DELFINGEN

Safe networks in motion

2023

UNIVERSAL REGISTRATION DOCUMENT

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NFPD Non-Financial Performance Declaration
AFR Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on 29 April, 2024, with the French securities commission *(Autorité des Marchés Financiers - AMF)*, in its capacity as the 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 an offer to the public of financial securities or the admission of financial securities to trading on a regulated market if supplemented by a securities note and, where applicable, a summary of any amendments made to the Universal Registration Document. All registration documents were approved by the *Autorité des Marchés Financiers* in accordance with Regulation (EU) 2017 /1129.

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

INTRODUCTION

INTERVIEW WITH GÉRALD STREIT

Chairman and CEO

"DELFINGEN CONTINUES TO ROLL OUT ITS STRATEGY [...] AND ITS DETERMINATION TO ASSERT ITSELF AS A RESPONSIBLE COMPANY"

First of all, can you just give us the main highlights of the past year?

It's been another year, right at the heart of an automotive market in full transition (electrification of the fleet, changing vehicle architectures, decarbonization of the industry, etc.). DELFINGEN ended the year with an improvement in all its financial indicators, while also continuing to roll out its strategy:
- Its positioning as a "Preferred reliable supplier", with its "best-in class" products, high quality standards and responsive logistics;
- The widest range on the market (plastic tubing, textile sleeves, cable channels, etc.);
- A global player with unique expertise (70 years of know-how and development of customized solutions);
- But, above all, its determination to assert itself as a responsible company through its CSR commitments, particularly those involving the environment.

Let's talk about your CSR commitments and, more specifically, your environmental commitments. How do you compare with other market players?

DELFINGEN's CSR strategy draws on the Group's values: entrepreneurship, solidarity, harmony and responsibility. Everyone in the Group has a role to play, each contributing in their own particular area, to reach the targets I've set for 2030: a 38% reduction in greenhouse gas emissions for Scopes 1 & 2, and a 32% reduction for Scope 3, in line with the commitments made at COP 21 in Paris.
We consider ourselves to be ahead of the game on these issues compared with other players.

Is DELFINGEN's industrial market also dynamic?

Yes, the highly diverse industrial market is also a growth opportunity for the Group, particularly through the various companies acquired in recent years: DROSSBACH (Canada), SCHLEMMER and REIKU (Germany). REIKU, in particular, which specialized in cable protection systems for robotics, has a rich history and a close relationship with customers. In 2024, particular emphasis will be placed on strengthening our brand policy in the industrial market.

What's your outlook for the next few years?

We're experiencing a revolution in "Green Mobility", with new players, new propulsion systems and strong societal impacts. How can we not see opportunities here?

ESSENTIALS

ABOUT DELFINGEN

DELFINGEN Industry is the world leader in cable protection systems and a key player in responsible mobility.

KEY FIGURES

A family business spanning **3** generations

Founded in **1954**

4 200+ Employees

- Cable protection solutions
- Expert in technical tubing for fluid transfer solutions

Present in **21 COUNTRIES**

457 Million euros in sales revenue

PARIS STOCK EXCHANGE
Euronext Growth

GLOBAL PRESENCE

AMERICAS

Brazil
Canada
United States
Honduras
Mexico

EUROPE & AFRICA

Germany
Spain
France
Italy
Morocco
Portugal
Romania
Slovakia
Tunisia

ASIA

China
South Korea
UAE
India
Japan
Philippines
Thailand

FROM FAMILY BUSINESS ... TO GLOBAL INDUSTRIAL GROUP

41 sites worldwide in 21 countries across 4 continents, dedicated to product development, innovation, production, logistics and marketing. As a global player, DELFINGEN Industry supports equipment suppliers and auto manufacturers in their global platform strategies.

25 Plants

13 R&D centers

11 Sales offices

6 Logistics centers

LOCAL PARTNER

A TRUSTED GLOBAL PARTNER

In addition to the geographical proximity of its plants and engineering centers, this local presence reflects the meaningful relations forged with its customers.

DELFINGEN Industry is there to support them, through its responsive teams, flexible industrial organization and the co-development of products and processes.

41 SITES WORLDWIDE IN 21 COUNTRIES

DELFINGEN INDUSTRY'S COMMITMENT

To meet the challenges of the automotive industry, DELFINGEN Industry is committed to working with its customers, both equipment suppliers and and manufacturers, through its:

- Global network
- Local logistics
- Competitive performance
- Foothold in high growth markets
- Innovation in building the car of tomorrow

OUR HISTORY

“It was the boldness, courage and determination of women and men that helped transform the small family business into a global automotive equipment supplier, now a leader in its market”

Gérald Streit,
Chairman and CEO

1954

Emile Streit, originally from Radelfingen in Switzerland, founds SOFANOU in Anteuil, France

1973

Bernard Streit, son of Emile, joins SOFANOU and becomes its manager in 1984

1992

First foreign venture (Spain), and deployment and growth in Europe

1998

Acquisitions in the United States (APTC, Truesdell, Markel, Jenisco)

2000

Expansion worldwide: 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, takes over as CEO

2017

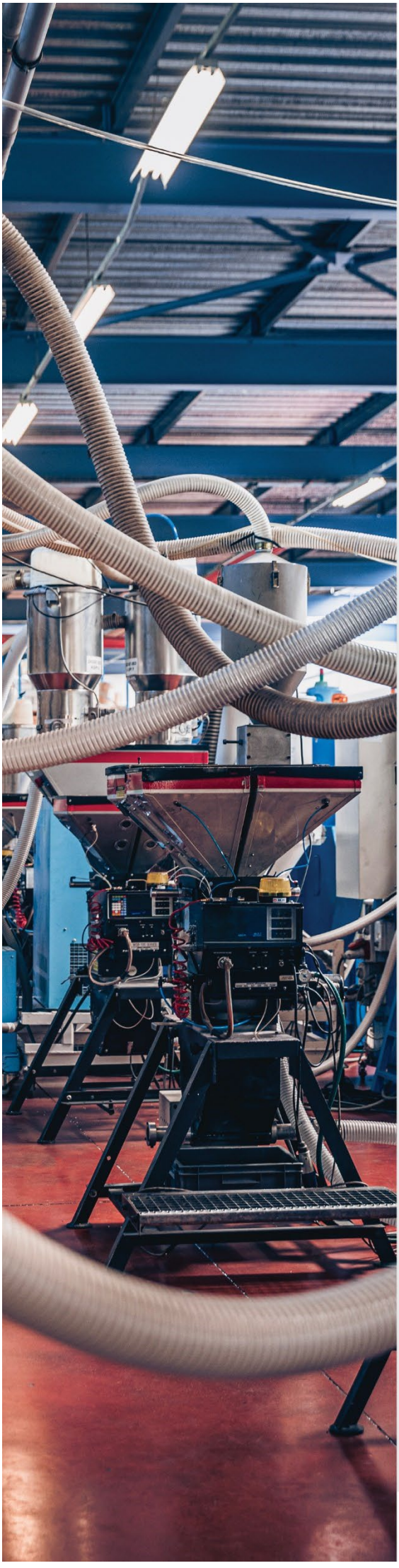
With its acquisition of DROSSBACH, DELFINGEN enters the industrial market

2020

Acquisition of Schlemmer Europe/Africa

2023

Acquisition of AHN Chem and REIKU



COMPANY ROOTS

It all began in the small Swiss village of Radelfingen in early 1900. Christian STREIT, a farmer of modest means, left Radelfingen to find work in France. As was the case for so many women and men around the world, his bold decision was driven by his duty to provide for his family.

His son, Emile, would therefore become be a farmer. Very soon he demonstrated his skills and dexterity with tools. He repaired and built things and showed a passion for mechanics, practising his craft in businesses in the region.

The family's destiny was marked by Jeannette's disability. Her two brothers, Emile and René, set up a small activity for her making plastic sleeves. The company's roots were thus founded on mutual aid and solidarity in 1954.

Emile acquired a taste for entrepreneurial spirit and production expanded to making plastic bags for Peugeot. SOFANOU was born.

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

Bernard, son of Emile, joined the company after completing his military service in 1973. Self-taught, he listened and learned. In 1984, Bernard took over the business and embarked on what would prove to be a strategic move. After 30 years of small-scale production, SOFANOU joined the industrial era.

The automotive industry entered a period of tremendous change. It was all about gaining expertise, diversifying the customer portfolio and expanding business. The company then turned to the extrusion of convoluted tubing for the protection of on-board wiring harnesses.

A STRATEGY FOR GROWTH

Two ambitious plans were introduced to give the company a global dimension, with a “European market” drive in the 1990s, and an “American market” drive in the 2000s, to position the company as a leader in both these geographical areas.

These plans were backed by financial partners and an IPO on the Paris stock exchange was launched in 1996.
The 2000s saw THE DELFINGEN Group move into emerging countries (Brazil, China, India, Thailand), and to further expand in Asia. Another of DELFINGEN Industry's main challenges to continue to be bold, dynamic and enterprising.
In 2007, all of the Group’s entities joined forces under one name, DELFINGEN, a nod to the global Group’s beginnings in a small Swiss village called Radelfingen.

NEW MARKETS, NEW ACTIVITIES

2010

Keen to diversify its products, in 2010 the DELFINGEN Group created a new fluid transfer business, making the company a key player in the fuel tank environment. With the advent of new vehicle transmission systems (electrification, hybridization), which have a particular need for battery cooling, this business has become even more strategic for the DELFINGEN Group.

2014

The acquisition of two German companies, LANGENDORF and MBG, strengthened DELFINGEN Industry’s presence among German equipment suppliers and auto manufacturers, as well as its technological substance in textile sleeves, offering the most comprehensive range on the market for the protection of wiring harnesses and hoses.

2017

In 2017, the DELFINGEN Group acquired DROSSBACH North America, a group specializing in the manufacture and distribution of cable protection solutions for transportation, industrial, environmental and robotics markets.

2020

DELFINGEN pursued its growth strategy with the acquisition of Schlemmer’s Europe/Africa activities. This growth operation was of particular importance structurally: it enabled the Group to lead its sector, consolidate its position in the German automotive market, and strengthen its capacity to innovate and build solutions for hybrid and electric vehicles.

2023

The Group enhanced its growth potential with the acquisition of two companies, AHN Chem (South Korea), specializing in textile sleeves, and REIKU (Germany), known in the industrial market for its cable management and protection solutions for robotics.

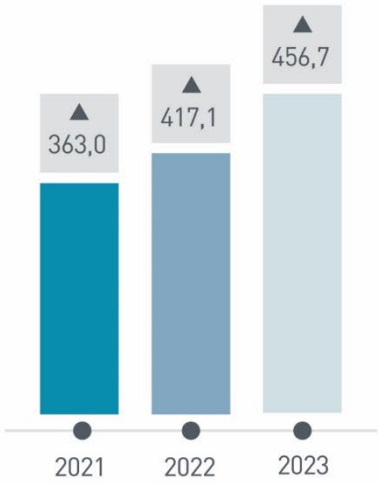
STRONG GOVERNANCE

Gérald STREIT, who represents the third generation, took over as CEO in 2015, and then as Chairman and CEO in 2018.
Gérald STREIT is supported by an eight-member Executive Committee, representing the Group's main functions, activities and geographical regions.
Keen to strike the right balance with the Group's shareholders, Gérald STREIT and members of the Executive Committee regularly attend investor meetings to discuss the Group's strategy and its different markets (mobility, industrial, etc.).

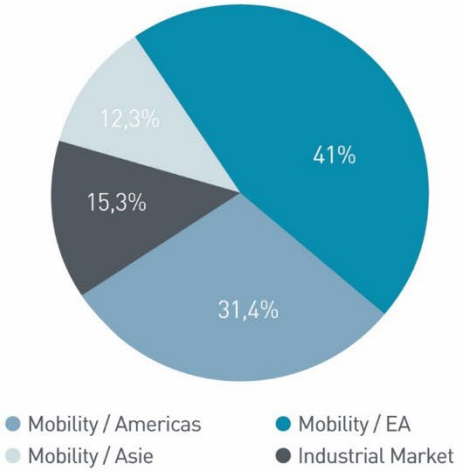
Under Gérald STREIT's guidance, a strategy based on ethical and responsible leadership is underway, with a strong environmental focus.
The Group is also expanding its presence in the industrial market, acquiring several well-know brands in this market (DROSSBACH, SCHLEMMER, REIKU, etc.), and bringing its products and customer approach to this global market.

KEY FIGURES

REVENUES (M€)



SALES BY SECTOR (M€)



CURRENT OPERATING INCOME (M€)

NET INCOME (GROUP SHARE) (M€)

RATIO OF NET FINANCIAL DEBT / SHAREHOLDER'S EQUITY AT DECEMBER 31

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

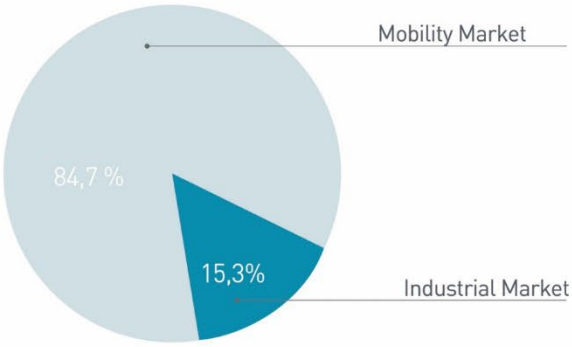
CAPEX AND INDUSTRIAL INVESTMENTS (M€)

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

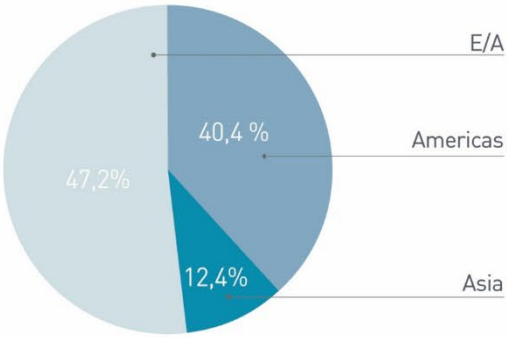
	CAFICE	INVESTMENTS
2021	44,0	14,1
2022	40,3	18,1
2023	45,5	20,3

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

BREAKDOWN OF SALES BY MARKET



BREAKDOWN OF REVENUES BY GEOGRAPHIC AREA



EBITDA (M€)

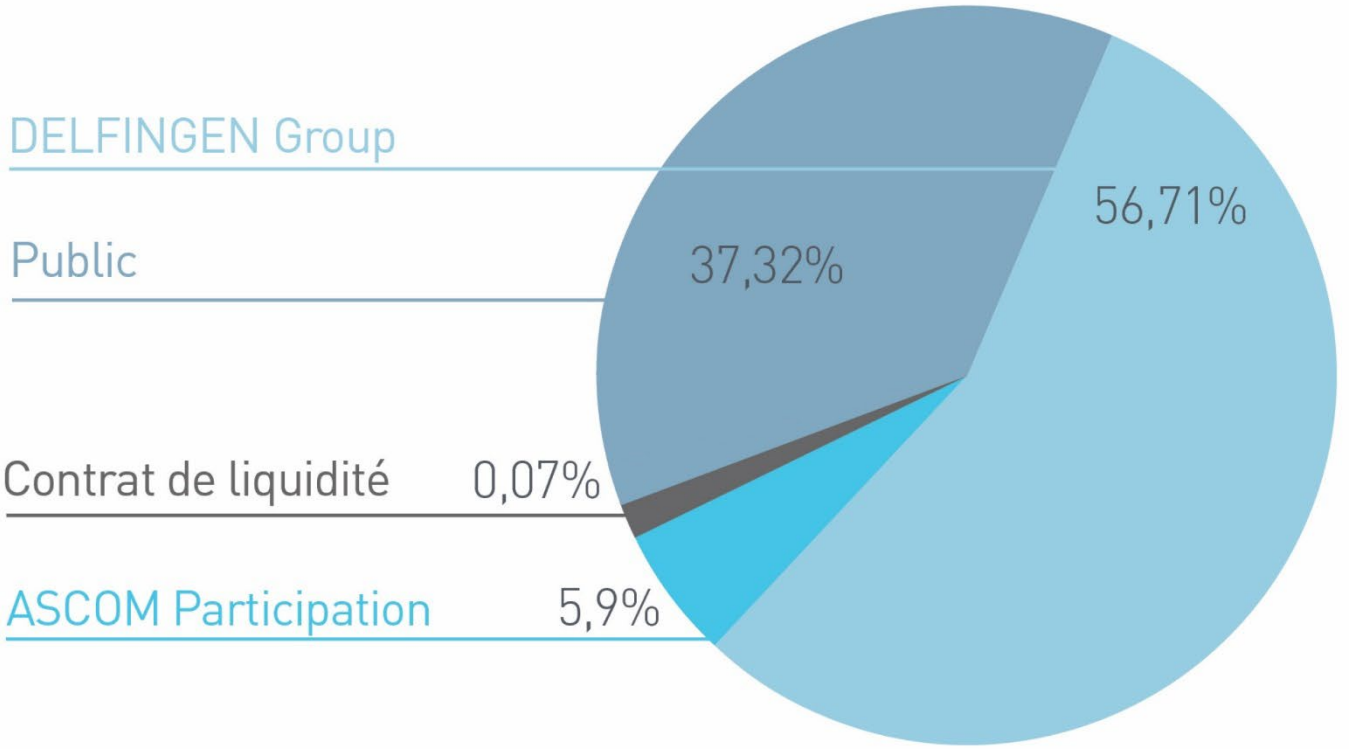
NET FINANCIAL DEBT (M€)

LEVERAGE RATIO

SHAREHOLDERS' EQUITY (GROUP SHARE) (M€)

SHAREHOLDER STRUCTURE

AT DECEMBER 31, 2023



NON-FINANCIAL FIGURES

ETHCIAL Commitment

85/100
Gender Equality Index

57 771
Hours of training given in 2023

77%
OF PURCHASES MADE IN LOW CORRUPTION COUNTRIES*

93%
Percentage of employees who are happy working at DELFINGEN

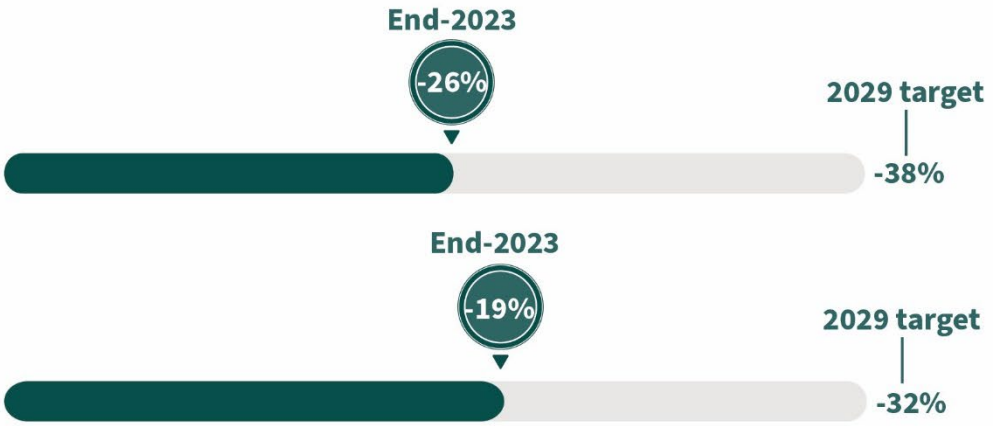
20%
new employees hired over the past two years

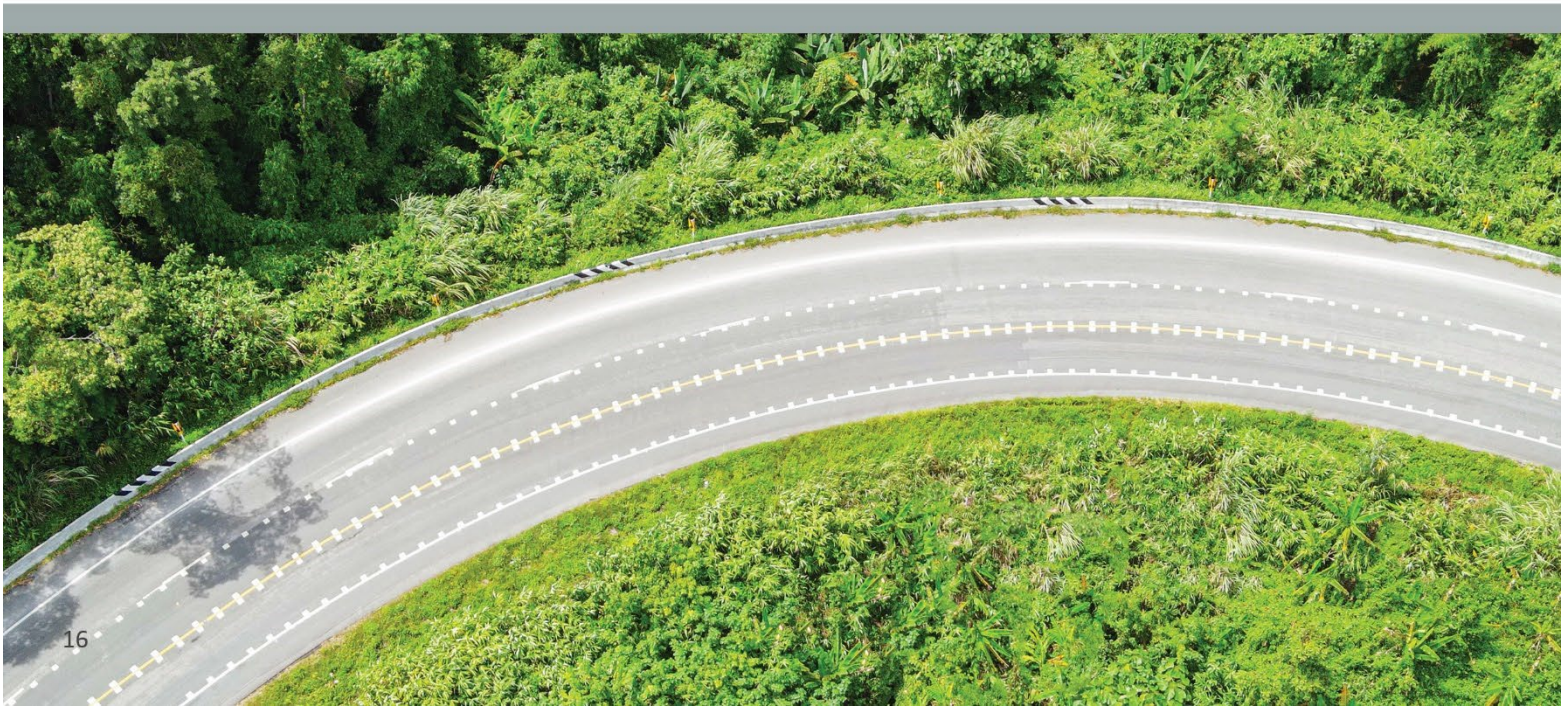
LABEL
Vitrine Industrie du Futur awarded by *Alliance Industrie du Futur*

** (according to the Transparency International 2023 ranking, the threshold score for low-corruption countries is set at 45. Applied to DELFINGEN purchases, the following countries are not therefore considered low-corruption countries: China, India, Morocco, Hungary, Turkey, etc.).*

OUR AMBITIONS

Our commitments	Our 2029 targets	2022 - reference year	2023	ASSESSMENT %
Reduce our greenhouse gas emissions (Scopes 1 & 2) (tCO_2eq)	Reduction of **38%** Scopes 1 & 2 versus 2022	**24 957.0**	**18 435.2**	**-26%**
Reduce the intensity of our greenhouse gas emissions (Scope 3) (tCO_2eq)	Reduction of **32%** Scope 3 present value versus 2022	**14.3**	**11.6**	**-19%**





1.1 OBJECTIVES & STRATEGY

DELFINGEN has been on a human and industrial adventure for over 70 years. We've come a long way!

The DELFINGEN Group is constantly renewing itself in anticipation of the demands of markets and customers: movement, dynamism, growth.

That is why, in addition to the quality of its products, the excellence of its industrial organization, and its capacity to innovate, the DELFINGEN Group has invested in its women and men for so many years. These same women and men have the capacity to understand their environment and adapt to it individually and collectively, and to meet the challenges they face every day.

Talent, Values, Interaction and Exchange give meaning to what we do and help make DELFINGEN a sustainable company, and a company like no other.

93% of our employees think DELFINGEN is a great place to work.

DELFINGEN VALUES

ENTREPRENEURSHIP

- Having the freedom to turn an idea into an outcome through action, within the scope of job and mission.
- Encouraging initiative, daring to bring change, and learning from our mistakes.
- Demanding the best of ourselves.

SOLIDARITY

- Promoting the collective interest in all circumstances to ensure the company's long-term future.
- Providing help and support so that everyone can carry out their mission.
- Being kind.

HARMONY

- Seeking balance in human relationships.
- Developing a relationship of trust and exposing disagreements to reach a consensus.
- Listening and striving to question ourselves.

RESPONSIBILITY

- Making and being accountable for decisions related to our job.
- Being aware of the consequences of our actions and taking responsibility for them.
- Honoring our individual and collective commitments.

AN ORGANIZATION THAT SUPPORTS GROWTH

CUSTOMERS

A “customer centric” approach, close to customer needs

WOMEN AND MEN

A local organization strongly based on common values and considering the special characteristics of each region

STRONG PERFORMANCE

Full integration of quality procedures in all of our processes

PROFITS

Improving our financial performance, guaranteeing our long-term future

DECARBONIZATION PLAN

Aiming to reduce our greenhouse gas emissions and promoting moderation in our actions

A PROMISING OUTLOOK

Aligned with the issues facing its market, DELFINGEN Industry has been awarded the “*Vitrine Industrie du Futur*” label by *Alliance Industrie du Futur*.

The *Alliance Industrie du Futur* has awarded the “*Vitrine Industrie du Future*” label to DELFINGEN Industry, which joins the 75 other emblems of industrial transformation working to revitalize France’s industrial fabric.

THE DELFINGEN "INDUSTRY OF THE FUTURE" PROJECT

The company's transformation project is based on a pragmatic approach, one that is integral to the Group's operational excellence, via three pillars:

- Employee freedom of initiative as a driver of innovation within the company;

- Close cooperation with the ecosystem to improve agility, frugality and creativity;

- An open, integrating and scalable information system, favoring the convergence of IT and OT networks.

To meet these challenges, DELFINGEN Industry has embarked on a set of actions, such as considering the human dimension in industrial performance through innovative HR activities (The Annex, DELFINGEN Lab, Academy), and instilling a strong corporate culture (company values, Decent Work Charter, company Foundation).

Integration into different ecosystems by building partnerships (start-ups, schools and universities, consortiums, etc.) has been and still is a source of fruitful exchanges.

Ultimately, the DELFINGEN Group has succeeded in undertaking an original IT approach in a fast-changing technological environment, while managing the complexity of a highly internationalized business In the words of Marc LEMKE, Group IT Director: "We want the digital transformation to be inclusive, enabling all DELFINGEN Group employees to benefit from it."

The *Alliance Industrie du Futur* has awarded DELFINGEN Industry the label for its industrial plan, which uses the industry of the future's building blocks to address its market positioning, driven by international expansion and mobility of the future, and incorporating a predominantly human component and strong links with the local community.

INNOVATION, A KEY ISSUE

DELFINGEN Industry constantly adapts its products and services to market needs, while also working to streamline its offering. DELFINGEN Industry offers the widest range of cable protection technologies, thanks to its extrusion, textiles and injection expertise, offering each customer a unique solution.

To accelerate its growth, DELFINGEN Industry continues to invest to stay at the cutting edge of technological developments in new products and production process optimization.

INNOVATION: CREATIVITY & CO-DEVELOPMENT

Developing partnerships with strategic players, such as research centers, competitive clusters, engineering schools and universities, helps to expand our body of knowledge

THE INNOVATION PROCESS

Innovation is driven every day by a strong interaction among multidisciplinary teams, which goes beyond R&D to involve the marketing, sales, purchasing, quality, industrialization and production teams. These regular exchanges, a veritable laboratory of ideas, create a dynamic environment and encourage the emergence of new concepts.

The Group has also established its own “DELFINGEN Lab”. Its aim is to provide a physical space where projects from the in-house ideation platform (The Annex) can develop. It is a place where everyone (including, in the future, people outside the company), can test new technologies, and perhaps even work on some of DELFINGEN’s future products. Ultimately, this facility provides the means needed to develop future technologies and to bring them into use, particularly by building prototypes, to speed up projects.

R&D AT DELFINGEN

R&D IS ORGANIZED AROUND CENTERS OF EXPERTISE:

- Plastics processing (extrusion, injection, etc.)
- Technical textiles and coatings
- Forming and assembly technologies, and new processes

R&D is structured into a network of teams spread around the world:

FRANCE (ANTEUIL)	GERMANY (HASSFURT, (MARKTRODACH, ASCHHEIM)	CHINA (HEBI)		SOUTH KOREA (DAEGU)
USA (ROCHESTER HILLS, NIAGARA FALLS)	MEXICO (CELAYA)	PHILIPPINES (CEBU)	INDIA (CHENNAI, PUNE)	ROMANIA (SATU MARE)

THE INNOVATION PROCESS UNDERGOES CONTINUOUS TESTING AND IMPROVEMENT:

- Workshops dedicated to meeting prototyping and feasibility validation needs;
- Test and metrology laboratories for testing solutions to performance limits and carrying out experimental designs;
- An ISO/TS 16949-compliant development process that includes technical and economic validation at every key stage of the project: from idea to industrialization;
- An advanced engineering team.

AREAS OF OF INNOVATION

DELFINGEN Industry's true strength lies in its extensive and unique technical expertise

- development of comprehensive, innovative plastics and/or textile solutions
- simultaneous product/process engineering
- development of special machines adapted to these new processes
- development and qualification of new material formulations
- sourcing of materials worldwide
- ISO 14001 Certification: recycling and reducing the ecological footprint of products and processes
- cleanliness control: production in a controlled environment

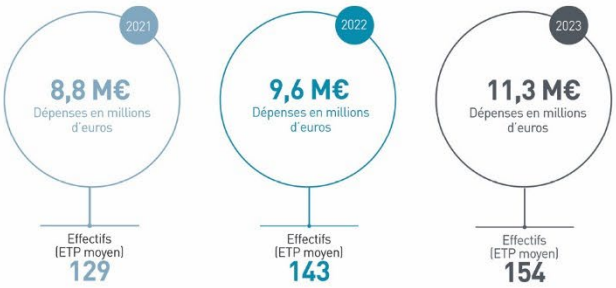
DELFINGEN Industry's innovation groups are constantly working to anticipate and respond to customer needs.

To achieve this, DELFINGEN Industry closely monitors the technological landscape in its areas of activity and expertise: changes in standards, raw materials, new technologies, patents filings, etc. Product co-development with its customers is also a key factor for success and essential for any new market launch. Pairing DELFINGEN Industry's teams with those of its customers, along with their long-term commitment, help to strengthen cooperation and achieve common goals.

R&D IN FIGURES

The Group is pursuing its research and development efforts, with an annual expenditure budget of €11.3 million in 2023, compared with €9.6 million in 2022. This expenditure includes all research and development costs, except for:

- direct costs of patents, models and trademarks, which are capitalized;
- development costs, which are capitalized.



OPERATIONAL EXCELLENCE, AN IMPERATIVE

A GLOBAL INDUSTRIAL ORGANIZATION

DELFINGEN Industry deploys its system of operational excellence at every stage of its organization, sharing this mindset with employees and customers alike.

In order to be as close as possible to the DELFINGEN Group's organizations and teams, the management has been reorganized to set up a decision-making center for each region (Americas, Europe/Africa and Asia). At the head of each region, an Executive Committee member leads a team of experts.

Finally, the organization between the different markets is also becoming more structured. With the acquisition of DROSSBACH North America in 2017, SCHLEMMER Europe/Africa in 2020, and REIKU in 2023, DELFINGEN has enjoyed genuine brand recognition across this market.

EXCELLENCE, PROXIMITY AND RESPONSIVENESS TO SERVE CUSTSOMERS WORLDWIDE

DELFINGEN, A "GLOBAL AND LOCAL" PLAYER

Global, because its international deployment enables DELFINGEN Industry to serve its customers wherever their needs may be, with the same level of quality and excellence. Local, because it is located as close as possible to equipment suppliers, auto manufacturers and industrialists, enabling DELFINGEN Industry to deliver customized and local solutions, in terms of lead times and packaging.

CLOSE TO CUSTOMERS

With 41 sites in 21 countries, DELFINGEN Industry is present in the main automotive production areas. DELFINGEN Industry's production and assembly plants are located close to its customers' factories, ensuring just-in-time delivery with very short lead times from the moment the order is received.

RESPONSIVENESS AND COMMITMENT

In addition to the physical proximity of its plants, DELFINGEN Industry's close cooperation with its customers' teams, its constant drive to serve them better, the standardization of its production tools, and the homogenization of its methods, enable it to adapt in real time to its customers demands, particularly in an emergency.

CONTINUOUS IMPROVEMENT

Continuous improvement is central to DELFINGEN Industry's operations. Deployed at all sites, which follow the same methods, the Continuous Improvement Plan enhances the performance and efficiency of DELFINGEN Industry's internal processes and QCDR optimization (Quality, Costs, Deadlines, Responsiveness) for customers.

INDUSTRIAL PERFORMANCE

DELFINGEN Industry's production facilities are organized around its business expertise.

Technical textiles (braiding, weaving, knitting and coating)

Plastics processing (extrusion)

Custom-designed injection-molded parts (fittings, ducts and connectors)

Forming and assembly technologies

SUPPLY CHAIN PERFORMANCE

AN INTEGRATED MODEL

The supply chain is a key part of operations in a global just-in-time industry. Anticipating fluctuations in activity, avoiding supply and delivery shortages, controlling inventories, and reducing transportation costs are just some of the challenges DELFINGEN Industry's teams face on a daily basis.

The supply chain process requires knowledge and skills to manage:

- supplies planning;
- customer delivery calls;
- stock management;
- data management;
- procurement sourcing;
- customer relationship management.

Aware of the environmental impact of supply chain activities, DELFINGEN Industry is developing its indicators and looking to integrate, alongside financial indicators (transport cost, storage cost) and operational indicators (stock level, service rate, lead time), others such as the measurement of its CO2 footprint.

QUALITY PERFORMANCE

A CERTAIN MINDSET

Quality is a must for manufacturers and equipment suppliers. DELFINGEN Industry's quality approach goes beyond methods and tools to become firmly rooted in the company's culture. The DELFINGEN Group's approach to quality is in line with the values shared by all its employees.

It is not just about complying with standards, but revitalizing the quality management system, gearing the company's activities towards customer satisfaction. Employee involvement is therefore a key component.

On the one hand, the continuous improvement of processes, methods and organization helps to reduce quality-related incidents. However, DELFINGEN Industry is committed to responding promptly to any problems that may arise. Trained teams develop QRQC (Quick Response Quality Control) and 8D procedures to resolve any issues efficiently. They work close to the ground and offer a wide range of services (Maintenance, Supply Chain, etc.).

Meanwhile, capitalization and mainstreaming, essential steps in 8D processes, are indispensable to DELFINGEN Industry and its commitment to serve its customers with the same high standards.

DELFINGEN Industry engages in environmentally responsible behavior and complies with local regulations, while controlling its waste and emissions and optimizing its energy and natural resource consumption.

Protecting the environment is central to its actions.

1.2 DESCRIPTION OF ACTIVITIES

A STRATEGIC PLAN FOCUSED ON 5 PILLARS:

"PERFORMANCE 25"

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

MOBILITY

STRATEGIC POSITIONING TO MEET THE CHALLENGES OF THE SECTOR

"Mobility is going through a period of change."

The automotive industry is in the midst of a radical transformation. In 10 years' time, the cars we see will be very different from those on our roads today.

Faced with the dual challenge of ecological and digital transition, mobility must adapt to better meet the expectations of users and society as a whole. DELFINGEN has anticipated these trends and developed its strategy accordingly.

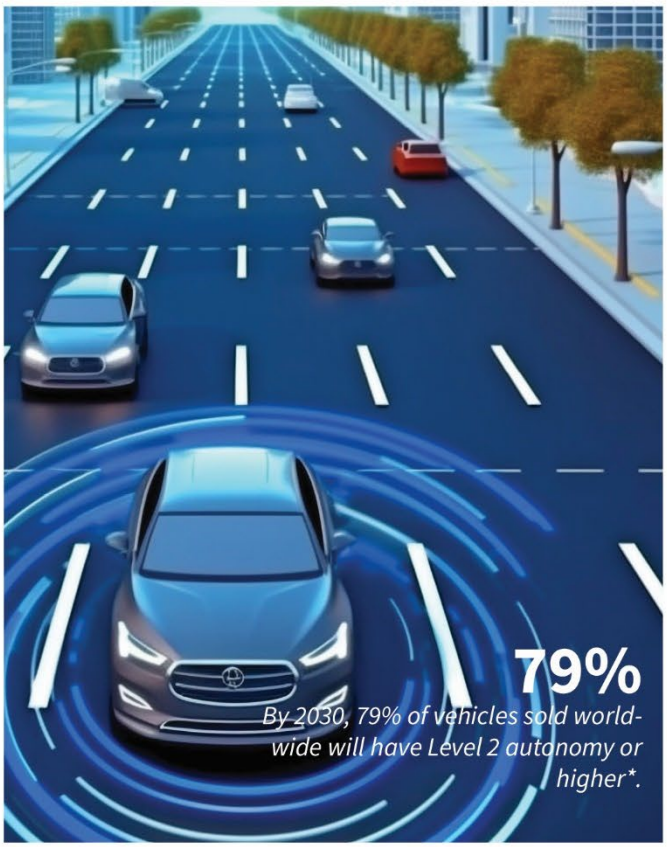
Its status as a world leader in cable protection and on-board wiring systems, along with its recent acquisitions, are opening up a growing number of development opportunities.

MORE SUSTAINABLE, CONNECTED, SHARED AND THOUGHTFUL MOBILITY.

The mobility sector is fast evolving, with the development of new and increasingly ambitious technologies (AI, robotics, autonomous cars, etc.) As people become more aware of the climate challenges facing future generations, global demand is turning increasingly towards more sustainable and responsible transport solutions, with autonomous and connected vehicles that improve our safety. These developments are driving research and innovation across of an entire ecosystem of players.

One underlying trend is the emergence of electric cars over the past decade or so. The deployment of electrification should follow exponential rather than linear growth. This movement has recently gained momentum with the arrival of new competitors and new vehicle models.

Even though electric vehicles are not a miracle solution, potential improvements in manufacturing methods and battery components are likely to reduce the overall carbon impact of these modes of transport.



70%

of vehicles on the road will be electric by 2030.

Electrification of the world's car fleet is set to continue its rapid rise, and should account for 70% of vehicles in service by 2030. Widespread electrification will be necessary to meet the European Union's target of zero net carbon emissions by 2050.

Autonomous vehicles are also gaining ground. They promise to reduce the number of serious accidents and improve traffic flows thanks to inter-vehicle communication. By 2030, 79% of vehicles sold worldwide will have Level 2 or higher autonomy* (*Source: UBS Report, 2021*). The creation of autonomous cars means rethinking the whole vehicle interior. The entire urban network and infrastructure will also benefit from their progress. The next decade will be key for autonomous vehicles: the imminent relaxation of legislation will enable more extensive test phases.

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

*THE 6 LEVELS OF VEHICLE AUTONOMY

	ACCELERATION BRAKING & STEERING WHEEL	ROAD MONITORING	CONTROL IN THE EVENT OF A PROBLEM
Level 0			
Level 1			
Level 2			
Level 3			
Level 4			
Level 5			

ON-BOARD SYSTEMS PROTECTION

Safety, comfort, driving aids and reduced emissions, etc., are some of the innovations that are constantly on the increase. The development of hybrid and electric propulsion systems and the growing number of sensors in vehicles, are making their systems and architectures increasingly complex.

67%
OF TOTAL
SALES REVENUE

OUR EXPERTISE:
Protecting electrical and fluid transfer systems in highly demanding environments.

We offer high-performance, reliable solutions for protecting electrical and fluid transfer systems for industry and the automotive sector.

From plastic tubing to textile sleeves, we offer a wide selection of protective solutions for the most demanding environments: abrasion, temperature, radiation, noise, vibration, electromagnetic pollution, etc.

Our range of protective products is enriched by routing, fastening and branching products, to offer customers comprehensive solutions.

Electrical and fluid transfer systems are the vehicle's real nervous system. As we enhance the media content, safety, comfort and autonomy functions, and develop hybrid and electric forms of propulsion, the architecture of this nervous system becomes increasingly complex. Drawing on our experience and expertise, we can deliver the most suitable solutions to meet the automotive industry's expectations in terms of quality and performance.

DELFINGEN Industry is the only company in the market to offer both plastic tube and textile sleeve protection solutions. Fränkische is the only competitor in the market for plastic tubing protection.

DELFINGEN Industry is the market leader for plastic tubes in the Americas and Europe, and a challenger in Asia. The world number 1 in the textile sleeve protection market is the US company Tennecco, challenged by DELFINGEN Industry and Relats.

TECHNICAL TUBING FOR FLUID TRANSFER SOLUTIONS

Hybridization and the use of biofuels are leading to changes in fuel tanks and associated systems (higher pressures, physical properties of materials). The challenge is to meet these physico-chemical constraints while ensuring that its products are easy to mount and have a long service life.

16%
OF TOTAL
SALES REVENUE

Drawing on our expertise in extrusion and plastics processing, we work closely with our customers to design and produce dedicated solutions for their fluid transfer needs in vehicles. Integrated at the design stage, we provide manufacturers and equipment suppliers with tubes and systems for routing, filling, draining, transferring and distributing low-pressure fluids.

FUEL TANK ENVIRONMENT:

We keep pace with changes in the fuel tank environment, both in terms of the technical definitions and speed of implementation. Our tubing solutions for inside and outside the fuel tank, transferring fluids and vapors, incorporate product (i.e. materials) and process (i.e. multi-layer convolute extrusion) solutions for ensuring maximum efficiency and quality for our customers.

UNDER THE HOOD SYSTEMS:

In a restricted environment like the area under the hood, there are a numerous different technical requirements. Our tried-and-tested solutions meet customer expectations for a range of functions, such as hydraulic clutch control, condensate and battery acid drainage, and canister purge lines.

WASHING SYSTEMS:

An important element of vehicle safety, our washing solutions route the liquid from the filling pipe to the vehicle's spray nozzle. The variety of materials used for the tubes and associated connectors are ideal for cleaning windshields, headlights and sensors.

DELFINGEN Industry is a niche player in this market, an expert in designing and manufacturing highly technical tubes for customers such as Aptiv, TI Automotive, Contitech, Hutchinson, Inergy, YAPP, etc. Competition is highly fragmented, with Fränkische being the leader.

INTERIOR TRIM FASTENINGS

2%
OF TOTAL
SALES REVENUE

The customization of visible seat components that improve occupant comfort (trim covers, headrests), are key to enhancing the appeal of the vehicle through perceived quality and on-board comfort. Invisible yet indispensable, profiles and fastening components for seats and interior car trim are the result of years of experience.

Co-developed with customers, DELFINGEN Industry's customized solutions are perfectly adapted for modern and precise designs. Easy to implement with optimized sewing and assembly times, they offer a high level of comfort for leather and textile seat covers and upholstery.

SEAT PROFILES:

DELFINGEN Industry's expertise in extrusion, the integrated design of specific tooling, customized forming and cutting to length enable it to offer tailored and cost-effective solutions:

- retainers/seat profiles for fastening on frames (J-shaped, arrow-shaped, harpoon-shaped);
- bi-material profiles: PP/non-woven fabric, pre-cut, pre-punched;
- Formed profiles, etc.

FELT STRIPS AND SPECIALTY PRODUCTS:

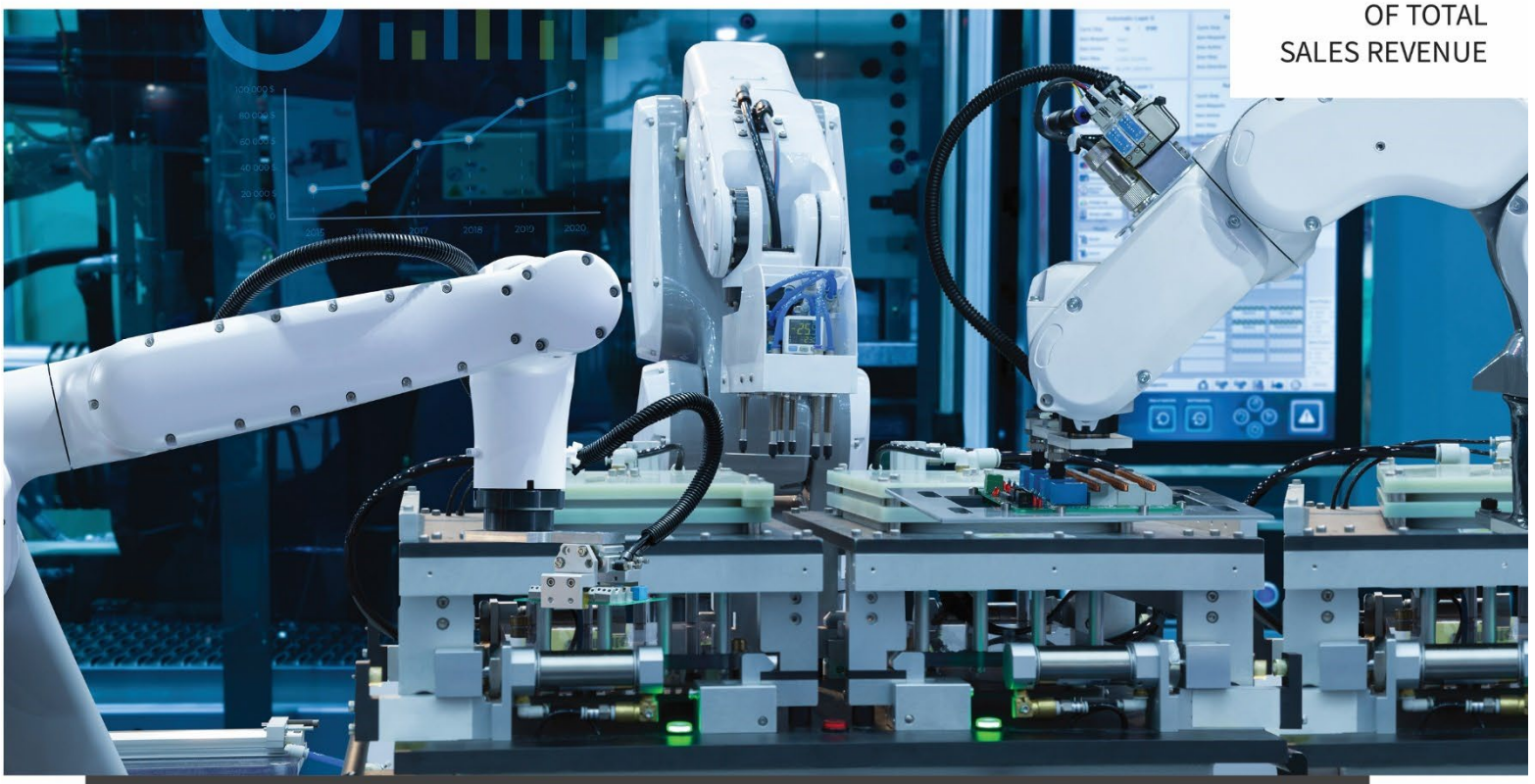
DELFINGEN Industry offers a complete range of solutions for fastening and assembling interior trim:

- speciality profiles for headrests, map pockets, armrests;
- plastic panels and inserts;
- wedge spacers (seat runners).

With this activity, DELFINGEN Industry only serves the local Indian market.

INDUSTRIAL MARKET

15%
OF TOTAL
SALES REVENUE



Cable protection systems in the industrial market offer a real opportunity for DELFINGEN. Divided into multiple segments (industrial machinery and equipment, railroads, renewable energies, agriculture, marine, heavy-duty equipment, etc.), the need for cable protection systems are manifold.

As the population grows more aware of the climate issues facing future generations, the world's manufacturers are turning increasingly to sustainable production methods. These developments are driving research and innovation across an entire ecosystem of players.

Electrification is also being rolled out across industry, a movement that recently gained momentum with the firm decision to decarbonize our planet and promote renewable energies.

For example, electrification of the world's rail fleet is set to continue its rapid progression, growing by 5%-6% a year between now and 2030. Widespread electrification will be necessary to meet the European Union's target of zero net carbon emissions by 2050. This trend towards decarbonization in industry therefore relies on the the building of a coordinated ecosystem that includes infrastructure and energy suppliers.

Industry must therefore adapt to better meet the expectations of both customers and society as a whole. DELFINGEN has anticipated these trends and developed its strategy accordingly. Its status as a world leader in cable protection and on-board wiring systems in sectors associated with the sustainable economy, along with its recent acquisitions, open up a growing number of development opportunities.

Through its industrial brands (DROSSBACH, SCHLEMMER, REIKU), DELFINGEN offers customers its full range of products, some of which are well-known on the market.

In the industrial market, DELFINGEN offers its extensive product range to key sectors (e.g. agricultural equipment, robotics, railroads, construction, renewable energies and machine installations). Our products are designed for excellence, meeting needs such as mechanical and anti-abrasion protection, compression resistance, shock resistance, noise reduction, radiant heat protection, electromagnetic shielding, and cable routing and fastening.

Our complete range of cable protection and cable routing solutions, including convoluted tubing, is made from high-performance materials such as polyamide (PA6, PA66) and polypropylene (PP). These materials are selected for their exceptional durability and flexibility, making our products the ideal choice for protecting and organizing cables. Specially designed to withstand environmental challenges, ranging from UV exposure to oil and abrasion, our cable protection systems guarantee optimal routing in complex assemblies while preserving cable integrity and functionality.

Industry-specific solutions: our solutions are carefully tailored to the machinery and industrial sectors, designed to overcome the challenges peculiar to these environments, from sustained operations at high temperatures to the provision of exceptional mechanical strength.

Functional versatility: our range of products is designed for essential functions, including abrasion resistance, thermal insulation and shielding from electromagnetic interference. This comprehensive approach ensures unrivalled protection and efficiency for industrial machinery and equipment.

DELFINGEN Industry's protective and insulating sleeves are used by ABB, Alstom, Baldor, Emerson, General Electric, Leroy Somer, Schneider Electric, Siemens, Toshiba, etc.

Our main competitors are Varflex, Atkins & Pearce, Tenneco Systems Protection and Fränkische.

1.3 ORGANIZATION

LEGAL STRUCTURE

Diagram of consolidated companies owned by DELFINGEN Industry at 12/31/2023.

DELFINGEN GROUP
FRANCE
|
DELFINGEN INDUSTRY
FRANCE

AMERICAS

DELFINGEN US Holding (USA)
DELFINGEN US Inc. (USA)
DELFINGEN US-Texas (USA)
DELFINGEN US-New York (USA)
DROSSBACH CN-Ontario (CAN)
DROSSBACH US-Ohio (USA)
DELFINGEN US-Central America (USA)
o DELFINGEN HN-Cortes (HN)
DELFINGEN US-Mexico (USA)
o DELFINGEN MX-Coahuila (MX)
DELFINGEN BR-Sao Paulo (BR)[1]

[1] DELFINGEN BR-Sao Paulo is 100% owned by DELFINGEN Industry

EUROPE AFRICA

DELFINGEN INDUSTRY (FR)
DELFINGEN DE-Marktrodach (DE)
DELFINGEN DE-Aschheim (DE)
o DELFINGEN DE-Hassfurt (DE)
DELFINGEN FR-Anteuil (FR)
DELFINGEN Iberica (SP)
DELFINGEN IT-Verona (IT)
o DELFINGEN MA-Tangier 2 (MA)
o 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)
REIKU (DE)

ASIA

DELFINGEN Asia Pacific Holding (SG)
DELFINGEN Automotive parts (Hebi) (CN)
o DELFINGEN CN-Shanghai (CN)
o Wuhan DELFINGEN Automotive tubing (CN)
DELFINGEN India PVT (IN)
DELFINGEN Japan (JP)
DELFINGEN PH-ROHQ (PH)
DELFINGEN SG-Filipinas (SG)
o DELFINGEN PH-Cavite (PH)
o DELFINGEN PH-Filipinas (PH)
DELFINGEN ROH (Asia) (TH)
DELFINGEN SIAM (TH)
DELFINGEN Middle-East (EAU)
AHN Chem (KR)[2]

[2] Renamed DELFINGEN Korea (KR) in 2024

INTRA-GROUP RELATIONS

PARENT COMPANY/SUBSIDIARY RELATIONS

The Group is comprised of 44 legal entities, all of which are consolidated (see Note 5 in the annex to the consolidated financial statements for more detailed information on the subsidiaries and their countries of incorporation). The number of legal entities is mainly linked to the Group's organization: a global market and a local presence.

DELFINGEN Industry provides its various subsidiaries with services that can be grouped into two parts: financial and support.

FINANCIAL

DELFINGEN Industry finances the activities of many of its subsidiaries. At December 31, 2023, approximately 90% of financial liabilities were borne by DELFINGEN Industry. Its purpose is to provide a significant proportion of the Group's financing, either directly or indirectly, through loans secured via its access to the banking networks.

However, one exception is in the dollar zone, where a share of the financing is borne directly by DELFINGEN US-Holding, a subsidiary 100% owned by DELFINGEN Industry. Financing has also been taken out directly by some consolidated subsidiaries, mainly in Germany.

As part of the regionalization of Group operations, the consolidation and day-to-day cash management of subsidiaries in the Europe/Africa region is handled by DELFINGEN Industry, in the Asia region by DELFINGEN Asia Pacific Holding, and in the Americas by DELFINGEN US-Holding.

SUPPORT

DELFINGEN Industry assists its subsidiaries either directly, with operational management issues (General Management, Sales and Marketing, Supply Chain, etc.), or indirectly, with administrative, financial, human resources, legal, information systems and communications matters, either via its own intermediary or via staff provided by the DELFINGEN Group (see Section N of the consolidated financial statements).

It should be noted that industrial patents and know-how are the property of DELFINGEN Industry S.A, which grants the rights of use and know-how to its subsidiaries worldwide.

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 from 21 July 2019, the presentation of the "Risk Factors" section of this Document has been revised to improve its readability. Only significant risks specific to the Company are described in this section.

The risk matrix drawn up by the Company's management was reviewed by the Audit Committee at its meeting on 13 March 2024.

As part of the Company's risk management approach, all identified risks are analyzed on a regular basis.

2.1.1 Main risk factors

The DELFINGEN Group operates in a constantly changing environment.

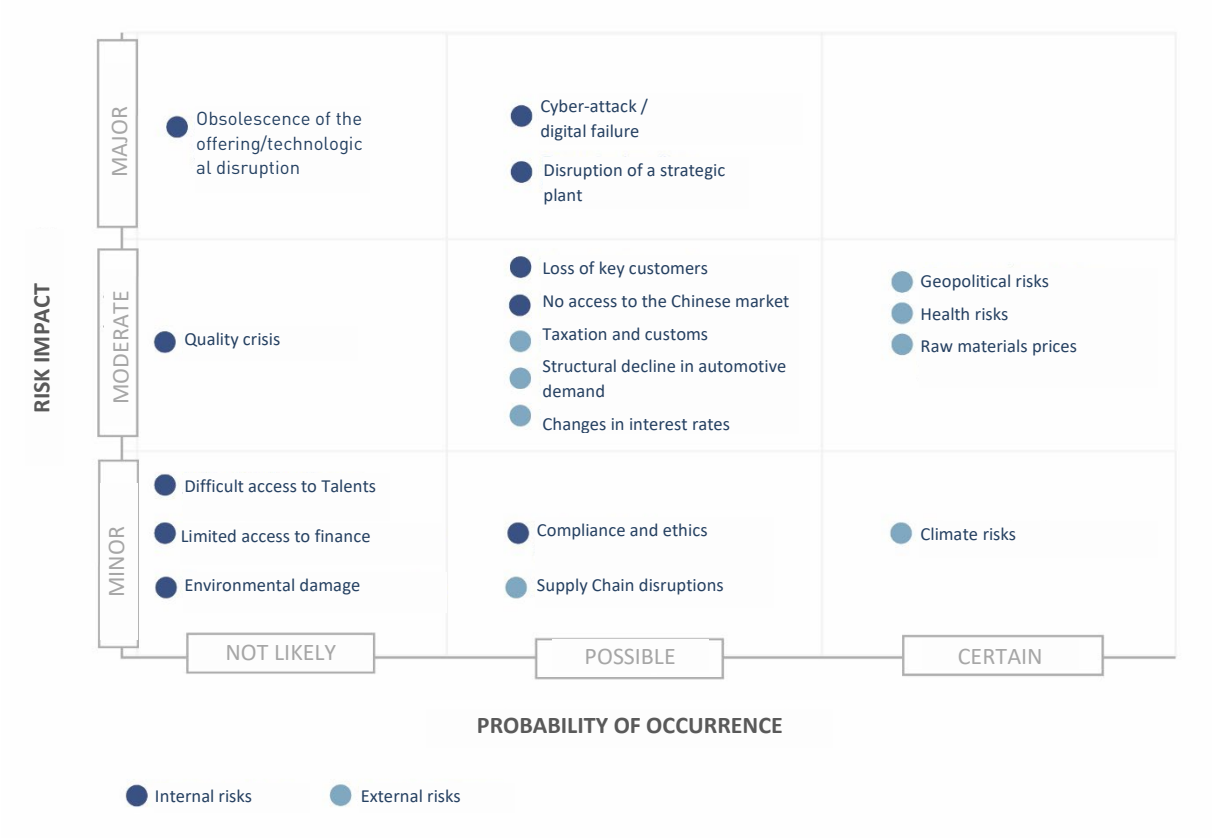
It is therefore exposed to risks which, if they materialize, could have a negative impact on its business, results, financial situation, image and prospects. This section presents the most significant risks to which the DELFINGEN Group believes it is exposed.

However, the DELFINGEN Group cannot provide an absolute guarantee that it will achieve its objectives and eliminate all risks. The purpose of the internal control system, which is implemented by the DELFINGEN Group's General Management and teams, is to identify and qualify risks and reduce the likelihood of their occurrence and their potential impact on the Group.

Lastly, given the global situation at the time of publication of this Universal Registration Document, these risks are likely to vary in intensity and probability.

2.1.1.1 Matrix of main risks identified

The table below summarizes the most significant risks to the Group's business, both internal and external.



2.1.1.2 Risk factors

Internal risks

Risk factors	Detail	Impact	Probability	Residual criticality	Management measures
Strategic positioning, customer relations, competitive intensity	The risk that our products and services no longer meet the expectations of the automotive market, against a backdrop of technological disruption	Major	Unlikely	Low	**Co-development** with customers **Conducting** market research Advance engineering, monitoring and innovation unit
	Not having a significant presence in the Chinese automotive market	Moderate	Possible	Moderate	**Acquisitions** made in China in 2013 to gain a foothold in this market Local **establishments** (industrial, commercial and engineering) **Location of decision-making centers**
Strategic positioning, customer relations, competitive intensity	Loss of market share due to customer dissatisfaction or competitive pressure (ranges, prices, etc.)	Moderate	Possible	Low	**Reduced** customer exposure: the largest customer accounts for 9.6% of sales (the 5 largest: 34%) Best-in-class **quality** and service in the sector Ongoing **drive** to improve operational excellence **Competitiveness** of our offer
Quality	Quality problems on products manufactured by the DELFINGEN Group that could lead to manufacturer recalls	Moderate	Unlikely	Low	**Strengthening** processes and quality plans from development to customer delivery **Conducting** internal and external audits IATF **certification** for the entire scope **Setting up** appropriate insurance cover
Dependence on certain production sites	Disruption to the operation of certain plants considered critical by virtue of their size (El Paso) and/or their specific businesses (Celaya, Marktrodach)	Major	Possible	Moderate	**Implementation** of a risk prevention plan and a business resumption plan (BRP) Third-party **audits** of strategic sites

Access to finance	Limitation or refusal of access to financing, lack of interest from investors due to debt levels	Minor	Unlikely	Low	Multi-year credit facilities, renewed in September 2023 **Diversification** of funding sources (traditional loans, EuroPP, BPIfrance, etc.) **Building** long-term **loyalty** among our financial partners **Signature quality** of our financial partners **Historical** financial performance
Digital failure or cyber attack	Stopping certain operations (manufacturing, scheduling, delivery, invoicing, etc.) Hacking and/or alteration of data	Major	Possible	Moderate	**Implementation** of a global information systems security policy **Raising awareness** and training staff **Security audits** by external service providers **Strengthening** information systems governance **Use** of "state of the art" technologies **Securing** access to the system and continuity plan
Difficulty in recruiting and retaining talent	Not having access to Talent, not having committed men and women	Minor	Unlikely	Low	**Implementing** policies to make the company attractive **Creation** of an in-house Academy to develop skills **Acting** in accordance with our Values in all circumstances **Importance** given to the prevention of physical/psychological risks **93%** of employees satisfied with working for the DELFINGEN Group (internal survey)
Environment	Harming the environment (pollution, over-consumption of resources, etc.)	Minor	Unlikely	Low	**Implementation:** decarbonization plan, alignment with Paris objectives **Implementing** a responsible approach: resource consumption, waste management, etc. **Use** of non-polluting or highly recyclable materials **Reducing** international transport flows
Taxation and customs	Failure to comply with local legislation when managing a group	Moderate	Possible	Low	**Application** of OECD rules Third-party **analysis** of internal transfer pricing policies, transfer pricing and remuneration of group services, procedures, export control, etc.

					Existence of external auditors in each entity
Compliance and ethics	Failure to comply with group management legislation and ethical commitments	Minor	Possible	Low	**Application** of the rules and policies applicable to the DELFINGEN Group **Implementation** of an appropriate compliance program

External risks

Risk factors	Detail	Impact	Probability	Residual criticality	Management measures
Geopolitical risks	Increase in costs Restrictions on the free movement of goods and falling global demand	Moderate	Certain	Moderate	**The DELFINGEN Group**, a global and local player: supply, production and sales in the same geographical area **Limiting** inter-regional flows
Health risks	Risks associated with pandemics, epidemics and, more generally, the health situation	Moderate	Certain	Moderate	**Adaptability and flexibility** to deal with health risks
Changes in raw material prices	Significant rise in the cost of plastics	Moderate	Certain	Moderate	**Gain significant market share** to strengthen our negotiating position **Develop** a product offering with higher added value
Changes in exchange rates and/or interest rates	Exposure to changes in the €/$ exchange rate, with a proportion of sales and assets in the USD zone Rising interest rates, given the debt burden	Moderate	Certain	Moderate	**The DELFINGEN Group**, a global and local player: supplies, production and sales in a single currency zone **Setting** up forward hedges based on budget rates
Climate risks	Some sites are exposed to climate risks (typhoons, etc.)	Minor	Certain	Low	**Implementation** of business continuity and recovery plans validated with customers
Supply chain disruptions	Supply chain disruptions and/or breaks in the supply chain due to the failure of a supplier or tensions over access to certain materials	Minor	Possible	Moderate	**Reducing** supplier exposure: the top supplier accounts for 6% of purchases (the top 5 for 16%) Supplier **qualification/assessment** **Multisourcing** of strategic materials and upstream needs assessment **Building up** security stocks
Structural decline in automotive demand	Decline in production	Moderate	Possible	Moderate	**Diversification** into other markets (such as industrial applications)

2.2 Insurance policy and risk coverage

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

The DELFINGEN Group's insurance plan for 2023 is based on the following principles:

- The policy concerning insurance is general to 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 local regulations. A "master" policy is taken out at Group level to supplement local cover, both in terms of cover and limits, if local cover is insufficient.

- Risk management is carried out with the support of an insurance broker specializing in the coverage of major risks, working with recognized insurers in the industrial risk insurance sector and benefiting from an international network to cover all sites. Every year, this risk management takes the form of visits to DELFINGEN Industry's industrial sites by insurance experts and engineers. At the end of these visits, reports are issued containing recommendations for adapting safety procedures and conditions at the sites. The DELFINGEN Group, in conjunction with the aforementioned experts, strives each year to raise the level of safety at its sites, both in terms of equipment and human resources, by working to ensure the safety of its employees.

The main insurance policies are as follows:

Non-life insurance
Comprehensive insurance covers damage to the Group's property, rental risk (owned or leased buildings, installations, equipment and materials) and business interruption, in the event of events such as fire, storm and water damage. This "Master" policy provides an overall limit of cover for damage per claim in line with the risk assessment.

Civil liability insurance
This policy covers the company and its subsidiaries against the financial consequences of its liability in all cases where it is called upon to pay damages for bodily injury (physical harm, emotional distress and consequential loss), property damage, consequential loss or non-consequential loss (damage or loss such as deprivation of use, loss of time, loss of production, loss of profit) caused to third parties in the course of the activities of the company and its subsidiaries.

The "Master" policy covers operating liability and product liability, before and after delivery and/or acceptance. Master coverage limits (worldwide cover) are in line with the analysis and assessment of the risks identified.

Directors' and corporate officers' liability insurance
The purpose of this cover is for the insurance company to pay the financial consequences of incidents resulting in claims made against directors and corporate officers, or involving their individual civil liability and attributable to any actual or alleged professional misconduct.

It covers the directors and corporate officers of all Group companies.

DELFINGEN Industry has also adopted a risk prevention and protection policy that enables it to identify, assess and reduce risks through:
- Audits of operational sites by the Legal Department and insurers/brokers;
- Annual valuation of assets at risk;
- Follow-up on organizational/equipment recommendations from insurers;
- Staff training;
- Implementing appropriate contingency plans.

2.3 Internal control and risk management procedures

2.3.1 Description of the DELFINGEN Group's internal control environment

DELFINGEN Industry has implemented tools and procedures as part of its internal control system. Internal control comprises a set of resources, behaviors, 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 us to take appropriate account of significant operational, financial, legal and environmental risks.

Scope of internal control and risk management

The internal control system is applied to the entire Group, the Group being defined as the parent company DELFINGEN Industry and all fully consolidated companies.

Control environment

The internal control system is built around an organization based on:

1. An Operations Department that brings together all the subsidiaries in the three regions (Americas, Europe/Africa, Asia), reporting to a Regional Manager.

The General Management and Regional Managers are supported by:

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

2. A central management team supported by the Finance, Human Resources, Legal, Communications and Information Systems departments.

For each of its entities, the Group defines its mission, its organization, its contribution to critical decisions, the measurement of its performance and its exchanges with other entities.

The Group is strongly committed to the values of integrity and ethics, which are expressed in the Group's core values. This value framework provides a benchmark for the proper conduct of day-to-day business and, in particular, aims to promote fair and honest behavior in the conduct of business and towards customers, suppliers, employees, shareholders, etc. All employees are responsible for complying with it.

Risk assessment and management

The Group Executive Committee is responsible for identifying and analyzing risks.

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

The Legal Department manages the Group's legal risks, particularly those relating to industrial property and liability claims.

The Human Resources Department ensures that local employment legislation is properly applied and that our values are respected.

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

The Information Systems Department ensures that stored information can be replicated, and manages cyber risks.

The Supply Chain Department ensures that customs and import/export legislation is properly applied at Group and local level.

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

Control activities

DELFINGEN Industry's quality system describes the company's processes. Procedures and instructions set out everyone's responsibilities and specify the operating methods and associated controls. As part of this system, audits are organized to verify the application of Group standards. Qualified auditors are trained for this purpose. These internal audits are supplemented by certifications awarded by external bodies, customers and suppliers.

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

Information and communication

The information from the management systems is analyzed and distributed to the managers concerned, who then have dashboards with which to manage their activities.

Each manager is responsible for his or her activity and its financial and operational performance, in accordance with the action plan and provisional budget discussed and approved by the Board of Directors.

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

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

These elements, defined at Group level, are consolidated and circulated to the Executive Committee and the various managers. They are essential tools in the management of the Group's business and in the choice of its strategic orientations. They enable any discrepancy to be identified, analyzed and dealt with as early as possible.

The Operations Department holds a review meeting with each Site Manager to analyze changes in the site's results and performance, and to propose action plans for improvement. These reviews are carried out monthly at local level and fortnightly at regional level.

The Finance Department, through Management Control, analyzes and validates the monthly reports included in the consolidation.

The Executive Committee meets every month to analyze trends in the Group's financial results and performance, and to propose action plans to improve them. Additional reviews are also carried out prior to each Board meeting.

2.3.2 The DELFINGEN Group's controlling bodies

2.3.2.1 The 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 and the financial markets.

2.3.2.2 The Audit Committee

In accordance with Article L. 821-67 of the Commercial Code and the Company's internal rules, the role of the Audit Committee is to assist the Board of Directors in its supervisory role, so that it can ensure the quality of internal control and the reliability of the information provided to shareholders and the financial markets.

In particular, it is responsible for monitoring issues relating to the preparation and control of sustainability information.

- Control of sustainability information

The Audit Committee is responsible for the following tasks:

1. It monitors the process for preparing financial information, the process for preparing sustainability information, including in the digital form provided for in Article 29d of Directive 2013/34/EU, and the process for determining the information to be published in accordance with the sustainability reporting standards adopted pursuant to Article 29b of that Directive. Where necessary, it makes recommendations to ensure the integrity of these processes;

2. It monitors the effectiveness of the internal control and risk management systems and, where appropriate, the internal audit, with regard to the procedures relating to the preparation and processing of accounting and financial information and sustainability information, including in digital form, without prejudice to its independence;

3. It issues a recommendation on the statutory auditors proposed for appointment by the general meeting or the body exercising a similar function. This recommendation is addressed to the administrative or supervisory body. For the task of certifying the accounts, it is drawn up in accordance with the provisions of Article 16 of the aforementioned Regulation (EU) No 537/2014; it also issues a recommendation to this body when the renewal of the term of office of the statutory auditor(s) is being considered under the conditions defined in Article L. 821-45;

4. It monitors the performance of statutory audit assignments and the certification of sustainability information; in the case of public interest entities, it takes account of the findings and conclusions of the High Audit Authority following audits carried out pursuant to Articles L. 820-14 and L. 820-15;

5. It ensures compliance with the conditions of independence required of participants for the performance of the tasks of certification of accounts and certification of sustainability information; with regard to public interest entities, where applicable, it takes the measures necessary for the application of Article 4(3) of the aforementioned Regulation (EU) No 537/2014 and ensures compliance with the conditions mentioned in Article 6 of the same Regulation;

6. For public interest entities, it approves the provision of the services mentioned in Article L. 821-30;

7. It reports regularly to the collegiate body responsible for administration or to the supervisory body on the performance of its duties. It also reports on the results of the financial audit and the certification of sustainability information, and on the way in which these audits have contributed to the integrity of the financial and sustainability information. It reports on the role it played in this process. It informs the Board without delay of any difficulties encountered.

III. - The tasks mentioned in items 1 to 7 of section II concerning the monitoring of issues relating to the preparation and control of sustainability information may be carried out by a specialized committee separate from the committee responsible for monitoring issues relating to the preparation and control of accounting and financial information. In this case, the committee is composed in accordance with the provisions of the first paragraph of section II.

The Committee's main responsibilities in the area of risk management are as follows:

Risk management and internal control:

The Audit Committee examines and assesses the consistency and effectiveness of the internal control system used to guarantee the quality of financial information.
In this capacity, it ensures that internal control and risk management procedures are put in place, and monitors their effectiveness.
It ensures that the financial reporting process is properly monitored.
The Committee is responsible for ensuring that the main risks are identified, and in this respect, it is tasked with reviewing the annual status of major disputes and, at the request of the Board, examining the major transactions envisaged by the Group.
The Committee is responsible for examining the conditions under which derivatives are used.

Internal and external audit:

The Audit Committee is kept regularly informed of audit work, and in particular examines the Statutory Auditors' reports, the annual report, etc.
The Committee is also responsible for examining the annual work programs of the external and internal auditors.

During its meetings, the Audit Committee has:

- Heard the Finance Department's views on the Group's financial policy;
- Reviewed and analyzed the Group Information Systems Department's report on the main information systems risks, on the implementation of action plans, on information systems governance and on information systems security and cyber security;
- Reviewed and analyzed the report of the Group Ethics Committee on the Group's Ethics and Compliance program (in particular concerning the Sapin 2 law and the duty of care);
- Monitored currency hedges;
- Monitored the project to strengthen internal control;
- Reviewed and analyzed the main risks and opportunities.

For the 2023 financial year, the members of the Audit Committee made the following requests to management with regard to the risk matrix:

- The risk associated with "breaks in the supply chain" has been modified to include a broader range of risks associated with "supply chain disruption";
- A fall in global demand has been added as an element of geopolitical risk;
- The risk linked to "rising interest rates in a situation of high indebtedness" has been added to the section on "changes in interest rates";
- The risk of "failure in drivers of growth (FTT & Textile)" has been removed.

2.3.2.3 The internal audit unit

The internal control system is steered jointly by the Support Services General Management and the Industrial General Management, with the support of the Finance Department.

In agreement with the Audit Committee, a plan for visiting subsidiaries, based on an analysis of the Group's general risks and the specific risks of each subsidiary, has been defined and implemented. The findings of these audits are the subject of recommendations to the audited business units, which are then required to implement appropriate action plans.

We also carry out ad hoc assignments on specific issues.

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 relating to the preparation and processing of accounting and financial information. These procedures are implemented at local level.
It monitors changes in standards and the consistency of accounting principles and, in conjunction with Management Control, regularly ensures that transactions are correctly reflected in the accounts.

The Head of Consolidation is responsible for preparing the half-yearly and annual consolidated financial statements in accordance with IFRS. It defines detailed closing instructions, including the closing timetable, changes in scope, the classification and flows of the main balance sheet items and the process for reconciling transactions between Group companies.

Individual company and consolidated financial statements are prepared on a monthly basis under conditions similar to those for the half-year and annual financial statements.

Management Control analyzes the relevance and consistency of the information reported by each subsidiary, and measures their performance as well as the Group's economic performance. It prepares a summary of management indicators for General Management. The analyzes carried out include sales, margins, expenses, payroll and operating profit (loss) by geographical area and/or market.

Monthly variations are analyzed, as well as variances in relation to the budget and/or the previous financial year. These items are reviewed monthly by the Executive Committee.

The Group Finance Department is responsible for designing and distributing all financial communications for the financial markets:

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

The design of the Universal Registration Document is shared between the Finance and Legal Departments, reviewed by the Support Services Department and approved by the Board of Directors. It is written by a number of contributors who are experts in their fields, contributing to the comprehensiveness and quality of the information provided.

The financial information provided is systematically reviewed by the Support Services Department. Results announcements are also reviewed by the Audit Committee and the Board of Directors.

The analysis and outlook approach

The Group's objective is to:

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

The Group's ambition is to have relevant and effective internal control systems at every level of responsibility:

Based on:

- A more comprehensive set of procedures;
- Empowering all operational staff, who are at the heart of the processes;
- The introduction of a common accounting and financial platform for all sites.

That can:

- Monitor and strengthen the application of accounting and financial methods adopted for the preparation of the accounts;
- Better control and monitor internal procedures for collecting and controlling financial and accounting information;
- Limit risks.

This approach is actively supported by the Group's General Management, the Audit Committee and the Board of Directors.

2.3.2.4 External auditors

This organization is complemented by the work of the Statutory Auditors, who certify the Group's consolidated financial statements at 30 June and 31 December. The parent company's Statutory Auditors and the local auditors work together to review the financial statements of the companies involved in the preparation of the consolidated financial statements. This consultation takes the form of audit instructions, audit questionnaires, a limited review report by the local auditors at 30 June and an audit report at 31 December, and a communication on specific points.

The audit work of the parent company's Statutory Auditors is enhanced by annual visits to several Group sites.

2.3.2.5 The Group's internal control framework

The internal control system in place provides reasonable assurance that operations are under control with regard to the following objectives:

- Compliance with applicable laws and regulations;
- Compliance with 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 totally eliminated. The aim is to reduce the probability of occurrence and the potential impact.

Within the Group, the parent company ensures that its subsidiaries have internal control systems in place. These systems are adapted to the specific characteristics of subsidiaries and to the relationship between the parent company and consolidated companies.

3

Non-financial performance

DELFINGEN

RAPPORT DÉVELOPPEMENT DURABLE 2023

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01. THE GROUP AND ITS COMMITMENTS

GÉRALD STREIT
CHAIRMAN AND CEO

A WORD FROM THE CHAIRMAN

"OUR AIM IS TO PROMOTE ETHICAL AND RESPONSIBLE LEADERSHIP"

DELFINGEN Industry's policy is to promote ethical and responsible leadership.

This responsibility also extends to significantly reducing the impact of DELFINGEN Industry's activities on the planet, as we continue to grow.

Our main aim is to reduce the greenhouse gas emissions associated with our activities, and to use raw materials sparingly and recycle them.

This is a long-term process, as we pursue the actions already underway in our CSR plan, in line with our corporate culture and values.

The aim of this document is to present to our stakeholders the Group's commitments in terms of its CSR policies as a whole. These commitments guide the actions of every Group employee in their day-to-day work.

ABOUT DELFINGEN INDUSTRY

World leader in cable protection systems and a key player in responsible mobility.

WWW.DELFINGEN.COM

STATEMENT OF INTENT

The steps taken by DELFINGEN Industry to address the social, societal and environmental consequences of its activity.

This Extra-Financial Performance Declaration (EFPD) contains the social, societal and environmental information required under Article L 225-102-1 of the French Commercial Code, amended by Law No. 2023-703 of April 1, 2023 - Art. 29, French Ordinance No. 2017-1180, and Implementing Decree No. 2017-1265, transposing Directive 2014/95/EU of the European Parliament and Council of October 22, 2014, on the publication of non-financial information*, as well as Ordinance No. 2020-1142 of September 16, 2020.

This EFPD presents the steps taken by DELFINGEN Industry to address the social, societal and environmental implications of its activities. It is particularly relevant in the context of DELFINGEN Industry's Annual Financial Report, which sets out the Group's risk-based approach. The risk factors are not therefore covered in this EFPD, but are presented in the:

- "Internal control and risk management procedures" part of the Annual Financial Report;
- "Risk factors" part of Section 2 of this document.

* The activities of DELFINGEN Industry have little impact on the fight against food waste, food insecurity, the promotion of responsible, fair and sustainable food, the practice of physical and sporting activities, or on promoting the relationship between nation and army,and supporting the commitment of the reserve forces.

However, DELFINGEN Industry is working hard to take action across all its sites, such as the provision of composting at our employees' catering facilities, working with partners to provide a responsible diet for our employees, organizing sporting events and tournaments, and offering more flexible working hours for colleagues who serve as reservists (firefighters, police force, etc..). However, since these actions are not consolidated at Group level, and are not therefore significant in number, they will not be presented in this document.

Lastly, DELFINGEN Industry's activities have no direct impact on animal welfare.

FOREWORD

Founded in 1954, DELFINGEN Industry is a family company spanning three generations. June 2018 saw a seamless continuity in governance, with Gérald STREIT succeeding his father, Bernard STREIT, and taking over as Chairman and CEO.

While a new chapter has opened, the fundamentals of our corporate culture remain the same. Our growth and international expansion are founded on the deepest respect for people. As an international group, DELFINGEN Industry is firmly committed to globalization based on solidarity.

As an industrial group, DELFINGEN Industry is taking action to protect the environment. A targeted plan of action is in place to reinforce the measures taken to reduce the Group's carbon footprint.

OUR VISION

DELFINGEN Industry's CSR strategy is built on the conviction that the social and societal aspects of CSR must be addressed simultaneously, since they are mutually dependent and cannot exist without one another, and especially considering the diversity of experiences across DELFINGEN Industry.

CSR governance is organized around a CSR Committee composed of:

- The Corporate Vice President, and a member of the Management Committee;

- The Vice-President for Purchasing, and a member of the Management Committee;

- The QSE Director;

- The Social Contract Manager;

- The ecological transition team.

The CSR initiative, headed by Gérald STREIT, Chairman and CEO, is presented to the Board of Directors.

THE COMPANY

WWW.DELFINGEN.COM

DELFINGEN Industry is the world leader in protective systems for electrical wiring, tubes and hoses, and for low pressure fluid transfer tubing.

41 A LOCAL PARTNER: SITES WORLDWIDE IN 21 PAYS

Founded in **1954,** a family business spanning 3 generations

4 200+ Employees

457 Million euros in sales revenue

PARIS STOCK EXCHANGE Euronext Growth

BUSINESS MODEL

A strategy based on Women and Men, expertise, proximity, innovation and responsiveness

Sector trends in the automotive industry

- Towards ever more connected, autonomous and electrified vehicles
- Fast-paced societal and technical change
- A growing Asian market

Operational excellence serving our customers in both markets

Mobility market:
- Protective systems
- Fluid transfer
- Interior trim fastenings

Industrial market:
- Protective systems
- Robotics harness protection

PERFORMANCE 2025

DELFINGEN, une entreprise libre, indépendante et prospère

PARTENARIAT

Le partenaire préférentiel de nos clients

Une distribution multi-canal

Des stratégies d'alliance

PRODUITS

Des solutions technologiques à forte valeur ajoutée

Une offre adaptée aux nouveaux besoins du marché

Des produits et services uniques (qualité, délais, ...)

PLAISIR

Que chacun prenne plaisir dans son travail

Une culture d'entreprise forte

Du lien social et humain

PERFORMANCE

Excellence opérationnelle

Transformation digitale

Solidité financière

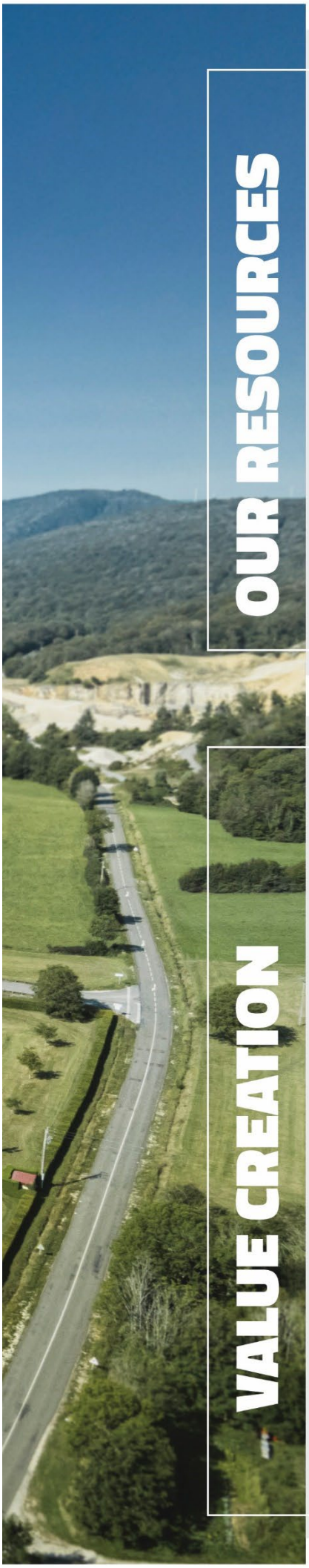
PLANÈTE

Réduction de l'empreinte carbone

Economie circulaire

Lutte contre les pollutions plastiques

DELFINGEN
Safe networks in motion



OUR RESOURCES

FINANCIAL CAPITAL

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

HUMAN CAPITAL

- A Decent Work Charter
- Strong values
- Over 4 200 employees
- A centralized QSE strategy

INDUSTRIAL CAPITAL

- 41 sites in 21 countries across 4 continents

INTELLECTUAL CAPITAL

- 11.3 million euros invested in innovation

ENVIRONMENTAL CAPITAL

- A carefully controlled environmental footprint with 21 sites holding ISO 14001 certification
- 154 people in Research & Development across 13 R&D centers

SOCIETAL AND RELATIONAL CAPITAL

- The DELFINGEN Foundation for globalization based on solidarity
- A responsible purchasing strategy
- Strong regional and historical roots

VALUE CREATION

FINANCIAL CAPITAL

- €28.1 m Operating income
- €6.9 m Net income, Group share
- €49.0 m EBITDA
- €2.64 Net income per share
- ~€1.15 Net dividend per share (2023)
- Transition from 2nd to 3rd generation

HUMAN CAPITAL

- 20% new employees hired over the past two years
- 93% employees are happy working at DELFINGEN Industry

INDUSTRIAL CAPITAL

- All our production sites are IATF16949-2016 and ISO 9001-2015 certified
- For every million parts delivered, just 35 parts on average are rejected by our customers
- The quantity of tubes and sleeves produced each year is equivalent to 30 times around the earth

INTELLECTUAL CAPITAL

- More than 30 patents held
- Co-development with customers
- Partnerships with local engineering schools (UTBM in particular)

ENVIRONMENTAL CAPITAL

- All our production sites are ISO 14001 certified

SOCIETAL AND RELATIONAL CAPITAL

- Suppliers across 30 countries
- An Ethical Charter available in all the Group's languages
- An Ethics Committee responsible for the whistleblower hotline
- Working to regionalize the Foundation

GLOBAL PRESENCE

From family business ... to global industrial group

41 sites worldwide in 21 countries across 4 continents, dedicated to product development, innovation, production, logistics and marketing.

As a global player, DELFINGEN Industry assists equipment suppliers and auto manufacturers with their global platform strategies.

25 Plants

13 R&D centers

11 Sales offices

6 Logistics centers

AMERICAS

- Brazil
- Canada
- US
- Honduras
- Mexico

EUROPE & AFRICA

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

ASIA

- China
- South Korea
- UAE
- India
- Japan
- Philippines
- Thailand

DELFINGEN INDUSTRY'S CSR POLICY AND ITS ALIGNMENT WITH THE UN'S SUTAINABLE DEVELOPMENT GOALS

A STRONG COMMITMENT AND A COMMON THEME

OBJECTIFS DE DÉVELOPPEMENT DURABLE

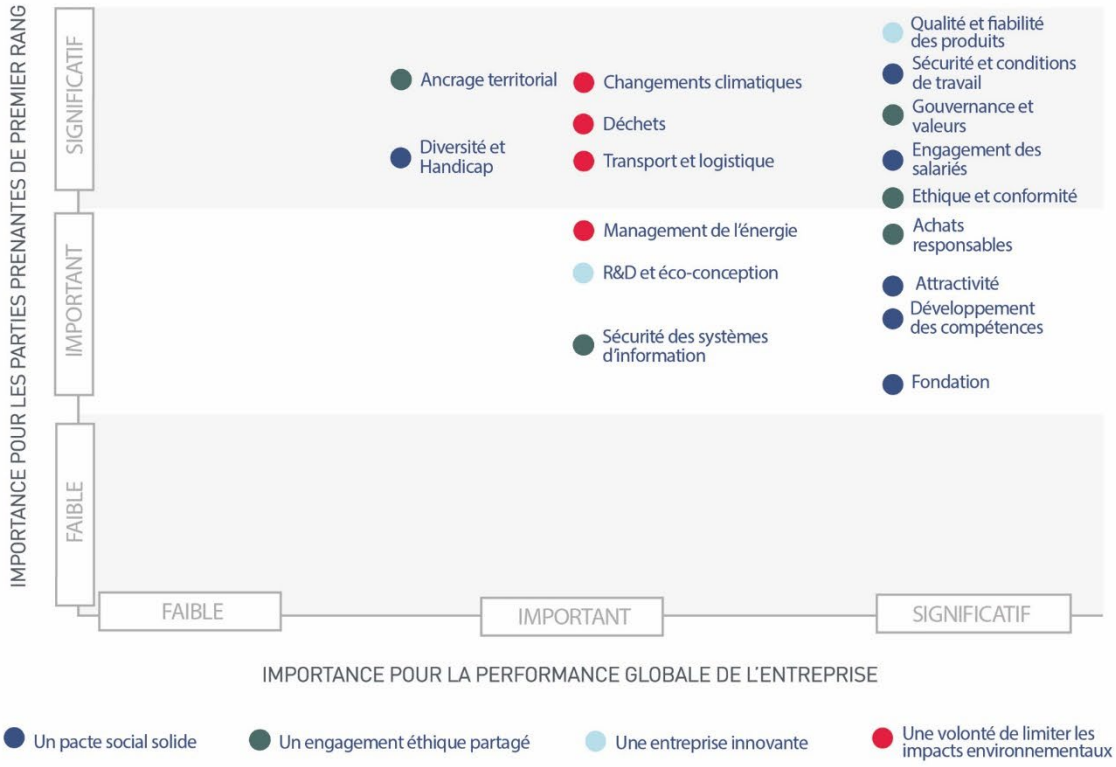
DELFINGEN Industry CSR policy is aligned with the United Nations' Sustainable Development Goals (SDGs), the most widely-used frame of reference in its ecosystem.
The SDGs were adopted by the UN in its 2030 Agenda.

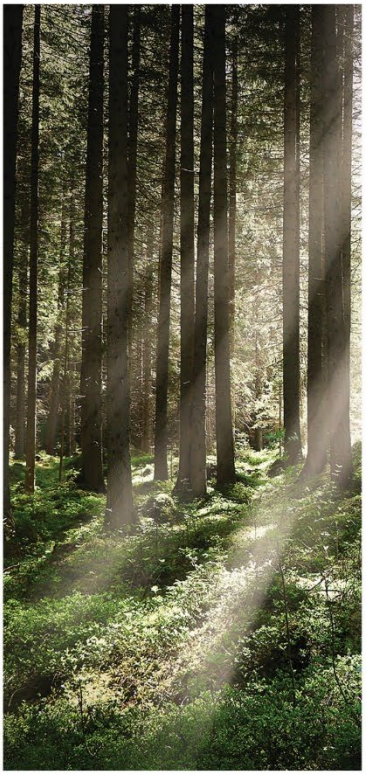
This Agenda assigns targets to each goal to be met by 2030, with a view to eradicating poverty and guaranteeing prosperity for all.

	Tangible action	Corresponding SDGs
A strong social contract	Continuous improvements in working conditions	
Life-long training	DELFINGEN Academy	
A commitment to solidarity	DELFINGEN corporate Foundation	
A shared ethical commitment	Ethics and compliance Governance and values Local roots	
An innovative business	Responsible purchasing R&D and eco-design Information system security Product quality and reliability	
Determination to limit our environmental impact	Waste management Transport and logistics Energy management	

CSR MAPPING

METHODOLOGY





OUR ECOSYSTEM

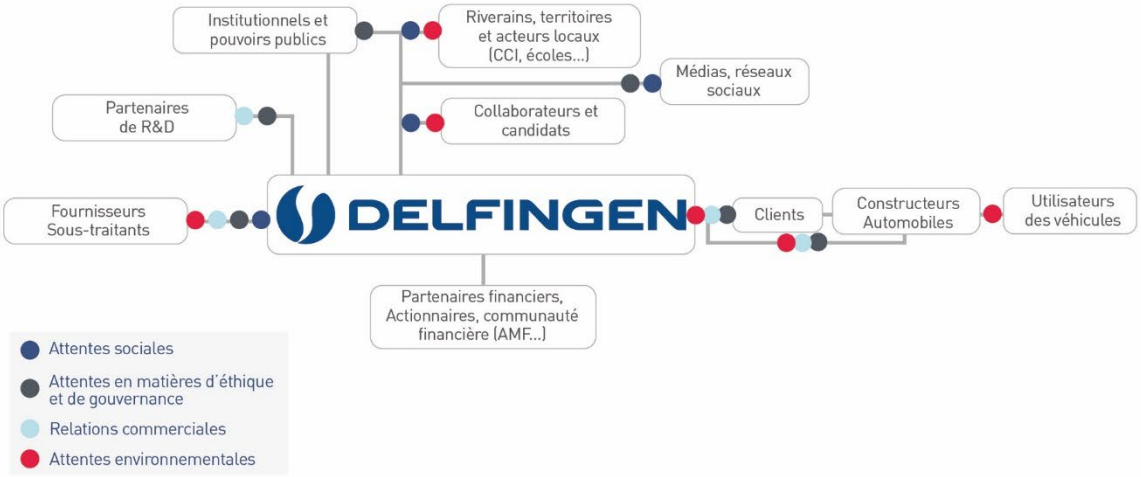
Aware that the company is contributing to a common economic and social whole much greater than itself, DELFINGEN Industry considers the impact of its activity on its customers, the end users of its products and services, its employees, its suppliers, its industrial partners, the financial community, citizens, the State and public authorities.

These stakeholders have growing expectations of the company. Our conviction is to be in a position to meet these expectations by contributing to the common good, while ensuring the long-term future and sustainability of DELFINGEN Industry.

Being our customers' preferred partner, forging alliance strategies, promoting responsible sourcing, engaging in ethical and fair business practices, empowering our employees, adopting a Decent Work Charter, co-developing tomorrow's products, and engaging in action to fight global warming, are just some of the ways in which we consider the interests of our stakeholders.

We believe that the company is grounded and that its local ecosystem is rooted in reality. That is why DELFINGEN Industry is committed to the vitality of the regions in which it operates, forging partnerships with local schools and universities, business communities, start-ups, and civic initiatives.

STAKEHOLDER MAPPING



OUR COMMITMENTS

DELFINGEN INDUSTRY IS COMMITTED TO FIGHTING GLOBAL WARMING AND DOING ITS BIT TO SUPPORT THE GOALS OF THE PARIS AGREEMENT (COP21).

DELFINGEN Industry generates 85% of its sales in the automotive sector, processes tens of thousands of metric tons of plastics each year, and is present in numerous countries with physical risks linked to climate change (Philippines, Thailand, India, etc.). It has made global warming a key pillar of its strategic plan.

SUSTAINABLE AND RESPONSIBLE MOBILITY

Transport accounts for almost a quarter of CO_2 emissions worldwide. The entire automotive industry is committed to investment and innovation programs that support the transition to vehicles with less polluting means of propulsion (electric, hydrogen, etc.). DELFINGEN Industry supports this movement by offering innovative wiring harness protection solutions in environments that are becoming increasingly demanding (heat, radiation, electromagnetic) as a result of these forms of propulsion. DELFINGEN Industry also offers battery cooling and sensor cleaning solutions, essential for the smooth operation of these vehicles.

FIGHTING PLASTIC POLLUTION

DELFINGEN Industry is taking action in two key areas: waste reduction and product recyclability. Just 9% of plastics are recycled worldwide. Reducing the amount of waste and improving its recovery capacity not only helps to address this environmental challenge but also to generate economic benefit. DELFINGEN Industry therefore carries out a product lifecycle analysis for each new product it develops.

A MORE CIRCULAR ECONOMY

In this globalized economy, DELFINGEN Industry has made every effort, since the 1990s, to source its supplies, produce and sell locally. This largely explains why its industrial facilities are located in more than 20 countries. However, given the complexity of the automotive supply chain, much remains to be done, particularly to limit transcontinental flows. In 2023, DELFINGEN Industry continued to relocate production from Asia to the Americas for its local market.

To make sure that firm and direct action is taken, with tangible and measurable outcomes, DELFINGEN Industry launched a study on its carbon footprint, in line with the GHG Protocol standards and with the support of consultancy firm EcoAct. As a result of this study, clear and ambitious targets were set to reduce greenhouse gas emissions across all company activities by 2030.

Demonstrating the company's keen interest in climate risk and the strategic implications, DELFINGEN Industry has made this a key pillar of its Performance 2025 Plan and the main theme of its annual Leadership Meeting.

OUR COMMITMENTS

The Group's social responsibility has been assessed by several organizations well-established in the automotive sector. These assessments highlight DELFINGEN Industry's growing awareness of its corporate social responsibility issues.

CDP
DRIVING SUSTAINABLE ECONOMIES

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

By responding to the CDP's Climate Change questionnaire, DELFINGEN Industry demonstrates transparency in its contribution to climate change.

Score: C

ecovadis
Business Sustainability Ratings

EcoVadis assesses the sustainability development performance of suppliers on behalf of customers.

Its assessment is based on 4 themes: social relations and human rights, the environment, ethics and responsible purchasing.

Score: 52/100

BRONZE
ecovadis
CSR Rating

EthiFinance
ESG ratings

EthiFinance is a European rating group dedicated to sustainable finance and development. EthiFinance ratings provide all corporate stakeholders (particularly investors) with non-financial information that enables them to assess their contribution to sustainable, economic, financial and social development.

Score: 57/100

Delfingen Industry
EthiFinance
ESG ratings
2023
BRONZE

02. HUMAN & SOCIAL

A STRONG SOCIAL VISION LIES DEEP WITHIN OUR DNA

As a committed Group and corporate citizen, founded by the STREIT family in solidarity with a polio-stricken aunt, DELFINGEN Industry carries strong values deep within its DNA, which are reflected in the day-to-day running of its business.

VACCINATION FOLLOWING THE WORLD HEALTH ORGANIZATION'S RECOMMENDATIONS

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

Its growth its guided by:
- limiting the environmental impact of its activities;
- empowering and promoting the development of its employees and their living conditions;
- sharing the wealth created with its employees.

Its corporate Foundation takes action to improve the health and living conditions of the regions in which it operates. DELFINGEN Industry has expanded worldwide, choosing to source, produce and sell locally wherever possible. The COVID-19 crisis showed the essential need to incorporate our activities in specific supply chains that are less dependent on one another.

The Group operates primarily in the major automotive wiring production areas. Since wiring is labor-intensive, manufacturers' wiring production sites are often mainly often located in emerging countries.

WWW.DELFINGEN.COM

GLOBALIZATION BASED ON SOLIDARITY IS AN OPPORTUNITY FOR EVERYONE

WWW.DELFINGEN.COM/FONDATION-DELFINGEN-2

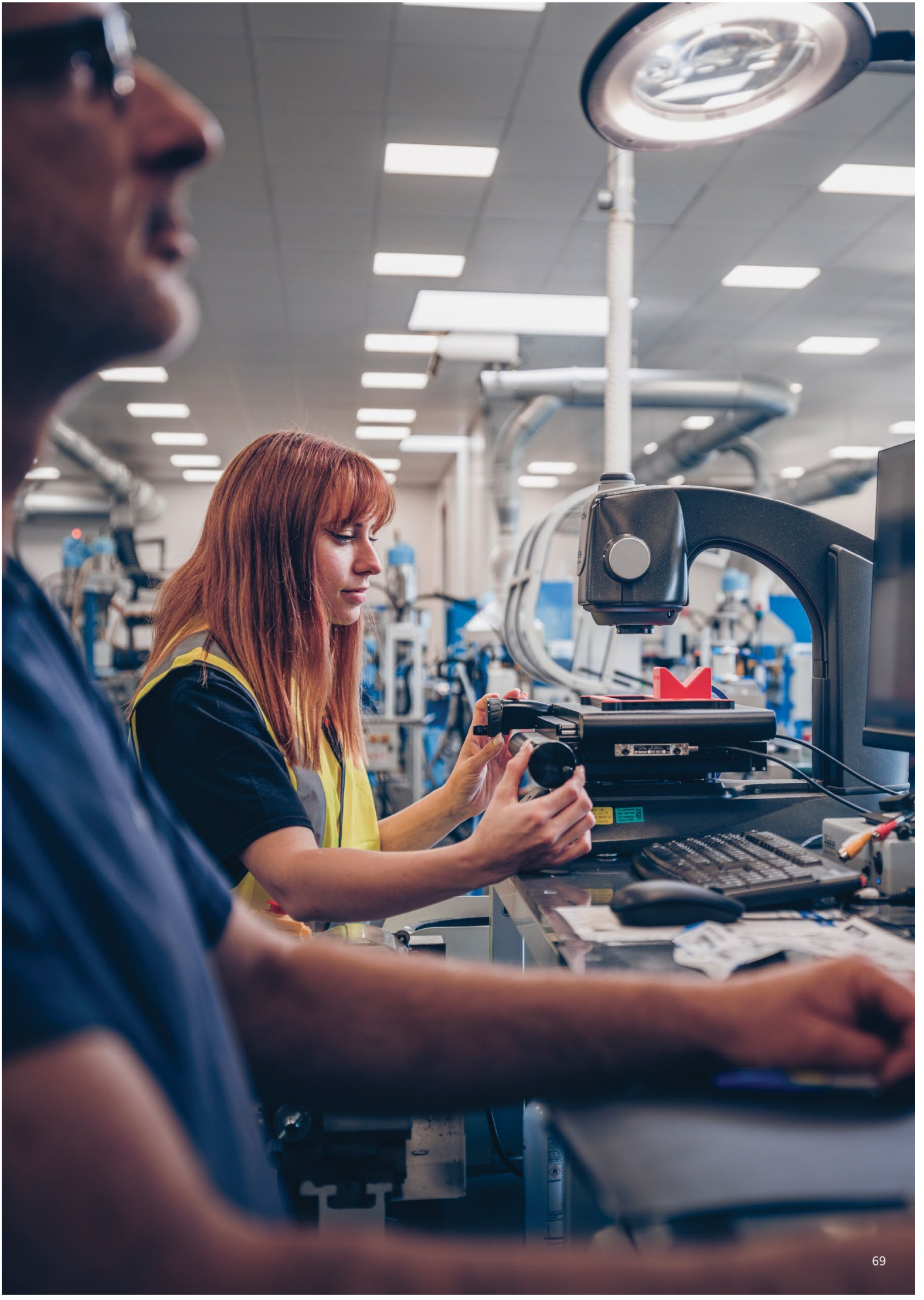
DELFINGEN Industry helps to create wealth through employment and training, and to improve living conditions through the initiatives of its corporate Foundation.

These actions are taken in line with the Decent Work Charter in force across all the Group's sites since 2007, which is regularly amended (as in 2017, to accommodate situations related to disability).

THE GROUP'S POLICY HAS HISTORICALLY DRAWN ON ITS FIRM CONVICTIONS:

1. The women and men of DELFINGEN Industry are its number one asset worldwide
2. Since its inception, the Group has assumed and asserted its social responsibility wherever it operates
3. Globalization based on solidarity is an opportunity for everyone

These convictions underpin the actions taken through the Group's values, its Decent Work Charter and the DELFINGEN corporate Foundation.



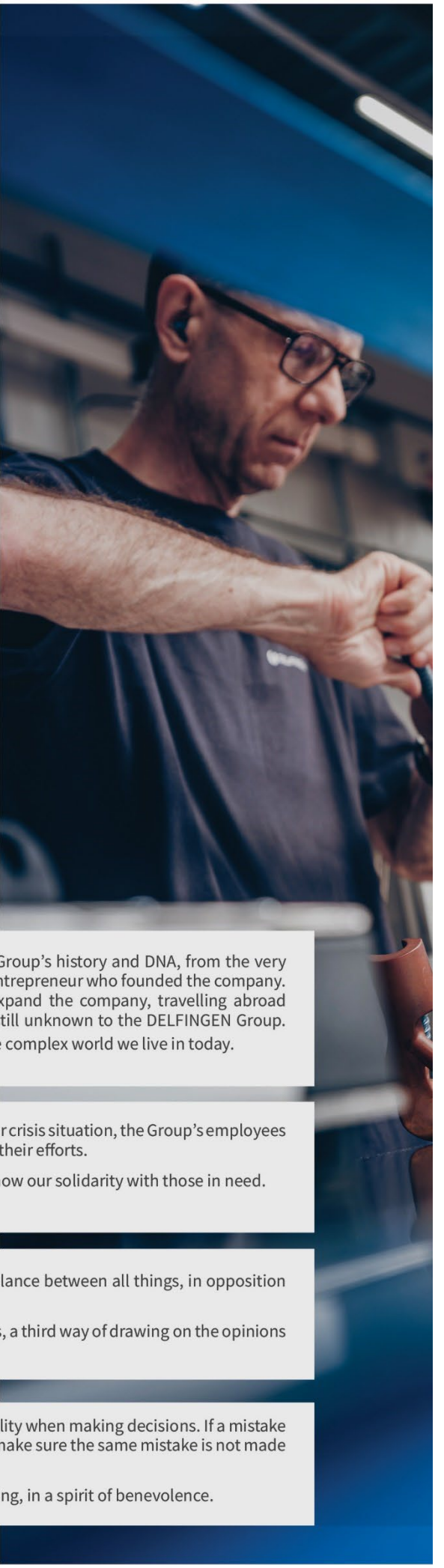
GROUP VALUES

The Group's values are the cornerstone of how DELFINGEN Industry's employees work and live together. Founded in Franche-Comté (France), the Group has expanded to 21 countries, absorbing a multitude of cultures. This common set of values unites the women and men of DELFINGEN Industry around the world.

These values, always present but not identified until 1984, only make sense if they are shared by everyone. It is the employees themselves, enriched by their differences and cultures and drawing on the convictions of the Group's founder, who have defined DELFINGEN Industry's core values and the conduct that flows from them.

Since then, the Group has intensified its presence in Asia, and in 2019 the Executive Committee, under the impetus of Gérald STREIT, decided to launch an in-depth reflection on the issue, which it completed in 2020. The challenge was to revisit these four historical values (freedom, responsibility, continuous improvement and sharing) and adapt them to our new employees.

The group's four new values are therefore adaptations of those defined in 1984:



ONLY BY RESPECTING THESE VALUES CAN THE GROUP LEGITIMATELY HOLD ITS EMPLOYEES TO HIGH STANDARDS

ENTREPRENEURSHIP

This value reflects the DELFINGEN Group's history and DNA, from the very beginning, with Emile STREIT, the entrepreneur who founded the company. Other entrepreneurs went on to expand the company, travelling abroad to establish new sites in countries still unknown to the DELFINGEN Group. This gives us enormous agility in the complex world we live in today.

SOLIDARITY

In the event of any error, constraint or crisis situation, the Group's employees pull together, showing solidarity in their efforts.

Through our Foundation, we also show our solidarity with those in need.

HARMONY

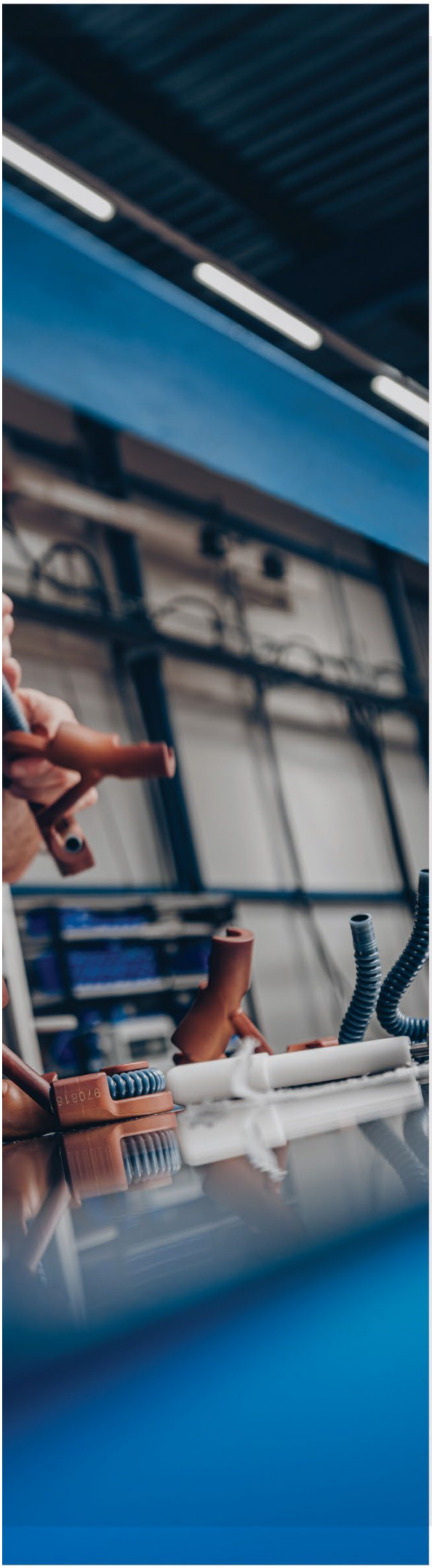
This is a strong value in Asia: the balance between all things, in opposition to black and white, good and evil.

The aim here is to reach a consensus, a third way of drawing on the opinions of the different parties involved.

RESPONSIBILITY

It is important to assume responsibility when making decisions. If a mistake is made, we should learn from it to make sure the same mistake is not made again.

It is a never-ending process of learning, in a spirit of benevolence.



A STRONG SOCIAL CONTRACT

In order for each employee to give the very best of themselves, DELFINGEN Industry shares its vision and strategy with everyone, setting clear objectives and providing the means to achieve them, while respecting its values and its convictions. This is the only way the women and men of DELFINGEN Industry can perform extraordinary work.

Decent Work Charter

Respectful of human rights and in line with the values that drive the company, DELFINGEN Industry offers the same working conditions to all its employees, regardless of the country in which they work. The Group makes every effort to provide an environment in which every employee can find a place to develop professionally and personally. Its Decent Work Charter is rooted in the principles of human rights, the right to work and respect for the environment. Three new articles on disabilities and anti-corruption were added in 2017. This allows each individual can express their unique talents. In 2023, updates to the Charter formalized our policy on the prohibition of child labor, forced labor and modern slavery.

In force across all our sites and translated into all the languages used by employees, the company undertakes to:

- ensure the same level of safety at all sites
- ensure the same level of environmental protection at all sites
- promote equality in the face of hardship in identical jobs
- offer employees vaccinations against the main five pandemics (diphtheria, tetanus, poliomyelitis, etc.), where appropriate, with the DELFINGEN corporate Foundation paying for any costs not covered by local social insurance schemes
- not hire children under the age of 16, either within the Group or at contractor and supplier sites
- offer equal pay for equal work at each site, without discrimination
- not accept behavior that undermines dignity
- practice zero tolerance for sexual harassment
- promote access to Group information in the local language
- ensure a decent wage for our employees at all times
- raise employee awareness on respecting the traditions, cultures and religions of each country
- encourage the personal development of all our employees, making them more autonomous every day
- prioritize skills over qualifications when hiring and promoting staff
- promote literacy among our employees
- do our utmost to keep any person working for the Group for more than a year in employment who becomes disabled as a result of accident or illness
- make every effort to accommodate the work schedules of any employee with a disabled spouse and/or child(ren).
- treat stakeholders in an impeccable and professional manner, respecting the Group's business integrity and reputation, and combating corruption and influence peddling

AN INCREDIBLE HUMAN ADVENTURE

The women and men of DELFINGEN Industry around the world are its most important asset and the Group places great importance on its human resource management. Fostering commitment by offering a pleasant and motivating work environment where human relations play a key role is a daily challenge.

“It's the boldness, courage and determination of the women and men of DELFINGEN Industry that enabled the small family business that made plastic bags to be transformed into a global automotive supplier and market leader.”

In 2023, an HRIS (Human Resources Information System) was rolled out across the Group. The primary objective is to fine tune the consolidation process, removing the need for teams to re-enter data. This ambitious project is currently being finalized and is in the last stage of verifying the quality of data and simplifying the processes.

WORKFORCE

At December 31, 2023, the Group employed 3 807 people, plus 404 temporary staff, bringing the total tally to 4 211 employees across the three regions.

Regions*	2023	2022	2021	Distribution by region
Europe/Africa	2 007	1 849	1 863	48%
Asia	1 078	1 004	788	25%
Americas	1 126	1 081	870	27%
Total Group	4 211	3 934	3 521	100%

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

EMPLOYEES

Type of contract	2023	2022	2021
Permanent	3 795	3 478	3 198
Fixed-term (including internships)	12	13	13
Temporary	404	443	310
Total Group	4 211	3 934	3 521

Fixed-term contracts only apply to the French companies. These contracts are mainly for replacement staff or internships. The Group's policy is to give preference to permanent contracts.

For the following tables, the scope does not include temporary staff.

	2023	2022	2021
Senior Executive	1	1	1
Managers	635	593	451
Employees	3 171	2 897	1 926
Total Group	3 807	3 491	3 211

The percentage of managers in the company remained stable at nearly 17% of the total workforce in 2023. The high number of engineers and managers demonstrates the growing importance of innovation in diversifying the product and technology portfolio.

ORGANIZATION OF WORK

Working hours within the Group range from 35 to 48 hours a week, depending on the country in which DELFINGEN Industry operates. All these schedules comply with the working hours in force in each country. Working hours vary from country to country, but most production staff work in 2x8, 3x8 or 5x8 shifts, in order to meet the workload at each site and optimize machine operation.

Part-time work is mainly practised in France, where the "Parental Charter", signed in 2009, formalized DELFINGEN Industry's commitment to reconcile personal and professional life.

DELFINGEN Industry has partnered with a local crèche in Anteuil (location of its head office) to provide its employees in France with childcare facilities.

A remote work agreement signed in 2017 was renewed in 2024 for a period of three years, allowing employees to work from home ten days a month. It aims to improve quality of life at work, while maintaining the efficiency and quality of the work performed, and integrating operational, organization, technical and financial requirements. The COVID-19 crisis showed us the value of such a system in our business continuity plan.

In 2023, an external carpooling application was set up to make it easier for employees to get in touch with each other, and a shuttle was organized to and from the station/head office. This initiative has helped reduce their transport costs and has also significantly reduced their carbon footprint. An effort was made to digitize certain tasks in several workshops around the world, with scanners provided to all operators for improved ergonomics, along with the traceability of breakdowns and defects, and general modernization. The aim is to usher in an inclusive digital transformation with no digital divide.

85/100

2023 Gender Equality Index - France*

AN ORGANIZATION THAT WELCOMES EVERYONE

	2023	2022	2021
Women	39%	39%	41%
Men	61%	61%	59%

In addition to matters involving safety, the work environment, arduous work, harassment and disability, DELFINGEN Industry promotes gender equality.

The action plan for gender equality at work signed in 2014, under the scope of the *Unité Économique et Sociale (UES)* in France (French social and economic grouping), is renewed each year. New outreach initiatives are being added, such as the partnership with "*Elles bougent*", an association promoting female talent. One aim is to improve the degree of diversity in recruitment, and to verify and, where necessary, mitigate any gender effect in terms of working conditions. DELFINGEN Industry also signed the UN Charter in 2011. Gender equality within the Group is demonstrated by the women who head up several production sites (Germany, France, Portugal, Tunisia, Romania, China, United States and Honduras), which is rare in an industrial company; 25% of our managers are also women. Some countries, like the United States, have signed an anti-discrimination charter.

Annual appraisal reviews are conducted at least once a year to ensure objectivity in employee assessments, regardless of discriminatory criteria. As part of its social policy, the company has extended this practice to the entire Group.

In 2023, DELFINGEN Industry employed ten people with disabilities at its site in France, adapting workstations accordingly to enable the employees to perform their daily work in the best possible conditions. DELFINGEN Industry also uses employment agencies (ESATs** in France) to hire disabled people to produce certain parts.

*(According to French Decree No. 2019-15)
** ESAT: Employment agency helping disabled people find work in a protected environment if they are not sufficiently autonomous to work in ordinary working conditions.

*Per week, for jobs that permit remote working

A SAFE WORK ENVIRONMENT

At DELFINGEN Industry, in line with the Decent Work Charter, all employees have access to a safe work environment, which is the focus of the Quality, Safety and Environment (QSE) Department and the management at each site. Our **safety policy** aims to:

• provide safety information and training to all employees in accordance with the regulations in each country;

• harmonize our safety practices in terms of incident/accident management, and through risk analysis and the deployment of tools and methodologies common to all our sites.

Safety risks are analyzed for all workstations and all employees are provided with appropriate personal protective equipment. In 2023, 65 work accidents were reported across the Group.

Regions*	2023	2022	2021
Europe/Africa	45	40	17
Asia	9	14	10
Americas	11	13	21
Total Group	65	67	48

* 2023 frequency rate: 8.03 (Target: 13.5 average for plastics processing)
2023 severity rate: 0.09 (Target: 0.9 average for plastics processing)

In France, a safety management system was first introduced in Anteuil, before being extended to a number of sites representative of the Group's activities. Work accidents are recorded as soon as a health professional intervenes.

Safety risks are assessed by management at each site. A safety representative is also appointed at each site to facilitate deployment of the system and good practices from the central office.

France-Production	2023	2022	2021	2020
Number of work accidents with stoppages	11	3	2	4
Frequency rate	22.9	7.20	5.47	12.7
Severity rate	0.18	0.252	0.04	0.5

2023 FOCUS

2023 saw a new trajectory for safety, with a roadmap defining the main spheres of action for the year.

The most important project is to reduce the number of work accidents, particularly Pareto's vital few (hand/finger related accidents). This work is continuing in 2024.

The deployment and reinforcement of a "harmonized" system is also ongoing: safety audits, risk analyses, regulatory compliance, in particular.

These safety audits are carried out by the sites directly. Safety is also verified indirectly during internal QSE system audits. Assessments are also conducted during site visits.

WORKING CONDITIONS CONDUCIVE TO EMPLOYEE FULFILLMENT

DELFINGEN Industry offers fulfilling career paths for employees from the day they are hired throughout their careers. Particular attention is paid to talent development, with a wide range of relevant and appropriate training opportunities.

EQUAL TREATMENT

REMUNERATION

All employees earn at least the legal or standard minimum wage in effect in each country. DELFINGEN Industry applies a transparent remuneration policy in terms of annual increases, essentially taking into account cost of living trends and local labor market conditions. It should be noted that when calculating the Gender Equality Index, no discrimination was observed in the rates of individual increases or in increases on return from maternity leave.

In order to cope with inflation in 2023, in many of the countries where DELFINGEN Industry operates, the company continued to grant targeted increases for the lowest salaries, and took measures to limit the fall in purchasing power by maintaining "inflation bonuses" and significantly increasing meal vouchers. Moreover, the profit-sharing scheme in place since 1984 enables all employees to share in the company's good results and profits. A profit-sharing agreement is in force in France as required by law, along with a participation agreement. A total of €3.6m was paid out in 2023.

French employees have the option to invest their profit-sharing and incentive payments in an Employee Savings Plan (PEE), or to allocate all or part of their profit-sharing and incentive payments to a Collective Retirement Savings Plan (PERCOL - an agreement signed with the UES - social and economic grouping - in January 2018), to enable them to build up a collective portfolio of securities for their retirement, while enjoying tax benefits.

Mutual insurance and supplementary retirement benefits are in place in most countries, with virtually the entire workforce being covered.

It should be noted that, since 2021, France has harmonized its mutual insurance policy, making all employees eligible for the mutual insurance benefits previously reserved for managers.

RECRUITMENT

Throughout the DELFINGEN Group, preference is given to hiring employees on permanent contracts.

In some regions, however, the labor market is under pressure, with high staff turnover, particularly in the United States (Texas), Romania and Mexico. Worldwide, the results of the 2023 annual satisfaction survey showed that 93% of respondents consider the DELFINGEN Group to be a great place to work.

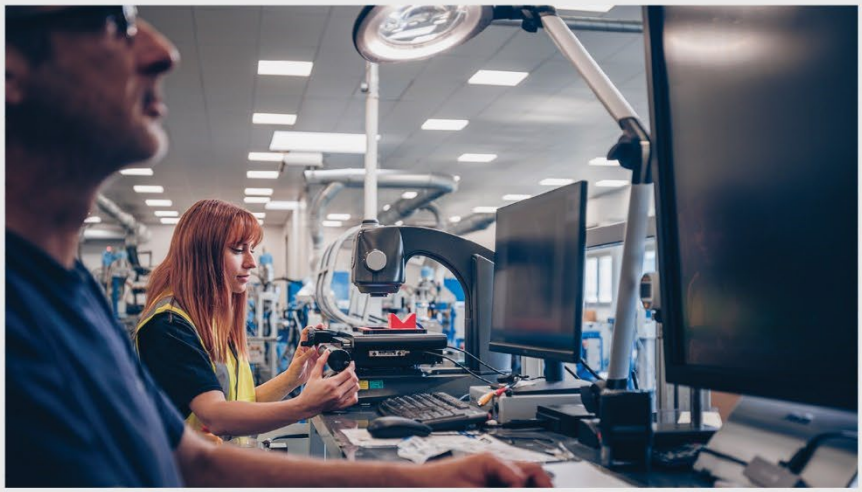
This impressive figure, demonstrating the loyalty of our employees, is highlighted in job advertisements to attract candidates.

In France, the Group is looking to make recruitment easier, particularly its hiring of executives, by communicating more about its brand as an employer, particularly on its LinkedIn and Instagram accounts.

Through its relationship with UTBM (*Université de Technologie de Belfort-Montbéliard*) the Group is able to offer students internships. Partnerships have been forged with other schools of higher education, including the *Ecole Nationale Supérieure des Arts et Industries* in Roubaix.

When recruiting, DELFINGEN Industry places great emphasis on its digital strategy and the opportunities for employees to express their potential.

In France, for example, initiatives such as "The Annex" (see right) can make all the difference to a candidate.



A RANGE OF CAREER OPPORTUNITIES

DELFINGEN is a group that is growing, investing, innovating and diversifying its activities, offering rich and varied career paths. Career pathways, geographic mobility and project responsibilities are just some of the opportunities available to talented employees.

A special place is given to internal promotion when new positions open up. Internal mobility is an important factor for attracting talent. Individuals can broaden their skills and experience and improve their own personal development, while delivering the project for the company.

Some good examples of career paths can be found at:

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

SUPPORTING INTRAPRENEURSHIP AND INTEGRATING THIS ACTIVITY INTO ITS ECOSYSTEM

"THE ANNEX"

To foment entrepreneurial spirit, in 2018 the Group launched "The Annex," its intrapreneurship program. A true project enabler, ideation challenges are launched to create a buzz around the initiative, with a DELFINGEN Lab available to model and test new products or concepts, and an intrapreneur support program to help bring projects to fruition.

The Annex allows employees to present an idea. Once the idea has been accepted by management, the employee can go on to develop it. One example is a 3D-printed hand prosthesis that was built for a child of one of the Group's employees.

The Annex is a place and a digital platform for thinking outside the box on themes chosen by employees.

To train employees in the professions of the future, links have been established with the Pôle Véhicule du futur. For example, they can learn how to maintain a 3D printer, which will soon become part of their daily routine. Through virtual reality or e-learning modules, they can become familiar with Industry 4.0, in preparation for the jobs of tomorrow that do not yet exist.

Following the initial period of activity, in early 2023 the decision was made to focus the platform's activities on CSR in general, enabling the Group's employees to share initiatives launched on protecting the planet, health, etc. with their colleagues.

Employees can submit their ideas receive a budget from management to implement this idea at their site. If the idea works, it could be deployed across all Group sites.

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

TRAINING & ACADEMY

TRAINING

To ensure high product quality and continued innovation, skills development is a key priority for the Group and training efforts are substantial in all countries.

DELFINGEN Industry's digital transformation also involves raising awareness of cybersecurity among all employees.

Regions	No. of training hours			No. of employees trained			No. of internships		
Year	2023	2022	2021	2023	2022	2021	2023	2022	2021
Europe / Africa	30 545	31 525	25 274	620	830	710	1 406	1 374	1 322
Asia	17 681	14 734	11 550	816	646	313	2 309	1 211	652
Americas	9 545	8 046	18 580	293	424	416	482	673	1 124
TOTAL	**57 771**	**54 305**	**55 404**	**1 729**	**1 900**	**1 439**	**4 197**	**3 258**	**3 098**

Regions	No. of training hours on security & environment			No. of people receiving security & environment training		
Year	2023	2022	2021	2023	2022	2021
Europe / Africa	5 685	4 688	3 195	380	236	229
Asia	2 205	2 035	392	280	214	90
Americas	732	1, 086	1 546	89	137	126
TOTAL	**8 622 (1)**	**7 809 (2)**	**5 133**	**749**	**587**	**445**

(1) i.e. 15% of training time
(2) i.e. 14% of training time

DELFINGEN ACADEMY

Passing on knowledge means developing the expertise of our talent and enabling trainees to improve their skills.

Established over 20 years ago, taking the name DELFINGEN ACADEMY in 2017, the mission of the Group's skills development centre is the transmission of knowledge and acquisition of the know-how and skills needed to support the company's strategy.

DELFINGEN ACADEMY offers a wide selection of internal and external training courses in a range of fields: technical, languages, management and international culture. In addition to training, DELFINGEN ACADEMY promotes the dissemination of best practices in the transmission and acquisition of skills, notably through apprenticeships, mentoring and academic partnerships. Digitalization is a powerful lever for facilitating and accelerating the acquisition of knowledge: DELFINGEN ACADEMY integrates webinars, tutorials, videos, MOOCs and serious games, etc. into its programs, and is making e-learning modules increasingly available to its employees so that they can train themselves. It has a clear mission to ensure that all employees are well trained for their jobs and throughout their careers.

DELFINGEN ACADEMY has also launched an onboarding program for new employees, helping to make the experience as smooth as possible. Managers also receive training: promotions of 10 to 15 people follow a course of 10 sessions on average once a month. Each employee is supported on their journey, starting with their individual ambitions and expectations, and projecting these in an ever-changing environment. These sessions are supplemented by personal coaching.

A wide-ranging strategy for rolling out this "Managers" training program worldwide is currently underway. A special training program for all of the Group's site directors will also be implemented, to raise their skill levels towards operational excellence.

Finally, a "Masterclass" program is run each month, offering training on topical subjects (artificial intelligence, etc.) to as many people as possible.

THE DELFINGEN CORPORATE FOUNDATION FOR GLOBALIZATION BASED ON SOLIDARITY

#SOLIDARITÉ

"Globalization based on solidarity us an opportunity for humanity"

The DELFINGEN corporate Foundation was established in 2007 as part of the Group's commitment to the local communities in which it operates. Serving as a genuine link between the Group, its employees and local communities, the Foundation aims to develop sustainable solutions that will give people more autonomy, more dignity, and help them take control of their own destiny.

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

DISABILITY PILLAR

In 2017, to mark the Foundation's 10th anniversary, a symposium was organized bringing together 80 volunteers from across DELFINGEN Industry's sites. After reviewing the past 10 years, the new Disability pillar was introduced. It provided volunteers with an opportunity to present issues identified at the different sites.

ACTION REVIEW

Education • Health • Environment • Housing • Disability

2023 REVIEW

HABITAT: Earthquake relief to people in the Atlas region (MA).

EDUCATION: Distribution of school supplies to children at a dozen sites in Brazil, Mexico, Honduras, Slovakia, Romania, China, India, the Philippines and Morocco. Scholarships were also awarded to students in the Philippines, United States and China. Gift vouchers were handed out in Cebu in the Philippines to buy new shoes for schoolchildren. The Foundation also paid special attention to children by organizing celebrations and activities throughout the year. These included Christmas celebrations, present-giving, drawing competitions with selected prizes, etc.

HEALTH: Once again this year, flu vaccination campaigns were carried out for colleagues in Brazil and the Philippines. Eye tests were provided in Cebu in the Philippines, and in India to mark the 10th anniversary of Delfingen in the country. Through this initiative, in partnership with Hoya, eyeglasses were handed out to employees in need. In Honduras, the Philippines, Morocco, and India, one-off assistance was provided for surgical operations, medicines and laboratory procedures for employees' family members.

Specific awareness-raising initiatives on various health topics were carried out at the various sites. In India, for example, sessions were held to to prevent the risk of smoking, to raise awareness of medical care for women, as well as psychological support for parents in the education of teenagers. Anteuil employees were also able to attend breast cancer prevention sessions.

DISABILITY: A number of initiatives were organized to help employees or their family members cope with different disability issues, such as covering the costs of rehabilitation or providing hearing devices for some employees.

ENVIRONMENT: This new pillar added in 2022 raises awareness of environmental issues (CO_2, plastic pollution) among employees, their families, and their communities. It also supports local initiatives on this area, while forging partnerships with local players where DELFINGEN Industry operates.

This year, for example, the Group teamed up with FPUA in the Philippines to clean up waste on the beaches.

DELFINGEN also partnered with Plastic Odyssey (see box below). During a stopover in Bizerte in Tunisia, DELFINGEN employees were able to share their experience and know-how in plastic recycling and exchange ideas on developing sustainable solutions to fight pollution.

DELFINGEN US launched a partnership with the Got Sneakers initiative. The aim is to collect used tennis shoes and sneakers to stop them from being landfilled or incinerated. The shoes are recycled and sold to people around the world to people who do not have any.

PLASTIC ODYSSEY

FOUNDATION OUTLOOK

OVER THE PAST TWO YEARS, THE DELFINGEN FOUNDATION HAS BEEN RESTRUCTURED TO HELP REVITALIZE LOCAL FOUNDATIONS.

New volunteers joined the Foundation and new initiatives were launched by its teams to make it more dynamic and improve visibility, particularly among new employees.

The Foundation will be stepping up its partnerships with other foundations and organizations to expand its reach and activities.

2024 will focus on the Plastic Odyssey stopover in Cebu in the Philippines (November 2024). A micro-plastic waste processing plant will be built in 2024.

A dental check-up program will also launched for the first year in some countries.

FOCUS ON OCEAN QUEST

The DELFINGEN Foundation teamed up with Ocean Quest on a project to rehabilitate coral reefs, mainly in the Philippines. After a few months' work on the devastated reefs of Cebu, we are starting to see the corals we propagated grow. Our trainers, Anuar Abdullah, founder of Ocean Quest, and Monica Chin, guided us through the methodology to help marine life recover. They shared their 20 years of research and experience with us. Little by little, and with their help, we will make this reef flourish again. Let the journey begin!

#biodiversity #coral reef #protection

FOUNDATION'S RESOURCES

WWW.DELFINGEN.COM/FONDATION

1 THE DELFINGEN GROUP

The Group allocates 1% of its net income to the corporate Foundation.

2 DONATIONS

Employee donations, in particular, help to build up the Foundation's resources. An endowment fund has also been set up to supplement these resources, with external donations from partners, friends, suppliers and customers.

An online donation form has been created on the Foundation's website via the Endowment Fund.

More information at:

FONDATION@DELFINGEN.COM

3 INITIATIVES IN THE THREE REGIONS

The Foundation also organized various fundraising activities and collected donations during the year, raising a total of €20 382. One initiative involved the sale of obsolete PCs at the different Delfingen sites. A Valentine's Day event organized in France and the Philippines helped to collect donations.

And finally, several sites, including Anteuil, Pune, and others in Germany and Portugal, mobilized to gather donations in the aftermath of the earthquake in Morocco. These donations were used to provide food and supplies.

QUALITY OF LIFE AT WORK

CONTINUOUS IMPROVEMENTS TO WORKING CONDITIONS

DELFINGEN Industry has been conducting an anonymous employee survey every year for more than ten years to measure motivation and the social climate within the Group. Plans of action are then drawn up at each site to address the wishes expressed. At the end of 2023, the social climate barometer had an 84% participation rate (up 4 points on 2022). This 84% level of satisfaction remains stable and is virtually identical to previous years.

93% of respondents think that the DELFINGEN Group is a great place to work.

The quality of relations with colleagues is seen as a strong point. The main area for improvement remains employee recognition, in spite of our steady progress.

At each site, plans of action resulting from the 2022 satisfaction survey were drawn up for 2023. Thanks in particular to this on-the-ground approach, social dialogue within the Group is fluid. The coherence and feasibility of our actions are studied when defined.

A GREAT PLACE TO WORK

Making DELFINGEN Industry a great place to work is one of the main missions of its Human Resources department. Encouraging employee commitment, by providing a pleasant and motivating work environment where human relations play a key role, is a daily challenge.

Every year, we use a barometer to measure our employees' social climate and satisfaction, to ensure that the actions we take are in line with how they are perceived by our colleagues. We are proud of the results. DELFINGEN Industry really is a great place to work.

OUR STRENGTHS:

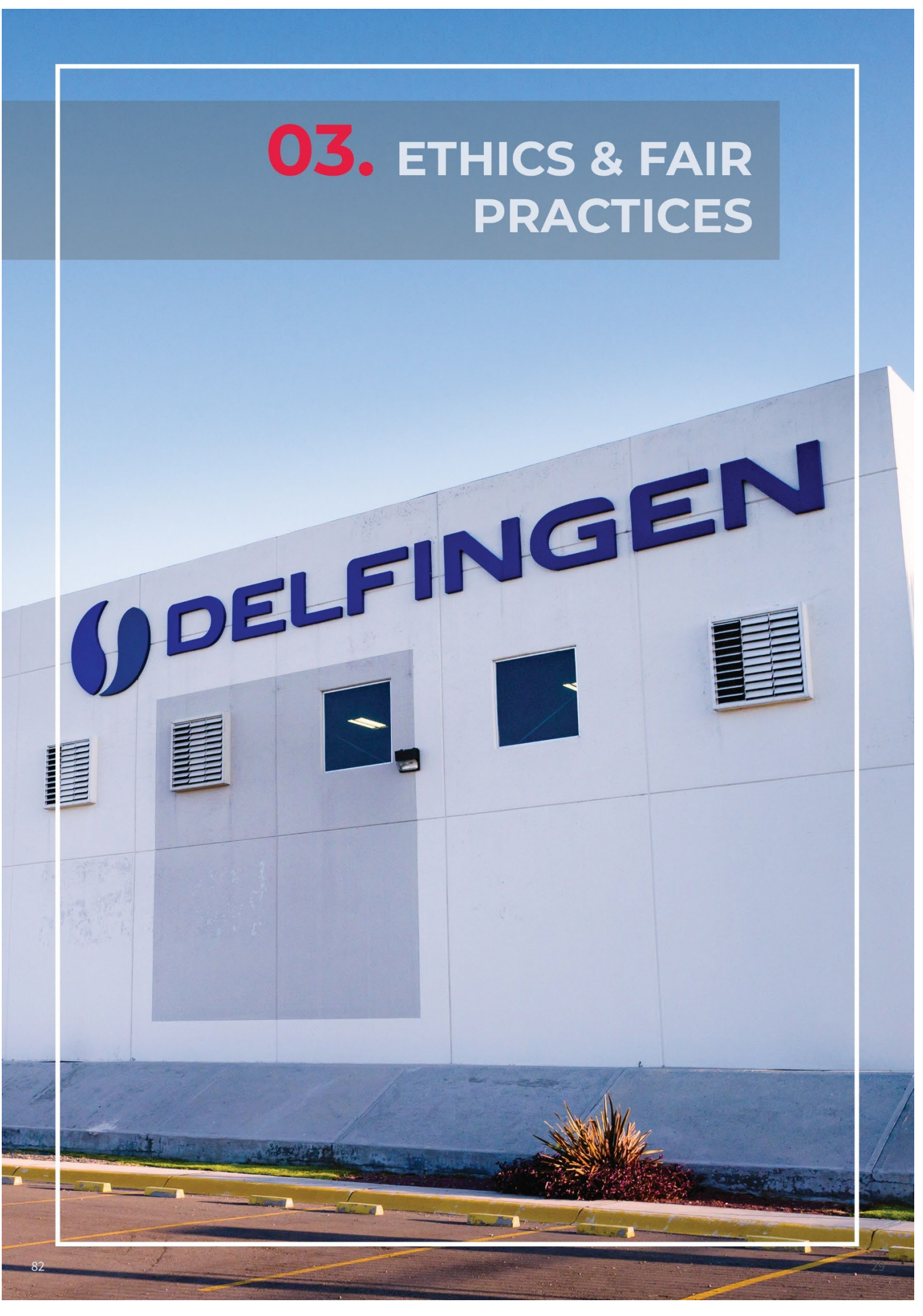
- **Giving meaning**
- **Investing in relationships**

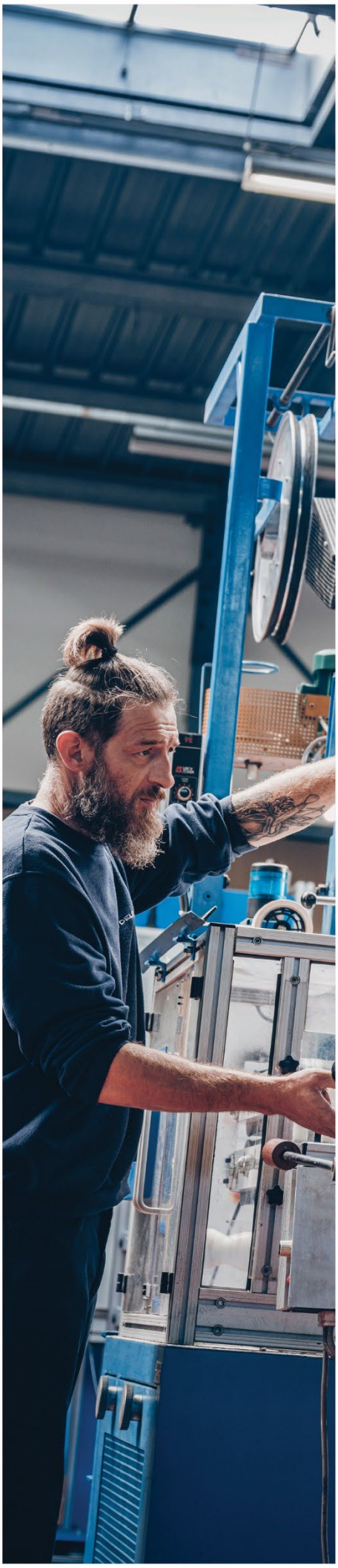
A company that is growing, investing, innovating and diversifying its activities, offering rich and varied career paths.

93%

OF EMPLOYEES FIND DELFINGEN A GREAT COMPANY TO WORK FOR.

03. ETHICS & FAIR PRACTICES





A COMMITMENT TO ETHICAL CONDUCT

We attach the utmost importance to acting in an irreproachable manner towards our stakeholders. DELFINGEN is committed to acting responsibly and ethically towards its customers, suppliers, the State, public authorities, and its employees. Business integrity also strengthens the DELFINGEN Group's good reputation.

DELFINGEN is particularly committed to a system that prevents the risk of corruption and a policy to fight corruption in all its forms, and strives to apply this policy at all its sites. It should be noted that actions related to ethics and compliance extend to all DELFINGEN entities, covering the entire Group.

This policy is particularly reflected in the following measures:

• Rigorous accounting practices that comply with accounting rules and tax obligations in the recording of all financial flows;

• Resolute sanctions against any fraudsters, where appropriate;

• Drafting and implementation of the Group's own anti-corruption code in line with the recommendations of Middlenext. This code is available on our the website in all the Group's languages (Under: Our ethical commitment);

• Training all employees in these principles: 100% of individuals identified as being at risk and 100% of senior management have received anti-corruption training;

• Updating of corruption risk mapping and internal audits. A set of documents and procedures, made as simple as possible, have also been introduced in all countries, together with a considerable training effort, to ensure that site directors fully embrace this approach.

To familiarize all DELFINGEN Group employees with the rules, in 2023, an intensive communication campaign was launched via various channels (internal newsletter, world days, awareness campaigns, etc.).

As a reminder, a whistleblower hotline outsourced to EQS Integrity Line can be easily accessed on the DELFINGEN website. Not only is this application easy to access, it is also very easy to use. It is available in all the Group's languages to make sure nothing deters an employee from raising the alarm if necessary. The Ethics Committee covers three Group functions (Human Resources, Finance and Legal), and is tasked with investigating whistleblower alerts and drawing conclusions on each case. The Ethics Committee reports on its work and progress to the Audit Committee at least twice a year.

In parallel, the Compliance Management Committee meets every month to steer actions relating to the protection of personal data, anti-corruption measures, and insider trading.

PERSONAL DATA PROTECTION

PERSONAL DATA IS TREATED WITH DUE CARE AND CONFIDENTIALITY.

Protecting our employees' and partners' personal data is essential. For this reason, DELFINGEN takes the necessary technical and organizational measures to ensure that personal data is treated with due care and and confidentiality.

Firstly, DELFINGEN has opted to apply the General Data Protection Regulation (GDPR) as a minimum level of protection for all our employees and business partners, in compliance with local laws. For its operational application, we have set up an internal audit process alongside training for employees. In order to build a proper management tool, DELFINGEN has been working with Data Legal Drive since the end of 2022.

All Group employees are also regularly updated via the company newsletter (DNN) and World Data Protection Day.

→ 2023 update

All managers and employees based in Europe who regularly handle personal data have received training. In 2023, with the aid of our compliance software, new e-learning courses were set up for all employees in France. The courses will be renewed regularly and extended to the different sites abroad.

RESPONSIBLE PURCHASING: AN ESSENTIAL TOOL FOR GAINING CUSTOMERS' TRUST

This approach is reflected in our purchasing policy, which is managed by a team of 17 people based in three regions around the world.

Given the size of our purchasing budget, supply chain issues are fundamental. The quality of the finished products we deliver to our customers is intrinsically linked to the quality of our raw materials. Our choice of suppliers therefore meets quality requirements that must be maintained throughout the product life cycle.

Following a training and information program in 2023, Delfingen Group Purchasing signed the Responsible Purchasing and Supplier Relations Charter (RFAR) in early 2024. The Charter sets in writing the work methods and ethics that have already been in place for many years.

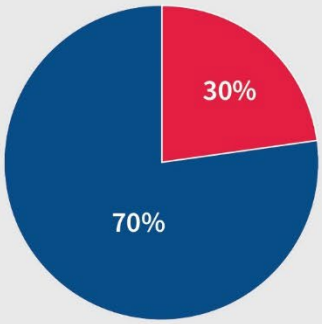
Established in 2010, the Responsible Supplier Relations Charter is intended to encourage companies and public and private organizations to adopt responsible practices towards their suppliers. It is now guided in France by the Ombudsman and CNA (national purchasing advisory).

In the coming months, the Purchasing Department will:
- Draw up a plan for progress;
- Be assessed by an approved independent third-party organization;
- Submit this work to the committee awarding the label.

The Responsible Purchasing and Supplier Relations Label is the only one awarded by public authorities in this field. It is awarded for a period of three years, subject to annual verification of the key criteria by one of the organizations approved by the French Ombudsman and national purchasing advisory.

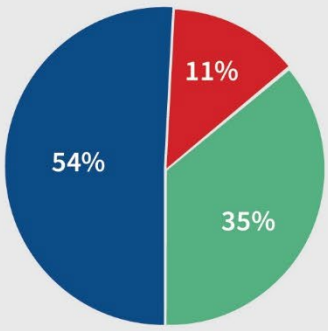
Logistics are also of prime importance. Raw materials must be available in the right place at the right time. Following on from 2021, 2022 was marked by tensions among some suppliers with the strong hike in global demand. Numerous efforts were made in 2023 to restore economic and logistical balance to our purchasing function. After a slow return to normal global flows in the second half of 2023, international trade was once again disrupted by tensions in the Red Sea, forcing us to take safety measures by rerouting ships to and from Asia via the Cape. The recycling of raw materials continues to progress steadily, with a stronger focus on mechanical recycling. Work on sourcing lower-emission raw materials continues.

Breakdown of 2023 purchases by type (€k)



- Direct purchases (raw materials, components, packaging)
- Indirect purchases (maintenance, energy, outsourcing)

Breakdown of 2023 purchases by region (€k)



- Europe/Africa
- Americas
- Asia

77%

OF PURCHASES WERE MADE IN COUNTRIES WITH LOW CORRUPTION

(According to the 2023 Transparency International ranking, the threshold score for low-corruption countries is set at 45. Applied to DELFINGEN purchases, the following countries are not therefore considered low-corruption countries: China, India, Morocco, Hungary, Turkey, etc.).

Our selection of suppliers follows a rigorous procedure, in line with the company's objectives and the IATF 16949 standard. For suppliers that are not imposed by our end customers, we conduct an analysis of environmental, dependency and transportation risks. This particularly helps successful suppliers to enjoy lasting business relations with DELFINGEN Industry.

We continue to display our supplier mapping to make it easier to understand and track them, and to make us more responsive should anything go wrong.

We closely monitor all technological developments to help us improve the energy consumption of our industrial processes, and are strident in our support of renewable energy supply contracts. A paragraph on "compliance" has been added to our general purchasing conditions and our Ethical Charter is available on our website.

KEY FIGURES

ETHICAL commitment

85/100
Gender Equality Index

57 771
Hours of training given in 2023

77%
OF PURCHASES MADE IN COUNTRIES WITH LOW CORRUPTION*

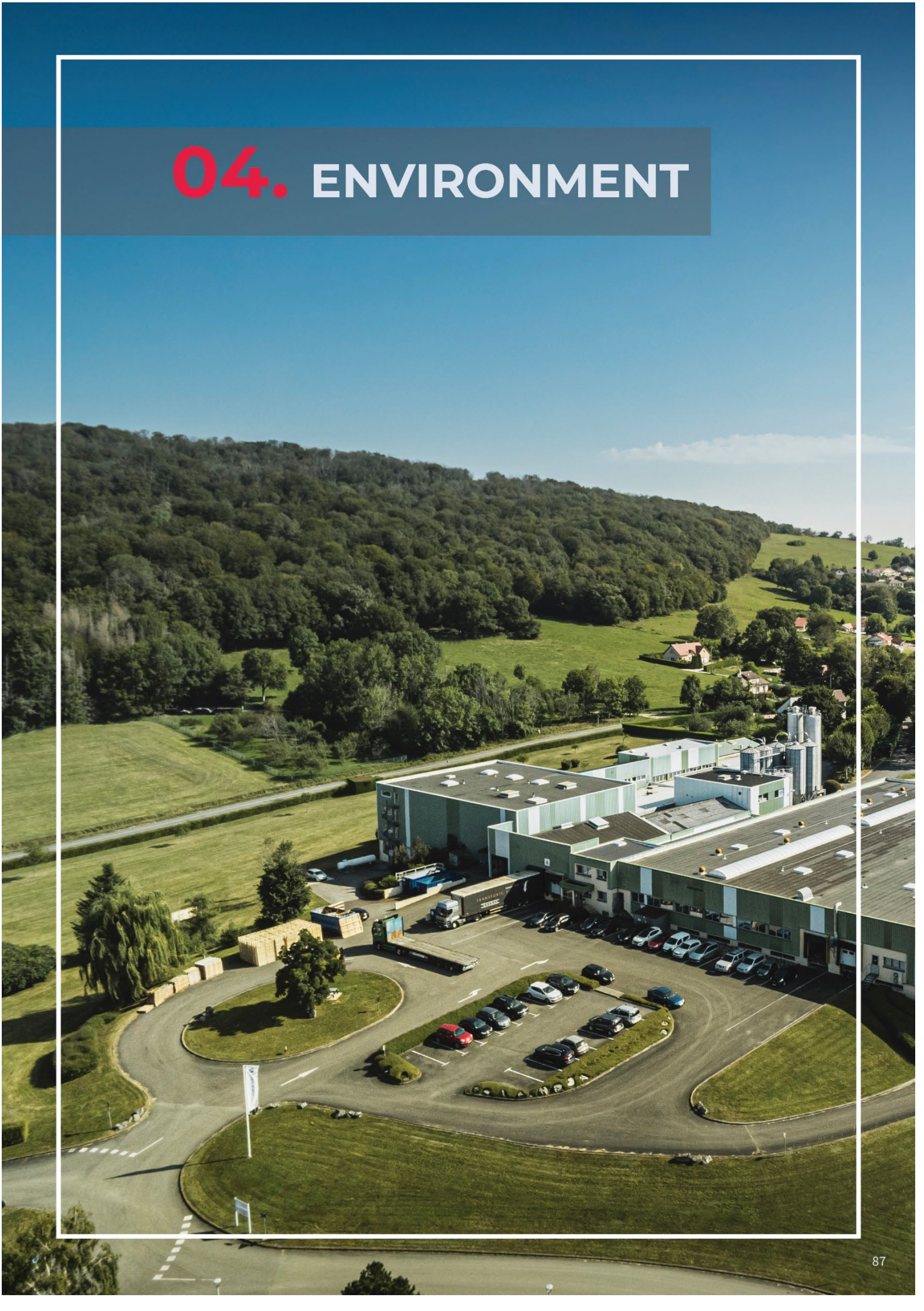
93%
Percentage of employees who are happy working at DELFINGEN

20%
are new employees hired over the past two years

AWARD
Showcase of the Future from *Alliance Industrie du Futur*

** (According to the Transparency International 2023 ranking, the threshold score for low-corruption countries is set at 45. Applied to DELFINGEN purchases, the following countries are not therefore considered low-corruption countries: China, India, Morocco, Hungary, Turkey, etc.).*

04. ENVIRONMENT



DETERMINATION TO LIMIT OUR ENVIRONMENTAL IMPACT

ENVIRONMENTAL POLICY

The Group has been sensitive to environmental issues since it was founded.

It has therefore formalized an environmental policy and objectives aimed at achieving "zero waste." This means taking action across the Group's sites to minimize all environmental impacts.

The Group is aware of the upheaval of climate change and the speed at which it is happening. Faced with this systemic problem, DELFINGEN Industry understands its role as a processor of plastics and an automotive supplier in the mobility market, and is implementing a strategy based on scientific recommendations to reduce its greenhouse gas emissions.

OUR ENVIRONMENTAL RESPONSIBILITY

Our environmental targets
“Target: Zero waste”

SOIL

We aim to:
- Protect the soil from any potential risk of pollutant spills

WATER

We aim to:
- Control our water consumption at all sites and limit waste

AIR

We aim to:
- Analyze atmospheric emissions likely to pollute, in line with local regulations, and take corrective action where necessary

TRANSPORT

We aim to:
- Reduce our logistics flows

ENERGY

We aim to:
- Control our energy consumption (electricity and/or gas)
- Find ways to reduce our consumption (energy diagnostics, etc.)

WASTE

We aim to:
- Sort at source and limit the volume of residual waste
- Develop research into sorted waste recovery channels
- Design and develop new environmentally-friendly products and processes
- Increase the efficiency of each site’s material consumption

ENVIRONMENTAL MANAGEMENT AT OUR SITES

All our production sites have a Quality and Environment Department and IATF 16949: 2016 certification. All Group sites (except for the North Americas Industrial BU) have ISO 14001: 2015 certification. Twenty-two sites in total are certified. It is from all these sites that we consolidate the figures for our environmental indicators*. The German site (Marktrodach) also has Oeko-Tex Standard 100 certification (environmentally-friendly textile products) due to its activity.

The French site is classified as an environmentally-friendly facility under the ICPE classification reporting system.

The sites comply with all local regulations and ensure that periodic inspections are carried out as required in each country. Audits are conducted every year to ensure that the Group's environmental actions are appropriate, as required for our ISO 14001 certification.

Environmental performance is monitored on a monthly basis as part of our QSE reporting for each plant, which is then consolidated at Group level. The indicators support our environmental objectives and focus on energy consumption, waste recovery, and controlling our carbon footprint in transport. All sites have now been integrated.

In 2023, we performed particularly well in controlling our electricity consumption and waste optimization, especially in terms of recovery.

Key figures in 2023 for the DELFINGEN Group*:

Electricity consumption: 1.35 kWh/kg
(Target of 1.55 kWh/kg) - 2022: 1.41 kWh/kg
Waste recovery rate: 95.29%
(Target > 85%) - 2022: 88.28%
Waste rate: 0.75%
(Target < 1.12 %) - 2022: 0.65%

At each of the Group's sites, our regulatory monitoring tool keeps us abreast of all new HSE (Health, Safety, Environment) regulations. Employee training and information campaigns on environmental protection are regularly organized for employees at all sites. These initiatives are run by the site QSE managers, in line with the key environmental impacts identified (accidental spills, waste management, selective sorting, chemical product handling, etc.).

Various other actions (evaluation/validation) are also being taken to reduce our environmental impact:

- Use of recycled materials
- Localization of certain production processes

Under the AGEC (Anti-Waste and Circular Economy) Law in France, Decree No. 2021-461 of April 16, 2021, relating to the prevention of losses of industrial plastic granules (IPG) into the environment, requires sites producing, handling and transporting industrial plastic granules to have their provisions in place to prevent losses and discharges into the environment audited.

Our site in France (Anteuil) received a favorable opinion from this audit in January 2023.

DELFINGEN Industry does not record provisions for environmental risks, since no significant risks have been identified to date.

**Scope of analysis does not include the following sites: New York (USA), Satu Mare (RO), Hassfurt (ALL), Reiku (ALL), AHN-Chem (KR), and the sites acquired from the Drossbach group (USA and CAN).*

POLLUTION AND WASTE MANAGEMENT

While our activities do not cause any significant air, water or soil pollution, the Group still aims to reduce its environmental impact as much as possible.

Noise levels in the immediate vicinity of our plants are virtually nil, and are monitored by periodic readings taken by approved organizations. To date, no plant has exceeded the authorized regulatory threshold.

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

Our production processes are centralized and standardized, meaning that all sites benefit from the latest technological advances (lower energy consumption, reduced waste, efficient use of plastics).

All our sites worldwide sort their waste and aim to reduce non-hazardous waste at source:

- non-complex plastics are recycled in extrusion manufacturing processes after grinding;
- ongoing optimization activities are in place at all sites;
- new reprocessing channels are systematically sought (extended to new sites and new materials);
- diagnostic studies are regularly conducted with local environmental agencies.

We now recycle the “protect glass” windshield packaging manufactured in Anteuil, in conjunction with our main customer and a waste recycling partner. Polypropylene MO no longer has to be dumped, thanks to on-site shredding and recycling in an industrial process.

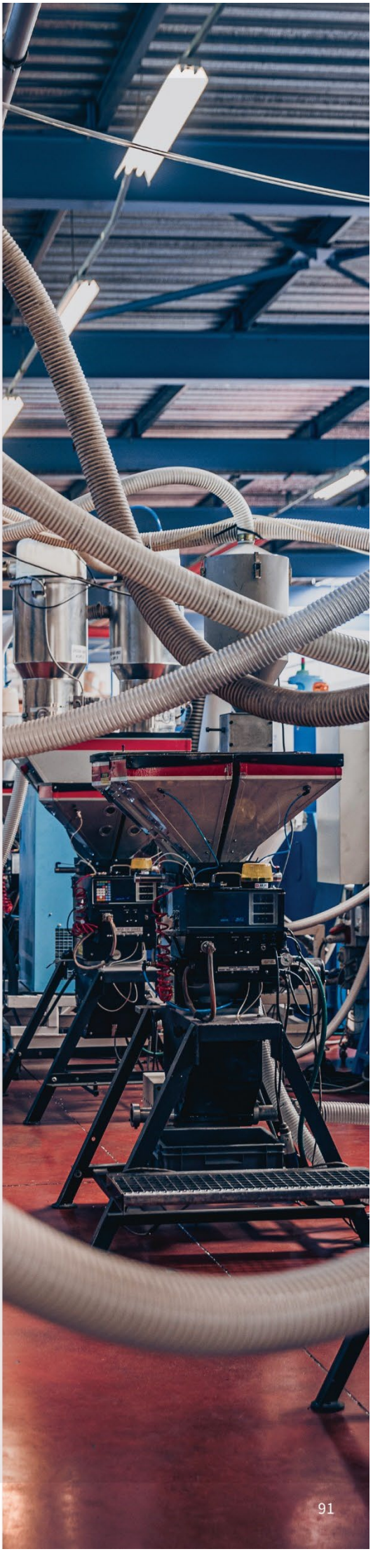
The Group's environmental policy makes waste reduction its top priority. Waste is managed by actively seeking and using recycling channels for its recovery. Regulations on non-hazardous waste are complied with, and hazardous waste in small quantities is monitored to ensure it is processed by approved organizations. Each site keeps a waste register for traceability purposes (waste destination and treatment).

Our sites have no impact on soil since no effluent is discharged into nature: cooling systems are closed-circuit, and domestic and sanitary water consumption is connected to a sewerage system managed by the local authorities. Regulatory controls required under local legislation are carried out to monitor our impact on the water network.

To date, all sites comply with regulations.

FOCUS ON ANTEUIL

In 2023, 123.9 metric tons of waste were recycled (internally and externally) at the Anteuil site in France, compared with 158 metric tons in 2022, representing a recyclability rate of 90.1% of production waste (compared with 83.3% in 2022 and 64% in 2021). The percentage of recycled materials is virtually identical. It should still be noted that the amount of production waste is down: 137.5 metric tons produced in 2023 compared with 190 metric tons in 2022 (i.e. a 27.6% drop).



GREENHOUSE GAS EMISSIONS

DELFINGEN Industry's carbon footprint is calculated based on the entirety of its business operations. The reference year is recalculated in line with new methodology.

The Scope 3 categories not included in DELFINGEN Industry's carbon footprint analysis are: upstream leased assets, downstream leased assets and franchises. These are not considered significant in view of DELFINGEN Industry's activities.

In a process of continuous improvement, DELFINGEN Industry is looking to reduce the level of uncertainty in its carbon footprint calculations by improving the quality of its consolidated data and emission factors used.

Our evolving methodology

Category GHG protocol	Structural hypothesis	Emission factors origin	Uncertainty
Energy	Market based	Our world in data Ademe	Low
Non-Energy		Ademe	Medium
Purchases of goods & services		Supplier data Ademe (quantitative and monetary)	Medium
Physical capital		Ademe	High
Transport	Total emissions linked to delivery orders grouped together in the same truck are calculated as follows: average distance traveled, multiplied by the total weight transported, multiplied by the emission factor.	Ademe DEFRA	Medium
Travel		Ademe	Medium
Waste generated during processing		Ademe	High
Use of products sold	Mobility: calculated in proportion to the weight of DELFINGEN products included in the vehicles, multiplied by the lifecycle in km, multiplied by a vehicle use emission factor. Industry: for lack of hindsight on the methodology to be applied, the average emission factor in kgCO2e/kg for the mobility market is used.	Emission factor: ICCT type de propulsion: customer data or S&P market study	High
End-of-life of products sold	Assumptions on the end-of-life of plastics are taken from the OECD's Global Plastic Outlook	Emission factor: ADEME	High

BREAKDOWN OF DELFINGEN'S CO_2 EMISSIONS IN 2023

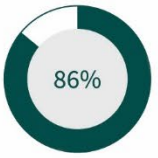
in metric tons of C02 eq

SCOPES 1 & 2

Combustion fuel
2 529
Electricity and heat generation
15 906

SCOPE 3

Purchases of goods & services
169 556
End-of-life of products sold
57 666
Transport upstream/downstream
13 785
Business & home-to-work travel
3 508
Waste treatment
2 148
Capital goods
7 371
Other
326



Use of products sold
1 674 080

Meeting our commitment	2022 reference year	2023	Change %	2029 target (%)
Scopes 1 & 2 (tCO_2eq)	24 957.0	18 435.2	-26%	-38%
Scope 3 ($tCO_2eq/k€$)	14.3	11.6	-19%	-32%

Detailed breakdown of DELFINGEN Industry's CO_2 emissions in 2023

Emissions item	2022* ($t CO_2$)	2023 ($t CO_2$)
Direct emissions from stationary combustion sources	1 422	1 227
Direct emissions from mobile combustion sources	384	321
Direct fugitive emissions	399	981
Total Scope 1	**2 205**	**2 529**
Indirect emissions related to electricity consumption	22 751	15 906
Indirect emissions related to steam, heat or cold consumption	1	0
Total Scope 2	**22 752**	**15 906**
Products and services purchased	177 650	169 556
Fixed assets	3 552	7 371
Emissions related to fuels and energy (not included in Scope 1 or Scope 2)	3 042	326
Upstream freight transport and distribution	5 327	5 195
Waste generated	3 704	2 148
Business travel	776	473
Travel to & from work	4 150	3 036
Other upstream indirect emissions	17	0
Total Scope 3 Upstream	**198 217**	**188 103**
Downstream freight transport and distribution	10 653	8 590
Processing of products sold	0	0
Use of products sold	1 701 563	1 674 080
End-of-life of products sold	55 717	57 666
Total Scope 3 Downstream	**1 767 933**	**1 740 336**
Total Scope 3	**1 966 151**	**1 928 439**
Total	**1 991 108**	**1 946 874**

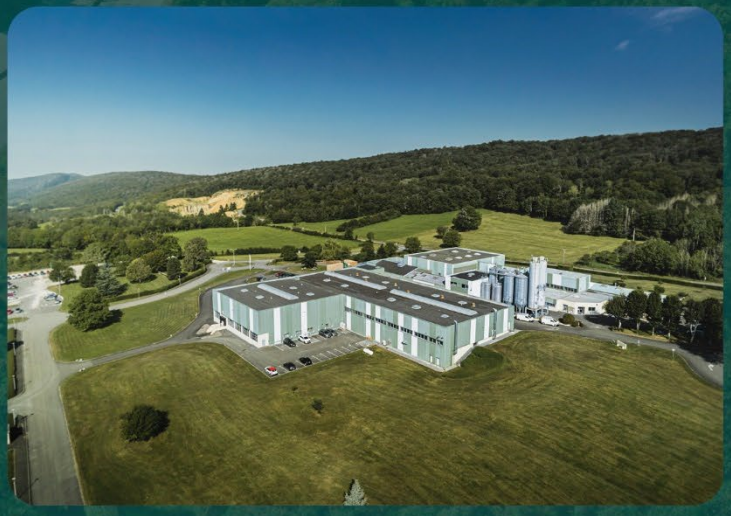
** Data for the reference year 2022 is recalculated using updated methodology to improve the quality of the data. These changes in methodology, which are explained in the methodology paragraph, have significant consequences on the values for transport, purchase of materials & services, end-of -life of products sold and use of finished products. The changes in methodology have been critically reviewed by the consultancy firm EcoAct, which has certified compliance of the methodology.*

OUR AMBITIONS

At the end of 2022, DELFINGEN INDUSTRY pledged to reduce its greenhouse gas emissions across all of its value chains by 2029. Here is a recap of our targets, along with our updated levers for action and our methods for meeting these targets.

Our commitments	Our 2029 targets	Our method	Our progress
Reduce our greenhouse gas emissions (Scopes 1 & 2)	Reduction of **38%** Scopes 1 & 2 versus 2022	• Control our energy consumption • Develop our energy self-consumption • Develop our low-carbon energy purchasing capacity	• In 2023, 6 of our sites signed a low-carbon energy contract
Reduce the intensity of our greenhouse gas emissions (Scope 3)	Reduction of **32%** Scope 3 present value versus 2022	• Materials: - increase our use of recycled materials - modify our material mix • Transport: - localize our production - Shift to less emissive modes of transport • Markets: - eco-design our products - develop our sales in low-carbon sectors	• Localization of our textile production chains in the Americas • Development of a "green" product range composed of at least 30% recycled materials

BIODIVERSITY PROTECTION



Establish sites close to our customers. Sites are located in existing or new industrial zones to benefit from local infrastructures. All sites are located away from protected environmental zones.

An analysis of the surrounding environment is available in the environmental risk analysis for each site (impact on water, air, soil, wildlife, and local neighborhood). The Anteuil head office is located in the heart of the Franche-Comté countryside.

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

The Group is also keen to limit its environmental impact and has established waste disposal and green space maintenance rules at all its sites, valid until the site is returned.

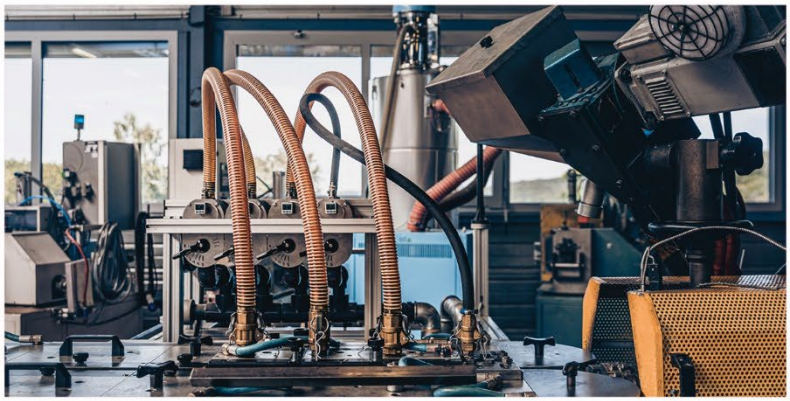
TO ENSURE THAT OUR ENVIRONMENTAL TARGETS REMAIN PRIORITY ISSUES FOR DELFINGEN INDUSTRY, A SYSTEM OF GOVERNANCE BY DELFINGEN INDUSTRY'S MANAGEMENT IS IN PLACE, IN LINE WITH THE PRINCIPLES OF THE TCFD (TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE).

Themes	TCFD recommendations	2023 Action	2024 workstreams
GOVERNANCE Describe the organization's governance of climate-related risks and opportunities	a) Describe the Board of Director's oversight of climate-related risks and opportunities	- The Executive Committee, including the Chairman of the Board, is regularly informed of the climate and biodiversity risks and opportunities - The Audit Committee is briefed annually on key climate and biodiversity issues - The Board of Directors is informed annually of the progress of the decarbonization roadmap	- The Executive Committee validates the double materiality matrix. All stages of the corporate sustainability reporting process (CSRD) are validated by the Audit Committee
	b) Describe the role of management in assessing and managing climate-related risks and opportunities	- The Executive Committee, corporate departments, and country and regional management teams (RISE) are kept informed of the CSR strategy and climate trajectory initiatives - The Executive Committee and corporate departments are involved in drawing up the decarbonization roadmap, the general objectives of which were set in 2022 - Quarterly information from the Executive Committee, biannual information from the RISE meeting, annual information from the Leadership Meeting	- Establishment of a specific governance structure to monitor the decarbonization roadmap and the adaptation of general objectives into specific ones approved by the corporate departments. - Integration of the Group's services department in drafting the elements required for the CSRD - Enhancing the skills of local branch managers on key climate and biodiversity issues

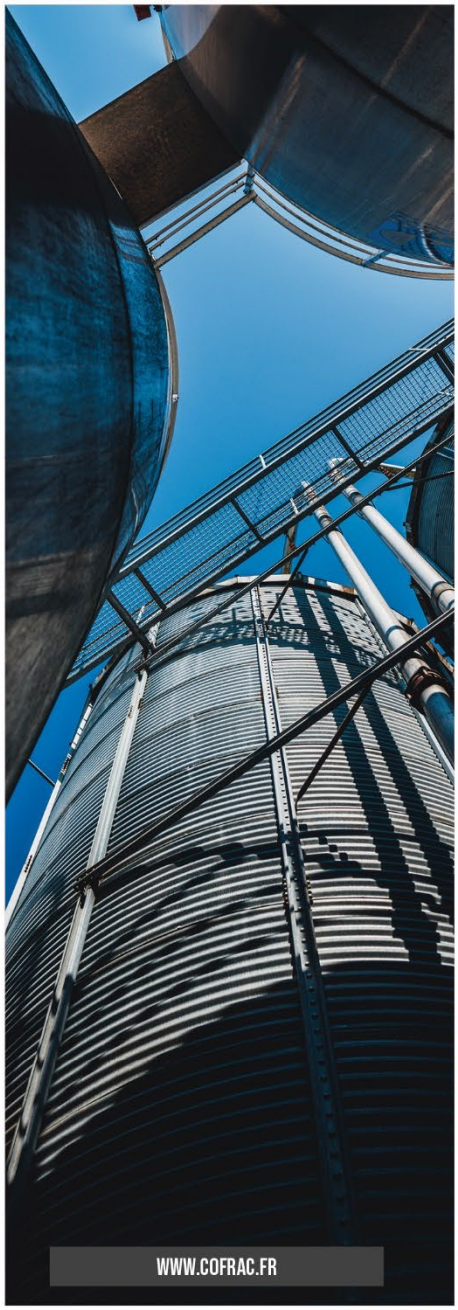
Themes	TCFD recommendations	2023 Action	2024 workstreams
STRATEGY Describe the existing and potential impacts of climate-related risks and opportunities on the organization's activities, strategy, and financial planning, insofar as the information is relevant	a) Describe the climate-related risks and opportunities identified by the organization in the short, medium, and long term b) Describe the climate-related risks and opportunities on the organization's activities, strategy and financial planning c) Describe the resilience of the organization's strategy, taking into account different climate-related scenarios, including a 2°C or lower scenario	In the short term, DELFINGEN Industry has identified a low level of vulnerability to climate change risks. DELFINGEN Industry has identified opportunities related to the electrification of mobility and to supporting its customers in the decarbonization of their products.	DELFINGEN Industry has been involved in the CDP* since 2022 and continues its work on climate-related risks and opportunities. An impact, risk, and opportunity analysis will be conducted in line with the work on the CSRD. **Carbon Disclosure Project*
RISK MANAGEMENT Describe how the organization identifies, assesses, and manages climate-related risks	a) Describe the organization's processes for identifying and assessing climate-related risks b) Describe the organization's processes for managing climate-related risks c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's risk management	In the short term, DELFINGEN Industry has identified a low level of vulnerability to climate change risks.	An analysis of the medium and long-term scenarios of physical risks related to climate change will be driven by an OCARA analysis on the Group's key sites in 2024.
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 line with its strategy and risk management process b) Publish the Scope 1, Scope 2, and, if relevant, Scope 3 greenhouse gas (GHG) emissions, and corresponding risks c) Describe the targets used by the organization to manage climate-related risks and opportunities, and its performance with respect to these targets.	DELFINGEN Industry publishes its full carbon footprint in its activity report and shares this in its response to the CDP questionnaire	Continuing to measure its performance, DELFINGEN will work on its targets derived from the double materiality analysis conducted in 2024. The general targets will be broken down into specific targets approved by the corporate departments.

THIRD-PARTY BODY'S REPORT

FISCAL YEAR ENDED DECEMBER 31, 2023



At the request of DELFINGEN Industry SA (hereinafter referred to as the "entity") and in our capacity as an independent third-party body ("third party"), accredited by COFRAC Inspection under Number 3-2013 Rev.1 (Cofrac Inspection Accreditation, No. 3-2013 Rev.1, scope available at www.cofrac.fr), we have conducted work to formulate a reasoned opinion expressing a moderate level of assurance on the historical information (observed or extrapolated) of the Extra-Financial Performance Declaration, prepared in accordance with the entity's procedures (hereinafter the "Framework"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Declaration" respectively), presented in the Group's Management Report in accordance with the provisions of Articles L. 225-102-1, R. 225-105, and R. 225-105-1 of the French Commercial Code.



CONCLUSION

Based on the procedures we implemented, as described in the "Nature and scope of work" section, and on the information we obtained, we did not identify any significant anomalies that would call into question the fact that the consolidated Extra-Financial Performance Declaration complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented fairly and in accordance with the Framework.

PREPARATION OF THE EXTRA-FINANCIAL PERFORMANCE DECLARATION

The absence of any generally-accepted and commonly-used frame of reference or established practices for assessing and measuring the Information has enabled us to use different, but acceptable, measurement techniques, which may affect comparability between the entities and over time.

The Information must therefore be read and understood in conjunction with the Framework, the key elements of which are presented in the Declaration.

LIMITS INHERENT IN THE PREPARATION OF THE INFORMATION

As indicated in the section entitled "Our evolving methodology", the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge, and in the quality of the external data used. Some information is sensitive to the methodological choices, assumptions, and/or estimates considered to prepare the Information as presented in the Declaration.

ENTITY'S RESPONSIBILITY

The Executive Board is responsible for:

- selecting or establishing appropriate criteria for preparing the Information;
- drawing up a Declaration in compliance with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks, and the results of these policies, including key performance indicators and the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and implementing the internal controls that it deems necessary to prepare the Information and keep it free from material misstatements, whether due to fraud or error.

The Declaration was established by applying the entity's Framework as mentioned above.

INDEPENDENT THIRD PARTY BODY'S RESPONSIBILITY

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

- the Declaration's compliance with the provisions set out in Article R. 225-105 of the French Commercial Code;
- the sincerity of the historical information (observed or extrapolated) provided in application of paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators and actions related to the main risks.

Since we are responsible for forming an independent conclusion on the Information

as prepared by the management, we are not authorized to be involved in the preparation of this Information, as this could compromise our independence.

It is not for us to give an opinion on:

•the entity's compliance with other applicable legal and regulatory provisions (notably in respect of information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy), a vigilance plan or the fight against corruption and tax evasion);

•the sincerity of the information provided for under Article 8 of Regulation (EU) 2020/852 (green taxonomy);

• the compliance of products and services with the applicable regulations.

APPLICABLE REGULATIONS AND PROFESSIONAL STANDARDS

The procedures described below were performed in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, as well as the professional standards of the French professional body of statutory auditors (*Compagnie Nationale des Commissaires aux Comptes - CNCC*) relating to this work in lieu of an audit program and with international standard ISAE 3000 (revised).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provision of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for statutory auditors. In addition, we implemented a quality control system comprising documented policies and procedures designed to ensure compliance with the applicable laws and regulations, ethical rules and professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes.*

MEANS AND RESOURCES

Our work mobilized the skills of three people and took place between March 19 and April 26, over a total duration of 8 man-days.

We called on our specialists in sustainable development and corporate social responsibility to assist us in our work. We conducted six interviews with the people responsible for preparing the Declaration including, in particular, representatives from General Management, Administration and Finance, Risk Management, Compliance, Human Resources, Health and Safety, Environment, and Purchasing.

NATURE AND SCOPE OF WORK

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we performed in the exercise of our professional judgment enable us to provide a moderate level of assurance:

• we examined the activities of all the entities included in the scope of consolidation and the presentation of the main risks;

• we appraised the suitability of the Framework in terms of its relevance, completeness, reliability, neutrality and understandability, with due consideration of best practices in the sector, where appropriate;

• we verified that the Declaration includes each category of information set out in III of Article L. 225-102-1, in terms of social and environmental responsibility, respect for human rights and the fight against corruption and tax evasion;

• we verified that the Declaration provides the information required under II of Article R. 225-105, where relevant to the main risks, and includes, where applicable, an explanation of the reasons justifying the absence of the information required under paragraph 2 of III of Article L. 225-102-1;

• we verified that the Declaration presents the business model and a description of the main risks associated with all the activities of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by their business relationships, products or services, as well as policies, actions and outcomes thereof, including key performance indicators associated with the main risks;

• we consulted documentary sources and conducted interviews to:

  • assess the process to identify and validate the main risks, as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and policies presented, and

  • corroborate the qualitative information (actions and outcomes) that we considered most important, as presented in Annex 1. For certain risks, such as fighting corruption, etc., our work was carried out at the consolidating entity level, while for other risks, work was conducted at both the consolidating entity level and for a selection of entities;

• we verified that the Declaration covers the scope of consolidation, namely all the entities included in the scope of consolidation in accordance with Article L. 233-16, with the limits specified in the Declaration;

• we took note of the internal control and risk management procedures implemented by the entity, and assessed the data collection process to ensure the completeness and sincerity of the Information;

• for the key performance indicators and other quantitative outcomes that we considered the most important , as presented in Annex 1,

• we implemented:

  • analytical procedures to verify that the data collected was properly consolidated and that changes in the data are consistent;

  • detailed tests, based on sampling and other selection methods, to verify the correct application of definitions and procedures, and to reconcile the data with supporting documents. This work was carried out on a selection of contributing entities[1] and covers between 30% and 100% of the consolidated data selected for these tests;

• We assessed the overall consistency of the Declaration based on our knowledge of all the entities included in the scope of consolidation. The procedures performed as part of a moderate assurance engagement were less extensive than those required for a reasonable assurance engagement conducted in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes*; a higher level of assurance would have required more extensive verification work.

Lyon, April 29, 2024, FINEXFI, Isabelle LHOSTE, Associate

1 Social indicators: Group scope; except for the indicators for Number of people with disabilities (Scope: France - Anteuil), Number of training hours (Scope: Europe-Africa), Number of work accidents, Frequency rate, Severity rate (PO – Porto, FR – Anteuil, DE – Hassfurt)

Environmental indicators: France - Anteuil Scope; except for Electrical consumption indicators (Scope: US – El Paso, RO – Satu Mare, CN – Hebi, MA - Tangier), Scope 1 (Scope: DE – Marktrodach, DE – Reiku, RO – Transylvania, RO – Satu Mare, US – El Paso, DE – Hassfurt, MX – Saltillo, FR – Anteuil), Scope 2 (Scope: CN – Hebi, RO – Satu Mare, US – El Paso, MA – Tangier), Scope 3 (Group Scope).

Societal indicators: Group Scope .

DELFINGEN

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Nous tenons à remercier l'ensemble des collaborateurs de DELFINGEN Industry, qui ont permis par leurs contributions, à la réalisation de ce rapport et en particulier ceux dont les photographies l'illustrent.

4

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4.1 Governance overview

4.1.1 Corporate governance code

4.1.1.1 List of departments involved in the preparation of this report

In order to comply with the recommendations of the *Autorité des Marchés Financiers* as set out in paragraph 1 of the AMF's 2009 report on corporate governance and internal control, the Chairman specifies the departments that contributed to the preparation of this report:

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

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

In accordance with legal requirements, we report to you on the preparation and organization of the Board's work and on the principles and rules adopted to determine the remuneration and benefits of any kind granted to corporate officers.

The Company has endeavored to comply with the spirit of the reference framework, supplemented by the application guide drawn up by the working group set up by the *Autorité des Marchés Financiers*, in order to develop and improve the organization and implementation of its internal control system, while ensuring that this organization is in line with its operating processes and the size of the Group.

This report was approved by the Board of Directors at its meeting on 25 April 2024.

4.1.1.2 Principles and rules for determining the remuneration of corporate officers

Since 5 March 2010, the Corporate Governance Code for Small and Midcaps, drawn up by MIDDLENEXT, has been applicable within the Company. It should be noted that, at its meeting on 10 February 2017, the Board of Directors analyzed the points where vigilance is needed and recommendations set out in this Code. Following this analysis, the Board decided to adopt the amended MIDDLENEXT Corporate Governance Code and to apply it in its entirety. This annual commitment was reiterated at its meeting on 4 December 2020. At its meeting on 3 December 2021, the Board analyzed the new version of the Middlenext Code of Corporate Governance and decided to adopt this amended Code and apply it in its entirety. At the meeting of the Board of Directors on 14 December 2023, the directors renewed their commitment to this code. With regard to the sustainability auditors, in derogation from the Middlenext recommendations, the Board of Directors intends to propose the appointment of the current Joint Statutory Auditors as sustainability auditors. The company is not required to appoint only one auditor for this purpose. However, in order to ensure continuity between the financial and non-financial audits, the Board of Directors wishes to appoint the same auditors as for the financial audit.

Consequently, DELFINGEN Industry declares that it will refer to the stipulations of the recommendations of the aforementioned code concerning the information on remuneration paid to managers (and in particular the remuneration of directors, as stipulated in article 14 of the Board of Directors' Internal Regulations, which establishes the following rule for payment: attendance at meetings of the Board of

Directors as well as any related committee or commission, or particular technical contribution during specific operations).

In addition, in order to comply with the 2010 recommendations on corporate governance issued by the Association Française de la Gestion Financière, information on remuneration is now presented in a table covering three financial years.

It is specified that Mr. Gérald STREIT is not bound to DELFINGEN Industry (or indeed to any other company making up the DELFINGEN Industry Group, i.e. DELFINGEN Group S.A, DELFINGEN Industry S.A and its foreign and French subsidiaries) by any employment contract whatsoever.

No executive or non-executive director has received any remuneration from Delfingen Industry since 1 July 2007, the date on which the Delfingen Group was incorporated. The persons concerned are remunerated within the Delfingen Group in their capacity as corporate officers or as employees.

4.1.2 Governance and Board of Directors

As a family-owned company, DELFINGEN Industry has developed governance tools to ensure continuity of ownership, to share decision-making in the best interests of the company, its shareholders and employees, and to manage the business efficiently and effectively.

4.1.2.1 The majority shareholder

The STREIT family, founders of the DELFINGEN Group, is the majority shareholder and directly or indirectly holds more than two thirds of the voting rights. The continuity of the family shareholding was organized in 2007. Today, Gérald STREIT, grandson of founder Emile STREIT and son of Bernard STREIT, is Chairman and CEO.

It is important for the majority shareholder to ensure that the interests of minority shareholders in the capital of Delfingen Industry S.A. are protected. The results of voting on resolutions at General Meetings are therefore analyzed. This shows that, for all the proposed resolutions, most minority shareholders vote in the same way as the majority shareholder.

4.1.2.2 The Chairman and Chief Executive Officer

GÉRALD STREIT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

NATIONALITY: French

BIOGRAPHY:

- Born on 3 October 1976
- Former rheumatologist
- Chief Executive Officer and Chairman of the Board of Directors
- Director of DELFINGEN Industry
- Chief Executive Officer 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 set any limits on the powers of the Chief Executive Officer.

4.1.2.3 Composition and work of the Board of Directors

When DELFINGEN Industry was floated on the stock market in 1996, the STREIT family decided to enlarge the Board of Directors to include independent members. The diversity of backgrounds and experiences contributes to the depth of the debates and exchanges within Board meetings.

The Board of Directors has 6 members, including 1 representative of the STREIT family, 1 representative of ASCOM (see box on page 111) and 4 independent directors as defined by the MIDDLENEXT Corporate Governance Code.

At 31 December 2023, the composition of the Board was as follows:

GÉRALD STREIT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

NATIONALITY: French

BIOGRAPHY:

- Born on 3 October 1976
- Former rheumatologist
- Chief Executive Officer and Chairman of the Board of Directors
- Chief Executive Officer since 3 April 2015
- Director appointed until the Ordinary General Meeting called to approve the accounts for the year ending 31 December 2025.

The DELFINGEN Group is the parent company of DELFINGEN Industry.

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

SUPPLEMENTARY DECLARATION:

The DELFINGEN Group and Gérald STREIT have not been convicted of fraud, been the subject of collective or receivership proceedings, been the subject of any official public incrimination or sanction, or been banned from managing any legal entity in the last 5 years

NAME	MANDATES & POSITIONS HELD
FRENCH COMPANIES	
Chief Executive Officer	DELFINGEN GROUP
Director	DELFINGEN GROUP
Director	DELFINGEN INDUSTRY
Chairman and Chief Executive Officer	DELFINGEN INDUSTRY
Chairman	DELFINGEN FR -ANTEUIL S.A.S. From 1 January 2023
FOREIGN COMPANIES	
Director	DELFINGEN PT-PORTO SA
Director	DELFINGEN RO-TRANSILVANIA Srl
Director	DELFINGEN US-HOLDING Inc.
Director	DELFINGEN US-TEXAS Inc.
Director	DELFINGEN US-NEW YORK Inc.
Director	DELFINGENUS Inc.
Director	DELFINGEN US-CENTRAL AMERICA Inc.
Director	DELFINGEN US-MEXICO Inc.
Director	DELFINGEN MX-COAHUILA SrL
Director	DELFINGEN HN-CORTES
Director	DELFINGEN INDIA Pvt. Ltd.
Director	DELFINGEN (Hebi) Automotive Parts CO., Ltd.
Director	DELFINGEN SIAM Co.
Director	DELFINGEN ROH Co.
Director	DELFINGEN ASIA PACIFIC HOLDING Pte. Ltd.
Director	DELFINGEN SG-FILIPINAS Pte. Ltd.
Director	DELFINGEN PH-CAVITE Inc.
Director	DELFINGEN PH-FILIPINAS Inc.
Director	DELFINGEN JP-TOKYO KK
Director	AHN Chem Co., Ltd.

ANNIE KAHN

DIRECTOR

NATIONALITY: French

BIOGRAPHY:

○ Born on 4 May 1950

○ Annie Kahn has been a journalist at Le Monde since 1987, in charge of development and diversification at Le Monde. Annie Kahn also writes a column on management and human relations in the workplace. She was previously responsible for the Multimedia pages, deputy head of the Science department and co-head of Le Monde Affaires

○ Before joining "Le Monde", Annie Kahn ran the media engineering company Annie Kahn Communication, after having been editor-in-chief of a magazine specialising in IT

○ Director appointed until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2025

NUMBER OF SHARES HELD: 10 shares

SUPPLEMENTARY DECLARATION:

Ms Annie Kahn has not, in the last 5 years, been convicted of any fraudulent offence, been the subject of any collective or receivership proceedings, been the subject of any official public incrimination or sanction, or been banned from managing any legal entity

MANDATES & POSITIONS HELD

FRENCH COMPANIES	
Director	DELFINGEN INDUSTRY

FOREIGN COMPANIES
None

DINAH LOUDA

DIRECTOR

NATIONALITY: Franco-American

BIOGRAPHY:

○ Born on 16 April 1955

○ A political scientist by training, Dinah LOUDA is a graduate of the Institut d'Etudes Politiques de Paris (DEA in Contemporary History) and Harvard University (Master of Arts in International Relations).

○ After a career as a journalist (in particular as correspondent for Business International, taken over by the Economist group), Dinah LOUDA held the position of Communications Director within leading groups such as Abeille Assurances (now AVIVA), Crédit Agricole Indosuez (now Calyon) and Areva T&D (member of the Executive Committee)

○ Dinah LOUDA joined the VEOLIA Water Group in 2006 as Director of Communications and member of the Executive Committee

○ In 2011, Dinah LOUDA became Advisor to the Chairman and Chief Executive Officer for the VEOLIA Group's international relations. Since May 2020, she has been President of the Institut Veolia. She is also a member of the Group's Ethics Committee and was Executive Director of Institut Veolia from 2015 to May 2020

○ Director appointed until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2025

NUMBER OF SHARES HELD: 150 shares

SUPPLEMENTARY DECLARATION:

Ms LOUDA has not, in the last 5 years, been convicted of any fraudulent offence, been the subject of any collective or receivership proceedings, been the subject of any official public incrimination or sanction, or been banned from managing any legal entity

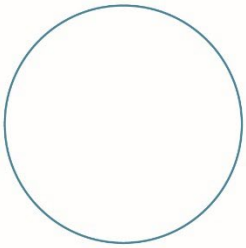
MANDATES & POSITIONS HELD

FRENCH COMPANIES	
Director	DELFINGEN Industry SA
Director	French-American Foundation
Director	Fondation Veolia

FOREIGN COMPANIES
None

CATALDO MANGIONE

DIRECTOR



NATIONALITY: French

BIOGRAPHY:

○ Born on 19 April 1953

○ Cataldo MANGIONE, a former senior executive of the SCHNEIDER ELECTRIC Group, was responsible for international business development

○ Director appointed until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2025

NUMBER OF SHARES HELD: 10 shares

SUPPLEMENTARY DECLARATION:

Mr Cataldo MANGIONE has not, in the last 5 years, been convicted of any fraudulent offence, been the subject of any collective or receivership proceedings, been the subject of any official public incrimination or sanction, or been banned from managing any legal entity

MANDATES & POSITIONS HELD

FRENCH COMPANIES	
Director	DELFINGEN INDUSTRY

FOREIGN COMPANIES
None

PATRICK CHERRIER

DIRECTOR

NATIONALITY: French

BIOGRAPHY:

○ Born on 30 March 1949

○ Global manager with over 45 years' experience - 40 of which in Asia.

○ Before retiring in April 2017, Patrick Cherrier was Chief Executive Officer and Executive Director of Essilor International, a leading optical company, for the Asia-Pacific, Middle East, Russia and Africa region. He was a member of the company's Executive Committee. As CEO of the Asia-Pacific, Middle East, Russia and Africa region, he was responsible for the strategic management and direction of 135 subsidiaries in this vast region

○ Patrick Cherrier has extensive experience of global management and strategy, first as Chairman of SCOA Taiwan, then as Chairman of Sommer-Allibert's Asia-Pacific operations for 5 years. He was also Chairman of LVMH group's Givenchy unit in Japan for 4 years before joining Essilor International.

○ 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 the CIS, as well as in Russia

○ Director appointed until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2028

SUPPLEMENTARY DECLARATION:

Mr CHERRIER has not, in the last 5 years, been convicted of any fraudulent offence, been the subject of any collective or receivership proceedings, been the subject of any official public incrimination or sanction, or been banned from managing any legal entity.

NUMBER OF SHARES HELD: None

MANDATES & POSITIONS HELD

FRENCH COMPANIES	
Director	DELFINGEN INDUSTRY

FOREIGN COMPANIES
None

DISTINCTIONS

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

In accordance with the Company's Articles of Association, the Company is managed by a Board of Directors comprising at least three and no more than eighteen members.

The director belonging to the STREIT family is Mr. Gérald STREIT. In order to benefit from an external viewpoint and independent opinions, the Board of Directors has decided to open up to people from outside the Group. Since 2001, its members have come from a wide range of backgrounds and experience, contributing their know-how, skills and expertise in managerial practices from international business in the automotive sector.

The independence criteria applied by the Company comply with the MIDDLENEXT Corporate Governance Code. The independent directors on the basis of this criterion are:

- Mrs. Annie KAHN;
- Mrs. Dinah LOUDA;
- Mr. Cataldo MANGIONE;
- Mr. Patrick CHERRIER.

Conditions for preparing and organizing the work

Functioning of the Board of Directors and Committees

At the end of each financial year, the Chairman draws up a schedule of Board meetings for the following year. He prepares the agenda, circulates it to Board members approximately one week before each meeting and convenes the Board meeting within the same timeframe. He chairs discussions at meetings.

During the 2023 financial year, the Board of Directors met at the following times:

3 FEBRUARY

- Approval of the minutes of the previous Board meeting;
- Prior authorisation to grant shareholder current account advances to the subsidiary of DELFINGEN Industry SA, which will hold the securities and assets for the purposes of the potential acquisition; Powers to sign and execute the related documents;
- Approval of the terms and conditions of draft Amendment no. 2, prior authorisation for the Company to subscribe the Unconfirmed External Growth Loan, to sign and execute Amendment no. 2 to the Initial Senior Credit Facilities Contract, which also constitutes the confirmation deed for the Unconfirmed External Growth Loan, and all related documents.

10 MARCH

- Approval of the minutes of the previous Board meeting;
- Authorisation of the acquisition of AHN CHEM by DELFINGEN ASIA PACIFIC HOLDING PTE LTD, a wholly-owned subsidiary of DELFINGEN Industry - Powers to sign related documents;
- Authorisation of the Drawdown under the Confirmed External Growth Loan and/or the Unconfirmed External Growth Loan confirmed on 06 February 2023 and the External Growth Loan - Powers to sign the associated documents (including any surety documents).

22 MARCH

- Approval of the minutes of the previous Board meeting;
- Authorisation of the acquisition of REIKU by DELFINGEN Industry or any other subsidiary owned by DELFINGEN Industry; Powers to sign the associated documents;
- Prior authorisation to proceed with a growth loan of up to 5,000,000 euros with a view to the Acquisition; Powers to sign the associated documents.

31 MARCH

- Approval of the minutes of the previous Board meeting;
- Report by the Chairman of the Audit Committee on the annual and consolidated financial statements for the year ended 31 December 2022;
- Review and approval of the annual and consolidated financial statements for the year ended 31 December 2022;
- Proposed appropriation and distribution of net income for the year ended 31 December 2022;
- Remuneration of members of the Board of Directors;
- Approval of the reimbursement of all expenses incurred by directors in connection with Board meetings and meetings of any other related committees;
- Approval of new and existing agreements entered into pursuant to Article L.225-38 of the Commercial Code;
- Proposed delegation of authority to the Chief Executive Officer to grant bank and corporate guarantees; setting of authorisation limits;
- Ratification of the Memorandum of Association of the DELFINGEN Foundation in Switzerland;
- Prior authorisation to sign an amendment to the subscription contract relating to a bond issue (TIKEHAU);
- Adoption of the Board's reports and the draft resolutions submitted to the General Meeting of Shareholders;
- Convocation of the General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2022;
- Other business.

24 APRIL

- Approval of the minutes of the previous Board meeting;
- Appointment of a new member to the Audit Committee;
- Other business.

The Board of Directors takes all the decisions required by law and implements the strategy defined by the Executive Committee, internal to the DELFINGEN Group S.A., contributing to its expression and keeping abreast of the company's activities and prospects. The Chairman of the Board of Directors is responsible for presenting the proposals and the Chief Executive Officer, in his capacity as a corporate officer, is responsible for implementing them.

The major decisions arising from the strategic orientations defined by the Executive Committee are the result of meetings, interviews or discussions between the Board of Directors, the General Management and the operational managers.

Information for Directors

Board members are regularly kept informed of current affairs. They are specifically informed of major events in the life of the company and the Group.

During the 2023 financial year, the Board of Directors met 9 times. Prior to the meeting, each member receives the detailed information on which the agenda will be based.

The internal regulations require the Chairman to pass on appropriate information to the members of the Board of Directors within a reasonable period of time.

Meetings of the Board of Directors

In accordance with Article 19 of the Articles of Association, the Board meets as often as the Company's interests require. It meets at least four times a year to approve the half-yearly and annual individual company and consolidated financial statements.

In accordance with Article 19 of the Articles of Association, Directors are convened by any means, including verbally. Under the terms of Article 19-I of the Articles of Association, meetings of the Board of Directors may be held at the registered office or at any other location with the agreement of the majority of directors. As a general rule, meetings of the Board of Directors are held at the company's registered office.

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

Of the 9 Board meetings held during the year, all were chaired by Gérald STREIT.

The average actual attendance rate of Board members at meetings was 98%.

Board meetings

The Board of Directors, in "Business Meeting" format, brings together all the directors. These meetings are used to analyze and reflect on developments in the Group's situation, or on more specific events or issues, at the Chairman's instigation.

Joint meetings

Joint meetings are held periodically between the directors and the members of the Executive Committee.

At these meetings, the Chairman and the members of the Executive Committee present a report on the Group's business and general situation, including human resources, finance and commercial matters. They submit the points on which the Board is called upon to debate, take a position and decide on the measures to be implemented.

These meetings also examine the questions and issues raised by the Board of Directors. Experts from within or outside the Group may also be invited to contribute their expertise, depending on the subject under discussion.

The Audit Committee

A/ Tasks and composition

The Board of Directors has set up an Audit Committee. The main tasks of the Audit Committee are:

- Monitoring issues relating to the preparation and control of accounting and financial information. In this capacity, the Audit Committee monitors the process of preparing financial and non-financial information and, where necessary, makes recommendations to ensure its integrity. The Audit Committee examines the Group's draft half-year and full-year financial statements, as well as Management's presentation of the Group's exposure to significant risks and off-balance sheet commitments, and the accounting options adopted;
- Ensuring the existence and effectiveness of internal control and internal audit systems, as well as the management of more significant risks to which the Group may be exposed in the course of its business;
- Monitoring the statutory audit of the Group's annual and half-yearly financial statements, the independence of the Statutory Auditors and, more generally, the performance of their duties.

As part of the transposition of the *Corporate Sustainability Reporting Directive* (CSRD), the Audit Committee's remit in this area has been confirmed.

The members of the Audit Committee are:

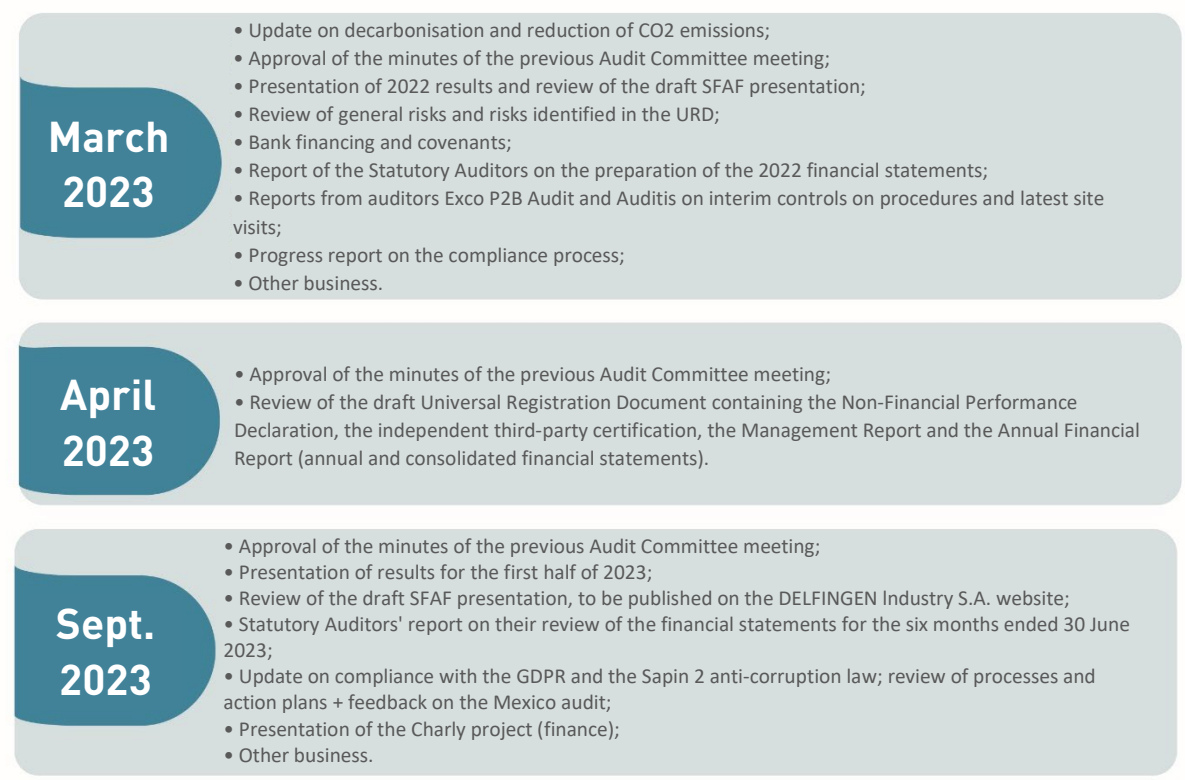
- Cataldo MANGIONE, Chairman;
- Annie KAHN;
- Dinah LOUDA.

It should be noted that in its meeting of 24 April 2023, the Board of Directors decided to appoint Ms Dinah LOUDA to the Audit Committee, thereby increasing the number of Audit Committee members from 2 to 3.

The Statutory Auditors attend all meetings, with the exception of deliberations concerning them.

B/ Audit Committee meetings

Since the start of the 2021 financial year, the Audit Committee has had an operating charter. Lastly, during the 2023 financial year, the Audit Committee met three times, with an attendance rate of 100%.



4.1.2.4 The Executive Committee

The Executive Committee

The Executive Committee is made up of a close-knit team (Executive Vice-Presidents) around the Chairman and CEO, Gérald STREIT. It steers strategic projects, sets financial and operational objectives, decides on priorities and allocates the necessary resources.

> from 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
Olivier TROTTIN, Executive Vice President, Global Purchasing and Supply Chain Director*

*Missing from photo

4.1.3 Conflicts of interest

Declaration of absence of conflict of interest

There is no conflict of interest between, firstly, any member of the Board of Directors, Executive Board or General Management and his/her private interests or any other duties incumbent upon him/her in the performance of his/her duties, and, secondly, the Company.

4.2 Remuneration and benefits

4.2.1 Remuneration of executive directors

Summary of remuneration paid to the Chairman and Chief Executive Officer

Name	2023	2022	2021
Gérald STREIT			
Remuneration for directorship	**€15,250**	€15,250	€15,250
Remuneration from an employment contract	**-**	-	-
Total	**€15,250**	€15,250	€15,250

Employment contracts, Compensation, Supplementary pension schemes for executive directors

Executive directors	Employment contract	Supplementary pension plan	Compensation/benefits likely to be payable as a result of termination/change of functions	Compensation in respect of a non-competition clause
Gérald STREIT, Chief Executive Officer Appointed by the Board of Directors on 03/04/2015, and Chairman and Chief Executive Officer since 6 June 2018	No	No	No	No

4.2.2 Remuneration of non-executive directors

Table of directors' fees and other remuneration received by non-executive directors at 31 December 2023

	2023	2022	2021
Cataldo MANGIONE			
Remuneration for directorship	€15,250	€15,250	€19,825
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€15,250**	**€15,250**	**€19,825**
Annie KAHN			
Remuneration for directorship	€15,250	€15,250	€18,300
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€15,250**	**€15,250**	**€18,300**
Dinah LOUDA			
Remuneration for directorship	€12,200	€9,150	€12,200
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€12,200**	**€9,150**	**€12,200**
Patrick CHERRIER			
Remuneration for directorship	€10,675	€13,725	€6,100
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€10,675**	**€13,725**	**€6,100**
ASCOM Participation			
Remuneration for directorship	€10,675	€10,675	€6,100
Other remuneration	-	-	-
Variable remuneration	-	-	-
Total	**€10,675**	**€10,675**	**€6,100**

4.2.3 Other remuneration

Stock options granted during the year to each executive director - History of grants in previous years

None

Performance shares granted to executive and non-executive directors

None

Special report on the stock option plan

None

Stock options granted to corporate officers

The executive directors of Delfingen Industry do not hold any share options of any kind and have not been granted any share options during the financial year ended 31 December 2023.

4.2.4 Regulated agreements concluded during the year

Interested parties	Designation	Summary of content	Interested parties	Date of Board meeting
2023				
Delfingen Industry S.A. /Directors	Reimbursement of expenses	Reimbursement of travel expenses in 2022	Directors	31/03/2023 (Authorization)
Delfingen Industry S.A. / Directors	Directors' remuneration	Interim remuneration second half 2022	Directors	31/03/2023 (Authorization)
Delfingen Industry S.A.	Agreements L 225-38 Commercial Code	Review of agreements entered into and authorized in prior years and continuing in the current year	Directors	31/03/2023 (Authorization)
Delfingen Industry S.A. / Directors	Directors' remuneration	Interim remuneration first half 2023	Directors	08/09/2023 (Authorization)

These four agreements are considered normal and customary.

AUDITIS

5 Rue René Char

21000 DIJON

EXCO P2B AUDIT

16 rue Frédéric Japy

25200 MONTBELIARD

DELFINGEN INDUSTRY

Public limited company with capital of €4,027,765.28
Registered office: Rue Emile STREIT
25340 ANTEUIL

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

General Meeting to approve the financial statements for the year ending 31 December 2023

General Meeting to approve the financial statements for the year ending 31 December 2023

To the General Meeting of DELFINGEN INDUSTRY,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements.

It is our responsibility to inform you, based on the information provided to us, of the terms and conditions and reasons justifying the benefit for the company of the agreements of which we were advised or that we discovered during our work, without having to express an opinion on their usefulness and appropriateness, or to investigate the existence of other agreements. It is your responsibility, under the terms of Article R.225-31 of the Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information required by Article R.225-31 of the Commercial Code relating to the performance, during the year just ended, of agreements already approved by the General Meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this assignment. These procedures consisted of verifying that the information provided to us is consistent with the source documents from which it has been extracted.

AGREEMENTS SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

Agreements authorized during the past financial year

We hereby inform you that we have not been advised of any agreements authorized and entered into during the year just ended that require the approval of the General Meeting pursuant to the provisions of Article L.225-38 of the Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements approved in prior years which remained in force during the elapsed year

In accordance with Article R.225-30 of the Commercial Code, we have been advised that the following agreements, which were approved by the General Meeting in prior years, remained in force during the elapsed year.

Renewable annual donation to the DELFINGEN Foundation

Your Board of Directors has authorized the granting of a renewable annual donation to the DELFINGEN Foundation corresponding to 1% of consolidated net income, after deduction of costs incurred by subsidiaries in connection with actions undertaken by the DELFINGEN Foundation. The amount recognized in the 2023 financial year is 34,481 euros.
The benefit for your company is to finance its Foundation, which was set up to help the most disadvantaged.

Pledging of shares

Your Company has pledged 771,900 shares in Delfingen FR-Anteuil SAS to the banking pool comprising CIC EST, CREDIT AGRICOLE FRANCHE COMTE, BECM, BANQUE POPULAIRE BOURGOGNE FRANCHE COMTE, SOCIETE GENERALE, BGL, HSBC, CAISSE D'EPARGNE ET DE PREVOYANCE DE BOURGOGNE FRANCHE-COMTE, and CREDIT LYONNAIS, until the agreement expires on 31 December 2032.

The benefit for your company is to guarantee loans taken out to finance its expansion.

Sureties, guarantees, comfort letters and letters of guarantee

Your Company has given undertakings to provide sureties, guarantees and/or support in connection with transactions between third parties and companies with which it shares management.

The nature of these commitments, their amounts and the parties involved are set out in the table below:

Type of commitment	Companies with common directors	Third-party beneficiaries	Amount of commitment
Comfort letter	DELFINGEN PT -PORTO	BPI	Up to €200K
Letter of guarantee	DELFINGEN DE-Hassfurt	Lehmann & Voss & Co	200 K€
Letter of guarantee	DELFINGEN MA-Tanger 2	TechnoCompound GmbH	100 K€
Letter of guarantee	DELFINGEN DE-Hassfurt	NOVALFA	100 K€
Letter of guarantee	DELFINGEN MA-Tanger 2 DELFINGEN MA-Casablanca DELFINGEN TN-Fouchana	TOTAL Petrochemicals	870 K€
Guarantee commitment	DELFINGEN RO-Transilvania	SOLVENCY PROJECT	550 K€
Letter of guarantee	DELFINGEN DE-Hassfurt	BASF	600 K€
Letter of guarantee	DELFINGEN FR-Anteuil	UBE Europe GmbH	50 K€

Type of commitment	Companies with common directors	Third-party beneficiaries	Amount of commitment
Letter of guarantee	DELFINGEN BR-Sao Paulo	Savoy Imobiliaria Constructora	200 K€
Letter of guarantee	DELFINGEN DE - Hassfurt DELFINGEN FR - Anteuil DELFINGEN RO - Arad DELFINGEN RO - Satu Mare	MOL Petrochemicals Co. Ltd	400 K€
Letter of guarantee	DELFINGEN TN-Fouchana	Sirmax SpA	50 K€
Letter of guarantee	DELFINGEN DE-Aschheim GmbH	Linn Präzision Automotive Vertriebs GmbH	60 K€
Letter of guarantee	DELFINGEN FR-Anteuil SAS	Electricité de France	4 K€
Letter of guarantee	DELFINGEN RO-Transilvania	CIC Est	€1,125 K

The Statutory Auditors

Dijon, 29 April 2024

AUDITIS

Philippe DANDON
Partner

Montbéliard, 29 April 2024

EXCO P2B AUDIT

Pierre BURNEL
Partner

5

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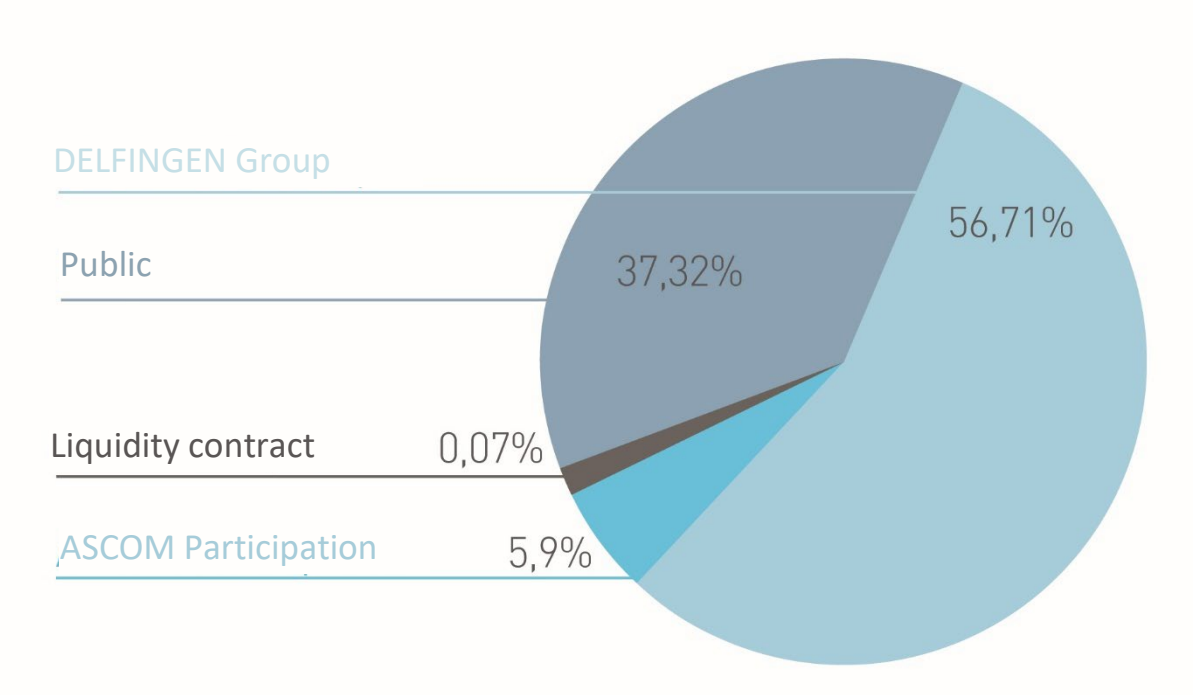
5.1 Shareholders



5.1.1 Ownership structure and voting rights

Position at 31 December 2023

Shareholders	Number of shares	% of capital	Double voting rights	Actual number of voting rights	% of voting rights
DELFINGEN Group (1) (2)	1,483,182	56.71%	1,473,182	2,956 ,364	72.30%
ASCOM Participation (3)	154,324	5.9%	0	154,324	3.77%
Treasury shares (4)	0	0%	None	0	0%
Liquidity contract	1765	0.07%	None	1765	0.04%
Public (5)	976,161	37.32%	623	976,784	23.89%
TOTAL	**2,615,432 (4)**	**100.00%**	**1,473,805**	**4,089,237**	**100.00%**

(1) Two undertakings to retain shares in DELFINGEN Industry were signed by Mr. Bernard STREIT, his wife and their two children and DELFINGEN Group on 6 January 2010; these undertakings were the subject of a press release distributed on 24 February 2010 via the professional distributor Hugin.

(2) The company is wholly owned by members of the STREIT family, principally Mr. Gérald STREIT, who holds full legal title to 12,317,041 shares, and Mr. and Mrs. Bernard STREIT, who hold the usufruct attached to 12,037,942 shares held in bare ownership by Mr. Gérald STREIT.

(3) ASCOM Participation, a simplified joint stock company with share capital of 420,000 euros, whose shareholders are the members of the Group's Executive Committee, held a total of 154,324 shares at 31 December 2023 (of which 140,575 were registered shares).

(4) Following the cancellation of 50,688 treasury shares held by Delfingen Industry SA, resulting in a capital reduction effective from 9 November 2023.

(5) Including bearer and registered shares.

Position at 31 December 2022

Shareholders	Number 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%
Treasury shares (5)	50,688	1.90%	None	50,688	1.22%
Liquidity contract	752	0.03%	None	752	0.02%
Other Public	977,174	36.65%	623	977,797	23.60%
TOTAL	**2,666,120 (3)**	**100.00%**	**1,473,805**	**4,139,925**	**100.00%**

(1) Two undertakings to retain shares in DELFINGEN Industry were signed by Mr. Bernard STREIT, his wife and their two children and DELFINGEN Group on 6 January 2010; these undertakings were the subject of a press release distributed on 24 February 2010 via the professional distributor Hugin.

(2) The company is wholly owned by members of the STREIT family, principally Mr. Gérald STREIT, who holds full legal title to 12,317,041 shares, and Mr. and Mrs. Bernard STREIT, who hold 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 simplified joint stock company with share capital of 420,000 euros, whose shareholders are the members of the Group's Executive Committee, held 154,324 shares at 31 December 2022.

(5) Following the buyback of 9,415 shares by Delfingen Industry SA during 2022

Position at 31 December 2021

Shareholders	Number 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%
Treasury shares (5)	41,273	1.55%	None	41,273	1%
Liquidity contract	1,286	0.05%	None	1,286	0.31%
Other Public (5)	986,055	36.98%	672	986,727	23.89%
TOTAL	**2,666,120 (3)**	**100.00%**	**1,473,854**	**4,129,974**	**100.00%**

(1) Two undertakings to retain shares in DELFINGEN Industry were signed by Mr. Bernard STREIT, his wife and their two children and DELFINGEN Group on 6 January 2010; these undertakings were the subject of a press release distributed on 24 February 2010 via the professional distributor Hugin.

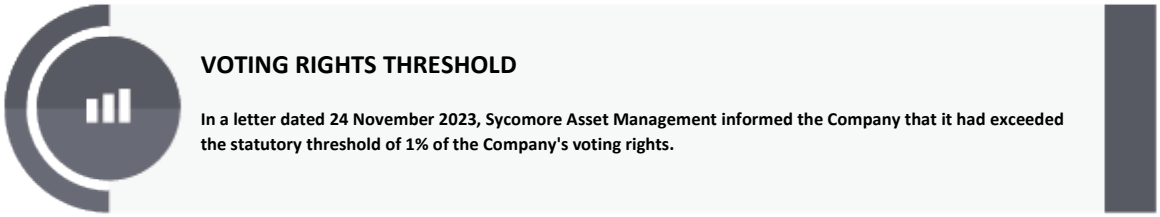
(2) The company is wholly owned by members of the STREIT family, principally Mr. Gérald STREIT, who holds full legal title to 12,317,041 shares, and Mr. and Mrs. Bernard STREIT, who hold the usufruct attached to 12,037,942 shares held in bare ownership by Mr. Gérald STREIT.

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

(4) ASCOM Participation, a simplified joint stock company with share capital of 420,000 euros, whose shareholders are the members of the Group's Executive Committee, held 154,324 shares at 31 December 2021.

(5) Following the purchase of 3843 shares by DELFINGEN Industry SA on 17 November 2021

5.1.2 Disclosure of threshold overruns received by the company



5.1.3 Voting rights

Voting rights attached to shares are proportional to the capital they represent. Each share or bonus share entitling the holder to the same par value entitles the holder to one vote.

Article 15 of the Articles of Association, pursuant to a resolution of the Extraordinary General Meeting of 19 December 1995, provides that shares registered in the name of the same shareholder for at least two years carry double voting rights, provided the shareholder submits a request to the Company by registered letter.

5.2 Stock market data

5.2.1 Capital

The share capital is €4,027,765.28 (Four million twenty-seven thousand seven hundred and sixty-five euros and twenty-eight cents). It is divided into 2,615,432 fully subscribed and paid-up shares, each with a par value of one euro fifty-four (€1.54).

The share was listed on the Second Marché of the Paris Bourse (now Euronext) on 8 February 1996. It was transferred to Euronext Growth (formerly Alternext) on 19 September 2013. It is traded on a continuous basis under the ISIN code: FR 0000054132, mnemonic ALDEL.

The security is listed in the ICB classification: Industry 3000, Consumer Goods

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

5.2.2 Share liquidity

DELFINGEN INDUSTRY SHARES AT 31 DECEMBER 2023

Earnings per share [1]	Share price	Market capitalization [2]
€2.64	**€49.30**	**€128.9 M**

1. Diluted earnings per share, Group share
2. On the number of shares at 31 December 2023: 2,615,432

2023

Month	Closing price	Highest price	Lowest price	Average per session	Trading volume	Securities processed during the month
January	50.00	55.40	44.40	50.73	425	10,273
February	52.00	55.40	47.80	52.58	573	15,422
March	48.40	52.60	45.90	49.25	376	10,996
April	45.40	48.50	43.70	46.60	373	16,489
May	48.60	53.80	44.80	49.88	571	20,625
June	53.00	53.60	48.20	51.65	423	17,258
July	52.80	53.20	49.30	51.78	619	29,336
August	53.00	53.20	47.80	51.93	531	10,481
September	51.60	59.00	48.00	52.86	844	19,648
October	49.80	55.60	49.10	52.08	560	12,548
November	51.60	52.80	49.40	51.86	551	11,423
December	49.30	51.40	48.50	49.82	346	6,413

2022

Month	Closing price	Highest price	Lowest price	Average per session	Trading volume	Securities processed 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 price	Lowest price	Average per session	Trading volume	Securities processed 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 contract

DELFINGEN Industry has entered into a liquidity contract with Crédit Industriel et Commercial (CIC) from 1 May 2019 in order to maintain a liquid market in its shares.

This contract has been drawn up following changes in the regulations on liquidity contracts, and in particular AMF Decision No. 2018-01 of 2 July 2018, and complies with the code of conduct of the French Financial Markets Association (AMAFI).

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

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

Under the terms of the contract, the situations or conditions leading to its suspension or termination are as follows:

> *"Performance of the contract is suspended under the conditions set out in Article 5 of the AMF Decision. It is also suspended at the request of the Issuer for the period it specifies.*
>
> *The contract may also be suspended by the facilitator if information brought to its attention makes it impossible for it to continue to fulfil its obligations*".

The contract may also be terminated at any time by DELFINGEN Industry or with 30 days' notice by CIC, in accordance with the termination conditions set out in the contract.

5.3 Communication with shareholders

DELFINGEN Industry shareholders have a single point of entry through the e-mail address "actionnaires@delfingen.com". Emails sent to this address are then relayed to the various departments (General Management, Finance Department, Legal Department, etc.) in order to provide the most accurate response possible.

Shareholders have a dedicated space on the Company's website (www.delfingen.com), in the "Finance" tab -> "Shareholders' area". This tab contains all the documents relating to the General Meeting, including this Universal Registration Document.

Institutional investors

- Specific presentations are organized for institutional investors in the form of road shows;
- Twice a year, a presentation of the annual/semi-annual financial statements is organized at the offices of the Société Française des Analystes Financiers in Paris. These meetings provide management with an opportunity to discuss Group strategy.

Individual investors

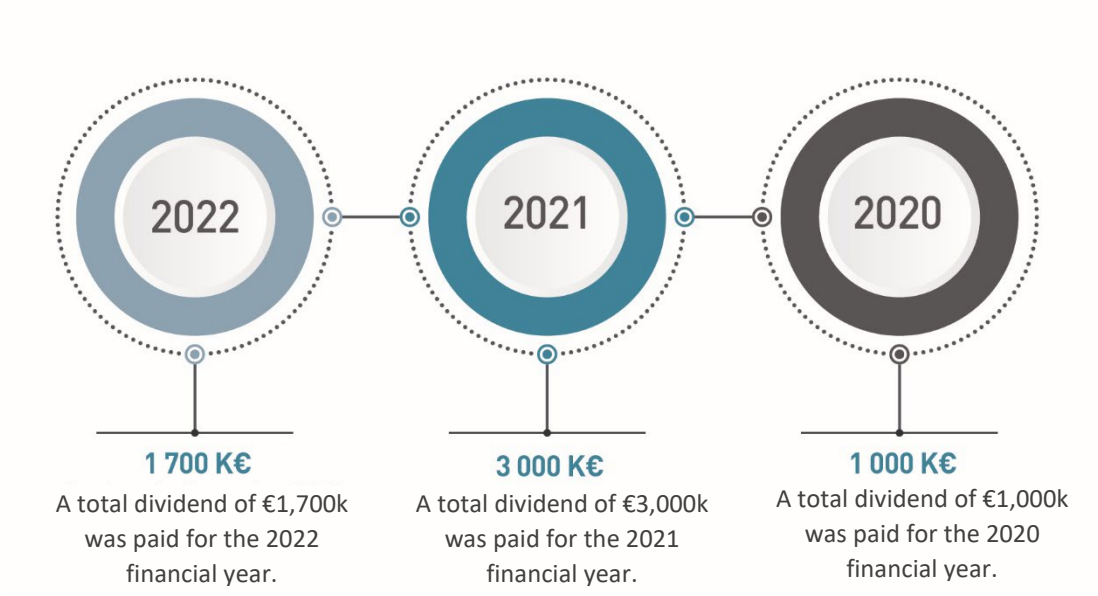
- Historically, DELFINGEN Industry has sent a personal invitation to all bearer shareholders on the occasion of its Annual General Meeting. Management sees this as an opportunity to meet its shareholders and present its activities, strategy, development plans and local initiatives;
- DELFINGEN Industry has around 1,000 individual shareholders.

5.4 Dividends

5.4.1 Dividend policy

The General Meeting may offer each shareholder payment of the dividend to which he or she is entitled in cash or in shares. The company does not generally pay interim dividends; dividends are paid annually after the Ordinary Annual General Meeting. Dividends not claimed within five years of their payment are time-barred and paid to the State.

5.4.2 Last three dividends



5.5 Share buyback program

Share buyback program

In accordance with Article L. 225-209 of the Commercial Code, the Combined General Meeting of 3 June 2022 authorized the Board of Directors to buy back its own shares, up to a limit of 10% of the shares making up the share capital at the date of purchase.

Cancellation

An authorization to cancel shares in the Company granted by the Combined General Meeting of 2 June 2023 is in force until 31 December 2023. On 8 September 2023, the Board of Directors, acting on the authority granted by the General Meeting of 2 June 2023, decided to reduce the share capital of Delfingen Industry S.A. by cancelling 50,688 treasury shares, representing approximately 1.90% of the share capital.

5.6 Information on capital

5.6.1 Latest changes in share capital

Date	Nature of capital transaction	Increase or reduction	Issue premium	Amount of capital	Number of shares	Nominal
20/12/13	Capital increase with preferential subscription rights for shareholders	€621,951.12	€4,378,048.08	€3,739,234.60	2,443,944	€1.53
20/12/13	Capital increase by raising the par value of shares, by drawing on reserves	€24,439.16	-	€3,763,673.76	2,443,944	€1.54
25/11/20	Capital increase	€342,151.04	€2,990,488.96	€4,105,824.80	2,666,120	€1.54
9/11/23	Capital reduction	€78,059.52	-	€4,027,765.28	2,615,432	€1.54

5.6.2 Unissued authorized capital

At the Ordinary and Extraordinary General Meeting of 2 June 2023:

- The Board of Directors has been delegated the power to issue shares in the Company to members of a company savings scheme, without pre-emptive subscription rights, pursuant to Article L.225-129-6 paragraph 2 of the Commercial Code, up to a maximum aggregate par value of €40,000, for a period of 26 months from 2 June 2023.

The above authorization was not used during the year.

5.6.3 Other information on capital

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 person or legal entity, acting alone or in concert, who comes to hold a number of shares in the Company or voting rights equal to or greater than 1% of the total number of shares or voting rights must, within fifteen days of overrunning this threshold, inform the Company of the total number of shares or voting rights held by him/her/it by registered letter with acknowledgement of receipt. This declaration is renewed under the same conditions each time a threshold of 1% is crossed upwards or downwards.

In determining these thresholds, account will also be taken of shares and voting rights held indirectly and shares and voting rights equivalent to shares and voting rights held, as defined by the provisions of articles L.233-7 et seq. of the Commercial Code.

In each declaration referred to above, the declarant must certify that the declaration made includes all the securities and voting rights held or owned within the meaning of the preceding paragraph. He/she/it must also indicate the date(s) of acquisition.

In the event of failure to comply with the above provisions, the shareholder will be deprived of voting rights in respect of the 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 Commercial Code, recorded in the minutes of the General Meeting, of one or more shareholders holding a fraction of the capital equal to at least 1%.

Identification of bearer shares

DELFINGEN Industry's articles of association authorize it to seek the information necessary to identify bearer shareholders, under the conditions provided for by the legislation in force.

Registered shares

Since March 2021, the register and registered shareholder accounts have been managed by:

Crédit Industriel et Commercial (CIC)

6 avenue de Provence

75009 Paris

Registered shareholders can access their account by contacting the Registered Share Department on Tel: 01.53.48.80.10, or by e-mail: 34318@cic.fr.

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

6

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6.1 Group management report

6.1.1 Business and income statement

Significant events of the year

Acquisitions and organizational changes

DELFINGEN Industry acquires 85% of REIKU GmbH, a German family company founded in 1969 and based in Wiehl. REIKU GmbH has 40 employees and specializes in protecting cabling for industrial applications (robotics, automation, etc.).

This transaction will enable DELFINGEN Industry to accelerate its diversification into industrial applications, one of its priority areas of development. The industrial market accounts for 15% of sales in 2023.

DELFINGEN Industry acquires 100% of AHN Chem Co. Ldt, a Korean company based in the town of Gyeongsan. Specializing in textile sheaths and heat shields to protect bundles of electrical wires, tubes and hoses, AHN Chem Co. Ldt has 40 employees.

The deal will enable DELFINGEN Industry to strengthen its position with Korean carmakers and equipment manufacturers and to continue developing its textile expertise, a fast-growing market for addressing the challenges of new electric and hybrid powertrains.

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

- In Germany, DELFINGEN DE-Marktrodach GmbH & Co. KG merged with DELFINGEN DE-Deutschland Holding by means of a merger takeover with effect from 31 December 2022. Immediately afterwards, DELFINGEN DE VERWALTUNGS GmbH was merged with DELFINGEN DE-Deutschland Holding. Finally, DELFINGEN DE-Deutschland Holding has changed its name to DELFINGEN DE-Marktrodach GmbH.
- In France, DELFINGEN FR-Anteuil SA was merged with DELFINGEN Industry. Production activities were transferred to DELFINGEN FR-Anteuil SAS and the shared service centers were transferred to DELFINGEN Industry SA.

On 28 March 2023, DELFINGEN Industry created SCHLEMMER Industry which it owns 100%.

World automobile production

In 2023, world automobile production reached 90.3 million cars, an increase of 9.7% compared to 2022.

Changes in raw material prices

In 2023, the index, which covers changes in the prices of the world's main listed commodities, was 14 percentage points lower than in 2022 (in dollars).

In particular, BRENT oil, which reached an average of $98.86 a barrel in 2022, traded at an average of $82.23 over 2023.

Sales figures

Comments on the activity

In m€	2023	2022	Published	Organic	Currency effect	Change in scope
Sales figures	456.7	417.1	9.5%	9.6%	-2.3%	2.1%

In m€	2023	2022	Published	Organic	Currency effect	Change in scope
Mobility market	386.9	357.2	8.3%	10.3%	-2.3%	0.3%
Industrial Market	69.8	59.9	16.4%	5.4%	-1.9%	12.3%

Activity

2023 sales of €456.7m, up 9.5%

In 2023, sales stood at €456.7m, an increase of 9.5% (or 9.6% on a like-for-like basis). The currency effect accounted for -2.3%, mainly due to the unfavorable trend in the €/$ exchange rate over the year, offset by a +2.1% scope effect.

The Mobility business recorded sales of €386.9m (85% of total sales), up 8.3% (10.3% on a like-for-like basis), outperforming the global automotive market by 70 basis points[1].

With sales up 22.6% to €80.0M, following a 42.0% increase in 2022, the Textiles business confirms its growth potential within the Mobility market. To capitalize on this potential, DELFINGEN inaugurated the extension of its plants in Mexico and Honduras at the end of the year, enabling it to increase its textile sheath production capacity.

Sales from the Industrial market came to €69.8m (15% of total sales), up 16.4% (+5.4% on a like-for-like basis), including REIKU, a German company acquired in April 2023. DELFINGEN intends to capitalize on automation and robotization in industrial applications, one of the Group's priority areas for diversification.

[1] Source: S&P Global Mobility automotive production - Updated February 2024 PRESS RELEASE Page 2 of 3

Breakdown of sales by quarter

In m€	2023	2022	Variation 2023 vs 2022 in %	
			Published	Pcc (1)
First quarter	116.6	102.2	14.0%	13.9%
Second quarter	117.3	101.7	15.3%	13.8%
Third quarter	115.0	110.0	4.6%	6.3%
Fourth quarter	107.8	103.2	4.5%	4.9%
TOTAL	**456.7**	**417.1**	**9.5%**	**9.6%**

(1) Like-for-like and at constant exchange rates.

Breakdown of sales by market and geographical area

In m€	2023	2022	Variation 2023 vs 2022 in %	
			Published	Pcc [1]
MOBILITY				
Europe - Africa	187.0	176.0	6.2%	8.0%
Americas	143.8	132.8	8.3%	11.0%
Asia	56.1	48.4	16.0%	17.3%
TOTAL MOBILITY	**386.9**	**357.2**	**8.3%**	**10.3%**
INDUSTRIAL MARKET	**69.8**	**59.9**	**16.4%**	**5.4%**
TOTAL	**456.7**	**417.1**	**9.5%**	**9.6%**

(1) Like-for-like and at constant exchange rates.

Sales by market and activity

In m€	2023	%	2022	%
Mobility	**386.9**	**84.7%**	**357.2**	**85.6%**
PS - Protection systems	*302.7*	*66.3%*	*282.2*	*67.6%*
FTT - Technical tubes for fluid transfers	*71.6*	*15.7%*	*63.7*	*15.3%*
Other	*12.7*	*2.8%*	*11.4*	*2.7%*
Industrial	**69.8**	***15.3%***	**59.9**	***14.4%***
Insulation sheaths	*19.6*	*4.3%*	*14.2*	*3.4%*
Drossbach - Protection systems	*31.2*	*6.8%*	*29.9*	*7.2%*
Schlemmer - Industrial	*17.9*	*3.9%*	*14.9*	*3.6%*
Other	*1.1*	*0.2%*	*0.9*	*0.2%*
TOTAL	**456.7**	***100%***	**417.1**	***100%***

Results

In m€	2023	2022	2021
Sales figures	456.7	417.1	363.0
Profit (loss) from recurring operations	28.1	21.1	24.1
Profit (loss) from recurring operations as % of sales	*6.2%*	*5.0%*	*6.6%*
OPERATING PROFIT (LOSS)	**23.8**	**17.7**	**24.2**
Operating profit (loss) as % of sales	*5.2%*	*4.3%*	*6.7%*
Net cost of debt	(8.0)	(3.5)	(3.7)
Other financial income and expenses	(1.6)	(0.1)	0.8
Income tax expense	(7.2)	(5.9)	(5.0)
NET PROFIT (LOSS) BEFORE PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**7.0**	**8.3**	**16.4**
Net income from discontinued operations	-	-	-
Consolidated net profit (loss)	**7.0**	**8.3**	**16.4**
NET PROFIT (LOSS), GROUP SHARE	**6.9**	**8.1**	**16.1**

The gross margin is 50.2% of sales, compared with 46.6% in 2022, an increase of 3.6 points. This was mainly due to lower raw material prices and a favorable product mix.

Benefiting from growth in business, combined with good cost control (materials, transport, energy, etc.) and despite pressure on the wage bill, profit (loss) from recurring operations rose by +33.6% to €28.1m.

The operating margin before non-recurring items was 6.2% of sales, above the revised target of around 6% announced when the fourth-quarter 2023 sales figures were published, and 1.2 points higher than in 2022.

After accounting for €4.3m of non-recurring operating expenses relating to external growth costs and reorganization efforts, operating profit rose by 34.5% to €23.8m.

After a net financial profit (loss) of -€9.6m (of which €8m related to net borrowing costs and a €1.4m negative currency effect), and a tax charge of €7.2m (with an effective tax rate of 50.8% compared with 41.7% in 2022), the net profit (loss), Group share, came to €6.9m, down 14.8%.

6.1.2 Cash flow and financial structure

EBITDA stood at €49.0m, or 10.7% of sales, compared with 9.6% in 2022. After tax payments (€9.6m) and favorable changes in working capital (€15.4m), cash flow from operating activities was €51.2m, compared with €6.1m in 2022, an increase of 739%.

Excluding acquisitions and disposals of subsidiaries, net cash used in investing activities was €20.3m. These are essentially operating investments.

Net cash flows from the acquisition of REIKU and Ahn Chem amounted to €24.1m.

The Group's net financial debt was €147.4m at 31 December 2023 (including €28.4m of IFRS 16 debt), compared with €128.3m at 31 December 2022 (including €31.0m of IFRS 16 debt), and gearing was 99.97% compared with 88.0% in 2022.

During 2023, the following funding has been put in place:

- A €78m refinancing loan maturing in 2029;
- A new €5m Bpifrance loan maturing in 2030;
- With Huntington National Bank (USA):
    - A medium-term equipment loan for $1.9m.

Shareholders' equity increased by €1.7m to €147.4m, compared with €145.7m at 31 December 2022, mainly as a result of:

- Profit for the year of €7.0m;
- The unfavorable impact of translation adjustments on shareholders' equity of €4.0m;
- A dividend payout of €1.7m.

6.1.3 Investments

In m€	**2023**	**2022**	**2021**
Investments	20.2	19.6	16.0
As % of sales	*4.4%*	*4.6%*	*4.4%*

The 2022 investment effort focused on production capacity for new business related to plastic protection activities & textile as well as the renewal of equipment and machinery.

Investment in 2023 will focus on:

- Production capacity for new business in the three regions in plastics protection & textiles (CN-Wuhan, HN-Cortes, TN-Fouchana, India and SK-Nitra);
- Equipment renewal, mainly in the Europe zone;
    - More than a quarter of the investments concern activities such as IT support, R&D and the Group's infrastructure;
    - It should be noted that fluid transfer projects (R&D + Operations) account for 13% of the Group's capital expenditure.

For 2024, the situation is as follows:

- Investments already made at the end of March: €3.0 m;
- Investments planned and already committed: €17.5 m.

6.2 Events after closure

Change of name of AHN Chem Co. Ldt: The Korean company AHN Chem Co. Ldt, acquired in 2023, changed its name to DELFINGEN Korea on 01 April 2024.

6.3 Evolution and prospects

According to estimates from S&P Global Mobility's February 2024 study, global car production should remain stable in 2024 at 90 million vehicles produced worldwide.

Building on its strategic global positions in cable protection, DELFINGEN Industry intends to continue outperforming the global automotive market and to pursue its diversification into industrial applications.

After strong growth that has enabled the Group to triple its sales in recent years, DELFINGEN Industry will continue to assert its leadership while paying particular attention to its operating performance and debt reduction.

6.4 Company management report

Management report on the annual accounts of the parent company DELFINGEN Industry S.A.

Significant events of the year

Delfingen Industry holds the shares of the companies included in the scope of consolidation.

The following transactions took place during the 2023 financial year:

- DELFINGEN FR-Anteuil SA was merged with DELFINGEN Industry on 1 January 2023. Production activities were transferred to DELFINGEN FR-Anteuil SAS and the shared service centers were merged with DELFINGEN Industry SA.
- In Germany, DELFINGEN DE-Marktrodach GmbH & Co. KG merged with DELFINGEN DE-Deutschland Holding by means of a merger takeover with effect from 31 December 2022. Immediately afterwards, DELFINGEN DE VERWALTUNGS GmbH was merged with DELFINGEN DE-Deutschland Holding. Finally, DELFINGEN DE-Deutschland Holding has changed its name to DELFINGEN DE-Marktrodach GmbH.
- The creation on 28 March 2023 of SCHLEMMER Industry, 100% owned by Delfingen Industry.
- DELFINGEN Industry acquires 85% of REIKU GmbH, a German family company founded in 1969 and based in Wiehl. Specializing in the protection of wiring for industrial applications (robotics, automation, etc.).
- DELFINGEN Industry acquires 100% of AHN Chem Co. Ldt, a Korean company based in the town of Gyeongsan. Specializing in textile sheaths and heat shields to protect bundles of electrical wires, tubes and hoses.

As part of the review of the value in use of equity investments and of the recoverability of current account advances and accounts receivable, a net reversal of provisions for equity investments and for current accounts and accounts receivable of €1,845k was recognized in the 2023 financial year:

- Provisions for DELFINGEN BR-Sao Paulo shares were reversed in the amount of €672k;
- A provision of €233k has been set aside for DELFINGEN DE-Marktrodach shares;
- A provision of €816.8k has been booked for depreciation of the shares in DELFINGEN TN-Tunis in anticipation of the company being wound up;

- A new provision of €113.7k was set aside for DELFINGEN PT-Porto shares;
- Provisions of €2,614k were reversed in respect of the accounts receivable of DELFINGEN SG-Filipinas, and new provisions of €229k and €48k were set aside for DELFINGEN MA-Casablanca and DELFINGEN TH-Siam respectively.

DELFINGEN Industry received dividends of €3,988k over the period from DELFINGEN Asia Pacific Holding and DELFINGEN US-Holding.

DELFINGEN Industry posted a profit of €2,474k.

Activity and results 2023

The Group's contractor function is performed by DELFINGEN Industry, which concentrates all the costs of the Group's shared services. This function is remunerated using the net transaction margin method, one of the methods recognized by the OECD for transfer pricing.

DELFINGEN Industry's operating profit (loss) is therefore dependent on the transfer of margins made with its subsidiaries, whose profitability in 2023 will be affected by rising production costs (energy, transport and labor). The profit made does not cover the company's structural costs. The resulting operating loss is offset by the financial income, leading to a positive net result for the 2023 financial year.

The summarized income statement is as follows:

In k€	2023	2022	2021
Operating income	63,088	48,586	49,267
Operating expenses	(65,628)	(53,481)	(44,838)
Operating profit (loss)	**(2,541)**	**(4,895)**	**4,430**
Financial profit (loss)	4,868	3,938	6,605
Profit (loss) on ordinary activities	2,328	(957)	11,034
Extraordinary profit (loss)	(78)	(701)	(1,894)
Tax	224	182	25
Net profit (loss)	**2,474**	**(1,476)**	**9,115**

The increase in operating income and expenses is mainly due to the transfer of shared service center activities following the reorganization of the French entities on 1 January 2023 (see significant events of the year).

The operating loss of €2,541k was mainly due to the margin transfer, which fell short of expectations and was directly influenced by the profitability of the subsidiaries.

Net financial income of €4,868k mainly comprises:

- Dividends received of €3,988k;
- Net interest and finance costs of €1,499k;
- Charges net of financial reversals (equity investments) of €491k.

Extraordinary profit (loss) includes the reversal of a bank withholding of €168k.

The corporate tax saving resulting from the tax consolidation of Delfingen Industry and Delfingen FR-Anteuil SAS is €62k for the 2023 financial year.

DELFINGEN Industry generated a profit of €2,474k.

The summary balance sheet is as follows:

In k€	2023	2022	2021
Intangible assets	6,559	3,312	1,663
Property, plant and equipment	4,207	2,401	2,469
Long-term investments	169,442	134,112	130,126
TOTAL FIXED ASSETS	**180,208**	**139,825**	**134,258**
Current assets and accruals	29,754	30,694	28,435
TOTAL ASSETS	**209,962**	**170,519**	**162,693**
Shareholders' equity	53,163	53,420	57,853
Provisions for risks and liabilities	1,179	667	927
Payables and accruals	155,620	116,432	103,912
TOTAL LIABILITIES	**209,962**	**170,519**	**162,693**

The increase in intangible assets mainly relates to the purchase and development of management software, as well as intangible assets arising from the reorganization of the French entities (see note 6.4 "Significant events of the year").

Extraordinary events or disputes

Provisions for risks and liabilities mainly relate to litigation in progress at 31 December 2023. These provisions recognize risks at their maximum estimated value. Provisions for risks and liabilities are disclosed in section F of the notes to the financial statements.

There are no extraordinary events or disputes likely to have a material impact on the business, results, financial position or assets and liabilities of the Group's parent company that have not been taken into account in the financial statements.

Non-tax-deductible expenses

In accordance with the provisions of Article 223 subparagraph 4 of the French General Tax Code, we draw your attention to the fact that profit (loss) for the year includes €109,442 in respect of expenses that are not deductible for tax purposes under the provisions of Article 39-4 of the Code.

Change in accounting method

None.

Maturities of trade payables and receivables

Supplier late payments

Invoices received but not yet paid at the end of the financial year which are overdue

		Overdue ex-VAT					
	Total purchases	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total excluding VAT overdue (1 day or more)
Amount (k€)	48,139	106	559	64	49	401	1,073
% Total purchases ex-VAT		0.2%	1.2%	0.1%	0.1%	0.8%	2.2%

Of the total of €1,073k due after more than one day, €561k relates to DELFINGEN Industry subsidiaries.

Customer late payments

Invoices issued but not yet paid at the end of the financial year when overdue

		Overdue ex-VAT					
	Total sales	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total excluding VAT overdue (1 day or more)
Amount (k€)	59,189	1	1,930	1,538	136	7,854	11,458
% Total sales ex-VAT		Not indicated	3.3%	2.6%	0.2%	13.3%	19.4%

All the amounts relate to subsidiaries of Delfingen Industry.

Events after the balance sheet date

Change of name of AHN Chem Co. Ltd: The Korean company AHN Chem Co. Ltd acquired in 2023, will change its name to DELFINGEN Korea on 01 April 2024.

6.5 Results and other information for the last 5 financial years

	Financial year 2023	Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019
Capital at year-end					
Share capital (k€)	4,028	4,106	4,106	4,106	3,764
Number of existing ordinary shares	2,615,432	2,666,120	2,666,120	2,666,120	2,443,944
Number of warrants	-	-	-	-	-
Transactions and results for the year					
Sales excluding tax (k€)	59,189	47,717	47,707	37,593	17,964
Profit (loss) before tax, employee profit-sharing, depreciation, amortization and provisions (k€)	142	(1,701)	8,008	2,468	3,915
Income tax (k€)	(224)	(182)	25	(220)	(63)
Employee profit-sharing due for the financial year	-	-	-	-	-
Profit (loss) after tax, employee profit-sharing, depreciation, amortization and provisions (k€)	2,474	(1,476)	9,115	1,631	2,374
Profit distributed for the year	3,000	1,700	3,000	1,000	-
Earnings per share (including share warrants)					
Profit (loss) after tax, employee profit-sharing, but before depreciation, amortization and provisions	0.14	(0.57)	2.99	1.01	1.80
Profit (loss) after tax, employee profit-sharing, depreciation, amortization and provisions	0.05	(0.55)	3.00	0.92	0.97
Dividend per share	1.15	0.64	1.13	0.38	-
Staff					
Average number of employees	194.5	91.2	86.7	74.9	75.8
Total payroll for the year	10,105	5,070	4,742	4,241	4,301
Employee benefits paid during the year	4,184	2,285	1,998	1,929	1,842

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7.1 Consolidated financial statements

Unless otherwise indicated, figures are presented in thousands of Euros.

7.1.1 Consolidated statement of comprehensive income

	2023	2022	2021	Explanatory notes
Net sales	456,744	417,143	362,994	10
Other operating income	394	499	99	
Total operating income	**457,137**	**417,642**	**363,093**	
Purchases consumed	(225,507)	(230,156)	(185,741)	11
Stocked and capitalized production	(2,065)	7,481	6,183	
Other purchases and external charges	(63,071)	(57,165)	(47,378)	12
Taxes	(1,578)	(1,277)	(1,206)	
Staff costs	(116,386)	(96,483)	(89,745)	18
Net depreciation and amortization	(21,131)	(19,575)	(18,594)	23
Net allocations to provisions and impairment	228	610	(2,204)	15-3; 23; 25-2
Other operating income	2,909	1,738	1,549	13
Other operating expenses	(2,402)	(1,751)	(1,819)	13
Total operating expenses	**(429,004)**	**(396,578)**	**(338,956)**	
Profit (loss) from recurring operations	**28,134**	**21,065**	**24,137**	
Other operating income	188	369	3,180	14
Other operating expenses	(4,477)	(3,686)	(3,083)	14
Operating profit (loss)	**23,846**	**17,748**	**24,235**	
Income from cash and cash equivalents	33	11	60	
Gross cost of debt	(8,018)	(3,515)	(3,787)	36-2
Net cost of debt	(7,986)	(3,504)	(3,727)	
Other financial income	5,352	2,818	4,411	36-1
Other financial expenses	(6,935)	(2,888)	(3,609)	36-1
Profit (loss) before tax	**14,276**	**14,174**	**21,309**	
Income tax expense	(7,250)	(5,906)	(4,950)	38
Net profit (loss) from continuing operations	7,026	8,268	16,359	
Net income from discontinued operations	-	-	-	7
Consolidated net profit (loss)	**7,026**	**8,268**	**16,359**	
Minority interests	122	122	233	
Net profit (loss), Group share	**6,904**	**8,145**	**16,126**	
Earnings per share *(in €)*	2.64	3.11	6.14	31
Diluted earnings per share *(in €)*	2.64	3.11	6.14	31
Earnings per share from continuing operations *(in €)*	2.64	3.11	6.14	31
Average rate for the year (€/USD)	*1.0815*	*1.0537*	*1.183*	

Statement of net profit (loss) and gains and losses recognized directly in equity	2023	2022	2021
Net profit (loss)	7,026	8,268	16,359
Other components of comprehensive income recyclable in profit or loss	**(3,912)**	**1,802**	**5,612**
Translation differences	*(3,912)*	*1,802*	*5,612*
Revaluation of hedging instruments	-	-	-
Revaluation of available-for-sale financial assets	-	-	-
Revaluation of fixed assets	-	-	-
Other comprehensive income not recyclable in profit (loss)	**25**	**(358)**	**(287)**
Net actuarial gains/losses on defined benefit plans	*25*	*(358)*	*(287)*
Share of gains and losses recognized directly in equity of companies accounted for by the equity method	-	-	-
Total gains and losses recognized directly in equity	**(3,887)**	**1,444**	**5,325**
Net profit (loss) and gains and losses recognized directly in equity	**3,139**	**9,712**	**21,684**
Of which Group share	3,090	9,693	21,607
Of which minority interests	49	19	78

7.1.2 Consolidated statement of financial position

Assets	2023	2022	2021	Explanatory notes
Non-current assets				
Goodwill	83,029	60,662	59,969	21
Intangible assets	12,055	11,429	11,530	21
Property, plant and equipment	116,418	106,564	101,690	22
Assets available for sale	-	-	-	
Other non-current financial assets	2,637	2,020	2,331	32
Deferred tax assets	1,656	1,586	1,748	39
TOTAL NON-CURRENT ASSETS	**215,794**	**182,262**	**177,268**	
Current assets				
Stocks	48,499	58,587	43,631	15-1
Accounts receivable and related accounts	85,006	78,582	66,178	15-2
Other net receivables	13,449	15,864	14,289	15-2
Current tax	2,684	2,598	1,650	15-2
Cash and cash equivalents	21,009	14,925	26,452	33
Assets held for sale	-	-	-	
TOTAL CURRENT ASSETS	**170,647**	**170,555**	**152,202**	
TOTAL ASSETS	**386,441**	**352,817**	**329,469**	
Exchange rate €/USD	*1.1050*	*1.0666*	*1.1326*	

Liabilities	2023	2022	2021	Explanatory notes
Group shareholders' equity				
Parent company capital	4,028	4,106	4,106	28
Capital reserves	15,763	15,687	15,687	28
Treasury shares	(110)	(1,465)	(971)	27
Consolidated reserves	122,439	116,701	102,694	
Translation differences	(2,439)	1,793	504	
Group net profit (loss)	6,904	8,145	16,126	
TOTAL GROUP SHAREHOLDERS' EQUITY	**146,585**	**144,968**	**138,145**	
Minority interests				
Minority interests in reserves	709	638	424	
Minority interests in profit (loss)	122	122	233	
Total minority interests	831	761	657	
TOTAL SHAREHOLDERS' EQUITY	**147,416**	**145,729**	**138,802**	
Non-current liabilities				
Long- and medium-term debt	119,113	99,588	91,688	34
Other financial liabilities	202	113	-	32
Employee benefits	1,808	1,746	2,239	17
Non-current provisions	866	1,427	1,745	25
Deferred tax liabilities	4,747	5,230	5,832	39
TOTAL NON-CURRENT LIABILITIES	**126,736**	**108,104**	**101,503**	
Current liabilities				
Financial debt due in less than 1 year [1]	49,073	43,494	38,647	34
Trade payables	37,383	35,722	28,593	
Other current liabilities	23,600	16,519	19,782	15-4
Current provisions	-	-	-	
Current tax	2,233	3,248	2,142	
Liabilities held for sale	-	-	-	
TOTAL CURRENT LIABILITIES	**112,289**	**98,983**	**89,164**	
TOTAL LIABILITIES	**386,441**	**352,817**	**329,469**	
(1) Of which bank overdrafts	*10,012*	*20,481*	*11,199*	
Of which accrued interest	*86*	*20*	*22*	
Exchange rate €/USD	*1.1050*	*1.0666*	*1.1326*	

7.1.3 Consolidated cash flow statement

	2023	2022	2021	Explanatory notes
Net profit (loss) of consolidated companies	**7,026**	**8,268**	**16,359**	
Elimination of non-cash and non-operating income and expenses				
Depreciation, amortization and provisions: allocations	21,751	20,528	19,600	
Depreciation, amortization and provisions: reversals	(1,157)	(1,070)	(631)	
Capital gains and losses on disposals	917	3,256	405	
IFRS 16 assignment of contracts	-	(11)	-	
Badwill	-	-	(376)	
Transactions with no cash impact	1,681	(82)	-	
Cash flow after cost of debt and tax	***30,219***	***30,889***	***35,357***	
Cost of debt	8,018	3,515	3,727	
Current tax charge	8,239	6,771	5,148	38
Change in deferred tax	(989)	(865)	(197)	39
Cash flow before cost of debt and tax	***45,487***	***40,310***	***44,034***	***41***
Tax paid	(9,600)	(6,728)	(4,215)	
Change in working capital	15,358	(27,474)	(13,343)	15-5
Net cash flow from operating activities	**51,245**	**6,107**	**26,476**	
Cash flow from investing activities				
Acquisitions of property, plant and equipment	(17,534)	(15,822)	(11,719)	22
Acquisitions of intangible assets	(2,720)	(2,623)	(2,590)	21-2
Disposal of tangible and intangible assets	462	192	(69)	
Change in long-term investments	(544)	124	235	
Change in scope	(24,105)	(360)	(31)	6
Net cash used in investing activities	**(44,441)**	**(18,488)**	**(14,174)**	
Net cash flow from financing activities				
Dividends paid to parent company shareholders	(1,673)	(2,952)	(1,000)	29
Cash capital increase	-	-	-	
Loan subscriptions	120,596	27,837	45,570	
Repayment of loans	(99,970)	(29,907)	(49,801)	
Interest paid	(8,018)	(3,515)	(3,727)	
Derivative financial instruments	90	113	-	
Treasury shares	(57)	(493)	-	
Deferred charges	(736)	-	-	
Other movements	-	(2)	(56)	
Net cash flow from financing activities	**10,056**	**(8,920)**	**(9,012)**	
Theoretical change in cash and cash equivalents	16,860	(21,301)	3,290	
Opening cash position	**(5,556)**	**15,254**	**11,048**	
Impact of changes in exchange rates	(307)	437	935	
Reclassification of cash and cash equivalents	-	55	(20)	
Closing cash position	10,997	(5,556)	15,254	33-2
Actual change in cash and cash equivalents	**16,860**	**(21,302)**	**4,205**	

7.1.4 Consolidated statement of changes in equity

	Capital	Capital reserves	Treasury shares	Reserves and consolidated income	Translation differences	Shareholders' equity - Group share	Shareholders' equity - minority interests	Total shareholders' equity
At 31/12/2021	**4,106**	**15,687**	**(971)**	**118,820**	**504**	**138,145**	**657**	**138,802**
Increase/ Reduction in capital	-	-	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	8,145	-	8,145	122	8,267
Dividends paid	-	-	-	(2,952)	-	(2,952)	-	(2,952)
Translation adjustments	-	-	-	-	1,802	1,802	19	1,821
Changes in consolidation scope	-	-	-	-	-	-	-	-
Net actuarial gains/losses on defined benefit plans		-	-	358	-	358	-	358
Treasury shares	-	-	(493)	-	-	(493)	-	(493)
Other movements	-	-	-	475	(513)	(38)	(37)	(75)
At 31/12/2022	**4,106**	**15,687**	**(1,465)**	**124,846**	**1,793**	**144,968**	**761**	**145,729**
Increase/ Reduction in capital	(78)	-	-	-	-	(78)	-	(78)
Profit (loss) for the year	-	-	-	6,904	-	6,904	122	7,026
Dividends paid	-	-	-	(1,673)	-	(1,673)	-	(1,673)
Translation adjustments	-	-	-	320	(4,232)	(3,912)	(49)	(3,961)
Changes in consolidation scope	-	-	-	-	-	-	-	-
Net actuarial gains/losses on defined benefit plans		-	-	(25)	-	(25)	-	(25)
Treasury shares	-	-	1,355	(1,334)	-	21	-	21
Other movements	-	75	-	306	-	380	(3)	377
At 31/12/2023	**4,028**	**15,762**	**(110)**	**129,344**	**(2,439)**	**146,585**	**831**	**147,416**

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A. Standards and valuation methods

Note 1 Standards applied and new standards, amendments and interpretations

1.1 Standards applied

The financial statements are presented in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at 31 December 2023 and available for consultation on the European Commission 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;
- Business continuity;
- Accrual accounting;
- Consistency of presentation;
- Materiality and grouping.

The Group has decided not to adopt early, where permitted by law, standards, updates and interpretations that have been published but whose application is not mandatory for the financial year beginning 1 January 2023. The Group does not believe that this will result in any significant changes.

The accounting policies used to prepare the Group's financial statements are described in the following notes. Unless otherwise stated, they have been applied consistently across all the financial years presented.

1.2 Standards, amendments and interpretations adopted by the European Union and whose application is compulsory or not for accounting periods beginning on or after 1 January 2023

Standards, amendments and interpretations adopted by the European Union and mandatory for accounting periods beginning on or after 1 January 2023

The following standards and amendments to standards have no impact on the Group's consolidated financial statements at 31 December 2023:

- IFRS 17 Insurance Contracts

This standard changes the accounting treatment of insurance contracts and investment contracts for insurers by providing for uniform accounting for contracts.

- Amendment to IAS 12 "Deferred tax on assets and liabilities arising from a single transaction"

This amendment removes the exemption from initial recognition of deferred tax for transactions arising from taxable and deductible temporary differences of the same amount.

Amendments to IAS 8 Definition of Accounting Estimates

These amendments clarify the differences between accounting policies and accounting estimates. Accounting estimates are now defined as monetary amounts in the financial statements that are subject to measurement uncertainty.

- Amendment to IAS 1 "Disclosure of Accounting Policies"

At each balance sheet date, the Group critically examines the relevance of the information provided on the main accounting methods applied by the company to the facts and circumstances of the financial year presented.

- Amendment to IAS 12 "International Tax Reform - Model rules for Pillar 2"

It grants a mandatory exception to the application of IAS 12 to the deferred tax effects of the new Pillar 2 rules in return for disclosures in the notes to the financial statements

Standards, amendments and interpretations adopted by the European Union whose application is not mandatory for accounting periods beginning on or after 1 January 2023

DELFINGEN Industry has not applied in advance the following accounting principles adopted by the European Union, but whose application is not mandatory:

- Amendments to IAS 1 - Classification of liabilities as current or non-current (including the latest amendments published on 31 October 2022)

- Amendments to IFRS 16 - Lease Liabilities under Sale and Leaseback Transactions (published by the IASB on 22 September 2022)

Note 2 Use of estimates

The preparation of financial statements in accordance with IFRS is based on assumptions and estimates determined by Management to calculate the value of assets and liabilities, income and expenses at the year-end. These estimates and assumptions reflect the reasonable and prudent judgement of Management, who review them on an ongoing basis, drawing on past experience and all available information. However, actual results could differ materially from these estimates.

The significant estimates and assumptions used in the preparation of the financial statements for the period ended 31 December 2023 relate in particular to the following items:

- Deferred tax assets;
- Provisions;
- Impairment losses on goodwill.

The sensitivities identified and monitored by management relate mainly to the data and assumptions used in the impairment tests. These assumptions are consolidated by gathering forecasting information from major players in the automotive sector (market assumptions) and from an actuary (discount rates).

B. Information relating to the scope of consolidation

Note 3 Consolidation principles

3.1 Consolidation methods

The full consolidation method is applied to the financial statements of companies in which DELFINGEN Industry directly or indirectly exercises control.

Control of a company exists when the Group:

- Holds power over the company;
- Is exposed to or entitled to variable returns because of its links with the company;
- Has the ability to exercise its power over the company's relevant activities in such a way as to influence the amount of returns it obtains.

There are no companies covered by a partnership agreement.

All material transactions between consolidated companies are eliminated, as are intra-Group profits (capital gains, profits on inventories, dividends).

3.2 Conversion methods

3.2.1 Transactions in foreign currencies

Transactions in foreign currencies are recorded in the functional currency at the exchange rate prevailing on the transaction date or, in practice, at the average exchange rate for the period, provided that this rate is not affected by significant changes in exchange rates. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate prevailing at the balance sheet date. Exchange differences arising on translation are recognized in profit (loss), with the exception of those relating to loans and borrowings, which in substance form an integral part of the net investment in a foreign subsidiary.

These are recognized in other comprehensive income, in the translation reserve included in consolidated shareholders' equity, at their amount net of tax until the date of disposal of the net investment, when they are recognized in profit (loss).

3.2.2 Translation of financial statements of consolidated subsidiaries

The financial statements of foreign companies are translated into euros at the exchange rate on 31 December 2023 for balance sheet items and at the average exchange rate for the year for the income statement. Translation differences are recognized in other comprehensive income and are recycled through profit (loss).

The rates of the main currencies used for the consolidation of the accounts are as follows:

	Open rate			Average rate			Closing rate		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Euro	1.0000	1.0000	1.00000	1.0000	1.0000	1.00000	1.0000	1.0000	1.00000
Tunisian Dinar	3.3107	3.2623	3.30888	3.3476	3.2417	3.28261	3.3863	3.3107	3.26230
Moroccan dirham	11.1699	10.4930	10.89343	10.9499	10.6750	10.63535	10.9572	11.1699	10.49303
Romanian leu	4.9495	4.9490	4.86830	4.9471	4.9315	4.92085	4.9756	4.9495	4.94900
Turkish Lira	n/a	n/a	9.11310	n/a	n/a	10.50375	n/a	n/a	15.23350
Brazilian real	5.6386	6.3101	6.37350	5.4018	5.4406	6.37709	5.3618	5.6386	6.31010
US Dollar	1.0666	1.1326	1.22710	1.0815	1.0537	1.18299	1.1050	1.0666	1.13260
Chinese yuan	7.3582	7.1947	8.02250	7.6587	7.0782	7.63229	7.8509	7.3582	7.19470
Philippine peso	59.3200	57.7630	59.12500	60.1440	57.3092	58.28300	61.2830	59.3200	57.76300
Japanese yen	140.6600	130.3800	126.49000	151.9021	137.9546	129.85847	156.3300	140.6600	130.38000
Indian rupee	88.1710	84.2292	89.66050	89.3040	82.7066	87.43365	91.9045	88.1710	84.22920
Thai Baht	36.8350	37.6530	36.72700	37.6218	36.8502	37.82027	37.9730	36.8350	37.65300
Russian rouble	n/a	85.3004	91.46710	n/a	73.4376	87.18584	n/a	76.7952	85.30040
UAE dirham	3.9171	4.1595	n/a	3.9717	3.8695	4.3445	4.0581	3.9171	4.1595
South Korean won	n/a	n/a	n/a	1427.7487	n/a	n/a	1433.66	n/a	n/a

Note 4 Closing dates

With the exception of DELFINGEN India Private Limited, whose financial year ends on 31 March 2024, all the companies included in the scope of consolidation have a financial year ending on 31 December 2023.

In the case of DELFINGEN India Private Limited, an audited interim statement for the 12 months to 31 December 2023 has been prepared.

Note 5 Scope of consolidation

The Group's consolidated financial statements include all subsidiaries, sub-subsidiaries and equity interests of Delfingen Industry.

The companies included in the Group's scope of consolidation are:

Company name	Country	% held			Method*
		2023	2022	2021	
DELFINGEN Industry	France	Parent	Parent	Parent	FC
SCHLEMMER Industry **(1)**	France	100.00	-	-	FC
DELFINGEN FR-Anteuil **(2)**	France	-	100.00	99.98	FC
DELFINGEN FR-Anteuil SAS	France	100.00	100.00	100.00	FC
DELFINGEN DE-Marktrodach **(3)**	Germany	100.00	100.00	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
REIKU GmbH **(4)**	Germany	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 **(5)**	Romania	-	-	99.99	FC
DELFINGEN RO-Satu Mare	Romania	100.00	100.00	100.00	FC
DELFINGEN TN-Tunis	Tunisia	100.00	100.00	100.00	FC
DELFINGEN MA-Casablanca	Morocco	100.00	100.00	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 **(6)**	Russia	-	-	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 **(7)**	Mexico	-	100.00	100.00	FC
DELFINGEN US-Nicaragua **(8)**	United States	-	100.00	100.00	FC
DELFINGEN NI-Leon **(8)**	Nicaragua	-	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

Company name	Country	% held			Method*
		2023	2022	2021	
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 **(9)**	China	100.00	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
DELFINGEN INDIA	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	100.00	FC
AHN Chem Co. Ldt **(10)**	South Korea	100.00	-	-	FC

** FC: Full consolidation*

(1) *company created in March 2023 (* ***2*** *) the company partially contributed its assets to DELFINGEN FR-Anteuil SAS, then transferred its assets to DELFINGEN Industry*

(3) *In Germany, DELFINGEN DE-Marktrodach GmbH & Co. KG was merged into DELFINGEN DE-Deutschland Holding by means of a merger takeover with effect from 31 December 2022. Immediately afterwards, DELFINGEN DE VERWALTUNGS GmbH was merged with DELFINGEN DE-Deutschland Holding. Finally, DELFINGEN DE-Deutschland Holding changed its name to DELFINGEN DE-Marktrodach GmbH*

(4) *company acquired in March 2023* ***(5*** *) company liquidated in August* ***(6*** *) company sold in May 2022* ***(7*** *) company liquidated on 18/04/2023*

(8) *DELFINGEN NI-Leon was absorbed by DELFINGEN US-Nicaragua followed by a merger with DELFINGEN US Inc. on 28/02/2023*

(9) *company created in January 2022* ***(10)*** *company acquired in March 2023*

Note 6 Business acquisitions and disposals

The following transactions took place during the 2023 financial year:

- On 28 February 2023, DELFINGEN NI-Leon was absorbed by DELFINGEN US-Nicaragua, followed by a merger with DELFINGEN US Inc.
- At 30 March 2023, the acquisition of the German entity REIKU GmbH;
- At 30 March 2023, the acquisition of the Korean entity AHN Chem Co. Ltd;
- On 18 April 2023, the liquidation of Compañeros en Excelencia en Extrusión.

Note 7 Discontinued operations and assets held for sale

None.

Note 8 Information concerning special purpose entities

Not applicable.

C. Segment reporting

Note 9 Segment reporting

Under IFRS 8, an operating segment is a component of an entity:

- That engages in activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other parts of the same entity);
- Whose operating profit (loss) is regularly reviewed by the entity's chief operating decision-maker with a view to making decisions about the resources to be allocated to the segment and assessing its performance;
- For which isolated financial information is available.

The Group has therefore defined the segments to be presented on the basis of the internal reporting used by Management to assess performance and allocate resources to the various segments.

In 2023, the 4 segments selected by the Group are as follows:

- Mobility - EA: this brings together products linked to the Mobility market in the Europe and Africa zone;
- Mobility - Americas: this brings together products linked to the Mobility market in North, Central and South America;
- Mobility - Asia: this covers products related to the Mobility market in Asia;
- Industrial Market: this segment includes all products outside the mobility market, which essentially correspond to the activities of the Drossbach Group, as well as the activities of REIKU.

In addition to these 4 segments, there are holding companies and eliminations.

The indicators used to measure segment performance, particularly operating profit (loss), are reconciled with the consolidated financial statements. The key indicators are as follows:

- Sales;
- Profit (loss) from recurring operations;
- Tangible and intangible investments;
- Segment assets comprise property, plant and equipment, intangible assets, goodwill and inventories.

Financial debt, other income and other expenses, financial profit (loss) and tax are monitored at Group level and are not allocated to segments.

9.1 Income statement items by segment

Financial year 2023	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding company and eliminations	Consolidated
Total sales	223,031	143,768	60,761	51,400	(22,215)	456,744
of which external sales	*213,169*	*135,676*	*56,643*	*51,257*	-	*456,744*
of which intra-group sales	*9,862*	*8,092*	*4,118*	*143*	*(22,215)*	-
Profit (loss) from recurring operations	9,859	3,209	4,126	14,583	(3,642)	28,134
Of which intra-group invoicing	*(19,695)*	*(17,122)*	*(4,665)*	-	*41,482*	-
Operating profit (loss)	9,843	3,209	3,994	14,557	(7,757)	23,846

Financial year 2022	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding company and eliminations	Consolidated
Total sales	213,117	132,912	54,530	43,475	(26,891)	417,143
of which external sales	*204,781*	*131,174*	*49,422*	*42,069*	*(10,303)*	*417,143*
of which intra-group sales	*8,336*	*1,738*	*5,108*	*1,406*	*(16,588)*	-
Profit (loss) from recurring operations	7,951	5,828	4,985	11,579	(9,445)	20,897
Of which intra-group invoicing	*(16,674)*	*(19,169)*	*(3,146)*	-	*38,989*	-
Operating profit (loss)	7,884	5,828	4,933	11,579	(12,643)	17,580

Financial year 2021	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding company and eliminations	Consolidated
Total sales	196,773	99,805	39,498	39,253	(12,335)	362,994
of which external sales	*190,112*	*98,346*	*35,560*	*37,053*	*1,923*	*362,994*
of which intra-group sales	*6,661*	*1,459*	*3,938*	*2,200*	*(14,258)*	-
Profit (loss) from recurring operations	28,451	7,618	2,723	3,993	(18,698)	24,087
Of which intra-group invoicing	*(26,060)*	*(11,127)*	*(3,549)*	-	*40,736*	-
Operating profit (loss)	25,956	7,618	3,072	4,231	(16,693)	24,184

9.2 Components of the statement of financial position by segment

Financial year 2023	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding company and eliminations	Consolidated
Segment assets	101,135	48,844	37,455	23,538	49,028	260,000
Acquisition of non-current assets	*7,320*	*4,754*	*5,286*	*1,851*	*1,042*	*20,254*

Financial year 2022	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding company and eliminations	Consolidated
Segment assets	115,763	52,442	31,704	24,716	12,618	237,243
Acquisition of non-current assets	*7,085*	*15,539*	*4,510*	*1,076*	*(8,899)*	*19,311*

Financial year 2021	Mobility EA	Mobility Americas	Mobility Asia	Industrial Market	Holding company and eliminations	Consolidated
Segment assets	112,942	33,544	22,934	22,163	25,237	216,820
Acquisition of non-current assets	*10,285*	*2,511*	*3,272*	*219*	*(270)*	*16,017*

D. Operational data

Note 10 Sales figures

The amount of sales is measured at the fair value of the consideration received or receivable, after deducting any rebates or action correlated with sales.

Revenue is recognized in the income statement when the significant risks and benefits of ownership of the goods have been transferred to the buyer.

Given the nature of the products, the general conditions of sale, the commercial terms of transport and insurance policies, products are generally recorded on the date of invoice.

Breakdown of sales by geographical area

	2023	2022	2021
Europe - Africa	215,419	193,603	196,081
Americas	184,682	174,118	131,353
Asia	56,638	49,422	35,560
TOTAL	**456,739**	**417,143**	**362,994**

It should be noted that all the companies included in the scope of consolidation invoice customers on the basis of prices indexed to the euro exchange rate, with the exception of the American, Canadian, Filipino, Mexican, Honduran, Chinese, Indian and Korean companies.

The American, Filipino, Mexican and Honduran companies invoice their customers directly in US dollars, the Canadian company in Canadian dollars, the Chinese companies invoice mainly in Chinese yuan, the Indian company mainly in Indian rupees and the Korean company mainly in Korean won.

At constant exchange rates, the Group's consolidated sales would have come to €466.2m, impacted mainly by sales in US dollars.

Note 11 Purchases consumed

	2023	2022	2021
Purchase of goods	47,280	53,638	51,058
Change in inventories of goods	(3,477)	(798)	(1,984)
Purchases of raw materials	159,312	187,210	142,209
Change in raw materials inventories	8,892	(11,217)	(6,812)
Transport	11,709	-	-
Other supplies	1,790	1,323	1,269
TOTAL	**225,507**	**230,156**	**185,741**

The ratio of purchases consumed (net of changes in inventories and fixed assets) is down by 3.6 points in 2023 to 49.8% of sales, compared with 53.4% in 2022 and 49.5% in 2021. This is due partly to the lower prices of the main raw materials used by the Group compared with 2022, and partly to a favorable mix of products and activities.

Note 12 Other purchases and external charges

	2023	% SALES	2022	% SALES	2021	% SALES
Water, electricity, gas	8,882	1.9%	8,430	2.0%	6,621	1.8%
Rent and service charges	5,391	1.2%	4,365	1.0%	3,746	1.0%
Maintenance and repairs	8,142	1.8%	6,677	1.6%	6,297	1.7%
Remuneration of intermediaries and fees	5,227	1.1%	5,921	1.4%	5,266	1.5%
Transport on sales and miscellaneous transport	11,368	2.5%	12,040	2.9%	8,795	2.4%
Travel, missions, receptions	4,154	0.9%	3,496	0.8%	1,664	0.5%
Other purchases and external charges	19,907	4.2%	16,237	3.9%	14,990	4.1%
TOTAL	**63,071**	**13.8%**	**57,165**	**13.7%**	**47,378**	**13.1%**

The external cost ratio is 13.8% of sales, compared with 13.7% in 2022, a slight increase of 0.1 points, demonstrating the Group's ability to control its costs, despite a still unfavorable environment impacted by inflation.

The impact of applying IFRS 16 in 2023 is a €7.4m reduction in leases and rental expenses.

Note 13 Other operating income and expenses

	2023	2022	2021
Other operating income	2,416	1,496	1,343
Income from management transactions	31	50	74
Proceeds from disposals of property, plant and equipment and intangible assets	462	192	132
Proceeds from disposals of financial assets	-	-	-
TOTAL OTHER OPERATING INCOME	**2,909**	**1,739**	**1,549**
Other operating expenses	(1,024)	(1,199)	(1,215)
Expenses on management transactions	2	(8)	(66)
Net book value of intangible assets and tangible assets sold	(1,211)	(544)	(325)
Net book value of long-term investments sold	(168)	-	(212)
TOTAL OTHER OPERATING EXPENSES	**(2,402)**	**(1,751)**	**(1,818)**

Note 14 Other operating income and expenses

	2023	2022	2021
Non-current income from prior years	-	-	-
Other non-current income	188	369	3,556
TOTAL OTHER OPERATING INCOME	**188**	**369**	**3,556**
Impairment of goodwill	-	-	-
Non-current expenses on previous years	(3)	(14)	4
Other non-current expenses	(4,474)	(3,672)	(3,462)
TOTAL OTHER OPERATING EXPENSES	**(4,477)**	**(3,686)**	**(3,459)**

"Other non-current expenses" mainly relate to:

- Fees relating to the acquisition of REIKU and Ahn Chem for €0.8m;
- Fees relating to reorganization projects amounted to €2.0m;
- The cancellation of the effects of the remeasurement at fair value of REIKU's inventories consumed at 31 December 2023, amounting to €1.4m.

Note 15 Working capital requirement

15.1 Stocks and work-in-progress

Inventories are valued at the lower of cost and net realizable value.

Finished goods and work-in-progress are valued at production cost, which includes direct and indirect production costs based on a normal level of activity. Inventories of goods, 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 recognized when their realizable value is less than cost, if they are damaged or obsolete, and whenever there is a risk that they will not be sold under normal conditions.

Stocks

Inventories break down as follows:

	2023	2022	2021
Raw materials and other supplies	25,321	35,256	23,732
Work in progress - goods	2,404	1,595	1,225
Finished products	13,013	16,645	13,921
Goods	11,693	8,831	8,859
GROSS STOCKS	**52,431**	**62,327**	**47,738**
Provisions	(3,932)	(3,740)	(4,106)
NET STOCKS	**48,499**	**58,587**	**43,631**

Change in inventories

Opening gross inventories	**62,327**
Change in exchange rates	(967)
Change in inventories	(10,111)
Other movements	(3,436)
Changes in consolidation scope	4,617
Gross closing inventories	**52,431**

Opening provisions	**3,740**
Allocations	1,919
Reversals	(1,795)
Other movements	(33)
Change in exchange rates	(60)
Changes in consolidation scope	160
Closing provisions	**3,932**
Net closing inventories	**48,499**

The amounts included under other movements correspond to reclassifications between inventories and fixed assets for machines developed in-house but intended to be capitalized (€2.0m), and the cancellation of the effects of the remeasurement at fair value of REIKU's inventories consumed at 31 December 2023 (€1.4m).

Amounts included in changes in the scope of consolidation correspond to inventories of entities acquired in March 2023:

- The Korean company Ahn Chem for €0.8m;
- The German company REIKU for €1.8m;
- The revaluation at fair value of REIKU's inventories for €2.0m.

At 31 December 2023, provisions for depreciation of inventories amounted to:

- Raw materials and other supplies: €1.4 m;
- Finished products and work in progress: €1.7 m;
- Goods: €0.8 m.

15.2 Trade and other receivables

These receivables are recognized at their fair value remeasured at amortized cost using the effective interest rate method, less any impairment losses. Where payment terms are less than one year, the initial fair value and subsequent amortized cost are equal to the nominal amount.

Where there is a risk of non-recovery, impairment losses are recognized on a case-by-case basis, based on probable cash flows.

The table of receivables and other current assets is as follows:

	2023			2022	2021
	Gross	Provisions	Net	Net	Net
Accounts receivable and related accounts	**86,092**	**1,086**	**85,006**	**78,582**	**66,178**
Tax and social security receivables	5,652	-	5,652	5,985	6,898
Sundry debtors	1,422	-	1,422	801	554
Advances and deposits paid	2,145	-	2,145	3,125	1,264
Prepaid expenses	4,230	-	4,230	5,953	5,573
Sub-total other net receivables	**13,449**	**-**	**13,449**	**15,864**	**14,289**
Current tax	2,684	-	2,684	2,598	1,650
TOTAL	**102,225**	**1,086**	**101,139**	**97,043**	**82,118**

Accounts receivable increased by €6.4m, mainly due to the increase in business in the fourth quarter of 2023 compared with the same period in 2022 (+4%).

Given the quality of our customers, late payment is not a significant risk. They are generally the result of administrative problems.

At 31 December 2023, overdue payments of more than one month represented €1.4m, and the provision for doubtful customers amounted to €1.1m.

The majority of prepaid expenses correspond to the capitalization of costs associated with the sale of tooling under IFRS 15, as well as other operating expenses.

Factoring agreements

None.

15.3 Allocations to and reversals of provisions for current assets

	2023	2022	2021
Provisions for inventories	(1,919)	(1,712)	(2,526)
Provisions for other current assets	(605)	(313)	(587)
Reversals of provisions for inventories	1,795	2,057	1,027
Reversals of provisions on other current assets	402	462	126
TOTAL NET ALLOCATIONS TO PROVISIONS	**(328)**	**494**	**(1,961)**

15.4 Other current liabilities

	2023	2022	2021
Tax and social security liabilities	19,088	12,008	14,703
Advances and deposits received on orders	1,764	1,340	1,306
Deferred income	1,318	2,459	2,669
Partners' current account	-	-	-
Sundry debts	1,429	714	1,103
TOTAL	**23,600**	**16,519**	**19,782**

Accrued payroll costs increased by €6.3m in 2023, mainly due to the profit-sharing policy and an increase in the amount of the variable portion granted to certain managers, in view of the performance achieved in 2023.

15.5 Change in working capital requirements

	2023	2022	2021
Change in net inventories	(10,235)	15,994	9,510
Change in net accounts receivable	5,432	12,156	(22,552)
Change in trade payables	(1,557)	(5,094)	26,217
Other changes	(8,998)	4,417	168
INCREASE (DECREASE) IN WORKING CAPITAL REQUIREMENTS	**(15,358)**	**27,474**	**13,343**

Working capital requirements fell by €15.4m, mainly as a result of tight control over inventories.

Other changes mainly correspond to increases in accrued payroll costs of €6.3m.

E. Employee benefits

Note 16 Breakdown of staff

The workforce at 31 December (including temporary staff) breaks down as follows:

	2023	2022	2021
Manager	1	1	1
Executives	635	593	594
Employees	3,575	3,340	2,926
TOTAL GROUP	**4,211**	**3,934**	**3,521**

Note 17 Employee benefits

The amount recognized 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 liability for the Group.

The Group's commitments in respect of pensions and similar benefits mainly relate to defined benefit schemes for termination benefits. The countries concerned by these provisions are France, India, the Philippines and Italy.

The amount of pension and similar benefit obligations is not material (€1.8m) given the Group's financial position and assets.

Pension commitments for France, India and the Philippines are valued by an actuary using the actuarial principle of projected credit units with final salary in accordance with the revised IAS19. They are recorded as liabilities in the balance sheet, with a deferred tax asset being recognized. In the United States, the American subsidiaries match their employees' voluntary contributions to a private pension fund (401 K plan). In France, as from 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 recorded under staff costs.

The amount for Italy is not material and has not been calculated by an actuary.

The assumptions used to calculate provisions for retirement benefits for companies in different countries are as follows:

France	2023	2022	2021
Average retirement age	60 to 67 years	62 to 67 years	62 to 67 years
Turnover rate Executives	0.33% to 3.97%	0.49% to 3.75%	0.56% to 5.37%
Turnover rate Non-executives	0.43% to 4.80%	0.38% to 3.90%	0.78% to 4.17%
Discount rate	3.71%	3.26%	0.88%
Rate of salary increase	1.00 to 2.25%	1.00 to 2.25%	1.00 to 2.25%
Philippines			
Average retirement age	60 years	60 years	60 years
Turnover rate Executives	0 to 5%	0 to 5%	0 to 5%
Turnover rate Non-executives	0 to 5%	0 to 5%	0 to 5%
Discount rate	6.11%	7.19%	5.04%
Rate of salary increase	5.00%	5.00%	4.00%
India			
Average retirement age	58 years	58 years	58 years
Turnover rate Executives	12.00%	12.00%	12.00%
Turnover rate Non-executives	12.00%	12.00%	12.00%
Discount rate	6.38%	7.43%	6.38%
Rate of salary increase	10.00%	10.00%	10.00%

Change in provision for employee benefits

At the opening	**1,746**
Increase in existing provisions	330
New provisions	-
Unused reversals	-
Reversals used	(244)
Change in exchange rates	(25)
Other movements	-
Change in scope of consolidation	-
At closing	**1,808**

Note 18 Staff costs

	2023	% SALES	2022	% SALES	2021	% SALES
Salaries	88,686	19.4%	72,550	*17.4%*	68,197	*18.8%*
Social security costs	21,476	4.7%	17,814	*4.3%*	16,388	*4.5%*
Temporary workers	6,224	1.4%	6,118	*1.5%*	5,159	*1.4%*
TOTAL	**116,386**	**25.5%**	**96,483**	***23.1%***	**89,745**	***24.7%***

The personnel costs ratio is 25.5%, up 2.4 points between 2022 and 2023, impacted mainly by the increase in headcount (+500 people or +13%), as well as by the variable part of remuneration for performance achieved in 2023.

Note 19 Stock option plan

Special report on the stock option plan

None.

Stock options granted to corporate officers

The executive directors of Delfingen Industry do not hold any share options of any kind and have not been granted any share options during the financial year ended 31 December 2023.

Note 20 Remuneration for management bodies

Gross remuneration paid to management bodies amounted to €64k in respect of the 2023 financial year.

F. Intangible and tangible assets

Note 21 Goodwill and other intangible assets

21.1 Goodwill

Business combinations are accounted for using the purchase method (revised IFRS 3).

Goodwill represents the difference between the acquisition cost of shares in consolidated companies and the Group's share in the fair value of their assets and liabilities at the date of acquisition.

Goodwill is not amortized, in accordance with IFRS 3 (revised) "Business combinations". It is tested for impairment whenever there is an indication that it may be impaired, and at least once a year.

For the purposes of this test, goodwill is broken down by Cash Generating Unit, which corresponds to a homogeneous group generating independent cash flows. Under IFRS 8, the CGUs defined by the Group are no larger than an operating segment. In the event of an estimated loss in value at the end of a financial year, the impairment is recorded in profit (loss) for that year.

Details of impairment tests are provided in note 21.4.

21.2 Intangible assets

Research and development costs

In accordance with IAS 38, research costs are expensed and development costs arising from the application of research results are capitalized, provided that the Group can demonstrate:

- Its intention and its financial and technical capacity to see the development project through to completion; and
- The asset will generate future economic benefits; and
- The cost of this intangible asset can be measured reliably.

Development costs meeting the above criteria are capitalized and amortized over a maximum period of 5 years.

Other intangible assets

Other intangible assets include development and acquisition costs for computer software, patents and licenses. These costs are amortized on a straight-line basis over their estimated useful lives.

It should be noted that the Group's assets do not include any intangible assets with an indefinite useful life.

Depreciation

	Duration	Mode
Development costs	5 years	Linear
Fungible rights (Patents)	20 years	Linear
Software and other intangible assets	3 years	Linear

21.3 Change in goodwill and other intangible assets

	Goodwill	Development costs (internally generated)	Fungible rights	Other intangible assets	TOTAL
Gross value					
At the start of the financial year	**84,311**	**7,768**	**1,218**	**17,045**	**110,342**
Increases	-	283	-	2,424	2,707
Decreases	-	-	-	(38)	(38)
Changes in exchange rates	(1,802)	(69)	-	(259)	(2,130)
Other movements	-	-	32	268	300
Changes in scope of consolidation	23,445	-	232	334	24,010
At year-end	**105,953**	**7,983**	**1,481**	**19,774**	**135,190**
Depreciation and impairment					
At the start of the financial year	**23,648**	**5,298**	**502**	**8,802**	**38,250**
Increases	-	1,095	33	1,455	2,583
Decreases	-	-	-	(196)	(196)
Changes in exchange rates	(724)	(50)	1	(121)	(894)
Other movements	-	88	-	-	88
Changes in scope of consolidation	-	-	13	263	275
At year-end	**22,924**	**6,431**	**549**	**10,203**	**40,107**
Net value at year-end	**83,029**	**1,551**	**932**	**9,571**	**95,083**

Changes in the scope of goodwill relate to the acquisition of the Korean entity Ahn Chem for €4.0m and the German entity REIKU for €19.4m.

Development costs relate to expenditure generated internally on eligible projects.

Fungible rights represent international patents and product models developed by Group companies.

Other intangible assets mainly comprise customer portfolios, software and intangible assets in progress (capitalization of projects and software).

21.4 Impairment of goodwill

Principles

At least once a year, or whenever there is an indication that the recoverable amount of an asset may be less than its carrying amount, the recoverable amount of the asset is assessed and, if appropriate, an impairment loss is recognized.

The recoverable amount 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 value in use to determine the recoverable amount of a CGU.

For the purposes of this test, assets are grouped into Cash Generating Units (CGUs). Under IFRS 8, the CGUs defined by the Group are no larger than an operating segment.

To define CGUs, the Group has chosen to group its Business Units (BUs) strategically within its four operating segments: Mobility Americas (North, Central and South America), EA (Europe and Africa), Asia (Asia) and Industrial Market.

The EA Mobility operating segment comprises the following BUs:

- Bundle Protection and EA Fluid Transfer BU (CGU 1);

- Assembly/Mechanics BU (CGU 2);
- Bundle Assembly BU (CGU 3);
- Textile Protection BU Germany (CGU 10);
- Schlemmer BU (CGU 13).

The Mobility Americas operating segment comprises the following BUs:

- Bundle Protection Americas BU (CGU 4);
- Fluid Transfer Americas BU (CGU 5).

The Asia operating segment comprises the following BUs:

- Bundle Protection and Fluid Transfer Philippines 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);
- Technical Textiles BU Germany (CGU 11);
- Protective Tubes BU DROSSBACH (CGU 12).

Impairment tests were carried out in accordance with the following rules:

- Goodwill has been allocated to the various CGUs;
- Goodwill is tested for impairment whenever there is an indication that it may be impaired, and at least once a year;
- Value in use is determined by reference to discounted net cash flows after tax, based on a 4-year business plan drawn up by Group management;
- Discount rates are provided by an external service provider.

Impairment losses recognized in respect of goodwill are irreversible.

Impairment tests at 31 December 2023

Impairment tests carried out at 31 December 2023 at the level of each CGU did not result in any impairment.

The recoverable amount of CGUs has been determined by discounting the post-tax cash flows arising from the budget and medium-term plans for each CGU, approved by the Board of Directors, including a component for the return on investment expected by shareholders and a component for the cost of external financing. Cash flows are projected over 4 years.

This plan complies with the provisions of IAS 36.44. The calculation of value in use excludes:

- Future cash inflows or outflows expected to result from future restructuring to which the company is not yet committed - for example, reductions in personnel costs. With regard to restructuring operations, only those in which the entity is involved within the meaning of IAS 37 are taken into account in cash flows;
- Future capital expenditure that will improve or increase the performance of the asset.

The main assumptions affecting value in use are the level of operating margin used in future cash flows and the weighted average cost of capital.

The volume assumptions in the medium-term plan have been adjusted using the latest assumptions from external sources. Cash flow forecasts also include the impact on costs of the operational excellence plan. The extrapolation of cash flow forecasts beyond the last year of the medium-term plan (2027) is determined by applying a growth rate for the geographical area concerned.

The weighted average cost of capital used to discount future cash flows is based on an analysis carried out by an independent expert. For 2023, the average cost used as a rate to discount future cash flows has been set at 9.35% for the Mobility market and 10.38% for the Industrial market (10.75% and 9.49% respectively in 2022), incorporating a market risk premium of around 5.73%, a deleveraged debt beta* of 0.85% for the Mobility market and 1.04% for the Industrial market, and an additional rate linked to the size effect of 3.16% (compared with a market risk premium of 6.28% in 2022, a deleveraged debt beta* of 1.01% and an additional rate linked to the size effect of 3.16%).

The business risk premium includes the following spreads linked to the specific financial situation of each country:

- India: 2.49%
- Italy: 2.49%
- Morocco: 2.94%
- Tunisia: 5.86%
- Germany: -0.72%
- Philippines: 2.06%
- United States: -0.72%

**Beta is a measure of non-diversifiable risk, which expresses the volatility of shares in listed companies operating in the same business segment "Auto-parts"*

	Mobility market (1/2)				
	Philippines	**Americas**	**EASA**	**India**	**Germany**
	Protection and Transfer	**Protection**	**Protection and Transfer**	**Protection**	**Protection**
Gross carrying amount of goodwill	237	37,326	3,075	3,385	2,045
Net book value of goodwill	237	17,379	1,570	3,385	2,045
Method used	value in use				
Model parameters:					
Growth rate over 4 years	according to Budget 2024 and Medium Term Plan 2025/2027				
Growth rate on terminal value	7.60%	1.90%	3.19%	6.85%	1.50%
Discount rate	10.48%	8.96%	10.82%	10.72%	8.96%
Impairment losses recognized during the year	0	0	0	0	0
Change in discount rate leading to impairment	+17.3 points	+23.8 points	+27.5 points	+25.8 points	+15.7 points
Change in EBIT rate leading to impairment	-12.9 points	-10.7 points	-10.5 points	-14.9 points	-9.4 points
Variation in annual investments leading to impairment	€30.9 m	€56.0 m	€24.2 m	€33.5 m	€8.6 m

	Mobility market (2/2)			Industrial Market	
	Italy	Morocco	Tunisia	United States	
				Electrical Equipment	Protection tubes - Drossbach
Gross carrying amount of goodwill	4,923	14,043	3,519	6,190	6,504
Net book value of goodwill	4,923	14,043	3,519	6,030	6,504
Method used	value in use				
Model parameters:					
Growth rate over 4 years	according to Budget 2024 and Medium Term Plan 2025/2027				
Growth rate on terminal value	2.45%	1.30%	2.5%	1.90%	1.90%
Discount rate	10.72%	10.96%	12.56%	10.38%	10.38%
Impairment losses recognized during the year	0	0	0	0	0
Change in discount rate leading to impairment	9.4 points	+19.2 points	+45.7 points	+16.3 points	+37.7 points
Change in EBIT rate leading to impairment	-7.2 points	-12.4 points	-18.7 points	-10.9 points	-26.2 points
Variation in annual investments leading to impairment	€3.2 m	€17.4 m	€10.9 m	€6.0 m	€38.6 m

It should be noted that the following CGUs: fluid transfer Americas (CGU 5) and China (CGU 7), have no associated goodwill and do not appear in the table above.

Also, the Bundle Assembly BU (CGU 3) and the Technical Textiles Germany BU (CGU 11) are not presented due to the total impairment of the associated goodwill.

Note 22 Property, plant and equipment

Gross value

The gross value of property, plant and equipment corresponds to their acquisition or production cost. It is not subject to revaluation. Borrowing costs are excluded from the cost of fixed assets.

Where components of a tangible asset are identifiable, they are capitalized as a separate tangible asset.

This gross value includes assets eligible under IFRS 16.

Subsequent costs

In the case of the replacement of a component or expenditure that significantly extends the useful life of the asset, the cost is recognized as an asset.

In the case of ongoing maintenance, servicing and routine repairs that contribute to the proper use of the asset, the cost is recognized as an expense.

Depreciation

Depreciation is calculated on the basis of acquisition or production cost, less any residual value. Residual values are zero.

Depreciation periods are based on the estimated useful lives of the various categories of fixed assets, the main ones being:

		Duration	Mode
Fixtures and fittings, land and buildings		8 to 10 years	Linear
Buildings	Structural work	30 years	Linear
	Technical work packages	20 years	Linear
	Structural work finishing	15 years	Linear
Machinery and equipment		5 to 12 years	Linear
Transport equipment		5 years	Linear
Furniture/office equipment/computers		10 years/3 years	Linear

Change in property, plant and equipment

	Land	Buildings	Technical installations, equipment and industrial tools	Other tangible fixed assets	Tangible assets in progress	Advances and deposits paid on orders	TOTAL
Gross value							
At the start of the financial year	**4,333**	**67,370**	**114,512**	**13,633**	**9,967**	**942**	**210,757**
Increases	-	1,515	5,374	1,454	8,324	1,110	17,778
Decreases	(7)	(369)	(5,573)	(1,490)	(113)	-	(7,552)
Changes in exchange rates	(18)	(855)	(1,581)	(759)	(165)	(1)	(3,378)
Other movements	30	2,518	5,714	2,996	(7,140)	(1,132)	2,985

Changes in scope of consolidation	3,148	2,381	5,344	763	6	247	11,889
At year-end	**7,486**	**72,561**	**123,790**	**16,597**	**10,879**	**1,167**	**232,479**
Depreciation and impairment							
At the start of the financial year	**307**	**25,529**	**69,308**	**8,852**	**197**	**-**	**104,193**
Increases	97	7,391	8,683	2,423	-	-	18,594
Decreases	(5)	(369)	(4,453)	(1,522)	(97)	-	(6,447)
Changes in exchange rates	-	(460)	(1,091)	(685)	-	-	(2,236)
Other movements	-	(931)	(1,651)	(374)	-	-	(2,956)
Changes in scope of consolidation	-	308	4,035	566	14	-	4,923
At year-end	**398**	**31,468**	**74,830**	**9,260**	**114**	**-**	**116,071**
Net value at year-end	**7,088**	**41,092**	**48,960**	**7,336**	**10,765**	**1,167**	**116,408**

Property, plant and equipment in progress mainly concern machines developed in-house by Delfingen Industry (€4.6m).

Other movements mainly relate to the reclassification of fixed assets under construction, changes in IFRS 16 contracts and the reclassification between inventories and fixed assets of machines developed in-house but intended to be capitalized.

The amount for changes in the scope of consolidation corresponds to the acquisitions of Ahn Chem and REIKU in March 2023.

The impact of applying IFRS 16 in 2023 is as follows:

- Gross value of fixed assets: €47.9 m;
- Accumulated depreciation: €20.3 m;
- Net value of fixed assets: €27.6 m.

Note 23 Allocations and reversals for depreciation, amortization and provisions on intangible assets and property, plant and equipment

	2023	2022	2021
Provisions for intangible assets	-	-	-
Provisions for property, plant and equipment	(63)	-	(284)
Reversals of impairment losses on intangible assets	-	89	-
Reversals of impairment losses on property, plant and equipment	134	290	121
Total net allocations to provisions and impairment losses	**71**	**379**	**(162)**
Amortization of intangible assets	(2,583)	(2,966)	(2,862)
Depreciation of property, plant and equipment	(18,548)	(16,663)	(15,732)
Reversals of amortization of intangible assets	-	-	-
Reversals of depreciation on property, plant and equipment	-	54	-
Total net depreciation and amortization	**(21,131)**	**(19,575)**	**(18,594)**

G. Off-balance sheet commitments relating to operating activities

Note 24 Leases

The amount of non-cancellable future minimum lease payments under operating leases provides an indication of the annual cost of property leases without taking into account a discount rate and not restated in accordance with IFRS 16.

Breakdown of non-cancellable future minimum lease payments - under operating leases

Non-cancellable future minimum lease payments under operating leases fall due as follows:

	< 1 year	> 1 year and < 5 years	> 5 years	Total
Future minimum payments	197	0	0	197

Breakdown of future minimum lease payments under finance leases

	< 1 year	> 1 year and < 5 years	> 5 years	Total
Future minimum payments	190	152	0	341

H. Other provisions and contingent liabilities

Note 25 Provisions

A provision is recognized when the Group has an obligation at the balance sheet date to a third party and it is probable or certain that the obligation will result in an outflow of resources to the third party, without at least equivalent consideration being received from the third party.

Provisions for risks and liabilities are measured at the amount corresponding to the best estimate of the future outflow of resources required to settle the obligation. The risks and liabilities provided for in the consolidated balance sheet are all clearly specified in terms of their purpose and made probable by events that have occurred or are in progress.

Provisions are not discounted.

25.1 Change in provisions for other liabilities

	Litigation	Other risks and liabilities	Total non-current provisions
At the opening	**0**	**1,427**	**1,427**
Increase in existing provisions	-	41	41
New provisions	-	-	-
Unused reversals		-	-
Reversals used	-	(611)	(611)
Change in exchange rates	-	7	7
Other movements	-	-	-
Change in scope of consolidation	-	1	1
At closing	**0**	**866**	**866**

Provisions for other risks and liabilities mainly relate to tax risks (€629k).

In view of its international presence, significant intra-group flows and its organization, with a concentration of so-called "group services" in French entities, DELFINGEN Industry is identified as the Group's contractor. The main areas of risk identified during the tax audits relate to:

- Transfer pricing policy;
- Deductibility from taxable income of services provided by the parent company;
- Withholding tax and VAT on services provided by non-resident entities, particularly on transfer pricing adjustments. As these are not subject to VAT or withholding tax because they are price adjustments, 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 Allocations and reversals of provisions for risks and liabilities

	2023	2022	2021
Provisions for risks and liabilities	(371)	(713)	(671)
Reversals of provisions for risks and liabilities	856	797	591
TOTAL NET ALLOCATIONS TO PROVISIONS FOR RISKS AND LIABILITIES* (IN THOUSANDS OF EUROS)	**484**	**84**	**(80)**

** Including net allocations to provisions for employee benefits (see note 17).*

Note 26 Contingent liabilities

The Group has contingent liabilities relating to disputes arising in the normal course of business. A review of all known litigation in which the Group is involved was carried out at the balance sheet date. The provisions deemed necessary have been set aside to cover the estimated risks (see note 25.1).

DELFINGEN TN-Fouchana has the customs status of a fully exporting company. This status means that raw materials and components can be imported into Tunisia tax-free, as long as the manufacturing or transformation process is carried out locally.

Products purchased in Europe (mainly injection-moulded parts) were considered to be processed in Tunisia, with the added value being provided locally (mainly logistics organization and repackaging).

The Group considers that this situation may be subject to interpretation by the Tunisian customs authorities and could therefore involve a significant financial risk. However, to date the risk has not been realized and its amount cannot be reliably estimated. For this reason, no provision has been recorded in this respect.

To limit the risks, DELFINGEN TN-Fouchana customers were informed in March 2024 that the products in question would no longer be served directly by the Fouchana site but by DELFINGEN sites located in Italy and Germany.

I. Shareholders' equity and earnings per share

Note 27 Treasury shares

In November 2023, Delfingen Industry cancelled its own shares in return for a capital reduction. The difference between the repurchase price of the cancelled shares and their nominal value was charged to "Other reserves". The remaining €110k in treasury shares corresponds to the 752 shares held under the liquidity contract.

Note 28 Share capital and additional paid-in capital

The share capital is made up of 2,615,432 shares with a par value of €1.54 each. At 31 December 2023, DELFINGEN Industry held 752 shares through its liquidity contract. On 9 November 2023, Delfingen Industry cancelled 50,688 of its treasury shares and consequently reduced its share capital by €78,059.52.

In €	Number of shares	Share capital	Premiums	Legal reserve	Total

Securities at year-end 2021	2,666,120	4,105,825	15,276,838	410,582	19,793,221
Securities at year-end 2022	2,666,120	4,105,825	15,276,838	410,582	19,793,221
Securities at year-end 2023	2,615,432	4,027,765	15,276,838	410,582	19,715,186

Breakdown of DELFINGEN Industry's share capital at 31 December 2023

DELFINGEN Group	56.71%
ASCOM Participation	5.90%
Liquidity contract	0.07%
Other public	37.32%
Total	100.00%

ASCOM Participation, a simplified joint stock company with capital of 420,000 euros, whose shareholders are the members of the Group's Executive Committee, held 153,324 shares in DELFINGEN Industry at 31 December 2023.

Note 29 Dividends paid

Dividends paid to shareholders of the parent company in respect of the last three financial years amounted to:

- 2020: €1.0 m;
- 2021: €3.0 m;
- 2022: €1.7 m.

The Board of Directors is proposing to distribute dividends of €3.0m in respect of the 2023 financial year.

Note 30 Minority interests

The rationalization of minority interests does not call for any particular comment.

Note 31 Earnings per share

Earnings per share (before dilution) are calculated as the ratio between net profit for the year, Group share, and the weighted average number of shares in circulation (excluding treasury shares) during the year.

Diluted earnings per share for 2023 are identical to those before dilution.

In €	**2023**	**2022**	**2021**
Net profit (loss), Group share	6,904,138	8,145,264	16,125,833
Weighted average number of shares in circulation	2,615,432	2,615,432	2,624,847
Weighted average number of shares in issue	2,658,798	2,666,120	2,666,120
Diluted weighted average number of shares in circulation	2,615,432	2,615,432	2,624,847
Earnings per share attributable to shareholders			
Basic	2.64	3.11	6.14
Diluted	2.64	3.11	6.14

J. Financing and financial instruments

Note 32 Financial assets and liabilities

32.1 Non-current financial assets

The main items in this category are deposits and guarantees paid in connection with leases for premises not owned by the Group, non-consolidated securities and sureties transferred as security for bank loans.

32.2 Financial liabilities

Borrowings and other financial liabilities were measured at amortized cost calculated using the effective interest rate (EIR) and adjusted for attributable transaction costs. The difference between cost and redemption value is recognized in the income statement and amortized over the term of the financial liabilities.

In view of the insignificant impact on the consolidated financial statements, the Group has decided not to apply it.

32.3 Breakdown of assets and liabilities by category of financial instrument

	Breakdown by category of financial instrument					
	Closing total	Fair value through profit (loss)	Assets available for sale	Loans, receivables and other liabilities	Debt at amortized cost	Derivative instruments
Other non-current financial assets	2,637	-	-	2,637	-	-
Customers	85,006	-	-	85,006	-	-
Other debtors (excluding current tax)	13,449	-	-	13,449	-	-
Cash equivalents	-	-	-	-	-	-
Cash	21,009	21,009	-	-	-	-
ASSETS	**122,101**	**21,009**	**-**	**101,092**	**-**	**-**
Financial debt	168,388	-	-	-	168,388	-
Other non-current financial liabilities	-	-	-	-	-	-
Suppliers	37,383	-	-	37,383	-	-
Other current liabilities	23,600	-	-	23,600	-	-
LIABILITIES	**229,370**	**-**	**-**	**60,983**	**168,388**	**-**

Note 33 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current accounts with banks and money market funds and negotiable debt securities that can be sold or transferred in the very short term. All these items are measured at fair value, with any adjustments recognized in profit (loss).

33.1 Breakdown of cash and cash equivalents

	2023	2022	2021
Marketable securities	-	-	-
Liquid assets	21,009	14,925	26,452
TOTAL GROSS	**21,009**	**14,925**	**26,452**
Provisions	-	-	-
TOTAL NET	**21,009**	**14,925**	**26,452**

33.2 Cash and cash equivalents presented in the cash flow statement

	2023	2022	2021
Cash and cash equivalents	21,009	14,925	26,452
Bank overdrafts	(10,012)	(20,481)	(11,199)
CASH AND CASH EQUIVALENTS PRESENTED IN THE CASH FLOW STATEMENT	**10,997**	**(5,556)**	**15,254**

Note 34 Financial debt

34.1 Current and non-current financial debt

The bank financing contracts put in place have covenants referring to the consolidated financial position either at the level of the DELFINGEN Group, or at the level of the Americas region for DELFINGEN US-Holding loans. These financial covenants are set in consultation with the lenders. Compliance is assessed at each annual and/or half-yearly closing for loans in France and quarterly for loans in the United States.

Failure to comply with these ratios authorizes the lender to declare the financing in question due and payable (in full or in part).

At the balance sheet date, DELFINGEN Industry was in compliance with all covenants.

34.2 Net financial debt

Net debt is defined as long-term debt, short-term loans and bank overdrafts, less loans and other long-term financial assets and cash and cash equivalents.

Financial debt due in less than one year includes renewable overdrafts and bank overdrafts totaling €10,012k.

34.3 Gearing ratio

	2023	2022	2021
Net financial debt	147,378	128,270	103,882
Total shareholders' equity	147,416	145,729	138,802
Gearing ratio	**99.97%**	**88.0%**	**74.8%**

34.4 Breakdown by type

	2023	2022	2021
Non-current portion			
Bond issues	16,000	26,000	23,787
Borrowings from credit institutions	74,689	48,335	40,498
Derivative financial instruments (non-current liabilities)	202	113	-
Liabilities associated with participating interests (non-current liabilities)	6,849	-	-
Restatement of leases	152	387	677
IFRS 16 restatement	21,423	24,864	26,727
Borrowings and other liabilities	-	1	-
Sub-total non-current financial debt	**119,315**	**99,701**	**91,688**
Current portion			
Bond issues	10,000	-	-
Borrowings from credit institutions	21,780	16,463	21,192
Bank credit balances	10,012	20,481	11,199
Accrued interest on borrowings	86	20	22
Restatement of leases	261	346	563
IFRS 16 restatement	6,932	6,184	5,671
Borrowings and other liabilities	-	-	-
Sub-total current financial debt	**49,073**	**43,494**	**38,647**
Total financial debt	**168,388**	**143,195**	**130,335**

Bank credit balances correspond to the drawn portion of short-term bank credit lines.

The impact of applying IFRS 16 in 2023 is a balance of €28m, €2.7m lower than in 2022.

Liabilities associated with participating interests correspond to the 5-year discounted liabilities of the entities acquired in 2023: REIKU GmbH for €3.1m and Ahn Chem Co. Ltd. for €3.7m.

The change in liabilities included in financing activities is explained as follows:

Opening balance	**143,195**
Bond issues	120,596
Repayment of borrowings (excluding IFRS 16 and leases)	(92,839)
Changes arising from obtaining or losing control of subsidiaries or other businesses	11,072
Effect of changes in foreign exchange rates	(813)
Change in fair value	90
Change in debt IFRS 16	(2,201)
Change in debt Leasing	(309)
Change in bank credit balances	(10,469)
Other	66
Closing balance	**168,388**

34.5 Breakdown by maturity (excluding IFRS 16)

Breakdown of non-current financial debt by maturity

	Total	2025	2026	2027	2028	> 5 years
Financial debts* (in thousands of euros)	119,315	38,783	14,574	20,202	21,981	23,775

** including leasing debts and other financial debts*

Breakdown by maturity of original financial debt of more than one year from credit institutions

Subscription date	Total	2024	2025	2026	2027	2028	Beyond
Prior to 2023	45,469	19,780	4,280	1,563	7,189	2,132	10,525
2023	77,000	12,000	12,750	13,000	13,000	13,000	13,250
TOTAL	**122,469**	**31,780**	**17,030**	**14,563**	**20,189**	**15,132**	**23,775**

The maturity of the debt increased from 2.64 to 2.84 after the new financing was obtained in 2023:

- A €78m refinancing loan maturing in 2029;
- A new €5m Bpifrance loan maturing in 2030;
- With Huntington National Bank (USA):
    - A medium-term equipment loan for $1.9m.

34.6 Breakdown by currency

All borrowings from credit institutions are denominated in euros (€113.0m), South Korean won (€3.9m) for the Korean company and dollars (€5.6m) for the US companies.

34.7 Breakdown by type of rate

The table below shows the most significant medium-term loans outstanding, broken down into fixed and variable rates (in millions of euros).

Type of loan	Fixed rate	Variable rate	Total amount of lines	Capital outstanding at 31/12/23	Maturities	Whether or not there is hedging
Conventional credit		E3M + margin	10.0	4.0	2025	
		E3M + margin	78.0	72.0	2029	E3M hedging
		E3M + margin	5.0	5.0	2030	
		E3M + margin	0.3	0.2	2027	
	Fixed rate		8.0	2.5	2025	
	Fixed rate		2.1	2.0	2030	
	Fixed rate		1.4	0.3	2026	
Bond issue	3.90%		10.0	10.0	2024	
Bond issue		E6M + margin	10.0	10.0	2029	
Bond issue		Variable according to ratio	6.0	6.0	2027	
Innovation Loan Contract	0.00%		0.7	0.4	2026	
Recoverable Advance Aid Contract	0.00%		0.1	0.1	2026	
Future Loan	4.86%		4.0	0.6	2024	Cash collateral
Conventional credit		Libor USD 1 month + margin	4.3	1.1	2024	
Conventional credit		Libor USD 1 month + margin	0.6	0.4	2026	
Conventional credit		Libor USD 1 month + margin	2.0	1.5	2027	
Conventional credit		Libor USD 1 month + margin	2.6	2.5	2028	
Conventional credit		Korea Libor + margin	2.2	2.2	2024	
Conventional credit		Korea Libor + margin	1.5	1.5	2028	
Conventional credit	2.90%		0.2	0.2	2024	
		TOTAL	**149.0**	**122.5**		

Note 35 Financial risk management

35.1 Liquid assets

Liquidity positions

At 31 December 2023, DELFINGEN Industry had positive net cash of €10,997k, compared with negative net cash of (€5,556k) at 31 December 2022.

The additional sources of access to liquidity in 2023 are as follows:

- Short-term bank credit lines totaling €30m, of which €10m has been drawn down;
- Traditional short-term bank credit lines totaling €0.5m, which have not been drawn down;
- A medium-term bank credit line totaling €4.5m, which has not been drawn down.

Factoring agreements

None.

Loans to DELFINGEN US-Holding

Huntington National Bank has confirmed its support for DELFINGEN US-Holding by granting a medium-term equipment loan totaling $1.9m.

DELFINGEN US-Holding's exposure to liquidity risk is limited by DELFINGEN Industry's support of the Group's liquidity management policy (cash centralization).

Loans to Ahn Chem

Ahn Chem has not taken out any new loans in 2023. Loans had been taken out prior to the acquisition, with a principal outstanding of €3.7m at 31 December 2023.

Covenants

	2023
Financial debt linked to A covenants	98,000
Financial debt linked to B covenants	5,529
Financial debt not linked to covenants	18,940
TOTAL GROSS FINANCIAL DEBT	**122,469**

All loans and credit lines subject to covenants are subject to a related early repayment clause:

For covenants A (calculated on the basis of the Group's consolidated data):

- The ratio of NFD* to current EBITDA*, which must be less than 3.5;
- The NFD* / Equity ratio, which must be less than 1.

For covenants B (calculated on consolidated data at the level of DELFINGEN US-Holding):

- The EBITDA* (adjusted for dividends)/(debt servicing + corporation tax paid + unfunded investments) ratio, which must be greater than 1.1 at 31 December 2023;
- The Debt (adjusted for subordinated debt)/EBITDA* ratio, which must not exceed 2.5.

At the balance sheet date, DELFINGEN Industry complied with all 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. At 31 December 2023, currency hedges had been taken out for:

Total $m	Average rate	Total €m	Maturity
6.3	1.0846	5.8	2024

Sensitivity to changes in the dollar

Impact of the change in the dollar on the 2023 financial statements:

	USD
Assumed change against the euro	*10%*
Impact on profit (loss) before tax	€1,220 k
Impact on equity	€8,075 k

35.3 Financial interest rate risk management

Following the signature of the new credit agreement with the banking pool in 2023, the Group has taken out an interest rate hedge for €36m.

It should also be noted that a change of +/- 0.5 points in interest rates would have an impact of +/- 826 k€ on financial interest expense for the year.

35.4 Counterparties

DELFINGEN Industry is exposed to counterparty risk as part of its financing operations. However, this risk is limited by the fact that these financing transactions 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, as well as the Micado Fund and Tikehau Investment Management;
- In the United States: Huntington National Bank;
- In Germany: Kulmbacher Bank;
- In Korea: Daegu Bank, Industrial Bank of Korea and KOSME Bank.

Note 36 Financial income and expenses

36.1 Other financial income and expenses

	2023	2022	2021
Foreign exchange gains	5,445	2,617	4,092
Other financial income	(93)	201	320
Reversals of provisions and financial amortization	-	-	-
TOTAL OTHER FINANCIAL INCOME	**5,352**	**2,818**	**4,411**
Allocations to provisions and financial amortization	-	-	-
Foreign exchange losses	(6,808)	(2,755)	(3,545)
Other financial expenses	(128)	(133)	(64)
TOTAL OTHER FINANCIAL EXPENSES	**(6,935)**	**(2,888)**	**(3,609)**

At 31 December 2023, the balance of foreign exchange differences was negative by €1.4m.

36.2 Gross cost of debt

	2023	2022	2021
Interest expense	8,018	3,515	3,787
Gross cost of debt	**8,018**	**3,515**	**3,787**

The average cost of gross debt (excluding interest rate hedges) was 4.80% in 2023, compared with 2.62% in 2022.

Note 37 Off-balance sheet commitments relating to Group financing

Details of the Group's off-balance sheet financing covenants are provided in note 35.1 on liquidity risk management.

37.1 Guarantees and sureties given

This item breaks down as follows:

	2023	2022	2021
Pledges	14,100	6,598	4,744
Sureties	1,151	-	52
Bank guarantees	1,599	-	-
Supplier guarantees	1,064	-	-
TOTAL	**17,913**	**6,598**	**4,796**

The amount of pledges mainly comprises:

- 5.6m: pledging of equipment, receivables and inventories in connection with loans taken out by the subsidiary Delfingen US Holding;
- 7.7m: pledge of shares in Delfingen FR-Anteuil as part of the new senior credit agreement signed in September 2023.

37.2 Guarantees and sureties received

This item breaks down as follows:

	2023	2022	2021
Undrawn credit facility	4,525	4,688	4,415
Unused cash facility authorizations	20,505	409	9,550
Bank guarantees	100	-	-
Sureties and other guarantees	-	-	355
TOTAL	**25,131**	**5,097**	**14,320**

K. Current and deferred tax

The income tax charge corresponds to current tax for each consolidated tax entity, adjusted for deferred tax.

Current tax is based on the profits of Group companies. It is calculated in accordance with local rules and includes any adjustments in respect of previous years.

Deferred tax is calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, using the applicable tax rates.

Deferred tax liabilities are systematically recognized. The prospects of recovering deferred tax are periodically reviewed by tax entity. Deferred tax assets are recognized only to the extent that deferred

tax liabilities exist for at least the same amount, or when future taxable profit is probable in the short to medium term.

Deferred tax assets and liabilities are not discounted.

Note 38 Tax charge

38.1 Breakdown of tax charge

Taxation for the period is as follows:

	2023	2022	2021
Tax payable	8,239	6,771	5,148
Deferred tax	(989)	(865)	(197)
TOTAL	**7,250**	**5,906**	**4,950**

38.2 Analysis of tax charge

	Total	Percentage
Profit (loss) before tax	14,276	-
Theoretical tax	**3,569**	**25.00%**
Corporation tax on permanent differences	979	6.85%
Corporation tax on unrecognized temporary differences	-	n/a
Rate change	-	n/a
Difference between local rate and French rate	(452)	(3.17%)
Tax credit, tax adjustment and/or flat-rate tax	(91)	(0.63%)
Non-capitalization of losses carried forward	2,007	14.06%
Allocation of previous losses and regulation on recognition of deficits	210	1.47%
De-recognition of deferred tax previously recognized	818	5.73%
Miscellaneous	210	1.47%
Effective corporation tax	**7,250**	**50.78%**

Allocations of previous losses and capitalization of deficits concern the DELFINGEN SG-Filipinas entity in the amount of €0.2m in respect of intra-group provisions.

Intercompany customer provisions fell by €3.2m, impacting the basis for deferred tax asset recognition.

Corporation tax on permanent differences relates to permanent offsets between accounting profit (loss) and taxable profit (loss), amounting to €0.9m.

The "Other" line corresponds to a tax provision of €350k for DELFINGEN MA-Tanger, and the reversal of part of the tax provision set aside in 2022 for DELFINGEN IT-Verona, amounting to €234k.

Note 39 Deferred tax

	2023		2022		Change in deferred tax	Of which OCI	Of which change in scope of consolidation	Of which foreign exchange	Of which impact on profit (loss)
	Base	Tax	Base	Tax					
Capital gain on internal transfer	1,738	435	1,503	376	59	-	-	-	59
Stock margins	2,871	617	3,037	659	(41)	-	-	(12)	(29)
Restatement of depreciation	125	57	901	191	(134)	-	-	8	(142)
Tax losses carried forward	2,524	631	5,871	1,465	(834)	-	-	0	(834)
Provision for Deferred and Restated Taxes	1,400	243	1,539	290	(43)	(25)	-	(2)	(16)
IFRS 16 Leases	853	165	782	159	7	-	-	(4)	10
Social security adjustments	-	-	826	139	(139)	-	-	-	(139)
Other tax asset bases	8,280	1,786	6,243	1,328	455	-	-	(49)	504
Deferred tax assets	**17,792**	**3,934**	**20,702**	**4,605**	**(671)**	**(25)**	**-**	**(58)**	**(588)**
Restatement of depreciation	3,979	806	4,546	915	(110)	-	-	(29)	(80)
Leasing	375	104	427	119	(14)	-	-	-	(14)
Financial instruments (restatement of interest on borrowings)	(202)	(51)	(113)	(28)	(22)	-	-	-	(22)
Impairment of goodwill	14,430	3,062	14,534	3,081	(19)	-	-	(111)	92
Capitalization R&D and inventory studies	1,271	272	1,703	374	(102)	-	-	(7)	(95)
Revaluation of fixed assets	4,557	973	4,840	1,028	(55)	-	-	(15)	(40)
Social security adjustments	1,776	373	1,956	411	(38)	-	-	(13)	(24)
Intra-group provision	2,524	631	5,794	1,449	(818)	-	-	-	(818)
Change in scope	1,999	638	-	-	638	-	-	-	638
Other tax liability bases	1,671	218	4,367	900	(682)	(89)	638	(26)	(1,205)
Deferred tax liabilities	**32,378**	**7,027**	**38,055**	**8,248**	**(1,221)**	**(89)**	**638**	**(202)**	**(1,569)**
Net deferred tax	**14,586**	**3,093**	**17,353**	**3,643**	**(550)**	**(64)**	**638**	**(143)**	**(981)**

**OCI: Other comprehensive income*

The stock of tax loss carryforwards for all Group companies amounted to €10.5m at 31 December 2023, of which €2.5m had been capitalized. These capitalized losses relate to the tax consolidation of Delfingen Industry and Delfingen FR-Anteuil SAS, and correspond in their entirety to intra-group provisions (excluding tax consolidation) that will be deductible for tax purposes at 31 December 2023.

The provision for goodwill corresponds to the tax amortization of goodwill relating to Delfingen US-Holding (€14.4m).

The €1.5m increase in other deferred tax bases is mainly due to the provision for profit-sharing, which was nil in 2022.

Other deferred tax liabilities mainly relate to the amount presented in 2017 as a change in scope following the acquisition of the Drossbach Group for €3.3m.

Note 40 Scope of tax consolidation

A tax consolidation agreement has been signed between Delfingen Industry, the parent company, and Delfingen FR-Anteuil SAS.

DELFINGEN Industry, the parent company, benefits from the tax deferral resulting from the application of the tax consolidation agreement.

L. Other information relating to the cash flow statement

Note 41 Cash flow from operations before tax and cost of net financial debt (CAFICE)

	2023	2022	2021
CAFICE	**45,487**	**40,310**	**44,034**
of which: Net profit (loss)	*7,026*	*8,268*	*16,359*
Depreciation and amortization & Provisions	*20,594*	*19,458*	*18,969*
Capital gain (loss) on disposal of fixed assets	*917*	*3,256*	*405*
IFRS 16 termination of contracts	*-*	*(11)*	*-*
Badwill	*-*	*-*	*(376)*
Other calculated income and expenses	*1,681*	*(82)*	*-*
Interest paid	*8,018*	*3,515*	*3,727*
Tax	*7,250*	*5,906*	*4,950*

Note 42 Free cash flow

	2023	2022	2021
CAFICE	45,487	40,310	44,034
Change in WCR	15,358	(27,474)	(13,343)
Tax paid	(9,600)	(6,728)	(4,215)
Free cash flow (before investments)	***51,245***	***6,107***	**26,476**
Investments (net of fixed asset disposals)	(20,336)	(18,128)	(14,143)
Net free cash flow (after investments)	**30,909**	**(12,021)**	**12,333**

M. Miscellaneous information

Note 43 Fees paid to the Statutory Auditors

The fees paid during the 2023 financial year to the two Statutory Auditors of the parent company DELFINGEN Industry for auditing the annual financial statements and the consolidated financial statements are as follows:

	EXCO P2B AUDIT				AUDITIS			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2023	2022	2023	2022	2023	2022	2023	2022
Audit								
Statutory audit, certification, review of individual and consolidated financial statements								
▪ Issuer	88.5	85.0	79%	80%	96.0	85.0	81%	80%
▪ Fully consolidated subsidiaries	23.0	21.9	21%	20%	23.0	21.9	19%	20%
Services other than certification of accounts								
▪ Issuer								
▪ Fully consolidated subsidiaries								
Subtotal	*111.5*	*106.9*	*100%*	*100%*	*119.0*	*106.9*	*100%*	*100%*
Other services provided by the networks to fully consolidated subsidiaries								
▪ Legal, tax, employment								
▪ Other (please specify if >10% of audit fees)								
▪ Subtotal								
TOTAL	**111.5**	**106.9**	**100%**	**100%**	**119.0**	**106.9**	**100%**	**100%**

The audit of the financial statements of the Group's various subsidiaries by local or international audit firms resulted in the payment of fees totaling €595k.

N. Related party transactions

In accordance with IAS 24 (revised), transactions with the DELFINGEN Group, the Group's parent company, and other DELFINGEN Industry subsidiaries are treated as related party transactions.

Total related parties	2023	2022	2021
Accounts receivable	43	408	59
Current accounts in debit	-	-	-
Sundry financial liabilities	-	-	-
Accounts payable	1,016	418	195
Current accounts in credit	-	-	-
Operating income (reinvoicing)	192	172	165
Operating expenses (management fees and other)	(4,203)	(3,490)	(4,242)
Financial income and expense	-	-	-

The DELFINGEN Group hosts the members of the Executive Committee, whose services are re-invoiced to DELFINGEN Industry on a "Cost +" basis, including a 10% margin on the payroll.

O. Events after the balance sheet date

Change of name of AHN Chem Co. Ldt: The Korean company AHN Chem Co. Ldt, acquired in 2023, changed its name to DELFINGEN Korea on 01 April 2024.

7.1.6 Statutory auditors' report on the consolidated financial statements

AUDITIS

5 Rue René Char

21000 DIJON

EXCO P2B AUDIT

16 rue Frédéric Japy

25200 MONTBELIARD

DELFINGEN INDUSTRY

A public limited company with capital of €4,027,765.28
Registered office: Rue Emile STREIT
25340 ANTEUIL

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING 31 DECEMBER 2023

To the General Meeting of DELFINGEN INDUSTRY,

Opinion

In execution of the assignment entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of the DELFINGEN INDUSTRY Group for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the elapsed year and of the financial position and assets and liabilities of the Group at that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis of opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' Responsibilities for the Consolidated Financial Statements".

Independence

We conducted our audit in accordance with the rules of independence set out in the Commercial Code and in the Code of Ethics for Statutory Auditors, covering the period from 1 January 2023 to the date of issue of our report.

Comment

Without qualifying the opinion expressed above, we draw your attention to the matter set out in note 26 "Contingent liabilities" to the consolidated financial statements concerning tax and customs risks in Tunisia.

Justification of assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the Commercial Code relating to the justification of our assessments, we hereby inform you that the most significant assessments that we have made, in our professional opinion, relate to the appropriateness of the accounting policies used, the reasonableness of the significant estimates made and the overall presentation of the financial statements.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and of the formation of our opinion expressed above. We do not express an opinion on the individual components of these consolidated financial statements.

Our assessments focused on the appropriateness of the accounting policies used and the reasonableness of the significant estimates made, in particular with regard to the judgements and estimates made by DELFINGEN INDUSTRY's management and the formulation of assumptions, notably concerning asset impairment, provisions and deferred tax, as 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 the calculations made by the Group through sampling, 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 balance sheet date, the Group systematically tests goodwill and assets with indefinite useful lives for impairment, and also assesses whether there is any indication of impairment of long-term assets, as described in note 21 to the financial statements.

With regard to the methods used to carry out this impairment test, we have:

- examined, by sampling, the future cash flows based on the budget approved by the Board of Directors, historical results and the Group's economic and financial environment;
- verified, by sampling, the arithmetical 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 key assumptions and sensitivity analyzes, is adequately presented.

Specific checks

In accordance with professional standards applicable in France, we have also verified the information given in the Board of Directors' management report in respect of the Group, as required by law and regulations.

We have no comments as to its fair presentation and consistency with the consolidated financial statements.

We hereby certify that the consolidated non-financial performance declaration required by Article L.225-102-1 of the Commercial Code is included in the Group management report, it being specified that, in accordance with the provisions of Article L.823-10 of this Code, the information contained in this declaration has not been verified by us as to its fair presentation or consistency with the consolidated financial statements and is the subject of a report by an Independent Third Party.

Responsibilities of management and those charged with governance in relation to the consolidated financial statements

It is the responsibility of management 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 such internal control procedures as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for making an assessment of the company's ability to continue as a going concern, for disclosing in those financial statements, where appropriate, relevant information relating to the going concern basis of accounting and for applying the going concern basis of accounting unless the company is to be wound up or cease trading.

The consolidated financial statements have been approved by the Board of Directors.

Statutory auditors' responsibilities relating to the audit of the consolidated financial statements

Our responsibility is to report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit carried out in accordance with professional standards will systematically detect any material misstatement.

Misstatements may arise from fraud or error and are considered material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions that users of the financial statements make on the basis of the financial statements.

As stipulated by Article L.821-55 of the Commercial Code, our role as auditors is not to guarantee the viability or quality of your Group's management.

In an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit.

In addition:

- The auditor identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and implements audit procedures to address those risks, and obtains audit evidence that it believes to be sufficient and appropriate to provide a basis for its audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, as fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control;

- The auditor obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- It assesses the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;
- It assesses the appropriateness of management's application of the going concern assumption and, based on the information gathered, whether there is any material uncertainty related to events or circumstances that may affect the Group's ability to continue as a going concern. This assessment is based on information gathered up to the date of its report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If it concludes that there is a material uncertainty, it draws the attention of the readers of its report to the information provided in the consolidated financial statements about that uncertainty or, if that information is not provided or is not relevant, it issues a qualified audit opinion or a refusal to certify;
- It assesses the overall presentation of the consolidated financial statements and whether they give a true and fair view of the underlying transactions and events;
- With regard to the financial information of persons or entities included in the scope of consolidation, it gathers information that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for directing, supervising and performing the audit of the consolidated financial statements and for expressing an opinion on those financial statements.

The Statutory Auditors

Dijon, 29 April 2024	Montbéliard, 29 April 2024
AUDITIS	EXCO P2B Audit
Philippe DANDON	Pierre BURNEL
Partner	Partner

7.2 Individual company financial statements

General information

DELFINGEN Industry is a public limited company (société anonyme) under French law with its registered office at: Rue Emile Streit - 25340 Anteuil, France.

The financial statements at 31 December 2023 were approved by the Boards of Directors on 29 March 2024 and 25 April 2024 and will be submitted for approval at the next General Meeting.

The company is listed on Euronext Growth Paris.

Unless otherwise indicated, all amounts are expressed in thousands of euros.

Terms followed by * are defined in the glossary.

7.2.1 Income statement

	2023	2022	2021	Notes
Operating income				
Sale of goods	1,201			
Production sold services France	1,536	1,684	2,314	
Export	56,452	46,033	45,393	
Net sales	**59,189**	**47,717**	**47,707**	**C**
Operating subsidies	78	-	-	
Stocked production	(363)	-	-	
Capitalized production	671	294	815	
Reversals of depreciation, amortization and provisions, expense transfers	2,839	276	295	
Other income	674	299	452	
Total operating income (I)	**63,088**	**48,586**	**49,267**	
Operating expenses				
Purchase of goods	1,126	-	-	
Change in inventories of goods	57	-	-	
Purchases of raw materials and other supplies	4,637	-	-	
Other purchases and external charges (1)	42,376	39,487	36,087	
Taxes and similar payments	446	284	356	
Depreciation of fixed assets	1,640	1,170	1,181	
Depreciation of current assets	380	4,779	-	
Provisions for risks and liabilities	63	-	92	
Staff costs	14,288	7,355	6,739	
Other expenses	614	406	383	
Total operating expenses (II)	**65,628**	**53,481**	**44,838**	
Operating profit (loss) (I-II)	**(2,541)**	**(4,895)**	**4,430**	
Financial income				
Financial income from equity interests (2)	3,988	5,163	6,388	
Other interest and similar income (2)	8,782	1,252	929	
Reversals of provisions and expense transfers	950	1,116	2,138	
Positive exchange rate differences	1,023	561	391	
Net proceeds from disposals of marketable securities	-	-	-	
Total financial income (III)	**14,743**	**8,092**	**9,847**	
Financial expenses				
Depreciation, amortization and provisions	1,746	278	223	
Interest and similar expenses (3)	7,283	2,807	2,698	
Exchange rate differences	846	1,069	320	
Total financial expenses (IV)	**9,874**	**4,154**	**3,242**	
Net financial profit (loss) (III-IV)	**4,868**	**3,938**	**6,605**	
Profit (loss) on ordinary activities before tax (I-II+III-IV)	**2,328**	**(957)**	**11,034**	
Extraordinary income (V)	141	466	11	C
Extraordinary expenses (VI)	218	1,167	1,905	C
Extraordinary profit (loss) (V-VI)	**(78)**	**(701)**	**(1,894)**	
Income tax (VII)	(224)	(182)	25	H
Total income (I+III+V)	77,971	57,144	59,125	
Total expenses (II+IV+VI+VII)	75,497	58,621	50,010	
Profit or loss	**2,474**	**(1,476)**	**9,115**	
(1) Of which property leasing	-	-	-	
(2) Of which income from affiliated companies	*5,850*	*6,222*	*7,036*	*K*
(3) Of which interest on affiliated companies	*518*	*200*	*89*	

7.2.2 Balance sheet

ASSETS	Gross amounts	Depreciation, amortization and provisions	2023 Net amounts	2022 Net amounts	2021 Net amounts	Notes
Fixed assets						
Uncalled subscribed capital (O)						
Intangible assets						
Development costs	1,771	1,433	338	-	-	E
Concessions, patents and similar rights	1,133	405	728	-	-	E
Intangible assets	11,322	5,829	5,493	3,312	1,663	E
Property, plant and equipment						
Land	229	66	163	168	143	E
Buildings	6,772	4,802	1,870	1,637	1,385	E
Technical installations, equipment and industrial tools	2,357	1,702	655	-	-	E
Other property, plant and equipment	2,704	2,013	692	587	583	E
Fixed assets in progress	904	77	827	10	335	E
Advances and deposits paid on property, plant and equipment	-	-	-	-	24	
Long-term investments						
Own shares	-	-	-	1,412	920	G
Other investments	155,243	12,342	142,901	110,358	109,394	G
Loans to subsidiaries and affiliates	26,042	-	26,042	22,104	19,296	G
Other long-term investments	549	51	498	238	516	G
TOTAL (I)	**209,028**	**28,820**	**180,208**	**139,825**	**134,258**	
Current assets						
Stocks	4,467	424	4,043	-	-	
Advances and deposits paid on orders	80	-	80	38	14	
Receivables						
Accounts receivable and related accounts	21,265	2,443	18,823	13,648	14,597	C
Other receivables	2,080	-	2,080	13,871	7,982	C
Miscellaneous						
Marketable securities	150	23	127	131	100	
Liquid assets	2,113	-	2,113	1,219	4,104	
Prepaid expenses	1,025	-	1,025	1,085	761	
TOTAL (II)	**31,181**	**2,889**	**28,291**	**29,991**	**27,557**	
Accruals and deferred income						
Deferred loan issue expenses (IV)	1,247	-	1,247	696	874	
Bond redemption premiums (V)	-	-	-	-	1	
Translation adjustments (VI)	217	-	217	7	3	
TOTAL ASSETS (O TO VI)	**241,672**	**31,709**	**209,962**	**170,519**	**162,693**	

LIABILITIES	2023	2022	2021	Notes
Shareholders' equity				
Share capital	4,028	4,106	4,106	I
Issue, merger and contribution premiums	15,277	15,277	15,277	I
Legal reserve	411	411	411	I
Statutory or contractual reserves	-	-	-	
Regulated reserves	-	-	-	
Other reserves	30,607	35,091	28,928	I
Regulated provisions	-	-	-	
Investment grants	368	12	17	
Profit (loss) for the year	2,474	(1,476)	9,115	I
TOTAL (I)	**53,163**	**53,420**	**57,853**	
Other equity				
Proceeds from issues of equity securities	-	-	-	
Conditional advances	-	-	-	
TOTAL (II)				
Provisions for risks and liabilities				
Provisions for risks	559	91	163	F
Provisions for liabilities	619	576	765	F
TOTAL (III)	**1,179**	**667**	**927**	F
Debts (1)				
Convertible bonds	-	-	-	
Other bonds	26,000	26,000	23,860	G
Borrowings from credit institutions (2)	96,604	77,568	66,843	G
Loans and miscellaneous financial debt	14,965	235	39	G
Advances and deposits received on orders in progress	-	-	-	
Trade payables and related accounts	7,424	5,654	9,145	C
Tax and social security liabilities	3,865	1,880	1,987	C
Payables on fixed assets and related accounts	2,520	3,351	9	C
Other debts	4,169	1,443	1,891	C
Deferred income (accruals)	-	-	-	
TOTAL (IV)	**155,547**	**116,131**	**103,773**	
Translation reserve liabilities (V)	73	302	140	
TOTAL LIABILITIES (I TO V)	**209,962**	**170,519**	**162,693**	
(1) Amounts payable and deferred income due in less than one year	*70,058*	*46,514*	*45,187*	
(2) Of which bank overdrafts and bank credit balances	*10,005*	*20,020*	*11,002*	

7.2.3 Cash flow statement

	2023	2022	2021
Net profit (loss)	**2,474**	**(1,476)**	**9,115**
Elimination of non-cash and non-operating income and expenses			
Depreciation, amortization and provisions: allocations	3,706	1,450	1,656
Depreciation, amortization and provisions: reversals	(3,715)	(1,553)	(2,405)
Capital gains on disposals	166	535	1,742
Other	298	144	5
Cash flow after cost of net debt and tax	***2,929***	***(900)***	***10,113***
Net cost of debt	7,283	2,807	2,698
Current tax charge	52	-	56
Cash flow before cost of net debt and tax	***10,264***	***1,907***	***12,867***
Tax paid	(224)	(182)	(227)
Change in working capital	20,824	(4,990)	1,326
Net cash flow from operating activities	**30,864**	**(3,265)**	**13,966**
Cash flow from investing activities			
Acquisitions of property, plant and equipment	(1,138)	(512)	(738)
Acquisitions of intangible assets	(2,496)	(1,925)	(1,066)
Change in long-term investments	(4,199)	(3,007)	(7,930)
Disposal of tangible and intangible assets	50	-	-
Loans to subsidiaries and affiliates	-	-	-
Disbursements by acquired companies	(31,642)	(1,342)	-
Net cash used in investing activities	**(39,426)**	**(6,786)**	**(9,734)**
Net cash flow from financing activities			
Dividends paid to parent company shareholders	(1,673)	(2,953)	(998)
Cash capital increase	-	-	-
Loan subscriptions	119,487	25,000	44,000
Repayment of loans	(91,060)	(21,185)	(42,283)
Interest paid	(7,283)	(2,807)	(2,698)
Change in other financial liabilities	-	-	-
Net cash flow from financing activities	**19,470**	**(1,945)**	**(1,980)**
Theoretical change in cash and cash equivalents	(10,907)	(11,996)	2,253
Opening cash position	(18,679)	(6,805)	(9,058)
Reclassification of cash and cash equivalents			
Closing cash position	(7,772)	(18,801)	(6,805)
Actual change in cash and cash equivalents	(10,907)	(11,996)	2,254

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A. Significant events of the year

Delfingen Industry holds the shares of the companies included in the scope of consolidation.

The following transactions took place during the 2023 financial year:

- On 01 January 2023, the DELFINGEN FR-Anteuil SA entity was dissolved by transfer of activities. Production activities were transferred to DELFINGEN FR-Anteuil SAS and the shared service centers were transferred to DELFINGEN Industry SA;
- On 01 January 2023, the merger of the German entities DELFINGEN DE-Marktrodach GmbH & Co. KG, DELFINGEN DE-Deutschland Holding and DELFINGEN DE VERWALTUNGS GmbH;
- The creation of SCHLEMMER Industry in March 2023;
- On 30 March 2023, the acquisition of the German company REIKU GmbH.

As part of the review of the value in use of equity investments and of the recoverability of current account advances and accounts receivable, a net reversal of provisions for equity investments and for current accounts and accounts receivable of €1.8m was recorded in the 2023 financial year:

- Provisions for DELFINGEN BR-Sao Paulo shares were reversed in the amount of €0.7m;
- New provisions of €0.8m, €0.2m and €0.1m were set aside for DELFINGEN TN-Tunis, DELFINGEN DE-Marktrodach and DELFINGEN PT-Porto respectively;
- New provisions of €0.2m and €0.1m respectively have been set aside for DELFINGEN MA-Casablanca and DELFINGEN TH-Siam accounts receivable;
- Provisions of €2.6m were reversed in respect of DELFINGEN SG-Filipinas accounts receivable.

DELFINGEN Industry received dividends of €4.0m from DELFINGEN Asia Pacific Holding and DELFINGEN US-Holding.

DELFINGEN Industry reports a profit of €2.5m.

DELFINGEN Industry has pursued its policy of improving its liquidity position, while strengthening its financial structure, in particular through:

- A €78m refinancing loan maturing in 2029;
- A new €5m Bpifrance loan maturing in 2030.

In the light of these measures, DELFINGEN Industry considers that its continued operation is not in doubt at the date of closing of the accounts.

B. Accounting policies and translation methods

Note 1 Accounting principles and methods

The financial statements have been prepared in accordance with the laws and regulations applicable in France. The general accounting conventions have been applied with due respect for the principle of prudence, in accordance with the basic assumptions intended to provide a true and fair view of the company: going concern, consistency of accounting methods from one financial year to the next, and independence of financial years.

Note 2 Change in accounting method

None.

Note 3 Conversion of foreign currency transactions

Foreign currency transactions are converted at the exchange rate prevailing at the time of the transaction. Assets and liabilities denominated in foreign currencies are translated at the closing rate.

The currencies used are:	Open rate			Closing rate		
	2023	2022	2021	2023	2022	2021
Euro	1.0000	1.0000	1.00000	1.0000	1.0000	1.00000
Tunisian Dinar	3.3107	3.2623	3.30888	3.3863	3.3107	3.26230
Moroccan dirham	11.1699	10.4930	10.89343	10.9572	11.1699	10.49303
Romanian leu	4.9495	4.9490	4.86830	4.9756	4.9495	4.94900
Turkish Lira	n/a	n/a	9.11310	n/a	n/a	15.23350
Brazilian real	5.6386	6.3101	6.37350	5.3618	5.6386	6.31010
US Dollar	1.0666	1.1326	1.22710	1.1050	1.0666	1.13260
Chinese yuan	7.3582	7.1947	8.02250	7.8509	7.3582	7.19470
Philippine peso	59.3200	57.7630	59.12500	61.2830	59.3200	57.76300
Japanese yen	140.6600	130.3800	126.49000	156.3300	140.6600	130.38000
Indian rupee	88.1710	84.2292	89.66050	91.9045	88.1710	84.22920
Thai Baht	36.8350	37.6530	36.72700	37.9730	36.8350	37.65300
Russian rouble	n/a	85.3004	91.46710	n/a	76.7952	85.30040
UAE dirham	3.9171	4.1595	n/a	4.0581	3.9171	4.1595
South Korean won	n/a	n/a	n/a	1433.66	n/a	n/a

C. Operational data

Note 4 Breakdown of sales by activity

	2023	2022	2021
Rentals	266	388	526
Other activities (provision of services)	16,423	6,680	6,103
Transfer pricing adjustment	42,500	40,649	41,078
TOTAL	**59,189**	**47,717**	**47,707**

Sales consist mainly of invoicing to Group subsidiaries.

Note 5 Trade and other receivables

These receivables are recognized at their nominal value. Where payment terms are less than one year, the initial fair value and subsequent amortized cost are equal to the nominal amount.

Where there is a risk of non-recovery, impairment losses are recognized on a case-by-case basis, based on probable cash flows.

"Other receivables" break down as follows:

	Gross amounts	Within 1 year	More than 1 year
State and local authorities	1,679	1,679	-
Group and associates (affiliated companies)	52	52	-
Sundry debtors	343	343	-
TOTAL	**2,074**	**2,074**	**-**

Note 6 Statement of changes in provisions for impairment

	Cumulative amounts 2022	Allocations	Reversals	Cumulative amounts 2023	Of which affiliated companies
Accounts receivable	4,779	277	2,614	2,443	2,443
Current accounts in debit	-	-	-	-	-
TOTAL	**4,779**	**277**	**2,614**	**2,443**	**2,443**

Allocations for impairment of accounts receivable relate to DELFINGEN MA-Casablanca (€229k) and DELFINGEN TH-Siam (€48k). Reversals of €2.6m relate to Delfingen SG-Filipinas.

Note 7 Current liabilities

This item breaks down as follows:

		Total at 31/12/23	Within 1 year	More than 1 year
Suppliers		7,424	7,424	-
Advances and deposits on orders in progress		-	-	-
Staff and related accounts		2,488	2,488	-
Social organizations		1,121	1,121	-
State	Income tax	-	-	-
	Value added tax	30	30	-
	Other	227	227	-
Debts on fixed assets		2,520	2,520	-
Group and associates		14,965	14,965	-
Other debts		4,169	4,169	-
TOTAL		**32,944**	**32,944**	**-**

Note 8 Accruals and deferred income

Accrued expenses included in balance sheet items:

	2023	2022	2021
Borrowings from credit institutions	58	6	14
Suppliers	3,869	4,318	5,680
Tax and social security liabilities	2,659	1,171	1,330
TOTAL	**6,586**	**5,495**	**7,024**

Note 9 Extraordinary income

This item breaks down as follows:

	2023	2022	2021
Extraordinary income from management operations	-	-	-
Extraordinary provision reversal	-	161	-
Miscellaneous extraordinary income	141	306	11
TOTAL	**141**	**466**	**11**

Note 10 Extraordinary expenses

This item breaks down as follows:

	2023	2022	2021
Extraordinary expenses on management transactions	-	327	-
Net book value of property, plant and equipment sold	-	-	-
Net book value of long-term investments sold	216	840	1,742
Extraordinary provisions	-	-	161
Miscellaneous extraordinary expenses	2	2	2
TOTAL	**218**	**1,167**	**1,905**

The net book value of long-term investments sold corresponds to the non-return of a bank guarantee holdback of €168k during the year.

D. Staff costs and benefits

Note 11 Breakdown of staff

	2023	2022	2021
Manager	1	1	1
Executives	129	85	79
Employees	71	24	21
TOTAL	**201**	**110**	**101**

These figures include staff re-invoiced by Delfingen Group.

The significant increase in staff numbers in 2023 is due to the transfer of DELFINGEN FR-Anteuil SA staff following the reorganization of the French entities (see note A Significant events of the year).

Note 12 Employee benefits

The amount recognized in respect of employee benefits corresponds solely to pension commitments. Pension commitments are externally assessed by a specialist firm.

The amount of pension and similar benefit obligations is not material (€619k) given the company's financial position and assets.

In France, as from the 2020 financial year, the French entities have outsourced the management of these commitments and paid a portion of the provision. Payments made are recorded under staff costs.

The assumptions used to calculate provisions for retirement benefits are as follows:

France	2023	2022	2021
Average retirement age	60 to 67 years	62 to 67 years	62 to 67 years
Turnover rate Executives	0.33% to 3.97%	0.49% to 3.75%	0.56% to 5.37%
Turnover rate Non-executives	0.43% to 4.80%	0.38% to 3.90%	0.78% to 4.17%
Discount rate	3.71%	3.26%	0.88%
Rate of salary increase	1.00 to 2.25%	1.00 to 2.25%	1.00 to 2.25%

Note 13 Remuneration for management bodies

Gross remuneration paid to management bodies amounted to €453k. This amount includes remuneration paid to members of the Board of Directors, which amounted to €64k in respect of the 2023 financial year.

E. Intangible and tangible assets

Note 14 Intangible assets

Research and development costs

Research costs are expensed and development costs arising from the application of research results are capitalized to the extent that the company can demonstrate:

- Its intention as well as its financial and technical capacity to bring the development project to a successful conclusion;
- That the asset will generate future economic benefits;
- And that the cost of this intangible asset can be measured reliably.

Development costs meeting the above criteria are capitalized and amortized over a maximum period of 5 years.

Other intangible assets

Other intangible assets include development and acquisition costs for computer software, patents and licenses. These costs are amortized on a straight-line basis over their estimated useful lives.

It should be noted that the Company's assets do not include any intangible assets with an indefinite useful life.

Depreciation

	Duration	Mode
Development costs	5 years	Linear
Fungible rights (Patents)	20 years	Linear
Software and other intangible assets	3 years	Linear

Changes in "Intangible assets" were as follows:

Intangible assets

	2022	Increase	Decrease	Other movements	2023
Gross amounts	6,498	2,496	(3)	5,235	14,226
Accumulated depreciation	3,186	919	(3)	3,566	7,667
TOTAL NET	**3,312**	**1,577**	**-**	**1,669**	**6,559**

Other movements in intangible assets correspond mainly to assets arising from the reorganization of the French entities on 01 January 2023.

Note 15 Property, plant and equipment

They are valued at acquisition cost. Depreciation is calculated using the straight-line or declining-balance method over the following average periods:

		Duration	Mode
Fixtures and fittings, land and buildings		8 to 10 years	Linear
Buildings	Structural work	30 years	Linear
	Technical work packages	20 years	Linear
	Structural work finishing	15 years	Linear
Machinery and equipment		5 to 12 years	Linear
Transport equipment		5 years	Linear
Furniture/office equipment/computers		10 years/3 years	Linear

Changes in "Property, plant and equipment" were as follows:

Property, plant and equipment

Gross amounts	2022	Increase	Decrease	Other movements	2023
Land	229	-	-	-	229
Buildings	6,610	-	(313)	475	6,772
Other property, plant and equipment	1,670	-	(659)	4,050	5,062
Assets under construction	10	1,131	(42)	(195)	904
Advances and deposits	-	-	-	-	-
TOTAL	**8,520**	**1,131**	**(1,014)**	**4,330**	**12,967**

Accumulated depreciation	2022	Increase	Decrease	Other movements	2023
Land	61	5	-	-	66
Buildings	4,973	241	(313)	1	4,902
Other property, plant and equipment	1,084	294	(653)	2,990	3,715
TOTAL	**6,118**	**540**	**(965)**	**2,991**	**8,683**
TOTAL NET	**2,402**	**591**	**(49)**	**1,339**	**4,284**

Other movements in intangible assets correspond mainly to assets arising from the reorganization of the French entities on 01 January 2023.

F. Provisions for risks and liabilities

Changes in "Provisions for risks and liabilities" were as follows:

	2022	Increase	Reversal used	Reversal not used	Other movements	2023
Provisions for exchange losses	91	560	-	(91)	-	560
Provisions for risks and liabilities	576	-	(68)	(102)	213	619
TOTAL	**667**	**560**	**(68)**	**(193)**	**213**	**1,179**

Provisions for risks and liabilities correspond to the provision for retirement benefits. The amount in other movements corresponds to the transfer of people following the reorganization of the French entities on 01 January 2023.

G. Financing and financial instruments

Note 16 Long-term investments

Investments in associates are carried at historical cost, using the "first in, first out" method.

A provision is recorded when the value in use of the shares in the companies concerned is less than the acquisition cost. This value in use is based primarily on the net worth of the company concerned, taking into account its development prospects. Where a company corresponds to a CGU for which a goodwill impairment test has been carried out, the value in use used is identical to that calculated in the context of these tests.

Provisions are set aside for receivables and loans to companies in which DELFINGEN Industry has a shareholding when the debtor's financial situation indicates a likelihood of non-repayment.

Movements in "long-term investments" were as follows:

Gross amounts

	2022	Increase	Decrease	Other movements	2023
Own shares	1,412	-	(1,412)	-	-
Equity investments	122,209	31,641	-	1,393	155,243
Loans to subsidiaries and affiliates	22,104	7,458	(3,520)	-	26,042
Loans and other long-term investments	457	261	(168)	-	549
TOTAL	**146,182**	**39,360**	**(5,100)**	**1,393**	**181,834**

Movements in equity investments correspond to:

- The acquisition of the German company REIKU;
- The creation of SCHLEMMER Industry;
- The merger with DELFINGEN FR-ANTEUIL;
- The capital increase of DELFINGEN RO-Transilvania;
- The capital increase of Delfingen Asia Pacific Holding.

The change in loans to subsidiaries and affiliates is mainly due to net changes in the following loans:

- DELFINGEN SG-Filipinas: + €4,884k
- DELFINGEN DE-Hassfurt: + €473k
- DELFINGEN RO-Satu Mare: + €355k
- DELFINGEN RO-Transilvania: + €217k
- DELFINGEN TN-Fouchana: + €190k
- DELFINGEN Asia Pacific Holding: - €1,549k
- DELFINGEN BR-Sao Paulo: - €503 k
- DELFINGEN PT-Porto: - €304k

Note 17 Statement of changes in provisions for impairment

Cumulative amounts

	2022	Allocations	Reversals	2023	Of which affiliated companies
Equity investments	11,851	1,163	(672)	12,342	12,342
Property, plant and equipment	-	77	-	77	-
Stocks	-	424	-	424	-
Own shares	-	-	-	-	-
Accounts receivable	4,779	277	(2,614)	2,443	2,443
Other	238	23	(187)	74	-
TOTAL	**16,868**	**1,964**	**(3,473)**	**15,359**	**14,785**

Provisions for equity investments mainly concern:

- DELFINGEN TN-Tunis : €817 k
- DELFINGEN DE-Marktrodach : €233 k
- DELFINGEN PT-Porto : €114 k

Reversals of equity investments amounting to €672k relate to DELFINGEN BR-Sao Paulo.

Provisions for accounts receivable relate to DELFINGEN MA-Casablanca (€229k) and DELFINGEN TH-Siam (€48k).

Reversals of provisions for accounts receivable relate to Delfingen SG-Filipinas (€2,614k).

Note 18 Securities

The company's securities are shown in the balance sheet at their purchase price. When the market price at the year-end is lower than the purchase price, a provision for impairment is recorded.

Note 19 Financial debt

Financial debts break down as follows:

		Total at 31/12/23	Within 1 year	More than 1 year and not more than 5 years	Over 5 years
Other bonds		26,000	10,000	6,000	10,000
Credit institutions	up to 1 year at inception	10,012	10,012	-	-
	originally due in more than 1 year	86,592	17,103	55,714	13,775
Loans and miscellaneous financial debt		-	-	-	-
TOTAL		**122,604**	**37,115**	**61,714**	**23,775**

Note 20 Off-balance sheet commitments

Commitments, endorsements and sureties given

At 31 December 2023, commitments, endorsements and sureties given amounted to €3.2m, granted by the Parent Company for the needs of certain subsidiaries and broken down as follows:

	2023	2022	2021
Pledge	-	-	-
Sureties	551	-	-
Bank guarantees	1,599	-	-
Supplier guarantees	1,064	-	52
TOTAL	**3,214**	**-**	**52**

Commitments, endorsements and sureties received

	2023	2022	2021
Unused credit facilities and overdraft facilities	20,000	-	8,991
Bank and natural person sureties	-	-	355
TOTAL	**20,000**	**-**	**9,346**

Financial Instruments: ANC Regulation 2015-05 on forward financial instruments and hedging transactions

ANC regulation 2015-05, which came into force on 01/01/2017, applies to forward financial instruments and requires symmetrical recognition in the income statement of the hedged risk and the effects of the hedge, and recognition of the fair value of derivatives not recognized in the balance sheet, except where this is necessary to ensure symmetry of transactions or to reflect a risk taken by the company. The rules for symmetrical recognition in the income statement of the effects of hedging and the hedged risk remain unchanged for simple non-speculative transactions.

Under French accounting rules, there is a presumption that derivatives are entered into for hedging purposes. It is therefore not necessary to recognize the fair value of derivatives, except to allow

symmetrical recognition of the impacts of the hedged risk and the effects of the hedge, or to reflect the negative impact of the risks taken by the company.

This regulation has no impact on Delfingen Industry's financial statements as it does not enter into speculative instruments or hedging contracts that are symmetrical in the income statement.

H. Income tax

There is a tax consolidation agreement (Art. 223 A of the General Tax Code) between Delfingen Industry and Delfingen FR-Anteuil SAS.

The subsidiary recognizes as an expense the tax it would have paid if it had not been consolidated and pays it to the parent company, which is the sole debtor to the Treasury.

If a subsidiary is loss-making, it retains the use of its loss carry-forwards. The parent company benefits from the tax deferral and pays tax instead of the subsidiary when the latter returns to profit. The parent company recognizes in the income statement the tax payable or tax credit arising from its own taxable profit (loss) and that arising from the restatements generated by the tax group (irrespective of the company concerned).

The corporate tax saving resulting from the tax consolidation of Delfingen Industry and Delfingen FR-Anteuil SAS is €62k for the 2023 financial year.

Increase and reduction in future tax liability

Nature of timing differences	Amount *(in €)*
Growth	0
Relief - miscellaneous provisions	0
Deferred depreciation	0
Tax losses carried forward	14,036,835
Long-term capital losses	0

I. Share capital and securities (shares)

In €	Number	Nominal value	Total
Shares at beginning of year	2,666,120	1.54	4,105,825
Repaid or cancelled securities	50,688	1.54	78,060
Capital increase	-	-	-
Securities at year-end	2,615,432	1.54	4,027,765
Reserves, share premium, retained earnings…	-	-	46,294,013
Profit (loss) for the year	-	-	2,473,986
Investment grants	-	-	367,713
Regulated provisions	-	-	-
TOTAL SHAREHOLDERS' EQUITY	**-**	**-**	**53,163,477**

J. Miscellaneous information

Note 21 Fees paid to the Statutory Auditors

The fees booked during the 2023 financial year for the two Statutory Auditors of the parent company DELFINGEN Industry and the time spent auditing the annual accounts and consolidated financial statements are as follows:

	Time spent *(in hours)*	Fees *(in €)*
EXCO P2B AUDIT	*700*	*88,500*
AUDITIS	*770*	*96,000*
Subtotal	1,470	184,500
Other due diligence and services		
EXCO P2B AUDIT	-	-
AUDITIS	-	-
Subtotal	-	-
TOTAL	**1,470**	**184,500**

K. Subsidiaries and affiliates

Note 22 Information concerning affiliated companies

	2023
Loans to subsidiaries and affiliates	26,001
Other receivables	4,940
Accounts receivable	15,396
Current accounts in debit	6,743
Trade payables	4,344
Credit notes to be issued	4,120
Unpaid invoices	2,507
Current accounts in credit	21,380
Total expenses	27,840
Total income	59,101

Total expenses mainly include:

- Reinvoicing of personnel costs by subsidiaries amounting to €16,672k;
- Services and management fees invoiced by the family holding company DELFINGEN Group amounting to €3,988k;
- Services reinvoiced by subsidiaries for €4,248k;
- Transfer pricing adjustments of €1,035k invoiced by Group subsidiaries to DELFINGEN Industry under the transfer pricing policy introduced in 2020.

Total income mainly comprises:

- Transfer pricing adjustments of €42,500k invoiced to Group subsidiaries under the transfer pricing policy introduced in 2020;
- Dividends received of €3,988k;
- Other services invoiced to various Group subsidiaries totaling €8,534k.

Note 23 Consolidation

Delfingen Industry prepares consolidated financial statements with the companies it controls at 31 December 2023.

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 affiliates

Financial information on subsidiaries and affiliates (over 50% owned)	Country	Capital (in k)	Currency	Reserves and retained earnings before appropriation of profit (k€)	Percentage of capital held	Book value of shares held (k€)		
						Gross value	*Provisions*	*Net value*
DELFINGEN FR ANTEUIL SAS	France	7,719	EUR	4	100.00%	7,719		7,719
DELFINGEN PT PORTO SA	Portugal	804	EUR	509	100.00%	8,115	(6,961)	1,154
DELFINGEN US HOLDING	United States	48,986	USD	25,954	100.00%	46,451		46,451
DELFINGEN TN TUNIS	Tunisia	1,850	TND	49	100.00%	1,431	(1,431)	-
DELFINGEN MA CASABLANCA	Morocco	10,000	MAD	423	100.00%	897		897
DELFINGEN SK NITRA	Slovakia	7	EUR	1,429	100.00%	5		5
DELFINGEN RO TRANSILVANIA	Romania	7,476	RON	3,090	100.00%	1,505		1,505
DELFINGEN BR SAO PAULO	Brazil	12,004	BRL	(594)	99.99%	6,607	(3,717)	2,890
DELFINGEN ASIA PACIFIC HOLDING PTE USD	Singapore	22,990	USD	1,514	100.00%	21,591		21,591
DELFINGEN DE-MARKTRODACH	Germany	5,025	EUR	(2,967)	100.00%	5,025	(233)	4,792
DELFINGEN DE ASCHHEIM	Germany	4,000	EUR	344	100.00%	4,000		4,000
DELFINGEN RO SATU MARE	Romania	3,101	RON	20,306	100.00%	1,701		1,701
DELFINGEN Ibérica	Spain	60	EUR	242	100.00%	-		-
DELFINGEN IT VERONA	Italy	260	EUR	3,768	100.00%	21,210		21,210
DELFINGEN MA TANGER 2	Morocco	6,245	MAD	11,680	100.00%	4,221		4,221
DELFINGEN TN FOUCHANA	Tunisia	900	TND	945	100.00%	120		120
DELFINGEN LU LUXEMBOURG	Luxembourg	30	EUR	11	100.00%	30		30
REIKU GmbH	Germany	26	EUR	6,217	100.00%	26,968		26,968
SCHLEMMER Industry	France	10	EUR	-	100.00%	10		10

Financial information (k€)

Financial information on subsidiaries and affiliates (capital owned directly or indirectly over 50%)	Country	Loans granted by Delfingen Industry and not yet repaid	Guarantees and sureties given by Delfingen Industry	Pre-tax sales for the last financial year	Profit (loss) for the last financial year	Dividends received by the company during the year	Comments
DELFINGEN FR ANTEUIL SAS	France	400	-	17,864	302		
DELFINGEN PT PORTO SA	Portugal	3,802	-	10,571	(91)		
DELFINGEN US HOLDING	United States	-	-	179,491	10,199	3,738	Figures
DELFINGEN TN TUNIS	Tunisia	-	-	-	(7)		consolidated
DELFINGEN MA CASABLANCA	Morocco	-	-	9,593	283		
DELFINGEN SK NITRA	Slovakia	1,284	-	10,141	128		
DELFINGEN RO TRANSILVANIA	Romania	1,346	-	26,542	1,284		
DELFINGEN BR SAO PAULO	Brazil	60	-	5,378	648		
DELFINGEN ASIA PACIFIC HOLDING PTE USD	Singapore	-	-	69,367	2,156	250	Consolidated figures
DELFINGEN IN PUNE	India	874	-	16,924	1,662		
DELFINGEN SG FILIPINAS	Singapore	8,119	-	21,672	(206)		
DELFINGEN DE MARKTRODACH	Germany	2,961	-	20,834	(38)		
DELFINGEN DE ASCHHEIM	Germany	-	-	-	222		
DELFINGEN DE HASSFURT	Germany	4,384	-	59,238	292		
DELFINGEN RO SATU MARE	Romania	2,171	-	37,558	1,982		
DELFINGEN Ibérica	Spain	-	-	20	1		
DELFINGEN IT VERONA	Italy	-	-	10,812	981		
DELFINGEN MA TANGER 2	Morocco	271	-	28,992	1,149		
DELFINGEN TN FOUCHANA	Tunisia	330	-	13,326	384		
DELFINGEN LU LUXEMBOURG	Luxembourg	-	-	-	4		
REIKU GmbH	Germany	-	-	8,257	2,038		
SCHLEMMER Industry	France	-	-	-	(3)		

7.2.5 Statutory auditors' report on the annual financial statements

AUDITIS	EXCO P2B AUDIT
5 Rue René Char	16 rue Frédéric Japy
21000 DIJON	25200 MONTBELIARD

DELFINGEN INDUSTRY

A public limited company with capital of €4,027,765.28
Registered office: Rue Emile STREIT
25340 ANTEUIL

STATUTORY AUDITORS' REPORT

ON THE ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING 31 DECEMBER 2023

To the General Meeting of DELFINGEN INDUSTRY,

Opinion

In compliance with the assignment entrusted to us by your General Meeting, we have audited the accompanying financial statements of DELFINGEN INDUSTRY for the year ended 31 December 2023.

In our opinion, the financial statements give a true and fair view of the results of operations for the year ended in accordance with the accounting rules and principles applicable in France, as well as the company's financial position and assets and liabilities at the end of that financial year.

Basis of opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' Responsibilities for the Financial Statements".

Independence

We conducted our audit in accordance with the rules of independence set out in the Commercial Code and in the Code of Ethics for Statutory Auditors, covering the period from 1 January 2023 to the date of issue of our report.

Justification of assessments

In accordance with the requirements of articles L.821-53 and R.821-180 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following matters which, in our professional opinion, were the most significant for the audit of the financial statements for the year.

These assessments were made in the context of our audit of the financial statements taken as a whole and of the formation of our opinion expressed above. We do not express an opinion on the individual components of these financial statements.

Our assessments concerned the appropriateness of the accounting policies used and the reasonableness of the significant estimates made, particularly in relation to the valuation of equity investments and receivables related to equity investments. Note 16 "Long-term investments" sets out the accounting rules and methods used to measure the value in use of equity investments and related receivables.

On the basis of the information provided to us, our work consisted of:

- Analyzing 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 in the impairment tests with the source data by entity and the results of the audit work on these subsidiaries;
- Analyzing the consistency of the assumptions used by management to determine the recoverability of receivables related to these investments with the level of impairment recognized on the basis of the risks incurred;
- Checking the arithmetic accuracy of the calculations.

Specific checks

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law.

Information given in the management report and in the other documents on the financial situation and the annual accounts sent to shareholders

We have nothing to report with respect to the fair presentation and the conformity with the financial statements of the information given in the management report from the Board of Directors and in the other documents addressed to the shareholders with respect to the financial position and the financial statements.

We hereby certify that the information relating to the payment periods mentioned in Article D.441-6 of the Commercial Code is accurate and consistent with the financial statements.

Report on corporate governance

We confirm that the Board of Directors' report on corporate governance contains the information required by Article L.225-37-4 of the Commercial Code.

Other information

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders and holders of the voting rights has been properly disclosed in the management report.

Responsibilities of management and those charged with governance in relation to the financial statements

It is the responsibility of management to prepare financial statements that give a true and fair view in accordance with French generally accepted accounting principles, and to implement such internal control procedures as it determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the responsibility of management to make an assessment of the company's ability to continue as a going concern, to disclose in those financial statements, where appropriate, necessary information relating to the going concern basis of accounting and to apply the going concern basis of accounting unless the company is to be wound up or cease trading.

The annual financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Financial Statements

Our responsibility is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit carried out in accordance with professional standards will systematically detect any material misstatement.

Misstatements may arise from fraud or error and are considered material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions that users of the financial statements make on the basis of the financial statements.

As stipulated by Article L.821-55 of the Commercial Code, our role as auditors is not to guarantee the viability or quality of the management of your company.

In an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit.

In addition:

- The auditor identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and implements audit procedures to address those risks, and obtains audit evidence that the auditor believes to be sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, as fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control;
- The auditor obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- It assesses the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the annual financial statements;
- It assesses the appropriateness of management's application of the going concern basis of accounting and, based on the information gathered, whether there is any material uncertainty related to events or circumstances that may affect the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of its report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If it concludes that there is a material uncertainty, it draws the attention of the readers of its report to the information provided in the annual financial statements about that uncertainty or, if that information is not provided or is not relevant, it issues a qualified opinion or a refusal to certify;
- It assesses the overall presentation of the annual financial statements and whether they give a true and fair view of the underlying transactions and events;

The Statutory Auditors

Dijon, 29 April 2024

AUDITIS

Philippe DANDON
Partner

Montbéliard, 29 April 2024

EXCO P2B AUDIT

Pierre BURNEL
Partner

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General Meeting

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8.1 Agenda

AGENDA FOR THE COMBINED GENERAL MEETING HELD ON 14 JUNE 2024

RESOLUTIONS FALLING WITHIN THE REMIT OF THE ORDINARY GENERAL MEETING

- Management report of the Board of Directors on the financial statements for the year ended 31 December 2023 and report on corporate governance;
- Annual report of the Board of Directors on the management of the Group for the year ended 31 December 2023;
- Chairman's special report on transactions carried out by the Company in respect of share options reserved for employees and senior executives;
- Report of the Board of Directors on the share buyback program;
- Statutory Auditors' report on the individual company and consolidated financial statements for the year ended 31 December 2023;
- Statutory Auditors' Special Report on Corporate Governance;
- Review and approval of the financial statements for the year ended 31 December 2023;
- Review and approval of the consolidated financial statements for the year ended 31 December 2023;
- Discharge of the Directors;
- Appropriation of profit;
- Approval of non-deductible expenses;
- Statutory Auditors' special report on regulated agreements governed by Article L 225-38 of the Commercial Code and approval of agreements;
- Determination of the total annual remuneration to be paid to the Directors;
- Appointment of EXCO P2B AUDIT as auditor to certify sustainability information;
- Appointment of AUDITIS SAS as auditors to certify sustainability information;
- Authorization for the Board of Directors, with powers to subdelegate, to purchase or arrange for the purchase of shares in the Company in accordance with the provisions of Article L 22-10-62 of the Commercial Code;
- Powers to carry out legal formalities.

RESOLUTIONS FALLING WITHIN THE REMIT OF THE EXTRAORDINARY GENERAL MEETING

- Authorization for the Board of Directors to reduce the share capital by cancelling shares acquired under the share buyback program;
- Powers to carry out legal formalities.

8.2 Text of the resolutions

DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING HELD ON 14 JUNE 2024

Resolutions submitted to the Ordinary General Meeting

First resolution *(Approval of the financial statements for the 2023 financial year)* - The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having heard the Board of Directors' reports and the Statutory Auditors' reports, approves the financial statements for the year ended 31 December 2023, comprising the balance sheet, income statement and notes, as presented, together with the transactions reflected in these statements or summarized in these reports.

The General Meeting approves the non-tax-deductible expenses and charges referred to in Article 39-4 of the General Tax Code, which amount to €109,442 and which, in view of the tax loss, have reduced the loss carried forward by the same amount.

Consequently, the General Meeting discharges the Directors in respect of the performance of their duties for the past financial year.

Second resolution *(Approval of the consolidated financial statements for the 2023 financial year*) - The General Meeting, under the conditions as to quorum and majority required for Ordinary General Meetings, having considered the report of the Board of Directors on the management of the Group during the year ended 31 December 2023 and the report of the Statutory Auditors, approves the consolidated financial statements for the said year, comprising the consolidated balance sheet, the consolidated income statement and the notes thereto, as presented, together with the transactions reflected therein or summarized in these reports.

Third resolution *(Appropriation of profit for 2023*) - The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, on the recommendation of the Board of Directors, resolves to appropriate net profit for the year as follows:

- Profit for the year: 2,473,985.55 euros
  Plus retained earnings from previous years
  a credit balance of: 16,311,846.36 euros

- **This represents distributable profit of** **18,785,831.91 euros**

- A dividend of: 3,007,746.80 euros
  1.15 per share

- The balance of: 15,778,085.11 euros
  corresponding to "Retained earnings"

This dividend right will be detached from the share on 27 June 2024 and will be payable between 28 June 2024 and 2 July 2024.

In order to comply with the provisions of article 243 a of the French General Tax Code, this dividend is eligible for the 40% deduction provided for in article 158-3, paragraph 2 of the French General Tax Code, for natural persons domiciled in France for tax purposes and opting to be taxed on a sliding scale.

The General Meeting notes that shareholders have been reminded that:
- Natural persons domiciled in France for tax purposes will be taxed on the dividend at the overall rate of 30% (personal income tax at the rate of 12.8% and social security contributions at the overall rate of 17.2%);

- It is possible to opt for the progressive scale of income tax after a 40% allowance and for social security contributions at 17.2% without allowance. This option concerns all dividends received and capital gains on sales of company shares realized by members of the tax household for the year in question.

Amounts corresponding to dividends not paid on treasury shares at the time of payment will be allocated to "retained earnings".

In accordance with the law, the General Meeting also notes that the following dividends have been paid in respect of the last three financial years:

Financial year 2020: 0.38[(1)] per share.
Financial year 2021: 1.13[(1)] per share.
Financial year 2022: 0.64[(1)] per share.

[(1)]*Amounts eligible for the 40% allowance provided for in article 158-3, 2° of the General Tax Code for natural persons domiciled in France for tax purposes who opt to be taxed under the progressive scale.*

Fourth resolution *(Approval of agreements governed by Article L. 225-38 of the French Commercial Code*) - The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having heard the Board of Directors' report and the Statutory Auditors' special report on agreements governed by Articles L. 225-38 et seq of the Commercial Code, approves the agreements referred to therein and records, where appropriate, the continuation during the year of agreements previously authorized.

Fifth resolution *(Setting the total amount of remuneration to be allocated to Directors*) - Having considered the report of the Board of Directors, and on the latter's proposal, the General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, sets at the sum of one hundred and ten thousand euros (€110,000) the maximum total annual amount of remuneration that the Board of Directors is authorized to allocate among its members in respect of the 2024 financial year, and for subsequent financial years until a further decision by the General Meeting.

Sixth resolution *(Appointment of EXCO P2B AUDIT to certify sustainability information)* - The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, on the recommendation of the Board of Directors, resolves to appoint, subject to its inclusion on the list provided for in Article L. 821-13 of the Commercial Code, EXCO P2B AUDIT, represented by Pierre BURNEL, as auditor for the purpose of certifying information relating to sustainability, for the remainder of its term of office as auditor of the financial statements, i.e. for a period ending at the close of the Ordinary General Meeting of shareholders called to approve the financial statements for the year ending 31 December 2024.

EXCO P2B AUDIT will carry out its certification of sustainability information for the first time in respect of the current financial year, starting on 1 January 2024.

Seventh resolution (*Appointment of AUDITIS SAS to certify sustainability information*) - The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, on the recommendation of the Board of Directors, resolves to appoint AUDITIS SAS, represented by Yamna BENHADDA, as auditor, subject to its inclusion on the list provided for in Article L. 821-13 of the Commercial Code for the purpose of certifying information relating to sustainability, for the remainder of its term of office as auditor, i.e. for a period ending at the close of the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2026.

AUDITIS SAS will carry out its certification of sustainability information for the first time in respect of the current financial year, beginning on 1 January 2024.

Eighth resolution*(Authorization to trade in the Company's own shares on the stock market*) - The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report from the Board of Directors, authorizes the Board of Directors, with powers to subdelegate, in accordance with Articles L.22-10-62 et seq. of the Commercial Code, L. 225-210 et seq. of the Commercial Code and articles 241-1 et seq. of the General Regulations of the *Autorité des Marchés Financiers*, to purchase or arrange for the purchase of shares in the Company with a view to:

- The implementation of any Company stock option plan in accordance with the provisions of Articles L.225-177 et seq. of the Commercial Code; or

- The allocation or sale of shares to employees as part of their profit-sharing scheme and the implementation of any company savings scheme under the conditions defined by law; or

- The delivery of shares on the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, presentation of a warrant or any other means; or

- Cancelling some or all of the shares bought back in accordance with the authorization that may be granted by the Extraordinary General Meeting; or

- The delivery of shares in exchange, as payment or otherwise in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or

- Stimulation of the secondary market or liquidity of the shares by an investment services provider under a liquidity contract that complies with the code of ethics recognized by the *Autorité des Marchés Financiers*; or

- Purchases, sales or transfers by any means by an investment services provider, particularly in off-market transactions.

This authorization would also enable the Company to operate for any other purpose that is authorized or may become authorized by the laws and regulations in force. In such a case, the Company would inform its Shareholders by means of an announcement.

Purchases of the Company's shares may involve a number of shares such as:

- The number of shares purchased by the Company during the term of this authorization may not exceed ten per cent (10%) of the shares comprising the Company's share capital at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting it subsequent to this General Meeting, it being stipulated that the number of shares acquired with a view to their retention and subsequent delivery in connection with a merger, demerger or contribution may not exceed five per cent (5%) of its share capital;

- The number of shares held by the Company at any time shall not exceed ten per cent (10%) of the shares comprising the share capital of the Company at the relevant date.

The shares may be acquired, sold or transferred at any time (including during a public offer, subject to the limits permitted by the applicable regulations) and by any means, over the counter, including by block purchases or sales (without limiting the portion of the buyback program that may be carried out by this means), by public offer or by the use of options or other forward financial instruments traded on an organized or over-the-counter market, or by delivery of 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 services provider.

The maximum price at which shares may be purchased under this resolution shall be sixty euros (€60.00) per share (or the equivalent value of this amount on the same date in any other currency), this maximum price being applicable both to acquisitions decided on or after the date of this General Meeting and to forward transactions entered into pursuant to an authorization granted by a previous General Meeting and providing for acquisitions of shares subsequent to the date of this General Meeting.

This authorization is given for a maximum period of eighteen (18) months. It cancels and replaces the previous authorization given in the seventh resolution of the Combined General Meeting of 2 June 2023.

In accordance with the provisions of Article L.22-10-62 paragraph 1 of the Commercial Code, the Social and Economic Committee will be informed of this resolution.

The General Meeting confers full powers on the Board of Directors, with the option to sub-delegate these powers in accordance with the law, to decide on and implement this authorization, to specify, if necessary, the terms and conditions and to make any publications required by law or regulation, carry out the share buyback program and, in particular, to place any stock market orders, enter into any agreements with a view to keeping registers of purchases and sales of shares, make any declarations to the *Autorité des Marchés Financiers* and any other authority that may replace it, complete any formalities and, generally, do whatever is necessary.

Ninth resolution *(Powers to carry out legal formalities*) - The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, confers full powers on the Chairman of the Board of Directors and the Chief Executive Officer, or any other person they may appoint, holding an original or copy of these minutes, to carry out all necessary legal formalities.

Resolutions submitted to the Extraordinary General Meeting

Tenth resolution *(Authorization to be given to the Board of Directors to reduce the share capital by cancelling any shares acquired under the share buyback program)* - The Board of Directors is asked to approve this resolution
The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report:
- Authorizes 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 share buybacks carried out under Article L.22-10-62 of the Commercial Code and as part of the programs authorized under the ninth resolution submitted to this General Meeting or previously authorized share buyback programs, up to a limit of ten per cent (10%) of the total number of shares, per twenty-four (24) month period, by deducting the difference between the purchase value of the cancelled shares and their par value from premiums and available reserves, including, in part, from the legal reserve up to a limit of ten per cent (10%) of the cancelled share capital;
- Authorizes the Board of Directors to record the completion of the capital reduction(s) in such proportions and at such times as it may decide, to amend the Articles of Association accordingly and to carry out all necessary formalities;
- Authorizes the Board of Directors to delegate all powers necessary to implement its decisions, in accordance with the legal provisions in force when this authorization is used;

Resolves that this authorization cancels and replaces, as from the date of this decision, any previous resolution having the same purpose.
Resolves that this authorization is valid for eighteen (18) months from the date of this General Meeting, i.e. until 13 December 2025, in accordance with the provisions of Article L.225-209 paragraph 1 of the Commercial Code.

The General Meeting notes that this authorization supersedes any previous authorization for the same purpose.

The General Meeting notes that if the Board of Directors were to use this authorization, it would report to the next Ordinary General Meeting, in accordance with Article L.225-129-5 of the Commercial Code, on the use made of the authorizations granted in this resolution.

Eleventh resolution *(Powers to carry out legal formalities)* - The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, confers full powers on the Chairman of the Board of Directors and the Chief Executive Officer, or any other person they may appoint in their stead, bearing an original or copy of these minutes, to carry out all necessary legal formalities.

9

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9.1 Information on the company

INFORMATION

Company name	DELFINGEN Industry
Head office	Rue Emile Streit 25340 Anteuil
Head office contact details	Tel : 03 81 90 73 00 Fax : 03 81 90 73 19 delfingen@delfingen.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 its Articles of Association.
Trade and Companies Register	The company is registered with the BELFORT Trade and Companies Register under number: B 354 013 575. Its main activity code, according to the French activity nomenclature, is: 701 OZ - Head office activities.
Date of incorporation	28 March 1990
Duration	99 years

CORPORATE PURPOSE

Article 2 of the Articles of Association as at 9 November 2023 stipulates that the corporate purpose is to operate directly or indirectly in all countries:

- Acquiring, holding, managing and disposing of any equity interest, in whatever form, in any company, group or legal entity governed by French or foreign law.
- All research, consultancy, training and multi-disciplinary assistance to companies with which it has a business relationship or in which it holds an equity stake.
- The administration and management, directly or indirectly, by lease or in any other form, of all property and property rights which it may acquire by way of contribution, acquisition, exchange or otherwise, intended to facilitate the operation of the company or any subsidiaries or related companies.
- Assistance with technical, industrial, financial, IT, documentary and administrative management and, more generally, all financial, management, research and commercial agreements with a view to promoting and increasing the return on capital, investment policy and the Group's operations.
- All operational services relating to the industrial activity of its subsidiaries or related companies, particularly in the fields of strategy, investment, purchasing management, logistics and quality.
- Management of the Group's commercial activities, including in particular the negotiation of commercial agreements, customer relationship management and marketing operations.
- All activities relating to industrial research and development, in particular the design, production and sale of prototypes and pre-production runs of innovative industrial processes and products.
- All activities relating to the development, improvement, maintenance, protection, exploitation and defence of the Group's intellectual property.
- Selecting, developing and making available software to its subsidiaries and affiliates.
- All activities relating to the acquisition, improvement, commissioning and sale of machinery for the benefit of its subsidiaries or related companies; management and industrial maintenance of the Group's machinery, including trading in spare parts.
- And, more generally, any financial, property or securities, civil, commercial or industrial transactions that may be related to the corporate purpose or to any similar or related purpose, which are likely to promote or develop the corporate activity

9.2 Statutory auditors

The Statutory Auditors and their alternates are currently as follows (at 31 December 2023):

Joint 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 DIJON (21), 5 rue René Char.

Joint alternate statutory auditors:

- VERDIER François, domiciled at 9 avenue Léonard de Vinci, CLERMONT-FERRAND (63);

It is specified that:

- EXCO P2B AUDIT and François Verdier, respectively Statutory Auditor and Alternate Auditor, will remain in office until the General Meeting called to approve the financial statements for the year ending 31 December 2024;
- The appointment of Auditis as Statutory Auditors was renewed at the General Meeting of 14 June 2021, for a period of six (6) financial years, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2026.

9.3 Documents accessible 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 copies thereof may be consulted:

- the memorandum and articles of association of DELFINGEN Industry;
- All reports, letters and other documents and historical financial information, valuations and statements drawn up by an expert at the issuer's request, any part of which is included or referred to in this document;
- The historical financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the registration document.

These consultations may be carried out physically and/or electronically 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

Declaration by the person responsible for the Universal Registration Document containing the Annual Financial Report

I certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and all the undertakings included in the consolidation, and that the Management Reports on pages 127 to 132 and 134 to 137 present a true and fair view of the development of the business, results and financial position of the company and all the undertakings included in the consolidation, and describe the principal risks and uncertainties they face.

I have obtained an audit completion letter from the statutory auditors, in which they state that they have verified the information about the financial position and the accounts contained in this document and that they have read the document in its entirety.

Anteuil, 29 April 2024 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 financial statements prepared in accordance with French GAAP for the year ended 31 December 2022 and the related Statutory Auditors' reports are contained in the Registration Document no. D.23-0373 filed with the AMF on 28 April 2023;

- The consolidated financial statements prepared in accordance with IFRS and the condensed financial statements prepared in accordance with French GAAP for the year ended 31 December 2021, together with the related Statutory Auditors' reports, are contained in the Registration Document no. D.22-0378 filed with the AMF on 28 April 2022.

- The consolidated financial statements prepared in accordance with IFRS and the condensed financial statements prepared in accordance with French GAAP for the year ended 31 December 2020, together with the related Statutory Auditors' reports, are contained in the Registration Document no. D.21-0376 filed with the AMF on 28 April 2021.

9.6 Glossary

WCR: Working capital requirement.

CAFICE: Cash flow before tax and cost of net debt.

Free cash flow: CAFICE (Cash flow from operations before tax and cost of net debt) less change in WCR, tax paid and net investments.

Subordinated debt: Debt owed by DELFINGEN US-Holding to DELFINGEN Industry considered as quasi-equity under the covenants.

E/A or EA: Europe Africa.

EBITDA: Earnings before interest, tax, depreciation and amortization.

EBE: Gross operating profit: Profit (loss) from recurring operations + net depreciation, provisions and impairment.

NFD: Net financial debt.

Rent: Rental of buildings and leasing.

Gross margin: Sales less purchases consumed, plus inventoried and capitalized production

Waiver: Waiver by banks of early repayment of debt in the event of a covenant breach.

Ruling: Tax ruling, agreement reached with the tax authorities.

9.7 Tables of concordance

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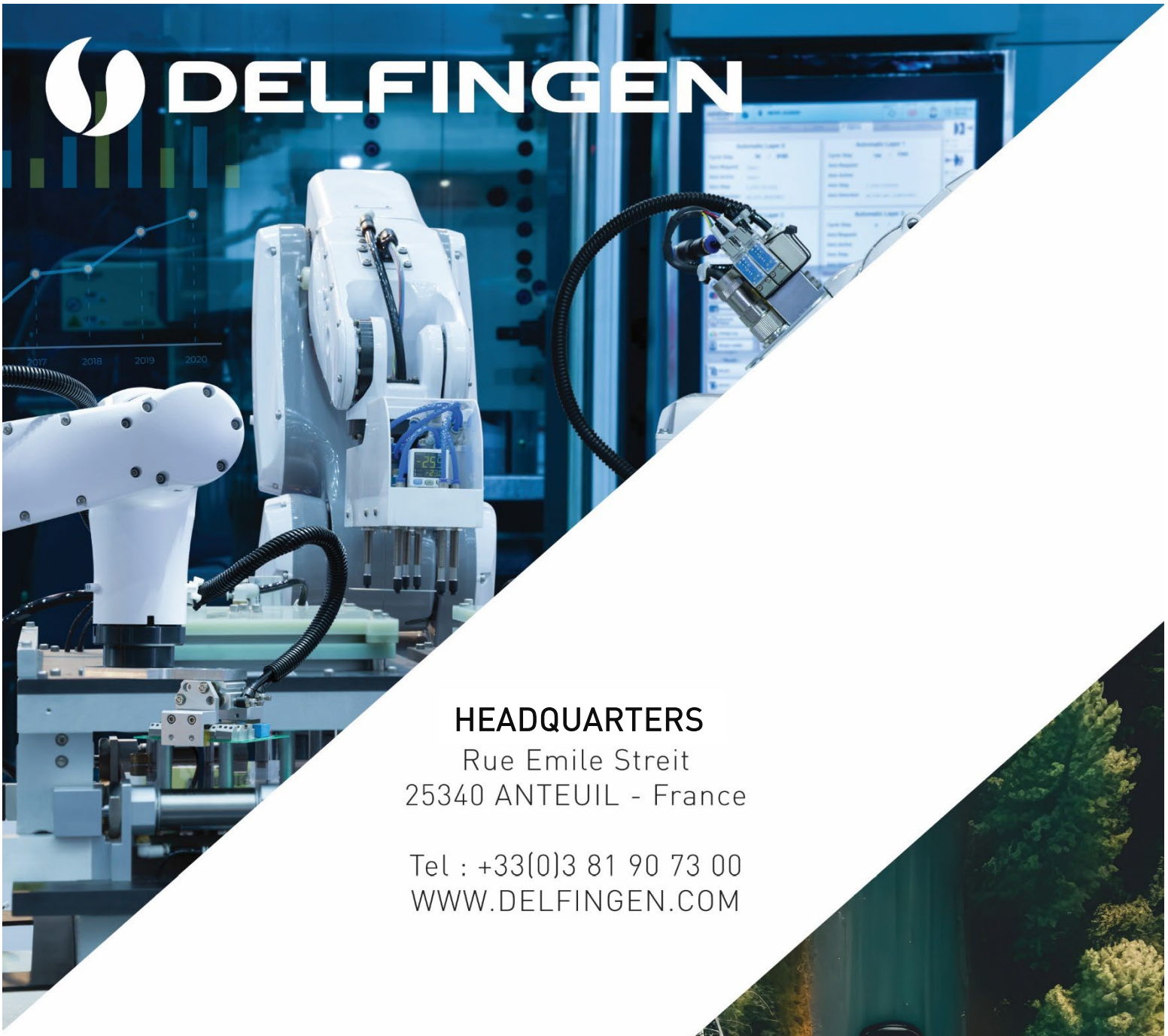
DELFINGEN



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