached to 12,037,942 shares held in bare ownership by Mr Gérald Streit.

(3) Following the capital increase recorded on 27 November 2020 (see press release)

(4) ASCOM Participation, a French simplified limited company with share capital of €420,000, whose shareholders are the members of the Group's Executive Committee, held 153,324 shares at 31 December 2022.

(5) Following the purchase of 9,415 shares by DELFINGEN Industry SA in 2022

Position at 31 December 2021

Shareholders	No. of shares	% of capital	Double voting rights	Actual number of voting rights	% of voting rights
DELFINGEN Group[1] [2]	1,483,182	55.63	1,473,182	2,946,364	71.34
ASCOM Participation[4]	154,324	5.79	0	154,324	3.74
Gérald Streit[1]	61	NS	61	122	NS
Bernard Streit[1] [6]	0	0	0	0	0
Bernard and Françoise Streit[1][6]	0	0	0	0	0
Miscellaneous (registered and Streit family)	283,785	10.64	611	284,396	6.88
Sub-total concert	1,921,352	72.07	1,473,854	3,385,206	81.96
Treasury shares (5)	41,273	1.55	None	41,273	1
Liquidity agreement	1,286	0.05	None	1,286	0.31
Other public (5)	702,209	26.34	None	702,209	17
TOTAL	**2,666,120**[3]	**100.00**	**1,473,854**	**4,129,974**	**100.00**

(1) Two commitments to retain shares of DELFINGEN Industry were signed by Mr Bernard Streit, his wife and their two children, as well as the DELFINGEN Group, on 6 January 2010; these commitments were the subject of a press release published on 24 February 2010 via professional broadcaster Hugin.

(2) A company wholly owned by the members of the Streit family, mainly Mr Gérald Streit, holding 12,317,041 shares in full ownership, and Mr and Mrs Bernard Streit, holding the usufruct attached to 12,037,942 shares held in bare ownership by Mr Gérald Streit.

(3) Following the capital increase recorded on 27 November 2020 (see press release)

(4) ASCOM Participation, a French simplified limited company with share capital of €420,000, whose shareholders are the members of the Group's Executive Committee, held 153,324 shares at 31 December 2021.

(5) Following the purchase of 3,843 shares by DELFINGEN Industry SA on 17 November 2021

(6) Bernard and Françoise Streit sold their shares to the public in June 2021

Position at 31 December 2020

Shareholders	No. of shares	% of capital	Double voting rights	Actual number of voting rights	% of voting rights
DELFINGEN Group[1] [2]	1,483,182	55.63	1,473,182	2,956,364	71.35
ASCOM Participation[4]	142,875	5.36	0	142,875	3.45
Gérald Streit[1]	61	NS	61	122	NS
Bernard Streit[1]	1,458	0.05	1,458	2,916	0.07
Bernard and Françoise Streit[1]	2,222	0.08	2,222	4,444	0.11
Miscellaneous (registered and Streit family)	201,761	7.57	622	202,383	4.88
Sub-total concert	1,831,559	68.69	1,477,545	3,309,104	79.86
Treasury shares	37,430	1.40	None	37,430	0.90
Liquidity agreement	966	0.04	None	966	0.02
Other public	796,165	29.86	None	796,165	19.22
TOTAL	**2,666,120**[3]	**100.00**	**1,477,545**	**4,143,665**	**100.00**

(1) Two commitments to retain shares of DELFINGEN Industry were signed by Mr Bernard Streit, his wife and their two children, as well as the DELFINGEN Group, on 6 January 2010; these commitments were the subject of a press release published on 24 February 2010 via professional broadcaster Hugin.

(2) A company wholly owned by the members of the Streit family, mainly Mr Gérald Streit, holding 12,317,041 shares in full ownership, and Mr and Mrs Bernard Streit, holding the usufruct attached to 12,037,942 shares held in bare ownership by Mr Gérald Streit.

(3) Following the capital increase recorded on 27 November 2020 (see press release)

(4) ASCOM Participation, a French simplified limited company with share capital of €420,000, whose shareholders are the members of the Group's Executive Committee, held 140,575 directly registered shares and 2,300 bearer shares at 31 December 2020

5.1.2 Declarations of crossing of thresholds received by the company

None

5.1.3 Voting rights

The voting rights attached to the shares are proportional to the capital they represent. At equal nominal value, each share with capital or dividend rights confers the right to one vote.

Article 15 of the articles of association, pursuant to a resolution of the Extraordinary Shareholders' Meeting of 19 December 1995, provides that shares held in registered form for at least two years

carry double voting rights, provided that the shareholder requests this from the company by registered letter.

5.2 Stock market data

5.2.1 Capital

The share capital amounts to €4,105,824.80 (four million one hundred and five thousand eight hundred and twenty-four euros and eighty cents). It is divided into 2,666,120 fully subscribed and paid-up shares with a value of one euro and fifty-four cents (€1.54) each.

The stock was listed on the Second Market of the Paris Stock Exchange (now Euronext) on 8 February 1996. It was transferred on 19 September 2013 to Euronext Growth (formerly Alternext). It is traded on an ongoing basis under the ISIN code: FR 0000054132, mnemonic ALDEL.

The ICB classification of the stock is as follows: Industry 3000, Consumer Goods

SuperSector 3300, Automobiles & Parts Sector 3350, Automobiles & Parts SubSector 3355, Auto Parts

5.2.2 Liquidity of the stock

DELFINGEN INDUSTRY SHARE AT 31 DECEMBER 2022

Earnings per share[1]	Share price	Market capitalisation[2]
€3.11	€44.50	€118.6 M

1. Diluted net earnings, Group share, per share
2. Out of the number of shares at 31 December 2022: 2,666,120

2022

Month	Closing price	Highest share price	Lowest share price	Average per session	Trading volume	Shares traded during the month
January	51.60	57.80	56.00	56.90	1468	34,193
February	53.80	61.80	59.60	60.70	1055	23,020
March	49.20	53.80	53.00	53.40	900	18,463
April	52.00	53.80	53.00	53.40	600	19,722
May	53.40	53.40	52.60	53.00	484	9,370
June	48.20	56.20	55.20	55.70	372	7,835
July	46.20	48.40	48.20	48.30	241	11,886
August	49.00	49.00	48.80	48.90	302	11,194
September	36.00	49.60	48.60	49.10	411	16,088
October	38.30	39.30	38.50	38.90	200	6,919
November	46.90	47.50	46.90	47.20	308	9,201
December	44.50	47.10	47.00	47.05	277	11,565

2021

Month	Closing price	Highest share price	Lowest share price	Average per session	Trading volume	Shares traded during the month
January	20.24	40.40	38.80	39.60	1,812	57,860
February	12.77	50.00	46.90	48.45	1,834	55,432
March	13.36	57.00	51.80	54.40	1,353	77,865
April	12.28	55.00	53.80	54.40	1,763	50,818
May	13.36	58.60	53.60	56.10	1,571	58,672
June	13.16	61.20	60.40	60.80	1,582	57,447
July	13.56	64.80	62.60	63.70	1,620	57,459
August	18.96	64.40	63.00	63.70	1,332	32,320
September	18.86	61.80	59.60	60.70	2,317	51,148
October	21.40	53.60	51.80	52.70	1,123	24,114
November	26.60	51.40	49.50	50.45	1,129	26,992
December	38.60	50.00	49.00	49.50	683	25,912

5.2.3 Liquidity agreement

With a view to promoting the trade of its stock, DELFINGEN Industry entered into a liquidity agreement with Crédit Industriel et Commercial (CIC) on 1 May 2019.

This new agreement was drawn up following changes in the regulations on liquidity agreements, in particular AMF Decision no. 2018-01 of 2 July 2018, and complies with the ethical charter of the French Financial Markets Association (*Association Française des Marchés Financiers* – AMAFI).

Euronext Growth is the trading platform on which transactions under the liquidity agreement are carried out.

The resources allocated to the implementation of this liquidity agreement are €100,000 in cash.

It is specified that, pursuant to the agreement, the situations or conditions leading to its suspension or termination are as follows:

"The implementation of the agreement shall be suspended under the conditions referred to in Article 5 of the AMF Decision. It shall also be suspended at the request of the Issuer for such period as it may specify.

The agreement may also be suspended by the promoter when information brought to its attention makes it impossible for it to continue to fulfil its obligations".

The agreement may also be terminated at any time by DELFINGEN Industry or with 30 days' notice by CIC, under the closing conditions provided for in the agreement.

5.3 Communication with shareholders

The shareholders of DELFINGEN Industry have a single point of entry, via the email address "actionnaires@delfingen.com". Emails sent to this address are then passed on to the various departments (General Management, Finance Department, Legal Department, etc.) in order to provide the most specific response.

Shareholders have a dedicated space on the company website (www.delfingen.com), under the "Finance" -> "Shareholders' area" tab. This tab brings together all documents relating to the Shareholders' Meeting, including this Universal Registration Document.

Institutional investors

- Specific presentations are held with institutional investors in the form of road shows;
- Twice a year, a presentation of the annual/half-year financial statements is held at the premises of the French Society of Financial Analysts (*Société Française des Analystes Financiers* – SFAF) in Paris. These meetings are an opportunity for Management to discuss the Group's strategy.

Individual investors

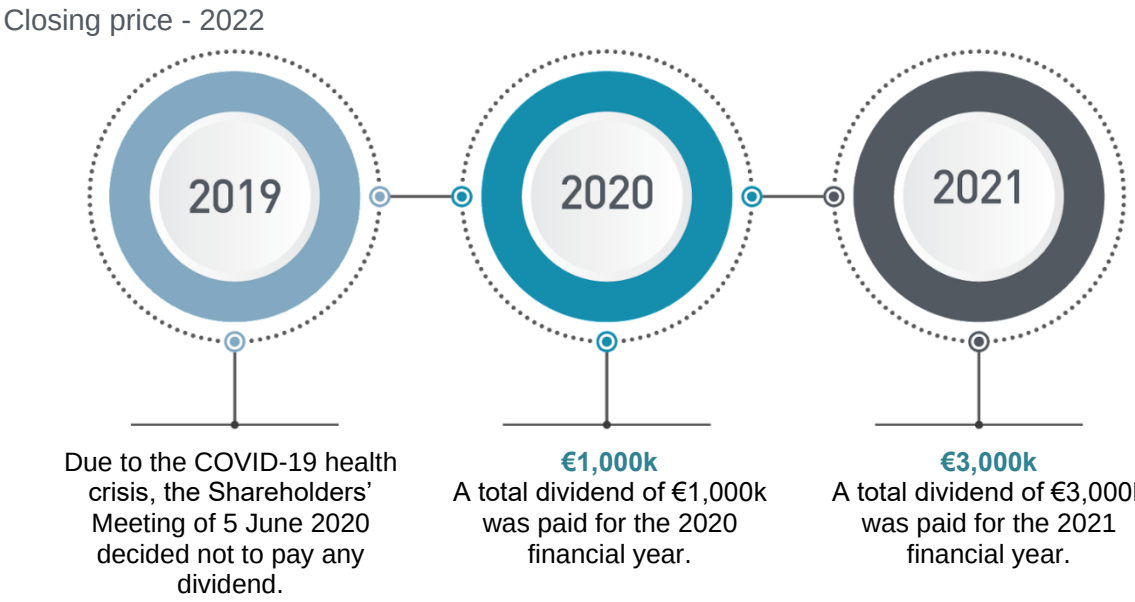
- Historically, DELFINGEN Industry invites all bearer shareholders by personal letter on the occasion of its annual Shareholders' Meeting. Management sees this as an opportunity to meet its shareholders and present its activities, strategy, areas for development and local actions to them;
- DELFINGEN Industry has approximately 1,000 individual shareholders.

5.4 Dividends

5.4.1 Dividend distribution policy

The Shareholders' Meeting may offer each shareholder a payment in cash or in shares for the dividend due. The company does not generally distribute interim dividends; dividends are paid annually after the annual Ordinary Shareholders' Meeting. Dividends not claimed within five years of their payment are time-barred and paid back to the State.

5.4.2 Amount of the last three dividends



5.5 Share buyback programme

Share buyback programme

In accordance with Article L. 225-209 of the French Commercial Code, the Combined Shareholders' Meeting of 3 June 2022 authorised the Board of Directors to buy back its treasury shares for up to 10% of the shares making up the share capital on the date of these purchases.

At 31 December 2022, DELFINGEN Industry held 50,688 treasury shares representing 1.55% of the total number of shares making up the share capital, and 752 shares under the liquidity agreement, representing 0.03% of the total number of shares making up the share capital.

Cancellation

An authorisation to cancel shares of the company granted by the Combined Shareholders' Meeting of 14 June 2021 was in force at 31 December 2022. It has not been used to date.

5.6 Information on capital

5.6.1 Most recent changes in capital

Date	Type of capital operation Increase	Increase	Report share premium	Amount of capital	Number of shares	Nominal
20/12/2013	Capital increase maintaining shareholders' preferential subscription rights	€621,951.12	€4,378,048.08	€3,739,234.60	2,443,944	€1.53
20/12/2013	Capital increase by increasing the nominal value of the share, deducted from reserves	€24,439.16	-	€3,763,673.76	2,443,944	€1.54
25/11/2020	Capital increase	€342,151.04	€2,990,488.96	€4,105,824.80	2,666,120	€1.54

5.6.2 Unissued authorised capital

Under the terms of a Combined Shareholders' Meeting of 14 June 2021:

- Pursuant to Article L. 225-129-6, paragraph 2 of the French Commercial Code, the Board of Directors has been delegated the right to issue company shares to members of a company savings plan with the cancellation of preferential subscription rights, within the limit of a total nominal cap of €40,000, over a period of 26 months from 14 June 2021.

The above delegation was not used during the financial year.

5.6.3 Other information on capital

Existence of statutory thresholds to be declared to the company (Article 8 of the articles of association)

Pursuant to Article 8 of the articles of association, any natural or legal person acting alone or in concert that comes to own a number of shares of the company or voting rights equal to or greater than 1% of the total number of shares or voting rights must, within 15 days of this crossing of the shareholding threshold, inform the company of the total number of shares or voting rights it owns by registered letter with acknowledgement of receipt. This declaration is renewed under the same conditions each time a threshold of 1% is breached, upwards or downwards.

To determine the thresholds, the shares and voting rights held indirectly and shares and voting rights similar to shares and voting rights held as defined by the provisions of Articles L. 233-7 *et seq*. of the French Commercial Code will also be taken into account.

In each declaration referred to above, the declarant must certify that the declaration made includes all the securities and voting rights held or possessed within the meaning of the preceding paragraph. It must also indicate the purchase date(s).

In the event of non-compliance with the above provisions, the shareholder will be deprived of voting rights up to the amount of shares or voting rights exceeding the thresholds subject to declaration, at the request, in accordance with the provisions of paragraph 6 of Article L. 233-7 of the French Commercial Code, as recorded in the minutes of the Shareholders' Meeting, of one or more shareholders holding a fraction of the capital at least equal to 1%.

Identification of bearer securities

The articles of association of DELFINGEN Industry authorise it to seek the information necessary to identify holders of bearer shares, under the conditions provided for by the legislation in force.

Registered shares

Since March 2021, the register has been kept and the accounts of registered shareholders have been managed by:

Crédit Industriel et Commercial (CIC)

6 Avenue de Provence

75009 Paris

Shareholders registered in directly registered form can access their accounts by contacting the Registered Unit on tel.: 01.53.48.80.10, or by email: 34318@cic.fr.

A shareholder website is available: https:// www.actionnaire.cic-marketsolutions.eu

6

Commentary on the financial year

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6.1 Group Report on Operations

6.1.1 Activity and income statement

Highlights of the year

- **Signature of a bond loan indexed to the reduction of greenhouse gas emissions by 2029**

DELFINGEN Industry is committed to a policy of reducing the carbon footprint of its activities (one of the five pillars of its 2025 Performance Plan) through the implementation in 2022 of an impact credit with its partner TIKEHAU, indexed to the reduction of the Group's greenhouse gas emissions by 2029.

The objectives set are:

- To reduce our greenhouse gas emissions (Scopes 1 and 2) by 37.8% by 2029;
- To reduce the intensity of our greenhouse gas emissions (Scope 3) by 32% by 2029.

- **HRIS project**

The implementation of a new HRIS (Human Resources Information System) for the entire DELFINGEN Group is currently being rolled out. It will clarify, harmonise and simplify the HR organisation and processes throughout the Group.

This ambitious project, carried out in collaboration with market leader Workday, will be implemented in several waves in 2023.

- **Impact of the Russian-Ukrainian crisis on the Group's activity**

In a press release dated 30 May 2022, DELFINGEN Industry announced the sale of the production site it owned in Russia to local management, following the crisis triggered by Russia's invasion of Ukraine.

As a reminder, the Nizhny Novgorod site joined the DELFINGEN Group on 1 September 2020 following the acquisition of Schlemmer. It had 60 employees with annual turnover of around €6 million for the 2021 financial year (i.e. approximately 1.6% of the group's overall turnover) and €1.5 million for the 2022 financial year.

The Group no longer has any exposure to the Russian market.

- **Sharp rise in the price of production costs**

2022 was marked by the rise in energy prices, particularly in Europe, due to the war in Ukraine. Moreover, the post-COVID recovery intensified the surge in inflation on raw materials and maintained strong tensions in the electronic parts market.

As DELFINGEN Industry is a processor of plastic materials (polypropylenes, polyethylenes, polyamides), established on four continents, the fluctuation in the price of a barrel of oil has a material impact on its operating margins.

After a particularly volatile year in 2022, which saw the price of Brent soar to almost $130/b in early March, falling to $76/b in early December, Brent ended the year at around $84/b, close to levels seen earlier in the year, before the war in Ukraine started.

The average price of a barrel of Brent was $101 in 2022, compared with $71 in 2021 and $42 in 2020.

The impact of the rise in raw materials prices in 2022 was estimated at €11 million.

The Group was also impacted by the increase in energy prices (+€1 million) and transport prices (+€4 million).

- **DELFINGEN Industry generates around 43% of its sales in the USD zone**

The average EUR/USD exchange rate was 1.054, compared with 1.183 in 2021. This dollar appreciation resulted in a positive impact on turnover of €23.1 million, corresponding to approximately 6% of total turnover. The closing rate at the end of December 2022 was 1.067, versus 1.133 at the end of December 2021. The extreme values were 1.234 (January 2022) and 0.957 (September 2022).

Turnover

Comments on activity

In €m	2022	2021	Published	Organic	Foreign exchange effect	Change in scope
Turnover	417.1	363.0	14.9%	10.9%	6.4%	-2.4%

In €m	2022	2021	Published	Organic	Foreign exchange effect	Change in scope
Mobility market	357.2	306.2	16.7%	12.1%	6.0%	-1.5%
Industrial market	59.9	56.8	5.6%	5.1%	8.1%	-7.7%

Activity

At the end of December 2022, turnover reached €417.1 million, compared with €363.0 million in 2021. At constant exchange rates and scope, it increased by 10.9%. The cumulative foreign exchange effect at the end of December was a gain of €23.1 million, mainly due to the EUR/USD exchange rate.

Key takeaways from 2022:

- Reported turnover of €417m, up 14.9%, with strong acceleration in Q4
- Continued outperformance of the automotive market across all our activities and regions (+5.9 points in 2022)

Mobility market: organic growth of 21.6% in Q4 and 12.1% at end-December

In the fourth quarter of 2022, DELFINGEN Industry further accelerated its growth, with turnover at constant exchange rates and scope up by 21.6% (+25.4% on a reported basis) in a market that grew by 2.8%.

At the end of December 2022, turnover at constant exchange rates and scope rose by 12.1% (+16.7% on a reported basis) in a market that grew by 6.2%.

Global automotive production evolved as follows in 2022:

- In Europe/Africa: down by 0.1%, DELFINGEN Industry generates 49% of its Mobility business there.
- In America: growth of 9.5%, DELFINGEN Industry generates 37% of its Mobility business there.
- In Asia: growth of 7.7%, DELFINGEN Industry generates 14% of its Mobility business there.

The foreign exchange effect at the end of December 2022 was a gain of €18.5 million, mainly due to the EUR/USD exchange rate.

Industrial market

In the fourth quarter of 2022, Industrial Market turnover rose by 5.2% at constant exchange rates and scope (13.4% on a reported basis).

At end-December 2022, Industrial Market turnover increased by 5.1% at constant exchange rates and scope (5.6% on a reported basis), with a negative impact (-7.7%) of the change in scope following the disposal of the "Technical straps and belts" business in June 2021.

It is worth noting the strong sales momentum in the "electrical and thermal insulation" business (+13.9% at constant exchange rates) and in Drossbach (+4.9% at constant exchange rates).

The foreign exchange effect at the end of December was a gain of €4.6 million due to the EUR/USD exchange rate.

Breakdown of turnover by quarter

In €m	2022	2021	Change 2022 vs 2021 in %	
			Published	Pcc(1)
First quarter	102.2	100.3	1.9%	0.6%
Second quarter	101.7	93.4	8.8%	6.1%
Third quarter	110.0	85.7	28.3%	20.3%
Fourth quarter	103.2	83.5	23.6%	19.2%
TOTAL	**417.1**	**363.0**	**14.9%**	**10.9%**

(1) Constant scope and exchange rates.

Breakdown of turnover by market and geographic region

In €m	2022	2021	Change 2022 vs 2021 in %	
			Published	Pcc(1)
MOBILITY				
Europe – Africa	176.0	174.5	0.9%	3.4%
Americas	132.8	97.0	36.9%	21.7%
Asia	48.4	34.7	39.4%	29.1%
TOTAL MOBILITY	**357.2**	**306.2**	**16.7%**	**12.1%**
INDUSTRIAL MARKET	**59.9**	**56.8**	**5.6%**	**5.1%**
TOTAL	**417.1**	**363.0**	**14.9%**	**10.9%**

(1) Constant scope and exchange rates.

Weight of turnover by market and activity

In €m	2022	%	2021	%
Mobility	**357.2**	**85.6%**	**306.2**	***84.4%***
PS - Protection systems	*282.2*	*67.6%*	*249.0*	*68.6%*
FTT - Technical fluid transfer tubing	*63.7*	*15.3%*	*47.9*	*13.2%*
Other	*11.4*	*2.7%*	*9.3*	*2.6%*
Industrial	***59.9***	***14.4%***	**56.8**	***15.6%***
Insulation sleeves – High voltage, high temperature	*14.2*	*3.4%*	*11.4*	*3.1%*
Drossbach – Protection systems	*29.9*	*7.2%*	*25.4*	*7.0%*
Schlemmer - Industrial	*14.9*	*3.6%*	*15.4*	*4.2%*
Other	*0.9*	*0.2%*	*4.6*	*1.3%*
TOTAL	**417.1**	***100%***	**363.0**	***100%***

Results

In €m	2022	2021	2020
Turnover	417.1	363.0	241.9
Current operating income	21.1	24.1	22.3
Current operating income as a % of turnover	*5.0%*	*6.6%*	*9.2%*
OPERATING INCOME (*)	**17.7**	**24.2**	**53.8**
Operating income as a % of turnover	*4.3%*	*6.7%*	*22.2%*
Cost of net financial debt	(3.5)	(3.7)	(3.1)
Other financial income and expenses	(0.1)	0.8	(1.2)
Income tax expense	(5.9)	(5.0)	(4.0)
NET INCOME BEFORE THE RESULT OF DISCONTINUED AND HELD-FOR-SALE OPERATIONS	**8.3**	**16.4**	**45.5**
Net income from discontinued and held-for-sale operations	-	-	-
Consolidated net income	**8.3**	**16.4**	**45.5**
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS	**8.1**	**16.1**	**45.3**

** Including non-recurring operating income of €31.5 million in 2020 generated by the integration of Schlemmer's Europe/Africa scope.*

The gross margin is 46.6% of sales compared with 50.5% in 2021, i.e. a deterioration of 3.9 points. This is mainly due to the impact of the increase in raw materials prices, estimated at around €11 million.

Despite the increase in production costs (energy, transport and labour), the DELFINGEN Group managed to contain the increase in the rate of external expenses, which rose from 13.1% of sales in 2021 to 13.7% in 2022, and to improve the payroll rate, which decreased by 1.6 points compared with 2021 (23.1% in 2022 compared with 24.7% in 2021).

Operating income for the period amounted to €17.7 million or 4.3% of turnover compared with 6.7% in 2021.

The cost of financial debt was €3.5 million, compared with €3.7 million in 2021.

The effective tax rate was 41.7%, compared with 23.2% in 2021, an increase mainly impacted by the deconsolidation of the DELFINGEN RO-Valahia and DELFINGEN RU-Volga.

Net income attributable to shareholders came to €8.1 million, or 2.0% of turnover, compared with €16.1 million in 2021, or 4.4% of turnover.

6.1.2 Cash flows and financial structure

EBITDA amounted to €40.0 million or 9.6% of sales, compared with 12.4% in 2021. After payment of taxes (€6.7 million) and an unfavourable change in working capital requirements (€27.5 million), the cash flow generated by the activity is €6.1 million, compared with €26.5 million in 2021, i.e. a decrease of 77%.

Excluding acquisitions and disposals of subsidiaries, net cash flows relating to investment activities came to €18.1 million. This mainly relates to operational investments.

The Group's net financial debt stood at €128.3 million at 31 December 2022 (including €31.0 million in IFRS 16 liabilities), compared with €103.9 million at 31 December 2021 (including €32.4 million in IFRS 16 liabilities) and gearing was 88.0%, compared with 74.8% in 2021.

In 2022, the following financing was put in place:

- A bond loan, for an amount of €10 million with a bullet repayment in 2029;
- A €15 million capex loan amortisable over seven years with constant principal under the Senior Credit agreement signed with the banking pool in April 2021;
- With Huntington National Bank (USA):
    - Three medium-term equipment loans of $2.9 million.

The amount of equity increased by €6.9 million to €145.7 million compared with €138.8 million at 31 December 2021, mainly due to:

- Profit for the year of €8.3 million;
- The positive impact of translation adjustments on equity of €1.8 million;
- Distribution of dividends of €3.0 million.

6.1.3 Investments

In €m	**2022**	**2021**	**2020**
Investments	19.6	16.0	9.4
As a % of turnover	*4.6%*	*4.4%*	*3.8%*

The 2021 investment effort focused on production capacity for new businesses linked to plastic and textile protection activities as well as the renewal of equipment and machines.

2022 investments were focused on:

- Production capacity for the new businesses in the three regions in the plastic and textile protection activities (DE-Marktrodach, MA-Tanger, PH-Philippines and MX-Mexico);
- Renewal of equipment, mainly in the Europe area;
- A quarter of investments related to activities such as IT support, R&D and Group infrastructure;
- It should be noted that projects relating to fluid transfers (R&D + Operations) represent 15% of the Group's investments.

Regarding 2023, the situation is as follows:

- Investments already made at end-March: €5.6 million;
- Planned and already committed investments: €16.2 million

6.2 Events after the reporting period

Acquisitions

DELFINGEN Industry acquires 85% of REIKU GmbH, a German family-owned company, created in 1969 and based in Wiehl. Specialising in the protection of wiring for industrial applications (robotics, automation, etc.), REIKU GmbH has 60 employees and recorded turnover of €14 million in 2022.

This operation allows DELFINGEN Industry to accelerate its diversification in the field of industrial applications, which is one of its priority development areas. The industrial market accounted for 14% of turnover in 2022.

DELFINGEN Industry acquires 100% of AHN Chem Co. Ltd, a Korean company based in the city of Gyeongsan. Specialising in textile sleeves and thermal screens for the protection of wiring harnesses, tubes and hoses, AHN Chem Co. Ltd has 40 employees and in 2022 recorded turnover of €3.5 million, an increase of 20%.

This operation allows DELFINGEN Industry to strengthen its position with Korean manufacturers and suppliers and to continue to develop its textile expertise, a market that is growing fast to address the challenges of new electric and hybrid engines.

DELFINGEN Industry reorganised its German and French entities on 1 January 2023

- In Germany, DELFINGEN DE-Marktrodach GmbH & Co. KG merged into DELFINGEN DE-Deutschland Holding by merger-absorption with effect as of 31 December 2022. Immediately thereafter, DELFINGEN DE VERWALTUNGS GmbH was merged with DELFINGEN DE-Deutschland Holding. Lastly, DELFINGEN DE-Deutschland Holding changed its name to DELFINGEN DE-Marktrodach GmbH.
- In France, the entity DELFINGEN FR-Anteuil SA was dissolved by transfer of activities. The production activities were transferred to the DELFINGEN FR-Anteuil SAS entity and the shared service centres were transferred to the DELFINGEN Industry SA entity.

6.3 Trends and outlook

Outlook for 2023: turnover target of €450 million and a current operating margin of 6%

According to the S&P Global Mobility study of January 2023, global car production is expected to reach 85.1 million vehicles in 2023, increasing by 3%. This growth should remain largely driven by the US market, while the Asian market is expected to be stable and Europe should recover.

In this market with a solid outlook, DELFINGEN Industry is confident in its ability to continue to outperform its markets and is aiming for turnover of €450 million in 2023 (at constant scope and exchange rates), representing annual organic growth of nearly 8%. Over this horizon,

DELFINGEN Industry intends to improve its operating margin to reach 6% in 2023 (versus 5% in 2022).

To achieve these objectives, DELFINGEN Industry has set three strategic priorities for 2023:

- **Strengthening its "Protection of on-board electrical networks" business**
  - Move up from world number three to world number two in textile applications for mobility;
  - Diversify into the "Industries" end market (robotisation, automation, etc.);
  - Strengthen its geographical positions in South Korea, Japan and Germany.
- **Strengthening its financial structure**
  - Improve the current operating margin from 5% to 6%;
  - Increase cash flow generation and reduce debt.
- **Turning environmental and cyber "constraints" into opportunities**
  - By using the decarbonisation plan as operational and business leverage;
  - By capitalising on its TISAX certification, the automotive industry's benchmark standard, to strengthen collaboration with OEMs and Tier 1 suppliers.

6.4 Company Report on Operations

Report on Operations on the annual financial statements of parent company DELFINGEN Industry S.A.

Highlights of the year

DELFINGEN Industry holds the shares of the companies in the scope of consolidation.

In 2022, the following operations took place:

- In January 2022, the creation of the DELFINGEN CN-Shanghai entity;
- On 30 May 2022, the sale of the DELFINGEN RU-Volga entity;
- At 31 August 2022, the liquidation of the DELFINGEN RO-Valahia entity.

As part of the review of the value in use of equity investments and the ability to recover current account advances as well as customer accounts, a provision net of reversals on equity investments and current accounts and customer accounts of €3,826k was recorded in 2022:

- The shares of DELFINGEN PT-Porto and DELFINGEN BR-Sao Paulo were the subject of provision reversals of €100k and €625k respectively;
- The shares of DELFINGEN RO-Valahia were the subject of a provision reversal of €228k following its deconsolidation;
- The customer accounts of DELFINGEN SG-Filipinas and DELFINGEN MA-Casablanca were the subject of new provisions of €2,614k and €2,166k respectively.

Dividends of €5,133k were received by DELFINGEN Industry over the period from DELFINGEN FR-Anteuil, DELFINGEN RO-Valahia and DELFINGEN US-Holding.

DELFINGEN Industry recorded a loss of €1,476k.

2022 activity and results

In order to ensure security in the face of tax uncertainties, in 2020 the DELFINGEN Group changed its transfer pricing policy, supported in this change by its tax advisors.

DELFINGEN Industry assumes all the risks related to its function as the Group's entrepreneurial company, while its manufacturing subsidiaries are exposed to more limited risks.

The choice of a more appropriate remuneration for risk according to the functional profile was made using the transactional net margin method. This approach is based in particular on the arm's length principles recommended by the OECD.

Since 2020, this system has led, on the one hand, to an increase in the expenses of DELFINGEN Industry, which now concentrates all the costs of the shared services and, on the other hand, to an increase in its revenues related to the risk assumed on behalf of the Group.

The 2022 financial year was impacted by the fall in profitability of the subsidiaries of DELFINGEN Industry, which were negatively affected by the increase in production costs (energy, transport, raw materials and labour).

The summary income statement is as follows:

In €k	2022	2021	2020
Operating income	48,586	49,267	38,293
Operating expenses	(53,481)	(44,838)	(36,540)
Operating result	**(4,895)**	**4,430**	**1,754**
Financial income	3,938	6,605	692
Current income	(957)	11,034	2,446
Extraordinary income	(701)	(1,894)	(1,034)
Taxes	182	25	(220)
Net income	**(1,476)**	**9,115**	**1,631**

The operating loss of €4,895k mainly reflects the increase in provisions on the receivables of the subsidiaries and the decrease in transfer price adjustments, which were themselves impacted by the profitability of each subsidiary.

The financial income of €3,938k mainly comprised:

- Dividends received of €5,133k;
- Net interest and financial expenses of -€1,555k;
- Net reversals of financial allocations (equity investments) of €954k.

Extraordinary income corresponds to the capital loss on disposals of shares of subsidiaries in 2022:

- Liquidation of DELFINGEN RO-Valahia
- Disposal of DELFINGEN RU-Volga

The corporation tax savings resulting from the tax consolidation of DELFINGEN Industry, DELFINGEN FR-Anteuil and DELFINGEN FR-Anteuil SAS amounted to €136k for 2022.

DELFINGEN Industry generated a loss of €1,476k.

The summary statement of financial position is as follows:

In €k	2022	2021	2020
Intangible assets	3,312	1,663	1,101
Property, plant and equipment	2,401	2,469	2,299
Long-term investments	134,112	130,126	121,734
TOTAL NON-CURRENT ASSETS	**139,825**	**134,258**	**125,134**
Current assets and accruals	30,694	28,435	28,678
TOTAL ASSETS	**170,519**	**162,693**	**153,811**
Shareholders' equity	53,420	57,853	49,731
Provisions for liabilities and charges	667	927	939
Payables and accruals	116,432	103,912	103,141
TOTAL LIABILITIES	**170,519**	**162,693**	**153,811**

The increase in intangible assets mainly relates to the purchase and development of management software.

Exceptional events or disputes

Provisions for liabilities and charges mainly relate to ongoing disputes at 31 December 2022. These provisions recognise the risks at their estimated maximum value. The amount of provisions for liabilities and charges is set out in Section F of the notes to the annual financial statements.

There are no exceptional events or disputes that could materially affect the business, results, financial position or assets of the Group's parent company that are not reflected in the financial statements.

Expenses not deductible for tax purposes

In accordance with the provisions of Article 223-*quater* of the French General Tax Code, we inform you that the result for the financial year takes into account a sum of €99,681 corresponding to expenses not deductible from the tax result in accordance with the provisions of Article 39-4 of the same code.

Change in accounting method

None

Maturities of trade payables and receivables

Supplier payment terms

Invoices received, unpaid and overdue at the reporting date

		Delay excl. tax					
	Total purchases	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total exc. VAT due (1 day or more)
Amount (€k)	39,487	173	31	22	9	55	117
% total purchases exc. tax		0.4%	0.1%	0.1%	ns	0.1%	0.3%

From the total of €117k due in more than one day, €30k relates to the subsidiaries of DELFINGEN Industry.

Customer payment terms

Invoices issued, unpaid and overdue as of the reporting date

		Delay excl. tax					
	Total sales	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total exc. VAT due (1 day or more)
Amount (€k)	47,717	33	54	1,374	7	11,982	13,417
% total sales exc. tax		0.1%	0.1%	2.9%	ns	25.1%	28.1%

All amounts relate to the subsidiaries of DELFINGEN Industry.

Events after the reporting period

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- In France, the entity DELFINGEN FR-Anteuil SA was dissolved by transfer of activities. The production activities were transferred to the DELFINGEN FR-Anteuil SAS entity and the shared service centres were transferred to the DELFINGEN Industry SA entity.

6.5 Results and other information over the last five financial years

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Capital at year-end					
Share capital (€k)	4,106	4,106	4,106	3,764	3,764
Number of ordinary shares in issue	2,666,120	2,666,120	2,666,120	2,443,944	2,443,944
Number of autonomous stock warrants	-	-	-	-	-
Operations and results for the year					
Turnover excluding taxes (€k)	47,717	47,707	37,593	17,964	18,947
Income before tax, employee profit-sharing, depreciation, amortisation and provisions (€k)	(1,701)	8,008	2,468	3,915	5,263
Corporate income tax (€k)	(182)	25	(220)	(63)	(309)
Employee profit-sharing owed for the year	-	-	-	-	-
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions (€k)	(1,476)	9,115	1,631	2,374	4,731
Income distributed for the year	1,700	3,000	1,000	-	1,377
Earnings per share (including share subscription warrants)					
Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	(0.57)	2.99	1.01	1.80	2.27
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	(0.55)	3.00	0.92	0.97	1.94
Dividend per share	0.64	1.13	0.38	-	0.57
Staff					
Average number of employees	91.2	86.7	74.9	75.8	72.6
Total payroll for the year	5,070	4,742	4,241	4,301	4,154
Total benefits paid during the year	2,285	1,998	1,929	1,842	1,746

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7.1 Consolidated financial statements

Unless otherwise indicated, the figures are presented in thousands of euros.

7.1.1 Consolidated statement of comprehensive income

	2022	2021	2020	Explanatory notes
Net sales	417,143	362,994	241,887	10
Other revenue	499	99	158	
Total revenue	**417,642**	**363,093**	**242,045**	
Purchases consumed	(230,156)	(185,741)	(108,080)	11
Stored and capitalised production	7,481	6,183	4,108	
Other purchases and external expenses	(57,165)	(47,378)	(32,523)	12
Taxes and duties	(1,277)	(1,206)	(1,445)	
Labour cost	(96,483)	(89,745)	(68,059)	18
Net depreciation and amortisation	(19,575)	(18,594)	(14,606)	23
Net allowances for provisions and impairment losses	610	(2,204)	(722)	15-3; 23; 25-2
Miscellaneous income	1,738	1,549	3,395	13
Miscellaneous expenses	(1,751)	(1,819)	(1,823)	13
Total operating expenses	**(396,578)**	**(338,956)**	**(219,757)**	
Current operating income	**21,065**	**24,137**	**22,289**	
Other operating income	369	3,180	35,643	14
Other operating expenses	(3,686)	(3,083)	(4,115)	14
Operating result	**17,748**	**24,235**	**53,817**	
Income from cash and equivalents	11	60	13	
Cost of gross financial debt	(3,515)	(3,787)	(3,111)	36-2
Cost of net financial debt	(3,504)	(3,727)	(3,098)	
Other financial income	2,818	4,411	3,719	36-1
Other financial expenses	(2,888)	(3,609)	(4,933)	36-1
Profit before tax	**14,174**	**21,309**	**49,505**	
Income tax expense	(5,906)	(4,950)	(4,049)	38
Net income from continuing operations	8,268	16,359	45,456	
Net income from discontinued and held-for-sale operations	-	-	-	7
Consolidated net income	**8,268**	**16,359**	**45,456**	
Non-controlling interests	122	233	149	
Net income attributable to shareholders	**8,145**	**16,126**	**45,307**	
Earnings per share *(in €)*	3.11	6.14	18.38	31
Diluted earnings per share *(in €)*	3.11	6.14	18.38	31
Earnings per share from continuing operations *(in €)*	3.11	6.14	18.38	31

Average exchange rate for the period (€/USD)	*1.053650*	*1.182990*	*1.141367*

Statement of net income and gains and losses recognised directly in equity	2022	2021	2020
Net income	8,268	16,359	45,456
Other comprehensive income recyclable to profit or loss	**1,802**	**5,612**	**(6,821)**
Translation adjustments	*1,802*	*5,612*	*(6,821)*
Remeasurement of hedging financial instruments	-	-	-
Remeasurement of available-for-sale financial assets	-	-	-
Remeasurement of fixed assets	-	-	-
Other comprehensive income not recyclable to profit or loss	**(358)**	**(287)**	**(327)**
Net actuarial gains and losses on defined benefit plans	*(358)*	*(287)*	*(327)*
Share of gains (losses) recognised directly in equity from investments in associates	-	-	-
Total gains and losses recognised directly in equity	**1,444**	**5,325**	**(7,148)**
Net income and gains and losses recognised directly in equity	**9,712**	**21,684**	**38,308**
Of which Group share	9,693	21,607	38,331
Of which non-controlling interests	19	78	(22)

7.1.2 Consolidated statement of financial position

Assets	2022	2021	2020	Explanatory notes
Non-current assets				
Goodwill	60,662	59,969	56,903	21
Intangible assets	11,429	11,530	11,568	21
Property, plant and equipment	106,564	101,690	93,474	22
Available-for-sale assets	-	-	-	
Other non-current financial assets	2,020	2,331	2,190	32
Deferred tax assets	1,586	1,748	1,548	39
TOTAL NON-CURRENT ASSETS	**182,262**	**177,268**	**165,682**	
Current assets				
Inventories	58,587	43,631	35,860	15-1
Trade and other receivables	78,582	66,178	82,046	15-2
Other net receivables	15,864	14,289	18,432	15-2
Current tax	2,598	1,650	2,340	15-2
Cash and equivalents	14,925	26,452	25,410	33
Held-for-sale assets	-	-	-	
TOTAL CURRENT ASSETS	**170,555**	**152,202**	**164,087**	

TOTAL ASSETS	**352,817**	**329,469**	**329,769**
EUR/USD exchange rate	*1.0666*	*1.1326*	*1.2271*

Liabilities	2022	2021	2020	Explanatory notes
Group shareholders' equity				
Parent company capital	4,106	4,106	4,106	28
Capital-related reserves	15,687	15,687	15,653	28
Treasury shares	(1,465)	(971)	(772)	27
Consolidated reserves	116,701	102,694	58,814	
Translation adjustments	1,793	504	(5,770)	
Group consolidated net income	8,145	16,126	45,307	
TOTAL GROUP SHAREHOLDERS' EQUITY	**144,968**	**138,145**	**117,338**	
Non-controlling interests				
Non-controlling interests on reserves	638	424	222	
Non-controlling interests on income	122	233	149	
Total non-controlling interests	761	657	371	
TOTAL EQUITY	**145,729**	**138,802**	**117,709**	
Non-current liabilities				
Long- and medium-term financial payables	99,588	91,688	95,842	34
Other financial liabilities	113	-	-	32
Employee benefits	1,746	2,239	2,299	17
Non-current provisions	1,427	1,745	2,016	25
Deferred tax liabilities	5,230	5,832	5,465	39
TOTAL NON-CURRENT LIABILITIES	**108,104**	**101,503**	**105,623**	
Current liabilities				
Financial payables due in less than 1 year[1]	43,494	38,647	33,278	34
Trade payables	35,722	28,593	45,925	
Other current liabilities	16,519	19,782	25,365	15-4
Current provisions	-	-	-	
Current tax	3,248	2,142	1,869	
Liabilities held for disposal	-	-	-	
TOTAL CURRENT LIABILITIES	**98,983**	**89,164**	**106,437**	
TOTAL LIABILITIES	**352,817**	**329,469**	**329,769**	
(1) Of which current bank facilities	*20,481*	*11,199*	*14,361*	
Of which accrued interest	*20*	*22*	*77*	
EUR/USD exchange rate	*1.0666*	*1.1326*	*1.2271*	

7.1.3 Consolidated statement of cash flows

	2022	2021	2020	Explanatory notes
Net income from consolidated entities	**8,268**	**16,359**	**45,456**	
Elimination of expenses and income with no cash impact or not related to the activity				
Depreciation, amortisation and provisions: allowances	20,528	19,600	16,185	
Depreciation, amortisation and provisions: reversals	(1,070)	(631)	(515)	
Capital gains and losses on disposals	3,256	405	(157)	
IFRS 16 assignment of contracts	(11)	-	(168)	
Net result from equity affiliates	-	-	(1,072)	
Dividends received from equity affiliates	-	-	2,585	
Revaluation income from equity affiliates	-	-	(13,047)	
Badwill	-	(376)	(22,527)	
Transactions with no impact on cash	(82)	-	-	
Cash flow from operations after cost of debt and tax	***30,889***	***35,357***	***26,740***	
Cost of net financial debt	3,515	3,727	3,111	
Income tax payable	6,771	5,148	4,284	38
Change in deferred taxes	(865)	(197)	(236)	39
Cash flow from operations before cost of debt and tax	***40,310***	***44,034***	***33,899***	***41***
Income tax paid	(6,728)	(4,215)	(3,417)	
Change in working capital requirement	(27,474)	(13,343)	(16,023)	15-5
Net cash flow from operating activities	**6,107**	**26,476**	**14,459**	
Cash flow related to investment activities				
Acquisitions of property, plant and equipment	(15,822)	(11,719)	(8,985)	22
Acquisitions of intangible assets	(2,623)	(2,590)	(1,828)	21-2
Disposals of property, plant and equipment and intangible assets	192	(69)	(51)	
Change in long-term investments	124	235	1,454	
Changes in scope of consolidation	(360)	(31)	(24,895)	6
Net cash flow related to investment activities	**(18,488)**	**(14,174)**	**(34,305)**	
Net cash flow related to financing activities				
Dividends paid to parent company shareholders	(2,952)	(1,000)	-	29
Cash capital increase	-	-	3,333	
Loans taken out	27,837	45,570	43,629	
Loans repaid	(29,907)	(49,801)	(16,014)	
Financial interest paid	(3,515)	(3,727)	(3,111)	
Derivative financial instruments	113	-	1	
Treasury shares	(493)	-	-	
Other movements	(2)	(56)	-	
Net cash flow related to financing activities	**(8,920)**	**(9,012)**	**27,838**	
Theoretical change in cash flow	(21,301)	3,290	7,993	

Cash – actual opening balance	**15,254**	**11,048**	**3,562**	
Effect of changes in foreign exchange rate	437	935	(607)	
Cash reclassification	55	(20)	100	
Cash – actual closing balance	(5,556)	15,254	11,048	33-2
Actual change in cash flow	**(21,302)**	**4,205**	**7,993**	

7.1.4 Consolidated statement of changes in shareholders' equity

	Capital	Capital-related reserves	Treasury shares	Reserves and consolidated results	Translation adjustments	Shareholders' equity – Group	Shareholders' equity – non-controlling interests	Total shareholders' equity
At 31 December 2020	**4,106**	**15,653**	**(772)**	**104,122**	**(5,770)**	**117,338**	**371**	**117,709**
Capital increase/reduction	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	16,126	-	16,126	233	16,359
Dividends paid	-	-	-	(1,000)	-	(1,000)	-	(1,000)
Translation differences	-	-	-	-	5,665	5,665	(53)	5,612
Change in the scope of consolidation	-	-	-	-	-	-	-	-
Net actuarial gains and losses on defined benefit plans		-	-	(287)	-	(287)	-	(287)
Treasury shares	-	-	(199)	-	-	(199)	-	(199)
Other movements	-	34	-	(141)	609	502	106	608
At 31 December 2021	**4,106**	**15,687**	**(971)**	**118,820**	**504**	**138,145**	**657**	**138,802**
Capital increase/reduction	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	8,145	-	8,145	122	8,267
Dividends paid	-	-	-	(2,952)	-	(2,952)	-	(2,952)
Translation differences	-	-	-	-	1,802	1,802	19	1,821
Change in the scope of consolidation	-	-	-	-	-	-	-	-
Net actuarial gains and losses on defined benefit plans		-	-	358	-	358	-	358
Treasury shares	-	-	(493)	-	-	(493)	-	(493)
Other movements	-	-	-	475	(513)	(38)	(37)	(75)
At 31 December 2022	**4,106**	**15,687**	**(1,465)**	**124,846**	**1,793**	**144,968**	**761**	**145,729**

7.1.5 Notes to the consolidated financial statements

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A. Frame of reference and valuation methods

Note 1 Frame of reference applied and new standards, amendments and interpretations

1.1 Frame of reference applied

The financial statements are presented in accordance with IFRS as adopted by the European Union at 31 December 2022 and are available on the European Commission's website.

The financial statements are presented in euros and rounded to the nearest thousand. They have been prepared in accordance with the general principles of IFRS:

- True and fair view;
- Going concern;
- Commitment accounting;
- Permanence method of presentation;
- Relative importance and grouping.

The Group has decided against the early application of standards, updates and interpretations (when the texts offer this option) that have been published but for which application is not mandatory for the financial year beginning 1 January 2022. The Group does not expect this to result in any material changes.

The accounting policies used to prepare the Group's financial statements are described in the following notes. Unless otherwise specified, they have been applied consistently to all the financial years presented.

1.2 Standards, amendments and interpretations adopted by the European Union for which application is mandatory or non-mandatory for annual periods beginning on or after 1 January 2022

Standards, amendments and interpretations adopted by the European Union for which application is mandatory for annual periods beginning on or after 1 January 2022

The following standards and amendments have no impact on the Group's consolidated financial statements for the year ended 31 December 2022:

- Amendment to IAS 16 – Property, Plant and Equipment - Proceeds before Intended Use

This amendment, published by the IASB on 14 May 2020, prohibits the deduction from the cost of an item of property, plant and equipment of the proceeds from the sale of manufactured goods while this fixed asset is taken to the necessary location and put in the necessary condition to be able to function in the manner intended by Management. Rather, entities should recognise the proceeds from the sale and the cost of production of these goods in net income.

- Amendment to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments made to IAS 37 by the IASB in May 2020 state that "costs directly related to the contract" are "fulfilment costs". They may be marginal costs related to the fulfilment of this contract (such as the cost of direct labour and the cost of raw materials) or an allocation of other costs directly related to the fulfilment of the contract (depreciation of an item of property, plant and equipment used in the fulfilment of a contract).

- Reference to the Conceptual Framework (Amendments to IFRS 3)

- Annual Improvements to IFRSs 2018-2020 Cycle Standards concerned:
    - IAS 41 – Taxation in fair value measurements
    - IFRS 1 – Subsidiary as a first-time adopter

- Fees in the "10 per cent" Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)
- IFRS 16 – Lease incentives

Note 2 Use of estimates

The preparation of financial statements in accordance with IFRS is based on assumptions and estimates made by Management to calculate the value of assets and liabilities, income and expenses at the end of the financial year. These estimates and assumptions reflect the reasonable and prudent judgement of Management, which revises them on an ongoing basis, based on past experience and all available information. However, actual results could differ significantly from these estimates.

The estimates made and significant assumptions used in the preparation of the financial statements for the period ended 31 December 2022 mainly relate to the following items:

- Deferred tax assets;
- Provisions;
- Goodwill impairment.

The sensitivities identified and monitored by Management mainly relate to data and assumptions connected with the implementation of value tests. These assumptions are consolidated via a process of gathering forecast information from major players in the automotive sector (market assumptions) and actuary information (discount rate).

B. Information on the scope of consolidation

Note 3 Consolidation principles

3.1 Consolidation methods

The full consolidation method is applied to the financial statements of companies over which DELFINGEN Industry exercises direct or indirect control.

Control of a company exists when the Group:

- Has power over the company;
- Is exposed or is entitled to variable returns by reason of its links with the company;
- Is able to exercise its power over the company's activities that are deemed relevant in such a way as to influence the amount of returns it obtains.

No company is subject to a partnership agreement.

All material transactions between consolidated companies are eliminated, together with intra-Group results (capital gains, gains on inventories and dividends).

3.2 Conversion methods

3.2.1 Foreign currency transactions

Foreign currency transactions are recorded in the functional currency at the rate on the transaction date or, in practice, at the average rate for the period until such time as this is impacted by significant price changes. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate prevailing at the reporting date. Currency translation differences are recognised in profit or loss, except for those relating to loans and borrowings, which, in essence, are an integral part of the net investment in a foreign subsidiary.

These are recognised in other comprehensive income, in the translation reserves included in consolidated shareholders' equity, at their amount net of tax until the date of exit from the net investment at which they will be recognised in profit or loss.

3.2.2 *Translation of consolidated subsidiaries' financial statements*

The financial statements of foreign companies are translated into euros at the exchange rate of 31 December 2022 for items in the statement of financial position and at the average exchange rate for the financial year for the income statement. Translation adjustments are recognised in other comprehensive income that may be recycled to profit or loss.

The rates of the main currencies used to consolidate the financial statements are as follows:

	Opening rate			Average rate			Closing rate		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Euro	1.0000	1.00000	1.00000	1.0000	1.00000	1.00000	1.0000	1.00000	1.00000
Tunisian dinar	3.2623	3.30888	3.14294	3.2417	3.28261	3.19713	3.3107	3.26230	3.30888
Moroccan dirham	10.4930	10.89343	10.73258	10.6750	10.63535	10.82791	11.1699	10.49303	10.89343
Romanian leu	4.9490	4.86830	4.78300	4.9315	4.92085	4.83817	4.9495	4.94900	4.86830
Turkish lira	n/a	9.11310	6.68430	n/a	10.50375	8.04126	n/a	15.23350	9.11310
Brazilian real	6.3101	6.37350	4.51570	5.4406	6.37709	5.88739	5.6386	6.31010	6.37350
US dollar	1.1326	1.22710	1.12340	1.0537	1.18299	1.14137	1.0666	1.13260	1.22710
Chinese yuan	7.1947	8.02250	7.82050	7.0782	7.63229	7.87008	7.3582	7.19470	8.02250
Philippine peso	57.7630	59.12500	56.90000	57.3092	58.28300	56.58775	59.3200	57.76300	59.12500
Japanese yen	130.3800	126.49000	121.94000	137.9546	129.85847	121.77052	140.6600	130.38000	126.49000
Indian rupee	84.2292	89.66050	80.18700	82.7066	87.43365	84.58672	88.1710	84.22920	89.66050
Thai baht	37.6530	36.72700	33.41500	36.8502	37.82027	35.69005	36.8350	37.65300	36.72700
Russian ruble	85.3004	91.46710		73.4376	87.18584	90.56915	76.7952	85.30040	91.46710

Note 4 Closing dates

With the exception of DELFINGEN India Private Limited, whose financial year ends on 31 March 2023, the financial years of all companies in the scope of consolidation ended on 31 December 2022.

Concerning DELFINGEN India Private Limited, an audited 12-month interim statement was drawn up at 31 December 2022.

Note 5 Scope of consolidation

The consolidated financial statements of the Group include all the subsidiaries, sub-subsidiaries and equity investments of DELFINGEN Industry.

The companies included in the Group's scope of consolidation are as follows:

Company name	Country	% held			Method*
		2022	2021	2020	
DELFINGEN Industry	France	Parent	Parent	Parent	FC
DELFINGEN FR-Anteuil	France	100.00	99.98	99.98	FC
DELFINGEN FR-Anteuil SAS	France	100.00	100.00	100.00	FC
DELFINGEN DE-Deutschland Holding	Germany	100.00	100.00	100.00	FC
DELFINGEN DE-Marktrodach Verwaltungs	Germany	100.00	100.00	100.00	FC
DELFINGEN DE-Marktrodach	Germany	100.00	100.00	100.00	FC
DELFINGEN DE-Münchberg**(1)**	Germany	-	-	100.00	FC
DELFINGEN DE-Aschheim	Germany	100.00	100.00	100.00	FC
DELFINGEN DE-Hassfurt	Germany	100.00	100.00	100.00	FC
DELFINGEN PT-Porto	Portugal	100.00	100.00	100.00	FC
DELFINGEN SK-Nitra	Slovakia	100.00	100.00	100.00	FC
DELFINGEN RO-Transilvania	Romania	100.00	100.00	100.00	FC
DELFINGEN RO-Valahia**(4)**	Romania	-	99.99	99.99	FC
DELFINGEN RO-Satu Mare	Romania	100.00	100.00	100.00	FC
DELFINGEN TR-Marmara**(2)**	Turkey	-	-	99.99	FC
DELFINGEN TN-Tunis	Tunisia	100.00	100.00	100.00	FC
DELFINGEN MA-Casablanca	Morocco	100.00	100.00	100.00	FC
DELFINGEN MA-Tanger**(3)**	Morocco	-	-	100.00	FC
DELFINGEN IT-Verona	Italy	100.00	100.00	100.00	FC
DELFINGEN MA-Tanger 2	Morocco	100.00	100.00	100.00	FC
DELFINGEN TN-Fouchana	Tunisia	100.00	100.00	100.00	FC
DELFINGEN BR-Sao Paulo	Brazil	99.99	99.99	99.99	FC
DELFINGEN Iberica	Spain	100.00	100.00	100.00	FC
DELFINGEN RU-Volga**(5)**	Russia	-	100.00	100.00	FC
DELFINGEN LU-Luxembourg	Luxembourg	100.00	100.00	100.00	FC
DELFINGEN US-Holding	United States	100.00	100.00	100.00	FC
DELFINGEN US	United States	100.00	100.00	100.00	FC
DELFINGEN US-New York	United States	100.00	100.00	100.00	FC
DELFINGEN US-Texas	United States	100.00	100.00	100.00	FC
DELFINGEN US-Mexico	United States	100.00	100.00	100.00	FC
Sofanou of Mexico	United States	100.00	100.00	100.00	FC
DELFINGEN MX-Coahuila	Mexico	100.00	100.00	100.00	FC
Compañeros en Excelencia en Extrusión	Mexico	100.00	100.00	100.00	FC
DELFINGEN US-Nicaragua	United States	100.00	100.00	100.00	FC

Company name	Country	% held			Method*
		2022	2021	2020	
DELFINGEN NI-Leon	Nicaragua	100.00	100.00	100.00	FC
DELFINGEN US-Central America	United States	100.00	100.00	100.00	FC
DELFINGEN HN-Cortes	Honduras	100.00	100.00	100.00	FC
DROSSBACH CN-Ontario	Canada	100.00	100.00	100.00	FC
DROSSBACH US-Ohio	United States	100.00	100.00	100.00	FC
DELFINGEN Asia Pacific Holding	Singapore	100.00	100.00	100.00	FC
DELFINGEN (Hebi) Automotive Parts Company	China	86.67	86.67	86.67	FC
DELFINGEN (Hebi) Automotive parts company, Shanghai Branch**(6)**	China	100.00	-	-	FC
Wuhan DELFINGEN Automotive Tubing	China	100.00	100.00	100.00	FC
DELFINGEN SG-Filipinas	Singapore	100.00	100.00	100.00	FC
DELFINGEN PH-Filipinas Inc.	Philippines	99.99	99.99	99.99	FC
DELFINGEN PH-Cavite Inc.	Philippines	99.99	99.99	99.99	FC
DELFINGEN Japan	Japan	100.00	100.00	100.00	FC
INDIA DELFINGEN	India	100.00	100.00	100.00	FC
DELFINGEN Siam	Thailand	99.99	99.99	99.99	FC
DELFINGEN ROH ASIA	Thailand	99.99	99.99	99.99	FC
DELFINGEN PH-ROHQ	Philippines	100.00	100.00	100.00	FC
DELFINGEN Middle East	United Arab Emirates	100.00	100.00	-	FC

** FC: Full consolidation*

***(1)** company disposed of in July 2021 **(2)** liquidated in 2021 **(3)** merged with DELFINGEN MA-Tanger 2 in August 2021*

***(4)** liquidated in August 2022 **(5)** company disposed of in May 2022 **(6)** company created in January 2022*

Note 6 Acquisitions and disposals of activities

In 2022, the following operations took place:

- In January 2022, the creation of the DELFINGEN CN-Shanghai entity;
- On 30 May 2022, the sale of the DELFINGEN RU-Volga entity;
- At 31 August 2022, the liquidation of the DELFINGEN RO-Valahia entity.

Note 7 Discontinued operations and held-for-sale assets

None.

Note 8 Information on SPVs

Not applicable.

C. Segment information

Note 9 Segment information

In accordance with IFRS 8, an operating segment is a component of an entity:

- That engages in activities from which it is likely to acquire revenue from ordinary activities and incur expenses (including revenue from ordinary activities and expenses relating to transactions with other components of the same entity);
- Whose operating results are regularly reviewed by the entity's chief operating decision-maker in order to make decisions about resources to be allocated to the segment and to assess its performance;
- For which isolated financial information is available.

Thus, the Group has defined the segments to be presented based on the internal reporting used by Management to assess performance and allocate resources to the various segments.

In 2022, the 4 segments adopted by the Group were as follows:

- Mobility – EA: includes products related to the Mobility market in the Europe and Africa area;
- Mobility – Americas: includes products related to the Mobility market in the North, Central and South America area;
- Mobility – Asia: includes products related to the Mobility market in Asia;
- Industrial Market: this segment includes all products outside the mobility market related to the insulation sleeve business as well as the protective tubing corresponding to the Drossbach Group's activity.

The Schlemmer segment, presented separately since its acquisition in 2020, is now part of the Mobility EA segment.

In addition to these four segments, there are also holding companies and eliminations.

The indicators used to measure the performance of the segments, and in particular the operating result, are reconciled with the consolidated financial statements. The key indicators are as follows:

- Turnover;
- Operating income;
- Investments in property, plant and equipment and intangible assets;
- Segment assets consisting of property, plant and equipment, intangible assets, goodwill and inventories.

Financial payables, other income and other expenses, financial results and taxes are monitored at the Group level and are not allocated to segments.

9.1 Income statement items by segment

FY 2022	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding companies	Eliminations	Consolidated
Total turnover	213,117	132,912	54,530	43,475	(2,655)	(24,236)	417,143
of which external turnover	*204,781*	*131,174*	*49,422*	*42,069*	-	*(10,303)*	*417,143*
of which intra-Group turnover	*8,336*	*1,738*	*5,108*	*1,406*	*(2,655)*	*(13,933)*	-
Total operating income and expenses	205,233	127,084	49,597	31,896	5,611	(19,858)	399,564
Operating income	7,884	5,828	4,933	11,579	(8,266)	(4,377)	17,580

FY 2021	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding companies	Eliminations	Consolidated
Total turnover	196,773	99,805	39,498	39,253	(2,178)	(10,157)	362,994
of which external turnover	*190,112*	*98,346*	*35,560*	*37,053*	-	*1,923*	*362,994*
of which intra-Group turnover	*6,661*	*1,459*	*3,938*	*2,200*	*(2,178)*	*(12,080)*	-
Total operating income and expenses	170,819	92,187	36,425	35,022	(5,989)	10,346	338,810
Operating income	25,956	7,618	3,072	4,231	3,810	(20,503)	24,184

FY 2020	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding companies	Eliminations	Consolidated
Total turnover	103,718	95,307	29,255	34,459	920	(21,772)	241,887
of which external turnover	*98,939*	*94,228*	*25,219*	*25,563*	-	*(2,062)*	*241,887*
of which intra-Group turnover	*4,780*	*1,078*	*4,036*	*8,896*	*920*	*(19,709)*	-
Total operating income and expenses	94,991	91,040	27,778	23,671	(17,796)	(31,614)	188,070
Operating income	8,726	4,267	1,477	10,789	18,716	9,842	53,817

As a reminder, in 2021 and 2020, the previous tables were presented with a fifth segment: "Schlemmer".

FY 2021 (with Schlemmer)	Automotive EA	Automotive Americas	Automotive Asia	Industrial Market	Schlemmer	Holding companies	Eliminations	Consolidated
Total turnover	57,360	99,805	39,498	39,253	139,414	(2,178)	(10,157)	362,994
of which external turnover	*58,514*	*98,346*	*35,560*	*37,053*	*131,598*	-	*1,923*	*362,994*
of which intra-Group turnover	*(1,154)*	*1,459*	*3,938*	*2,200*	*7,816*	*(2,178)*	*(12,080)*	-
Total operating income and expenses	54,775	92,187	36,425	35,022	116,044	(5,989)	10,346	338,810
Operating income	2,584	7,618	3,072	4,231	23,370	3,810	(20,503)	24,184

FY 2020 (with Schlemmer)	Automotive EA	Automotive Americas	Automotive Asia	Industrial Market	Schlemmer	Holding companies	Eliminations	Consolidated
Total turnover	67,333	95,307	29,255	34,459	36,386	920	(21,772)	241,887
of which external turnover	*62,554*	*94,228*	*25,219*	*25,563*	*36,386*	-	*(2,062)*	*241,887*
of which intra-Group turnover	*4,780*	*1,078*	*4,036*	*8,896*	-	*920*	*(19,709)*	-
Total operating income and expenses	65,549	91,040	27,778	23,671	29,443	(17,796)	(31,614)	188,070
Operating income	1,784	4,267	1,477	10,789	6,943	18,716	9,842	53,817

9.2 Statement of financial position items by segment

FY 2022	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding companies	Eliminations	Consolidated
Segment assets	57,171	22,659	16,992	7,417	139,851	(61,828)	182,262
Acquisition of non-current assets	7,085	15,539	4,510	1,076	6,596	(15,495)	19,311

FY 2021	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding companies	Eliminations	Consolidated
Segment assets	89,047	41,613	16,826	18,953	23,523	(12,694)	177,268
Acquisition of non-current assets	10,285	2,511	3,272	219	(884)	614	16,017

FY 2020	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding companies	Eliminations	Consolidated
Segment assets	76,624	28,680	11,396	17,797	42,423	(11,238)	165,682
Acquisition of non-current assets	21,984	8,573	4,302	2,164	(118)	(1,045)	35,860

As a reminder, in 2021 and 2020, the previous tables were presented with a fifth segment: "Schlemmer".

FY 2021 (with Schlemmer)	Automotive EA	Automotive Americas	Automotive Asia	Industrial Market	Schlemmer	Holding companies	Eliminations	Consolidated
Segment assets	26,866	41,613	16,826	18,953	62,181	23,523	(12,694)	177,268
Acquisition of non-current assets	5,763	2,511	3,272	219	4,523	(884)	614	16,017

FY 2020 (with Schlemmer)	Automotive EA	Automotive Americas	Automotive Asia	Industrial Market	Schlemmer	Holding companies	Eliminations	Consolidated
Segment assets	27,473	28,680	11,396	17,797	49,152	42,423	(11,238)	165,682
Acquisition of non-current assets	8,787	8,573	4,302	2,164	13,197	(118)	(1,045)	35,860

D. Operating data

Note 10 Turnover

The amount of turnover is measured at the fair value of the consideration received or receivable after deduction of any returns or action correlated with sales.

Income is recognised in the income statement when the significant risks and rewards of ownership of the goods have been transferred to the purchaser.

Given the nature of the products, general terms and conditions of sale, commercial terms of transport and insurance policies, income is generally recorded on the invoice date.

10.1 Breakdown of turnover by geographical area

	2022	2021	2020
Europe – Africa	193,603	196,081	104,059
Americas	174,118	131,353	112,613
Asia	49,422	35,560	25,226
TOTAL	**417,143**	**362,994**	**241,898**

It should be noted that all companies included in the scope of consolidation invoice customers based on rates indexed to the euro exchange rate, with the exception of American, Canadian, Filipino, Mexican, Honduran, Chinese, Indian and Russian companies.

American, Filipino, Mexican and Honduran companies invoice their customers directly in US dollars, Canadian companies in Canadian dollars, Chinese companies mainly invoice in Chinese yuan, Indian companies mainly invoice in Indian rupees and Russian companies mainly invoice in Russian rubles.

At constant exchange rates, the Group's consolidated turnover would have amounted to €394.1 million, mainly impacted by sales in USD.

Note 11 Purchases consumed

	2022	2021	2020
Purchase of goods for resale	53,638	51,058	19,160
Change in inventories of goods for resale	(798)	(1,984)	(729)
Purchases of raw materials	187,210	142,209	89,744
Change in inventories of raw materials	(11,217)	(6,812)	(663)
Other supplies	1,323	1,269	558
TOTAL	**230,156**	**185,741**	**108,071**

The rate of purchases consumed (net of changes in stored and capitalised production) increased by 3.9 points in 2022 to 53.4% of turnover, compared with 49.5% in 2021 and 43% in 2020. This is mainly due to the increase in the price of raw materials, which is estimated at around €11 million.

Note 12 Other purchases and external expenses

	2022	% OF TURNOVER	2021	% OF TURNOVER	2020	% OF TURNOVER
Water, electricity, gas	8,430	2.0%	6,621	1.8%	4,735	2.0%
Leases and service charges	4,365	1.0%	3,746	1.0%	2,502	1.0%
Maintenance and repairs	6,677	1.6%	6,297	1.7%	4,206	1.7%
Remuneration of intermediaries and fees	5,921	1.4%	5,266	1.5%	3,496	1.4%
Transport costs on sales and misc. transport	12,040	2.9%	8,795	2.4%	5,793	2.4%
Travel, assignments and entertainment	3,496	0.8%	1,664	0.5%	1,229	0.5%
Other purchases and external expenses	16,237	3.9%	14,990	4.1%	10,562	4.4%
TOTAL	**57,165**	**13.7%**	**47,378**	**13.1%**	**32,523**	**13.4%**

External expenses amount to 13.7% of sales, compared with 13.1% in 2021, adversely affected by the increase in energy and transport costs, as well as the return to a normal level of travel after two years of restrictions due to the COVID-19 crisis.

The impact of the application of IFRS 16 for 2022 resulted in a €6.6 million decrease in leases and service charges.

Note 13 Miscellaneous income and expenses

	2022	2021	2020
Miscellaneous income	1,496	1,343	1,022
Income on management operations	50	74	22
Proceeds from the sale of intangible assets and property, plant and equipment	192	132	1,239
Proceeds from the sale of financial assets	-	-	39
TOTAL MISCELLANEOUS INCOME	**1,739**	**1,549**	**2,323**
Miscellaneous expenses	(1,199)	(1,215)	(704)
Expenses on management operations	(8)	(66)	2
Net carrying amount of intangible assets and property, plant and equipment disposed of	(544)	(325)	(1,048)
Net carrying amount of long-term investments disposed of	-	(212)	(74)
TOTAL MISCELLANEOUS EXPENSES	**(1,751)**	**(1,818)**	**(1,824)**

Note 14 Other operating income and expenses

	2022	2021	2020
Non-current income from previous years	-	-	-
Other non-current income	369	3,556	35,643
TOTAL OTHER OPERATING INCOME	**369**	**3,556**	**35,643**
Goodwill impairment	-	-	(882)
Non-current expenses for previous years	(14)	4	-
Other non-current expenses	(3,672)	(3,462)	(3,234)
TOTAL OTHER OPERATING EXPENSES	**(3,686)**	**(3,459)**	**(4,115)**

"Other non-current income" mainly relates to proceeds from the sale of DELFINGEN RU-Volga for an amount of €300k.

"Other non-current expenses" comprise:

- A loss of €2.7 million related to the disposal of DELFINGEN RU-Volga on 30 May 2022.
- A loss of €498k related to the liquidation of DELFINGEN RO-Valahia on 31 August 2022.
- Payment of €300k in proceeds from the sale of the DELFINGEN RU-Volga entity to the newly created DELFINGEN Foundation in Switzerland.

Note 15 Working capital requirement

15.1 Inventories and work-in-progress

Inventories are stated at the lower of cost and net realisable value.

Finished products and work-in-progress are valued at their production cost which incorporates, on the basis of a normal level of activity, direct and indirect production costs. Inventories of goods for resale, raw materials and other supplies are valued at weighted average cost or at the last purchase price. Financial costs are not included in the cost of inventories.

A provision for impairment of inventories is recognised when the realisable value is lower than the cost price, if they are damaged or obsolete and whenever they present a risk of non-disposal under normal conditions.

Inventories

Inventory amounts break down as follows:

	2022	2021	2020
Raw materials and other supplies	35,256	23,732	18,097
Work in progress - goods	1,595	1,225	1,200
Finished products	16,645	13,921	12,783
Goods for resale	8,831	8,859	6,389
GROSS INVENTORIES	**62,327**	**47,738**	**38,468**
Provisions	(3,740)	(4,106)	(2,609)
NET INVENTORIES	**58,587**	**43,631**	**35,860**

Change in inventories

Gross inventories at beginning of year	**47,738**
Foreign exchange fluctuations	535
Change in inventories	15,650
Other movements	(753)
Change in the scope of consolidation	(899)
Gross inventories at end of year	**62,270**

Opening provisions	**4,106**
Allowances	1,712
Reversals	(2,057)
Other movements	(57)
Foreign exchange fluctuations	43
Change in the scope of consolidation	(64)
Provisions at end of year	**3,683**
Net inventories at end of year	**58,587**

The amounts in other movements correspond to reclassifications between inventories and fixed assets of machines developed internally but intended to be capitalised.

The amounts in change of scope correspond to the deconsolidation of RU-Volga on 30 May 2022.

At 31 December 2022, the amount of provisions for write-downs of inventories was:

- Raw materials and other supplies: €1,414k;
- Finished products and work-in-progress: €1,418k;
- Goods for resale: €852k.

15.2 Trade and other receivables

These receivables are recognised at fair value remeasured at amortised cost using the effective interest rate method after deducting any impairment losses. When the payment terms are less than one year, the initial fair value and the subsequent amortised cost are equal to the nominal amount.

In the event of non-recovery risk, impairment losses are recognised on a case-by-case basis according to probable cash inflows.

The table of receivables and other current assets is as follows:

	2022			2021	2020
	Gross	Provisions	Net	Net	Net
Trade and other receivables	**79,477**	**895**	**78,582**	**66,178**	**82,046**
Tax and social security receivables	5,985	-	5,985	6,898	9,945
Sundry debtors	801	-	801	554	2,137
Advances and down payments made	3,125	-	3,125	1,264	1,162
Prepaid expenses	5,953	-	5,953	5,573	5,187
Sub-total other net receivables	**15,864**	**-**	**15,864**	**14,289**	**18,432**
Current tax	2,598	-	2,598	1,650	2,340
TOTAL	**97,938**	**895**	**97,043**	**82,118**	**102,817**

The "trade and other receivables" item increased by €12.4 million, mainly due to the increase in activity in the fourth quarter of 2022 compared with 2021 (+24%).

Late payments, given the quality of customers, do not constitute a material risk. They are generally due to administrative problems.

At 31 December 2022, late payments of more than one month amounted to €1.1 million, and the provision for doubtful accounts amounted to €895k.

The majority of prepaid expenses correspond to the recognition of costs associated with the sale of tools under IFRS 15.

Factoring agreements: None.

15.3 Allowances for and reversals of provisions for current assets

	2022	2021	2020
Allowances for provisions for inventories	(1,712)	(2,526)	(1,788)
Allowances for provisions for other current assets	(313)	(587)	(226)
Reversals of provisions for inventories	2,057	1,027	1,353
Reversals of provisions for other current assets	462	126	179
TOTAL NET ALLOWANCES FOR PROVISIONS	**494**	**(1,961)**	**(484)**

15.4 Other current liabilities

	2022	2021	2020
Tax and social security payables	12,008	14,703	18,827
Advances and down payments received on orders	1,340	1,306	1,604
Deferred income	2,459	2,669	3,698
Shareholder current account	-	-	71
Sundry payables	714	1,103	1,165
TOTAL	**16,519**	**19,782**	**25,365**

15.5 Change in working capital requirement

	2022	2021	2020
Change in net inventories	15,994	9,510	2,147
Change in net trade receivables	12,156	(22,552)	33,708
Change in trade payables	(5,094)	26,217	(20,279)
Other changes	4,417	168	448
INCREASE (DECREASE) IN WORKING CAPITAL REQUIREMENT	**27,474**	**13,343**	**16,024**

The working capital requirement increased by €14.1 million, mainly due to the increase in activity in the fourth quarter of 2022 compared with 2021 (+24%).

E. Labour costs and employee benefits

Note 16 Workforce breakdown

The breakdown of the workforce at 31 December (including temporary workers) was as follows:

	2022	2021	2020
Executive	1	1	1
Managerial staff	593	594	698
Staff	3,340	2,926	2,976
GROUP TOTAL	**3,934**	**3,521**	**3,675**

Note 17 Employee benefits

The amount recognised in respect of employee benefits corresponds solely to pension commitments. There are no other employee benefits within the Group that could give rise to a commitment for the Group.

The Group's commitments in respect of pensions and similar benefits mainly concern defined benefit plans relating to termination benefits. The countries concerned by these provisions are France, India, the Philippines and Italy.

The amount of pension commitments and similar benefits is immaterial (€1.7 million) in light of the Group's financial position and assets.

The pension commitments for France, India and the Philippines are valued by an actuary according to the projected unit credit actuarial principle with end-of-career salary pursuant to the revised IAS 19. They are recorded as a liability in the statement of financial position with recognition of a deferred tax asset. In the United States, the US subsidiaries supplement their employees' discretionary payments to a private pension fund (401K plan). In France, since the 2020 financial year, the French entities have outsourced the management of these commitments and paid a portion of the provision. Payments made by the US and French companies are recognised in personnel expenses.

For Italy, the amount is not material and is not calculated by an actuary.

The assumptions used to calculate the company's provisions for retirement benefits according to the various countries are as follows:

France	2022	2021	2020
Average retirement age	62 to 67 years	62 to 67 years	62 to 67 years
Managerial staff turnover rate	0.49% to 3.75%	0.56% to 5.37%	0.72% to 4.32%
Non-managerial staff turnover rate	0.38% to 3.90%	0.78% to 4.17%	0.79% to 2.36%
Discount rate	3.26%	0.88%	0.33%
Wage increase rate	1.00 to 2.25%	1.00 to 2.25%	1.75 to 2.25%
Philippines			
Average retirement age	60 years	60 years	60 years
Managerial staff turnover rate	0 to 5%	0 to 5%	0 to 5%
Non-managerial staff turnover rate	0 to 5%	0 to 5%	0 to 5%
Discount rate	7.19%	5.04%	3.81%
Wage increase rate	5.00%	4.00%	4.00%
India			
Average retirement age	58 years	58 years	58 years
Managerial staff turnover rate	12.00%	12.00%	12.00%
Non-managerial staff turnover rate	12.00%	12.00%	12.00%
Discount rate	7.43%	6.38%	5.54%
Wage increase rate	10.00%	10.00%	10.00%

Change in provision for employee benefits

Opening balance	**2,239**
Increase in existing provisions	193
New provisions	-
Reversals not used	-
Reversals used	(204)
Foreign exchange fluctuations	(17)
Other movements	(465)
Change of scope	-
Closing balance	**1,746**

"Other movements" include the reclassification of actuarial gains and losses to other comprehensive income.

Note 18 Labour cost

	2022	% OF TURNOVER	2021	% OF TURNOVER	2020	% OF TURNOVER
Wages	72,550	*17.4%*	68,197	*18.8%*	52,047	*21.5%*
Social security contributions	17,814	*4.3%*	16,388	*4.5%*	12,666	*5.2%*
Temporary workers	6,118	*1.5%*	5,159	*1.4%*	3,346	*1.4%*
TOTAL	**96,483**	***23.1%***	**89,745**	***24.7%***	**68,059**	***28.1%***

The rate of labour cost was 23.1%, decreasing by 1.6 points between 2021 and 2022. This performance reflects the ability of DELFINGEN Industry to adapt to extreme economic and health crisis conditions. Government aid and subsidies received to deal with the COVID-19 crisis amounted to €1.5 million for the 2020 financial year. The amount received for financial years 2021 and 2022 is negligible.

Note 19 Stock option plan

Special report on the stock option plan

None.

Stock options granted to corporate officers

The corporate officers of DELFINGEN Industry do not hold stock options of any kind whatsoever and were not granted stock options during the financial year ended 31 December 2022.

Note 20 Remuneration of the management bodies

The gross remuneration of the management bodies amounted to €66k for the 2022 financial year.

F. Intangible assets and property, plant and equipment

Note 21 Goodwill and other intangible assets

21.1 Goodwill

Business combinations are accounted for using the acquisition method (revised IFRS 3).

Goodwill represents the difference between the acquisition cost of the shares of consolidated companies and the Group's share in the fair value of their assets and liabilities on the date on which the equity investment is acquired.

Goodwill is not amortised in accordance with the revised IFRS 3 – Business combinations. It is tested for impairment as soon as there are indications of a loss in value and at least once a year.

For this test, the goodwill is broken down by cash generating unit (similar groupings generating independent cash flows). According to the provisions of IFRS 8, the CGUs defined by the Group are no larger than one operating segment. If the asset is found to be impaired at the end of a financial year, the impairment loss is recognised in the income statement for that financial year.

Details of the impairment test procedures are provided in Note 21-4.

21.2 Intangible assets

Research and development costs

In accordance with IAS 38, research costs are recognised as expenses and development costs, arising from the application of research results, are capitalised to the extent that the Group can demonstrate:

- Its intention and its financial and technical ability to successfully complete the development project;
- That the asset will generate future economic benefits; and
- That the cost of this intangible asset can be measured reliably.

Development costs that meet the above criteria are recognised as assets and are amortised over a maximum period of five years.

Other intangible assets

Other intangible assets include the costs of developing and acquiring computer software as well as patents and licences. These expenses are amortised on a straight-line basis over their estimated useful lives.

It should be noted that intangible assets with an indefinite useful life are not included among the assets of the Group.

Amortisation

	Duration	Mode
Development costs	5 years	Straight-line
Fungible rights (patents)	20 years	Straight-line
Software and other intangible assets	3 years	Straight-line

21.3 Change in goodwill and other intangible assets

	Goodwill	Development costs (internally generated)	Fungible rights	Other intangible assets	TOTAL
Gross value					
At the beginning of the year	**82,973**	**7,183**	**1,131**	**14,589**	**105,877**
Increases	-	552	-	2,071	2,623
Decreases	-	-	-	(5)	(5)
Changes in exchange rate	1,907	31	(4)	425	2,359
Other movements	-	2	90	(19)	(496)
Changes in scope	(569)	-	-	(15)	(15)
At year-end	**84,311**	**7,768**	**1,218**	**17,045**	**110,342**
Amortisation and impairment losses					
At the beginning of the year	**23,004**	**3,590**	**496**	**7,288**	**34,377**
Increases	0	1,581	13	1,372	2,965
Decreases	-	(89)	-	(5)	(94)
Changes in exchange rate	1,214	14	(5)	147	1,370
Other movements	-	202	(2)	7	(363)
Changes in scope	(569)	-	-	(7)	(7)
At year-end	**23,648**	**5,298**	**502**	**8,802**	**38,250**
Net carrying amount at year-end	**60,662**	**2,470**	**715**	**8,244**	**72,092**

The changes in the scope of goodwill relate to the deconsolidation of the DELFINGEN RO-Valahia entity following its liquidation. This goodwill was fully written off.

Development costs relate to expenditure generated internally on eligible projects.

Fungible rights represent international patents and product models developed by Group companies.

21.4 Impairment of goodwill

Principles

When there is an indication that the recoverable value of an asset may be less than its net carrying amount, the recoverable amount of the asset is valued and, where applicable, an impairment loss is recognised.

The recoverable value is defined as the higher of the fair value (less costs to sell) and the value in use determined by discounting expected future cash flows. In practice, given that there is rarely a reliable basis for determining the fair value of the Group's CGUs, DELFINGEN Industry uses the value in use to determine the recoverable value of a CGU.

For this test, the assets are grouped into cash-generating units (CGUs). According to the provisions of IFRS 8, the CGUs defined by the Group are no larger than one operating segment.

To define the CGUs, the Group chose the strategic grouping of Business Units (BUs) within its four operating segments: Mobility in the Americas (North, Central and South America), EA (Europe and Africa) and Asia (Asia) and Industrial Market.

The Schlemmer BU, which had been presented as a separate segment since its acquisition in 2020, is now part of the Mobility Europe Africa segment.

The Mobility EA operating segment includes the following BUs:

- EA Harness Protection and Fluid Transfer BU (CGU 1);
- Assembly/Mechanical BU (CGU 2);
- Harness Assembly BU (CGU 3);
- Textile Protection Germany BU (CGU 10);
- Schlemmer BU (CGU 13).

The Mobility Americas operating segment includes the following BUs:

- Americas Harness Protection BU (CGU 4);
- Americas Fluid Transfer BU (CGU 5).

The Asia operating segment comprises the following BUs:

- Philippines Harness Protection and Fluid Transfer BU (CGU 6);
- China BU (CGU 7);
- India BU (CGU 8).

The Industrial Market operating segment comprises the following BUs:

- Electrical Machinery and Equipment BU (CGU 9);
- Germany Technical Textiles BU (CGU 11);
- DROSSBACH Protective Tubing BU (UGT 12).

Impairment tests were carried out in accordance with the following rules:

- Goodwill was broken down between the various CGUs;
- Goodwill is tested for impairment as soon as there is evidence of impairment and at least once a year;
- Value in use is determined by reference to net cash flows, discounted, after tax, established on the basis of a four-year business plan approved by the Group's management;
- The discounting rates are provided by an external service provider.

Impairment losses recognised in respect of goodwill are irreversible.

Impairment tests at 31 December 2022

The impairment tests performed at 31 December 2022 at the level of each CGU did not result in any write-downs.

The recoverable amount of the CGUs was determined by discounting the cash flows after tax from the budget construction and the medium-term plans specific to each CGU, approved by the Board of Directors, including a return on investment component expected by the shareholders and a cost component for external financing. Cash flows are projected over four years.

This plan is in accordance with the provisions of IAS 36.44. The calculation of the value in use excludes:

- Future cash inflows or outflows that are expected to result from a future restructuring to which the company is not yet committed: for example, reductions in personnel expenses. Only restructurings to which the entity is committed within the meaning of IAS 37 are taken into account in cash flows;
- Future capital expenditure that will improve or enhance the performance of the asset.

The main assumptions affecting value in use are the operating margin level used in future cash flows and the weighted average cost of capital.

The volume assumptions used in the medium-term plan are adjusted with the latest assumptions from external sources. The cash flow forecasts also include the impact on the costs of the operational excellence plan. The extrapolation of cash forecasts beyond the last year of the medium-term plan (2025) is determined by applying a growth rate for the geographical area concerned.

The calculation of the weighted average cost of capital to be used to discount future cash flows is based on an analysis by an independent expert. For 2022, the average cost used as a rate to discount future cash flows was set at 10.75% for the Mobility market and 9.49% for the industrial market (respectively 10.00% and 10.46% in 2021), including a market risk premium of around 6.28%, a non-leveraged beta* of 1.01% for the Mobility market and 0.85% for the industrial market, and an additional rate linked to the size effect of 3.16% (compared with a market risk premium of 7.66% in 2021, a non-leveraged beta* of 0.95% and an additional rate linked to the size effect of 4.00%).

The business risk premium includes the following spreads linked to each country's specific financial situation:

- India: 2.94%
- Italy: 2.94%
- Morocco: 3.47%
- Tunisia: 5.62%
- Germany: -0.85%
- Philippines: 2.44%
- United States: -0.85%

**Beta measures non-diversifiable risk, which expresses the volatility of the shares of listed companies working in the same "auto parts" business segment.*

	Mobility market (1/2)				
	Philippines	**Americas**	**EASA**	**India**	**Germany**
	Protection and Transfer	**Protection**	**Protection and Transfer**	**Protection**	**Protection**
Gross carrying amount of goodwill	231	38,670	3,075	3,528	2,045
Net carrying amount of goodwill	231	18,005	1,570	3,528	2,045
Method used	Value in use				
Model parameters:					
Growth rate over 4 years	according to 2023 Budget and 2024/2026 MT Plan				
Growth rate on terminal value	6.00%	1.45%	2.91%	6.55%	1.40%
Discount rate	12.28%	10.01%	12.84%	12.63%	10.01%
Impairment losses recognised during the year	0	0	0	0	0
Change in discount rate resulting in impairment loss	+30.4 points	+17.7 points	+21.2 points	+24.3 points	+16.7 points
Change in EBIT rate resulting in impairment loss	-7.3 points	-11.6 points	-9.4 points	-14.0 points	-9.9 points
Change in annual investments resulting in impairment loss	€8.0m	€50.9m	€17.4m	€21.1m	€8.0m

	Mobility market (2/2)			Industrial Market	
				United States	
	Italy	Morocco	Tunisia	Electrical equipment	Protective tubing – Drossbach
Gross carrying amount of goodwill	4,923	13,776	3,599	6,412	6,738
Net carrying amount of goodwill	4,923	13,776	3,599	6,247	6,738
Method used	Value in use				
Model parameters:					
Growth rate over 4 years	according to 2023 Budget and 2024/2026 MT Plan				
Growth rate on terminal value	0.85%	3.40%	2.6%	1.45%	1.45%
Discount rate	12.63%	13.00%	14.48%	9.49%	9.49%
Impairment losses recognised during the year	0	0	0	0	0
Change in discount rate resulting in impairment loss	+11.3 points	+4.6 points	+32.5 points	+12.8 points	+27.0 points
Change in EBIT rate resulting in impairment loss	-6.5 points	-4.2 points	-16.2 points	-9.8 points	-25.2 points
Change in annual investments resulting in impairment loss	€3.5m	€4.5m	€6.5m	€6.1m	€34.5m

It should be noted that the Fluid Transfer Americas CGU (CGU 5) and Fluid Transfer China CGU (CGU 7) do not have any associated goodwill and do not appear in the table above.

Also, the Harness Assembly (CGU 3) and Technical Textiles Germany (CGU 11) BUs are not presented as the associated goodwill has been fully written off.

The Assembly/Mechanics BU (CGU 2) is no longer presented because the company it belonged to (DELFINGEN RO-Valahia) was liquidated in 2022. The associated goodwill was fully written off.

Note 22 Property, plant and equipment

Gross value

The gross value of property, plant and equipment corresponds to its acquisition or production cost. It is not remeasured. Borrowing costs are excluded from the cost of fixed assets.

When components of an item of property, plant and equipment are identifiable, they are capitalised as a separate item of property, plant and equipment.

This gross value includes assets eligible for IFRS 16.

Subsequent costs

If the replacement of a component or an expense that contributes to a significant extension of the life of the non-current asset are involved, the cost is recorded as an asset.

In the case of routine maintenance, upkeep and repair expenses contributing to the proper use of the non-current asset, the cost is recorded as an expense.

Depreciation

Depreciation is calculated on the basis of the acquisition or production cost, less any residual value. The residual values are zero.

The depreciation period is based on the estimated useful lives of the various asset categories, the main ones of which are as follows:

		Duration	Mode
Fitting out and connecting works for land and buildings		8 to 10 years	Straight-line
Buildings	Structural work	30 years	Straight-line
	Technical work packages	20 years	Straight-line
	Second-fixing works	15 years	Straight-line
Equipment and tools		5 to 12 years	Straight-line
Transport equipment		5 years	Straight-line
Office/IT furniture/equipment		10 years/3 years	Straight-line

Change in property, plant and equipment

	Land	Buildings	Technical facilities, equipment and tools	Other property, plant & equ.	Property, plant & equ. in progress	Advances and down payments paid on orders	TOTAL
Gross value							
At the beginning of the year	**4,322**	**61,474**	**103,596**	**13,544**	**7,192**	**756**	**190,883**
Increases	36	817	3,249	1,264	9,335	1,204	15,907
Decreases	-	11	(560)	(478)	(207)	-	(1,234)
Changes in exchange rate	(26)	767	1,638	190	59	(6)	2,623
Other movements	-	4,398	7,011	(842)	(6,405)	(1,012)	3,150
Changes in scope	-	(96)	(423)	(45)	(8)	-	(571)

At the end of the year	**4,333**	**67,370**	**114,512**	**13,634**	**9,967**	**942**	**210,758**
Amortisation and impairment losses							
At the beginning of the year	**211**	**20,022**	**61,103**	**7,505**	**353**	**-**	**89,194**
Increases	96	6,798	8,057	1,713	-	-	16,664
Decreases	-	(2)	(563)	(313)	(156)	-	(1,034)
Changes in exchange rate	-	236	1,157	110	-	-	1,504
Other movements	-	(1,506)	(300)	(132)	-	-	(1,938)
Changes in scope	-	(19)	(147)	(30)	-	-	(196)
At the end of the year	**307**	**25,529**	**69,308**	**8,852**	**197**	**-**	**104,193**
Net amount at the end of the year	**4,026**	**41,842**	**45,204**	**4,782**	**9,769**	**942**	**106,565**

Property, plant and equipment under construction mainly relates to machines under development at DELFINGEN FR-Anteuil (€4.1 million).

Other movements mainly correspond to the reclassification of fixed assets under construction, changes in IFRS 16 contracts and the reclassification between inventories and fixed assets of machines developed internally but intended to be capitalised.

The amount of the change in scope corresponds to the disposal of DELFINGEN RU-Volga on 30 May 2022.

The impact of the adoption of IFRS 16 in 2022 is reflected in:

- Gross amount of fixed assets: €45.7 million
- Accumulated amortisation: €15.4 million
- Net amount of fixed assets: €30.3 million

Note 23 Movements in depreciation, amortisation and provisions for intangible assets and property, plant and equipment

	2022	2021	2020
Allowances for provisions for intangible assets	-	-	-
Allowances for provisions for property, plant and equipment	-	(284)	(172)
Reversals for impairment of intangible assets	89	-	-
Reversals for impairment of property, plant and equipment	290	121	41
Total net allowances for provisions and impairment losses	**379**	**(162)**	**(130)**
Amortisation of intangible assets	(2,966)	(2,862)	(1,836)
Depreciation of property, plant and equipment	(16,663)	(15,732)	(12,771)
Reversals of amortisation of intangible assets	-	-	-
Reversals of depreciation of property, plant and equipment	54	-	-
Total net depreciation and amortisation	**(19,575)**	**(18,594)**	**(14,606)**

G. Off-balance sheet commitments relating to operating activities

Note 24 Leases

The amount of future non-cancellable minimum payments under operating leases makes it possible to determine the annual expense of property leases without taking into account a discount rate and not restated in accordance with IFRS 16.

Breakdown of future non-cancellable minimum payments under operating leases

The amount of future non-cancellable minimum payments under operating leases is divided between the following maturities:

	< 1 year	> 1 year and < 5 years	> 5 years	Total
Future minimum payments	154	0	0	154

Breakdown of future minimum lease payments – financing

	< 1 year	> 1 year and < 5 years	> 5 years	Total
Future minimum payments	319	419	0	738

H. Other provisions and contingent liabilities

Note 25 Provisions

A provision is recognised when the Group has an obligation towards a third party at the end of the reporting period and it is probable or certain to result in an outflow of resources to this third party, without at least equivalent consideration expected from the third party.

Provisions for liabilities and charges are measured at the best estimate of the outflow of future resources required to settle the obligation. The liabilities and charges provisioned in the consolidated statement of financial position are all clearly specified as to their purpose and made probable by events that have occurred or are ongoing.

Provisions are not discounted.

25.1 Change in provisions for other liabilities

	Disputes	Other liabilities and charges	Total non-current provisions
Opening balance	**0**	**1,745**	**1,745**
Increase in existing provisions	-	521	521
New provisions	-	-	-
Reversals not used		-	-
Reversals used	-	(594)	(594)
Foreign exchange fluctuations	-	(50)	(50)
Other movements	-	-	-
Change of scope	-	(194)	(194)

Closing balance	**0**	**1,427**	**1,427**

Provisions for other liabilities and charges mainly relate to tax risks in the amount of €951k, of which €526k corresponds to the integration of Schlemmer. The change of scope concerns the tax risk on the DELFINGEN RU-Volga entity disposed of on 30 May 2022.

With regard to its international presence, significant intra-group flows and its organisation with a concentration on the French entities of the "group" services, as DELFINGEN Industry is identified as the Group's entrepreneurial company, the main risk areas identified during the tax audits concern:

- The transfer pricing policy;
- The deductibility of taxable income from services provided by the parent company;
- Withholding tax and VAT on services provided by non-resident entities, in particular on transfer pricing adjustments. As the latter are not subject to VAT or withholding tax due to its price adjustment nature, several rulings* have been requested from the tax authorities of the countries concerned;
- Customs transactions.

The sensitivity of these risk areas has led the Group to seek assistance in identifying and reducing its exposure.

25.2 Allowances for and reversals of provisions for liabilities and charges

	2022	2021	2020
Allowances for provisions for liabilities and charges	(713)	(671)	(525)
Reversals of provisions for liabilities and charges	797	591	418
TOTAL NET ALLOWANCES FOR PROVISIONS FOR LIABILITIES AND CHARGES*	**84**	**(80)**	**(108)**

** Including net allowances for provisions for employee benefits (see Note 17 of these notes).*

Note 26 Contingent liabilities

The Group has contingent liabilities relating to disputes arising in the normal course of business. For each of the known disputes in which the Group is involved, a review was carried out on the reporting date. The provisions considered necessary were established to cover the estimated risks (see Note 25-1).

Although the outcome of all existing proceedings is not foreseeable, DELFINGEN Industry currently believes that they will not have a material impact on the Group's results and financial position.

I. Shareholders' equity and earnings per share

Note 27 Treasury shares

Treasury shares held by the Group are recorded at their acquisition cost and deducted from shareholders' equity. The proceeds from the sale of treasury shares are recognised directly in equity, such that any capital gains or losses on disposal do not affect the net result for the financial year.

Note 28 Share capital and premiums

The share capital consists of 2,666,120 shares with a nominal value of €1.54 each. At 31 December 2022, DELFINGEN Industry held 50,688 treasury shares and 752 shares via its liquidity agreement.

In €	Number of shares	Share capital	Premiums	Legal reserve	Total
Securities at end of 2020	2,666,120	4,105,825	15,276,838	376,367	19,759,030
Securities at end of 2021	2,666,120	4,105,825	15,276,838	410,582	19,793,221
Shares at end of 2022 financial year	2,666,120	4,105,825	15,276,838	410,582	19,793,221

Breakdown of DELFINGEN Industry's share capital at 31 December 2022

DELFINGEN Group	55.63%
ASCOM Participation	5.79%
Miscellaneous (registered and Streit family)	10.91%
Treasury shares	1.90%
Liquidity agreement	0.03%
Public	25.74%
Total	100.00%

ASCOM Participation, a simplified limited company with share capital of €420,000, whose shareholding structure is composed of the members of the Group's Executive Committee, held 154,324 shares of DELFINGEN Industry at 31 December 2022.

Note 29 Dividends paid

The dividends paid to shareholders of the parent company over the last three years amounted to:

- 2020: 0;
- 2021: €1.0 million;
- 2022: €3.0 million.

In respect of the 2022 results, the Board of Directors proposes the distribution of dividends amounting to €1.7 million.

Note 30 Non-controlling interests

The rationalisation of the non-controlling interests does not call for any particular comments.

Note 31 Earnings per share

Earnings per share (before dilution) are calculated by comparing the Group's share of the net result for the year with the weighted average number of shares outstanding (excluding treasury shares) during the year.

Diluted earnings per share for 2022 are identical to earnings before dilution.

In €	2022	2021	2020
Net income attributable to shareholders	8,145,264	16,125,833	45,307,460
Weighted average number of shares outstanding	2,615,432	2,624,847	2,427,210
Weighted average number of shares issued	2,666,120	2,666,120	2,464,640
Diluted weighted average number of shares outstanding	2,615,432	2,624,847	2,427,210
Earnings per share attributable to shareholders			
Basic	3.11	6.14	18.38
Diluted	3.11	6.14	18.38

J. Financing and financial instruments

Note 32 Financial assets and liabilities

32.1 Non-current financial assets

This category mainly includes deposits and guarantees paid in connection with leases for premises that the Group does not own, non-consolidated investments and guarantees as collateral for bank loans.

Other non-current financial assets include non-consolidated securities for €800k and guarantees on DELFINGEN Industry for €305k as collateral for Bpifrance loans.

32.2 Financial liabilities

Borrowings and other financial liabilities are measured at amortised cost, calculated using the effective interest rate (EIR) and restated for attributable transaction costs.

The difference between the cost and the repayment value is recognised in the income statement over the term of the financial liabilities.

32.3 Breakdown of assets and liabilities by category of financial instrument

	Breakdown by category of financial instrument					
	Closing total	Fair value through profit or loss	Available-for-sale assets	Loans, receivables and other payables	Payables at amortised cost	Derivative instruments
Other non-current financial assets	2,020	-	-	2,020	-	-
Customers	78,582	-	-	78,582	-	-
Other debtors (excluding current tax)	15,864	-	-	15,864	-	-
Cash equivalents	-	-	-	-	-	-
Cash	14,925	14,925	-	-	-	-
ASSETS	**111,390**	**14,925**	**-**	**96,465**	**-**	**-**
Financial payables	143,195	-	-	-	143,195	-
Other non-current financial liabilities	-	-	-	-	-	-
Suppliers	35,722	-	-	35,722	-	-
Other current liabilities	16,519	-	-	16,519	-	-
LIABILITIES	**195,437**	**-**	**-**	**52,242**	**143,195**	**-**

Note 33 Cash and equivalents

Cash and equivalents comprise cash funds, bank current accounts and money market UCITS and negotiable debt securities that can be liquidated or sold in the very short term. All of these items are measured at fair value and any adjustments are recognised in profit or loss.

33.1 Breakdown of cash and equivalents

	2022	2021	2020
Marketable securities	-	-	-
Available cash	14,925	26,452	25,410
TOTAL GROSS	**14,925**	**26,452**	**25,410**
Provisions	-	-	-
TOTAL NET	**14,925**	**26,452**	**25,410**

33.2 Cash presented in the statement of cash flows

	2022	2021	2020
Cash and equivalents	14,925	26,452	25,410
Current bank facilities	(20,481)	(11,199)	(14,361)
CASH PRESENTED IN THE STATEMENT OF CASH FLOWS	**(5,556)**	**15,254**	**11,048**

Note 34 Financial debt

34.1 Current and non-current financial payables

The bank loan agreements in place contain contractual clauses referring to the consolidated financial situation either at the level of the DELFINGEN Group or at the level of the Americas region for the loans of DELFINGEN US-Holding. These "financial covenants" were set in consultation with the lenders. Compliance with the covenants is assessed at the end of each year and/or half-year for loans in France and each quarter for loans in the United States.

Failure to comply with these ratios entitles the lender to declare the loan in question fully or partially due.

At the reporting date, DELFINGEN Industry was in compliance with all of the covenants.

34.2 Net financial debt

Net financial debt is defined as follows: it includes all long-term financial payables, short-term loans and bank overdrafts, less loans and other long-term financial assets and cash and equivalents.

Financial payables due in less than one year include renewable bank overdrafts and facilities in the amount of €20,481k.

34.3 Gearing ratio

	2022	2021	2020
Net financial debt	128,270	103,882	103,711
Total shareholders' equity	145,729	138,802	117,709
Gearing ratio	**88.0%**	**74.8%**	**88.1%**

34.4 Breakdown by type

	2022	2021	2020
Non-current portion			
Bond loans	26,000	23,787	24,138
Bank loans and borrowings	48,335	40,498	47,875
Derivative financial instruments (PNC)	113	-	-
Restatement of finance leases	387	677	1,622
Restatement for IFRS 16	24,864	26,727	22,207
Misc. loans and borrowings	1	-	-
Subtotal: non-current financial payables	**99,701**	**91,688**	**95,842**
Current portion			
Bank loans and borrowings	16,463	21,192	14,176
Bank credit balances	20,481	11,199	14,361
Accrued interest on borrowings	20	22	77
Restatement of finance leases	346	563	225
Restatement for IFRS 16	6,184	5,671	4,440
Misc. loans and borrowings	-	-	-
Subtotal: current financial payables	**43,494**	**38,647**	**33,278**
Total financial payables	**143,195**	**130,335**	**129,121**

Bank credit balances correspond to the used portion of short-term bank credit facilities.

The impact of the adoption of IFRS 16 for 2022 resulted in a balance of €31 million, down by €1.3 million compared with 2021.

The change in liabilities included in financing activities can be explained as follows:

Opening balance	**130,335**
Debt issues	27,837
Repayment of borrowings (excluding IFRS 16 and leases)	(23,409)
Change resulting from obtaining or losing control of subsidiaries or other businesses	-
Impact of change in foreign exchange rates	798
Change in fair values	113
Change in IFRS 16 liabilities	(1,349)
Change in lease liabilities	(507)
Change in bank credit balances	9,282
Other	98
Closing balance	**143,195**

34.5 Breakdown by maturity (excluding IFRS 16)

Breakdown of non-current financial payables by maturity

	Total	2024	2025	2026	2027	> 5 years
Financial payables*	74,871	26,735	13,271	10,472	11,283	13,111

** including lease liabilities and other financial payables*

Breakdown by maturity of financial payables with an initial maturity of more than one year, taken out with banks

Date of subscription	Total	2023	2024	2025	2026	2027	Beyond
Prior to 2022	64,742	13,729	23,574	10,363	7,680	8,571	825
2022	26,057	2,730	2,780	2,780	2,780	2,700	12,286
TOTAL	**90,798**	**16,458**	**26,354**	**13,144**	**10,461**	**11,271**	**13,111**

The debt maturity increased from 2.48 to 2.64 after new financing was obtained in 2022:

- A bond loan in the amount of €10 million with a bullet repayment in 2029;
- A €15 million capex loan amortisable over seven years with constant principal under the Senior Credit agreement signed with the banking pool in April 2021;
- With Huntington National Bank (USA):
    - Three medium-term equipment loans for $2.9 million

34.6 Breakdown by currency

All bank loans and borrowings are denominated in euro (€90.8 million) or in dollars (€5.9 million) for US companies.

34.7 Breakdown by type of interest rate

The table below shows the most significant outstanding medium-term loans, divided into fixed and variable rates (in millions of euro).

Type of loan	Fixed rate	Variable rate	Total amount of facilities	Principal still due at 31/12/22	Maturities	Hedged or unhedged
Traditional loan		E3M + margin	10.0	6.0	2025	
		E3M + margin	29.0	19.3	2026	
		E3M + margin	15.3	11.4	2027	
		E3M + margin	15.0	13.3	2028	
	Fixed rate		8.0	5.0	2025	
	Fixed rate		2.1	2.0	2030	
	Fixed rate		1.4	0.4	2026	
Bond loan	3.90%		10.0	10.0	2024	
Bond loan		E6M + margin	10.0	10.0	2029	
Bond loan		Variable by ratio	6.0	6.0	2027	
Innovation loan agreement	0.00%		0.7	0.5	2026	
Recoverable advance assistance agreement	0.00%		0.1	0.1	2026	
Future loan	4.86%		4.0	1.1	2024	Cash collateral
Traditional loan		USD Libor 1 month + margin	4.3	2.7	2024	
Traditional loan		USD Libor 1 month + margin	0.6	0.5	2026	
		TOTAL	**119.3**	**90.8**		

Note 35 Management of financial risks

35.1 Liquidity

Liquidity positions

At 31 December 2022, DELFINGEN Industry had negative net cash of (€5,556k) compared with positive net cash of €15,254k at 31 December 2021.

Additional sources of access to liquidity in 2022 were as follows:

- Short-term bank credit facilities totalling €20 million, of which €20 million is utilised;
- Traditional short-term bank credit facilities totalling €0.9 million, of which €0.5 million is utilised;
- A medium-term bank credit facility totalling €4.7 million, unutilised.

Factoring agreements

None.

Loans to DELFINGEN US-Holding

Huntington National Bank confirmed its support for DELFINGEN US-Holding, granting three medium-term equipment loans for a total amount of $2.9 million.

Given the support provided to DELFINGEN Industry by the liquidity management policy at Group level (cash pooling), the liquidity risk exposure at the level of DELFINGEN US-Holding is limited.

Covenants

	2022
Financial debt related to A covenants	49,790
Financial debt related to B covenants	26,000
Financial debt related to C covenants	5,924
Financial debt not related to covenants	9,084
TOTAL GROSS FINANCIAL DEBT	**90,798**

All loans and credit facilities subject to covenants are subject to an early repayment clause linked to:

For A covenants (calculated on the Group's consolidated data):

- The current NFD*/EBITDA* ratio, which must be less than 3;
- The NFD*/equity ratio, which must be less than 1.

For B covenants (calculated on the Group's consolidated data):

- The current NFD*/EBITDA* ratio, which must be less than 3.5;
- The NFD*/equity ratio, which must be less than 1.

For C covenants (calculated on the data consolidated at the level of DELFINGEN US-Holding):

- The EBITDA* (restated for dividends)/(servicing of debt + corporation tax paid + unfunded investments) ratio, which must exceed 1.1 at 31 December 2022;
- The debt (restated for subordinated debt)/ EBITDA* ratio, which must not exceed 2.5.

At the reporting date, DELFINGEN Industry complied with all the ratios.

35.2 Foreign exchange risk management

Currency hedges relate to risks on cash advances made or received by Delfingen Industry with its subsidiary Delfingen US-Inc Holding. At 31/12/2022, currency hedges had been entered into for:

Total $m	Average rate	Total €m	Maturity
16.0	1.0846	15.0	2024

The Group's net exposure is mainly focused on the dollar (apart from the entities' functional currencies). As of 31 December 2022, net receivables in dollars were $21.1 million, including $17.6 million due in less than one year.

Sensitivity to changes in the dollar

Impact of the change in the dollar based on the 2022 financial statements

	USD
Assumption of variation against the euro	*10%*
Impact on profit before tax	€908k
Impact on shareholders' equity	€7,601k

35.3 Management of financial interest rate risks

At 31 December 2022, no interest rate hedges had been entered into.

It should also be noted that a +/- 0.5 point change in interest rates would have an impact of +/- €513k on interest expense for the year.

35.4 Counterparties

As part of its financing access operations, DELFINGEN Industry is exposed to counterparty risk. However, this risk is limited by the fact that these financing operations are carried out with around ten participants:

- In France: Banque Populaire de Franche-Comté, Crédit Agricole de Franche-Comté, BECM, CIC-Est, Société Générale, Bpifrance/OSEO, Caisse d'Epargne Bourgogne Franche-Comté, and the Micado and Tikehau Investment Management funds;
- In the United States: Huntington National Bank;
- In Germany: Kulmbacher Bank.

Note 36 Financial income and expenses

36.1 Other financial income and expenses

	2022	2021	2020
Foreign exchange gains	2,617	4,092	3,652
Other financial income	201	320	67
Reversals of provisions and financial depreciation	-	-	-
TOTAL OTHER FINANCIAL INCOME	**2,818**	**4,411**	**3,719**
Allowances for provisions and financial depreciation	-	-	-
Foreign exchange losses	(2,755)	(3,545)	(4,851)
Other financial expenses	(133)	(64)	(82)
TOTAL OTHER FINANCIAL EXPENSES	**(2,888)**	**(3,609)**	**(4,933)**

At 31 December 2022, the balance of foreign exchange differences was a loss of €0.1 million.

36.2 Cost of gross financial debt

	2022	2021	2020
Interest expense	3,515	3,787	3,111
Cost of gross debt	**3,515**	**3,787**	**3,111**

The average cost of gross financial debt (excluding interest rate hedging and IFRS 16) is 3.0%, unchanged compared with 2021.

Note 37 Off-balance sheet commitments relating to Group financing

The off-balance sheet commitments (covenants) relating to the Group's financing are detailed in Note 35 - 1 to this annex on liquidity risk management.

37.1 Endorsements, commitments and guarantees given

This item breaks down as follows:

	2022	2021	2020
Pledges and mortgages	6,598	4,744	8,021
Guarantees	-	52	817
TOTAL	**6,598**	**4,796**	**8,838**

37.2 Endorsements, commitments and guarantees received

This item breaks down as follows:

	2022	2021	2020
Undrawn credit facility	4,688	4,415	4,075
Cash facility authorisations	409	9,550	963
Guarantees and other	-	355	815
TOTAL	**5,097**	**14,320**	**5,853**

K. Current and deferred tax

The income tax expense corresponds to the current taxes of each consolidated tax entity, adjusted for deferred taxes.

Current taxes are based on the profits of the Group companies. It is calculated in accordance with local rules and includes any adjustments in respect of previous years.

Deferred taxes are calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements, using the applicable tax rates.

Deferred tax liabilities are systematically recognised. The outlook for recovering deferred taxes is reviewed periodically by tax entity. Deferred tax assets are recognised only to the extent that there are deferred tax liabilities of an equivalent amount or when future taxable profit is probable in the short or medium term.

Deferred tax assets and liabilities are not discounted.

Note 38 Tax expense

38.1 Breakdown of tax expense

Taxation for the period is as follows:

	2022	2021	2020
Current taxes	6,771	5,148	4,284
Deferred taxes	(865)	(197)	(236)
TOTAL	**5,906**	**4,950**	**4,049**

38.2 Analysis of tax expense

	Total	Percentage
Profit before tax	14,174	-
Theoretical tax	**3,543**	**25.00%**
Corporation tax on permanent differences	2,957	20.86%
Corporation tax on unrecognised temporary differences	0	n/a
Change in rate	(1)	(0.01%)
Difference between local rate and French rate	(4)	(0.03%)
Tax credit, tax adjustment and/or flat-rate tax	22	0.16%
Non-activation of tax loss carryforwards	1	0.00%
Allocation of prior losses and adjustment on the recognition of tax losses	(1,380)	(9.73%)
Miscellaneous	767	5.41%
Effective corporation tax	**5,906**	**41.67%**

The allocation of prior losses and recognition of tax losses concern the DELFINGEN Industry entity for an amount of €1.3 million up to the amount of the intra-Group provisions.

Corporation tax on permanent differences relates to permanent differences between the accounting result and the tax result in the amount of €1.5 million and the impact of consolidation entries relating to deconsolidated entities in the amount of €0.6 million.

The "miscellaneous" line corresponds to a tax provision of €761,000 on the DELFINGEN IT-Verona entity.

Note 39 Deferred taxes

	2022		2021		Change in deferred taxes	Of which OCI*	Of which changes in scope	Of which foreign exchange fluctuations	Of which impact on result
	Base	Tax	Base	Tax					
Capital gain on internal disposal	1,503	376	1,405	351	25	0	0	0	25
Margins on inventories	3,037	659	2,136	485	174	(12)	0	10	176
Restatement of depreciation and amortisation	901	191	1,458	304	(114)	0	0	(12)	(101)
Loss carryforwards	5,871	1,465	532	133	1,332	0	0	0	1,332
Provisions for severance pay on retirement	1,539	290	1,999	423	(131)	0	(107)	(2)	(22)
IFRS 16 Leases	782	159	576	122	36	0	0	3	34
Social security adjustments	826	139	1,087	192	(53)	0	0	2	(55)
Other tax asset bases	6,243	1,328	3,247	714	613	9	0	62	534
Deferred tax assets	**20,702**	**4,605**	**12,439**	**2,725**	**1,882**	**(3)**	**(107)**	**63**	**1,921**
Restatement of depreciation and amortisation	4,546	915	4,731	945	(30)	0	0	43	(73)
Finance leases	427	119	453	126	(7)	0	0	0	(7)
Financial instruments Restatement of interest on loans	(113)	(28)	4	1	(29)	0	0	0	(29)
Goodwill impairment	14,534	3,081	13,321	2,824	258	0	0	161	97
Recognition of R&D and studies stock	1,703	374	883	199	175	0	0	17	158
Remeasurement of the value of fixed assets	4,840	1,028	3,884	930	98	0	0	20	78
Social security adjustments	1,956	411	1,952	410	1	0	0	24	(23)
Intra-Group provision	5,794	1,449	532	133	1,253	0	0	0	1,253
Change in scope	0	0	0	0	0	0	0	0	0
Other tax liability bases	4,367	900	6,512	1,240	(277)	0	0	45	(321)
Deferred tax liabilities	**38,055**	**8,248**	**32,271**	**6,808**	**1,442**	**0**	**0**	**310**	**1,132**
Net deferred taxes	**17,353**	**3,643**	**19,832**	**4,083**	**(439)**	**3**	**107**	**247**	**(789)**

**OCI: Other comprehensive income*

The stock of tax loss carryforwards for all Group companies amounted to €8.4 million at 31 December 2022. €5.8 million was recognised. These activated losses relate to the tax consolidation of DELFINGEN Industry, DELFINGEN FR-Anteuil and DELFINGEN FR-Anteuil SAS, and fully correspond to tax-deductible intra-group provisions (excluding tax consolidation) at 31 December 2022.

The goodwill provision corresponds to goodwill amortisation for tax purposes recorded on DELFINGEN US-Holding (€14.5 million).

Other deferred tax liabilities mainly relate to the amount presented in 2017 as a change of scope following the acquisition of the Drossbach Group for €3.8 million.

Note 40 Scope of tax consolidation

A tax consolidation agreement has been signed between DELFINGEN Industry, the parent company and DELFINGEN FR-Anteuil.

Similarly, a tax consolidation agreement was signed between DELFINGEN Industry and DELFINGEN FR-Anteuil SAS with effect from 1 January 2015.

DELFINGEN Industry, the parent company, benefits from the tax deferral resulting from the application of the tax consolidation agreement.

L. Other information on the statement of cash flows

Note 41 Operating cash flow before taxes and cost of net financial debt (*Capacité d'Autofinancement avant Impôts et Coût de l'Endettement Financier Net* – CAFICE)

	2022	2021	2020
CAFICE	**40,310**	**44,034**	**33,899**
of which: Net income	*8,268*	*16,359*	*45,456*
Depreciation, amortisation and provisions	*19,458*	*18,969*	*15,669*
Capital gains (losses) on fixed asset disposals	*3,256*	*405*	*(325)*
IFRS 16 termination of contract	*(11)*		
Net result from equity affiliates			*(1,072)*
Dividends received from equity affiliates			*2,585*
Revaluation income from equity affiliates			*(13,047)*
Badwill		*(376)*	*(22,527)*
Other calculated income and expenses	*(82)*		
Financial interest paid	*3,515*	*3,727*	*3,111*
Taxes	*5,906*	*4,950*	*4,049*

Note 42 Free cash flow

	2022	2021	2020
CAFICE	40,310	44,034	33,899
Change in WCR	(27,474)	(13,343)	(16,023)
Income tax paid	(6,728)	(4,215)	(3,417)
Free cash flow (before investments)	***6,107***	**26,476**	**14,459**
Investments (net of disposals of fixed assets)	(18,128)	(14,143)	(9,410)
Net free cash flow (after investments)	**(12,021)**	**12,333**	**5,050**

M. Miscellaneous information

Note 43 Statutory auditors' fees

The fees paid during the 2022 financial year to the two statutory auditors of the parent company, DELFINGEN Industry, for the audit of the annual financial statements and the consolidated financial statements are as follows:

	EXCO P2B AUDIT				AUDITIS			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
	2022	2021	2022	2021	2022	2021	2022	2021
Audit								
Statutory audit, certification, audit of separate and consolidated financial statements								
▪ Issuer	85.0	97.8	80%	83%	85.0	74.2	80%	78%
▪ Fully consolidated subsidiaries	21.9	20.3	20%	17%	21.9	20.3	20%	22%
Services other than certification of the financial statements								
▪ Issuer								
▪ Fully consolidated subsidiaries								
Subtotal	*106.9*	*118.1*	*100%*	*100%*	*106.9*	*94.5*	*100%*	*100%*
Other services provided by the networks to fully consolidated subsidiaries								
▪ Legal, tax, social								
▪ Other (specify if >10% of audit fees)								
▪ Subtotal								
TOTAL	**106.9**	**118.1**	**100%**	**100%**	**106.9**	**94.5**	**100%**	**100%**

The audit of the financial statements of the Group's various subsidiaries by local or international audit firms generated the payment of fees of €512k.

N. Related party transactions

In accordance with IAS 24 (revised), transactions with DELFINGEN Group, the parent company of the Group, and the other subsidiaries of DELFINGEN Industry are considered related party transactions.

Total related parties	2022	2021	2020
Customer accounts	408	59	26
Overdrawn current accounts	-	-	-
Miscellaneous financial payables	-	-	-
Supplier accounts	418	195	704
Current accounts in credit	-	-	-
Operating income(reinvoicing)	172	165	124
Operating expenses (management fees and other)	(3,490)	(4,242)	(2,750)
Financial income and expenses	-	-	-

DELFINGEN Group hosts the members of the Executive Committee whose services are reinvoiced to DELFINGEN Industry on a "Cost +" basis, including a margin of 10% on the payroll.

O. Events after the reporting period

DELFINGEN Industry acquires 85% of REIKU GmbH, a German family-owned company, created in 1969 and based in Wiehl. Specialising in the protection of wiring for industrial applications (robotics, automation, etc.), REIKU GmbH has 60 employees and generated turnover of €14 million in 2022.

This operation allows DELFINGEN Industry to accelerate its diversification in the field of industrial applications, which is one of its priority development areas. The industrial market accounted for 14% of turnover in 2022.

DELFINGEN Industry acquires 100% of AHN Chem Co. Ltd, a Korean company based in the city of Gyeongsan. Specialising in textile sleeves and thermal screens to protect wiring harnesses, tubing and hoses, AHN Chem Co. Ltd has 40 employees and in 2022 recorded turnover of €3.5 million, an increase of 20%.

This operation allows DELFINGEN Industry to strengthen its position with Korean manufacturers and suppliers and to continue to develop its textile expertise, a market that is growing fast to address the challenges of new electric and hybrid engines.

These acquisitions enhance the operational performance of DELFINGEN Industry and will be consolidated in the financial statements from 1 April 2023. The respective management teams of the two companies have undertaken to stay at the new entity.

DELFINGEN Industry reorganised its German and French entities on 1 January 2023

- In Germany, DELFINGEN DE-Marktrodach GmbH & Co. KG merged into DELFINGEN DE-Deutschland Holding by merger-absorption with effect as of 31 December 2022. Immediately thereafter, DELFINGEN DE VERWALTUNGS GmbH was merged with DELFINGEN DE-Deutschland Holding. Lastly, DELFINGEN DE-Deutschland Holding changed its name to DELFINGEN DE-Marktrodach GmbH.

- In France, the entity DELFINGEN FR-Anteuil SA was dissolved. The production activities were transferred to the DELFINGEN FR-Anteuil SAS entity and the shared service centres were transferred to the DELFINGEN Industry SA entity.

7.1.6 Statutory auditors' report on the consolidated financial statements

AUDITIS	EXCO P2B AUDIT
5 Rue René Char	16 Rue Frédéric Japy
21000 DIJON	25200 MONTBELIARD

DELFINGEN INDUSTRY

Public limited company with capital of €4,105,824.80
Registered office: Rue Emile Streit
25340 ANTEUIL

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 31 DECEMBER 2022

To the Shareholders' Meeting of DELFINGEN INDUSTRY,

Opinion

In fulfilment of the assignment entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of the DELFINGEN INDUSTRY Group for the year ended 31 December 2022.

We certify that the consolidated financial statements are, with regard to the IFRS as adopted in the European Union, compliant and accurate and give a true and fair view of the results of the operations for the past financial year, and of the financial position and assets at the end of the financial year, of the group formed by the persons and entities included in the scope of consolidation.

Basis of opinion

Audit frame of reference

We conducted our audit in accordance with the professional standards applicable in France. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Responsibilities of the statutory auditors regarding the audit of the consolidated financial statements".

Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and the French Code of Ethics for statutory auditors, for the period from 1 January 2022 to the date of issue of our report.

Justification of our assessments

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional judgement, were the most important for the audit of the consolidated financial statements for the year.

The assessments we have made are part of our audit of the consolidated financial statements as a whole and the forming of the opinion expressed above. We do not express an opinion on elements of these consolidated financial statements taken in isolation.

Our assessments focused on the appropriateness of the accounting policies applied and the reasonableness of the significant estimates used, notably with regard to the judgements and estimates used by the management of DELFINGEN INDUSTRY and the formulation of assumptions that concern in particular the depreciation and amortisation of assets, provisions and deferred taxes, set out in Notes 21, 25 and K to the consolidated financial statements.

For all these estimates, we assessed the data and assumptions on which these judgements and estimates are based, reviewed on a random sampling basis the calculations made by the Group, examined

the available documentation and verified that the notes to the financial statements provide appropriate information on the assumptions used by the Group.

At each reporting date, the Group systematically performs an impairment test on goodwill and assets with indefinite useful lives and also assesses whether there is any indication that long-term assets are impaired, in accordance with the procedures described in Note 21 to the financial statements.

Regarding the procedures for implementing this impairment test, we:

- examined, on a random sampling basis, the future cash flows used, in light of the budget data approved by the Board of Directors, the historical results and the economic and financial context in which the Group operates;
- verified, on a random sampling basis, the arithmetic accuracy of the impairment tests performed by management;
- assessed whether the information provided in Note 21 to the consolidated financial statements, particularly with regard to the key assumptions and sensitivity analyses performed, is adequately presented.

Specific verifications

We have also performed, in accordance with applicable professional standards in France, the specific verifications required by the laws and regulations on information relating to the Group provided in the Board of Directors' Report on Operations.

We have nothing to report as to its fair presentation and consistency with the consolidated financial statements.

We certify that the consolidated Non-Financial Statement provided for by Article L. 225-102-1 of the French Commercial Code is included in the Group Report on Operations, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the fair presentation or consistency with the consolidated financial statements of the information contained in this statement and that is the subject of a report by an independent third party.

Responsibilities of Management and those charged with corporate governance

It is management's responsibility to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union and to implement the internal control it deems necessary for the preparation of consolidated financial statements that contain no material misstatements due to either fraud or error.

When preparing the consolidated financial statements, it is Management's responsibility to assess the company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the continuity of operations and to apply the going concern accounting convention, unless the company is to be liquidated or its activities are to cease.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors regarding the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards is free of material misstatement.

Misstatements may result from fraud or error and are considered material when there is a reasonable expectation that they may, when taken individually or combined, influence the economic decisions made by users of the financial statements on the basis of the financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our task of certifying the financial statements does not entail guaranteeing the viability or quality of your Group's management.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout this audit.

Furthermore:

- It identifies and assesses the risks that the consolidated financial statements may contain material misstatements, whether due to fraud or error, defines and implements audit procedures to handle these risks and collects all elements deemed sufficient and relevant on which to base its opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, false statements or the overriding of internal control;
- It takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the effectiveness of the internal control;
- It assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as related information provided in the consolidated financial statements;
- It assesses the appropriateness of Management's application of the going concern accounting convention and, based on the information collected, whether or not material uncertainty exists related to events or circumstances likely to jeopardise the Group's ability to continue to operate. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor concludes that material uncertainty exists, it brings the information provided in the consolidated financial statements regarding such uncertainty to the attention of readers of its report or, if such information is not provided or is not relevant, the statutory auditor issues a qualified opinion or a disclaimer of opinion;
- It assesses the overall presentation of the consolidated financial statements and whether they provide a true picture of the underlying operations and;
- Concerning the financial information of the persons or entities in the scope of consolidation, the statutory auditor gathers the information it deems sufficient and relevant to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on these financial statements.
-

The Statutory Auditors

Dijon, 27 April 2023

AUDITIS

Philippe Dandon
Partner

Montbéliard, 27 April 2023

EXCO P2B AUDIT

Pierre Burnel
Partner

7.2 Separate financial statements

General information

DELFINGEN Industry is a French public limited company with its registered office at: Rue Emile Streit – 25340 Anteuil, France.

The financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 31 March 2023 and 26 April 2023 and will be submitted to the next Shareholders' Meeting for approval.

The company is listed on Euronext Growth Paris.

Unless otherwise indicated, all amounts are expressed in thousands of euro.

Terms followed by * are defined in the glossary.

7.2.1 Income statement

	2022	2021	2020	Notes
Operating income				
Sales of goods for resale				
Production sold – services France	1,684	2,314	4,246	
Exports	46,033	45,393	33,347	
Net sales	**47,717**	**47,707**	**37,593**	**C**
Operating subsidies	-	-	(26)	
Capitalised production	294	815	271	
Reversals of depreciation, amortisation and provisions, transferred expenses	276	295	132	
Other income	299	452	272	
Total operating income (I)	**48,586**	**49,267**	**38,293**	
Operating expenses				
Other purchases and external expenses[1]	39,487	36,087	28,354	
Taxes, duties and similar payments	284	356	435	
Depreciation and amortisation of fixed assets	1,170	1,181	960	
Depreciation and amortisation of current assets	4,779	-	-	
Allowances for provisions for liabilities and charges	-	92	301	
Labour cost	7,355	6,739	6,170	
Other expenses	406	383	321	
Total operating expenses (II)	**53,481**	**44,838**	**36,540**	
Operating result (I-II)	**(4,895)**	**4,430**	**1,754**	
Financial income				
Financial income from equity investments[2]	5,163	6,388	6,153	
Other interest and similar income[2]	1,252	929	423	
Reversals of provisions and transfer of expenses	1,116	2,138	153	
Foreign exchange gains	561	391	663	
Net proceeds from the sale of marketable securities	-	-	-	
Total financial income (III)	**8,092**	**9,847**	**7,391**	
Financial expenses				
Financial depreciation, amortisation and provisions	278	223	3,571	
Interest and similar expenses[3]	2,807	2,698	2,322	
Exchange rate differences	1,069	320	805	
Total financial expenses (IV)	**4,154**	**3,242**	**6,698**	
Net financial income (III-IV)	**3,938**	**6,605**	**692**	
Current income before tax (I-II+III-IV)	**(957)**	**11,034**	**2,446**	
Extraordinary income (V)	466	11	40	C
Extraordinary expenses (VI)	1,167	1,905	1,075	C
Extraordinary income (V-VI)	**(701)**	**(1,894)**	**(1,034)**	
Corporate income tax (VII)	(182)	25	(220)	H
Total income (I+III+V)	57,144	59,125	45,725	
Total expenses (II+IV+VI+VII)	58,621	50,010	44,093	
Profit or loss	**(1,476)**	**9,115**	**1,631**	
(1) Of which real estate leasing	-	-	-	
(2) Of which income relating to affiliated companies	*6,222*	*7,036*	*6,554*	*K*

(3) Of which interest relating to affiliated companies	*200*	*89*	*78*	

7.2.2 Statement of financial position

ASSETS	Gross amounts	Depreciation, amortisation and provisions	2022 Net amounts	2021 net amounts	2020 net amounts	Notes
Non-current assets						
Uncalled subscribed capital (O)						
Intangible assets	6,498	3,186	3,312	1,663	1,101	E
Property, plant and equipment						
Land	229	61	168	143	148	E
Buildings	6,610	4,973	1,637	1,385	1,444	E
Other property, plant and equipment	1,670	1,084	587	583	653	E
Fixed assets under construction	10	-	10	335	54	E
Advances and down payments made on property, plant and equipment	-	-	-	24	-	
Long-term investments						
Treasury shares	1,412	-	1,412	920	741	G
Other equity investments	122,209	11,851	110,358	109,394	109,006	G
Receivables from associates	22,104	-	22,104	19,296	11,472	G
Other long-term investments	457	219	238	516	514	G
TOTAL (I)	**161,199**	**21,374**	**139,825**	**134,258**	**125,134**	
Current assets						
Inventories	-	-	-	-	-	
Advances and down payments made on orders	38	-	38	14	14	
Receivables						
Trade and other receivables	18,427	4,779	13,648	14,597	10,850	C
Other receivables	13,871	-	13,871	7,982	11,072	C
Miscellaneous						
Marketable securities	150	19	131	100	100	
Available cash	1,219	-	1,219	4,104	4,914	
Prepaid expenses	1,085	-	1,085	761	861	
TOTAL (II)	**34,789**	**4,798**	**29,991**	**27,557**	**27,810**	
Accruals						
Deferred loan issuance costs (IV)	696	-	696	874	598	
Bond redemption premiums (V)	-	-	-	1	2	
Translation gains (VI)	7	-	7	3	267	
TOTAL ASSETS (O TO VI)	**196,691**	**26,172**	**170,519**	**162,693**	**153,811**	

LIABILITIES	2022	2021	2020	Notes
Shareholders' equity				
Share capital	4,106	4,106	4,106	I
Issue, merger and contribution premiums	15,277	15,277	15,277	I
Legal reserve	411	411	376	I
Statutory or contractual reserves	-	-	-	
Regulated reserves	-	-	-	
Other reserves	35,091	28,928	28,330	I
Regulated provisions	-	-	-	
Investment subsidies	12	17	11	
Net income for the year	(1,476)	9,115	1,631	I
TOTAL (I)	**53,420**	**57,853**	**49,731**	
Other equity				
Proceeds from the issue of equity securities	-	-	-	
Conditional advances	-	-	-	
TOTAL (II)				
Provisions for liabilities and charges				
Provisions for risks	91	163	267	F
Provisions for expenses	576	765	673	F
TOTAL (III)	**667**	**927**	**939**	F
Payables[1]				
Convertible bond loans	-	-	-	
Other bond loans	26,000	23,860	24,340	G
Bank loans and other bank borrowings[2]	77,568	66,843	67,748	G
Miscellaneous loans and financial payables	235	39	1,073	G
Advances and down payments received on orders in progress	-	-	-	
Trade and other payables	5,654	9,145	5,132	C
Tax and social security payables	1,880	1,987	3,075	C
Payables on fixed assets and other payables	3,351	9	-	C
Other payables	1,443	1,891	1,728	C
Deferred income (accrual)	-	-	-	
TOTAL (IV)	**116,131**	**103,773**	**103,097**	
Translation losses (V)	302	140	44	
TOTAL LIABILITIES (I TO V)	**170,519**	**162,693**	**153,811**	
(1) Payables and deferred income due within one year	*46,514*	*45,187*	*37,673*	
(2) Of which current bank facilities and bank credit balances	*20,020*	*11,002*	*14,052*	

7.2.3 Statement of cash flows

	2022	2021	2020
Net income	**(1,476)**	**9,115**	**1,631**
Elimination of expenses and income with no cash impact or not related to the activity			
Depreciation, amortisation and provisions: allowances	1,450	1,656	4,830
Depreciation, amortisation and provisions: reversals	(1,553)	(2,405)	(185)
Capital gains on disposals	535	1,742	35
Other	144	5	(10)
Operating cash flow after cost of net financial debt and taxes	***(900)***	***10,113***	***6,301***
Cost of net financial debt	2,807	2,698	2,322
Income tax payable	-	56	(175)
Operating cash flow before cost of net financial debt and taxes	***1,907***	***12,867***	***8,448***
Income tax paid	(182)	(227)	(480)
Change in working capital requirement	(4,990)	1,326	(6,694)
Net cash flow from operating activities	**(3,265)**	**13,966**	**1,274**
Cash flow related to investment activities			
Acquisitions of property, plant and equipment	(512)	(738)	(148)
Acquisitions of intangible assets	(1,925)	(1,066)	(342)
Change in long-term investments	(3,007)	(7,930)	(5,511)
Disposals of property, plant and equipment and intangible assets	-	-	786
Receivables from associates	-	-	-
Cash outflows from acquired companies	(1,342)	-	(28,831)
Net cash flow related to investment activities	**(6,786)**	**(9,734)**	**(34,046)**
Net cash flow related to financing activities			
Dividends paid to parent company shareholders	(2,953)	(998)	-
Cash capital increase	-	-	3,333
Loans taken out	25,000	44,000	40,100
Loans repaid	(21,185)	(42,283)	(8,744)
Financial interest paid	(2,807)	(2,698)	(2,322)
Change in misc. financial debt	-	-	-
Net cash flow related to financing activities	**(1,945)**	**(1,980)**	**32,367**
Theoretical change in cash flow	(11,996)	2,253	(1,502)
Cash – actual opening balance	(6,805)	(9,058)	(7,556)
Cash reclassification			
Cash – actual closing balance	(18,801)	(6,805)	(9,058)
Actual change in cash flow	(11,996)	2,254	(1,502)

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A. Highlights of the year

DELFINGEN Industry holds the shares of the companies in the scope of consolidation.

In 2022, the following operations took place:

- In January 2022, the creation of the DELFINGEN CN-Shanghai entity;
- On 30 May 2022, the sale of the DELFINGEN RU-Volga entity;
- At 31 August 2022, the liquidation of the DELFINGEN RO-Valahia entity;

As part of the review of the value in use of equity investments and the ability to recover current account advances as well as customer accounts, a provision net of reversals on equity investments and current accounts and customer accounts of €3.8 million was recorded in 2022:

- The shares of DELFINGEN PT-Porto and DELFINGEN BR-Sao Paulo were the subject of provision reversals of €0.1 million and €0.6 million.
- The shares of DELFINGEN RO-Valahia were the subject of a provision reversal of €0.2 million following its deconsolidation;
- The customer accounts of DELFINGEN SG-Filipinas and DELFINGEN MA-Casablanca were the subject of new provisions of €2.6 million and €2.2 million respectively.

Dividends of €5.1 million were received by DELFINGEN Industry over the period from DELFINGEN FR-Anteuil, DELFINGEN RO-Valahia and DELFINGEN US-Holding.

DELFINGEN Industry recorded a loss of €1.5 million.

DELFINGEN Industry has continued its policy of improving its liquidity position, while strengthening its financial structure, in particular through:

- A bond loan in the amount of €10 million with a bullet repayment in 2029;
- A €15 million capex loan amortisable over seven years with constant principal under the Senior Credit agreement signed with the banking pool in April 2021.

With regard to these measures, at the reporting date, DELFINGEN Industry believes that the continuation of its operations is not in question.

B. Accounting policies and conversion methods

Note 1 Accounting policies and methods

The financial statements have been prepared in accordance with the laws and regulations applicable in France. Generally accepted accounting principles were used, applying the principle of prudence and in accordance with the basic assumptions used to provide a true and fair view of the company: going concern, consistency of accounting methods from one year to the next and independence of financial years.

Note 2 Change of accounting method

None

Note 3 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated at the exchange rate prevailing at the time of the transaction. Assets and liabilities expressed in foreign currencies are translated at the closing rate.

The exchange rates used are:	Opening rate			Closing rate		
	2022	2021	2020	2022	2021	2020
Euro	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Tunisian dinar	3.2623	3.30888	3.14294	3.3107	3.26230	3.30888
Moroccan dirham	10.4930	10.89343	10.73258	11.1699	10.49303	10.89343
Romanian leu	4.9490	4.86830	4.78300	4.9495	4.94900	4.86830
Turkish lira	n/a	9.11310	6.68430	n/a	15.23350	9.11310
Brazilian real	6.3101	6.37350	4.51570	5.6386	6.31010	6.37350
US dollar	1.1326	1.22710	1.12340	1.0666	1.13260	1.22710
Chinese yuan	7.1947	8.02250	7.82050	7.3582	7.19470	8.02250
Philippine peso	57.7630	59.12500	56.90000	59.3200	57.76300	59.12500
Japanese yen	130.3800	126.49000	121.94000	140.6600	130.38000	126.49000
Indian rupee	84.2292	89.66050	80.18700	88.1710	84.22920	89.66050
Thai baht	37.6530	36.72700	33.41500	36.8350	37.65300	36.72700
Russian ruble	85.3004	91.46710		76.7952	85.30040	91.46710

C. Operating data

Note 4 Breakdown of turnover by activity

	2022	2021	2020
Leases	388	526	529
Other activities (provision of services)	6,680	6,103	4,132
Transfer pricing adjustment	40,649	41,078	32,932
TOTAL	**47,717**	**47,707**	**37,593**

Turnover essentially comprises the invoicing of the Group's subsidiaries. Since 2020, the Group has implemented a new transfer pricing policy that has generated an increase in income through the invoicing of transfer pricing adjustments.

Note 5 Trade and other receivables

These receivables are recognised at their nominal value. When the payment terms are less than one year, the initial fair value and the subsequent amortised cost are equal to the nominal amount.

In the event of non-recovery risk, impairment losses are recognised on a case-by-case basis according to probable cash inflows.

The item "Other receivables" breaks down as follows:

	Gross amounts	Due within 1 year	Due in over 1 year
State and public authorities	2,712	2,712	-
Group and associates (affiliated companies)	7,810	7,810	-
Sundry debtors	3,348	3,348	-
TOTAL	**13,871**	**13,871**	**-**

Note 6 Table of changes in provisions for write-downs

	2021 cumulative amounts	Allowances	Reversals	2022 cumulative amounts	Of which affiliated companies
Customer accounts	-	4,779	-	4,779	4,779
Overdrawn current accounts	-	-	-	-	-
TOTAL	**-**	**4,779**	**-**	**4,779**	**4,779**

Note 7 Current payables

This item breaks down as follows:

		Total at 31/12/22	Due within 1 year	Due in over 1 year
Suppliers		5,654	5,654	-
Advances and down payments on orders in progress		-	-	-
Payables to employees and other payables		1,113	1,113	-
Social security bodies		619	619	-
State	Corporate income tax	-	-	-
	Value added tax	-	-	-
	Other	148	148	-
Payables on fixed assets		3,351	3,351	-
Group and shareholders		235	235	-
Other payables		1,443	1,443	-
TOTAL		**12,563**	**12,563**	**-**

Note 8 Deferred income and accrued expenses

Accrued expenses included in statement of financial position items:

	2022	2021	2020
Bank loans and borrowings	6	14	53
Suppliers	4,318	5,680	3,685
Tax and social security payables	1,171	1,330	1,480

TOTAL	**5,495**	**7,024**	**5,218**

Note 9 Extraordinary income

This item breaks down as follows:

	2022	2021	2020
Extraordinary income on management operations	-	-	-
Reversal of extraordinary provision	161	-	-
Miscellaneous extraordinary income	306	11	40
TOTAL	**466**	**11**	**40**

The amount of miscellaneous extraordinary income mainly corresponds to proceeds from the sale of DELFINGEN RU-Volga on 30 May 2022.

Note 10 Extraordinary expenses

This item breaks down as follows:

	2022	2021	2020
Extraordinary expenses on management operations	327	-	1,001
Net carrying amount of property, plant and equipment disposed of	-	-	-
Net carrying amount of long-term investments disposed of	840	1,742	-
Extraordinary provisions	-	161	-
Miscellaneous extraordinary expenses	2	2	74
TOTAL	**1,167**	**1,905**	**1,075**

The amount of extraordinary expenses on management operations in 2022 corresponds to the donation to the DELFINGEN Foundation (Swiss structure) of €300k of proceeds from the disposal of DELFINGEN RU-Volga.

The net carrying amount of long-term investments disposed of corresponds to the impact of the liquidation of DELFINGEN RO-Valahia and the disposal of DELFINGEN RU-Volga.

D. Labour costs and employee benefits

Note 11 Workforce breakdown

	2022	2021	2020
Executive	1	1	1
Managerial staff	85	79	67
Staff	24	21	27
TOTAL	**110**	**101**	**95**

These figures include the staff reinvoiced by DELFINGEN Group.

Note 12 Employee benefits

The amount recognised in respect of employee benefits corresponds solely to pension commitments. Pension commitments are assessed externally by a specialised firm.

The amount of pension commitments and similar benefits is immaterial (€576k) in light of the company's financial position and assets.

In France, since the 2020 financial year, the French entities have outsourced the management of these commitments and paid a portion of the provision. Payments made are recognised in personnel expenses.

The assumptions used to calculate the provisions for retirement benefits are as follows:

France	2022	2021	2020
Average retirement age	62 to 67 years	62 to 67 years	62 to 67 years
Managerial staff turnover rate	0.49% to 3.75%	0.56% to 5.37%	0.72% to 4.32%
Non-managerial staff turnover rate	0.38% to 3.90%	0.78% to 4.17%	0.79% to 2.36%
Discount rate	3.26%	0.88%	0.33%
Wage increase rate	1.00 to 2.25%	1.00 to 2.25%	1.75 to 2.25%

Note 13 Remuneration of the management bodies

Gross remuneration of the management bodies amounted to €498k. This amount includes remuneration paid to members of the Board of Directors, which amounted to €66k for the 2022 financial year.

E. Intangible assets and property, plant and equipment

Note 14 Intangible assets

Research and development costs

Research costs are recognised as expenses and development costs, arising from the application of research results, are capitalised to the extent that the company can demonstrate:

- Its intention and its financial and technical ability to successfully complete the development project;
- That the asset will generate future economic benefits; and
- That the cost of this intangible asset can be measured reliably.

Development costs that meet the above criteria are recognised as assets and are amortised over a maximum period of five years.

Other intangible assets

Other intangible assets include the costs of developing and acquiring computer software as well as patents and licences. These expenses are amortised on a straight-line basis over their estimated useful lives.

It should be noted that intangible assets with an indefinite useful life are not included among the assets of the company.

Amortisation

	Duration	Mode
Development costs	5 years	Straight-line
Fungible rights (patents)	20 years	Straight-line
Software and other intangible assets	3 years	Straight-line

The changes in the item "Intangible assets" are as follows:

Intangible assets

	2021	Increase	Decrease	Other mvts	2022
Gross amounts	4,284	2,786	(572)	-	6,498
Accumulated amortisation	2,621	564	-	-	3,186
NET TOTAL	**1,663**	**2,222**	**(572)**	**-**	**3,312**

Note 15 Property, plant and equipment

These are valued at their acquisition cost. Depreciation is calculated using the straight-line or reducing balance method and based on the following average durations:

		Duration	Mode
Fitting out and connecting works for land and buildings		8 to 10 years	Straight-line
Buildings	Structural work	30 years	Straight-line
	Technical work packages	20 years	Straight-line
	Second-fixing works	15 years	Straight-line
Equipment and tools		5 to 12 years	Straight-line
Transport equipment		5 years	Straight-line
Office/IT furniture/equipment		10 years/3 years	Straight-line

The changes in the item “Property, plant and equipment” are as follows:

Property, plant and equipment

Gross amounts	2021	Increase	Decrease	Other mvts	2022
Land	199	30	-	-	229
Buildings	6,103	-	-	508	6,610
Other property, plant and equipment	1,499	171	-	-	1,670
Fixed assets under construction	495	-	-	(486)	10
Advances and down payments	24	-	-	(24)	-
TOTAL	**8,320**	**201**	**-**	**-**	**8,520**

Accumulated depreciation	2021	Increase	Decrease	Other mvts	2022
Land	57	5	-	-	61
Buildings	4,717	255	-	-	4,973
Other property, plant and equipment	917	167	-	-	1,084
TOTAL	**5,691**	**428**	**-**	**-**	**6,118**
NET TOTAL	**2,629**	**(227)**	**-**	**-**	**2,402**

F. Provisions for liabilities and charges

The changes in the item "Provisions for liabilities and charges" are as follows:

	2021	Increase	Reversal used	Reversal not used	2022
Provisions for foreign exchange losses	163	91	-	(163)	91
Provisions for liabilities and charges	765	-	-	(188)	576
TOTAL	**927**	**91**	**-**	**(351)**	**667**

Provisions for liabilities and charges correspond to the provision for retirement benefits.

G. Financing and financial instruments

Note 16 Long-term investments

Equity investments in companies are recorded at their historical acquisition cost using the first-in-first-out method.

A provision is set aside when the value in use of the shares of the companies concerned is lower than the acquisition cost. This value in use is essentially based on the net position of the company concerned, taking into account its development outlook. If a company is a CGU for which a goodwill impairment test has been carried out, the value in use adopted is identical to that calculated in the context of these tests.

Receivables and loans to companies in which DELFINGEN Industry has an equity investment are provisioned when the debtor's financial situation indicates a probability of non-repayment.

The company's treasury shares are shown in the statement of financial position at their purchase price. When the stock market price on the closing date of the financial year is lower than the purchase price, a provision for impairment is recorded.

The changes in the item "Long-term investments" are as follows:

Gross amounts

	2021	Increase	Decrease	Other mvts	2022
Treasury shares	920	492	-	-	1,412
Equity investments	122,198	850	(840)	-	122,209
Receivables from associates	19,296	2,808	-	-	22,104
Loans and other long-term investments	567	-	(110)	-	457
TOTAL	**142,982**	**4,150**	**(950)**	**-**	**146,182**

The change in equity investments corresponds to:

- The capital increase of DELFINGEN SG-Filipinas;
- The voluntary liquidation of DELFINGEN RO-Valahia;
- The disposal of DELFINGEN RU-Volga.

The change in receivables from associates is mainly due to the net changes in the following loans:

- DELFINGEN SG-Filipinas: +€1,725k
- DELFINGEN SK-Nitra: +€883k
- DELFINGEN DE-Hassfurt: +€663k
- DELFINGEN RO-Satu Mare: +€317k
- DELFINGEN DE-Marktrodach: +€232k
- DELFINGEN BR-Sao Paulo: -€250k
- DELFINGEN TN-Tunis: -€200k

Note 17 Table of changes in provisions for write-downs

Cumulative amounts

	2021	Allowances	Reversals	2022	Of which affiliated companies
Equity investments	12,804	-	(954)	11,851	11,851
Property, plant and equipment	161	-	(161)	-	-
Treasury shares	-	-	-	-	-
Customer accounts	-	4,779	-	4,779	4,779
Other	51	187	-	238	-
TOTAL	**13,016**	**4,966**	**(1,114)**	**16,868**	**16,630**

Reversals on equity investments mainly concerned:

- DELFINGEN BR-Sao Paulo : €625k
- DELFINGEN PT-Porto : €100k
- DELFINGEN RO-Valahia : €228k following the liquidation of the entity

Provisions for customer accounts concern DELFINGEN MA-Casablanca (€2,166k) and DELFINGEN SG-Filipinas (€2,614k)

Note 18 Securities

The company's securities are shown in the statement of financial position at their purchase price. When the market price at the reporting date is lower than the purchase price, a provision for write-downs is recognised.

Note 19 Financial debt

Financial debt is broken down as follows:

		Total at 31/12/22	Due within 1 year	Due in more than 1 year and within 5 years	More than 5 years
Other bond loans		26,000	16,000	10,000	-
Credit institutions	up to 1 year at inception	20,035	20,035	-	-
	more than 1 year at inception	57,533	13,916	43,091	525
Miscellaneous loans and financial payables		-	-	-	-
TOTAL		**103,568**	**49,951**	**53,091**	**525**

Note 20 Off-balance sheet commitments

Commitments, endorsements and guarantees given

This item breaks down as follows:

	2022	2021	2020
Pledges and mortgages	-	-	-
Other commitments[1]	-	52	53
TOTAL	**-**	**52**	**53**

(1) Guarantees to suppliers

Commitments, endorsements and guarantees received

	2022	2021	2020
Unused credit facilities and cash facilities	-	8,991	-
Bank and personal guarantees	-	355	815
TOTAL	**-**	**9,346**	**815**

No commitments, endorsements or guarantees had been received at 31 December 2022.

Financial instruments: ANC Regulation 2015-05 on forward financial instruments and hedging transactions

ANC Regulation 2015-05, which came into force on 1 January 2017, applies to forward financial instruments. It requires that hedging transactions are symmetrically recognised in the income statement for the risk hedged and the effects of the hedge, and that the fair value of derivatives not recognised in the statement of financial position be taken into account, unless this is necessary to ensure the symmetry of transactions or reflects a risk taken by the company. The rules for symmetrical recognition of hedging effects and hedged risk in the income statement thus remain unchanged for simple non-speculative transactions.

In terms of French accounting rules, there is a presumption that derivatives are used for hedging purposes. The recognition of the fair value of derivatives is therefore not necessary, except to allow the symmetrical

recognition of the impacts of the hedged risk and the hedging effects or to reflect the negative effect of the risks taken by the company.

In terms of the financial statements of DELFINGEN Industry, this regulation has no impact because DELFINGEN Industry does not subscribe to speculative instruments and does not have any hedging agreements with symmetry in the income statement.

H. Corporate income tax

There is a tax consolidation agreement (Article 223 A of the French General Tax Code) in place between DELFINGEN Industry and DELFINGEN FR-Anteuil and DELFINGEN FR-Anteuil SAS.

The subsidiary recognises as an expense the tax that it would have paid if it were not consolidated and pays it to the parent company, which is the sole taxable entity with respect to the French revenue service.

If a subsidiary has recorded a loss, it retains the use of its tax loss carryforwards. The parent company benefits from the deferral of taxation and pays the tax in place of the subsidiary when the latter returns to profit. The parent company recognises in the income statement the tax payable or the tax credit based on its own taxable income as well as that based on the adjustments generated by the tax consolidation (regardless of the company concerned).

The corporation tax savings resulting from the tax consolidation of DELFINGEN Industry, DELFINGEN FR-Anteuil and DELFINGEN FR-Anteuil SAS amounted to €136k for 2022.

Increase and reduction in future tax liability

Nature of temporary differences	Amount *(in €)*
Increase	0
Reduction – miscellaneous provisions	0
Deferred income tax charges	0
Loss carryforwards	6,308,590
Long-term capital losses	0

I. Share capital and securities (shares)

In €	Number	Nominal value	Total
Securities at beginning of year	2,666,120	1.54	4,105,825
Securities redeemed or cancelled	-	-	-
Capital increase	-	-	-
Securities at end of year	2,666,120	1.54	4,105,825
Reserves, share premiums, retained earnings, etc.	-	-	50,778,059
Net income for the year	-	-	(1,476,495)
Investment subsidies	-	-	12,268
Regulated provisions	-	-	-
TOTAL SHAREHOLDERS' EQUITY	**-**	**-**	**53,419,658**

J. Miscellaneous information

Note 21 Statutory auditors' fees

The fees recorded during the 2022 financial year of the two statutory auditors of the parent company, DELFINGEN Industry, and the time spent on auditing the annual financial statements and consolidated financial statements are as follows:

	Time spent *(in hours)*	Fees *(in €)*
EXCO P2B AUDIT	700	85,000
AUDITIS	700	85,000
Subtotal	1,400	170,000
Other work and services		
EXCO P2B AUDIT	-	-
AUDITIS	-	-
Subtotal	-	-
TOTAL	**1,400**	**170,000**

K. Subsidiaries and associates

Note 22 Information on affiliated companies

	2022
Receivables from associates	22,104
Other receivables	6,024
Trade receivables	15,600
Overdrawn current accounts	12,817
Trade payables	3,789
Assets to be issued	1,440
Invoices not yet received	3,296
Current accounts in credit	5,197
Total expenses	30,143
Total income	53,910

Total expenses mainly include:

- The reinvoicing of payroll costs by the subsidiaries for €16,086k;
- Services and management fees invoiced by the family holding company, DELFINGEN Group, for €3,206k;
- Reinvoicing of services by the subsidiaries for €6,359k;
- Transfer pricing adjustments invoiced by the Group's subsidiaries to DELFINGEN Industry as part of the transfer pricing policy that came into force in 2020 for €1,658k.

Total income essentially comprises:

- Transfer pricing adjustments invoiced to the Group's subsidiaries as part of the transfer pricing policy that came into force in 2020 for €40,650k;
- Dividends received of €5,133k;
- Other services invoiced to the Group's various subsidiaries for a total of €6,944k.

Note 23 Consolidation

DELFINGEN Industry prepares consolidated financial statements with the companies it controls at 31 December 2022.

The company and its subsidiaries are themselves consolidated by the family holding company: DELFINGEN Group – Rue Emile Streit – 25340 Anteuil (Siret B 425 123 437).

Note 24 Table of subsidiaries

Detailed information on subsidiaries and associates

Financial information on subsidiaries and associates (more than 50% of the capital held)	Country	Capital	Currency	Reserves and retained earnings before appropriation of earnings (€k)	Share of capital held (%)	Carrying amount of securities held (€k)		
						Gross value	*Provisions*	*Net value*
DELFINGEN FR ANTEUIL PROD	France	1,829,389	EUR	9,774	99.98%	6,326		6,326
DELFINGEN TO PORTO SA	Portugal	804,000	EUR	371	100.00%	8,115	(6,947)	1,168
DELFINGEN US HOLDING	United States	44,247,578	USD	28,019	100.00%	46,451		46,451
DELFINGEN TN TUNIS	Tunisia	1,849,454	TND	57	100.00%	1,431	(614)	817
DELFINGEN MA CASABLANCA	Morocco	10,000,000	MAD	607	100.00%	897		897
DELFINGEN SK NITRA	Slovakia	6,639	EUR	1,282	100.00%	5		5
DELFINGEN RO TRANSILVANIA	Romania	18,000	RON	3,145	100.00%	5		5
DELFINGEN BR SAO PAULO	Brazil	12,003,574	BRL	(1,274)	99.99%	6,607	(5,014)	1,593
DELFINGEN ASIA PACIFIC HOLDING PTE USD	Singapore	16,019,775	USD	1,833	100.00%	15,283		15,283
DELFINGEN DEUTSCHLAND HOLDING	Germany	5,025,000	EUR	(362)	100.00%	5,025		5,025
DELFINGEN DE ASCHHEIM	Germany	4,000,000	EUR	232	100.00%	4,000		4,000
DELFINGEN RO SATU MARE	Romania	3,100,580	RON	20,137	100.00%	1,701		1,701
DELFINGEN Ibérica	Spain	60,120	EUR	245	100.00%			
DELFINGEN IT VERONA	Italy	260,000	EUR	3,371	100.00%	21,210		21,210
DELFINGEN MA TANGER 2	Morocco	6,245,075	MAD	11,377	100.00%	4,221		4,221
DELFINGEN TN FOUCHANA	Tunisia	900,000	TND	951	100.00%	120		120
DELFINGEN LU LUXEMBOURG	Luxembourg	30,000	EUR	6	100.00%	30		30

Information on financial elements (€k)

Financial information on subsidiaries and associates (more than 50% of capital held, directly or indirectly)	Country	Loans granted by Delfingen Industry and not yet repaid	Amount of guarantees and endorsements given by Delfingen Industry	Turnover excluding taxes for last financial year	Result for last financial year (profit or loss)	Dividends received by the company during the financial year	Observations
DELFINGEN FR ANTEUIL	France	-	-	22,155	1,382	1,000	
DELFINGEN TO PORTO SA	Portugal	4,106	-	10,242	139		
DELFINGEN US HOLDING	United States	-	-	169,395	7,269	3,801	Consolidated figures
DELFINGEN TN TUNIS	Tunisia	-	-	1,492	(1)		
DELFINGEN MA CASABLANCA	Morocco	-	-	9,412	(201)		
DELFINGEN SK NITRA	Slovakia	1,246	-	9,117	148		
DELFINGEN RO TRANSILVANIA	Romania	1,129	-	23,340	(39)		
DELFINGEN BR SAO PAULO	Brazil	562	-	5,802	735		
DELFINGEN RO VALAHIA	Romania	-	-	-	(66)	300	
DELFINGEN ASIA PACIFIC HOLDING PTE USD	Singapore	1,549	-	63,831	3,306		Consolidated figures
DELFINGEN IN PUNE	India	1,021	-	16,345	2,259		
DELFINGEN SG FILIPINAS	Singapore	3,275	-	20,256	(186)		
DELFINGEN DEUTSCHLAND HOLDING	Germany	-	-		(121)		
DELFINGEN DE MARKTRODACH	Germany	2,967	-	20,200	221		
DELFINGEN DE ASCHHEIM	Germany	-	-	0	112		
DELFINGEN DE HASSFURT	Germany	3,911	-	64,614	416		
DELFINGEN RO SATU MARE	Romania	1,816	-	32,118	276		
DELFINGEN Ibérica	Spain	-	-	863	(2)		
DELFINGEN IT VERONA	Italy	-	-	8,809	396		
DELFINGEN MA TANGER 2	Morocco	339	-	23,741	84		
DELFINGEN TN FOUCHANA	Tunisia	140	-	10,663	16		
DELFINGEN LU LUXEMBOURG	Luxembourg	-	-	-	5		

7.2.5 Statutory auditors' report on the annual financial statements

AUDITIS

5 Rue René Char

21000 DIJON

EXCO P2B AUDIT

16 Rue Frédéric Japy

25200 MONTBELIARD

DELFINGEN INDUSTRY

Public limited company with capital of €4,105,824.80
Registered office: Rue Emile Streit
25340 ANTEUIL

STATUTORY AUDITORS' REPORT

ON THE ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 31 DECEMBER 2022

To the Shareholders' Meeting of DELFINGEN INDUSTRY,

Opinion

In fulfilment of the assignment entrusted to us by your Shareholders' Meeting, we have audited the accompanying annual financial statements of DELFINGEN INDUSTRY for the year ended 31 December 2022.

We certify that the annual financial statements provide a true and fair view of the results of operations for the financial year under review and of the financial position and assets and liabilities of the company at the end of said financial year, in accordance with the accounting rules and policies generally accepted in France.

Basis of opinion

Audit frame of reference

We conducted our audit in accordance with the professional standards applicable in France. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

Our responsibilities pursuant to these rules are indicated in the section of this report entitled "Responsibilities of the statutory auditors regarding the audit of the annual financial statements".

Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and the French Code of Ethics for statutory auditors, for the period from 1 January 2022 to the date of issue of our report.

Justification of our assessments

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional judgement, were the most important for the audit of the annual financial statements for the year.

The assessments we have made are part of our audit of the annual financial statements as a whole and the forming of the opinion expressed above. We do not express an opinion on elements of these annual financial statements taken in isolation.

Our assessments focused on the appropriateness of the accounting policies applied and the reasonableness of the significant estimates used, notably with regard to the valuation of equity investments and receivables related to equity investments. Note 16 to the financial statements on "Long-term investments" sets out the accounting rules and methods for measuring the value in use of equity investments and related receivables.

On the basis of the information provided to us, our work consisted of:

- Analysing whether the estimate of these values determined by management is based on an appropriate justification of the valuation method and the figures used;
- Comparing the data used to carry out impairment tests with the source data by entity and the results of the audit work on these subsidiaries;
- Analysing the consistency of the assumptions used by management to determine the recoverability of the receivables associated with these investments with the level of impairment recognised according to the risks incurred;
- Checking the arithmetic accuracy of the calculations.

Specific verifications

We have also performed, in accordance with applicable professional standards in France, the specific verifications required by the laws and regulations.

Information provided in the Report on Operations and in other documents on the financial position and the annual financial statements addressed to the shareholders

We have no matters to report regarding the true and fair presentation of the information provided in the Board of Directors' Report on Operations and in the documents sent to shareholders on the company's financial position and the annual financial statements, or its consistency with the annual financial statements.

We certify that the information relating to the payment terms referred to in Article D. 441-6 of the French Commercial Code is true and consistent with the annual financial statements.

Corporate governance report

We certify that the Board of Directors' corporate governance report contains the information required by Article L. 225-37-4 of the French Commercial Code.

Other information

Pursuant to the law, we have verified that the information relating to acquisitions of equity and controlling interests and to the identity of the holders of the capital or voting rights has been provided to you in the Report on Operations.

Responsibilities of Management and those charged with corporate governance regarding the annual financial statements

It is Management's responsibility to draw up annual financial statements that provide a fair and true view in accordance with French accounting rules and policies and to implement the necessary internal control to be able to provide reasonable assurance that they are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is Management's responsibility to assess the company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the continuity of operations and to apply the going concern accounting convention, unless the company is to be liquidated or its activities are to cease.

The financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors regarding the audit of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards is free of material misstatement.

Misstatements may result from fraud or error and are considered material when there is a reasonable expectation that they may, when taken individually or combined, influence the economic decisions made by users of the financial statements on the basis of the financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our task of certifying the financial statements does not entail guaranteeing the viability or quality of your company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout this audit.

Furthermore:

- It identifies and assesses the risks that the annual financial statements may contain material misstatements, whether due to fraud or error, defines and implements audit procedures to handle these risks and collects all elements deemed sufficient and relevant on which to base its opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, false statements or the overriding of internal control;
- It takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the effectiveness of the internal control;
- It assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as related information provided in the annual financial statements;
- It assesses the appropriateness of Management's application of the going concern accounting convention and, based on the information collected, whether or not material uncertainty exists related to events or circumstances likely to jeopardise the company's ability to continue to operate. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor concludes that material uncertainty exists, it brings the information provided in the annual financial statements regarding such uncertainty to the attention of readers of its report

or, if such information is not provided or is not relevant, the statutory auditor issues a qualified opinion or a disclaimer of opinion;

- It assesses the overall presentation of the annual financial statements and whether they provide a true picture of the underlying operations and events.

The Statutory Auditors

Dijon, 27 April 2023	**Montbéliard, 27 April 2023**
AUDITIS	**EXCO P2B AUDIT**
Philippe Dandon **Partner**	**Pierre Burnel** **Partner**

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Shareholders' Meeting

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8.1 Agenda

AGENDA OF THE COMBINED SHAREHOLDERS' MEETING OF 2 JUNE 2023

RESOLUTIONS WITHIN THE REMIT OF THE ORDINARY SHAREHOLDERS' MEETING

- Board of Directors' Report on Operations on the financial statements for the year ended 31 December 2022 and corporate governance report;
- Annual report of the Board of Directors on the Group's management in the year ended 31 December 2022;
- Chairman's special report on transactions carried out by the company in respect of share purchase or subscription options reserved for salaried staff and executives;
- Board of Directors' report on the share buyback plan;
- Statutory auditors' report on the separate and consolidated financial statements for the financial year ended 31 December 2022;
- Statutory auditors' special report on the corporate governance report;
- Review and approval of the annual financial statements for the financial year ended 31 December 2022;
- Review and approval of the consolidated financial statements for the year ended 31 December 2022;
- Discharge of directors;
- Appropriation of earnings;
- Approval of non-deductible expenses;
- Statutory auditors' special report on the regulated agreements referred to in Article L 225-38 of the French Commercial Code and approval of the agreements;
- Setting the overall annual amount of remuneration to be paid to the directors;
- Reappointment of Mr Patrick Cherrier as a director;
- Authorisation of the Board of Directors, with the right to sub-delegate, to purchase or have purchased shares of the company in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code;
- Powers to complete legal formalities.

RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- Amendment of Article 16.2 of the articles of association;
- Authorisation to be given to the Board of Directors to reduce the share capital by cancelling shares that would have been purchased under the share buyback programme;
- Delegation of authority to the Board of Directors to issue company shares to members of a company savings plan, cancelling shareholders' preferential subscription rights;
- Powers to complete legal formalities.

8.2 Text of resolutions

DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 2 JUNE 2023

Resolutions submitted to the Ordinary Shareholders' Meeting

First resolution (Approval of the 2022 annual financial statements)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Ordinary Shareholders' Meetings, and having heard the reports of the Board of Directors and the statutory auditors, approves the annual financial statements for the financial year ended 31 December 2022, comprising the statement of financial position, income statement and notes to the financial statements, as presented, as well as the operations reflected in these financial statements or summarised in these reports.

The Shareholders' Meeting approves the expenses and charges not deductible for tax purposes referred to in Article 39-4 of the French General Tax Code, which amount to €99,681, and which, given the tax loss, have reduced the potential loss carryforward by the same amount.

Accordingly, the Shareholders' Meeting hereby grants the directors discharge for the performance of their offices for the last financial year.

Second resolution (Approval of the consolidated financial statements for financial year 2022)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Ordinary Shareholders' Meetings, and having heard the report of the Board of Directors on the management of the Group during the financial year ended 31 December 2022 and the statutory auditors' report, approves the consolidated financial statements for that year, comprising the consolidated statement of financial position, consolidated income statement and notes to the financial statements, as presented, as well as the operations reflected in these financial statements or summarised in these reports.

Third resolution (Appropriation of 2022 earnings)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Ordinary Shareholders' Meetings, at the proposal of the Board of Directors, decided to appropriate the loss for the year of €1,476,494.63 as follows:

•	Loss for the year: Fully charged to previous retained earnings in credit, before charging, by an amount of:	€1,476,494.63 €19,461,837.95
•	I.e a distributable profit of	€17,985,343.32
•	As a dividend, the sum of: I.e. €0.64 per share	€1,706,316.80
•	The balance, i.e. the sum of: Corresponding to "retained earnings" in credit after appropriation	€16,279,026.52

The total amount of the distribution referred to above is calculated on the basis of the number of shares and may vary, depending in particular on the number of treasury shares held between 1 January 2023 and the ex-dividend date.

The ex-dividend date will be 29 June 2023 and the dividend will be payable between 30 June 2023 and 4 July 2023.

In order to comply with the provisions of Article 243-*bis* of the French General Tax Code, it is specified that this dividend is eligible, for natural persons domiciled in France for tax purposes opting for overall taxation on the progressive scale, for the 40% allowance provided for in Article 158-3, paragraph 2 of the French General Tax Code.

The Shareholders' Meeting thus notes that the shareholders were reminded that:
- The dividend paid to individuals who are resident in France for tax purposes will be taxed at the overall rate of 30% (income tax at the rate of 12.8% and social security contributions at the overall rate of 17.2%);
- An option is possible for the progressive scale of income tax after a 40% allowance and for social security contributions at 17.2% without an allowance. This option relates to all dividends received and capital gains on sales of company shares by members of the tax household for the year in question.

The amounts corresponding to the unpaid dividends on treasury shares held at the time of payment will be allocated to retained earnings.

In accordance with legal provisions, the Shareholders' Meeting also notes that the following dividends have been distributed in respect of the last three financial years:

FY2019: €0[1] per share.
FY2020: €0.38[1] per share.
FY2021: €1.13[1] per share.

[1]*Eligible amounts, for natural persons domiciled in France for tax purposes, opting for overall taxation on the progressive scale subject to the 40% allowance provided for in Article 158-3, paragraph 2 of the French General Tax Code.*

Fourth resolution (Approval of the agreements referred to in Article L. 225-38 of the French Commercial Code)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Ordinary Shareholders' Meetings, and having heard the report of the Board of Directors and the special report of the statutory auditors on the agreements referred to in Articles L 225-38 *et seq*. of the French Commercial Code, subsequently approves the related agreements and duly notes, as necessary, the continuation, during the financial year, of previously authorised agreements.

Fifth resolution (Setting of the overall amount of remuneration to be paid to the directors)

Having read the report of the Board of Directors and at the proposal of the latter, the Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, set at the sum of one hundred and ten thousand euros (€110,000) the maximum overall annual amount of remuneration that the Board of Directors is authorised to distribute among its members for the 2023 financial year.

Sixth resolution (Reappointment of Mr Patrick Cherrier as a director)

The Shareholders' Meeting, at the proposal of the Board of Directors, and deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, decided to reappoint Mr Patrick Cherrier as a director for a period of six financial years, i.e. until the end of the Ordinary Shareholders'

Meeting to be held in 2029 to approve the financial statements for the financial year ending 31 December 2028.

Seventh resolution (Authorisation to trade treasury shares on the stock exchange)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Ordinary Shareholders' Meetings and having noted the report of the Board of Directors, authorises the Board of Directors, with the right to sub-delegate, in accordance with the provisions of Articles L. 22-10-62 *et seq*. of the French Commercial Code, L. 225-210 *et seq*. of the French Commercial Code and Articles 241-1 *et seq*. of the AMF General Regulations, to purchase or arrange for the purchase of company shares with a view to:
- The implementation of any company stock option plan pursuant to the provisions of Articles L. 225-177 *et seq*. of the French Commercial Code; or
- The granting or sale of shares to employees for their participation in the benefits of the company's expansion and the implementation of any company savings plan under the conditions defined by law; or
- The delivery of shares when rights attached to securities giving access to capital are exercised by redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- The cancellation of all or part of the shares bought back; or
- The delivery of shares by way of exchange, payment or for other reasons in connection with acquisitions, mergers, demergers or contributions; or
- Promotion of trading on the secondary market or the liquidity of the stock by an investment services provider under a liquidity agreement, in accordance with the ethical charter recognised by the French Financial Markets Authority; or
- Purchases, sales or transfers by any means by an investment service provider, in particular in the context of off-market transactions.

This authorisation would also enable the company to operate for any other purpose that is or may be authorised by the law or regulations in force. In this event, the company would inform its shareholders by means of a press release.

Purchases of the company's shares may concern a number of shares such that:

- The number of shares that the company purchases during the term of this authorisation does not exceed ten per cent (10%) of the shares comprising the company's capital at any time, with this percentage applying to capital adjusted according to transactions affecting it after this Shareholders' Meeting, it being specified that the number of shares purchased with a view to their conservation and subsequent delivery in the context of a merger, demerger or contribution may not exceed five per cent (5%) of its capital;

- The number of shares that the company will hold at any time does not exceed ten per cent (10%) of the shares comprising the share capital of the company on the date in question.

The acquisition, disposal or transfer of shares may be carried out at any time (including during a public offering period within the limits permitted by the applicable regulations) and by any means, on the over-the-counter market, including by acquisition or disposal of blocks (without limiting the part of the buyback programme that may be carried out by this means), by public offering or by using options or other forward financial instruments traded on an organised or over-the-counter market or by delivering shares following the issue of securities giving access to the company's capital by conversion, exchange, redemption, exercise of a warrant or in any other way, either directly or indirectly through an investment service provider.

The maximum purchase price of the shares under this resolution will be eighty euros (€80.00) per share (or the equivalent of this amount on the same date in any other currency), this maximum price being applicable both to acquisitions decided on from the date of this Shareholders' Meeting and to forward transactions entered into pursuant to an authorisation granted by a previous Shareholders' Meeting and providing for the purchase of shares after the date of this Shareholders' Meeting.

This authorisation is given for a maximum period of eighteen (18) months. It cancels and replaces the previous authorisation granted at the Combined Shareholders' Meeting of 3 June 2022 in its seventh resolution.

In accordance with the provisions of Article L. 22-10-62, paragraph 1 of the French Commercial Code, the Social and Economic Committee will be informed of this resolution.

The Shareholders' Meeting grants all powers to the Board of Directors, with the right to sub-delegate in accordance with statutory conditions, to decide and implement this authorisation, to specify, if necessary, the terms and conditions thereof, to carry out any publication required by law or regulations, to carry out the buyback programme and in particular to place any stock exchange order, to enter into any agreement with a view to keeping the share purchase and sale registers, to make any declaration to the French stock market authority (AMF) and any other authority that may replace it, to complete all formalities and, in general, to do whatever is necessary.

Eighth resolution (Powers to complete legal formalities)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Ordinary Shareholders' Meetings, grants all powers to the Chairman of the Board of Directors and the Chief Executive Officer or any other person they may have intended to replace, and the bearer of an original or a copy of this document, to carry out all necessary legal formalities.

Resolutions submitted to the Extraordinary Shareholders' Meeting

Ninth resolution (Amendment of Article 16.2 of the articles of association)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Extraordinary Shareholders' Meetings, at the proposal of the Board of Directors, resolves to increase the age limit of directors provided for in the articles of association to eighty (80) years and consequently adopts the new version of Article 16.2.

Tenth resolution (Authorisation to be given to the Board of Directors to reduce the share capital by cancelling shares that would have been purchased under the share buyback programme)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having noted the report of the Board of Directors and the special report of the statutory auditors:
- Authorises the Board of Directors to cancel, at its sole discretion, on one or more occasions, all or some of the shares that the company holds or may hold as a result of the buybacks under Article L. 22-10-62 of the French Commercial Code and under the programmes authorised under the ninth resolution above submitted to this Shareholders' Meeting or previously authorised buyback programmes, up to a limit of ten per cent (10%) of the total number of shares, in periods of twenty-four (24) months, allocating the difference between the purchase value of the cancelled shares and their nominal value to the available premiums and reserves including, in part, to the legal reserve up to ten per cent (10%) of the cancelled capital;
- Authorises the Board of Directors to record the completion of the capital reduction(s) in the proportions and at the times that it decides, to amend the articles of association accordingly and to complete all necessary formalities;
- Authorises the Board of Directors to delegate all powers necessary to implement its decisions, all in accordance with the statutory provisions in force when this authorisation is used;

Decides that this authorisation cancels and replaces, with effect from this decision, any previous resolution having the same purpose.

Sets the period of validity of this authorisation at eighteen (18) months from this Shareholders' Meeting, i.e. until 2 December 2024, in accordance with the provisions of paragraph 1 of Article L. 225-209 of the French Commercial Code.

The Shareholders' Meeting notes that this delegation of powers cancels any previous delegation with the same purpose.
The Shareholders' Meeting notes the fact that if the Board of Directors were to use this delegation, it would report to the next Ordinary Shareholders' Meeting, in accordance with Article L. 225-129-5 of the French Commercial Code, on the use made of the delegations granted in this resolution.

Eleventh resolution (Delegation of authority to the Board of Directors to issue company shares to members of a company savings plan, cancelling shareholders' preferential subscription rights)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having noted the report of the Board of Directors and the special report of the Statutory Auditors, within the framework of the provisions of Articles L. 3332-18 *et seq*. of the French Labour Code and Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code:

- Delegates to the Board of Directors, with the power to sub-delegate, its authority to increase, on one or more occasions, in the proportion and at the times that it deems fit, at its sole discretion, the share capital of the company, up to a maximum nominal amount of forty thousand euros (€40,000.00) by the issue of shares or other securities giving access, immediately and/or in the future, to the capital of the company, reserved for (i)members of a Group company savings plan, and (ii) employees or corporate officers of the company or of a French or foreign company affiliated with it under the conditions of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, and which is directly or indirectly majority-owned by the company, it being specified that this amount will be deducted from the maximum capital increase cap set by the thirteenth, fourteenth, fifteenth and sixteenth resolutions submitted to this Shareholders' Meeting;

- Decides that the Board of Directors may also grant, free of charge, shares or other securities giving immediate and/or future access to the company's capital to the beneficiaries mentioned above, it being understood that the total benefit resulting from this grant in respect of matching contributions or, where applicable, discounts, may not exceed the statutory or regulatory limits;

- Decides that the characteristics of the other securities giving access to the company's capital will be determined by the Board of Directors under the conditions laid down by the regulations;

- Decides to cancel shareholders' preferential subscription rights to shares and securities giving access to capital to be issued that may be issued pursuant to this resolution;

- Notes, insofar as necessary, that this delegation of authority automatically entails, to the benefit of the holders of securities giving future access to company shares that may be issued pursuant to this resolution, the waiver by the shareholders of their pre-emptive right to subscribe for the shares to which these securities entitle their holders.

The Board of Directors will have all powers, with the right to delegate or sub-delegate in accordance with statutory conditions, to implement this authorisation, and in particular to:

- Determine the terms and conditions of the issues that will be carried out under this authorisation;
- Determine, with its justification, the issue price of the new shares in accordance with the provisions of Article L. 3332-10 of the French Labour Code;
- Determine the proposed subscription amount and the subscription opening and closing dates, the price, the dividend entitlement dates and the terms of each issue as well as the form and characteristics of the securities to be issued, the deadlines for paying up the securities and;
- Determine, in the event that bonus shares are allocated, the terms of the allocation and, where applicable, the amount and nature of the reserves, profits or premiums to be incorporated into the share capital;

- Record the completion of capital increases up to the amount of the securities that will actually be subscribed;
- Make any adjustment to take into account the impact of the operation on the company's capital;
- Determine the terms under which the rights of the holders of securities giving access to the share capital will be protected in accordance with the statutory and regulatory provisions;
- Suspend, where applicable, the exercise of the rights attached to the securities to be issued in the cases and limits provided for by the regulatory and contractual provisions;
- Carry out, directly or by proxy, all operations and formalities related to increases in the share capital;
- Make the necessary amendments to the articles of association;
- Request their admission to listing on the stock exchange wherever it notifies them;
- At its sole discretion and, if it deems it appropriate, set off the costs of the capital increases against the amount of the premiums relating to these issues and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new capital after each increase;
- Enter into all agreements and carry out all transactions and formalities directly or through a representative;
- Make all declarations to all bodies and, in general, do whatever is necessary.

This delegation of powers will be valid for a period of twenty-six (26) months from the date of this Shareholders' Meeting.

The Shareholders' Meeting notes that this delegation cancels any previous delegation with the same purpose, and in particular that granted by the Combined Shareholders' Meeting of 3 June 2022, in its tenth resolution.

Twelfth resolution (Powers to complete legal formalities)

The Shareholders' Meeting, having fulfilled the quorum and majority conditions required for Extraordinary Shareholders' Meetings, grants all powers to the Chairman of the Board of Directors and the Chief Executive Officer or any other person they may have intended to replace, and bearers of an original or a copy of this document, to carry out all necessary legal formalities.

9

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9.1 Information about the company

INFORMATION

Company name	DELFINGEN Industry
Registered office	Rue Emile Streit 25340 Anteuil
Head office contact details	Tel: 03 81 90 73 00 Fax: 03 81 90 73 19 delfingenl3delfingen.com
Legal form and applicable legislation	DELFINGEN Industry is a public limited company with a Board of Directors under French law, governed by the French Commercial Code and by its articles of association.
Trade and Companies Register	The company is entered in the BESANCON Trade and Companies Register under number: B 354 013 575. Its main activity (APE) code, according to the French classification, is: 7010Z - Activities of registered offices.
Date of incorporation	28 March 1990
Lifetime	99 years

CORPORATE OBJECT

- Article 2 of the articles of association updated on 27 November 2020 stipulates that the company's object, directly or indirectly in all countries, is:
- The subscription and acquisition of equity investments and subsidiaries with a view to their management;
- All multidisciplinary study and training and assistance advisory work for companies with which it has a business relationship or in which it holds an equity interest;
- All leasing or sub-leasing of buildings intended to facilitate the operation of the company or any subsidiaries or related companies;
- Assistance in management, technical, financial, IT, documentary and administrative matters and, more generally, all financial, management, study and research actions and commercial agreements with a view to promoting and increasing the Group's return on capital, investment policy and operations;
-
- More generally, all financial, real estate or securities, civil, commercial or industrial transactions that may be related to the corporate object or any similar or related purpose that may promote or develop the corporate activity.

9.2 Statutory auditors

The standing and alternate statutory auditors are currently as follows (at 31 December 2022):

Joint standing statutory auditors:

- EXCO P2B AUDIT, represented by Mr Pierre Burnel, domiciled at 16 rue Frédéric Japy, Montbéliard (25);
- AUDITIS, represented by Mr Philippe Dandon, domiciled at 5 rue René Char, Dijon (21).

Joint alternate statutory auditors:

- François Verdier, domiciled at 9 Avenue Léonard de Vinci, Clermont-Ferrand (63);

It is specified that:

- EXCO P2B AUDIT and Mr François Verdier, respectively standing statutory auditor and alternate statutory auditor, will remain in office until the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2024;
- AUDITIS, the standing statutory auditor, was reappointed at the Shareholders' Meeting of 14 June 2021, for a period of six (6) financial years, i.e. until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2026.

9.3 Documents available to the public

Mr Gérald Streit, acting in his capacity as Chairman of the Board of Directors of DELFINGEN Industry, certifies that, during the period of validity of this document, the following documents or their copies may be consulted:

- the deed of incorporation and the articles of association of DELFINGEN Industry;
- All reports, letters and other historical financial documents and information, valuations and statements prepared by an expert at the request of the issuer, a part of which is included or referred to in this document;
- Historical financial information on the issuer and its subsidiaries for each of the two financial years preceding publication of the registration document.

These consultations may be carried out on a physical and/or electronic medium at the company's registered office at Rue Emile Streit, Anteuil (25340).

9.4 Persons responsible

Person responsible for the Universal Registration Document containing the Annual Financial Report

Gérald Streit – Chairman and Chief Executive Officer

9.5 Certification by the person responsible

Certification by the person responsible for the Universal Registration Document containing the Annual Financial Report

After taking all reasonable measures to this effect, I hereby certify that, to the best of my knowledge, the information contained in this Universal Registration Document is consistent with the facts and does not contain such omissions as may alter its effects.

I certify that, to the best of my knowledge, the financial statements 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 company and of all the companies in the scope of consolidation, and that the Reports on Operations on pages 127 to 132 and 134 to 137 give a true and fair view of the development and performance of the business, the results and financial position of the company and of all the companies in the scope of consolidation, and that it describes the main risks and uncertainties that they face.

I have obtained an assignment completion letter from the statutory auditors, in which they state that they have audited the information relating to the financial situation and the financial statements provided in this document and have read the entire document.

In Anteuil, on 26 April 2023, Gérald Streit, Chairman and Chief Executive Officer

Pursuant to Article 19 of Regulation (EU) 2017/1129, the following items are included by reference in this registration document:

- The consolidated financial statements prepared in accordance with IFRS and the condensed annual financial statements prepared in accordance with French GAAP for the financial year ended 31 December 2021, as well as the relevant statutory auditors' reports, are contained in Registration Document D.22-0378, filed with the AMF on 28 April 2022;

- The consolidated financial statements prepared in accordance with IFRS and the condensed annual financial statements prepared in accordance with French GAAP for the financial year ended 31 December 2020, as well as the relevant statutory auditors' reports, are contained in Registration Document D.21-0376, filed with the AMF on 28 April 2021;

- The consolidated financial statements prepared in accordance with IFRS and the condensed annual financial statements prepared in accordance with French GAAP for the financial year ended 31 December 2019, as well as the relevant statutory auditors' reports, are contained in Registration Document D.20-0365, filed with the AMF on 27 April 2020.

9.6 Glossary

WCR: Working capital requirement.

CAFICE: Operating cash flow before taxes and net cost of financial debt.

Free cash flow: Operating cash flow before taxes and cost of net financial debt less the change in WCR, taxes paid and net investments.

Subordinated debt: Debt payable by DELFINGEN US-Holding to DELFINGEN Industry, considered as quasi-equity in the context of the covenants.

EBITDA: Earnings before interest, tax, depreciation and amortisation.

OIBDA: Current operating income + net allowances for depreciation and amortisation, provisions and write-downs.

NFD: Net financial debt.

Rents: Rents on buildings and leases.

Gross margin: Turnover less purchases consumed and increased by net of changes in stored and capitalised production

Waiver: Waiver by the banks of the acceleration of the debt in the event of breach of covenant.

Ruling: Tax ruling, agreement with the tax authorities

9.7 Cross-reference tables

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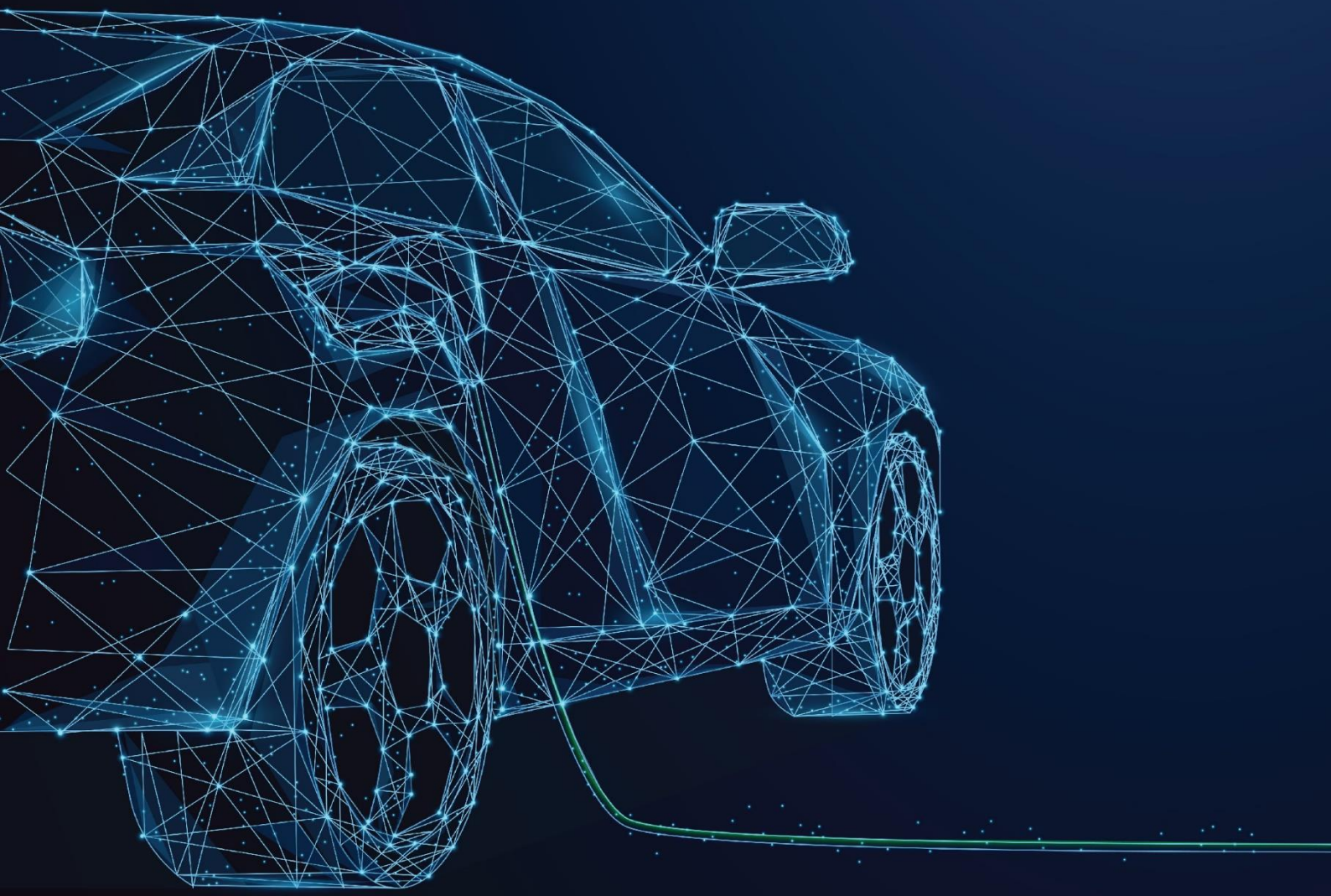
DELFINGEN

Safe networks in motion



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