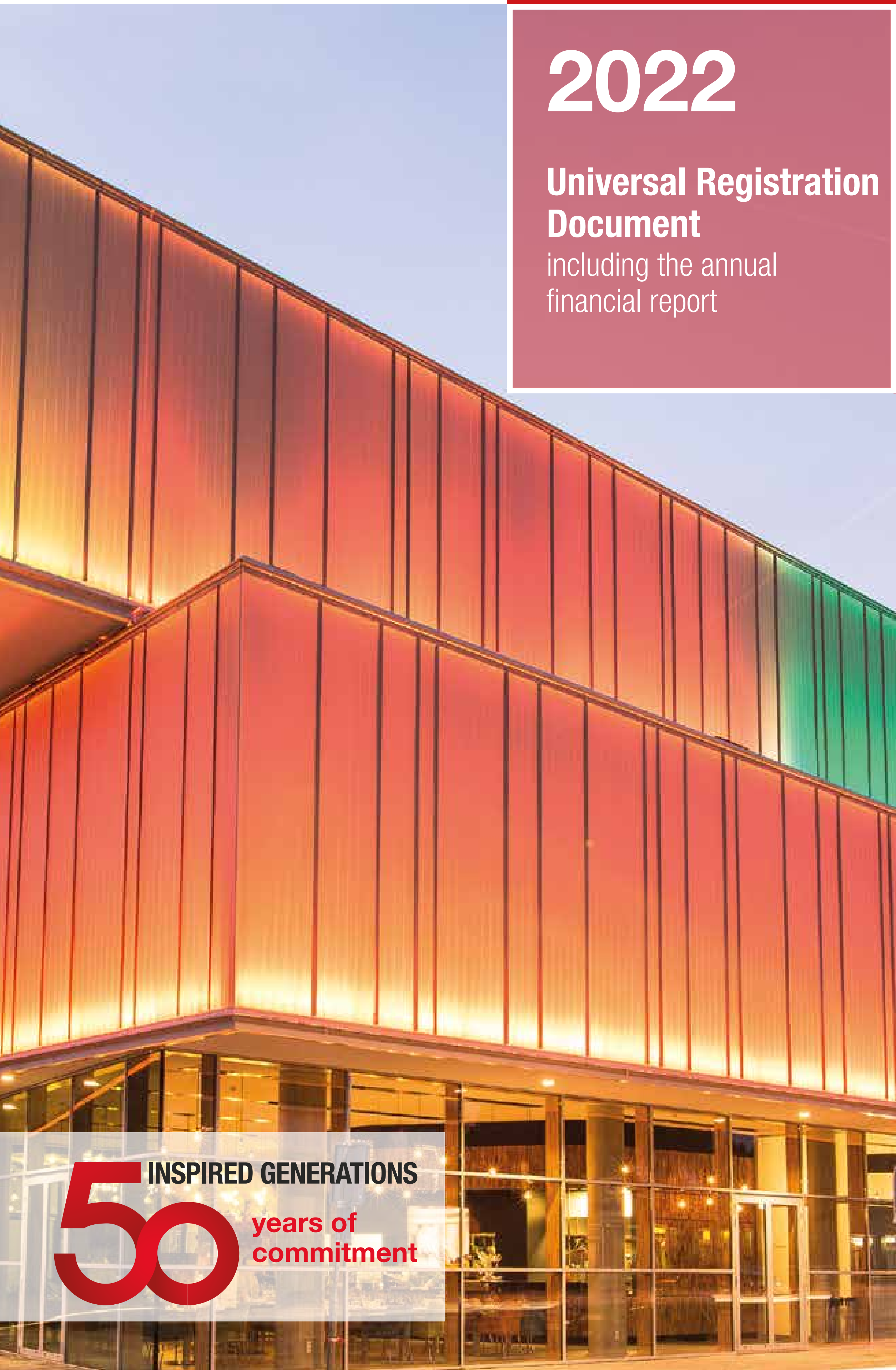
Serge Ferrari group

2022

Universal Registration Document

including the annual financial report



Serge Ferrari Group
A French limited liability company (*société anonyme*)
with capital stock of €4,919,704
Headquarters: Zone industrielle la Tour-du-Pin
38110 Saint-Jean-de-Soudain
382 870 277 Vienne Commercial Register

2022 UNIVERSAL REGISTRATION DOCUMENT
including the annual financial report

AUTORITÉ DES MARCHÉS FINANCIERS

This Universal Registration Document was filed on April 18, 2023 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purpose of public offering of securities or admission of securities to trading on a regulated market if supplemented by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The set of documents thus formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This document is the official version of the Universal Registration Document including the 2022 annual financial report, which was drawn up in ESEF (European Single Electronic Format) format and filed with the AMF, and which may be consulted on the Company's website and that of the AMF.

Definitions

In this Universal Registration Document, unless specified otherwise:

- "Group" means the entity consisting of SergeFerrari Group SA and its consolidated direct or indirect subsidiaries,
- "Company" means SergeFerrari Group SA.

Disclaimer

This Universal Registration Document contains statements and information on the objectives of Serge Ferrari Group which are forward-looking in nature and may be identified as such by the use of the future tense or conditional mood, and by terms of a prospective nature such as "estimate", "consider", "have as objective", "aim to", "expect", "intend", "should", "hope", "could", "may" and similar. Such information is based on data, assumptions and estimates considered reasonable by the Company. The forward-looking statements and objectives in this Universal Registration Document may be impacted by known and unknown risks, uncertainties surrounding the regulatory, geopolitical, economic, financial and competitive environment, and other factors that may cause the Company's future profits, performance and achievements to be significantly different from the objectives as formulated or suggested. These factors may include, among others, the factors set out in Section 4 "Risk management" in this Universal Registration Document.

Investors are advised to take into careful consideration the risk factors described in Section 4 "Risk management" of this Universal Registration Document before making an investment decision. Should any or all of these risks materialize, they may have an adverse impact on the Company's activity, financial position, earnings or objectives. Furthermore, other risks, not yet identified or considered not significant by the Company, may have a similarly adverse impact and investors may lose all or part of their investment.

This Universal Registration Document contains information on the Group's strategic markets and competitive positions, including information on market size. Due to the lack of specific market studies on the Group's sphere of activity, this information is drawn from Company estimates and is provided only for indicative purposes. The Group's estimates are based on information obtained from customers, suppliers, professional organizations and other participants in the markets in which the Group operates. Although the Group considers that these estimates are relevant as of the date of this Universal Registration Document, it cannot guarantee the completeness or accuracy of the data on which they are based or that its competitors define the markets in which they operate in the same manner. These estimates and the data on which they are based have not been verified by independent experts: they are periodically revised and were revised in 2022. The Group gives no guarantee that a third party using different methods to collate, analyze or calculate market data will obtain the same results. Since the data relating to market shares and market sizes in this Universal Registration Document is solely derived from Group estimates, it does not comprise official data.

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MESSAGE FROM THE EXECUTIVE BOARD: SÉBASTIEN BARIL AND PHILIPPE BRUN

2022 marked a turning point in the definition of CSR strategy: what are the main outlines?

Current and future challenges in terms of the ecological transition have strengthened the Serge Ferrari Group's resolve to pursue its corporate strategy in which CSR (Corporate Social Responsibility) is playing an increasing role in order to pay heed to the social and environmental impact of our business and development.

In 2022, we decided to challenge our CSR trajectory in order to rethink our fundamentals and review our current manner of operation to project the opportunities of tomorrow. This collaborative work gave rise to our RhSE project, which provides for a gradual and complementary trajectory towards a 2030 horizon.

The main driving force behind this initiative is the Company's primary resource: its people. We have transformed this ambition into an action plan based on two complementary approaches involving two timeframes: the low-carbon approach by 2030 and the "resources" approach for taking action now.

Lastly, the gradual structuring of our philanthropic initiatives via the Serge Ferrari Foundation, donations of equipment to our Turkish colleagues and our respective collections demonstrate our shared commitment to the public interest. Further proof that our collective spirit, know-how and mindset can achieve great things… or remind us of why human beings really are the central focus of our corporate mission!

What are the challenges facing the Group in 2023?

2021 and 2022 were hit by soaring raw material and energy prices compounded by availability issues at certain times over the past year.

The economic and financial environment will remain equally volatile in 2023 with interest rate hikes steepening considerably from summer 2022 onwards. Regional geopolitical situations are also a source of concern. The Group, which operates in four strategic markets as well as a number of high-potential opportunity markets, particularly in biogas, can also leverage its global geographical footprint, which is a major strength in such complex circumstances.

Our work will focus on rallying all our teams behind our goals of innovating, developing the Group's business and improving its operational and financial performance.

What are the main organizational challenges to ensure the Group's development strategy is implemented?

Behind this project, we are gradually rolling out a new operational, human and material organizational system aimed at adapting, modifying and modernizing our industrial practices. The challenge is to anticipate as far as possible (based on our current knowledge) the required transformations, future opportunities and expectations of stakeholders (employees, customers, suppliers, organizations, regions, etc.).

In a context where everyone has a full role to play and must become an agent of our 2022-2030 strategy:

- R&D, to identify new and less impactful alternatives,
- sales and marketing departments, to design and sell products whose manufacture and use are in harmony with environmental considerations,
- production teams, to improve industrial efficiency,
- purchasing teams, to perpetuate, safeguard and benchmark increasingly responsible supply sourcing,
- supply chain, to provide a better quality of response to customer needs and improve customer satisfaction,
- IT, to transform our industry into 4.0,
- the health and safety teams, to continuously improve workstation safety by providing training and monitoring employees,
- HR functions, to promote our values, fight discrimination and foster constructive social dialog,
- maintenance teams, to ensure more economical equipment, greener buildings, optimized and secure flows, etc.
- support functions: finance, communication, etc., to guide transformation, look after organizations and support changes.

We are still driven by the same ambition: "Do better with less" by acting today: "Act now".

We are convinced that each person's actions will help build a sustainable, value-creating and responsible economy for future generations.

Soltis membrane ■ Solar protection

1

Overview of the Group and its business

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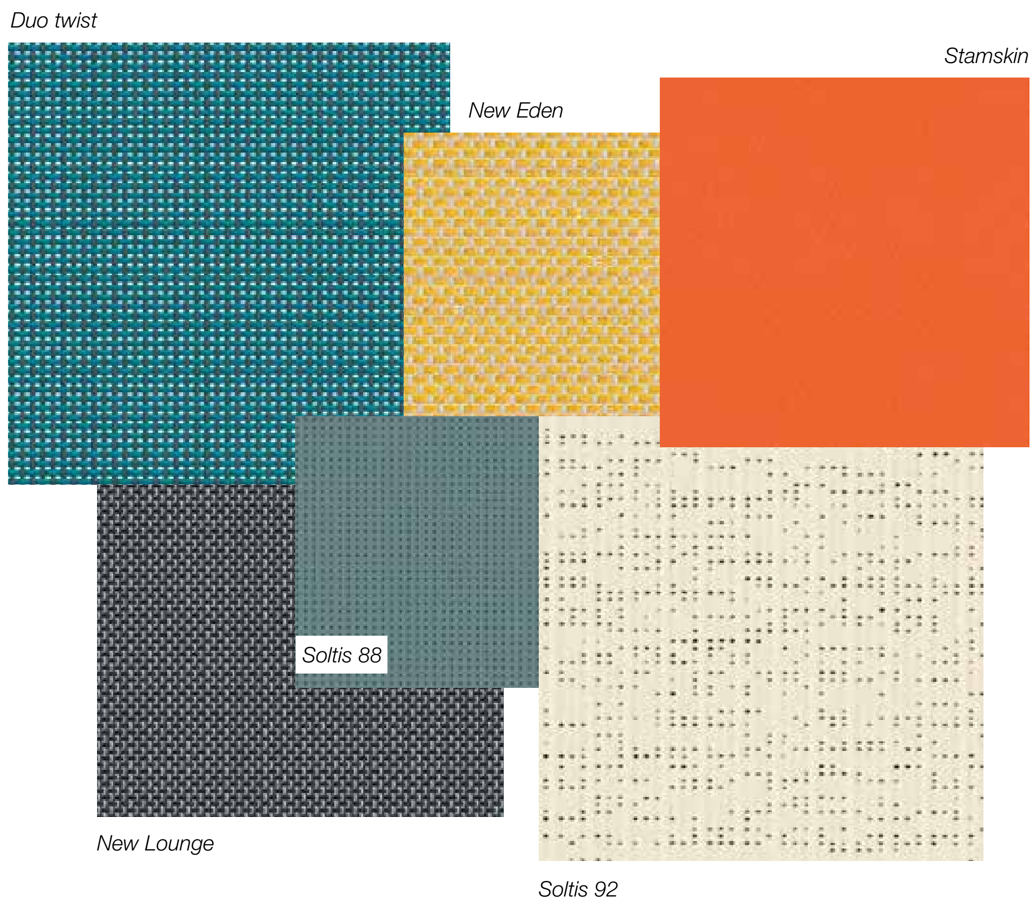
1

core business: innovative composite membranes

Looms for weaving PVC polymer thread ■ La Tour-du-Pin

The Serge Ferrari Group designs, develops and manufactures innovative composite materials for lightweight architectural and outdoor applications. Intended primarily for four strategic global markets serving the building and industry sectors – solar protection, tensile architecture, modular structures, marine & furniture – our high-end solutions combine durability, safety, design, comfort and eco-responsibility.



Surface checking of membrane rolls ■ La Tour-du-Pin

5

technologies behind the Group's competitive advantage

Spinning

Weaving

PET/PVC coating (including Précontraint)

Glass/PTFE coating

Extrusion

The Group's competitive advantage hinges on its ability to offer multiple differentiating technologies, starting with Précontraint®, and proprietary industrial know-how.

High dimensional stability and minimum deformation are two major advantages of composite materials that have proved decisive in addressing new applications and winning new geographical markets.

Since 2020, the Group has also marketed an offering of non-combustible products in the form of PTFE (polytetrafluoroethylene) glass materials, which also offer surface fouling resistance properties.

These products are available in different widths, some of which can reach 5 meters.

The Group's various technologies were employed as follows in 2022 at the following sites:

La Tour-du-Pin (France)	Eglisau (Switzerland)	Emmenbrücke (Switzerland)	Krefeld area (Germany)	Carmignano (Italy)	Chiayi (Taiwan)
Weaving	----	----	Weaving	Weaving	Weaving
----	----	Spinning	----	----	----
PET/PVC Précontraint coating	PET/PVC coating	----	PET/PVC coating	----	----
----	----	----	Glass/PTFE coating	----	Glass/PTFE coating
Extrusion	----	----	----	Extrusion	----

Production capacity

Demand surged in 2021 and 2022 for market segments (solar protection) that changed the product mix.

This metric was particularly sensitive in 2022 and the switching carried out in favor of a given strategic market was reflected in the use of the same equipment operating sometimes at different speeds. For example, manufacturing speed for solar protection membranes may be 10% lower than for modular structure membranes, with a corresponding impact on the increase in real capacity.

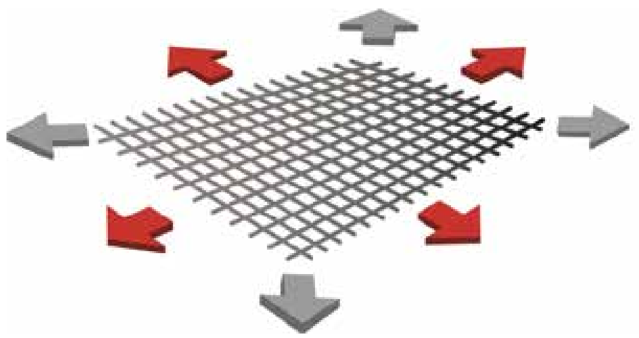
On the basis of this observation, the Group has decided to invest in additional flexible equipment in order to gradually ramp up production capacity by 2025-2026 (see Section 5.5 "Outlook").

COATING

PRECONTRAINT®

Précontraint® is a manufacturing technology that consists of applying the coating while keeping both warp and weft threads under tension throughout the manufacturing cycle.

The main characteristics of the materials that incorporate this technology are:
- high durability,
- perfect uniformity between different manufactured batches,
- a higher durability-weight ratio due to the thickness of the coating layer, which serves to protect the material membrane.



Bi-directional tension of the Précontraint materials

This coating technology developed by the Group consists of four phases:

Phase 1: Manufacturing micro-cables (in Switzerland)

A bundle of extruded PET strands (polyethylene terephthalate) is stretched to form a super-strong micro-cable made up of 192 strands. The characteristics of this cable vary according to the final product.

Phase 2: Weaving the PET micro-cable membrane (France, Germany)

The weaving process creates a membrane made of Précontraint® materials. The Group has over 100 items of equipment for performing every type of weaving operation.

The weaving process gives the materials their mechanical properties: the size and number of micro-cables can be varied to alter the breaking strength.

Phase 3: Production of coating polymers

This stage involves preparing the paste consisting of the coating polymers that will be applied to the PET weave from raw materials and formulations developed in-house. The plastisol is then prepared using a large mixer.

The composition (or "formulation") of this paste is worked on regularly to optimize it, by the R&D teams, to improve its performance in terms of cost/efficiency/color.

Phase 4: Coating with polymers (France, Switzerland, Germany)

The most important stage in making a Précontraint® or standard material, this consists of covering the PET membrane with a PVC paste (thermoplastic polymer) used for its plasticizing properties and additives designed to provide flame retardant and UV resistance properties. Other liquid polymers such as silicones and acrylic resins are also used.

Dye can be added immediately after making this paste by using a heavy mixer. The paste can also be stored in tubs and used later to add color depending on the customer order.

The PET membrane is then placed on a coating line. Once a layer of coating has been applied, the material passes into a firing kiln.
The membrane is tensioned in both weft and warp directions throughout the coating operation.

The tensioning process is shown in the following diagram:

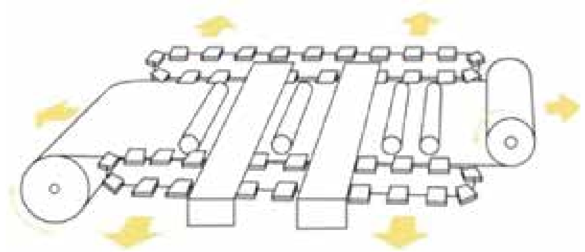


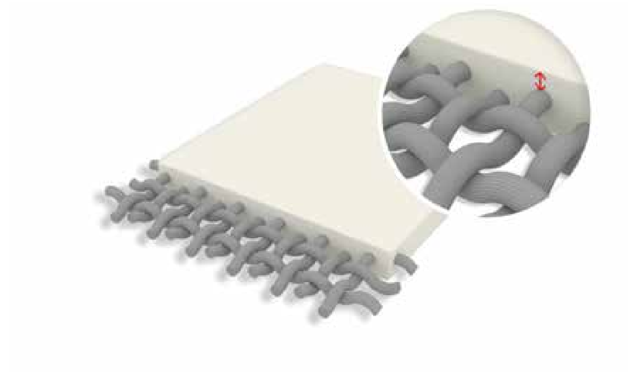
Diagram of coating line
(arrows indicate direction of tensioning)

For the manufacturing process using Précontraint® technology, the Group has a patent, but as it was filed in 1974 it has now fallen into the public domain. This process is now "protected" by the Group's know-how, which is classed as proprietary due to the history of the developments required to continuously improve this know-how.

The Group has three Précontraint® production lines at La Tour-du-Pin (see table above), the most recent of them able to handle widths between 1.8 and 2.7 meters used mostly in architecture, with customers specifying large widths to minimize the number of welds.

The flexible PET (polyethylene terephthalate) micro-cable high-strength membrane is coated with several layers of polymers while under bi-directional tension: the result is the dual benefit of eliminating both deformation under load and thus the need to periodically adjust the tension of the material after installation, in contrast to competing products of lesser quality. The extreme dimensional stability of the material is a decisive advantage in most application sectors.

Because of the tension applied, the underlying material is flatter and the polymer coating is uniform across the entire surface produced. In contrast, membranes produced using standard manufacturing technology have a less uniform thickness, as the micro-cables forming the membrane are less flattened. Standard technology produces a coating layer of irregular thickness (as shown in the diagram below), which results in earlier degradation of the material and weaker UV resistance, especially compared with products made using Précontraint® technology.



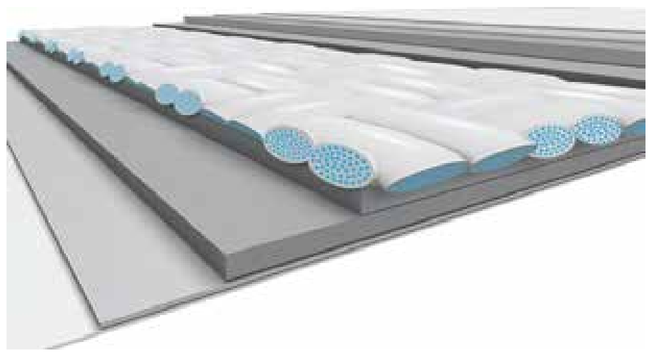
Standard coating

OTHER COATING TECHNOLOGIES

Serge Ferrari materials: coating of the high-strength polyester yarn membrane with layers of high performance polymers

However, the Group has production facilities that also incorporate other coating technologies, at Eglisau in Switzerland and Krefeld in Germany, in order to fill orders for materials with different specifications.

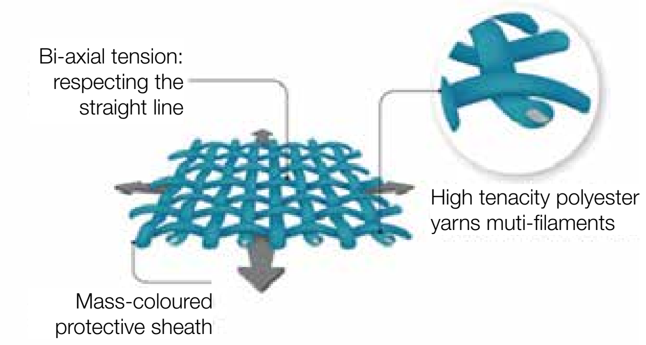
- **Stamskin materials**: this coating transfer technology guarantees high product elasticity. These materials are also very resistant to friction and the caustic effects of cleaning products. They are used to make seat covers for hospitals, airports, restaurants and general use.
- **Stamisol materials**: this technology (direct coating on non-woven substrate) produces lighter materials than via Précontraint®. They are waterproof while allowing water vapor to pass through and are called breathable membranes. They are used for roof and facade underlays, especially for old buildings.
- **"SK" Silicone materials**: these materials are highly resistant to chemical attack and have high flame retardant properties.
- **PTFE coated glass fabrics**: these technologies are used at Verseidag-Indutex GmbH and F.I.T. Industrial Co Ltd. The products thus manufactured have non-stick, non-combustible, dimensional stability and very low stretching properties over time.



EXTRUSION

Extrusion is a standard technology that is particularly appropriate for heat-sealed materials. In contrast to coating, the micro-cables are first sheathed by an extrusion process before being woven.

The polyester micro-cables obtained in this way are high-tenacity strands due to the sheath's special formulation. These micro-cables are then woven while being heated and widened using pins at the sides. This process is called heat sealing. The setting time depends on the end use of the material.



Looms for weaving PVC polymer thread ■ La Tour-du-Pin

This technology allows:

- the use of micro-cables of different colors;
- the production of shorter lengths;
- the creation of flexible products that adapt to shapes, which is useful not only for furniture but also for acoustic solutions and is not possible with Précontraint®.

This technology is used in La Tour-du-Pin (France) and Carmignano di Brenta (Italy).

4
strategic
markets

Tensile architecture

Modular structure

Solar protection

Marine & Furniture

GLOBAL MARKET AND STRATEGIC POSITIONING

Since 2019, the Group has focused on four strategic markets: tensile architecture, solar protection, modular structures and marine & furniture. Sales generated in these markets represent approximately 80% of the Group's business.

Over the past few years, the Group has ramped up its business in the area of solutions offered to customers, in which it has added transformation to its range of innovative membrane production operations:

- In June 2020, the acquisition of a 55% stake in F.I.T. Industrial Co Ltd (Taiwan) enabled the Group to build an activity around the creation of structures (mainly in Taiwan) using PTFE glass materials;
- In July 2020, the acquisition of Verseidag-Indutex GmbH led to DBDS (Deutsche Biogas Dach-Systeme GmbH) joining the Group. DBDS offers its customers standard or custom solutions for the production and storage of biogas produced by anaerobic digestion.
- In July 2022, the Group acquired a 60% stake in MSE and DCS, two Dutch companies specializing in the design and engineering of biogas domes used in the farming and agrifood industries to store biogas produced by anaerobic digestion.
- Lastly, in 2022 the Group set up a company in Norway, S3A Systems AS, destined to be involved in the production of components for submerged fish farming cages.

On an annualized basis, these activities will account for around 10% of the Group's business and are expected to grow faster than the average growth rate for innovative membrane sales.

As stated in the disclaimer on page 2 of this Universal Registration Document, information on the market served is drawn from Company estimates and is provided for information purposes only.

The Group's estimates are based on information obtained from customers, suppliers, professional organizations and other participants in the markets in which the Group operates.

Although the Group considers that these estimates are relevant as of the date of this Universal Registration Document, it cannot guarantee the completeness or accuracy of the data on which they are based or that its competitors define the markets in which they operate in the same manner.

In 2022, the Company corroborated its estimates with market research on the global coated fabrics market.

The market in which the Company is positioned involves woven or non-woven structures, laminated or coated with polymers or other substances.

The global coated fabrics market is estimated at nearly USD 30 billion with annual sales growth of 3-4%.

However, this global market includes segments in which the Company does not operate (personal protective equipment, conveyor belts, etc.) and technologies the Group does not use (polyurethane, rubber, etc.).

The Group estimates that it operates in a global market worth €6 billion spanning its four strategic markets and the solutions business.

COMPETITIVE LANDSCAPE

Although some of the companies listed below have global reputations, their divisions or the other competitors mentioned hereafter are small to medium-sized (up to €500 million in the innovative membrane segment). The Group has defined its competitive landscape on the basis of feedback from field sales teams in its strategic markets and operating regions, as well as past experience.

The Group considers that its main competitors by region are as follows:

Europe

- Sioen Industries NV (Belgium)
- Saint Gobain Composite Solutions – SHEERFILL (France – USA)
- Industrial Sedo SL (Spain)
- Dickson Constant (France)
- Mehler Texnologies (Freudenberg – Germany)
- Heytex Bramsche GmbH (Germany)
- Spradling International GmbH (Germany)
- Para (Italy)
- Hunter Douglas NV (Netherlands)
- Sauleda (Spain)

Americas

- Seaman Corporation (USA)
- Phifer Inc. (USA)
- Herculite Products Inc. (USA)
- Cooley Group Holdings, Inc (USA)
- Twitchell Technical Products LLC (USA)

Asia – Middle East

- Obeikan Technical Fabrics Co Ltd (KSA)
- SRF Limited (India)
- Gale Pacific Limited (Australia)
- Chukoh Chemical Industries Limited (Japan)

MODULAR STRUCTURES

- Tensile roof structures
- Shade structures
- Facades
- Acoustic solutions

PRODUCT

Lightness, durability, freedom of shape and natural light for the creation of iconic structures.

OPEN AIR HOTELS, FABRIC LODGES AND BUNGALOWS

Seamlessly blended into the environment

Driven by the glamping trend, the open air accommodation sector is attracting a growing number of vacationers by offering a wide range of lodgings, including tents, fabric bungalows, high-end lodges and unconventional accommodation. These habitats blend seamlessly into their environment while offering optimal comfort.

Lodges ■ Botswana

Durable and environmentally friendly membranes

Serge Ferrari offers durable membranes resistant to extreme weather conditions (wind, snow, hail, etc.) and intensive use that guarantee an excellent return on investment for hotel operators, campsites and holiday villages. With their textile look and low environmental impact, these membranes for fabric lodgings are available in a wide range of colors guaranteed to meet all the creative requirements of manufacturers. They provide vacationers with excellent thermal and acoustic comfort, ensuring an enjoyable holiday.

Hotel in Miami ■ USA

HALLS AND INDUSTRIAL BUILDINGS

A rapid, tailored response to permanent or temporary storage requirements

Faced with an immediate need for storage, production space or a sports hall, demountable buildings provide a quick response offering optimum safety and comfort. In use for over 30 years, Serge Ferrari flame retardant membranes benefit from high mechanical and UV resistance as well as proven durability in the harshest of environments.

Hangar, USA National Science Foundation ■ Summit Station, Greenland

SOLAR PROTECTION

- Interior blinds
- Exterior blinds
- Terraces

PRODUCT

Energy savings, thermal, visual or acoustic comfort.

Meet new building comfort and energy performance requirements

Thermal performance and energy savings, light management and workplace comfort are currently major challenges for commercial buildings. Interior blinds play an essential role in ensuring optimum visual comfort. They avoid blinding light and preserve occupants' privacy while maintaining visibility to the outside.

Orange head office ■ France

High-performance solar protection membranes for multiple indoor applications

To meet these requirements, using Précontraint technology Serge Ferrari designs and manufactures high-quality screens offering excellent surface evenness for smoother winding and minimum bulk for large-scale blinds that remain discrete. The screens can be adapted to all types of interior blinds such as roller blinds, Roman blinds, vertical blinds (Californian blinds), skylight and veranda blinds, awnings and Japanese panel curtains.

Gallo building ■ France

Bespoke solutions for commercial building projects

These solutions, which can be translucent or opaque, are aesthetically suitable for the windows of tertiary buildings such as offices, health, educational, sporting and cultural establishments, railway stations and airports. As an alternative to folded blinds and Venetian blinds, Soltis membranes are easy to maintain and offer long-term resistance.

Theodor-Heuglin school ■ Ditzingen, Germany

Consideration of building energy and environmental performance requirements (BREEAM, LEED, HQE, etc. certification)

Building and real estate professionals are now seeking quick and efficient solutions for adapting to new energy requirements without reducing occupant comfort.

Outdoor solar protection, whether in the form of blinds or a facade, makes it possible to:

- effectively limit the overheating of buildings in summer,
- thereby reducing operating costs.

Helvetia head office ■ Switzerland

Solutions for tertiary and residential buildings

The Soltis range of membranes offers technical and aesthetic solutions for the manufacture of outdoor blinds, awnings and pergolas for both professionals and individuals. They cover all sectors of tertiary buildings (offices, healthcare, education, culture, transport, stores and shopping malls, hotels & restaurants) as well as collective and individual housing.

Vertical blinds/residential ■ France

High-performance membranes for optimal thermal comfort

Positioned on the outside of the building, Serge Ferrari's Soltis membranes block up to 97% of the heat, providing better comfort while reducing the use of air conditioning systems. Thanks to Précontraint technology, these membranes offer long-term resilience to repeated handling and weather conditions (rain, UV, wind, etc.) without tearing or losing their shape.

The smooth surface allows easy maintenance, and rigorous selection of pigments ensures long-lasting colors without fading.

The Soltis solar protection solution is a high-quality micro-perforated membrane consisting of a PVC-coated weave of synthetic polyester fibers. It offers unique advantages and comfort of use. For example, it evacuates the heat that tends to accumulate under typical terrace awnings found in individual homes, thereby offering better comfort than acrylic blinds, even at the hottest times of day in summer.

Its performance is significantly superior to that of other blind fabrics on the market:

- acrylic,
- natural cotton.

This new type of Soltis membrane is also water-resistant, offering protection against rain.

Awning/residential ■ France

TENSILE ARCHITECTURE

- Tensile roof structures
- Shade structures
- Facades
- Acoustic solutions

PRODUCT

Lightness, durability, freedom of shape and natural light for the creation of iconic structures.

TENSILE MEMBRANES

Emblematic buildings

The lightness and flexibility of composite membranes offer tremendous freedom of shape for the creation of emblematic buildings Tensile roof structures are ideal for large span roofs, allowing the transmission of natural light to ensure a bright and pleasant atmosphere.

Spain pavilion ■ Universal exhibition, Dubai

Solutions for open and closed buildings

Flexlight membranes enable the installation of tensile roofs on open structures for sports activities (stadiums, grandstand roofs, etc.), cultural buildings (amphitheaters, etc.) and educational establishments (covered playgrounds for schools, etc.). They enable the creation of roofs or entire envelopes for closed buildings to optimize the transmission of natural light into atriums, shopping malls, sports halls and arenas, airport terminals and train stations, etc. They also allow for the implementation of double skin thermal insulation solutions

Olympique Lyonnais football stadium ■ Lyon

SHADE STRUCTURES

Light weight tensile structures of various shapes

The lightness and flexibility of composite membranes enable the creation of shade structures in a wide variety of original shapes. They offer user comfort by protecting against bad weather and the heat of the sun. These structures can be created in square or triangular form. Tensile structures are ideal for protecting property (covered car parks, carports) and people (pedestrian walkway roofs, canopies, covered playgrounds, etc.). They are also suitable for covering open areas, such as open air sports grounds, play areas, covered halls, etc.

Shaded skate park ■ United Arab Emirates

BIOCLIMATIC FACADE: BUILDING CONSTRUCTION AND RENOVATION

Designers, project owners and installation specialists throughout the world are constantly searching for innovative, competitive, attractive, durable and efficient products and solutions for new-build and renovation projects.

The Facade range by Serge Ferrari offers unique advantages:

- Aesthetics: 3D volumes, curves, lighting effects and backlit animations, customized printed graphics
- Durability and resistance to all weather conditions and UV light
- Lighter than other materials
- Thermal comfort and energy savings, contributing to environmental construction certification approaches, such as BREEAM, LEED and HQE
- Preservation of outside views, while limiting glares
- Easy to install for new-build and renovation projects

Uden theater ■ Netherlands

INDOOR AND OUTDOOR ACOUSTIC TREATMENT

Acoustic comfort is important for the well-being of users of indoor public areas, such as swimming pools, restaurants, school cafeterias, station halls and airport terminals. To offer novel solutions, Serge Ferrari has developed a thin, textured membrane with excellent acoustic absorption.

Olympic swimming pool, Naples ■ Italy

Innovative acoustic solutions

These lightweight fabrics offer new opportunities for original and innovative acoustic solutions. Indoors, they can be used to make large span or double-curve ceilings, suspended ceilings, covers, acoustic blinds and curtains. These lightweight, translucent fabrics combine acoustic treatment with solar protection in front of windows, on roofs or facades, while preserving the transmission of natural light. The highly translucent version offers the possibility of creating absorbent artificial lighting. In open spaces such as stadiums, they make it possible to create large span acoustic tensile ceilings that resist the wind.

Dargun Abbey ■ Germany

FURNITURE

- Sling seats
- Upholstery

YACHTING

- Equipment protection
- Crew protection
- Marine upholstery

Resistance, durability, ease of maintenance and contemporary design.

PRODUCT

Total protection against UV light, resistant to weather conditions, waterproof, easy to maintain, comfortable to handle and optimized storage.

OUTDOOR SLING SEATS AND MEMBRANES FOR GARDEN FURNITURE

The industry standard for outdoor furniture

With Batyline, Serge Ferrari enables the design of lightweight furniture offering users the best guarantees in terms of durability (lasting resistance to UV) and comfort. Batyline has all the properties necessary to create a pleasant outdoor experience: the fabric stays cools in summer, dries quickly and provides good resistance to mold.

Sling seats for deck stairs ■ Italy

Performance and properties

Batyline is also ideal for the design of office and workspace furniture. It meets the requirements of all main fire safety standards, enabling the creation of furniture with clean lines that is easy to move.

Office furniture ■ Spain

UPHOLSTERY FOR INDOOR AND OUTDOOR FURNITURE

Fabrics ideal for intensive use

Thanks to Smart Coating technology, the technical performance of Stamskin in terms of safety (main fire certifications), durability and cleanability enables the creation of high quality furniture specially designed for public areas, hotels, hospitals and spas, as well as residential environments.

Upholstery for outdoor furniture ■ France

Fabrics immune to outdoor aging

Thanks to its resistance to saltwater, UV and extreme outdoor conditions, Stamskin waterproof fabrics are ideal for even the most demanding environments, such as yacht chairs and cushions, and outdoor sofas. The flexibility of Stamskin imitation leather makes the upholsterer's work easier, as the fabric adapts perfectly to curved and complex shapes. These highly tear-resistant fabrics can be easily assembled by sewing, stapling or welding.

Bimini top (crew protection) ■ France

NICHE AND FUTURE MARKETS

- Biogas
- Fish farming cages
- Automotex
- Stamisol

Biogas plant ■ Germany

Closed eco-cage for fish farming ■ Norway

Biogas plant ■ Poland

1,300 employees

SWEDEN

KREFELD *Germany*
Verseidag-Indutex
- 250 people
- Operations:
  - Production of PTFE glass materials
  - PET/PVC coating

LA TOUR-DU-PIN *France*
Serge Ferrari SAS
- 446 people
- Headquarters
- Operations:
  - Weaving
  - Précontraint coating
  - PVC extrusion
  - Logistics
- 50,000 m² built areas / 18 ha

USA

EMMENBRÜCKE *Luzern*
SergeFerrari Tersuisse
- 68 people
- Operations:
  - Spinning of PET micro-cables

EGLISAU *Switzerland*
SergeFerrari AG
- 85 people
- Operations:
  - Smart coating

JAPAN

CHINA

BARCELONA

CARMIGNANO *Italy*
SergeFerrari Spa
- 70 people
- Operations:
  - Extrusion/weaving

INDIA

DUBAI

HONG KONG

BRAZIL

CHIAYI *Taiwan*
F.I.T.
- 100 people
- Operations:
  - Twisting
  - Production of PTFE glass materials

+ international sales force:
195 people

6 Production sites

Subsidiaries and sales offices in 12 countries

Sales in **80** countries
> 4,000 customers

18%

revenue growth in 2022

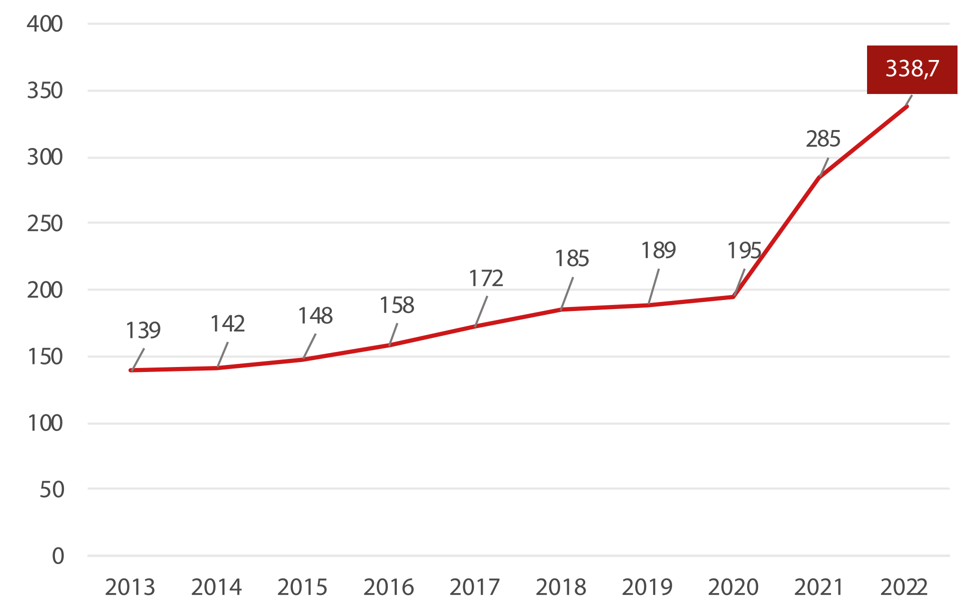
The Group posted 2022 revenues of €338.7 million, thereby exceeding its initial target of €325 million raised to €335 million during the year, up 18.5% at current consolidation scope and exchange rates and up 14.2% at constant consolidation scope and exchange rates.

In 2022, all three operating regions posted solid performances:

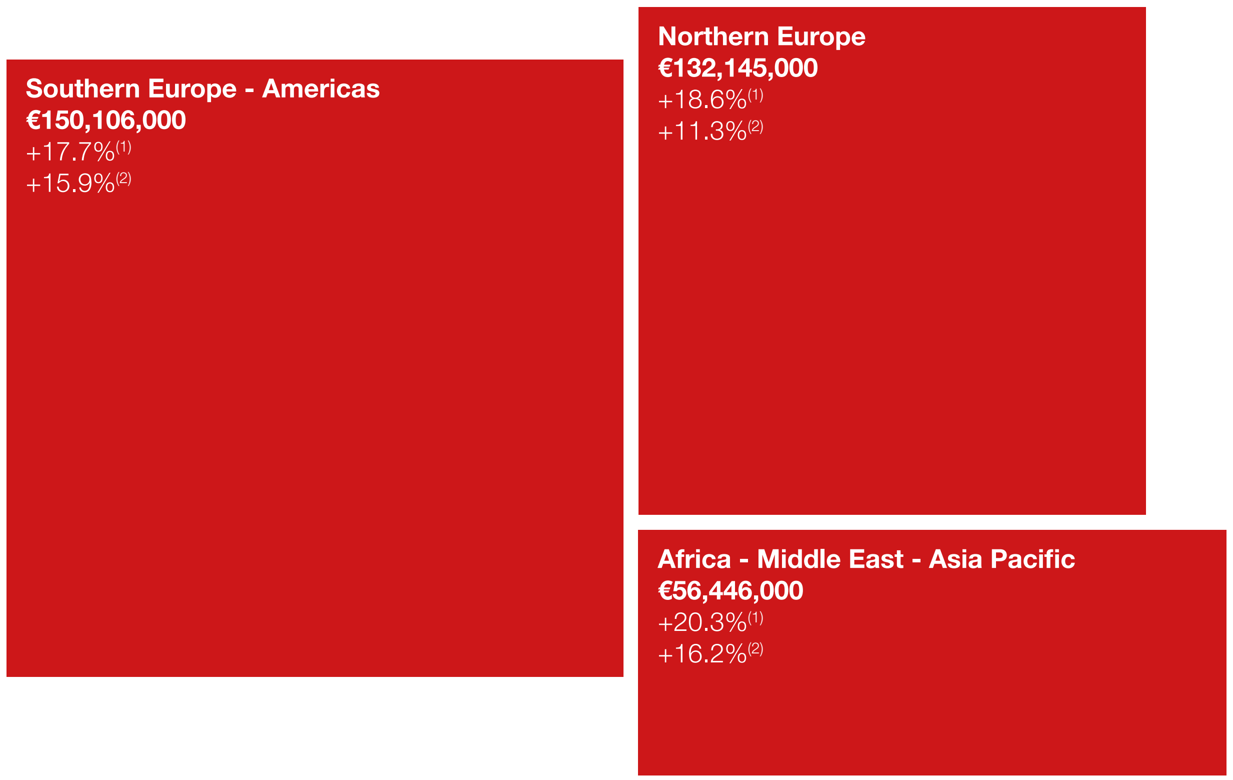
- driven by a favorable price mix effect and the contribution of sales of companies active in the biogas sector, **Northern Europe** posted 18.6% revenue growth compared to FY2021 at current scope and exchange rates and 11.3% at constant consolidation scope and exchange rates;
- **Southern Europe – Americas** posted revenues up 17.7% at current consolidation scope and exchange rates and up 15.9% at constant consolidation scope and exchange rates;
- Asia **Pacific – Middle East – Africa** posted revenues up 20.3% at current consolidation scope and exchange rates and up 16.2% at constant consolidation scope and exchange rates, mainly driven by the recovery in the tensile architecture and modular structures markets.

In 2022, the price mix and scope effect contributed 17.8% and 2.5% respectively to sales growth. Currency fluctuations during the year boosted revenue growth by 1.8%. Lastly, the volume effect was a 3.7% reduction after a record performance in 2021.

REVENUE GROWTH



GEOGRAPHICAL BREAKDOWN



[1] *Change at current consolidation scope and exchange rates versus 2022*
[2] *Change at constant consolidation scope and exchange rates versus 2022*

50
researchers

Innovation at the heart of the Group's priorities

R&D lies at the heart of the design-marketing process, as it works in close collaboration with:
- marketing (planning the study and launch of new products);
- the engineering department, which designs high-tech industrial equipment;
- production (product quality);
- procurement (optimizing raw material costs).

4% OF THE GROUP'S TOTAL WORKFORCE

The R&D teams are present at each of the industrial sites, most of them at La Tour-du-Pin.

COLLABORATIVE PROJECTS AND PARTNERSHIPS

Some R&D work is outsourced via contracts with external laboratories in Germany, Switzerland (EMPA, a materials research institution) and France (CEA Tech).

Projects are organized with the aim of:
- developing innovations in terms of new products or new markets for existing products;
- adjusting formulations to reduce costs by reducing the cost-mix of the raw materials used or to improve the properties of existing formulations;
- improving manufacturing processes and production tooling (for example, to reduce the rejection rate).

The R&D teams also operate a **technology watch** and participate in collaborative projects. Several dozens of projects of this type are currently under way. Since 2018, the Company has formalized the project launch process, which is broken down into five stages or milestones for measuring progress and success. The achievement of certain milestones, and the outlook in terms of revenues and margins, may lead to capitalization of the costs incurred in connection with certain projects.

For highly innovative products, the Group works through **partnerships with business clusters or public bodies** such as **CNRS, EMPA, CEA Tech and INSA**. As is common with this type of collaborative project, the results, depending on the nature of the subject, could belong to any one of the partners or to several of them depending on their intellectual and financial inputs. It could therefore result in patents solely for the Group or co-owned patents or a patent solely for one or more partners.

The project(s) in question could lead to **joint patent applications**. In this case, each private partner will benefit from a right of use in its field of activity and will pay the public bodies who run the research laboratories financial compensation, the amount of which and terms and conditions for payment will be defined by joint agreement among the various partners.

NEARLY 3% OF REVENUES

Within the Group's historic consolidation scope, excluding expenses incurred at Serge Ferrari SpA (formerly Plastitex), F.I.T. Industrial Co Ltd and Verseidag-Indutex GmbH and its subsidiaries, **R&D costs totaled €7.6 million in 2022**.

	2021	2022
Total R&D and development costs (A+B+C)	**7,817**	**7,580**
A. Personnel and study costs	6,433	6,565
B. Production tests	736	828
C. Production tests and internal hours (business transfers)	648	188
IFRS restatements (I+II+III)	**462**	**(157)**
I. Capitalization + CIR research tax credit	(1,403)	(1,735)
II. Amortization & depreciation	2,374	1,818
III. IFRS restatement of CIR amortization	(510)	(240)
Total R&D and development costs including IFRS	**8,279**	**7,424**
o/w net costs (EBIT)	***7,631***	***7,236***
o/w net costs (Non-recurring income and expenses)	***648***	***188***

OVER 30 ACTIVE PATENTS

Committed to innovation since its inception, the Group has full ownership of a portfolio of over 30 active patents. The Group's patents are highly varied, covering:

- industrial processes for manufacturing materials;
- coating formulations;
- optimization systems and technologies for using materials;
- accessories associated with sales of materials;
- new products.

In addition to regularly filing patents, the Group, through its proprietary know-how, has developed a type of **natural protection** that does not rely on patents.

Innovation: leveraging technology to drive commercial expansion

The sales and marketing teams rely on technological innovation to maintain and develop the Group's differentiation and positioning. Accordingly, innovation initiatives must allow the Group to:

- improve the competitive positioning of its offering in its existing markets by **boosting the performance of the products' technical properties as well as optimizing the formulation of certain raw materials** (cost control, matching product formulation to production speed, enhancing pigment combinations for new dyes, etc.);
- **create new products** or adapt existing ones to new uses to expand the range of commercial openings in new fields such as acoustics and furniture with silicone products;
- continue the **technological differentiation** strategy pursued since the Group's foundation: an internal engineering office designs and develops critical technological processes, implemented by a Group company (CI2M) which makes critical production equipment (standard technical workstations are procured directly from the OEM market).

Preserving and strengthening know-how is essential for growing revenues and maintaining appropriate margins by strong differentiation.

R&D objective: high value-added technological differentiation

Innovation allows the Group to differentiate itself from commodity manufacturers and to retain its identity as a specialist manufacturer of high-tech and, therefore, high-value-added products. These include **flexible composite materials** that can be used in new applications such as coating for robotics, materials for fish farming, new energies or the oil & gas sector**.** It is also about using new technologies in existing sectors where they were not used before. The Group's capacity to increase its average selling prices per square meter and/or its gross margin is the direct result of this advantage.

Concentrating on four strategic markets has made it possible to focus on a development commitment with a more limited number of projects in order to **reduce time-to-market** for products under development and increase the share of new products in the Group's revenue mix.

New products (launched within the last five years) accounted for about 10% of Group revenues in 2021 and 2022.

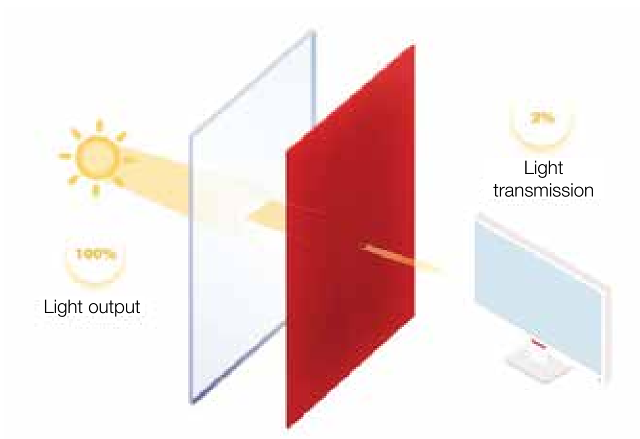
They consisted of:

- new products for SF, relating to new applications on the market;
- products existing on the market but new for SF;
- structural changes made to existing products, thereby significantly extending their impact on the market.

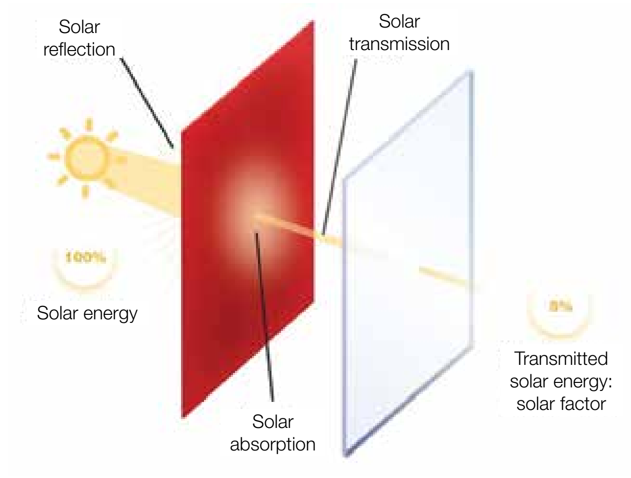
Properties meeting new environmental and societal challenges

The proposed composite materials offer numerous advantages for all possible fields of application and **cater to changing lifestyles and the challenges of sustainable development:**

- thermal performance by using multiple layers;
- resistance to earthquakes and extreme weather conditions;
- aesthetics and comfort;
- solar protection, permitting light transmission while limiting thermal transmission;
- modularity;
- no need for tension adjustment;
- prefabrication before deployment;
- environmental performance: LCA (life cycle analysis) and Eco IDentity (measure of progress beyond regulatory requirements);
- superior durability.



Example of outdoor solar protection: thermal comfort



Example of outdoor solar protection: thermal comfort

50 INSPIRED GENERATIONS

years of commitment

FAMILY ORIGIN

1920

Louis Ferrari (grandfather of Serge Ferrari) founds **"Tissages Louis Ferrari"** with his wife

1956

André Ferrari founds coated membrane manufacturer **"André et Serge Ferrari"** with his son Serge

ASTUTE DEVELOPMENT

1973

Serge Ferrari leaves his father's company and founds **"Serge Ferrari" in 1973.** **Since inception, creation and development of innovative Précontraint® technology via a differentiated approach grounded in innovation.**

1992

Serge Ferrari's sons Sébastien and Romain take over the **management** of Serge Ferrari (revenues: €15 million)

2000-2001

Acquisition of Swiss-based SFAG and Tersuisse

2014

Serge Ferrari is listed on EURONEXT Paris (revenues: €142 million)

2016

The **Serge Ferrari Group** announces the acquisition of a **51% equity stake** in **Giofex Group srl** alongside GIC. Giofex specializes in the distribution of flexible composite materials and accessories across several European countries.

2017

The **Serge Ferrari Group** acquires **Plastitex**. This family-owned company based in **Carmignano di Brenta** (Italy) specializes in the manufacture of innovative composite materials for indoor and outdoor furniture.

2019

Strategic review and focus on 4 strategic markets in which the Group is targeting a place in the leading duo

2020

In March, the **Serge Ferrari Group announced the acquisition of a 55% equity stake in F.I.T., Taiwan**, a designer, manufacturer and distributor of high-tech non-combustible materials.
In July, **the Group announced the acquisition of Verseidag-Indutex**, world leader in PTFE glass materials.
The **Serge Ferrari Group** now has over **1,000 employees**.

2022

In January, the **Serge Ferrari Group** launched a new phase in its history with the adoption of a **dual governance structure with an Executive Board and Supervisory Board**.
The family history continues, with its vision and values now driven by **Sébastien Baril**, Chairman of the Executive Board.
The Group posted a record performance in terms of revenues (over €300 million) and profit margins

Governance tailored to development goals

A word from the Chairman of the Supervisory Board

Sébastien Ferrari, Chairman of the Supervisory Board, commented on the Group's fiftieth anniversary: *"In 2023, the Serge Ferrari Group celebrates its 50th anniversary. Created in 1973 out of a disruptive innovation, Précontraint, the Group has remained true to this DNA, which consists of constantly identifying new solutions to meet the changing expectations of its customers. It has shown agility to absorb growth and become a mid-tier company posting revenues of over €300 million and entering new markets such as biogas.*

The Group now has a new governance structure with an Executive Board that embodies the need for a company that is determined to last and be capable of structuring and renewing itself while upholding the core values of innovation and sustainability on which the family business has built its success. The strong performance achieved in 2022, a challenging year for the economy as a whole, shows that Serge Ferrari is on the right track to meet the new challenges it has set itself, such as producing more sustainable and efficient membranes or continuing to promote new solutions for its customers."

COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES

The SUPERVISORY BOARD permanently oversees the management of the Company by the Executive Board.

AUDIT COMMITTEE

Caroline Weber, Chairwoman
Christophe Graffin
Sébastien Ferrari

REMUNERATION AND APPOINTMENTS COMMITTEE

Bertrand Neuschwander, Chairman
Carole Delteil de Chilly
Sébastien Ferrari

STRATEGY COMMITTEE

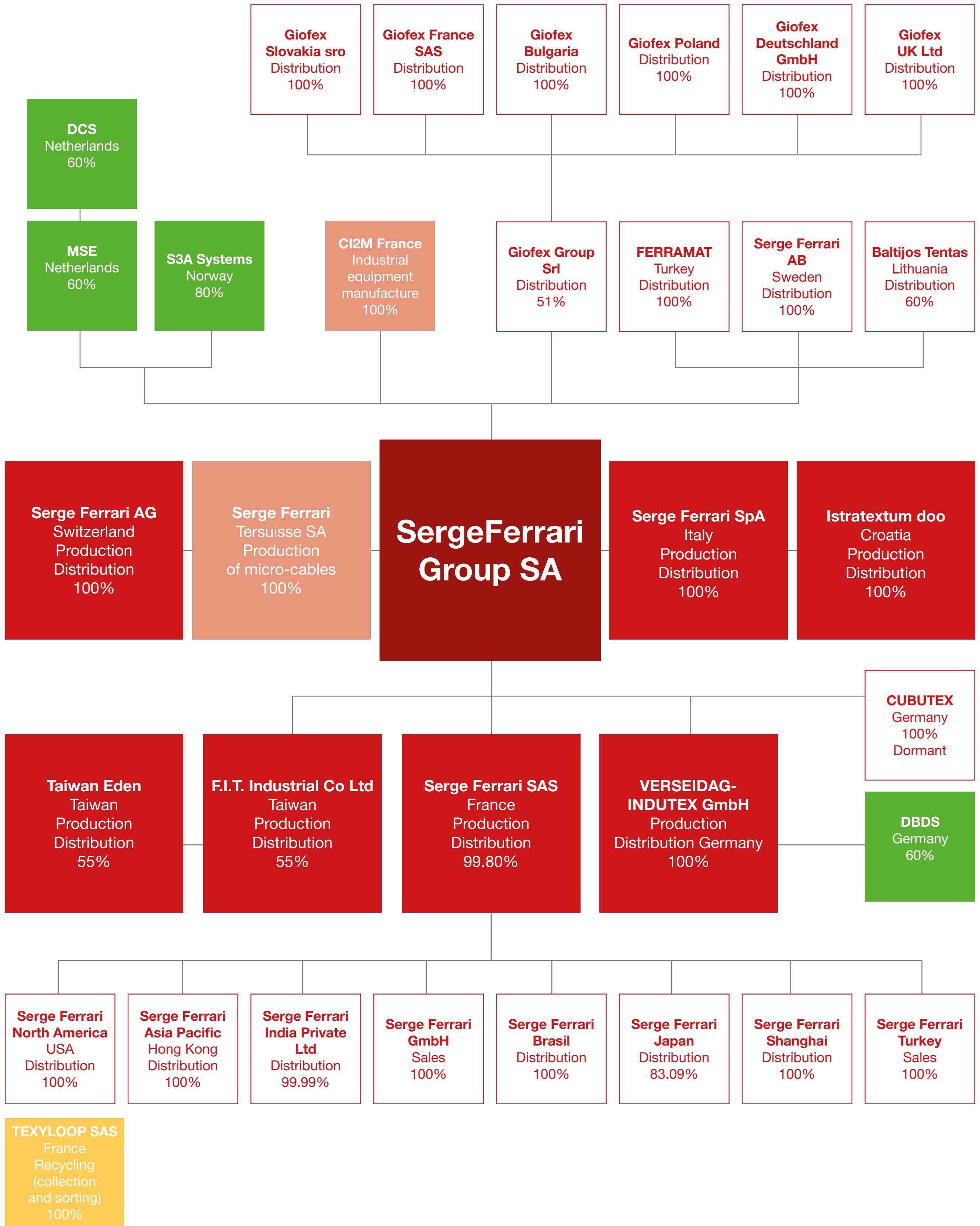
Sébastien Ferrari, Chairman
Bertrand Neuschwander
Bertrand Chammas
Romain Ferrari

CSR COMMITTEE

Romain Ferrari, Chairman
Félicie Ferrari
Joelle Barreto
Joel Tronchon (not a member of the Supervisory Board)

GROUP LEGAL STRUCTURE

As of the date of this Universal Registration Document, the Group's legal structure is as follows (consolidated companies):



Since the shares in direct and indirect subsidiaries have no double voting rights, the percentages in terms of shareholding and voting rights are the same.

Insulating facade made of Stamisol ■ Student hall of residence, Germany

2

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Fany Allarousse
Serge Ferrari Group CSR Manager

©Xavier Tschudi

Thinking about the company as one of the pillars of the society of tomorrow

A recent survey shows that “91% of young people (aged 18-25) rely on companies to combat climate change”[1]. The survey also found that “nearly 7 out of 10 young people say they could not work in a company that is not in keeping with their values”. This information reveals a growing demand on companies to allow a new model of society to emerge. These two examples show the extent to which the issues go beyond the “straightforward” theory of trickle-down economics.

Today, it is no longer enough for companies to respect the interests of their stakeholders or give consideration to the environment - they must make a positive contribution. This development is reflected, not only in regulatory expectations, but also and above all in the expectations of employees vis-à-vis their employers, customers vis-à-vis suppliers, and public authorities, NGOs and associations vis-à-vis economic operators. Finally, those who exploit freely available resources have a duty to act responsibly and positively with regard to the planet.

In an increasingly changing world, many believe that a company is the most suitable structure for delivering effective results amid all this complexity. This situation naturally leads companies to review their strategy, impact and decision-making processes based on the broadest possible reflection: from local (microscope) to global (binoculars) by strengthening the multidisciplinary and cross-functional approach (macroscope).

Bearing this in mind, companies must rethink their organizational structure in order to develop creativity and involve employees by relying on collective intelligence. The objective is to increase the company’s agility, responsiveness and capacity to adapt in an uncertain world, while developing an ecosystem to which it contributes and which, in turn, constitutes the necessary basis for harmonious and equitable development.

It is by seeking to better integrate these contextual factors, these expectations expressed, whether mandatory or implied, that our “CSR 2030” project is being built, enriched and developed every year. Driven by a unique mission to **act now to build a better tomorrow[2],** the Serge Ferrari Group is pursuing its approach to **strike the right balance between profit and responsibility in order to achieve sustainable growth.**

[1] IFOP survey for Fondation de France: www.fondationdefrance.org/fr/engagement-jeunes - survey published in the first quarter of 2023: “Contact” publication
[2] The purpose of the Serge Ferrari Group: “Act now to build a better tomorrow”

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Interview
with **Sébastien Baril**
Executive Board Chairman, Serge Ferrari Group

In your management of the Group, how do you take into account the acceleration of regulatory changes in the field of CSR?

For several years now, industrial companies have increasingly taken CSR issues into account in their strategic management. There are many challenges, whether social, environmental or economic.
Regulatory changes are both inevitable and essential. Under these circumstances, I think it's important to define the Company's capacity to adapt and anticipate in order to keep moving forward. It would be a mistake to sit around and wait for the law to change before acting, and to view CSR only from a regulatory and punitive perspective.
At Serge Ferrari, we define our CSR project as a growth driver by inviting each member of the ecosystem to contribute to a genuine transformation project for our industry through a shared vision.

You describe the CSR project as a growth driver. What do you mean by this approach? What does it entail in concrete terms?

Our Group's development strategy is very clear. We aim to be a global leader in our core business markets. As such, CSR is an essential feature of our development policy. The all-round approach of our project spanning all Group business lines aims to prevent and control risks, whether social or environmental, and to safeguard the supply of raw materials and energy. It must also allow us to make savings, by supporting and promoting energy sobriety and the quest for efficiency. Finally, the approach is designed to promote continuing innovation in favor of sustainable and resource-friendly production.
The CSR project is also an opportunity to question our markets and seek new opportunities by offering products that will meet the needs of the future and the challenges of the ecological transition. I firmly believe that the Group's commitment to CSR will enable it to unlock new markets and strengthen positive and virtuous momentum throughout the value chain.
Finally, CSR remains a differentiating factor compared to the competition.
It is part of our identity, what helps us to attract, motivate and retain quality people. The Group's long-standing commitment to social responsibility is a guarantee of legitimacy that enables us to gain the support of local communities and ecosystems.

The Serge Ferrari Group has historically served the BtoB market. How do you make allowance for new consumer expectations arising from their environmental sensitivity?

Environmental performance is a means of attraction for many of our customers who pay heed to the expectations of their own customers.
Take the Lafuma group for example, with whom we share two key concerns: first, the environmental performance of our products, and second, promoting French manufacture. This shared vision allows us to move forward together.
Respect for the environment is a societal phenomenon that transcends borders and generations. All consumers are seeking greater traceability of what they consume. Take the case of fish farming, for example: our products limit the damage to the ocean floor caused by breeding while reducing the amount of antibiotics administered during the breeding period. This is a competitive advantage for the breeder, a guarantee of controlled and certified food products for the consumer and, last but not least, good news for the planet! This activity demonstrates the merits of the policy we have been pursuing for several years: doing better with less.

What are the ingredients that allow you to "Do better with less?"

Innovation, without a doubt, in my view. Because innovation fuels sustainable development. It is encapsulated in the creativity we harness when developing new products, new uses and new processes, while seeking eco-friendly alternatives.
The challenges of sustainable development are often seen as a new revolution, because the changes required are so complex. Given the scale of these challenges, we need to get people on board, find new ways of reasoning, transform behaviors and change the way people think. We mustn't lapse into alarmism or, worse still, denial. Instead, we must encourage all the stakeholders and employees who make up our ecosystem to buy into our project.

For you as Chairman of the Executive Board, what are the watchwords of your CSR project?

In 2022, the Serge Ferrari Group continued to grow whilst fine-tuning its low-carbon goals and CSR trajectory. The watchwords? Safety, trust, satisfaction and solidarity.

Safety: In an industrial activity like ours, safety is the guiding beacon of our progress and the feature we must continue to consolidate at Group level.

Trust: The commitment of our teams worldwide across all our business lines is the foremost strength of the Serge Ferrari Group. Trust is the key ingredient that consolidates internal cohesion.

Satisfaction: The satisfaction and pride elicited by our teams from working on innovative products and technologies. Customer satisfaction too, of course. We want to strengthen our support for our customers in order to help them cope with the host of challenges they face - we will therefore continue to structure and standardize our organizational systems to this end. And this means pursuing our acquisition policy alongside organic growth.

Solidarity: Since its inception, our Group has incorporated the concept of "growth for all"1 into its development. Rather than a quantified target to be achieved, solidarity is a kind of balance to which we wish to contribute, a mindset we want to develop in keeping with our roots and the Group's history. Lastly, in 2022 we gave structural form to this collective consciousness by creating an additional lever specially for this purpose: the Serge Ferrari Foundation.

How are you approaching the year 2023?

2023 unfolded against an unusual backdrop of tension and concern in terms of energy, economic and social issues. However, I remain confident and optimistic. The Serge Ferrari Group remains strong, underpinned by its history, roots and values.
2022 performance confirmed the strategic positioning we have adopted, especially with regard to the balance established across our four strategic markets and our ability to operate both as a local player rooted in its regions and as an international player capable of innovating to find solutions to complex needs and projects.
Our driving concern is to continue to grow the Group while ensuring geographical coherence and seizing new growth opportunities. This optimistic vision is underpinned by the agility, tenacity and motivation of our teams united behind a common goal, namely making progress with the major medium and long-term challenges that will drive the Group's development. "Act now to build a better tomorrow": this is our collective commitment.

[1] "Growth for All": World Commission on Environment and Development (WCED).
Notre avenir à tous, éditions du Fleuve, les publications du Québec, 1988.

OUR PURPOSE:
"Act now to build a better tomorrow"

CURRENT ISSUES*

- RM Resources
- Health and Safety
- Waste
- CO_2 emissions
- Energy

OUR MOTIVATION

Doing Better With Less

Serge Ferrari

OUR COMMITMENTS FOR 2030

Carbon:
(relative value)
- Low carbon: -30% Kg CO_2 / m².
- 100% of our products covered by EPDs**
- Assessment "Scope 4" applications customers

Resources (absolute value including growth)
- Humans: 0 additional difficulty
- Energy: 0 additional KWh units of non-renewable energy
- Material: 0 virgin material

OUR ECOSYSTEM

EMPLOYEES
- 1,233 full-time employees (on DPEF perimeter - see appendix)

FINANCIAL PARTNERS
- Family shareholding

CUSTOMERS AND SUPPLIERS
- 4 strategic markets
- Priority expectations: comfort, safety, environment
- Signature of a responsible purchasing charter

TRADES & KNOW-HOW
- 6 production sites (thread and canvas)
- 13 sales and distribution entities
- 5 laboratories
- 54.5 people in R&D
- 34 active patents

CLIMATE AND RESOURCES
- Climate: 5 Kg CO2/m².
- Raw materials from petrochemical and mineral chemistry
- Energy consumption: 2,60 KWh / m²
- Water use: 15.65 L / m²

LOCAL COMMUNITY & SOCIETAL SPHERE
- Projects with the territories of establishment
- Sponsoring
- Serge Ferrari Foundation

** Linked to our membership in the construction sector*
*** Environmental Product Déclarations*

OUR STRATEGY:

a sustainable and responsible transformation project 4.0

OUR KNOW-HOW

OUR MARKETS

Strategics
- Tense architecture
- Modular structure
- Solar protection
- Furniture / marine

Opportunities
- Automotive: automotex
- Breathable waterproof membranes: stamisol
- Environment
- Biogas: dbds

OUR LEVERAGES

The commitment of an inclusive Group:

Individual
- Code of Conduct

Collective
- All 4 One
- Emergence

Ecosystem
- Sustainable and just growth

OUR ROOTS - OUR VALUES - OUR DNA

VALUES CREATED AND SHARED

EMPLOYEES
- 90.19% employees on permanent contracts
- 15,096 hours of training
- Profit-sharing contract
- 10.91 average seniority
- development of SF ACADEMY training (internal and for our clients)

FINANCIAL PARTNERS
- €338,696K in revenues
- €16,689K of net income
- €10,032K dedicated to industrial investments (+15% VS 2021)

CUSTOMERS AND SUPPLIERS
- Loop product range 100% recycled material
- NATOME range
- Internal standard of non-use of SVH, CMR1A and CMR1B
- RPET I recycled

TRADES & SKILLS
- 322.5 hours provided by the SF Academy for the integration of new employees
- 1,219 hours provided by the SF Academy for the product knowledge and business techniques
- 97 hours of external training provided by the SF Academy for our clients and service providers

CLIMATE AND RESOURCES
- 0 buried waste in 2024
- 23% KWh/m² in 2030 (vs 2022) in 2030 (vs 2022)
- 0 non-recycled virgin raw materials or agro-sourced in 2030 (vs 2022)
- -20% water impact in 2024 (vs 2018)

LOCAL COMMUNITY & SOCIETAL SPHERE
- 3 production sites committed to a local project in favor of inclusion and diversity
- €2,006 K in taxes
- €5,798 K in income taxes
- €250 K Serge Ferrari Foundation budget
- €31 K of sponsorship
- Global Compact

Part 1

Who are we? The "one and only" Serge Ferrari

The Serge Ferrari Group is more than just another company: above all, it is an entrepreneurial, human, family-driven adventure. Born of the innovation of our founder Serge Ferrari and developed in a spirit of sustainable entrepreneurship by his heirs Sébastien and Romain Ferrari, the Group entered a new stage in its history in 2022 with the creation of an operational Executive Board manned by Sébastien Baril and Philippe Brun. In keeping with the Group's values and family culture, the new management team is driving a strong trajectory in the international arena. The last decade has seen a profound transformation in which the locally based, family-run SME has grown into a leading international mid-tier industrial group serving a number of global markets.


Sébastien and Romain Ferrari
©Oram Dannreuther

***"Ferrari has its own meaning for each one of us. For some, it's the start-up with Serge at the helm setting the daily course. For others, it's the company that became a multinational SME. And for others, it is the company of tomorrow,
the company where they may soon start their career."***

Sébastien and Romain Ferrari
(extract from "Au fil des mots[1]")

[1] "Au fil des mots" is the book of the Serge Ferrari corporate culture.

1.1 OVERVIEW OF THE SERGE FERRARI GROUP

OUR BUSINESS

THE SERGE FERRARI GROUP:

The Serge Ferrari Group designs, develops, manufactures and markets innovative composite materials for lightweight architectural and outdoor applications.
Its products are intended primarily for four strategic global markets:

Solar protection | Tensile architecture | Modular structures | Furniture/Marine

The solutions combine lightness, durability, safety, design, comfort and eco-responsibility.

KEY FIGURES:

Human resources

Over **1,200** EMPLOYEES

International

Subsidiaries and sales offices in **12** COUNTRIES

Customers in **80** COUNTRIES

Production

6 PLANTS

France | Germany | Italy | Switzerland (2) | Taiwan

Innovation

OVER **50** RESEARCHERS AND **5** CENTERS OF EXCELLENCE

France | Germany | Switzerland (2) | Italy

Revenues

€**338.7** MILLION IN 2022

CO_2 emissions

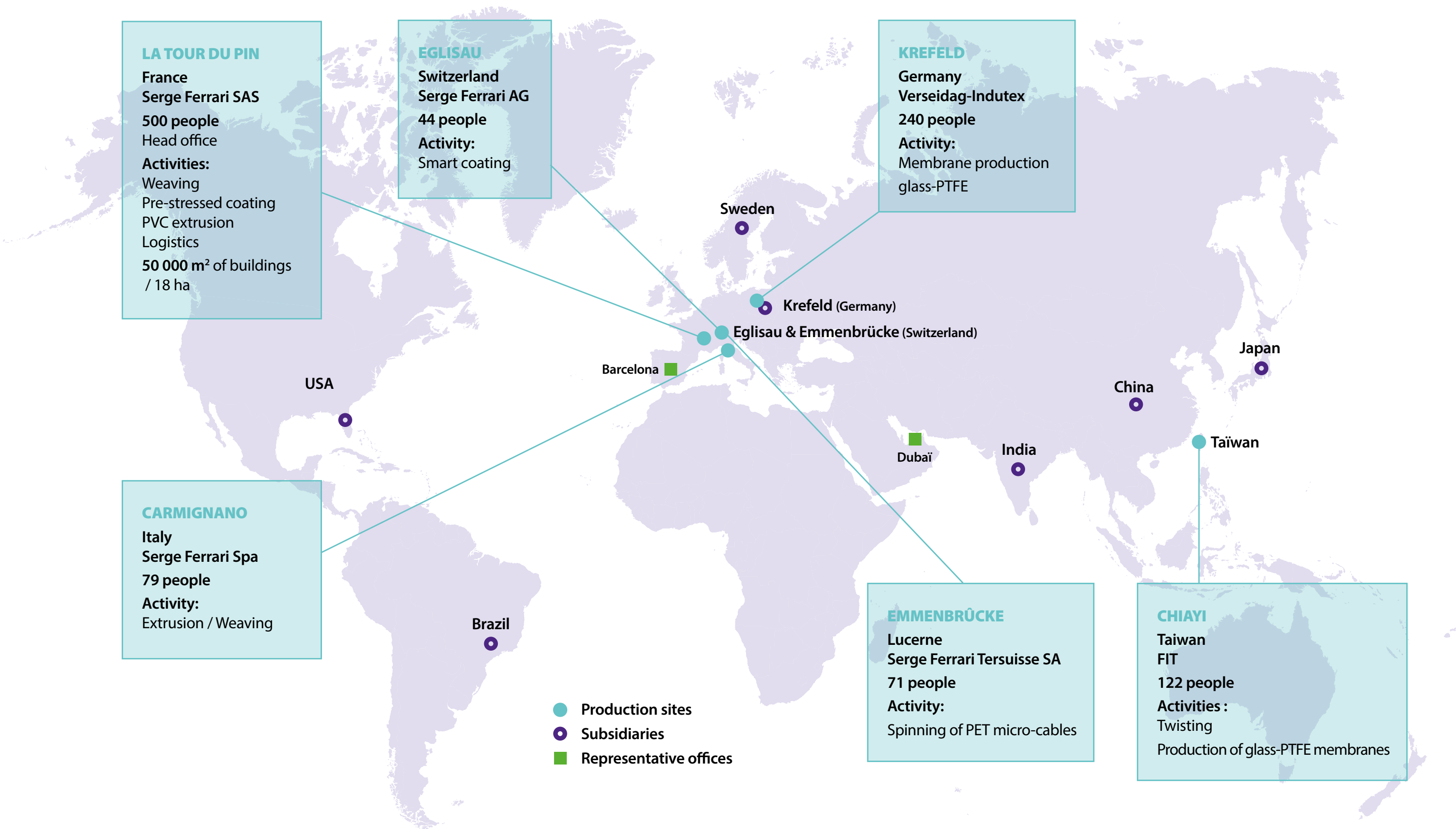
TARGET REDUCTION OF **30% KG CO_2/M²** BY 2030

Responsible purchasing

100% OF PURCHASES COVERED BY THE SUPPLIER CHARTER

Facade equipped with Frontside View 381 - Dortmund ©Philip Kistner Fotographie

GROUP LOCATIONS



OUR PURPOSE

The Serge Ferrari Group has defined its purpose following a brand identity brainstorm that highlighted the strength of "the Serge Ferrari Group culture".
It is a truly differentiating factor and competitive advantage that contributes to the Group's attractiveness as an employer. This purpose embodies the Group's long-standing ambition of being a committed player through its business model and the solutions it designs.

SERGE FERRARI GROUP COMMITMENT

"ACT NOW TO BUILD A BETTER TOMORROW"

At the Serge Ferrari Group, we help build better, with less, now.

> **Build better** means accompanying lifestyle changes by combining utility, via more functional, safer and more sustainable solutions, with well-being, via solutions more geared to comfort, design and quality of life.

> **Build with less** means promoting the use of lighter and more durable materials as a practical response to climatic and environmental challenges, in an economy using fewer natural resources.

> **Do it now** means assuming all our responsibilities today by developing innovative composite membranes for applications that provide a response to the urgent environmental challenges we face.

THE VALUES OF THE SERGE FERRARI GROUP

The three historical core values of our company guide us all, wherever we are:

> **Tenacity.** Tenacity means taking risks and cultivating a winning mindset. It is a value deeply enshrined in the Group's entrepreneurial history. Serge Ferrari is an exceptionally bold group driven by the courage of its convictions and the determination to experiment and succeed. Whether this involves creating disruptive technology, finding pragmatic solutions to everyday problems, designing new applications or taking on unprecedented technical challenges, we have the willpower to follow through on our ambitions, projects and commitments.

STFE greenhouse ©ZUH Visuals

> **Loyalty.** Loyalty means the ability to speak out and promote transparency in exchanges, both internally and externally with customers and partners. The Group strives to build simple and authentic relationships, to give itself every opportunity to build a sense of belonging, foster loyalty, create trust and earn the commitment of all our stakeholders. This is a key dimension for our company, which has placed cooperation and partnerships at the heart of its model since its inception.

> **Generosity.** Generosity means being attentive to all the company's stakeholders, including in delicate situations. Generosity forms part of our long-standing culture of benevolence. This is illustrated in particular within the company by the desire to empower each employee to the utmost at all levels of the hierarchy. Employees respond by showing exemplary individual and collective commitment. This attentiveness is also reflected in our contribution to protecting the environment via a policy fully in line with societal trends.

SHARED COLLECTIVE COMMITMENTS

> **Working with others.** We are convinced that in an increasingly collaborative economy, where joint creation and production are the norm, the quality of internal and external relationships is an increasingly valuable asset for a company. For this reason, the Group invites all employees at different levels to create and maintain constructive interactions with stakeholders.

> **Innovation.** Experimentation and the desire to break new ground have been part of the company's day-to-day business since its creation. This pioneering spirit is reflected throughout the value chain, from the formulation of raw materials to the recovery of end-of-life products, including the design of production machines, the development of applicative solutions and interfacing with our customers and partners. Our teams show a unique ability among our people to test, innovate, try out, make mistakes, start over and succeed.

> **Performance.** Our constant focus on the ingenuity, efficiency and sustainability of our solutions always goes hand in hand with our attention to their overall economic performance.
It is a prerequisite for imposing alternative applications on our highly demanding markets and for acquiring the means to continue investing relentlessly in innovation and development.

> **Sustainability.** We are a family-owned company committed to a long-term vision of our corporate mission and contribution, operating in markets with long cycles. We demonstrate our commitment to sustainability through the scope of our strategic decisions, our agility in implementing those decisions, the quality of our solutions, the authenticity of human relations within our teams and with our customers, and the importance we place on the transfer of values and knowledge.

1.2 2022: A PIVOTAL YEAR OF SWEEPING CHANGES

NEW GOVERNANCE FOR SERGE FERRARI SINCE JANUARY 2022

In January 2022, after 17 years of holding various positions in the Group, Sébastien Baril was appointed Chairman of the Executive Board. Alongside him stands Philippe Brun, member of the Executive Board, to bring a broader view of the Group's development strategy. Together, they form the Executive Board, combining their complementary experiences and skills to build a closely knit management team.

The purpose of this governance change was to implement a transmission process, preserving historical momentum in order to meet the challenges of development while strengthening the Group's fundamentals, namely the values of innovation and the desire to act now that rally the employees together.
The Executive Board is committed to driving the Group's intrinsic goal of achieving sustainable growth. This approach must factor in the current situation and its impact on present and future employee expectations and customer needs. It must also ensure that all Group business lines and activities contribute to the goal of reducing carbon emissions and the consumption of resources (RhSE 2030 project).

This goal must be translated into a roadmap in which each new project, decision and innovation must comply with the Group's CSR commitments.

To this end, the Executive Board has set up two new operational bodies to raise awareness and steer this commitment: the Strategic Management Committee and AGORA.

Philippe Brun & Sébastien Baril
Executive Board
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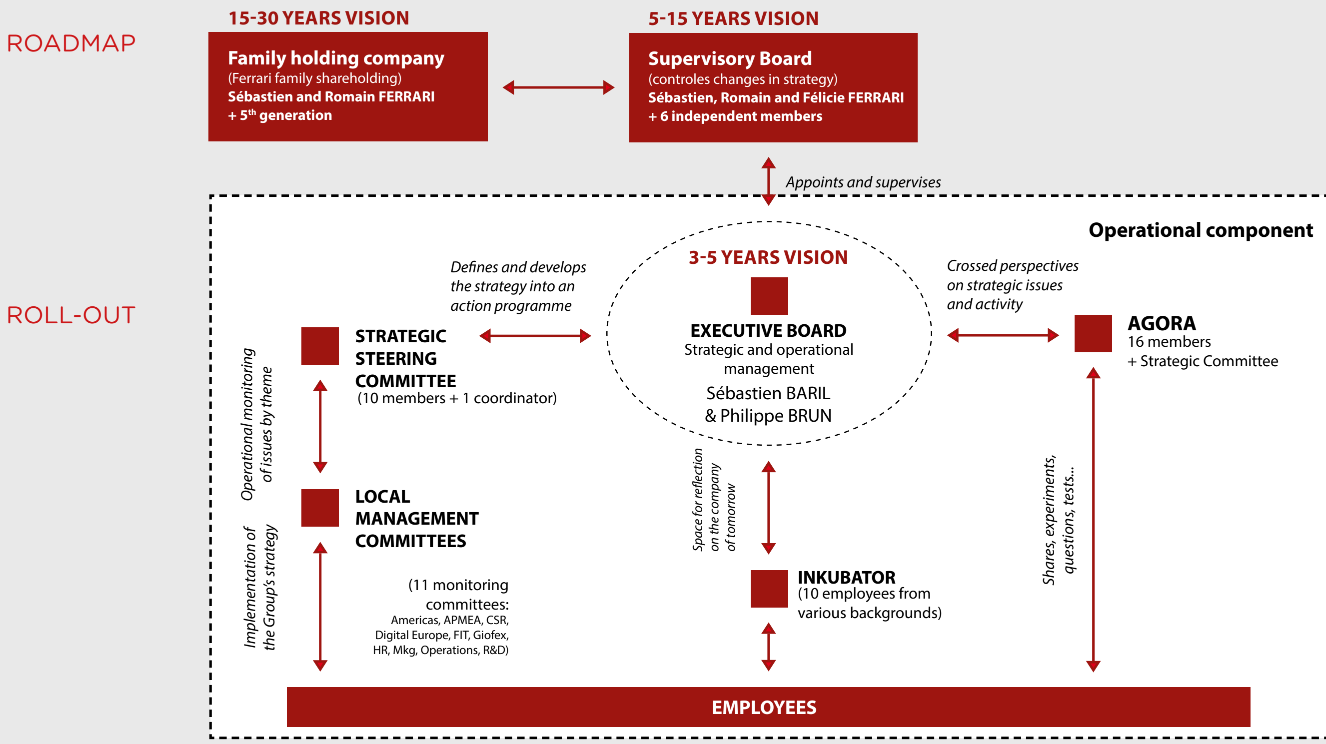
> The purpose of the **Strategic Management Committee** is to work effectively on aligning strategic objectives with operational implementation.

> **AGORA** is a participatory body bringing together 30 executives - both men and women - tasked with building Serge Ferrari's future vision drawing on their diversity of culture, know-how and interpersonal skills.



The Executive Board has strengthened overarching strategic management functions in order to embody, implement and manage strategic issues in all units.

DYNAMIC ACQUISITION STRATEGY

The Serge Ferrari Group is pursuing its development through acquisitions as well as organic growth. The aim is to strengthen the Group's strategic position and propose areas of diversification and synergies. The Group completed three new acquisitions in 2022: Baltijos Tentas (Lithuania), MSE and DCS (Netherlands)[3].

FOCUS:
ACQUISITION OF BALTIJOS TENTAS

The Serge Ferrari Group purchased 60% of the capital of Baltijos Tentas, an acquisition that also reinforces its distribution network in Europe. Based in Vilnius, the capital of Lithuania, Baltijos Tentas has worked with Serge Ferrari and Verseidag-Indutex for nearly five years.

A distribution company operating mainly in the Baltic region, Baltijos Tentas mainly markets tents and storage facilities for transport and logistics companies, maintenance and repair companies, and farming and building structures.

The acquisition is designed to strengthen the Group's presence in Scandinavia and secure business opportunities in the industrial, solar protection, modular structure and signage sectors.

Baltijos Tentas managing director Ramunas Macas commented on the acquisition:

"We are delighted to be part of the Serge Ferrari Group, as their values are similar to our own. They are a modern, innovative and creative Group with extensive expertise in their various markets and unfailing professionalism. On a personal note, I feel that the Serge Ferrari Group's strengths will help us develop our offerings more quickly and sustainably, as well as achieve our growth ambitions."

Ramunas Macas,
Managing Director, Baltijos Tentas

Aerial view of Baltijos Tentas - Vilnius

Headquarters of F.I.T. Industrial Co ©F.I.T.

FOCUS:
ACQUISITION OF AN EQUITY STAKE IN F.I.T.

F.I.T. Industrial Company is a Taiwanese company founded in 2003 near the city of Chiayi in southwest Taiwan. Named F.I.T. by founder Jackson Kung, the company's name stands for "Faith, Innovation, Trust", the three components of the company's philosophy.

F.I.T. was one of the first companies in Taiwan to specialize in the production of glass yarn. In 2008, in order to diversify its products and create new business opportunities, it developed an activity through vertical integration. Vertical integration means in-housing an operation performed by one of the company's suppliers or customers. In this case, the company became a supplier of glass fiber, a producer of glass fiber membranes and a builder of structures using its own PTFE glass products. In this way, F.I.T. successfully combined its glass yarn expertise with PTFE coating techniques to create a PTFE-coated glass fiber membrane, a high value-added product whose main advantage is its non-combustibility.

F.I.T. generated revenues of around €12 million in 2019 from a base of around 100 customers across 15 countries.

In 2020, aware of the strengths of the Taiwanese company, the Serge Ferrari Group initiated the acquisition of a 55% equity stake, thereby gaining new means of production in Asia, a region that accounts for almost 60% of architecture projects worldwide, and adding non-combustible membranes to its arsenal of building solutions.

Nowadays, F.I.T. employs around 100 people at its Chiayi industrial facility and serves customers spread across five continents. The company continues to focus on its two core businesses, i.e. production of glass fiber and manufacture of high-performance PTFE membranes, mainly for the tensile architecture market.

Jackson Kung,
F.I.T. Industrial Co

[3] These three acquisitions (Baltijos Tentas, MSE and DCS) are not included in the present reporting scope – see methodology note in the appendices.

1.3 OUR RESPONSIBILITY: ETHICAL AND RESPONSIBLE BUSINESS

OUR CODE OF ETHICS: A RESPONSIBLE BUSINESS

ALL 4 ONE: THE CODE OF CONDUCT FOR SERGE FERRARI EMPLOYEES

In keeping with its purpose, the Group's development is driven by strong values that were revised in 2021 via the "All 4 One" project. All 4 One is a guide to the principles of behavior and action expected of each Group manager and disseminated through them to each employee. Formally drafted in 2022 and translated into three languages, All 4 One first serves as a guide for managers by enabling them to appropriate (via an internal training cycle) and develop the attitudes expected in line with the ethical guidelines defined by the Group. Managers are then tasked with communicating and applying, within their teams, the principles of behavior and action that are a condition for belonging to the Serge Ferrari Group.

BUSINESS ETHICS AND WHISTLEBLOWING PROCEDURE

An anti-corruption code of conduct which makes reference to the United Nations Convention against Corruption has been applied within the Serge Ferrari Group since January 2018. It is governed by French Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and modernization of economic life. The policy is implemented through:

- awareness-raising and training initiatives: managerial and non-managerial employees most exposed to the risks of corruption and influence peddling must participate in training. Other Group employees are required to read the code and are sensitized by the Group charters on safety, ethics, internal rules of procedure, harassment and violence at work, IT, responsible purchasing and home office/coworking;
- a global whistleblowing system, which aims to collect reports from employees concerning behavior that contravenes the established anti-corruption code of conduct. To ensure deployment of the general system and the confidentiality of any information collected, the Group has designated whistleblowing officers, who can be contacted directly or via the email address: referent.alerte@sergeferrari.com. Employees can also contact the members of the Ethics Committee.

The Serge Ferrari Group intranet, called "SinFoNI", has a section on charters explaining the company's ethical principles and recalling their importance for the Group and the need to apply them on a daily basis. The Group's values and commitments are also set out in this section.

For the attention of the general public, the sergeferrarigroup.com website includes a page entitled "Our commitments" that presents the Group's CSR commitments and the charters and codes it has created to promote ethical business practices. With regard to new regulations on the duty of vigilance, as well as changes in internal governance, work is underway with HR departments and staff representatives to revise the charters and raise awareness on the duty of vigilance. On November 14, 2022, a Group Safety Day was organized to raise employee awareness on the existence and operation of whistleblowing mechanisms. Two alerts were recorded in 2022, one in Europe and one in Asia, leading to corrective measures.

SERGE FERRARI GROUP ADHERENCE TO INTERNATIONAL ORGANIZATIONS

The Serge Ferrari Group's commitment to business ethics is also manifested in its adherence to leading international programs, including the United Nations Global Compact since 2019. As such, the Group has undertaken to publish a communication on progress (COP) each year setting out its commitment to respecting and promoting the Ten Principles related to human rights, labor standards, the environment and anti-corruption. These principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention against Corruption.

To identify the sustainable development goals (SDGs) that correspond to its CSR policy, the Serge Ferrari Group carefully considered the 17 SDGs and selected those most relevant to its field of activity.

10 SDGs have been selected, either because they are closely linked to the Group's strategy or because they correspond to emblematic projects in which the Group is involved.

These SDGs should be analyzed in two stages:

Stage 1: high-stake SDGs on which the Group is taking direct and specific action;

Stage 2: "implicit" SDGs to which the Group, as an economic operator, systematically contributes through its daily activities.

REGULATORY MONITORING

The Serge Ferrari Group pays close attention to compliance with all regulatory procedures in the countries where it operates. The Group monitors regulations closely through its membership of a number of networks (e.g. METI, LPFE, Global Compact), by raising awareness and encouraging site managers to report local regulations (impacting the Group) and through the VigiAlert Committee, a Group committee tasked with anticipating upcoming regulatory changes concerning materials and products. The results can take many forms, including adapting and revising master documents and anticipating specific issues.

Some examples from 2022:

> Suppliers
Although not impacted at this stage, the Group adopted the expectations of the "The Act on Corporate Due Diligence for the Prevention of Human Rights Violations in Supply Chains" applicable in Germany from January 1, 2023 for companies with over 3,000 employees and from January 1, 2024 for companies with over 1,000 employees.

> Human rights and responsibility
EU Corporate Sustainability Due Diligence: a draft directive requiring companies with over 500 employees (over 250 employees in high-risk sectors including textiles) to specify the implementation of criteria within the company relating in particular to human rights and direct and indirect supplier audit recommendations.

> Materials
REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)4 and CLP (Classification, Labelling and Packaging) regulations
- The Serge Ferrari Group Certification Department closely monitors changes (regulatory and sensitivity-related) in CLP regulations on the use of raw materials (employee health and environment) and changes in REACH regulations on the incorporation of these materials into products (restriction on proportions, application, etc.) in order to anticipate these elements and incorporate them into the Group's production processes in advance (see details in Part 3).

Lastly, the Group also pays particular attention to the Green Taxonomy (see Part 3: enabling activity).

INTERVIEW WITH PHILIPPE BRUN,
EXECUTIVE BOARD MEMBER AND CHIEF FINANCIAL OFFICER


Philippe Brun - CFO - Member of the Executive Board
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The European Green Taxonomy is a much-talked-about new classification system lying between financial and CSR strategy. As member of the Executive Board and Chief Financial Officer, how do you perceive this new exercise?
"The Green Taxonomy is a classification tool that allows you to measure and render transparent the sustainable portion of companies' activities from an environmental point of view. Its main purpose is to steer financing towards companies that promote the objective of the European Green Deal, i.e. climate neutrality by 2050.
As citizens, we have no choice but to commit to this objective. As company directors, it is a challenge that forces us to rethink organizational systems, products and processes so that they contribute to the essential decarbonization of the economy."

The taxonomy targets two main objectives: transparency and comparability of information. How do you think this classification can be useful for managing the Serge Ferrari Group's activities?
"Comparability of information is quite a complex notion. Since activities are never comparable, it is questionable whether the information produced is comparable, including quantitative data such as tonnes of GHG emissions. On the other hand, the availability of information, which will concern most of our stakeholders (customers, suppliers, banks, etc.) will allow us to make informed choices.
For example, we have long sought to select suppliers who incorporate a certain proportion of recycled raw materials into their industrial processes.
This practice can be extended and the discussions we hold with our stakeholders now systematically include CSR issues.
In fact, this idea pervaded our recent talks with some of our financing banks regarding our comparative (and broadly unsatisfactory!) performance in terms of gender balance on management bodies. The search for carbon-free energy sources is also a key guiding principle - and not just for economic reasons."

Besides the taxonomy, the upcoming CSRD (Corporate Sustainability Reporting Directive) will introduce many changes in financial and non-financial reporting. How are you getting ready for these changes?
"From January 1, 2024, our Group will have to apply the provisions of the CSRD and describe, in particular, the impact of its operations on the population and the climate, as well as to report on the manner in which sustainability questions (social, societal and environmental) impact the Company.
This is the principle of double materiality, which consists in identifying both the impact of the company on society and the impact of environmental, social and societal criteria on the company itself.
Existing information systems will have to be organized to capture the information in a permanent and structured manner. Decision-making processes will also have to incorporate these aspects, in particular the inclusion of the carbon impact in purchasing and investment decisions. CSR issues will become preponderant over the coming years, in line with the climate emergency, and will then be balanced with the other economic and financial performance metrics traditionally used by companies.

4 Regulation (EC) No. 1907/2006

EUROPEAN GREEN TAXONOMY

NB: The REVENUE, OPEX and CAPEX tables will be published in the cross-reference tables

The European Union published European Regulation 2020/852 of June 18, 2020 on the establishment of a framework whose main purpose is to direct financing in the EU towards more sustainable activities and technologies.

A SUSTAINABLE ACTIVITY:

> makes a substantial contribution to one of the goals listed in the European regulation (6 objectives including 2 climate objectives);
> does not obstruct the other objectives in application of the DNSH principle (Do No Significant Harm);
> complies with minimum social standards;
> and complies with the technical screening criteria established by the Commission.

The Taxonomy Regulation (EU) 2020/852, which defines the overall regulatory framework of the text, is supplemented by delegated acts providing further details on this framework, including:
> Commission Delegated Regulation (EU) 2021/2139 ("Climate") setting out the classification of sustainable activities in relation to the climate theme;
> Commission Delegated Regulation (EU) 2021/2178 ("Article 8") setting out companies' reporting obligations in relation to the taxonomy.

A revisable list of eligible activities based on NACE codes (statistical classification of economic activities in the European Community) may be found at *https://ec.europa.eu/sustainable-finance-taxonomy/home.* Activities that do not meet these definitions are considered as undefined in the reference framework and as such are considered as "non-eligible". Non-mandatory activities considered as not having a significant impact on the climate are therefore excluded from the alignment tests.

PRESENTATION OF ELIGIBILITY RESULTS

Activities/revenues *(The REVENUE, OPEX and CAPEX tables will be published in the cross-reference tables)*
KPI reporting requirements for 2022 concern the "eligibility" and "alignment" of activities: the Company, whose main activity is classified under NACE code 1396 Z **"Manufacture of other technical and industrial textiles"**, concluded that its main economic activities are not covered by the delegated act on the climate limb of the EU Taxonomy. Accordingly, eligible revenues comprise 0% of the Group's consolidated revenues for 2022 (€338.7 million, Section 6.1. Annual consolidated financial statements)

Investment expenditure (CapEx)
Due to the non-eligibility of its revenue-generating activities, SergeFerrari Group's investment expenditure (CapEx) does not include expenditure directly related to its activities but only capex incurred within the framework of "individually sustainable measures" as defined by the Taxonomy Regulation. This expenditure amounts to €415,000 and accounts for less than 5% of Group acquisitions of intangible assets, property, plant and equipment and right-of-use assets in 2022 (millions of euros, Section 6.1 and Notes 5 and 6).

The corresponding investments mainly concern the implementation of electric charging systems for mobility solutions, energy-saving systems and the use of electric vehicles.

Operating expenditure (OpEx)
Operating expenditure (OpEx) as defined by the Taxonomy Regulation includes expenditure:
> related to eligible activities;
> forming part of a plan aimed at extending a sustainable activity or making an activity sustainable;
> related to economic activities referred to as "individual measures" in the Taxonomy Regulation aimed at reducing the company's environmental footprint, such as expenditure on premises, vehicles or data hosting.

They correspond to:
1. uncapitalized direct R&D costs;
2. short-term renovation measures, maintenance and repairs;
3. any other direct expenses related to ordinary maintenance work on property, plant and equipment by the company or the third party to which the activities are outsourced that are necessary to guarantee the continuous and efficient functioning of these assets.

They represent less than 5% of total operational expenditure. As such, they are considered non-material and exempted from the ICP numerator calculation for operating expenditure. The operating expenditure ICP is therefore zero.


Kiev stadium © Oleg Stelmakh

Part 2

A CSR approach that reflects and unites us

The CSR project named "Do better with less" was defined by incorporating new stakeholder expectations with an overview of the Company's carbon impact across the entire value chain. These factors were used to revamp the business model by making "commitment" a core component of the strategy. This bold program cannot be implemented without changing mindsets, adapting processes, pooling resources, expertise and skills, and achieving hybridization. This approach should be considered from the perspective of mobilizing the whole of the company's ecosystem. It entails new roles and approaches and forges new links of interdependence within and outside France.

Committed to ecological transition since its inception, in 2021 the Serge Ferrari Group confirmed the integration of the crucial issues of sustainable development into its growth policy by structuring a CSR department whose principal role is to support the process of change management. The Group's CSR policy has been reviewed in order to better respond to the environmental and social risks weighing on its business model and to develop its competitive advantages. The Group pursues a three-point strategy in keeping with its DNA and values: **People, the Environment and Sustainable Innovation** - the Serge Ferrari Group has undertaken new commitments for each of these pillars, while other longstanding commitments have been renewed and expanded.

Alongside this approach, the Serge Ferrari Group decided to supplement its CSR policy, the goal of which has always been to "Do better with less", by defining an internal standard based on the concept of "Resource" (and planetary limits)[1].

[1] Planetary limits: Presentation of the concept of planetary limits Concept - notre-environnement.gouv.fr

Interview with Romain Ferrari

Chairman of the CSR Committee and CSR Expert

What indicators can be used to measure the materiality of environmental commitments?

The Climate indicator (BEGES, Bilan Carbone©) and Scope 3 low-carbon trajectory curves are now generally preferred for measuring a company's endeavors to reduce its environmental impact.

While it is true that a company's direct and indirect emissions have a significant impact on the climate, there are also other factors that directly impact biodiversity, water, ground, air quality, etc. These factors are not covered by the climate indicator, which cannot be considered as a "proxy" indicator. This has been known for over 20 years and has notably fueled the multi-criteria life cycle analysis (LCA) approach that we all take for granted today.

At present, there is no single, universal virtual impact indicator despite many efforts to define one. It would be naive today to think that the Climate indicator can serve this purpose.

It has been an established fact for over 20 years that a strong correlation exists between "primary" indicators like raw materials and energy of economic activities, for example, with the various impact indicators.

For the sake of simplicity and consistency, these material indicators should be preferred in order to steer efforts and globally measure a company's progress.

Climate indicators supplemented by indicators geared to other environmental aspects are more suited to the various normalized reporting.

The desire for a "primary" flow indicator enabling a company to move towards a precise goal that is measurable at any time

Our project is based on simple visual and tangible counting of economic activities, from the tons of materials that cross the factory entrance to the numbers that climb up on energy meters. This is the internal standard for steering Serge Ferrari's progress.

Any employee can check this formula: buyers, production operators, and so on.

No calculation, however cunning it may be, can "doctor" these figures. Materiality is absolute and tangibility incontestable.

And we know that these flows generate a multitude of impacts, including impacts directly related to climate change. We have known for decades that these quantities are growing faster than GDP. In this sense, these primary indicators form a basis for measuring the Company's efforts, as they are accurate, verifiable, relevant and not misleading.

By way of proof, the recent Scope 3 calculation showed that the Company must focus on inbound material and energy flows in order to reduce its carbon emissions. Good news, as this is the direction our trajectory is following!

The low-carbon trajectory: an indicator targeted to a given aspect in order to track progress

This curve is derived from a complex calculation of the various direct and indirect emissions associated with a company's activities.

Unfortunately, there is no meter that allows you to track these emissions in real time so no one can claim to witness these emissions through a simple visual or counting operation. There are very few people who can instinctively make the right decisions from day to day to reduce these emissions and immediately check the efficacy of the measures taken.

The data is vitiated with uncertainties, especially due to input errors or the actual parameters of the calculations.

Low-carbon trajectories can sometimes give the illusion that the levers of action are situated outside the company's material constraints: signing of supply chain greening agreements, carbon sinks, offsetting schemes, reducing majority shareholdings in certain economic sectors, etc.

The tangible and material reality of these reduction trajectories defies our sensory perception and common sense judgment.

2.1 INTERDEPENDENCE: THE BASIS OF OUR CSR APPROACH

"Who picks a flower upsets a star"
Théodore Monod[2]

This quote sums up the definition of interdependence used by the Serge Ferrari Group as the basis for reviewing its CSR trajectory.

A CSR PROJECT BASED ON TWO PILLARS: CARBON AND RESOURCE.

At the dawn of a new era in sustainable development in which stakeholder expectations are increasingly high and "meaningful work" now ranks among employees' primary aspirations, in 2021 the Serge Ferrari Group decided to challenge and review its CSR goals in order to provide a specific response to each segment and market while deploying a global approach based on social, societal and environmental issues. This change of direction was based on the Group's values, DNA and history, while integrating the challenges of external and organic growth by enhancing its approach in light of specific cultural considerations in the regions in which it is based.

Pergola made of Soltis 92 ©Gandia Blasco

Diagnosis of expectations

Trends

> Global warming
> Biodiversity collapse
> Grow of population
> Citizens expectation

Market

> Environment
> Safety & Security
> Comfort

Materiality approach

> Stakeholders expectations

Updating the vision and transformation of the group

Our group development project for a sustainable growth

based on :

> Our signature :
Act now to build a better tomorrow
> Ethic charter
> Safety, health & operationnal performance
> Financial sustain

Implementation roadmap and progress

Objectives (vs 2022)
Do better with less

2030

OUR CSR +=O APPROACH

> Carbon stratégie :
-30% kg CO_2/m^2
> Energy efficiency :
-20% KWh / m^2
> Energy sobriety :
-20% GWh (energy consumption)
> Energy decarbonaization **:**
32% renewable energy
> 0 T landfill waste
> 0 additionnal non virgin ressources (including growth)

2050

> A low carbon world
> A circular economy
> A more balanced and just world

On the basis of the work performed by our think tanks, in 2022 we defined the trajectory for our CSR 2030 project. The project is based on a dual approach involving two mutually supporting elements, both equally essential for fulfilling our sustainable growth target. The approach involves analyzing of our understanding of the challenges of the environment in which the Group operates and translating the results into impacts in order to identify the opportunities and risks, while factoring stakeholder expectations into the process.

[2] Théodore Monod (1902-2000), French scholar and naturalist

The resource challenge: "Do better with less"

URGENT NEED FOR ACTION

In 2022, the Global Footprint Network determined July 28 as the date of Earth Overshoot Day. Earth Overshoot Day marks the date when humanity has exhausted (environmental footprint[7]) nature's budget for the year (biocapacity). In other words, to regenerate what humanity is consuming today, we would need 1.75 times the surface area of the Earth. This means that in 2022 humanity spent five months "in credit" by drawing down the natural capital required to maintain life on Earth. The economic sector has a vital role to play in preserving resources "Safeguarding environmental resources is in the process of becoming an essential parameter of economic power. It is in the interests of each city, company or country to protect its own capacity to function in a world made more and more predictable by climate change and the intrinsic limits of these resources." Mathis Wackernagel, founder of Global Footprint Network.

OUR "RESOURCES" TRAJECTORY

In 2021, the Serge Ferrari Group decided to adopt an all-round approach and to support its low-carbon policy with a "resource" trajectory based on the Group's "Resources" commitment. The basic challenge underpinning this policy is to increase production (to perpetuate the business model) while preserving resources. The roots of this trajectory are to be found in the history of the "light company" industry and in a systemic mechanism: that of the metabolism[8]. The principle is simple, mathematical, easily verifiable and progressive.
> The first step is to ensure that resources are not consumed at the same rate as the development of our business.
> The second is to work on the way we consume resources now in order to stabilize and then reduce the impact of the business.
> The third targets a policy of improving our methods by substituting, seeking alternatives and innovating through sustainable processes and resources.
This requires stepping up the transition to a circular economy, taking into account for example the entire life cycle of products and solutions in order to limit their consumption of natural resources, prolong their lifespan and promote their recycling so as to generate less non-recycled waste.
To track progress on its resource-based commitments, the Group defined three overarching indicators, also referred to as "PROXY", to develop its activities in 2030 compared to 2021:
> without adding 1 hour of strenuous or low-skilled work
> without adding 1 kWh of non-renewable energy
> without adding 1 kg of virgin raw material

To sum up, in a world plagued with increasing uncertainty threatened by major systemic environmental risks, the Serge Ferrari Group decided to sidestep predictive methods by basing its CSR project on two fundamental and complementary ingredients: a low-carbon trajectory ("our climate plan") and a resource approach. These approaches, which are summed up in our commitment to "Do better with less", each have their own objectives but are equally essential for tackling the challenges and vulnerabilities of today's world. This involves the Group measuring specific data in order to highlight issues regarded as priorities and the level of internal maturity in this regard, in order to better understand the sustainability of its business model, its compliance with regulatory requirements and its prospects for the years ahead.

The objective is that, in the long term, each employee will be able to systematically link their daily work and the Group's projects to these three pillars, by making proposals and developing areas for improvement, in order to create a virtuous approach and a permanent process of innovation, hybridization and improvement.
These pillars are complementary, cumulative and interconnected around a single objective:
"Do better with less".

[7] Source: Qu'est-ce que l'empreinte écologique et comment la réduire ? (novethic.fr)
[8] Approach based on the principles of planetary limits – 2 new limits announced as crossed in 2022: source: Presentation of the concept of planetary limits Concept - notre-environnement.gouv.fr

The carbon challenge: our climate trajectory: Our CSR

URGENT NEED FOR ACTION

The latest IPCC report[3] clearly points to the challenge that humanity must face: it is necessary to drastically reduce CO_2 emissions, while greenhouse gas (GHG) emissions reached record levels in 2019. According to IPCC forecasts, the rise in the overall temperature of the Earth's surface could reach an additional 1 to 5°C[4] by the end of the 21st century. Global warming and the increase in the concentration of carbon dioxide in the atmosphere will have multiple consequences, the impact of which will affect all life on Earth: multiplication of extreme weather events (e.g. hottest summer on record for 2022[5]), destabilization of ecosystems and impacts on biodiversity, living organisms in the soil, development of pests favored by rising temperatures, etc.

According to ADEME, one of the keys to success will be the "decarbonization of the economy"[6].

OUR "LOW CARBON" PROJECT

Through its ambition to become a leader in its four priority markets and its positioning as a "manufacturer", the Group is in a strategic position to influence its value chain. To this end, in 2022 it defined its low-carbon trajectory with the aim of "systemically" apprehending the levers for action for transforming its industrial model over the long term.

Thus, after calculating its carbon impact (see Section 3: carbon assessment), the Group has set a target to reduce its impact in order to help meet the decarbonization challenge. Two complementary drivers:

> Mitigate the impact of its production in terms of GHG emissions, in particular by continuously improving the efficiency of its processes and investing in industrial facilities. To monitor the Group's trajectory, a KPI has been selected: Kg CO_2 /m² produced.

> Propose innovative solutions for reducing or avoiding CO_2 emissions: for example, comparative studies (see Section 3).

[3] IPCC: Intergovernmental Panel on Climate Change.
[4] Source: https://www.ipcc.ch/report/sixth-assessment-report-working-group-ii/
[5] Source: Action Climat network
[6] Decarbonization goals: https://agirpourlatransition.ademe.fr

A CSR PROJECT WITH THREE LEVELS OF RESPONSIBILITY:

THE COMPANY AS PART OF AN ECOSYSTEM:

As active units involved in a range of relationships (flows) with its environment, Group sites bear the responsibility for their impact on their ecosystem (emissions and discharges, resource consumption, employment, etc.), but can also initiate, maintain and encourage exchanges with their stakeholders in order to improve, realize and anticipate needs and projects.

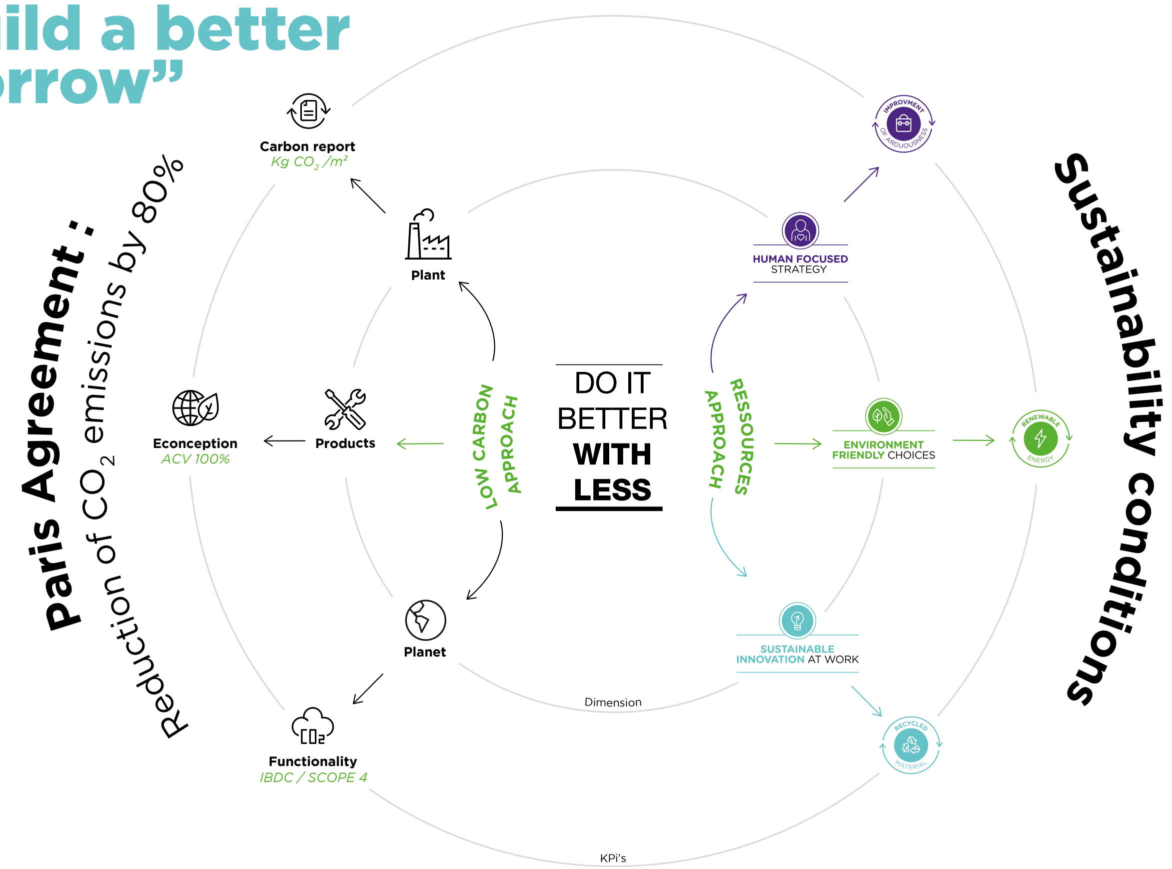
THE PRODUCT AS A SHOWCASE OF THE PRODUCER'S COMMITMENT TO SOCIETY:

The Serge Ferrari Group has always conceived and designed its products as a vector for its societal commitment. Firstly with Précontraint® technology, which allows the creation of lighter and more durable membranes. Then, in the choice of certain materials. Lastly, in responsibility for end of life. In a word, the product that emerges from our sites must act as a testimonial to the customer of the societal commitments that have been sealed around its production.

THE PLANET, OR MEETING EXPECTATIONS AND NEEDS, BOTH EXPLICIT AND IMPLICIT:

For the Group's growth to be sustainable, it must allow the Group to gradually offer solutions to the challenges of the ecological transition and "responsible consumption"[9], thus gradually strengthening the business model. This will result in sustainable products (the sustainability of which will have to be proven by multi-criteria processes involving multiple players, etc.) based on a rationale of use and eco-design permitted by creativity and capable of generating significant virtuous developments.

"Act now to build a better tomorrow"



IN CONCLUSION

The new "Do better with less" project targets the short, medium and long term. Implementing this policy under the banner of interdependence involves significant investments, the results of which will be proven over the long term (e.g. low-carbon strategy). Paradoxically, by integrating the concept of circularity, the Company has committed to a resource-saving strategy by inviting everyone to rethink the transformation of the working environment, the recovery of production waste, to innovate through new management strategies in order to achieve a more virtuous production and eco-design model permitted by creativity and capable of generating significant virtuous developments

[9] Source: Julia Haake, Basile Gueroguievsky, L'entreprise légère, Editions Delachaux et Niestlé, 2019

2.2 DIAGNOSIS: COLLECT, UNDERSTAND, ADAPT, ACT

> ***"The highest function of ecology is the understanding of consequences"***
>
> Frank Herbert[10]

As an international listed medium-sized company, the Group's responsibility is to define the role it wishes to play through its impacts and to seek a responsible balance between its own corporate interests and those of society in general. This invitation to transform the traditional industrial model is encouraged by an increasing number of investors interested in ESG issues (environmental, social and governance criteria). According to RBC (Royal Bank of Canada),[11] 84% of these investors consider that portfolios incorporating ESG criteria perform at least as well as those that do not apply such criteria. Besides highlighting the global interconnection between environmental and social issues, the survey also shows the proliferation of systemic risks to businesses, societies and economies. In light of this realization, the Serge Ferrari Group has decided to update stakeholder expectations in order to expand and prioritize its CSR roadmap.

IDENTIFICATION AND RANKING OF GROUP CSR RISKS

RISK MATRIX

To supplement the work on structuring the new "Do better with less" approach and in order to maintain constant and sustained dialog with each stakeholder, in 2022 the Serge Ferrari Group launched an update of the materiality analysis[12] in order to:

> **pay more attention to its stakeholders' vision** and assess it in light of the challenges expressed by the Group;
> **update the expectations of the Group's internal stakeholders,** particularly among the most recent acquisitions (see Part 1);
> **identify potential emerging issues;**
> **strengthen transparency and efforts** by adapting the roadmap to the most material challenges, where applicable;
> **develop a dual materiality matrix** (in order to anticipate new legal requirements on sustainable finance reporting) highlighting the importance of risks and opportunities in both financial and non-financial terms.

This work generates a materiality matrix that combines the perceptions of stakeholders with those of governance. This work has also provided an opportunity to confirm the mapping and ranking of stakeholders.

[10] Source: Frank Herbert, Dune, Analog magazine, 1963-1964 (then Pocket 2021)
[11] Source: http://www.rbc.com/newsroom/news/2020/20201014-gam-investing-report.html
[12] Materiality defines what can have a significant or "material" impact on a company, its activities and its ability to create financial and non-financial value for itself and its stakeholders.

This mapping was carried out by EKODEV consultants[13] and the Serge Ferrari CSR department, with active involvement from the members of the CSR steering committee.

Given the wide range of stakeholders, the Group has adopted a two-pronged complementary approach involving:

> **face-to-face interviews** (18 in total) with key internal and external stakeholders to obtain an in-depth view of key players' perceptions;

> **online questionnaires** circulated among internal employees and external stakeholders (including their employees).

The critical risks identified are presented and summarized in the matrix below.

Risk identification

High risks — Moderate risks

ZONE

1
- Ensuring employee safety
- Ensuring consumers safety
- Reducing our environmental impact
- Investing in innovation

2
- Managing health and safety at work
- Fighting against global warming
- Ensuring responsible governance and strategy
- Promoting a chain of production and value chain
- Integrating added value environmental value to our offerings
- Guaranteeing the attractiveness of talents
- Promoting diversity and inclusion

3
- Ensuring sustainability of operations
- Improving waste management

4
- Improving the recyclability of our products
- Ensuring the sustainable use of resources
- Being resilient to risks cybersecurity risks
- Acting for health and well-being in the workplace
- Maintaining employee engagement

5
- Fighting corruption
- Protecting biodiversity
- Promoting social dialogue
- Supporting major societal causes

Our three pillars of CSR strategy

HUMAN FOCUSED STRATEGY — ENVIRONMENT FRIENDLY CHOICES — SUSTAINABLE INNOVATION AT WORK

To highlight the changes compared to the 2021 CSR risk matrix, pictograms in the table illustrate the aggravation, maintenance or decrease in the rating of net risks, taking into account developments in gross risks and risk management[14].

[13] Appendix: source EKODEV, full results of Serge Ferrari materiality matrix
[14] Breakdown Part 4: indicators

2 area — High risk
1 area — Major risk
3 area — Top risk

HUMAN FOCUSED STRATEGY

IDENTIFICATION AND DESCRIPTION OF THE GROSS RISK		STRATEGY IMPLEMENTED
• Attacks on the physical integrity of employees • Painfulness of work • Psychosocial risks • Travelling abroad and presence in countries health risks	1 area **Ensuring the safety of of employees** - stable evolution	• **Safety Day** group to prevent on health and safety at work • **IndusDay:** awareness-raising for site managers on health and safety • Remuneration policy for senior managers integrating accidentology • Awareness and action plan to improve the quality of life at work • Procedure for travel abroad • Regulatory monitoring and adaptation programme on the materials used
• Tight labour market making recruitment more difficult and may encourage the departure of employees • Higher turnover - new expectations expressed in the workplace • Loss of attractiveness of the textile industry	2 area **Ensuring the attractiveness of talent** - stable evolution	**Talent programme:** Inkubators • Policy in favour of geopgraphic internal mobility, both geogra phical (interview and evaluation) and professional (promotions) • Development of Serge Ferrari Academy to modernise and enrich the training offer • Recruitment channel and work with local authorities
• Non-compliance with legal obligations and stakeholder expectations in the area of gender equality, representation in governance bodies, positions held by workers with disabilities • Deterioration of the Group's image and exemplarity of the Group Serge Ferrari	2 area **Promoting diversity and inclusion** - stable evolution	• Actions of the Serge Ferrari Foundation and the patronage policy • Internal communication and internal awareness-raising plan on diversity • Purchase of services from professional integration structures integration structures, disabled workers
• Vigilance of occupational health and safety at work throughout the Group-wide • Management of a global policy at Group level	2 area 3 area material impact **Managing health and safety at work** - stable evolution	• Existence of a Health and Safety coordinator at Group level • Group-wide event to create a common culture: Safety Day • Implementation of a common "health and safety" routine on all production sites

IDENTIFICATION AND DESCRIPTION OF THE GROSS RISK	ENVIRONMENT FRIENDLY CHOICES	STRATEGY IMPLEMENTED
• Impact of production sites on their environment due to environmental hazards, disasters accidental pollution or degradation due to negligence, impact on natural resources (water, biodiversity,...) • Criminal and administrative liability of the Group, reputational risk	1 area **Reducing our environmental impact** - stable evolution	• Prevention action and installation of SMI Environment • Water: the group carried out to operate in a closed circuit in geographical areas of water stress
• The Group's ability to adapt to the pace of climate change • Change in targets to be achieved, demand for acceleration from stakeholders (employees, shareholders, customers...) • European taxonomy	2 area **Fighting against global warming** - rising trend	• Improving knowledge of impacts (climate mural) • Monitoring of carbon footprint® indicators • Steering of low-carbon action plans • R&D projects in favour of resilient solutions
• Corporate responsibility on its waste • Exemplarity and reputation	3 area material impact **Improving waste management** - stable evolution	• 2023 remuneration including a "waste recovery" target • Investment plan for waste recovery: KPIs for monitoring • Awareness-raising among employees on the fight against waste/operational efficiency

IDENTIFICATION AND DESCRIPTION OF THE GROSS RISK	SUSTAINABLE INNOVATION AT WORK	STRATEGY IMPLEMENTED
• Shortage or prohibition use of raw materials leading to an increase in costs (purchase price, taxes, etc.) and damage to the Group's reputation • Shortage of eco-compatible materials that do not allow to achieve low-carbon • Incompatibility between new eco-de signed materials and the production tool • Loss of commercial attractiveness due to product offerings that do not meet expectations and/or excessive cost increases for the markets. • European taxonomy	1 area **Investing in innovation** - rising trend	• Integration of the "ecodesign" component in new production projects • Raising awareness among employees on the issue of "recycled" materials • Definition and monitoring of a "material" trajectory • Construction of an innovation center • Share of revenue devoted to innovation / number of active and filed
• Loss of commercial attractiveness due to product offerings that do not meet expectations and/or excessive cost increases for the markets. • European taxonomy	2 area **Integrating environmental added value into our offers** - new evolution	• Demonstrators, studies and low-car bon and resilient pilot projects / Launch of comparative studies • Monitoring of the indicators of the taxonomy - enabling activity • Raising awareness of the sales force and marketing forces on the Group's CSR policy (Sites / Products / functionality)
• Loss of competitiveness. • Lack of acceptability and commercial valuation without evidence • Inconsistency between CSR commit ments involving a reputational risk	3 area material impact **Ensuring the sustainability of products** - stable development	• Monitoring of indicators, EPD and LCA approach (certification department) • Development of databases and studies: patents filed and active • Close R&D / CSR work and communication.
	Societal issues	
• Non-compliance with regulations • Unethical behavior • Inconsistency between CSR commitments involving a reputational risk • Purchases of materials from suppliers who do not respect ethical, social and environmental criteria set by the the group	2 area **Promoting sustainable production and value chain** - rising trend	• Compliance with the ethical charters/ anti-corruption code established by the Group • External audit process with suppliers • Raising employee awareness
• Inconsistency between official and internal CSR practices involving reputational and legal risk • Personal data breaches	2 area **Ensuring responsible governance and strategy** - stable evolution	• Attachment of CSR to the Executive Board • CSR Committee, CSR COPIL and creation of a CSR department • Promotion, explanation and reminder of the CSR strategy in strategic meetings • Whistleblower system • External audit once a year • IT penetration test

STAKEHOLDER ECOSYSTEM

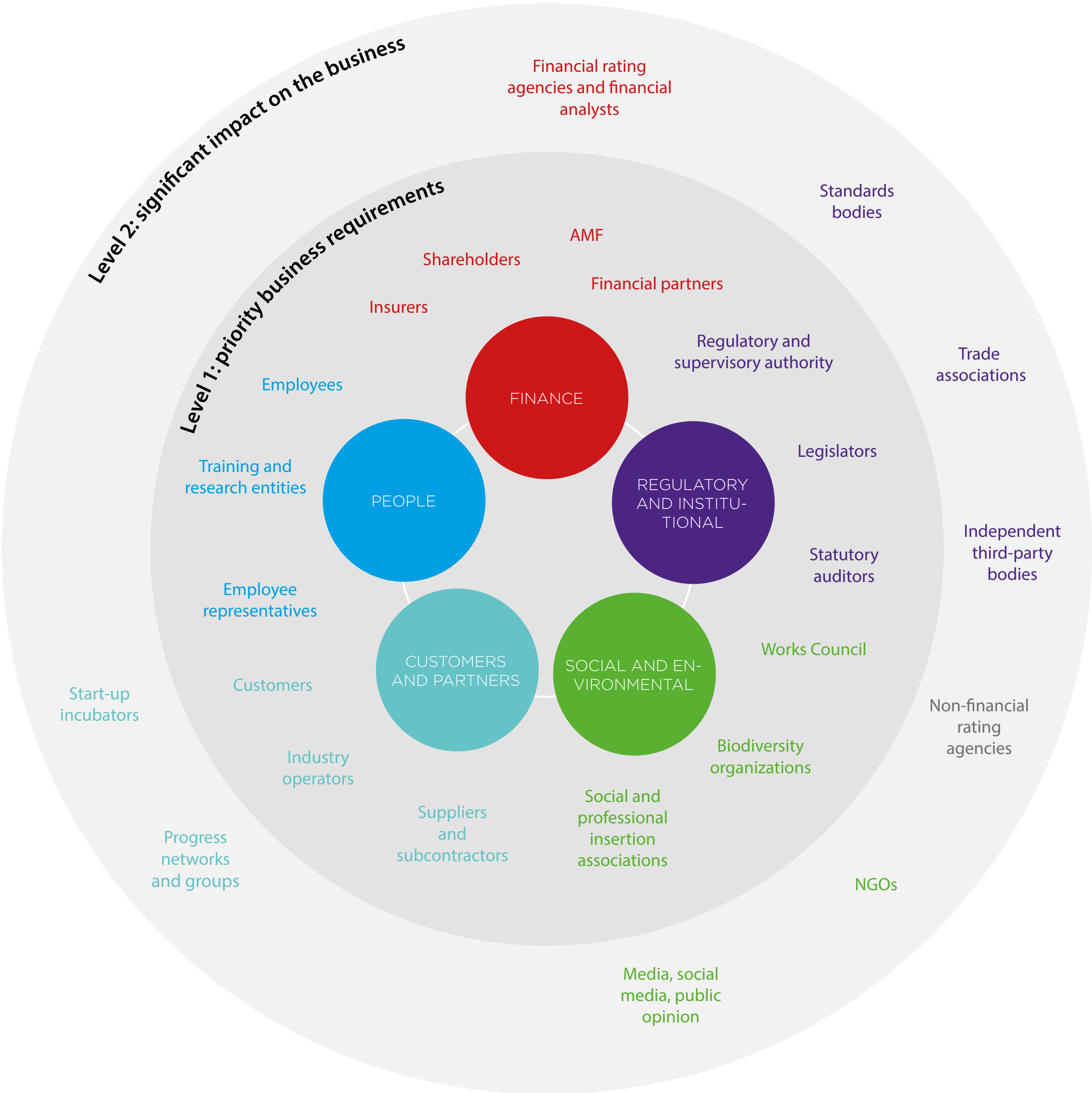
The objective of responding quickly and effectively to these risks highlights the major role of the relationship with the various stakeholders. These issues are fostering and expanding new formulas of partnerships to better share goals and roadmaps with our:

> **Customers:** the company has a responsibility to propose alternative solutions that take into account the entire life cycle of the products supplied to customers in order to remain aligned with the shared challenges;

> **Suppliers:** essential partners in the successful achievement of the objectives set, the Group's suppliers, through ongoing collaboration, drive technical performance;

> **Society:** aware of the societal role that the Company can play in the sustainable development process, the Group is committed to supporting partnerships that promote sustainable projects for local development and populations. Additionally, the decision to support national and international causes that protect the planet is part of our sponsorship activities and those of the recently created Serge Ferrari Foundation;

> **Shareholders and financial partners:** with the entry into force of the Taxonomy Regulation, the Company has incorporated the concept of long-term financial performance into its CSR strategy. It aims to share a roadmap for working towards sustainable development goals with investors and shareholders.



REVISED BUSINESS MODEL INCORPORATING THE ESSENTIAL NEED TO ACHIEVE THE "DO BETTER WITH LESS" PROJECT

The "Do better with less" project encapsulates our No. 1 priority to achieve sustainable growth for all, minimizing its negative impact and maximizing value creation for all stakeholders. In 2022, by updating our materiality matrix and carrying out our carbon assessment across all scopes[15], we jointly built the trajectory for our transformation project then drafted it at Group level by:

> aligning it with our commitment;

> setting our course towards our twofold carbon and resource objective ("Do better with less");

> leveraging our main strength: commitment, which is rooted in our values and DNA.

This Group transformation project aimed at a 2030 horizon is based on solid complementary resources that enable us to create and share value every year. The graphics on pages 6-7 summarize the manner in which the Serge Ferrari Group's sustainable development policy dates back to its foundation and influences all aspects of its business model.

[15] Carbon assessment: Section 3.2. of this report

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2.3 SPINNING OUT: INTERNAL ORGANIZATION AND PREREQUISITES TO PROMOTE THE IMPLEMENTATION OF THE "DO BETTER WITH LESS" PROJECT

"To be a man is, precisely, to be responsible. It is to feel, when setting one's stone, that one is contributing to the building of the world."

Antoine de Saint Exupéry[16]

For the Serge Ferrari Group, commitment is key for translating the "Do better with less" project into tangible operational measures in the short, medium and long term. Like any step-by-step approach, it must be seen as requiring continuous improvement in all its actions, prioritizing communication and transparency. In 2021, when work started on updating the Group's strategy, a unanimous prerequisite was defined: the need to share and explain the project, at maturity, with all its stakeholders. Based on the premise that it is difficult to rally people around objectives that have little effect in the short term (2050 trajectory, carbon tonnage, European directives, etc.), we have divided our implementation strategy into four major stages, each of which serve as a springboard (involving adaptation) for the next.

MILESTONE 1
2022
Definition and approval by senior management of the Group's "Do better with less" trajectory by incorporating the risk update and carbon assessment analysis.

MILESTONE 2
2023-2025
Sharing and operational adaptation of the trajectory by the various sites as well as hybrid projects with stakeholders.

MILESTONE 3
2025
Mid-term review and update.

MILESTONE 4
2025-2030
Sharing of the update and continuation of the plan to achieve the initial objectives and new perspectives.

To disseminate this new drive and facilitate information feedback, the Group's CSR governance was revised in 2021 and 2022.

STRATEGIC GOVERNANCE: CSR COMMITTEE AND STEERING COMMITTEE (SC)

THE CSR COMMITTEE:

On the proposal of the Board of Directors in 2018, a CSR Committee was created within the Serge Ferrari Group. The CSR Committee operates alongside the Strategy Committee, the Audit Committee and the Remuneration and Appointments Committee. Its purpose is to:

> **support and challenge the setting of targets** that are measurable, realistic and acceptable with regard to changes in the Company;

> **anticipate risks and changes in public opinion**, taking into account growing stakeholder demands and monitoring improvements in ESG performance;

> **advise on Group strategy** by providing expertise and alternative viewpoints;

> **ensure that CSR issues are addressed at the highest level of the organization.**

The CSR Committee builds on the work done by the CSR steering committee (SC), which in turn is supported and supplemented by the Strategy Committee and the thematic steering committees (environment/health and safety, VigiAlert, etc.).

The CSR Committee was expanded in early 2022 to include three new complementary profiles able to inform the Group in terms of green finance (Joelle Barreto - HSBC), international deployment (Joel Tronchon - L'Oréal) and the expectations of major shareholders (Félicie Ferrari - new Ferrari family generation).

The CSR Committee is chaired by Romain Ferrari as a member of the Ferrari family and, above all, to contribute his expertise and forward-looking vision. Lastly, the Chairman of the Executive Board (Sébastien Baril) and the Group CSR Manager (Fany Allarousse) are invited to every CSR Committee meeting.

[16] Source: Wind, Sand and Stars, Antoine de Saint Exupéry, 1939, Folio editions

Interview

FÉLICIE FERRARI

©Oram Dannreuther

1. You joined the Serge Ferrari Group CSR Committee in 2022. What prompted you to join this body?

CSR is a fully-fledged issue that requires long-term decisions for both humans and the environment and to ensure the Company's future. In a family structure like Serge Ferrari, long-term vision is very important and is deeply rooted in the genes of the Ferrari family, which is strongly committed to preserving and passing on this vision.

As a member of the family, it was important for me to join the CSR Committee in order to contribute these notions of preservation and projection into the future. More personally, I have also been committed to protecting the environment for several years, particularly as a CSR officer at Decathlon Travel, but also as Vice President of the Serge Ferrari Foundation. Launched at the end of 2022, this initiative aims to combat global warming and its consequences. Joining the CSR Committee has allowed me to further consolidate my commitment.

2. As a member of the Serge Ferrari Group CSR Committee, you help challenge the Company's strategy and then ensure its practical application. What are the strengths of the Group's trajectory?

The Serge Ferrari Group's CSR trajectory has several strengths.

The first is its ability to anticipate. Teams do not wait for legal obligations to be enforced before taking action, replacing components or changing manufacturing methods. Once again, it is long-term vision that takes precedence over short-term profit, and this is very important in CSR.

The second key strength is the desire to raise awareness and include employees in CSR strategy. I could mention in particular the Climate Fresk workshops, mobility challenges and the monthly topics with time set aside to discuss specific themes like digital pollution.

The last strength of the Group's CSR trajectory is the way communications are managed. In this respect we practice social proof marketing, whereby teams communicate transparently on tangible actions. In short, it is all about ensuring humble, factual and effective communication.

3. In your view, what are the watch-points and challenges the Group will face over the coming years in terms of CSR?

The challenges facing the Group seem to me to focus, on the one hand, on human resources issues like gender balance in the industrial professions and the ability to retain young talent, as well as the anticipation of future retirements in jobs for which training is carried out via transfer of know-how rather than through an academic curriculum.

On the other hand, the Group will face significant industrial challenges, particularly with regard to the use of petroleum derivatives. In the long term, it will be necessary to find solutions to make maximum use of more sustainable resources.

Interview

JOELLE BARRETO

©Oram Dannreuther

1. You joined the SF Group CSR Committee in 2022. What prompted you to join this body?

Company CSR policy is becoming a key criterion In the world of financial analysis. "Pure" financial analysis is no longer sufficient and the financial sector now focuses a growing portion of its studies on corporate ESG strategy. Joining the CSR Committee allows me to measure the energy and resources deployed by mid-cap companies, not only to apply the many regulations and constraints, but above all to make these issues understandable within the Company. Without assimilation on the inside, there will undoubtedly be discrepancies between the declared strategy and its actual implementation.

2. As a member of the Serge Ferrari Group CSR Committee, you help challenge the Company's strategy and ensure its practical application. Now that you have been monitoring the Group's strategy for a year, what are the strengths of the Group's trajectory?

As I said before, the declared strategy cannot be divorced from its assimilation inside the organization. The step-by-step trajectory adopted by the Serge Ferrari Group aims to place employees at the center of the initiative, joining each link in the Company chain to converge towards a global strategy. It is a sustainable strategy in itself.

Similarly, all the components of CSR strategy benefit from an equivalent commitment.

Finally, the ability of CSR teams to question other organizations on these issues is a real strength and they work on this subject in depth.

3. In your view, what are the watch-points and challenges the Group will face over the coming years in terms of CSR?

Like all companies, the Serge Ferrari Group is facing constant changes in regulations and new implicit market standards in these areas. Only suitable and stable methodology allows you to regularly question the organization on how it is dealing with these new standards and challenges.

The Group's growing international expansion is also an important area, as maturity can differ from one world region to another. Finally, the effective conveying of CSR strategy to investors and stakeholders is a real challenge. Market players have rapidly increased their skills in these areas to avoid any risk of controversy, and this trend is set to strengthen. Finding your bearings is essential. The materiality of the indicators selected is now a central focus of market standards.

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THE CSR SC:

The CSR steering committee meets four times a year in order to define, rank and approve the strategic priorities to be applied. The committee is also a forum for discussion on action taken in response to new regulatory expectations, issues to be anticipated and economic and structural risks that the Group must keep an eye on. It is the interface that ensures correct alignment between the Group's development strategy and its CSR project, ensuring that guidelines adopted are duly disseminated.

The CSR SC is chaired by the Chairman of the Executive Board, Sébastien Baril and includes the following persons:

> Chairman of the CSR Committee;
> Group HRD, Corporate Secretary for the France sites and Corporate Secretary for the German sites (two main production sites);
> Chief R&D Officer;
> Chief Industrial Operations Officer;
> Group CSR Manager;
> Member of the Executive Board

OPERATIONAL GOVERNANCE

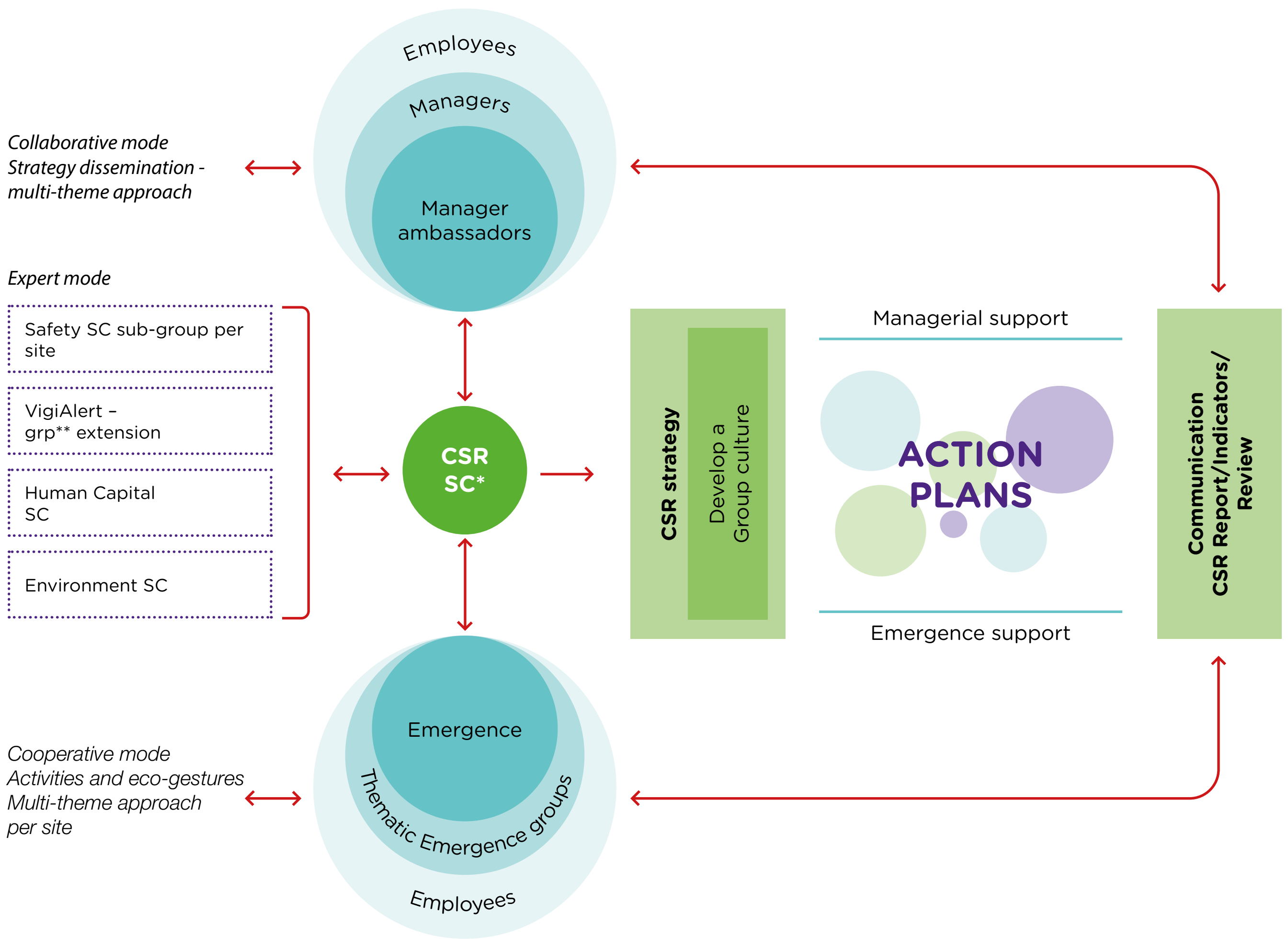
To deploy the CSR strategy across the board and incorporate it in a lively way on a daily basis, the Executive Board coordinates it directly by relying on an operational team that implements the collective project via a three-dimensional internal governance structure:

> **Collaboration:** through traditional managerial channels.

> **Cooperation:** via a bottom-up system of employee groups (progressively implemented within each entity in France and internationally by 2025) known as **"Emergence"**, which brings together employees who wish to address cross-functional CSR issues within the Company. The projects are submitted to the CSR SC, which questions, challenges and approves the allocation of any resources required for implementing the proposals.

> **Expertise:** via a Group steering system on the three CSR pillars (People/ Environment/Sustainable Innovation) then implemented independently at the level of each operating entity.
This three-pronged approach is designed to inform, question and advance CSR strategy in the field in order to develop a common culture and achieve set targets while factoring in the specific characteristics of each site (identity, business lines, expertise, territory, etc.).

GOVERNANCE PRINCIPLE



* Steering committee
** Technical committee

FOCUS ON THE BOTTOM-UP SYSTEM: EMERGENCE

The Serge Ferrari Group has asked willing employees to join the Emergence "communities" in order to propose projects and ideas for improving employees' daily lives and/or fostering the operational implementation of actions to promote the CSR project. The principle is simple: three events are organized around monthly themes chosen by employees:

> **1: inspiration** (drawn from an external speaker, corporate testimonial, colleague's expertise, etc.);

> **2: setting in motion,** where willing colleagues are given an experience based on the month's theme;

> **3: "Café émergence",** a brainstorming session where everyone can suggest ideas or areas of improvement that they wish to sponsor (in which case a community is organized for the project) or coordinate. The CSR department then selects projects and allocates budgets in consultation with executive management.

The challenge of Emergence is to set the Company in motion, propose a system of improvement everywhere by all and raise awareness of the Company's CSR policy among all its employees (and lay the foundations for explaining future changes better) and the importance of each employee in this collective process.

At this stage, the Emergence system has been rolled out in France and tested in Germany on certain themes (mobility in particular). As a result, in 2023 the German sites will also create Emergence communities according to a schedule covering six themes.
In 2022, eight themes were proposed in France: Mobility, disability, digital pollution, the importance of moving every day for both mind and body, collective performance, health and safety, sport and energy.


Emergence mobility event at the Krefeld site


Inkubator workshop


Emergence workshop
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Inkubator workshop

Part 3

CSR at Serge Ferrari: what does it mean in practice?

3.1 PILLAR 1

HUMAN BEINGS AT THE CENTER OF OUR GROUP APPROACH

"You only need look into yourself, everything is there"

Bram Van Velde[1]

A bold and innovative CSR policy involves precise qualitative and quantitative monitoring of action taken with regard to the target trajectory. Apart from measuring results, monthly monitoring and annual compilation make it possible to take a step back, share and improve on the actions carried out. In 2022, the CSR project, named "Do better with less", was refined, challenged, questioned and enriched with alternative viewpoints, constructive meetings and multiple data collection. The process culminated in a definition of the Group's trajectory, which was then shared and driven in operational terms. While the content has been translated into a measurable action plan, the approach remains the same. It is a project that not only meets regulatory low-carbon requirements, but also and above all aims to place the concept of "resources" at the center of its strategy.

The Serge Ferrari Group's DNA is based on the interdependence of its business lines at all levels. Each employee, whatever their role, function or position in the Company, brings unique expertise and makes a complementary and essential contribution to our value chain.
As such, the Group decided to combine its HR approach and CSR project into a project known in the Company as the "RhSE project". The principle is as follows: without expertise there is no differentiation, without interpersonal skills there is no cohesion, without commitment there is no improvement. A key principle of the RhSE project is that corporate responsibility must allow each employee to do good, feel good and do better.

> **Doing good** means establishing the operational requirement as an internal standard;
> **Feeling good** means being safe, feeling confidence and understanding the Company's role in order to share better and be efficient;
> **Doing better** means giving meaning to each person's role in order to encourage initiative and innovation.

Based on this ambition, the Group has defined its 2030 roadmap around three priority areas that address the risks identified by stakeholders[2]:
> **Health and safety;**
> **Diversity;**
> **Recognition.**


Inkubator workshop © Guillaume Guérin

[1] Source: Charles Juliet, Rencontres avec Bram Van Velde, P.O.L, 1998 – Bram Van Velde (1851-1981) was one of the first non-figurative painters. His sayings were rare a nd discreet and focused on the difficulty of approaching reality and being free.
[2] see Part 2: materiality matrix

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

3.1.1 HEALTH AND SAFETY

Health and safety are at the heart of our values and working methods. They are a priority and full-time commitment for all employees. This critical issue is managed by all the members of the Strategy Committee, in order to ensure that all employees in France and the international subsidiaries are mobilized in a cross-functional manner.

ISSUES IDENTIFIED VIA THE MATRIX	KEY INDICATORS (SEE PART 4)	2022 COMMITMENTS	2022 ACHIEVEMENTS/ EXPLANATION OF ANY DISCREPANCIES	ACTION IN 2023
Guarantee employee safety (Zone 1 major risk)	AF1: down 50% by 2024 (vs 2018) AF2 accident frequency rate AS accident severity rate Industrial accidents	New Group-level safety governance Safety inspections at all sites Define and map arduous work	Health and safety coordinator COMOP INDUSDAY Not achieved - action deferred	"Think Impact" communication on Group health and safety Structuring and sharing of best practices by site Launch of work on arduous nature of "priority" professions
Manage occupational health and safety (Zone 2 strong risk + Zone 3 high risk)	Remuneration of Strategic Management Committee members indexed to AF1, AF2 and AS rates 50% of employees trained in health and safety - target achieved in 2019 - new target 100% by 2025 (industrial scope)	Immediate issuance of report in case of accident Group Safety Day	Health and safety coordinator - BR 11/14/2022	Communication at OTML manager meeting + AGORA3 accident survey Group Safety Day Revision of whistleblowing procedure
Guarantee consumer health and safety (Zone 3 strong risk)	% by volume of CMR substances used in production	Limit the use of CMR products while taking new regulations into account	Revision of internal REACH/CMR standard	VigiAlert restructuring Continued regulatory monitoring and revision of internal standards

4 MAIN TARGETS:

- > **Reduce AF1 by 50% by 2024**
- > **Train all industrial scope employees in health and safety**
- > **Develop safe products and solutions for the customer**
- > **Protect Company data**

REDUCE AF1 BY 50% BY 2024 COMPARED TO 2018: (KPIS TRACKED: AF1, AF2, AS)

Occupational health and safety is a constant concern for the Company that must be promoted by all levels of management and all employees, temporary workers and subcontractors. Over several years now, the Group has structured its working methods to avoid and reduce accidents. In 2022, the managerial process already rolled out in France and Switzerland was rolled out Group-wide in order to analyze the causal chain and required corrective measures for each accident. This methodology enables in-depth examination of the situations that lead to accidents or near-misses in order to eliminate them. A detailed analysis is reported to the production manager on a recurring basis during industrial reviews. Finally, twice a year during the "Indusdays" just before "communication", production managers share their best practices, a communication session for discussion, drawing inspiration and sharing good practices.
The results show continuous progress and involve the duty of vigilance and continued efforts to prevent causes. Among the exemplary industrial sites in terms of accidents, we can mention the Swiss sites which posted a record number of days without accidents.

[3] AGORA = operational body made up of 16 members and the Strategy Committee to share views on strategic issues

ENTIRE INDUSTRIAL SCOPE TRAINED IN HEALTH AND SAFETY BY 2025: (KPIS TRACKED: PERCENTAGE OF EMPLOYEES TRAINED IN HEALTH AND SAFETY, COST OF EXPENSES INCURRED FOR HEALTH AND SAFETY TRAINING)

Besides analyzing accidents, the Group's objective is also to prevent them from occurring via an awareness campaign on the causes of accidents, to make each person responsible for their own and their colleagues' health and safety. The target originally set in the 2018-2024 strategy to train 50% of employees in health and safety was achieved in 2019.

To keep up this momentum, the Group is now setting a bolder trajectory of having all employees trained in health and safety by 2025. To achieve this new target, in 2022 the Group piloted a Safety Day involving all employees over a single day.

FOCUS ON SAFETY DAY:
INTERVIEW WITH ERIC CARPENTIER, QHSE DIRECTOR

What is the purpose of such an event at Group level?
"The aim is to show the importance of health and safety for the Group as a whole and to ensure that all our employees are sensitized and trained in order to improve our overall performance.
Besides these two aspects, Safety Day is also an opportunity to gather everyone together at the same site, mixing different profiles around a common theme in a friendly atmosphere."

How does Safety Day fit into the Serge Ferrari Group's strategy?
"The Group has made improvement in health and safety a major focus of its CSR strategy with the aim of reducing accidents by 20% each year, ultimately converging towards a zero accident target. This event is a major contributor among the many measures implemented to achieve this goal."

What is the key takeaway from this day of awareness-raising?
"There are two key takeaways: first, safety is everyone's concern and each employee can contribute at their own level to improving our overall performance by taking care of their own safety and that of their colleagues.
Second, if we want to make headway, it is essential to detect risks as early as possible and react immediately to prevent accidents, everywhere and at all times."

Can we expect this type of event to be repeated in the future?
"We certainly can. The goal is to organize an event like this every year. The challenge will then be to diversify the issues and the way we involve employees in order to strengthen everyone's involvement and awareness of health and safety issues."

DEVELOP SAFE PRODUCTS AND SOLUTIONS FOR THE END CUSTOMER (KPI TRACKED: % BY VOLUME OF CMR SUBSTANCES USED IN PRODUCTION)

The Serge Ferrari Group pays continuous attention to the quality and safety of the products and solutions offered to its customers. In its innovation process, it integrates regulatory monitoring and assessment of potential health impacts in order to propose alternatives to the use of certain materials by anticipation. Accordingly, the Group's internal guidelines are constantly evolving and are subject to decisions applicable both internally and to suppliers. Examples of internal standards:

> non-use of SVHC and CMR for all new raw materials tested:
- zero substances classified as CMR 1A and CMR 1B (in line with CLP regulations);
- zero SVHC materials in the Group's new products (in line with REACH);

> use of eco-friendly solvents to replace certain solvents in our formulations;

> revision of the purchasing charter (in 2022) to ask suppliers to incorporate our internal guidelines.

To monitor and manage safety for manufacturing units and end customers, the Group has set up a "VigiAlert" committee. The committee shares the analysis of regulatory changes and compares it with work carried out internally to eliminate sensitive products, identify substances potentially sensitive in the long term and prioritize substitution studies by anticipation. Significant, cross-functional and multidisciplinary work has been carried out for years and is now being thoroughly reviewed in order to "adapt" the VigiAlert Committee to enable broader reflection. The Serge Ferrari Group certification department closely monitors changes in REACH4 and CLP5 regulations and complies with restrictions on REACH substances. It also protects employees by following the instructions of the safety sheets corresponding to CLP rules. Implementation involves the adaptation of production units and provision of protective equipment for employees.

INTERVIEW WITH JULIEN LANCE, RESEARCH ENGINEER IN HEALTH, ENVIRONMENT AND PATENTS

One of the main focuses of Serge Ferrari's strategic plan is the health and safety of employees, as well as consumers. How does the certification department contribute to this issue?

The certification department raises awareness and informs the operational departments of upcoming changes in raw materials and their management.
The Company monitors compliance with regulations on raw materials (REACH, CLP, BPR, etc.).
The QSE department implements the required measures to handle raw materials in relation to the recommendations of the safety data sheets for these materials.
Besides complying with the regulations, we voluntarily commit not to introduce new materials of concern (SVHC, CMR 1A and CMR 1B) for human health and the environment.

In this respect, can you describe how the Group anticipates future regulations and incorporates market sensitivities?

We have set up tools to monitor changes in regulations related to raw materials. We are also very attentive to feedback from the ground.
We also monitor environmental labels and certifications whose interest lies in the fact that they go beyond regulatory requirements. Obtaining some of these labels allows us to gain a certain lead over potential future restrictions.

The certification department plays an essential role in guiding the choice of future materials. How is the work organized between the certification department, research teams, production work and CSR issues?

The certification department liaises continually with the research teams to inform them of regulatory changes concerning raw materials and applications, as well as new labels and certifications serving to showcase our sustainable materials (recycled label, OEKO-TEX label, etc.).
The impact of our products on the environment is a concern for the Group.
We measure the impact of our products on the environment through EPD/LCAs (global warming, depletion of natural resources, water consumption, etc.).
This allows us to collect valuable information in order to perform diagnostics and provide suggestions to the R&D department for eco-designing our products (less impactful, recycled, biosourced, more sustainable materials, etc.).
The incorporation of recycled materials in our products is also a very important factor in reducing these environmental impacts,
thereby enabling the Group to meet its CSR issues.

4 A REACH = Registration, Evaluation, Authorization and Restriction of Chemicals
5 CLP = Classification, Labelling and Packaging

PROTECTING COMPANY DATA: CYBERSECURITY

Security must also be understood in terms of employee and Group data security. In view of the Group's growth, it was decided to strengthen the Serge Ferrari Group's IT department and to establish corporate data protection as a strategic focus.

INTERVIEW WITH PIERRE BOISSONNET, GROUP CIO

Cybersecurity is a major issue for companies. How is it incorporated into Serge Ferrari Group policy?

"Cybersecurity is considered the top priority for IT and progress in this area is reviewed annually by the Audit Committee. The work is mainly based on three levels:
At Group level: every year, the IT department and the members of the Strategy Committee discuss and update the various cybersecurity policies to ensure they are consistent with the risks incurred by the Company.
In the IT department: projects are regularly carried out to improve the overall level of information system security through new tools, processes or organizational system.
For each employee: awareness-raising campaigns are carried out to recall best practices and enable new tools to be assimilated."

Employee protection is one of the fundamental tenets of the social aspect of CSR. How do you ensure that Group employees worldwide respect their data?

"In 2022, we set up an internal governance system for information system security. Before we set up this system, many documents existed within the Group but there was no common basis for all employees.
At the end of 2022, we therefore published a set of documents providing a common basis for the protection of Company data and a coherent information system security policy. The policy highlights ten key principles for ensuring the security of Company and employee data.
In 2023, a new IT charter drafted on the basis of this work must be reviewed by the Works Council before being communicated to all employees. Once this charter has been approved, an appendix dedicated to the protection of personal data will be developed to further strengthen respect for the personal data of our employees and partners."

How do you integrate the impact of IT on the environmental aspects of CSR? What elements do you put in place to minimize this impact on the entire value chain?

"The environmental impact of information systems remains unknown to most citizens. To raise awareness among Serge Ferrari employees, a dedicated conference on the subject was organized in March at the initiative of our CSR Manager with support from the IT teams. This conference allowed us to share a set of key data provided in particular by the Shift project, mainly regarding the carbon footprint of IT which now accounts for 4% of our total emissions.
Finally, we shared the action we are taking internally to support our CSR project at IT level:
- Introduction of refurbished mobile phones in our company fleet and "dual-SIM" phones to limit the use of multiple telephones (business line and personal line on a single phone ensuring a partitioning of environments);
- Use of suppliers with very strong commitments in terms of reducing carbon impact;
- Extension of the useful life of our computers and other hardware;
- Creation of a file-sharing platform and sharing best practices to limit the footprint of digital communications (particularly emails)."

Reputation risk and trust in the company are also key issues for a listed company. How does the department you manage integrate this dimension into its day-to-day operations?

"It's not easy to answer this question, because it would require publicly divulging our lines of defense. However, we have gained strength on several levels:
- Several dedicated tools have been deployed to strengthen our ability to intercept attacks. These tools have already proven their effectiveness against real threats;
- Our organizational structure has been strengthened, both through strengthened governance and greater centralization of our activities, enabling us to better deploy expertise across the Group's global scope;
- Awareness-raising initiatives have been conducted at certain sites and will be rolled out Group-wide in the first half of 2023."

3.1.2 DIVERSITY AND GENDER BALANCE

There is no legal definition of diversity and the issue is often addressed through statistics (equal treatment, gender balance, etc.) that draw on cultural approaches. In an international group such as Serge Ferrari, the notion of diversity must be understood with regard to the origins of "diversity management" in the English-speaking world rather than specific French connotations.

ISSUES IDENTIFIED VIA THE MATRIX	KEY INDICATORS (SEE PART 4)	2022 COMMITMENTS	2022 ACHIEVEMENTS/ EXPLANATION OF ANY DISCREPANCIES	ACTION IN 2023
Attract talent (Zone 2 strong risk) SDG 8: rights and safety at work	Number of training hours provided by SF Academy, including onboarding programs Turnover Number of permanent employees leaving Average length of service	Strengthening SF Academy Inkubator program	Continued structuring of onboarding program Trial talent program since January 1, 2022	Work with local authorities to structure internal training program Inkubator deployment – campus 2 Sense of belonging project Recruitment for People function of Group development and HR department restructuring
Promoting diversity and inclusion (Zone 2 strong risk) SDG 4.3: professional training and SDG 8: rights and safety at work	Breakdown by age group Proportion of employees with disabilities Number of women hired on permanent contracts	Creation of a Human Capital steering committee New governance model within the Company: AGORA Diversity initiatives Identification of barriers to attracting women to work in the production sector Inclusion of diversity criteria for mandatory annual negotiation (NAO) sessions New recruitment communication campaign	Not achieved - postponed initiative (change of organization) 3 AGORA in 2022 "Diversity" month Work on changing rooms in France with staff representatives Trial run in France: workshop at the "Fête du Miron"	Promoting diversity across the Group Initiative implemented as part of the "Les entreprises s'engagent" ("Companies On Board") partnership (France) Promote best practices at each site and jointly build a shared diversity objective A gender balance commission will be set up in France by the independent trade union and the HR teams to work on obstacles to gender balance.

3 MAIN TARGETS:

PROMOTE THE GROUP'S MULTICULTURAL APPROACH: (KPIs tracked: proportion of total workforce based in head office country, proportion of permanent workforce based in head office country)

Serge Ferrari Group employees are present in 33 countries around the world, which will prove a major asset should we capitalize on the synergies arising from our cultural differences, profiles and know-how. Cultural diversity is a strong driver of performance, innovation and efficiency for our organization as it fosters different points of view and a more critical mindset. To promote it, the Group seeks to lead discussion bodies to facilitate links (OTML), enrich each other COMOP (Operational Committee) and create conditions conducive to collective intelligence (workshop/Inkubator).

At the same time, the Group provides e-learning training programs to identify cultural differences and understand the social codes and specificities of the countries where the Group operates.
Lastly, to promote a sense of belonging, for Serge Ferrari's 50th anniversary in 2023, a book is currently being written to detail and share the various changes to the Group, its values and entities.

FOCUS ON THE INKUBATOR PROGRAM:
INTERVIEW WITH ERIC CARPENTIER, QHSE DIRECTOR

As a milestone of the Group's new organizational structure, the Inkubator campus must enable Serge Ferrari to imagine and foresee its own future. By combining reflection and experimentation, participants in this innovative project will have 18 months to discuss, share ideas and eventually propose areas for improvement to top management.

These improvements will be studied and likely applied at Group level, thus transforming the Group as a whole in order to achieve a new, more virtuous and more efficient business model.

Ten employees aged between 25 and 40, representing all functions and levels of the Company, will be able to let their imaginations run wild on two topics of reflection.
- A sense of belonging
- Sustainable development

The following employees have been selected for this very first session:

> Stefanie Keens - Junior Project Manager
> Marco Danioth - Operations Manager
> Mathilde Corrignan - Weaving Method Manager
> Grégoire Grelier - Group Treasury Manager
> Anaïs Dolle - PVC Extrusion Developer
> Emmanuel Tapie - Group Manager R&D yarn
> Manon Gosset - Process engineer
> Margaux de Chardon - HR Assistant
> Lucas Dyck - HR Verseidag
> Mickael Tournier - Production Manager Coating Weaving


Inkubator workshop

REACH 30% WOMEN AMONG TOTAL WORKFORCE BY 2030. (26.44% in 2022 / KPIs tracked: number of men and women on permanent contracts over the proportion of men and women in the total workforce)

In an industrial production sector, gender balance is a real challenge for which the Serge Ferrari Group is fully aware of the prospects for development. Gender diversity is not just a question of equity, it is also a tool for driving transformation and improving the efficiency of our industrial model. For this reason, we seek to tackle it via a two-pronged approach:
> A "women's issue"[6], or how to understand the obstacles to gender diversity
> The most effective action plans and drivers for transformation
To meet this need, the Group deploys:
> **awareness-raising initiatives** aimed at combating preconceptions in partnership with schools and local authorities to promote a change of mindset, thus making it possible to envisage a larger pool of women able to hold various positions;
> **equal opportunities initiatives** regarding remuneration and promotions monitored via the Pénicaud index;
> **strategic governance** to prepare the gradual inclusion of more female employees.
To drive this policy of attracting female employees, the Group has decided to further refine its 2024 trajectory by setting a target in its 2030 policy of achieving a 30% share of women in the total workforce. The aim is to take a pragmatic approach to gender diversity. It is not a question of undertaking initiatives to achieve a quantified objective, but rather of considering the barriers and levers upon which the Company can act to increase the diversity of its teams.

This approach should be analyzed in conjunction with the approach to quality of life at work and well-being within the Company.

PROMOTE INCLUSION. (KPIS TRACKED: proportion of employees on fixed-term contracts, including work-study contracts / proportion of employees with disabilities / breakdown by age group)

Diversity is also about inclusion and equality. This objective is applied as early as the recruitment process, where managers are made aware of the fight against all forms of discrimination. The choice of candidate is based solely on skills and conduct in relation to the positions to be filled. At the same time, wherever possible, the Serge Ferrari Group allows its various facilities to subcontract certain projects and assignments to people with limited job opportunities (services related to the maintenance of green spaces, catering, packaging, etc.).

Inclusion also involves the integration of young work-study students or interns across all Group profiles: technical, commercial, marketing, etc.
On the other hand, with an average employee age of 44.19 years in 2022, organizing the transfer of know-how and skills is the subject of a forward-thinking program implemented across the various sites and coordinated at Group level. The goal is twofold: to promote job retention for people close to retirement age and leverage their know-how through support roles and the transfer of skills.

Lastly, the Group wishes to welcome more people with disabilities, as shown through educational initiatives and internal events aimed at involving employees throughout our sites. Furthermore, while the goal of inclusion is driven at Group level, it is managed directly by the sites themselves, which suggest and implement initiatives tailored to their history, foothold and positioning.

[6] Source: "Gender balance, when men step up", Marie Christine Mahéas and Michel Landel, Edition Eyrolles, 2016

DIFFERENT PERSPECTIVES ON THREE INITIATIVES:

Germany: a commitment to training young people

As part of a 3-year learning program, Dustin Dahlen has been trained as an operator on a coating line in our Krefeld plant.
On November 11 2022, out of over 69,000 apprentices, Dustin was awarded "Best apprentice 2022" at a major ceremony bringing together over 750 guests from the economic, political and media spheres of the city of Wuppertal.
A week earlier, our Krefeld production site won the award for "Best Training Company 2022" from the Chamber of Commerce and Trades. These two awards represent outstanding recognition of our Group's efforts to develop the young talents that represent the future of our Company. Dustin now works as a team leader on the Olbricht line and all his colleagues are extremely proud to have such a talented employee as part of the "We are ONE" team.

Switzerland: a commitment regarding disability

Since 2006, Serge Ferrari Tersuisse AG has been working alongside the Brändi Foundation, a non-profit organization that promotes the social, cultural and professional inclusion of persons with mental and physical disabilities (located in Kries, Switzerland). At present, five members of the center for persons with disabilities are working at the Emmenbrücke manufacturing plant.

Niklaus Zemp,
Director of the Swiss entities of the Serge Ferrari Group.

Niklaus Zemp, director of the Swiss sites in Emmenbrücke and Eglisau, and Beat Meyer, head of yarn production at Emmenbrücke, look back on a successful collaboration.

Fifteen years ago, Serge Ferrari Tersuisse decided to outsource certain tasks in collaboration with the Brändi Foundation. This was an innovative partnership at the time given that "in Switzerland, employing people with disabilities is a matter of choice for companies and not a legal obligation," Niklaus Zemp, director of the Swiss entities of the Serge Ferrari Group, explains.
This was a symbolic partnership for the Brändi Foundation because, for the first time, people benefiting from the center's services were working directly in their clients' factories on an industrial site. The contractual arrangements and any work-related accidents are handled by the Brändi Center, which has legal responsibility for these workers. "Brändi employees work 8.5 hours a day, like any other employee. The first step is to establish what these people like to do. The second step is to show them the type of work they can do," production manager Beat Meyer explained.

"This partnership is meaningful for the various parties involved, be it the Brändi Foundation, the people with disabilities or Serge Ferrari Tersuisse AG," Niklaus Zemp emphasized. A sense of belonging plays an important role: "The members of the Brändi Center were very happy to wear work clothing featuring the Serge Ferrari Tersuisse logo. They exhibited a real sense of pride. They are part of the Serge Ferrari family and never miss an opportunity to attend informal events organized by the company," Niklaus Zemp concluded.

France: a commitment towards a multi-stakeholder program to promote integration

On November 8, 2022, the Serge Ferrari Group signed the "**Les entreprises s'engagent**" charter with the Tour-du-Pin subprefecture for its French sites. This is a program supported by the French State, **through which the company confirms its project in favor of inclusion and diversity**.

The purpose of this charter is to work more closely with regional players including the State, region and department, the joint municipal council, the French employment center (Pôle Emploi), the Mission Locale center for young job seekers, and social and solidarity integration structures, to jointly establish and implement integration schemes within the company.

For Serge Ferrari, this is not only **an economic and social responsibility**, but also **a way of meeting growing challenges**, ranging from knowledge transfer, training and onboarding to the consideration of new economic needs.

As a result, this project provides an opportunity, not only **to further strengthen the Group's foothold in its region**, but also **to drive hybrid, public and private projects for all stakeholders in the regional ecosystem**: individuals, public organizations, companies, etc.

The signing of this charter enshrines five main commitments:

> Promotion of a diversified age pyramid:

This involves initiatives aimed at young people (mentorship, challenges, work experience, etc.), but also people close to retirement (senior plan, mentoring, senior network, etc.).

> Commitment for the professional integration of persons with disabilities:

This is reflected in the development of initiatives to maintain employment, including support for employees, events and training to better integrate disability into the company, etc.

> Support for social and solidarity economy structures:

This covers the choice of inclusive service providers, partnerships, best internal practices, etc.

> Corporate Social Responsibility:

Referring to initiatives to promote causes that reflect the company's values, leveraging its forces in favor of public interest initiatives.

> Communication, assessment and transparency:

This includes the annual publication of ESG data and objectives to assess the company's progress (audited CSR report).

Signing of the "Les entreprises s'engagent" initiative

Recognition at work is one of the CSR performance levers. In a family-owned group whose workforce has grown rapidly, the challenge is to foster recognition - a need felt by many employees.
In this approach, the company's employees are considered as stakeholders with their own expectations and needs.

ISSUES IDENTIFIED VIA THE MATRIX	KEY INDICATORS (SEE PART 4)	2022 COMMITMENTS	2022 ACHIEVEMENTS/ EXPLANATION OF ANY DISCREPANCIES	ACTION IN 2023
Maintain employee engagement (financial materiality risk: Zone 4)	Turnover Absenteeism rate Breakdown by age group	Bottom-up system structuring (Emergence) Launch of managerial guidelines Sharing of profiles highlighting Group business lines	Emergence France: 8 themes completed + structuring of Germany project 130 managers trained via 3 4-hour sessions Communication of internal profiles	Launch of Emergence Germany Implementation of managerial guidelines in appraisal interviews Internal and external communication of profiles
Promote social dialog (less material risk: Zone 5)	Number of agreements signed Trade union representation	Work on the implementation of an incentive agreement (France)	Drafting of the framework of the incentive agreement	France: Signing of an incentive agreement that will make it possible to assess La Tour-du-Pin site operating results and performance.
Support major societal causes (less material risk: Zone 5)	Sponsorship in €000	Creation of a Foundation	Launch of Serge Ferrari Foundation on 12/14/2022 Commitment to Ukraine Mike Horn partnership in favor of young people and ocean conservation Continuation of miscellaneous partnerships	Projects financed by Serge Ferrari Foundation Projects financed by and involving Group employees Continuation of the structuring of Group sponsorship policy

3 OBJECTIVES:

DEVELOP THE EMPLOYER BRAND (KPIs tracked: average length of service, staff turnover excluding fixed-term contracts)

Since its creation, the Group has always relied on the men and women who have helped shape Serge Ferrari's distinctive culture. It is a culture to which all stakeholders (employees, partners, customers) are strongly attached. Nowadays, the Group continues to cultivate its DNA, encouraging teamwork, entrepreneurial spirit and innovation, and to uphold its values in line with the company's vision, while adopting an integrated and structured CSR approach.

With this in mind, the "All 4 One" managerial guideline project was established in 2021, in a context of external and organic growth, to share a common foundation. This tool was deployed among 130 managers in 2020 in order to meet the search for meaning at all levels of the Company, for all functions and more generally in all countries where the Group operates. The project took the form of a small group training program (ten managers per group - three 4-hour sessions) and a dedicated digital platform. Structured around four senses - other people, innovation, performance and sustainability - the management guidelines are being brought to life via a roll-out as part of the 2022-23 annual evaluation interviews. The guidelines will be deployed among the teams on a daily basis by trained managers.

ATTRACTING AND RETAINING EMPLOYEES (KPIS TRACKED: internal mobility, average length of service, staff turnover rate, ETC.)

Since its creation, the Serge Ferrari Group's reputation has mainly been based on its technical expertise. Remaining an attractive company means capitalizing on the brand, innovation and working conditions. In order to retain its employees, the Group deploys various actions to promote their individual and collective professional development:

> **Values:** Explanation, promotion and deployment of the Group's values while taking into account the identity and specificities of each site: a group of individuals forming a whole.

> **Working conditions**: working conditions that must change, depending on new tools, constraints and interests. For instance, the Group has extended the Home Office and launched a project to renovate certain sites to improve working environments, etc.

> **Convergence of employees' aspirations to meet the Company's needs:** dynamic skills management, development of geographic and upward internal mobility.

> **Sense of belonging**: loyalty is fostered and must be accompanied by significant acts of recognition (such as long-service awards), individual and collective responsible actions (bottom up, Emergence, etc.), inter-site challenges to maintain cohesion (run in Lyon, mobility challenge, etc.).

2 QUESTIONS TO MARION RIVOIRE - HRM FRANCE

At a time when companies are struggling to retain their employees and recruit talent, and with talk of the "Great Resignation", how is Serge Ferrari working to improve employee engagement?

"Serge Ferrari strives to remain attractive by offering its employees the opportunity to take part in working groups and events on issues related to its values.
In addition, management and the trade union, with the support of a commission, are expected to sign an incentive agreement before the end of June 2023, which will make it possible to highlight the La Tour-du-Pin site operating results and performance."

2022 was an eventful year, marked in particular by new Works Council elections, which saw a record-breaking participation rate. What is your take on these results and what do they mean in terms of social dialog?

"We held our professional elections in November 2022, for which Serge Ferrari SAS used a new format for the first time: electronic voting. In line with trade union expectations, the HR France Department trained and supported all La Tour-du-Pin employees. Indeed, it was important to effectively communicate and explain this change in order to ensure a high participation rate. This election was successfully held with a record participation rate across all colleges at over 72%. We can only congratulate ourselves on such a level of engagement.
Participation by college totaled:
College 1 - workers and employees: 58.1%
College 2 - technicians and supervisors: 79.3%
College 3 - engineers and managers: 84.5%

Social dialog at Serge Ferrari is based on the Group's values, but also on a fair and transparent relationship that is necessary for the smooth progress of our projects and the implementation of our corporate strategy. Plenary meetings and other legal obligations contribute to this, but it is also and above all the result of regular work on site."

CONTRIBUTION TO SOLIDARITY PROJECTS

2022 was a pivotal year for the Serge Ferrari Group, which decided to structure its commitment to local communities and confirm its ambition of "more inclusive capitalism"[7] in favor of inclusive growth that will drive social progress. In December 2022, the Serge Ferrari Foundation was created in order to finance "public interest projects for people affected by climate change in order to support and raise awareness of the ecological transition and contribute to the search for solutions to build the world of tomorrow". From 2023, the Foundation will finance projects sponsored by Ferrari Group employees to make this tool a unifying lever for shared causes.

Meanwhile, 2022 was also an important year in which the Company came together to support exceptional causes such as Ukraine by putting its logistical power and regional foothold at the service of an emergency situation.

[7] More inclusive capitalism according to the report published in September 2018 (Rethinking Society for the 21st Century, Cambridge University Press) and the essay "A Manifesto for Social Progress".

FOCUS ON 3 INITIATIVES LAUNCHED

Focus on emergency humanitarian aid: Ukraine

In March 2022, the Serge Ferrari Group invited all its employees in Europe to take part in a donation drive for food and basic equipment (product list established alongside the Ukrainian embassies in France and Poland). To collect employee donations, depots were quickly installed at the Group's various sites: La Tour-du-Pin (France), Krefeld (Germany), Eglisau and Emmenbrücke (Switzerland), Carmignano (Italy). Meanwhile, the local authorities and public institutions in the La Tour-du-Pin area were also invited to participate in the donation drive by mobilizing any volunteer residents. As such, the Serge Ferrari Group gathered all the products collected, not only by its employees, but also by the locals. The products were then quickly shipped to another facility in Poland (Giofex) via the Group's logistics network. From there, Polish humanitarian associations (Polish Humanitarian Action, Polish Red Cross, Polish Center for International Aid, Caritas Poland, UNICEF, Polish-Ukrainian Chamber of Commerce, etc.) took charge of distributing donations to Ukrainian refugees. As a result, seven trucks full of food and essential equipment were transported within 15 days of the start of the conflict.

Focus on the Serge Ferrari Foundation

The Serge Ferrari Foundation is an essential cog in the operation of the Group's commitment project. Like its signature "Act now to build a better tomorrow" scheme, for several years the Group has been investing in a policy committed to shifting its industrial model towards a more sustainable one, thanks in particular to products that tackle the issues of the ecological transition. The Foundation project strengthens the Group's commitment to CSR.

With a budget of €250,000 over five years, the Serge Ferrari Foundation will provide financial support to public interest organizations that align with the causes it defends. It will also have the opportunity to intervene on exceptional causes, such as the food drive for Ukraine in 2022. Under the aegis of Fondation de France, the Foundation will benefit from over 50 years' consolidated expertise in all areas of public interest, as well as support tailored to its operations. It is joining a network of over 900 foundations under the aegis of Fondation de France, with which it will be able to discuss, work, discover and collectively support the best projects. The Serge Ferrari Foundation is managed by a governance committee that brings together employees and people with close ties to the company, a member of the Ferrari family and experts. Chairmanship will be held by Sébastien Baril, Group Chairman and CEO, and Félicie Ferrari, representing the family shareholding.

Focus on the Pangaea X partnership

The Pangaea X project, a collective environmental initiative first launched in 2008, returned in 2022 under a new format. It started as an international educational challenge in favor of preserving the planet, encouraging young people to tackle the subject of ocean conservation.

As part of this challenge, young French speakers aged 16 to 25 living in Europe were invited to suggest ideas and solutions for protecting the world's oceans.

The participants then had five months to prove their determination and the economic viability of their project before the grand final scheduled for September 17, 2022.

During the program, they were invited to join the Pangaea X team, composed of experts from many technical and scientific fields, during workshops dedicated to innovation and personal development.

The winners of the Pangaea X challenge were then sent on board the Pangaea sailboat for a few days to travel the seas and test their projects in real-life conditions.

This partnership is an opportunity for the Group to demonstrate its support for a project in line with its core values and CSR approach.

"Calling upon the creativity of future generations, giving them the opportunity to become players in the challenges of ecological transition and supporting them in the completion of their projects in order to make the impossible possible...

This is the task the Serge Ferrari Group set itself alongside young people", Sébastien Baril said.

3.2 PILLAR 2

THE ENVIRONMENT

"If you are committed to democracy and freedom of expression, do not deny climate change."

Naomi Oreskes

The Serge Ferrari Group CSR policy is rooted in its commitment to the environment (Précontraint technology: more lightweight builds, recycling, raw materials, etc.). The Group has started to implement a forward-looking, quantified and measurable CSR policy in this area.

In 2021, the Group decided to sharpen its commitment as part of its "Do better with less" project, seeking to focus simultaneously on two complementary trajectories: the climate and resources.

PRIMARY OBJECTIVES AND ISSUES	CLIMATE	RESOURCES	BIODIVERSITY
Group ambition	Act to reduce the Group's carbon emissions (Scopes 1, 2 and 3)	Reduce pressure on natural resources throughout the value chain	Control the impact of activities on living ecosystems and ensure their preservation
Response to the market	Participation in the challenge of sustainable cities and adaptation to climate change	Transition to a circular economy	Protection and enhancement of natural environments

With regard to the climate, 2022 marks a change in the climate change mitigation and adaptation strategy since the Group has published for the first year a full carbon report (Scopes 1, 2 and 3) compared to a greenhouse gas emissions report (BEGES) since 2014. This analysis was used to formulate the Group's strategy with regard to the impact of its activities in order to define a "low-carbon" operational action plan, with performance indicators monitored directly by the Group.
This action plan, which is currently being drawn up, will cover both upstream and downstream value chain emissions.

Water retention - Herpie

3.2.1 THE CARBON TRAJECTORY: CONTRIBUTING TO A SUSTAINABLE TRANSITION

The "carbon" issue is a priority for the Serge Ferrari Group in order to integrate the environmental, social and societal challenges it faces in its development strategy. To this end, the Group's low-carbon project is based on three pillars:

> Definition of a plan to reduce the carbon footprint of Group activity: trajectory involving the calculation of the carbon assessment;
> Design of more eco-friendly products;
> The contribution of our products to the challenges of global warming: Scope 4 or enabling activities.

ISSUES IDENTIFIED VIA THE MATRIX	KEY INDICATORS (SEE PART 4)	2022 COMMITMENTS	2022 ACHIEVEMENTS/ EXPLANATION OF ANY DISCREPANCIES	ACTION IN 2023
Reduce our environmental impact (major risk: Zone 1)	kg CO_2/m^2 produced LCA	Performance, monitoring and coordination of the carbon assessment Low-carbon roadmap	ABC certified employee, low-carbon trajectory definition Sharing of low-carbon objectives with industrial sites	Carbon assessment update and integration of new sites Drafting of the low-carbon project + sharing the trajectory with the entire Group
Combating global warming (strong risk: Zone 2)	Carbon assessment	Climate Fresk to raise employee awareness Low-carbon roadmap	4 frescos carried out Validation of CSR COPIL objectives + Board	Continuation of Climate Fresk Low-carbon monitoring and management with production sites SBTi launch
Ensure responsible governance and strategy (strong risk: Zone 2)	Taxonomy Compliance with regulations	Implementation of Group governance, low-carbon monitoring	COMOP Indus, Copil Environnement, CSR COPIL	Prepare CSRD Regulatory monitoring
Ensure business sustainability (high risk: Zone 3) + Integrate environmental value added into our offerings (strong risk: Zone 2)	Taxonomy New eco-friendly products	Comparative studies EPD Certification	2 comparative studies conducted EPD in 2022, indoor and outdoor furniture range Strengthening of the Group "certification/labeling" department	Continuation of comparative studies Recognition via labels of the efforts undertaken by the Group

Timber-structure residential building equipped with Frontside View 3814 - Barcelona © José Hevia

3 OBJECTIVES:

CARBON ASSESSMENT AND GROUP TRAJECTORY: DOWN 30% BY 2030 IN KG CO_2/M^2 PRODUCED VS 2022: 5 KG CO_2/M^2

The Serge Ferrari Group has chosen to carry out the carbon assessment internally by training a Group employee directly in the ABC® method in order to facilitate the collection of information, manage indicators and carry out detailed analyses. By establishing a carbon assessment itself, the Group can identify the strengths and weaknesses of its calculations (particularly regarding the uncertainty rate), the areas for improvement and promote the greater involvement of all Group employees through internal management.

This carbon assessment[8] shows the following findings:

> Group carbon footprint: around 209,094 tCO_2e (20% uncertainty rate);
> 91% of Group carbon footprint is the result of Scope 3 (similar to many industries);
> Among the sites with the highest emissions: Germany and France due to their production activities;
> Among the main sources of emissions:
  - Inputs (raw materials: item 9) which account for nearly 76% of the Group's impact;
  - "sold product end of life", 6% impact;
  - Scopes 1 and 2, impact just over 10%.

These factors have enabled the Group to determine its low-carbon trajectory with a specific target: reduce the carbon impact per square meter produced by 30% by 2030.
To test the strength of the Serge Ferrari Group's low-carbon trajectory and action plan, a request for inclusion in the SBTi initiative will be submitted in 2023. This project aims to question, challenge and update Scope 1, 2 and 3 carbon emission reduction targets between 2022 and 2030. On the basis of this work, the dashboard of targets to be achieved by 2025 will be revised to incorporate new action plans designed to achieve the 2050 trajectory.

[8] See appendix on carbon assessment

For this purpose, Mohamed Talha Naciri, Low-Carbon Strategy Coordinator, was trained in the ABC method in 2022.

You have been trained in the ABC method in order to conduct the Bilan Carbone® carbon assessment internally. Can you tell us in a few words what this is all about?

"The Bilan Carbone® methodology proposed by the French Low-Carbon Transition Association (ABC) is both a tool for recognizing greenhouse gas emissions and a management approach for the decarbonization strategy. This "carbon accounting" methodology takes into account emissions for all physical flows on which the Group's activity depends, both upstream and downstream of the value chain.
At the end of a training course provided by the ABC, a user license was granted to Serge Ferrari to carry out its carbon assessment internally."

The ABC method is a French reference framework. How do you integrate the Group's international dimension?

"The Bilan Carbone® scheme sponsored by ADEME and the ABC is indeed the most widely used carbon accounting method in France. It is the equivalent of the International GHG Protocol (Greenhouse Gas Protocol).
However, the Bilan Carbone® has the advantage of being both more comprehensive, as it includes all Scope 3 emission items, and more demanding, as it requires the definition of a transition plan.
At Serge Ferrari, as we have set ourselves the goal of measuring, disclosing and reducing our carbon footprint across our entire value chain, we preferred the Bilan Carbone®[9] standard."

For you, what are the main advantages of carrying out an internal carbon assessment?

"For the Serge Ferrari Group, internalizing the carbon assessment was the natural choice offering several advantages.
The Group has a number of production, sales and distribution facilities in around 20 countries. It was therefore more efficient for us to internally collect the data required to calculate the carbon footprint of the various emission items.
Internalization also offers us the flexibility to combine physical and monetary approaches when physical data is not always available, particularly concerning the purchase of services or capital assets. This flexibility also allows us to go further in collecting precise emission factors for the most material emission items.
In addition, this collective endeavor allows us to bring all teams on board, as they clearly have a better understanding of emission items and can therefore help define our decarbonization action plans.
Finally, better knowledge of stakeholders allows us to involve them in order to bring the transition plan to fruition."

[8] See appendix on carbon assessment
[9] Note that the Serge Ferrari Group's 2021 carbon assessment was audited externally by FIMEXFI to verify the methodology used and the relevance of the results obtained.

BRINGING TEAMS ON BOARD: 80% OF EMPLOYEES TRAINED VIA THE CLIMATE FRESK EDUCATIONAL RESOURCE BY 2030 VS 2022: 3.6%

By virtue of its societal and environmental focus, the Company has a dual interest in fostering awareness of global warming and its consequences:
> As a citizen: as part of a virtuous individual approach and to become a force for change (bottom-up logic);
> As an employee: understanding the Company's carbon assessment and the impact of its strategic choices.
After successfully testing the Climate Fresk tool, the Serge Ferrari Group decided to roll out this awareness-raising campaign among all teams with the aim of training 80% of employees by 2030. To this end, various workshops have been arranged and training sessions for in-house trainers are also scheduled for 2023.

In 2022, four Climate Fresk sessions took place, attended by over 40 volunteer employees including "Inkubators"[10] (for roll-out in 2023 in Germany and Switzerland).

The Group Supervisory Board took part in one Climate Fresk session.

[10] Inkubators – internal system, see below

3.2.2 THE NATURAL RESOURCES APPROACH: PREVENT RISKS AND INITIATE A MODEL CHANGE

Various strategies are being implemented to reduce the environmental impact of the Group's activities on natural resources (water, energy, waste). The aim is to gradually reduce the pressure on natural resources upstream and downstream of the value chain while safeguarding the Group's production capacities and prosperity.

To this end, in light of the carbon assessment and the various crises impacting our lives today (energy, drought, etc.), impact reduction targets have been defined, making allowance for the Group's growing scope of operations.

ISSUES IDENTIFIED VIA THE MATRIX	KEY INDICATORS (SEE PART 4)	2022 COMMITMENTS	2022 ACHIEVEMENTS/ EXPLANATION OF ANY DISCREPANCIES	ACTION IN 2023
Reduce our environmental impact (major risk: Zone 1)	Energy consumption per m² produced Water consumption per m² produced	Implementation of Group energy governance Signing of a CCPA covering 7% of consumption at French sites Continued investment to achieve zero water stress at La Tour-du-Pin Creation of a dashboard per site and per activity, tracking consumption per m²	Dual governance headed by Executive Board VC + CSR SC Withdrawal of project sponsor - cancellation of the CPPA Investments terminated at La Tour-du-Pin Carbon assessment pre-audited in 2021 to verify method	Continued endeavors by the sites to improve energy efficiency
Investing in innovation (Zone 1 major risk)	Share of revenues allocated to innovation Number of active and registered patents			Strengthening of Group quality department (cross-functional approach and management)
Ensure business sustainability (high risk: Zone 3)	Taxonomy			

3 MAIN TARGETS:

> Energy
> Materials (see Part 3 - Resources)
> Biodiversity

FOCUS ON ENERGY:
0 KWH OF ADDITIONAL (NON-RENEWABLE) ENERGY BY 2030 (VS 2022: 109 GWH)

Energy is one of the pillars of the new CSR strategy. "Do better with less". The Group aims to drive and actively monitor a reduction in its energy consumption while using a more eco-friendly form of energy based on new consumption methods.
The environmental drive targets three objectives (carbon+resource+financial) in order to perpetuate the business model and safeguard supplies.

To this end, three priority targets have been defined and shared:

> **Reduction of energy consumption:** improve the energy efficiency ratio by 20% across the industrial scope by 2030. This means improving energy consumption from 2.49 kWh/m² in 2022 to 2 in 2030. Progress at the Serge Ferrari Group sites is based on ISO 50001 certification (of the French and German sites), renewal of which is managed by the QHSE department under the Integrated Management System (IMS).

> **Involvement in the energy transition: 32% renewable energy in the energy mix, i.e. 42 GWh (vs 2022: 15.5%).** In addition to optimizing energy consumption, the Serge Ferrari Group is gradually investing in renewable energies to help protect resources and find alternatives in order to promote self-consumption. To achieve this, the Group takes into account regional specificities, i.e. local potential, but also the different approaches embodied in the respective national strategies.

> **Involvement of all teams:** reduce tertiary building energy consumption by 20% by 2030 (2022 baseline: 18.9 GWh). In order to involve all Group employees, an energy target has also been set for sales, marketing and support functions. The aim is not only to meet certain regulatory requirements (French "Tertiary Decree"[11]), but also and above all to create a unifying project geared to shared objectives to which everyone can contribute.

[11] Tertiary Decree: French Decree no. 2019-771 of July 23, 2019

Feedback from local initiatives sponsored by the sites:

KREFELD

ACHIEVEMENTS:

1 - LED lighting
2 - Compressed air
3 - Solar panels
 - Self-consumption: 677 MWh in 2022
4. Launch of energy mapping and roadmap definition

CARMIGNANO

ACHIEVEMENTS:

1 - Energy purchasing:
 - group purchasing arrangements
2 - Tax credit:
3 - Strengthening of preventive maintenance system for HVAC systems
4 - Analysis to identify potential savings on the compressed air system
5 - Staff awareness campaign on eco-friendly behavior
6 - Heat recovery from compressors to heat storage area
7 - Regular meetings between the energy team and the maintenance and production departments to review ways of optimizing energy consumption
8 - Improved management of energy consumption during weekly and annual closures

LA TOUR-DU-PIN

ACHIEVEMENTS

1 - Extension of the metering plan
2 - LED lighting
3 - Improved management of office temperature

EMMENBRÜCKE

ACHIEVEMENTS:

1 - New windows
2 - Roof insulation
3 - LED lighting
4 - Higher-yield electric motors
5 - Installation of an inverter for the air-conditioning systems

EGLISAU

ACHIEVEMENTS:

1 - New windows
2 - Roof insulation (2014)
3 - Installation of a new steam boiler (2021)

FOCUS ON WATER RESOURCES:
REDUCE WATER IMPACT BY 20% BY 2024 VERSUS 2018

The Group's impact on water resources is measured using a ratio of water consumption per m² produced. Aware of the challenge posed by water resources, the Group has accelerated its 2024 strategy to focus on locations where the impact is greatest, i.e. the French sites at La Tour-du-Pin (affected by a drought order issued by the Isère Prefect in summer 2022). As such, to meet the needs of cooling systems, in 2020 the Group began work to switch to a closed circuit system and thus reduce its dependence on water resources.

> March 2020: PRE3 production line in France switched to closed circuit

> 2021: work commenced on other production lines

> 2022: end of works designed to achieve zero pumping

This initiative aims not only to sustain the Group's production model by reducing its dependence on a fragile natural resource (risk of production interruption in the event of extreme drought), but also to minimize its impact on its regional ecosystem (to promote acceptance of our business operations and foster societal responsibility). The water challenge is shared at Group level - the Italian and German sites are already using closed circuits.

FOCUS ON BIODIVERSITY:
PROTECTING BIODIVERSITY AT SITE LOCATIONS

As an industrial company with locations in several regions, the Serge Ferrari Group is aware of the impact of its facilities and activities on biodiversity. For this reason, as a responsible company, the Group strives to develop a close working relationship with local bodies in order to preserve biodiversity at its sites. The challenge is to join the collective endeavor to promote preservation by investing in action programs such as BeE in France, in which the Group is committed alongside other public and private actors to financing river bank development, the restoration of habitats for sensitive species and studies aimed at preserving biodiversity around rivers.
Meanwhile, the Group aims to spread the environmental risk management culture by providing a common basis for environmental management. This culture of assessing risks and challenges must enable operational and management teams to remain mindful of all natural and physical environments (water, air, soil, etc.) by reducing their impact and constantly seeking to innovate in order to improve processes and study eco-friendly materials. This risk management culture involves a number of levers:

> Environmental risk training for managers and operational teams;

> Raising awareness of the concept of risk among new recruits;

> Group objectives shared within the environmental steering committee;

> Autonomy of each site to propose measures that integrate the Group's approach in accordance with local specificities and the business model;

> Internal communication: charters, posters, training, etc.
In addition, the Group aims to have each operational site certified ISO 14001: Environmental management. As a reminder, the coverage rate was 96% in 2022.

3.3

SUSTAINABLE INNOVATION: DEVELOPING ECO-DESIGN TO SUPPORT A NEW BUSINESS MODEL

"Suns go round in circles, planets go round in circles, cyclones go round in circles, whirlpools go round in circles, life, in its multiple interlocking cycles, goes round in circles... Man thinks he invented the wheel, but in fact he was born from all these circles[12]"

Edgar Morin

Technical expertise is a core feature of the Serge Ferrari Group's DNA, through a dynamic motor of attractiveness and competitiveness derived from continuous innovation. Sustainable innovation, the third pillar of the strategic plan, is helping to accelerate the emergence and market launch of new high value-added products. Through their design and/or use, the Group's products help to reinforce the ecological transition. At the forefront of this program, the R&D department seeks to identify sustainable solutions to limit its dependence on raw materials. Meanwhile, the sales and marketing teams strive to conceive, design and sell increasingly virtuous products. Lastly, all production sites try to improve material efficiency and prepare the necessary industrial investments.

Circular economy challenge for the Serge Ferrari Group

Challenge 1: reduce our carbon footprint in the value chain
Conserve resources, improve the performance of our products, optimize waste recovery

Challenge 2: reconcile economic prosperity and environmental protection
Develop our business model by further enhancing the concept of circularity in all aspects of the Group: Purchasing, supplies, processes, quality, usage, etc.

Challenge 3: adapt our products to market expectations and offer innovative solutions to current and future needs
Address new requirements by remaining in close contact with our stakeholders and developing synergies and shared resources to enrich and promote the Group's expertise.

MAIN RISKS IDENTIFIED	KEY INDICATORS	2021 HIGHLIGHTS	ACTION IN 2022
Market expectations Shortages and dependence on raw materials	Emergence of new products made from 100% recycled material - qualitative indicator. Number of active patents Number of registered patents	Loop project: see below Recycled PET Switzerland: see below	Pursue the Group's objectives regarding product design using recycled materials.

12 Source: Edgar Morin, La Nature de la nature, Seuil editions, 1977

3.3.1 THE MATERIALS APPROACH

The Serge Ferrari Group's environmental performance is reflected first and foremost in its material efficiency[13]. This means embracing the necessary strategy of decoupling economic growth from resource extraction and thereby adopting the guiding principles of the circular economy, which apply to the three main stages of the value chain:

> **Production phase:** sustainable procurement, eco-design, manufacturing;

> **Consumption and use phase:** responsible application, extending product lifespan, economical functionality;

> **End-of-life phase:** reuse and material recovery.

ISSUES IDENTIFIED VIA THE MATRIX	KEY INDICATORS (SEE PART 4)	2022 COMMITMENTS	2022 ACHIEVEMENTS/ EXPLANATION OF ANY DISCREPANCIES	ACTION IN 2023
Investing in innovation (Zone 1 major risk)	Share of revenues allocated to innovation Number of active and registered patents Emergence of products made of agro-sourced or recycled materials	Pursue the Group's objectives regarding product design using recycled materials	Launch of NATOME (made from flax and cotton) + Loop (made from recycled plastic)	Construction of Innovation Center Work with purchasing, R&D and production departments on recycled material integration: initial industrial investments
Promote a responsible production and value chain (strong risk – Zone 2)		Revision of supplier charter to incorporate internal standards	Revision	Work with the purchasing department

13 Reminder: in the carbon assessment, inputs account for 69% of the CO_2 impact

3 PRIORITY TARGETS:

> Reduce the Group's dependence on "primary" raw materials;
> Raise awareness and prepare for the production of new products;
> Preserve deposits and create momentum with its entire value chain.

MATERIAL APPROACH: ZERO ADDITIONAL NON-RECYCLED OR NON-AGRO-SOURCED VIRGIN MATERIALS (AT CONSTANT SCOPE) IN 2030 COMPARED TO 2022

As a responsible economic operator, the Serge Ferrari Group is working to significantly reduce its consumption of primary raw materials. There are three areas of focus:

> The weight/performance ratio (lower material density with comparable performance) is important. Thanks to Précontraint® technology, which offers a superior weight/performance ratio and dimensional stability over time, the process helps meet the challenge associated with depleting natural resources and thus achieve the desired efficiency: "Do more with less". This technology and the development of this research must be combined with the required explanations and market promotion of lighter products of proven performance.

> Use of recycled or agro-sourced resources: for several years now the Group has been investing in subsidiarity, whereby recycled material replaces all or part of the primary material. While the Group has already made good progress with its rPET recycled thread technology in order to weave with threads that will ultimately be 100% recycled and high-strength, in 2022 the Group defined a new trajectory for 2030 seeking to integrate the equivalent of 30% of the material consumed in 2021 as recycled material.

> Safeguarding the supply of recycled or agro-sourced materials: the concept of circularity must change the Group's business model by creating value upstream and downstream. In this respect, the purchasing department plays an essential role in securing deposits, as well as working closely and trustfully with suppliers in order to achieve more virtuous wealth.

3.3.2 REUSE AND RECOVERY: WASTE AND END-OF-LIFE PRODUCTS

ISSUES IDENTIFIED VIA THE MATRIX	KEY INDICATORS (SEE PART 4)	2022 COMMITMENTS	2022 ACHIEVEMENTS/ EXPLANATION OF ANY DISCREPANCIES	ACTION IN 2023
Improve waste management (high challenge: Zone 3)	Recovery rate of non-hazardous waste (%) Tonnage of hazardous waste per m^2 produced (gHW/m^2) Tonnage of non-hazardous waste per m^2 produced ($gNHW/m^2$)	Sharing of best practices at Group level Work on offcuts (France)	Sharing the trajectory with all industrial sites Financing a project for the recovery of offcuts via ADEME	Shared waste recovery objective among site managing directors Operational roll-out of work on offcuts Internal waste classification system (not just national) Definition of Group operational action plan

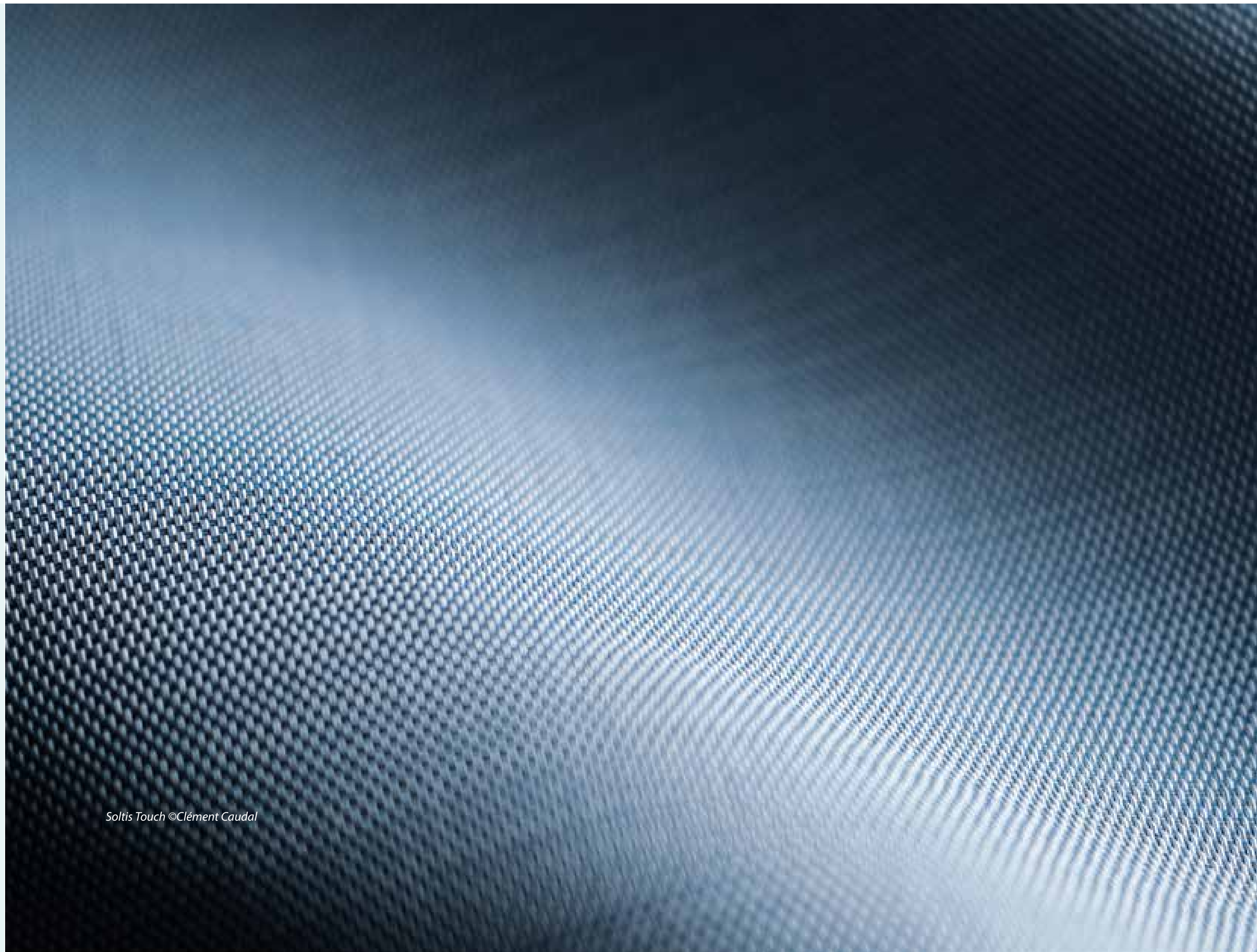
INTERVIEW WITH MATHILDE JOUBERT,
GROUP PURCHASING DIRECTOR


© Oram Dannreuther

Serge Ferrari is a group historically committed to CSR. How is this manifested in the purchasing department?
"Purchasing is a core feature of value creation in the supplier relationship.
One aspect of CSR related to purchasing concerns how we deal with our suppliers, for example in setting up cooperation, innovation and partnership arrangements.
Another aspect lies in the systematic integration of issues like recycling, green energy and biomass balances in our discussions. In addition to issues of quality, cost, timing and cash flow, there is an increasing tendency to differentiate suppliers in terms of CSR-related value creation factors.
Finally, we ensure that our suppliers comply with the Group's values and we therefore ask them to sign our Responsible Purchasing Charter and obtain a positive CSR rating from an external service provider."

In light of the new duty of vigilance regulations, how does the purchasing department (tools, assessment, etc.) ensure that Serge Ferrari's values are respected by its suppliers?
"Nearly five years ago, we drafted a Responsible Purchasing Charter. It is due to be revised soon in line with changes in our Company, but also to bring us into compliance with the duty of vigilance.
We have included a requirement to sign this charter into the supplier approval process at Serge Ferrari. Some suppliers have an equivalent document: in this case, we make sure that the themes and commitments converge and we take this document into account. We also invite our suppliers to establish a process for measuring their CSR performance in order to ensure they comply with Serge Ferrari's values."

Finally, how do you view CSR in the changing profession of buyers? What is your vision of the future challenges in store for your purchasing department in light of new European directives, as well as customer expectations?
"The purchasing department helps the Company deal with CSR challenges facing the plants. These require extensive investment and therefore a sound financial position. The quest for productivity is one of the core components of our remit and is now aimed at enabling the Company to adapt to changes and be a pioneer in terms of CSR innovation. This gives a different meaning to our activity and role within the organization.
The challenges facing the purchasing department include guiding supplier innovation, supporting the integration of recycled materials in our products and the search for more eco-friendly materials, products, transport modes and solutions.
The purchasing department is fully committed to maximizing the use of inputs and minimizing environmental impact."


Soltis Touch ©Clément Caudal

WASTE: ZERO TONS OF LANDFILL WASTE IN 2024 (VERSUS 1,222 TONS IN 2022)

Prior to any action, the Serge Ferrari Group pays particular attention to material efficiency. The goal is to determine the loss rate of the different units, compare results and define a global Group strategy. At the same time, as part of its waste treatment policy, the Serge Ferrari Group continues to explore possible recovery channels through a pro-active solution-finding strategy. After sharing the waste situation at each site, the goal set by the Group for 2023 is to work together towards the target of zero tons of landfill waste.

ENCOURAGE ALTERNATIVES: UPCYCLING OR SENSIBLE INITIATIVES (KPI TRACKED: NON-HAZARDOUS WASTE RECOVERY RATE)

The Serge Ferrari Group is committed to upcycling, with the goal of finding solutions that give a second life to production scrap and/or end-of-life products.
Accordingly, in 2021 the Group began investigations on waste for which priority actions could be carried out, namely:
> **leftover material** lost between two production runs in the La Tour-du-Pin extrusion unit;
> **scrap** removed from reel ends;
> **weaving unit offcuts;**
> **sample scrap, R&D scrap and old collections;**
> **heat-sealed offcuts**.

Various experiments and benchmarking surveys are underway and could eventually create new value for scrap material.
Other approaches are also being considered involving active relationships with stakeholders, in particular schools, to challenge the question of product end of life. This is notably the case with the *"Triathlon de la mode éthique"*[14] partnership aimed at acting across a broad spectrum to support young people, raise awareness of environmental concerns, promote our employer brand and, above all, support an event (Paris 2024 Olympic and Paralympic Games) that corresponds to a Group market.

[14] TR: "Ethical Fashion Triathlon"

FOCUS ON THE TRIATHLON MODE ÉTHIQUE

As part of its upcycling and youth support initiative, the Serge Ferrari Group is involved in the **"Triathlon de la mode éthique"** project under the patronage of the **French Ministry of Education and Youth.** Launched in Île-de-France in November 2021, the triathlon will take place in the Auvergne-Rhône-Alpes region in 2022/2023 before traveling to other regions until June 2024. The teams with the best projects will have the chance to exhibit in Paris during the 2024 Olympic Games.

The triathlon stage scheduled for **November 22 and 23** will consist of a series of conferences where regional fashion and brand representatives will speak on the topics of clothing, sport and circular economy.

The Serge Ferrari Group will provide membrane offcuts for competitors and will also be involved in the round table discussion and award ceremony. The goal of this project for the Group is to communicate on its solutions applicable to the world of sport (architecture, modular structures, etc.) while raising awareness and rallying support for its CSR project and involvement in local development projects, particularly those aimed at young people (employer brand).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17 PARTNERSHIPS FOR THE GOALS

3.3.3 A RESPONSIBLE VALUE CHAIN

ISSUES IDENTIFIED VIA THE MATRIX	KEY INDICATORS (SEE PART 4)	2022 COMMITMENTS	2022 ACHIEVEMENTS/ EXPLANATION OF ANY DISCREPANCIES	ACTION IN 2023
Promote a responsible production and value chain (strong risk – Zone 2)	Taxonomy % of revenues allocated to R&D Comparative studies		New	Stakeholder satisfaction Multi-partner hybrid project Training of sales and marketing teams on CSR issues Creation of CSR storytelling

2 GOALS:

> Translate and promote the Group's commitment as a lever for commercial opportunities;
> Offer customers an after-sales and solution-finding service: the Technical Center.

FOCUS ON THE TECHNICAL CENTER

INTERVIEW WITH YVES MOSSOT,
MANAGER OF SERGE FERRARI TECHNICAL CENTER (SFTC)

What skills are covered by the Technical Center?
"Currently, the Technical Center brings together three versatile experts who deal with aspects of the transformation and manufacture of our membranes:

> **Emilie Grandperrin** is mainly responsible for matters relating to the **Marine & Furniture** markets. She also constructs our training modules.

> **Emmanuel Cateland** is assigned to **Textile Architecture and Modular Structure** applications and will shortly integrate specific PTFE technology from Krefeld.

> **Franck Dupuis** is our **Solar Protection** expert.

All three experts liaise closely with R&D and marketing and also visit customers. The SFTC currently houses 95% of existing technologies for the processing and manufacture of PVC membranes and PTFE. We have the most common welding, sewing and cutting tools used by our customers."

What are the assignments and activities of the Technical Center?
"They are numerous and concern all products manufactured by our production entities. The main purpose is to provide technical support regarding:

> **product development in liaison with R&D**,

> **customer requests and technical disputes**,

>**quality department requests**.

However, the SFTC also provides training on all technical topics related to customers. Finally, it ensures application monitoring, which involves placing products in a real-life situation on a small or large scale. The SFTC also houses a solar protection application area. Other systems are installed outside the perimeter, including building coverings and modular structures."

Is it possible to describe a typical day at the Technical Center?
"Each day is different at the SFTC. While major issues are scheduled, the main goal of the company is to satisfy the customer. It is therefore not unusual to have to suspend a long and complicated study to quickly deal with a technical problem that may come from anywhere in the world."

What is the most important or unexpected project you have worked on?
There is no shortage of important topics. One of the most significant concerns quality monitoring of Soltis Veozip and Soltis Touch during the launch phase. This involves hundreds of different tests, assemblies and installations requiring many trips, including abroad, in order to make the manufacture and installation of these membranes accessible to everyone, regardless of the customer or the machinery used.

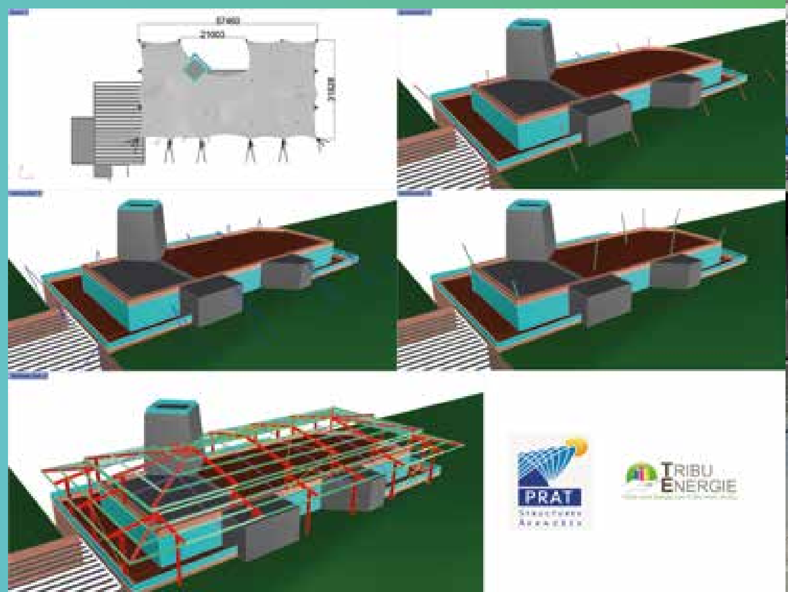
Lastly, an unexpected issue the SFTC is working on is a request from our biggest customer, Batyline, to give our opinion on the form of a new design of outdoor chair. This customer visited us with its R&D and marketing team and took note of our technical analyses and suggestions.

In order to confirm the positive impact of its products, the Serge Ferrari Group commissioned a study to compare the use of a composite membrane roof with an all-metal solution. The study is based on calculations carried out by an independent Lyon engineering firm that focuses on energy savings and environmental protection.

On the basis of a project carried out in Morocco in 2015, the firm modeled multiple scenarios based on LCAs for different textile and metal solutions.

The study highlighted the lightness of the textile solution, for which the roof structure was ten times lighter than the metal solution for the same surface area.

Finally, the study has also provided some information on the carbon assessment of our products. Designed to last 50 years, the product has a carbon footprint 3.5 to 4 times lower than a metal solution, even including mid-life membrane replacement.



PROPOSE TOOLS TO CUSTOMERS TO VERIFY THE GROUP'S COMMITMENT AND TRANSFORM IT INTO A COMMERCIAL OPPORTUNITY

Eco-design and respect for the environment are reflected primarily in our product offering and portfolio. The common thread is the Group's commitment to reducing its impact in terms of CO_2 emissions, as well as its resource-based approach applicable to raw materials. However, the Group's DNA or corporate manifesto alone would not be sufficient to sustain this commitment as a lever for transforming its business model. To do this, it is necessary to explain and provide evidence of the work done.

> **Analysis of products' environmental impact** through life cycle analyses (LCA). This environmental reporting is recognized at international level through the EPD (Environmental Product Declaration) and in France through the environmental declaration sheet (Fiche de Déclaration Environnementale et Sanitaire - FDES). Both declarations comply with European and international standards EN 15804. These environmental declarations include a large number of criteria such as the impact on "global warming", "energy consumption" and the "ozone layer". They enable manufacturers to be transparent about the environmental impact of their membranes. As such, they allow customers to calculate the impact of a finished product or structure that incorporates composite membranes.

> **Material labels**: the objective is to obtain third-party certification of the Group's commitments in terms of materials. For this purpose, the Group has chosen two labels that are widely recognized on its target markets:
- **VYNIL PLUS:** A label that certifies by audit that the PVC has been produced in accordance with environmental best practices (no dubious substances, etc.). 173 products at Krefeld (renewal every 3 years via audit)
- **Best practice PVC:** An Australian label that certifies by audit that the PVC has been produced in accordance with environmental best practices (no dubious substances, end-of-life treatment, etc.). This label concerns a number of high-potential products marketed mainly in Australia: Soltis 86, 381 mesh and the TX30 range.

> **Product labeling**
- **OEKOTEX**: A health-environment label guaranteeing that the fabrics do not contain certain chemicals, heavy metals, toxic dyes or substances harmful to people's health and the environment. Prohibited substances include azo dyes, formaldehyde, cadmium, nickel and pentachlorophenol. This label is available for some furniture products.
- **GREENGUARD GOLD**: Our products for indoor use in buildings carry the Greenguard GOLD label certifying that the product does not affect indoor air quality. This label is one of the most stringent in the world and its GOLD version authorizes use of the product in nurseries, schools and health facilities.
- **CE marking**: Mandatory for products and markets covered by a harmonized standard. CE marking is issued and renewed on the basis of annual audits.
- **Customer support offering.** For several years now, in order to strengthen the customer-supplier relationship, the Serge Ferrari Group has developed a "Technical Center" aimed at providing support to the customer once the product has been supplied.


Hangzhou West railway station equipped with SK20 - Hangzhou ©Serge Ferrari China

Part 4

Appendices

REPORTING METHODOLOGY

REPORTING ORGANIZATION AND METHOD

The information required for the 2022 non-financial performance statement was collected from various departments (Human Resources, QHSE, Purchasing, Finance, etc.) and from subsidiaries. The data provided by the various contributors was then consolidated at Group level.

Qualitative data was collected through interviews with internal and external stakeholders and verified internally by the members of the Board and the Chairman of the CSR Committee involved in the reporting process.

Sébastien Baril, Chairman of the Executive Board, is responsible for non-financial reporting at Group level.

In addition, the construction of the report (common thread) was approved by:

> the CSR Committee on September 2 (approval of framework) and December 7 (following revision of the common thread), and by
> the CSR SC on December 7,

and reworked at each stage of its preparation by the Chairman of the Board and all managers directly responsible for CSR-related issues as part of their remit.

REPORTING SCOPE AND PERIOD

The Serge Ferrari Group's non-financial reporting for the year ended December 31, 2022 covers two distinct areas:

> **The industrial scope**, covering the following entities: Serge Ferrari SAS, Serge Ferrari AG, CI2M SAS, Serge Ferrari Tersuisse, Plastitex (including Istratextum), Krefeld, F.I.T. (Taiwan).

> **The sales and distribution scope**, covering the following entities: Serge Ferrari North America, Serge Ferrari Asia Pacific, Serge Ferrari Japan, Serge Ferrari Latin America, Serge Ferrari Brazil, Serge Ferrari India Limited, Serge Ferrari Shanghai, Serge Ferrari GmbH, Serge Ferrari AB, Serge Ferrari Tekstil, Ferramat Tekstil, Giofex Group Sarl, Taiwan Eden. 2022 was the first year in which all monitoring indicators cover the entire Group scope including sales and distribution (in 2021, some data was only consolidated for the industrial scope).

These entities are all fully incorporated in the non-financial reporting. Note that in Part 4, under "KPIs tracked", the mention "Excluding F.I.T." for the industrial and marketing scope applies to F.I.T. and Taiwan Eden.

Furthermore, companies Baltijos Tentas (Lithuania), MSE and DCS (Netherlands) acquired during the year are also excluded from the reporting scope. These three companies represent less than 80% of the scope (combined revenues: €7.1 million).
They will be included in the 2023 report.

The following companies are excluded from the reporting scope: Verseidag Seemee US, Cubutex GmbH, DBDS GmbH, MSE, DCE & Baltijos.

RELEVANCE OF THE INDICATORS SELECTED

The choice of relevant indicators was made by the members of the CSR steering committee as part a cross-functional approach to ensure a global perspective: Executive Management, Human Resources, Production, QHSE and CSR. The relevance of the indicators used is assessed in light of the social, environmental and societal impacts of the activities of Group companies and the risks associated with the challenges of the sectors in which they operate.

In 2023, work will be carried out to integrate new indicators in line with CSRD (Corporate Sustainability Reporting Directive) expectations and the updated risk analysis. The new risk analysis identifies global risks for which commitments have been or will be made and will be used to define key performance indicators for monitoring the effectiveness of the actions undertaken.

METHOD FOR BUILDING THE MATERIALITY MATRIX

In order to update Group strategy and the mapping of CSR issues, a revision program was initiated in 2022. The Serge Ferrari Group commissioned EKODEV consultants to perform this task, place the Group's CSR issues in order of priority and then adapt the action plan and KPIs tracked accordingly (adjustment to be made in 2023). The purpose of the work undertaken by EKODEV was to define Serge Ferrari's material and priority issues via:

> internal diagnosis (11 internal interviews and an employee survey: response rate 34% in France, 7% Rest of World and 23% Germany);
> external diagnosis (7 external interviews and a stakeholder survey among suppliers, designers, investors and customers: response rate: 100% for the "French" survey and 34% for the "English - Rest of World" survey).

Hour-long interviews were held remotely via Teams comprising two main parts:

> Part 1: open questions relating to the perception of CSR, both generally and in relation to Serge Ferrari; main expectations and opinions; perception of current maturity and ideas for action;
> Part 2: rating of issues: assessment of the importance of targeted issues for each stakeholder and rating of the level of importance for the company (financial materiality) and ecosystem (impact materiality).

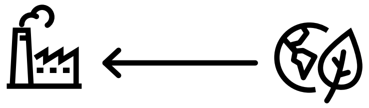
The survey was estimated to take around 10 minutes and included four main parts:

> Part 1: profile description;
> Part 2: perception of commitment at Serge Ferrari;
> Part 3: rating of issues according to the principle of double materiality;
> Part 4: perception of Serge Ferrari's current maturity.

These analyses resulted in a dual rating expressing the impact **FOR** the Company and the impact **OF** the Company, as follows:

On a scale of 1 to 5	IMPACT FOR THE COMPANY on Serge Ferrari value creation
1	Very low
2	Low
3	Moderate
4	High
5	Very high

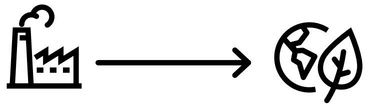
Impact of the issue for the Company (outside-in)



Importance of social and environmental issues in terms of their impact on the Company's **value**.

On a scale of 1 to 5	IMPACT OF THE COMPANY on the Serge Ferrari ecosystem
1	Very low
2	Low
3	Moderate
4	High
5	Very high

Impact of the issue for the ecosystem (inside-out)



Importance of social and environmental issues in terms of their impact on the Company's **ecosystem**.
For example: negative impact on the climate, natural resources (ores, water), biodiversity, air quality/pollution, society and the region.

The results of the materiality matrix are presented in the appendices (Part 5).

METHOD FOR DEFINING THE BUSINESS MODEL

The business model illustrates how the Serge Ferrari Group creates value and preserves it over the long term through its activities and services. It reflects the Group's strategic vision with regard to the challenges of the construction sector (main business sector).

The business model is formally defined through a joint Group-level endeavor involving all Group bodies, via the compilation of the work done to define the guiding purpose, "**Act now to build a better tomorrow**", establish managerial guidelines (and values) and, lastly, perform the recent update of the materiality matrix and related issues.

DETAILS ON METHODOLOGY USED TO MEASURE ENERGY CONSUMPTION AND WATER ABSTRACTION

Energy consumption includes the energy used for production processes and heating buildings within the Group's industrial scope.

Water consumption includes normal use and cooling systems. Energy and water consumption is calculated according to the criteria recommended in the ISO 140 40.44 life cycle assessment. Accordingly, cooling water is considered as water consumed.

All energy and water consumption in the industrial scope is calculated using the same method, with the consumption period defined by physical meter readings or the recording of invoices. Energy and fluid consumption by companies with very low consumption levels have not been taken into account in the sales and distribution scope (marketing subsidiaries). The majority of the sites are covered by the ISO 50001 management standard and their measurements are audited annually.

METHOD FOR CONDUCTING THE "BILAN CARBONE" CARBON ASSESSMENT

The 2022 Bilan Carbone® carbon assessment covers all Group operations (industrial and sales & distribution scopes, excluding Baltijos Tentas, MSE and DCS as explained in the scope section).

The assessment covered Scope 1, 2 and 3 emissions. The preferred approach focused on operational control rather than financial control.

The baseline year for the Bilan Carbone® is 2022. Note that:
> a 2021 carbon assessment was carried out on the industrial scope and audited by a third party (FINEXFI) on January 3 and 4, 2022 in order to verify the robustness of the methodology prior to the 2022 publication. The uncertainty index applicable to the 2021 results has been measured at 24% using the ABC® method;
> 2022 is defined as the baseline year given that the Bilan Carbone® covers both the industrial scope and the sales and distribution scope. As such, it is the first time the Group has published a full Bilan Carbone® carbon report. The uncertainty index for 2022 is 19%.

Note that the uncertainty index is calculated automatically by the ADEME spreadsheets.

The emission factors applied are mainly taken from the ADEME "Base Carbone" database. However, in the case of physical inputs (raw materials), which account for around 70% of the total Bilan Carbone®, and in order to obtain a certain degree of precision as to their impact, the main materials suppliers were asked to provide the emission factors for the materials they supply. The Group R&D department was also asked to provide precise emission factors via their partners. As such, in the Bilan Carbone® carbon report published in 2022, 60% of "raw material" inputs were checked twice for their carbon impact: via the Ecoinvent databases (through Bureau Veritas) and, where applicable, via suppliers (e.g. PET chips).

NB: In 2023, refinement will be carried out by the Group on 100% of inputs (compared to 60% today - see above). Furthermore, in order to monitor the Group's efforts, the 2022 baseline will be updated with refined emission factors and will be published in 2024 with regard to 2023 data.

Transport-related CO_2 emissions are excluded from the 2022 carbon reporting scope, namely:
> business trips;
> commuting;
> visitor emissions (customers, service providers, etc.).

Hazardous and non-hazardous waste corresponds to volumes collected at production sites (industrial scope).

As regards the workforce, French employees come under French labor law and conversely for foreign employees. Headcount is reported as of December 31, 2021. It includes staff on fixed-term contracts, permanent contracts, professional qualification and apprenticeship contracts and staff working under umbrella company arrangements.

The absenteeism rate is calculated by dividing the number of days lost for all employees in the industrial scope by the average headcount over the year, divided by the number of working days in the year. Industrial accidents are those that occurred in 2022, excluding relapses, across the industrial and sales & distribution scopes.

The different rates are calculated as follows*:
AF1 = No. of lost-time accidents x 1,000,000/hours worked.
AF2 = No. of accidents reported x 1,000,000/hours worked.
AS = No. of working days lost due to industrial accidents x 1,000/hours worked.
* Long-term absences and relapses are excluded from the rate calculations.

Full-time equivalent (FTE) is a unit of measurement corresponding to the workload for a given activity during the defined period. In our case, this involves calculating the presence of the workforce in hours, in proportion to the duration of activity for the calendar year. One person present for 8 hours for an 8-hour activity amounts to 1 FTE. One person present for 4 hours for an 8-hour activity amounts to 0.5 FTE. For the Serge Ferrari Group non-financial performance statement, we apply the rule of FTEW, i.e. full-time equivalent worked over the year taking into account presence during the calendar year.
Calculation formula: Natural Person x Workload[1] x Period of Activity during the year[2].
1 Workload = working time, full time or statutory full time as per country. Prorata if part time.
2 Period of Activity during the year = Value 1 if 100% presence. Prorata if period entry/exit with a minimum of 15 calendar days per month, if not = 0. After 90 days, employees who are continuously absent from work are no longer taken into account in the calculation of FTEW.

[1] Workload = working time, full time or statutory full time as per country. Prorata if part time.
[2] Period of Activity during the year = Value 1 if 100% presence. Prorata if period entry/exit with a minimum of 15 calendar days per month, if not = 0. After 90 days, employees who are continuously absent from work are no longer taken into account in the calculation of FTEW.

EXCLUSIONS

Given its activity, the Group is not directly concerned by the issues related to the prevention of food waste and food insecurity, respect for animal welfare and responsible, fair and sustainable food. These issues have therefore not been included in the non-financial performance statement.

EXTERNAL AUDIT PROCESS

The social, environmental and societal information published in this non-financial performance statement has been verified by an independent third-party body for the purpose of issuing an opinion on:

> the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
> the accuracy of the information provided pursuant to Article R. 225-105, I, 3° and II of the French Commercial Code, namely the results of policies including key performance indicators and actions relating to the main risks.

The nature of the work carried out and the conclusions are presented in the paragraph entitled "Independent third-party body report" on the non-financial performance statement.

REPORTING SCOPE

Serge Ferrari group

Industrial scope (>95% of the Group's activities)

Company name	Address
Serge Ferrari SAS	La Tour-du-Pin (France)
Verseidag-Indutex GmbH	Krefeld (Germany)
CI2M SAS	La Tour-du-Pin (France)
Serge Ferrari AG	Eglisau (Switzerland)
Serge Ferrari Tersuisse (formerly Ferfil Multifils)	Emmenbrücke (Switzerland)
Plastitex/Istratextum	Carmignano di Brenta (Italy)
F.I.T.	Chiayi (Taiwan)

Sales and Distribution scope (>95% of the Group's activities)

Company name	Address
Serge Ferrari North America	Pompano Beach (USA)
Serge Ferrari Asia Pacific	Hong Kong (HK)
Serge Ferrari Japan	Kamakura (Japan)
Serge Ferrari America	Santiago (Chile)
Serge Ferrari Brasil	São Paulo (Brazil)
Serge Ferrari AG	Eglisau (Switzerland)
Serge Ferrari India Limited	Delhi (India)
Serge Ferrari Shanghai	Shanghai (China)
Serge Ferrari GmbH	Berlin (Germany)
Serge Ferrari AB	Veddige (Sweden)
Serge Ferrari Tekstil	Istanbul (Turkey)
Ferramat Tekstil	Istanbul (Turkey)
Giofex Group Srl	Milan (Italy)

MONITORING OF QUANTITATIVE INDICATORS

Indicators	Excluding F.I.T.		Including F.I.T.		"ISO 26000 reference framework"	Comments	2024 objectives
	2021	2022	2021	2022			
SOCIAL ISSUES							
Attractiveness							
Total number of employees as of December 31	1,066	1,106	1,183	1,233			
Payroll in €'000	73,356	78,469	75,549	81,063		2021 data has been refined: delta of 7 people working for Biogaz and therefore outside the consolidated scope (from 1,073 to 1,066)	Implementation of an incentive agreement in France
Total number of employees as of December 31 in the industrial scope	890	929	1,002	1,051			
Total workforce at year-end (FTE)	1,042.50	1,125.62	1,166.08	1,252.62	Employment and employer-employee relations	(including fixed-term contracts, temporary workers, etc.)	
Permanent workforce at year-end (FTE)	961.70	966.52	1,078.70	1,093.52			
Non-permanent workforce at year-end (FTE)	80.87	159.10	80.87	159.10		Fixed-term contracts, temporary workers, apprentices, etc.	
Average workforce	1,124.50	1,055.84	1,248.08	1,180.31		0.01	
Average workforce in the industrial scope (FTE)	940.66	962.71	1,059.24	1,050.34		Including fixed-term contracts, temporary workers, etc.	
Number of permanent employees hired (FTE)	34.00	49.88	73.38	62.93		Group scope	
Number of permanent contract hires	65	92	76	128		Group scope (incl. 108 in the industrial scope)	
Global training budget (€ excl. VAT)	€592,881	€622,634	€594,346	€623,586		Industrial scope - 4.9% increase mainly due to roll-out of management guidelines	
Training contribution rate	0.81	0.92	0.79	0.89		Training budget/payroll (industrial scope)	
Global training budget (€ excl. VAT)	NA	€635,315	NA	€636,267		Group scope	
Training contribution rate	NA	0.81	NA	0.78		Training budget/payroll (Group scope)	
Total training hours (including SF Academy on product knowledge and business techniques)	9,202	13,493	9,202	13,683	Resource development	Excluding integration of new employees and external customers (industrial scope). Greater increase at industrial sites, where the headcount is the lowest (Terre Suisse, Plastitex, Eglisau, CI2M)	
Total training hours (including SF Academy on product knowledge and business techniques)	NA	14,583	NA	14,773		Excluding integration of new employees and external customers (Group scope)	
Proportion of employees trained (all training courses combined) (%)	46	74	35	67		Industrial scope	
Proportion of employees trained (all training courses combined) (%)	NA	69	NA	63		Group scope	
Average number of training hours per employee	8.18	14.66	8.69	13.16		Number of training hours/total average workforce (industrial scope)	
Average number of training hours per employee	NA	13.81	NA	12.52		Number of training hours/total average workforce (Group scope)	
Average training hours per employee trained	22.44	18.92	21.96	16.38		Industrial scope	
Average training hours per employee trained	NA	19.09	NA	16.67		Group scope	
Number of hours of training provided by SF Academy on product knowledge and business techniques	281	1,219	281	1,219		These training courses are intended for the company's production and sales staff (Group scope)	
Commitment							
Average length of service	11.38	11.36	11.38	10.91			
Staff turnover (excluding fixed-term contracts) (%)	9.48	10.54	9.31	11.61		The calculation takes permanent employees into account	Reduce staff turnover to 5%
Number of permanent employees leaving (FTE)	61.82	36.32	68.40	43.39		Excluding the impact of changes in consolidation scope	
Proportion of employees on permanent contracts (%)	93.20	89.06	93.87	90.19	Employment and employer-employee relations		Sustain employment
Proportion of employees on fixed-term contracts, including work-study contracts (%)	6.80	10.94	6.13	9.81		Group scope	Prioritize pre-recruitment opportunities (including work-study programs)
Number of training hours provided by the SF Academy for new employee onboarding	284.5	322.5	284.5	322.5			Ensure that 100% of new employees attend onboarding sessions
Diversity							
Proportion of men in the total workforce (%)	74.3	73.5	74.0	73.6			
Proportion of women in the total workforce (%)	25.7	26.5	26.0	26.4			Increase the number of women hired: 30% women by 2030
Breakdown by age group							
< 30 years	11.5	11.7	12.5	12.7			
30-39 years	21.3	21.8	23.3	23.4			
40-49 years	29.7	29.6	29.2	29.3			
> 49 years	37.5	37.0	35.0	34.6		Group scope	
Average age of workforce	45.05	44.99	44.44	44.19	Employment and employer-employee relations		
Proportion of total workforce based in head office country	41.94	44.30	39.08	39.74			
Proportion of permanent workforce based in head office country	53.68	43.35	39.21	38.40			
Number of men hired on permanent contracts	48	59	56	90			
Number of women hired on permanent contracts	17	33	22	38			
Proportion of employees with disabilities (%)	3.04	3.90	3.04	3.90		France scope	Aim for 6%
Health and well-being							
Absenteeism rate (sickness and industrial accidents)	2.87	5.79	3.17	5.29	Occupational health and safety	Industrial scope	Reduce absenteeism to 2.5%
Absenteeism rate (sickness and industrial accidents)	NA	5.10	NA	4.71	Occupational health and safety	Group scope	
Proportion of employees working part-time (%)	3.08	6.06	6.22	5.43	Employment and employer-employee relations		Promote access to part-time work

Safety							
Accident frequency rate (AF1)	12.93	12.01	NA	10.37	Occupational health and safety	"Industrial scope. Calculation made in accordance with the standards recognized by CARSAT. (Number of lost-time accidents x 1,000,000/ Number of hours worked) AF1 (Number of accidents with and without lost time x 1,000,000/ Number of hours worked) AF2"	"Reduce AF1 by 50% by 2024 compared to 2018 AF1 = 19.07%"
Accident frequency rate (AF2)	19.73	18.36	NA	18.91			
Accident severity rate (AS)	0.24	0.47	NA	0.41			
Accident frequency rate among temporary workers (AF1)	38.77	0.00	NA	0.00			
Accident frequency rate among temporary workers (AF2)	38.77	0.00	NA	0.00			
Accident severity rate (AS) among temporary workers	0.17	0.00	NA	0.00			
Accident frequency rate (AF1)	NA	10.48	NA	9.23		"Group scope. Calculation made in accordance with the standards recognized by CARSAT. (Number of lost-time accidents x 1,000,000/ Number of hours worked) AF1 (Number of accidents with and without lost time x 1,000,000/ Number of hours worked) AF2"	"Reduce AF1 by 50% by 2024 compared to 2018 AF1 = 19.07%"
Accident frequency rate (AF2)	NA	16.31	NA	16.92			
Accident severity rate (AS)	NA	0.62	NA	0.55			
Accident frequency rate among temporary workers (AF1)	NA	13.80	NA	13.80			
Accident frequency rate among temporary workers (AF2)	NA	13.80	NA	13.80			
Accident severity rate (AS) among temporary workers	NA	0.03	NA	0.03			
Number of occupational illnesses	0	0	0	0		To date, the Company has not recorded any occupational illnesses	
Proportion of employees trained in health and safety (%)	37	72	33	71	Occupational health and safety	Industrial scope	100% of employees trained in health and safety
Proportion of employees trained in health and safety (%)	NA	60	NA	64		Group scope	
Total expenses incurred on health and safety training	191,789	248,376	192,973	248,736		Industrial scope	
Total expenses incurred on health and safety training	NA	254,898	NA	255,258		Group scope	
ENVIRONMENTAL ISSUES							
Reduce environmental impact							
Water consumption per m² produced (l/m²)	16.53	15.68	16.49	15.65	Sustainable use of resources	Data includes industrial scope water consumption.	Reduce by 20% the l/m² finished product ratio compared to 2018 (28 l/m²)
Energy consumption per m² produced (kWh/m²)	2.54	2.49	2.64	2.60		Data includes industrial scope energy consumption (electricity, gas, fuel oil, diesel).	"Optimize the energy efficiency ratio by 20% compared to 2018 (2.30 kWh/m²)"
Volume of renewable electricity consumed (kWh)	17,037,466	16,924,516	17,037,466	16,924,516			
Share of renewable electricity in total electricity consumption (%)	15.9%	16.3%	15.2%	15.5%			Increase the renewable electricity share of total electricity consumption
Material assessment (raw materials consumed in Gr/m² produced)	913	871	979	940	Sustainable use of resources	For 2021: inputs were refined (from 1,021 to 913)	

Greenhouse gas emissions - Scope 1 (tCO2eq.)	13,938	12,256	14,262	12,571	Climate change mitigation and adaptation	A 2021 audit made it possible to verify and refine 2021 data	Reduce the kg CO2/m² ratio at Group level by 30%
Greenhouse gas emissions - Scope 2 (tCO2eq.)	3,556	3,876	5,404	5,814			
Greenhouse gas emissions - Scope 3 (tCO2eq.)	154,048	172,691	162,147	191,779		Group scope	
Greenhouse gas emissions (Scopes 1+2+3) (tCO2eq.)	171,542	188,823	181,812	210,164			
Greenhouse gas emissions (Scope 1+2+3) per m² produced (kgCO2eq./m²)	4.1	4.5	4.3	5.0			
Recyclability							
Hazardous waste recovery rate (%)	90	90	90	90	Sustainable use of resources	Industrial scope	Zero tons of landfill waste by 2024
Non-hazardous waste recovery rate (%)	74	74	73	74			
Tonnage of hazardous waste per m² produced (gHW/m²)	27	32	27	32			
Tonnage of non-hazardous waste per m² produced (gNHW/m²)	108	117	110	119			
SOCIETAL ISSUES							
Investing in socially orientated markets							
Share of total revenues allocated to innovation (%)	2.83%	2.35%	2.73%	2.29%	Deployment of social responsibility	The percentage is calculated over the entire industrial scope	
Number of active patents	34	33	34	33	Technology development		
Number of registered patents	2	1	2	1			
Number of external training hours provided by SF Academy for customers and providers	237	97	237	97	Technology development and access to technology	This training is designed for our external stakeholders	
Percentage by volume of CMR substances used in production	11.6	9.3%	11.6	8.6%	Protecting consumer health and safety	These substances are classified CMR1B and CMR2. Our products do not contain CMR1A.	Limit the use of CMR products while taking new regulations into account
Emergency sponsorship							
Sponsorship (€'000)	37	31	37	31	Deployment of social responsibility	The health crisis prevented us from maintaining our usual sponsorship activities. The Group focused its commitments on the design and development of applicative solutions that directly contribute to curbing the spread of COVID-19.	
Serge Ferrari Foundation (€'000)	NA	NA	NA	50	Deployment of social responsibility		

COMMITMENT INDICATORS

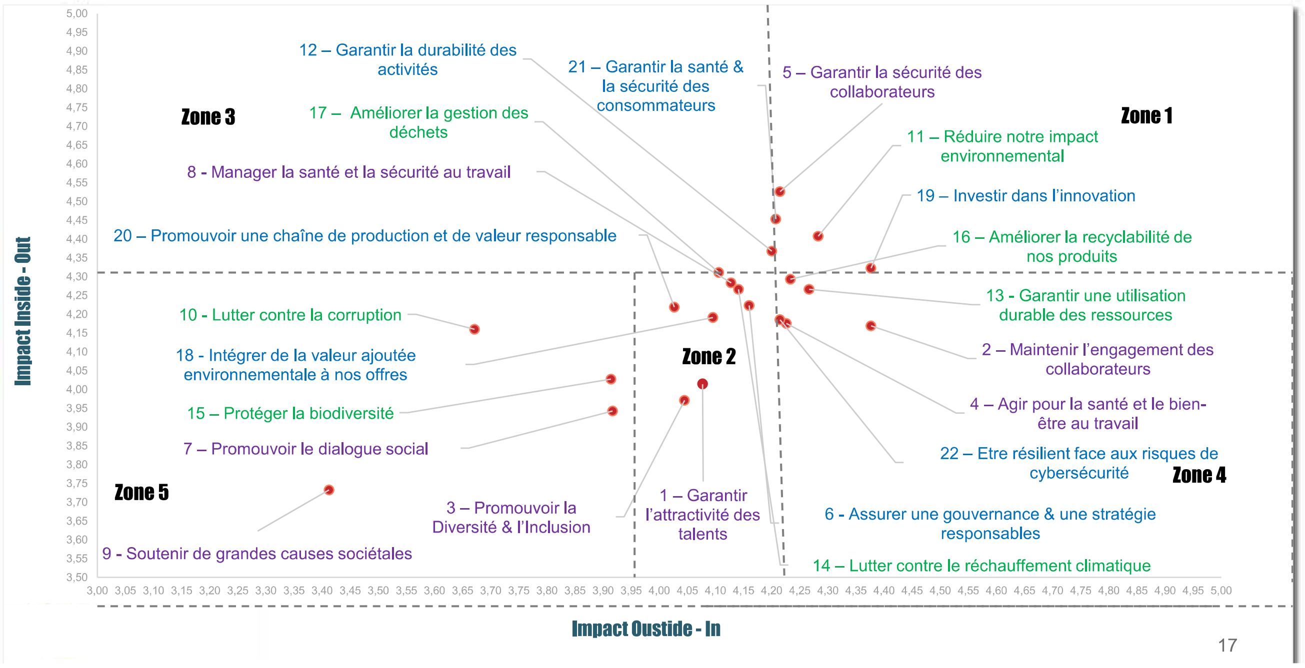
MAIN RISKS IDENTIFIED	INDICATOR	COMMENT	ISO 26000 FIELD OF ACTION	SDG
Governance and strategy				
	Signing of the United Nations Global Compact	The Group joined the Global Compact on December 19, 2019. A COP (Communication on Progress) was submitted in December 2021 then again in December 2022.	6.2 Governance of the organization	17 Partnership for achieving global targets
	Formal adoption of a structured CSR strategy, including an action plan or objectives relating to social, environmental and stakeholder issues	The Group's social, environmental and societal objectives have been enhanced by the materiality matrix drawn up in 2022 by EKODEV.		12.6 Corporate Social Responsibility
	Existence of a manager or department in charge of the Group's CSR/sustainable development issues	A CSR department reporting to the Chairman of the Executive Board was set up in 2021. It consists of a Group CSR Manager and a Low-Carbon Strategy Coordinator.		
	Presence on the Executive Committee (or Management Committee) of a person in charge of CSR/sustainable development issues	The Chairman of the Executive Board is responsible for CSR issues. The CSR Manager takes part in meetings in which CSR topics are included on the agenda		
	Presentation of the CSR strategy to the Board during the year	"The Group CSR Committee meets four times a year to assess strategy and progress The CSR strategy was presented to the Group Board of Directors by the CSR Manager A CSR steering committee (SC) meets four times a year to drive and monitor Group strategy"		
	Analysis of the Group's non-financial issues	The dual materiality matrix was updated by EKODEV in 2022		
	Prioritization of non-financial issues	Non-financial issues are ranked in order of priority in the matrix (see Section 2.2 of this report)		
	The non-financial issues identified as the most significant are reflected in the risk factors	Each risk is subject to control measures for 2023 (see Section 2.2 and Part 3 - Action in 2023)		
	Formal adoption of a Business Continuity Plan	Formalization of procedures to secure business continuity		
	IT risks are presented to the governance bodies at least once a year	The IT department works on Group IT and data security (see Section 3.1.1 - Interview with Group CIO)		
	Existence of penetration tests for IT systems	IT systems penetration tests are carried out every 3 years		
	Existence of an internal IT charter	"The IT charter was established in 2016. An e-mail charter was drawn up in 2022 and will be rolled out in 2023"		
Social dialog				
	Existence of a human resources manager	Hervé Garcia, Director of Human Resources, is a member of the Strategy Committee and is responsible for the proper execution of the Group's strategy and policies in this area.	6.4.5 Labor relations and working conditions - Social dialog	4.3 Professional training 4.4 Skills and access to employment 4.5 Equal opportunities
	Commitment to promoting social dialog	Serge Ferrari has trade union representation and a social and economic committee		
	Number of agreements signed in France	5 agreements signed in 2022		
Occupational health and safety				
	Existence of an OHS management system (occupational health and safety)	The Group has an OHS management system	6.4.6 Labor relations and working conditions - Occupational health and safety	8.8 Rights and safety at work
	Proportion of activities with external OHS (occupational health and safety) certification (e.g. OHSAS 18001)	This activity is not certified		
General environmental policy				
	Proportion of activities that directly address a key sustainable development issue (SDG)	100% of the Group's activities	6.5 Environment	17. Partnership for achieving global targets
	Existence of Installations Classified for the Protection of the Environment (ICPE)	The Serge Ferrari Group has ICPE authorization orders for the French sites		"7.3 Energy efficiency 9.4 Industrial sector sustainability and modernization 13.1 Climate change measures - Resilience and adaptation"
	Performance of an energy audit within the last 4 years	"ISO 50001 certified companies are exempt from an energy audit under French regulations. 89% of production activities are ISO 50001 certified"		
	Proportion of the consolidated environmental reporting scope	100% (industrial scope)		
	Formal adoption of an environmental policy (issues and objectives)	The environmental policy is established pursuant to ISO 14001 requirements		
	Existence of an environmental management system	The Group IMS is ISO 9001, ISO 14001 and ISO 50001 certified		
	Proportion of activities with environmental certification (e.g. ISO 14001, EMAS)	96% of production activities are ISO 14001 certified		
	Existence of audits, measurement or reporting on air pollution issues (excluding greenhouse gas emissions)	Audits and regulatory measures		
	Amount of provisions and guarantees for environmental risks (€)	€373,211		
	Existence of a quality management system	The Group IMS is ISO 9001, ISO 14004 and ISO 50001 certified		
	Proportion of activities with quality certification (e.g. ISO 9001)	100% of activities are ISO 9001 certified (industrial scope)		

Waste management				
	Implementation of a waste sorting system	The Company sorts its waste and has also implemented a sorting process within the administrative departments	6.5.3 Environment Pollution prevention	"12.4 Environmental management of chemicals 12.5 Waste management"
	Existence of an action plan for the management of waste and hazardous substances (WEEE, REACH, ROHS, etc.)	"An approach coordinated at Group level aims to reduce the volume of hazardous waste in proportion to product volumes. A Group-wide initiative to cut down on the use of CMR products is underway."		
Sustainable use of resources				
	Initiatives to reduce the quantity of inputs/consumables - excluding energy - (paper, water, raw materials, etc.) and/or waste	Quarterly tracking aims to monitor and measure the impacts and initiatives in progress	6.5.4 Environment Sustainable use of resources	"6.4 Sustainable management of water resources 12.2 Sustainable management of natural resources"
	Assessment of critical natural resources	The Group is measuring its impact on water resources (extraction from the Bourbre water table) and aims to reduce it by 20% by 2024.		
Climate change				
	Existence of an action plan to save energy and reduce greenhouse gas emissions	"All of these requirements are managed through the ISO 50001 standard in the case of certified sites (Serge Ferrari SAS and Verseidag). The Verseidag sites have initiated a study on energy optimization. For the other sites, the Group aims to have each site certified by 2030."	6.5.5 Environment Climate change mitigation and adaptation	"13.1 Climate change measures - Resilience and adaptation 7.2 Renewable energy"
	Initiatives to reduce the environmental impact of business travel and commuting	"Deployment of an in-house car-sharing platform in France. Electric bicycle-sharing offer in France. Awareness-raising on soft mobility in Germany with the "Get on your bike" challenge Electric vehicle recharging stations at sites in France"		
	Initiatives to reduce the environmental impact of internal and outsourced logistics	The Group's logistics department seeks to reduce the environmental impact of internal transport		
	Completion/review of a greenhouse gas emissions report for the last three years	The Group has prepared a Greenhouse Gas Emissions Assessment covering its entire scope since 2015 and posted the 2020 assessment on the ADEME website. The Group 2022 Bilan Carbone® carbon report has been published.		
	Detailed publication of the breakdown of energy sources and types of energy consumed	Serge Ferrari undertakes to achieve a high performance in terms of energy consumed per unit produced.		
Protection of biodiversity				
"Damage to the environment: resource pollution, noise and light pollution, etc. (Page 80)"	Initiatives for the protection and preservation of biodiversity in the Company's infrastructure	The La Tour-du-Pin site has maintained its commitment to BeE (Bourbre Entreprises Environnement)	6.5.6 Environment Protection of biodiversity	15.5 Biodiversity and endangered species
	Biodiversity analysis (assessment of the impacts and dependence of the company's activities)	A Group-wide assessment is scheduled for 2025		

Anti-corruption				
	Unjustified presence of subsidiaries registered in countries at risk of financial opacity	All foreign subsidiaries of the Group are justified by our activities	"6.6.3 Fair practices Anti-corruption measures"	16.4 Organized crime 16.5 Corruption
	Commitment to tax responsibility	All the behaviors to be avoided are set out in our anti-corruption code for executive officers and employees		
Promoting social responsibility in the value chain				
	Incorporating environmental criteria into purchasing/ subcontracting practices	Our suppliers commit to and sign our responsible purchasing charter which includes numerous environmental criteria	"6.6.6 Fair practices Promoting social responsibility in the value chain"	"12.2 Sustainable management of natural resources 12.5 Waste management 12.6 Corporate Social Responsibility"
	Existence of supplier/ subcontractor audits to verify the correct application of these environmental criteria	A new position was created in 2019 dedicated to this task in order to carry out regular audits using a predefined environmental checklist		
	Existence of supplier/ subcontractor audits to verify the correct application of these social criteria	Our external audit process allows us to verify these criteria		
	Support for subcontractors/ suppliers on social and/or environmental criteria	Serge Ferrari develops and shares its knowledge through its experience and certifications. This approach allows willing subcontractors to benefit from the experience gained.		
	Identification of suppliers in a position of economic dependence	Supplier verification and identification is researched through rating organizations		
	Certification of product life cycle analysis (LCA) (e.g: ISO 14040) (last 5 years)	"Serge Ferrari has always been mindful of the impacts or risks associated with the products it manufactures. For this reason: In 2021, the Group filed EPDs in the following markets: Tensile architecture, modular structures and solar protection. In 2022, an EPD was filed in the furniture market"		
	Implementation of an eco-design approach for products	Eco-design is a quintessential feature of the Group's innovation strategy (see Section 3.3)		3.9 Health/Environment
Protecting consumer health and safety				
	Risks related to endocrine disruptors are identified	Work of the VigiAlert Committee (regulatory monitoring) and work on substitution	6.7.4 Consumer issues Consumer health and safety protection	3.9 Health/Environment
	Greenguard label for interior building products in the USA	Comply with and control VOC levels in the ambient air (see Section 3.3.3)		
Sustainable consumption				
	PVC Best Practice label for Australia	Manufacture and use PVC in the best possible conditions for the protection of the environment (see Section 3.3.3)	6.7.5 Consumer Issues Sustainable consumption	3.9 Health/Environment
	Products and/or services with added environmental and/or social value	Eco-cage since 2015. AGIVIR virucidal technology developed in 2020 (see Section 3.3.3)		

APPENDICES

MATRICE DE DOUBLE MATÉRIALITÉ



CLASSEMENT DES ENJEUX

Enjeux	Moyenne Outside-In
2 – Maintenir l'engagement des collaborateurs	**4,38**
19 – Investir dans l'innovation	**4,38**
11 – Réduire notre impact environnemental	**4,28**
13 - Garantir une utilisation durable des ressources	**4,27**
16 – Améliorer la recyclabilité de nos produits	**4,23**
4 – Agir pour la santé et le bien-être au travail	**4,23**
5 – Garantir la sécurité des collaborateurs	4,21
22 – Etre résilient face aux risques de cybersécurité	4,21
21 – Garantir la santé & la sécurité des consommateurs	4,21
12 – Garantir la durabilité des activités	4,20
6 - Assurer une gouvernance & une stratégie responsables	4,16
14 – Lutter contre le réchauffement climatique	4,14
8 - Manager la santé et la sécurité au travail	4,13
17 – Améliorer la gestion des déchets	4,11
18 - Intégrer de la valeur ajoutée environnementale à nos offres	4,10
1 – Garantir l'attractivité des talents	4,08
3 – Promouvoir la Diversité & l'Inclusion	4,04
20 – Promouvoir une chaîne de production et de valeur responsable	4,03
7 – Promouvoir le dialogue social	3,92
15 – Protéger la biodiversité	3,91
10 - Lutter contre la corruption	3,67
9 - Soutenir de grandes causes sociétales	3,41

Enjeux	Moyenne Inside-Out
5 – Garantir la sécurité des collaborateurs	4,53
21 – Garantir la santé & la sécurité des consommateurs	4,45
11 – Réduire notre impact environnemental	4,41
12 – Garantir la durabilité des activités	4,37
19 – Investir dans l'innovation	4,32
17 – Améliorer la gestion des déchets	4,31
16 – Améliorer la recyclabilité de nos produits	4,29
8 - Manager la santé et la sécurité au travail	4,28
13 - Garantir une utilisation durable des ressources	4,27
14 – Lutter contre le réchauffement climatique	4,27
6 - Assurer une gouvernance & une stratégie responsables	4,22
20 – Promouvoir une chaîne de production et de valeur responsable	4,22
18 - Intégrer de la valeur ajoutée environnementale à nos offres	4,19
22 – Etre résilient face aux risques de cybersécurité	4,19
4 – Agir pour la santé et le bien-être au travail	4,18
2 – Maintenir l'engagement des collaborateurs	4,17
10 - Lutter contre la corruption	4,16
15 – Protéger la biodiversité	4,03
1 – Garantir l'attractivité des talents	4,01
3 – Promouvoir la Diversité & l'Inclusion	3,97
7 – Promouvoir le dialogue social	3,94
9 - Soutenir de grandes causes sociétales	3,73

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EXPERTISE ET PROXIMITÉ

Accréditation n°3-2013
Portée disponible sur www.cofrac.fr

SERGE FERRARI SA

Avis de l'organisme de vérification

Exercice clos le 31 décembre 2022

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Siège social : 96 Boulevard Marius vivier merle – 69003 LYON Tel : +33 (0)4 78 89 00 11.
Société à Responsabilité Limitée
S.A.R.L. au capital de 40.000 €. 537 551 434 RCS Lyon

SERGE FERRARI SA
Exercice clos le 31 décembre 2022

Aux actionnaires,

À la suite de la demande qui nous a été faite par la société SERGE FERRARI SA (ci-après « entité ») et en notre qualité d'organisme tiers indépendant (« tierce partie »), accrédité par le COFRAC sous le numéro 3-2013 (Accréditation Cofrac Inspection, portée disponible sur www.cofrac.fr) , nous avons mené des travaux visant à formuler un avis motivé exprimant une conclusion d'assurance modérée sur les informations historiques (constatées ou extrapolées) de la déclaration de performance extra-financière, préparées selon les procédures de l'entité (ci-après le « Référentiel »), pour l'exercice clos le 31 décembre 2022 (ci-après respectivement les « Informations » et la « Déclaration »), présentées dans le rapport de gestion du groupe en application des dispositions des articles L. 225-102-1, R. 225-105 et R. 225-105-1 du code de commerce.

Conclusion

Sur la base des procédures que nous avons mises en œuvre, telles que décrites dans la partie « Nature et étendue des travaux », et des éléments que nous avons collectés, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause le fait que la déclaration consolidée de performance extra-financière est conforme aux dispositions réglementaires applicables et que les Informations, prises dans leur ensemble, sont présentées, de manière sincère, conformément au Référentiel.

Préparation de la déclaration de performance extra-financière

L'absence de cadre de référence généralement accepté et communément utilisé ou de pratiques établies sur lesquels s'appuyer pour évaluer et mesurer les Informations permet d'utiliser des techniques de mesure différentes, mais acceptables, pouvant affecter la comparabilité entre les entités et dans le temps.

Par conséquent, les Informations doivent être lues et comprises en se référant au Référentiel dont les éléments significatifs sont présentés dans la Déclaration.

Limites inhérentes à la préparation des Informations

Comme indiqué dans la Déclaration Méthode d'élaboration du bilan carbone, les Informations relatives aux émissions d'équivalents CO_2 peuvent être sujettes à une incertitude inhérente à l'état des connaissances scientifiques ou économiques et à la qualité des données externes utilisées. Certaines informations sont sensibles aux choix méthodologiques, hypothèses et/ou estimations retenues pour leur établissement et présentées dans la Déclaration.

Responsabilité de l'entité

Il appartient au Directoire

- de sélectionner ou d'établir des critères appropriés pour la préparation des Informations ;
- d'établir une Déclaration conforme aux dispositions légales et réglementaires, incluant une présentation du modèle d'affaires, une description des principaux risques extra-financiers, une présentation des politiques appliquées au regard de ces risques ainsi que les résultats de ces politiques, incluant des indicateurs clés de performance et par ailleurs les informations prévues par l'article 8 du règlement (UE) 2020/852 (taxonomie verte) ;
- ainsi que de mettre en place le contrôle interne qu'il estime nécessaire à l'établissement des Informations ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

La Déclaration a été établie en appliquant le Référentiel du groupe tel que mentionné ci-avant.

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SERGE FERRARI SA
Exercice clos le 31 décembre 2022

Responsabilité de l'organisme tiers indépendant

Il nous appartient, sur la base de nos travaux, de formuler un avis motivé exprimant une conclusion d'assurance modérée sur :

- la conformité de la Déclaration aux dispositions prévues à l'article R. 225-105 du code de commerce ;
- la sincérité des informations historiques (constatées ou extrapolées) fournies en application du 3° du I et du II de l'article R. 225-105 du code de commerce, à savoir les résultats des politiques, incluant des indicateurs clés de performance, et les actions, relatifs aux principaux risques.

Comme il nous appartient de formuler une conclusion indépendante sur les Informations telles que préparées par la direction, nous ne sommes pas autorisés à être impliqués dans la préparation desdites Informations, car cela pourrait compromettre notre indépendance.

Il ne nous appartient pas de nous prononcer sur :

- le respect par l'entité des autres dispositions légales et réglementaires applicables (notamment en matière d'informations prévues par l'article 8 du règlement (UE) 2020/852 (taxonomie verte), de plan de vigilance et de lutte contre la corruption et l'évasion fiscale) ;
- la sincérité des informations prévues par l'article 8 du règlement (UE) 2020/852 (taxonomie verte) ;
- la conformité des produits et services aux réglementations applicables.

Dispositions réglementaires et doctrine professionnelle applicable

Nos travaux décrits ci-après ont été effectués conformément aux dispositions des articles A. 225-1 et suivants du code de commerce, à la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention tenant lieu de programme de vérification et à la norme internationale ISAE 3000 (révisée).

Indépendance et contrôle qualité

Notre indépendance est définie par les dispositions prévues à l'article L. 822-11 du code de commerce et le code de déontologie de la profession de commissaire aux comptes. Par ailleurs, nous avons mis en place un système de contrôle qualité qui comprend des politiques et des procédures documentées visant à assurer le respect des textes légaux et réglementaires applicables, des règles déontologiques et de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention.

Moyens et ressources

Nos travaux ont mobilisé les compétences de 3 personnes et se sont déroulés entre le 09 décembre 2022 et le 1er mars 2023 sur une durée totale d'intervention de 2 semaines.

Nous avons fait appel à nos spécialistes en matière de développement durable et de responsabilité sociétale. Nous avons mené 7 entretiens avec les personnes responsables de la préparation de la Déclaration représentant notamment les directions générales, administration et finances, gestion des risques, conformité, ressources humaines, environnement.

3/4 – Rapport de vérification
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Nature et étendue des travaux

Nous avons planifié et effectué nos travaux en prenant en compte le risque d'anomalies significatives sur les Informations.

Nous estimons que les procédures que nous avons menées en exerçant notre jugement professionnel nous permettent de formuler une conclusion d'assurance modérée :

- nous avons pris connaissance de l'activité de l'ensemble des entités incluses dans le périmètre de consolidation et de l'exposé des principaux risques;
- nous avons apprécié le caractère approprié du Référentiel au regard de sa pertinence, son exhaustivité, sa fiabilité, sa neutralité et son caractère compréhensible, en prenant en considération, le cas échéant, les bonnes pratiques du secteur ;
- nous avons vérifié que la Déclaration couvre chaque catégorie d'information prévue au III de l'article L. 225-102-1 en matière sociale et environnementale ;
- nous avons vérifié que la Déclaration présente les informations prévues au II de l'article R. 225-105 lorsqu'elles sont pertinentes au regard des principaux risques et comprend, le cas échéant, une explication des raisons justifiant l'absence des informations requises par le 2eme alinéa du III de l'article L. 225-102-1 ;
- nous avons vérifié que la Déclaration présente le modèle d'affaires et une description des principaux risques liés à l'activité de de l'ensemble des entités incluses dans le périmètre de consolidation, y compris, lorsque cela s'avère pertinent et proportionné, les risques créés par ses relations d'affaires, ses produits ou ses services ainsi que les politiques, les actions et les résultats, incluant des indicateurs clés de performance afférents aux principaux risques ;
- nous avons consulté les sources documentaires et mené des entretiens pour :
  - apprécier le processus de sélection et de validation des principaux risques ainsi que la cohérence des résultats, incluant les indicateurs clés de performance retenus, au regard des principaux risques et politiques présentés, et
  - corroborer les informations qualitatives (actions et résultats) que nous avons considérées les plus importantes présentées en Annexe 1. Pour certains risques tels que la lutte contre la corruption, etc., nos travaux ont été réalisés au niveau de l'entité consolidante, pour les autres risques, des travaux ont été menés au niveau de l'entité consolidante et dans une sélection d'entités ;
- nous avons vérifié que la Déclaration couvre le périmètre consolidé, à savoir l'ensemble des entités incluses dans le périmètre de consolidation conformément à l'article L. 233-16 avec les limites précisées dans la Déclaration ;
- nous avons pris connaissance des procédures de contrôle interne et de gestion des risques mises en place par l'entité et avons apprécié le processus de collecte visant à l'exhaustivité et à la sincérité des Informations ;
- pour les indicateurs clés de performance et les autres résultats quantitatifs que nous avons considérés les plus importants présentés en Annexe 1 ,
- nous avons mis en œuvre :
  - des procédures analytiques consistant à vérifier la correcte consolidation des données collectées ainsi que la cohérence de leurs évolutions ;
  - des tests de détail sur la base de sondages ou d'autres moyens de sélection, consistant à vérifier la correcte application des définitions et procédures et à rapprocher les données des pièces justificatives. Ces travaux ont été menés auprès d'une sélection d'entités contributrices[1] et couvrent entre 43% et 100% des données consolidées sélectionnées pour ces tests ;

[1] Données sociétales : Périmètre : Eglisau, Krefeld, Serge ferrari SAS
Données environnementales : Périmètre : Emmenbrücke, Serge Ferrari SAS, Eglisau, Krefeld, Plastitex
Données sociales : Périmètre : Industriel, Ventes et distribution sauf exception pour les indicateurs suivants qui concernent Serge Ferrari SAS : Taux de fréquence des accidents (TF1), Taux de gravité des accidents (TG), Taux d'absentéisme

- nous avons apprécié la cohérence d'ensemble de la Déclaration par rapport à notre connaissance de l'ensemble des entités incluses dans le périmètre de consolidation.

Les procédures mises en œuvre dans le cadre d'une mission d'assurance modérée sont moins étendues que celles requises pour une mission d'assurance raisonnable effectuée selon la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes ; une assurance de niveau supérieur aurait nécessité des travaux de vérification plus étendus.

Lyon, le 03 mars 2023

FINEXFI
Isabelle Lhoste
Associée

SERGE FERRARI SA
Exercice clos le 31 décembre 2022

ANNEXE 1

Informations quantitatives vérifiées :

Thématique sociétale :

- Pourcentage en volume des CMR utilisés dans la production

Thématique environnementale :

- Consommation eau par m² produit (L/m²)
- Consommation énergie par m² (kWh/m²)
- Volume de l'électricité renouvelable consommée (KWh)
- Bilan carbone scopes 1, 2, 3
- Bilan matière (matières premières consommées par m² produit)
- Taux de valorisation des déchets non dangereux
- Tonnage des déchets non dangereux par m² produit (DND)
- Taux de valorisation des déchets dangereux
- Tonnage des déchets spéciaux par m² produit (DD)

Thématique sociale :

- Nombre total de collaborateurs au 31 décembre de l'année
- Nombre total de collaborateurs au 31 décembre de l'année sur le périmètre industriel
- Effectif total en fin d'exercice en ETP
- Effectif permanent en fin d'exercice en ETP
- Effectif non permanent en fin d'exercice en ETP
- Effectif moyen
- Nombre de recrutements de salariés permanents en ETP
- Nombre d'embauches en CDI
- Ancienneté moyenne
- Turnover de sortie hors CDD en pourcentage
- Nombre de départs de salariés permanents en ETP
- Part des collaborateurs en CDI
- Part des collaborateurs en CDD y compris alternants
- Part des hommes sur effectif total
- Part des femmes sur effectif total
- Répartition par tranche d'âge
- Age moyen de l'effectif
- Nombre d'hommes embauchés en CDI
- Nombre de femmes embauchées en CDI
- Taux de fréquence des accidents (TF1)
- Taux de gravité des accidents (TG)
- Taux d'absentéisme

Informations qualitatives vérifiées :

- Statuts de la fondation
- Accords d'entreprise – Serge Ferrari SAS
- Label OEKOTEX
- Label PVC Best practices
- Label Greengard
- Label Vinyl plus label

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Marquee membrane ■ Germany

Soltis shading structure ■ Spain Residential

3

Governance and remuneration

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The report on corporate governance, which is the responsibility of the Supervisory Board, includes information relating to the composition and functioning of governance and management bodies, the remuneration awarded to corporate officers and items likely to have an impact in the event of a public tender offer, pursuant to Article L. 22-10-20 of the French Commercial Code, as well as other information pursuant to Articles L. 22-10-9 to L. 22-10-11 of the French Commercial Code.
This report also includes the Supervisory Board's comments on the Executive Board's report on the financial statements for the year.

This report was submitted to the Audit Committee meeting on March 1, 2023 and approved by the Supervisory Board on March 2, 2023. It will be presented to the shareholders at the General Meeting on April 19, 2023.
SergeFerrari Group SA refers to the Middlenext Code in its September 2021 edition, which may be consulted on www.middlenext.com

The internal rules of procedure of the Supervisory Board and Executive Board may be found on www.sergeferrari.com

The Company has been a French limited liability company (*société anonyme*) with an Executive Board and Supervisory Board since January 25, 2022. The change in governance model was made following an analysis conducted by the family shareholders, who felt it would be appropriate to rejuvenate executive management and that it would be more efficient, at operational level, to rally the persons responsible for implementing the current strategic plan around the Executive Board in the form of a Strategic Management Committee, for the benefit of all stakeholders. Sébastien Ferrari, formerly Chairman and Chief Executive Officer, became Chairman of the Supervisory Board and Romain Ferrari, formerly Chief Operating Officer, was appointed Vice-Chairman of the Supervisory Board.

The quality of the Supervisory Board's work results from the commitment of its members and is facilitated by four committees: Strategy Committee, Audit Committee, Remuneration and Appointments Committee and, since 2020, CSR Committee.

The Supervisory Board reviews and approves the major strategic guidelines and authorizes all transactions that have an impact on the Company's capital stock and financial structure. The Supervisory Board is empowered to appoint and dismiss the members of the Executive Board and exercise permanent control over its management.

The Executive Board is the Company's decision-making body vested with the broadest powers to act in all circumstances on behalf of the Company. The Executive Board represents the Company vis-à-vis third parties.

In accordance with the law, the Executive Board is required to prepare a quarterly report on the Company's business and to submit it to the Supervisory Board for review.

In exercising its powers, the Executive Board submits for prior approval by the Supervisory Board all decisions that have a strategic impact on the Group, in particular all decisions relating to material transactions outside the scope of the Company's declared strategy.

The members of the Executive Board and Supervisory Board are collectively referred to in this document as "corporate officers".

Sébastien Baril and Philippe Brun regularly inform Sébastien Ferrari of developments in the Company's affairs.

3.1 GROUP EXECUTIVE MANAGEMENT

Group executive management is performed by the Executive Board chaired by Sébastien Baril, Chairman of the Executive Board. Philippe Brun is also a member of the Executive Board. The composition of the Executive Board was decided by the Supervisory Board at its meeting on January 25, 2022, following the General Meeting held on the same day, which approved the transition from a company with a Board of Directors to a company with an Executive Board and Supervisory Board.

A ten-member Strategic Management Committee chaired by Sébastien Baril provides support to the Executive Board.
The rules regarding the Executive Board, the term of office of its members and its rules of procedure, duties, powers and obligations are set out in Article 13 of the Company's Articles of Association and in the Executive Board's internal rules of procedure (all documents may be found on www.sergeferrari.com).

3.1.1 PRESENTATION OF THE EXECUTIVE BOARD

At the date of registration of this Universal Registration Document, the Executive Board comprised the following members:

Sébastien Baril
Chairman of the Executive Board

Born June 10, 1981
A French national

End of office: 2025 AGM
59,992 shares (2.8% of the capital stock) of One Team Investments, which itself holds 5.04% of the capital of SergeFerrari Group

Business address
SergeFerrari Group SA
59 rue Joseph Jacquard
38110 Rochetoirin (France)

BIOGRAPHY

Since 2006, Sébastien Baril has held various positions in the Serge Ferrari Group in the areas of R&D, strategic marketing and, most recently, integration of acquisitions.

Sébastien Baril is a graduate of the Ecole Supérieure d'Ingénieurs, Chambéry (2004). He holds an MBA from IMD Business School (Lausanne - 2021).

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

- Serge Ferrari SAS: Chief Executive Officer
- Serge Ferrari Tersuisse: Director
- Serge Ferrari AG: Chairman
- Serge Ferrari Deutschland GmbH: Chief Executive Officer
- Ferramat Tekstil: Chairman
- Serge Ferrari Tekstil: Chairman
- Giofex Group srl: Director
- Serge Ferrari SpA: Chairman
- Markleen Management SL: Chairman

Sébastien Ferrari's chairmanships and directorships in other Group subsidiaries were in the process of being transferred at the date of registration of this document.

- KK Serge Ferrari Japan: Director
- Serge Ferrari India Private Limited: Chairman
- Serge Ferrari Shanghai Co: Chairman
- Serge Ferrari North America: Chairman

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Chairman of One Team Investments

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

None

Philippe Brun
Member of the Executive Board

Born November 7, 1960
A French national

End of office: 2025 AGM
128,497 SergeFerrari Group shares
59,991 shares (2.8% of the capital stock) of One Team Investments, which itself holds 5.04% of the capital of SergeFerrari Group

Business address
SergeFerrari Group SA
59 rue Joseph Jacquard
38110 Rochetoirin (France)

BIOGRAPHY

Philippe Brun joined the SergeFerrari Group in 2011 after holding senior and financial management positions in listed companies (IMS International Metal Service – Member of the Executive Board; Boiron – Executive Vice-President).

Philippe Brun is a graduate of EM Lyon and the French Association of Financial Analysts (SFAF).

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

- Serge Ferrari North America: Director
- Serge Ferrari Tersuisse: Director
- Serge Ferrari AG: Director
- Serge Ferrari India Private Limited: Director
- Serge Ferrari Shanghai Co: Director
- Serge Ferrari Tekstil: Director
- Ferramat Tekstil: Director
- Serge Ferrari Deutschland GmbH: Geschäftsführer (Managing Director)
- Giofex Group srl: Director
- Giofex Deutschland GmbH: Geschäftsführer (Managing Director)
- Giofex Bulgaria: Director
- Giofex Slovakia: Director
- Giofex France: Director
- Serge Ferrari SpA: Director
- Serge Ferrari AB: Director
- F.I.T. Industrial Co: Director
- Markleen Management SL: Director

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Fidentis: Chairman
- Boiron: Director, Chairman of the Audit Committee
- SCI Les Deux Tortues: managing partner

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

None

3.1.2 POWERS AND DUTIES OF THE EXECUTIVE BOARD

Vis-à-vis third parties, the Executive Board is vested with the broadest powers to act on behalf of the Company in all circumstances, within the limits of the corporate purpose and subject to the powers expressly granted under statutory or regulatory provisions or pursuant to the Articles of Association to the Supervisory Board and General Meetings of shareholders.

The Executive Board shall perform its duties under the supervision of the Supervisory Board. In particular, at least once a quarter, it must provide the Supervisory Board with a report on the progress of the Company's business and must submit the annual parent company and consolidated financial statements to the Supervisory Board within three months following the end of each fiscal year.

Where applicable, the Supervisory Board defines the acts that cannot be performed by the Executive Board without its prior authorization *(see excerpt from Executive Board internal rules of procedure below)*.

No restriction on the powers of the Executive Board is enforceable against third parties, who may bring proceedings against the Company seeking performance of undertakings made on its behalf by the Chairman or a member of the Executive Board if their appointment has been duly published.

Excerpt from Article 5 of the Executive Board internal rules of procedure

The Chairman of the Executive Board is also authorized, with the option to sub-delegate that authorization, to direct and coordinate the work of the Executive Board, which includes:

- defining the strategy of the Company and the companies it controls ("the Group");
- coordinating the Group's financial management (conclusion of loan agreements, credit facilities and overdraft authorizations, completion of market financing transactions, establishment of pledges and charges on Group property, plant and equipment and intangible assets, etc.);
- completion of acquisitions/disposals of equity interests;
- completion of restructuring transactions (mergers, demergers, business transfers, etc.);
- operational management of the Group's business;
- capital expenditure commitments;
- definition and implementation of internal policies (QHSE, risk management, anti-corruption, CSR, HR, etc.) tailored to business activities;
- regulatory compliance and monitoring of ongoing proceedings and litigation;
- preparation of the annual parent company and consolidated financial statements and, more generally, the reporting of accounting and financial information within the Group;
- preparation of the Universal Registration Document (including the annual financial report and non-financial performance statement);
- convening the General Meeting and managing relations with shareholders;
- and, more generally, determining the Company's business guidelines.

The Chairman of the Executive Board also carries out the following tasks, with the option to sub-delegate them:

- implement Executive Board policy while ensuring its consistency with Group strategy;
- oversee subsidiary managers and, more generally, the Group's operating departments;
- ensure that the Supervisory Board is properly informed (quality of documents forwarded, compliance with reporting deadlines, etc.);
- assist the Supervisory Board in preparing its reports;
- inform the Supervisory Board about changes in stakeholder satisfaction indices.

On January 25, 2022, in exercise of its right to grant power of representation to one or more other members of the Executive Board, the Supervisory Board unanimously decided to grant the same power of representation to Philippe Brun, member of the Executive Board.

3.1.3 SUPERVISORY BOARD OVERSIGHT

The Executive Board performs its duties under the supervision of the Supervisory Board, to which it reports at quarterly meetings or more frequently if circumstances so require. Meetings are held in accordance with the terms and conditions set out in the Supervisory Board's internal rules of procedure.

In particular, at least once a quarter the Executive Board must provide the Supervisory Board with a report on the progress of the Company's business and must submit the annual parent company and consolidated financial statements to the Supervisory Board within three months following the end of each fiscal year.

However, as an internal procedure not enforceable against third parties, the Executive Board must obtain prior approval for the following matters from the Supervisory Board on behalf of the Company and its subsidiaries and equity interests:

- approval of the annual budget;
- issuance of endorsements, sureties or guarantees in excess of a total annual amount of €200,000;
- issuance of comfort letters in favor of third parties (non-Group);
- the granting of financial loans or advances to third parties (except for advances granted to Company personnel in the normal course of business) regardless of the amount, except for loans and advances granted to companies belonging to the group controlled by SergeFerrari Group;
- the signing of any loan agreement, credit facility or financing arrangement of any kind that would raise the net debt ratio above the threshold provided for under the Group's credit facilities or syndicated loans;
- the acquisition, disposal or leasing of a business undertaking or branch of the Company's business;
- acquisition or disposal of all property, plant and equipment and intangible assets (intellectual property, equipment, etc.) not included in the annual budget;
- acquisition or disposal of equity interests in any company or consortium;
- implementation of internal restructuring operations that have legal implications for the organizational structure (mergers, business transfers);
- execution of all contracts relating to real estate assets (leases, real estate transactions, etc.);
- execution of all long-term contracts with a term of at least two years and/or contracts involving an annual amount of over €1 million;
- any decision to dismiss an executive officer reporting directly to a member of the Executive Board;
- execution, termination or amendment of any contract entered into, directly or through an intermediary, between the Company and (i) a member of its Supervisory Board or an executive officer, (ii) a shareholder or, (iii) in the case of a corporate shareholder, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code.

Conflicts of interest, family ties and service contracts

At the date of preparation of this Universal Registration Document, to the Company's knowledge, there are no family ties or potential conflicts between the private interests of the Executive Board members and their duties towards the Company. The members of the Executive Board have no family ties with the members of the Supervisory Board.

Furthermore, there are no commitments or agreements entered into by the Company or its subsidiaries with members of the Company's Executive Board that would confer entitlement to benefits upon termination of their duties. There is no agreement entered into between the Company, its subsidiaries and such persons other than those described in Section 3.3 below.

No conviction for fraud

Over the past five years, to the Company's knowledge and as of the date of this report on corporate governance:

- no member of the Executive Board has been convicted for fraud;
- no member of the Executive Board has been involved in a bankruptcy, asset seizure, liquidation or placement of the company under court-ordered administration;
- none of these persons have been implicated and/or received an official public penalty or sanction from a regulatory or statutory authority or professional organization;
- no member of the Company's Executive Board has been stripped by a court of the right to act as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of an issuer's affairs.

3.1.4 STRATEGIC MANAGEMENT COMMITTEE

The Executive Board is assisted in its duties by a Strategic Management Committee comprising the members of the Executive Board and the Group's main operational and functional directors. Information on the members of the Strategic Management Committee besides the Executive Board members is as follows:

Pierre Martinez, born October 1 1975, a French national, Chief Marketing Officer. Pierre Martinez joined Serge Ferrari in 2005 where he successively held positions as Business Area Manager Asia Pacific, Director France and VP Sales Europe. Pierre Martinez holds a Master's degree in Business Administration and International Trade (IPAG 1997).

Nitin Govila, born January 28, 1973, a Singapore resident, Chief Sales & Marketing Officer + Sr. VP - Asia Pacific + MEA, holds a Master's degree in Marketing (MDI) and General Management (HEC). Nitin Govila held positions in marketing and business operation management in international groups including Somfy and Onduline before joining the Serge Ferrari Group in 2016.

Philippe Espiard, born May 20, 1964, a French national, Technical and R&D Director. Having qualified as an engineer at Ecole Supérieure de Chimie in Lyon (CPE Lyon), Philippe Espiard obtained a doctorate in macromolecular materials from Claude Bernard Lyon 1 University. He joined the Group in April 2018 after managing various research departments and centers at Saint Gobain and Elf Atochem.

Markus Simon, born April 6, 1969, a German national, CEO of Verseidag-Indutex GmbH, which he joined in 1997 after an initial spell at Deutsche Bank.

Henric Leuer, born April 30, 1967, a German national, CEO of Verseidag-Indutex GmbH, which he joined in 2004 after holding a number of sales and technical positions in industry at Akzo and Du Pont de Nemours.

Hervé Garcia, born June 15, 1968, a French national, Site Managing Director France. Hervé holds a DESS advanced diploma in Human Resources, and joined the Group after holding senior positions in a group providing utilities services (SITA Sud).

Paulina Devecz, born August 16, 1982, a Hungarian national, Chief Supply Chain Officer. Holding a Master's degree in Logistics, Materials and Supply Chain, Paulina Devecz joined the Group in September 2022 after holding operational positions at Schneider Electric.

Pierre Boissonnet, born April 29, 1981, a French national, Chief Information Officer. A graduate of Ecole Centrale (Lyon), Pierre Boissonnet joined the Group in September 2021 after holding positions as a consultant at Cap Gemini and BCG, as well as operational positions at Volvo Trucks.

Group gender inclusion policy for management teams (Executive Board, Strategic Management Committee, Serge Ferrari Agora, Serge Ferrari Inkubator)

The Executive Board uses head-hunting and talent management processes, as well as succession plans for key positions, focused on performance and individual potential in order to promote diversity across the Group and, in particular, among the management teams.

The Company has set itself the goal of reducing gender imbalance in certain business lines and increasing the number of women on management bodies, including the Strategic Management Committee.

This desire stems from the need to make up for the low representation of women in certain educational sectors: *"The proportion of women in major engineering schools has not risen in ten years, according to a survey by the Institut des Politiques Publiques (IPP), a research unit of the Ecole d'Economie de Paris, published on Tuesday January 19, 2021, which analyses the backgrounds of students at 234 top-level schools. Women accounted for 26% of engineering school admissions in 2016-2017 (21% in the most prestigious schools), the same percentage as 10 years ago."* (Le Monde, January 21, 2021). In 2022, INSEE, the French national statistics bureau, updated its survey entitled "Women and men, equality in the balance", which states that jobs held by women in industry account for only 28.5% of total jobs compared to 74.7% in the healthcare sector.

Various measures have been implemented to attain this goal:

- Serge Ferrari Agora: this body brings together 28 Group managers (including the members of the Strategic Management Committee), 20% of whom are women, with a remit focusing on operational issues and bottom-up management.
- Serge Ferrari Inkubator: this body promotes diversity in two ways: equal numbers of men and women, and a place for meeting, mentoring and discussion open to ten employees aged between 22 and 40. The second edition will be rolled out during the second quarter of 2023.

Specifically regarding the Strategic Management Committee, the Executive Board's systematic objective is to improve female representation by requiring the systematic shortlisting of one man and one woman for the final selection. As a result, the Supply Chain Director joined the Strategic Management Committee in the first quarter of 2023, which now comprises 10% women versus none previously. This policy also applies to the main management positions, whether or not they are members of the Strategic Management Committee.

When the first Executive Board members were appointed in January 2022, the Remuneration and Appointments Committee gave priority to internal candidate applications, given the sensitivity of the transition to be implemented. For subsequent appointments, the selection process requires presentation of at least one candidate of each gender, whether to replace a vacancy or fill a newly created position.

3.2 THE SUPERVISORY BOARD

3.2.1 COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES

The Articles of Association of SergeFerrari SA provide that the Supervisory Board shall have at least three and no more than eighteen members.
Unless otherwise provided, Supervisory Board members are appointed for a three-year term expiring at the close of the Ordinary General Meeting of shareholders called to approve the financial statements for the year ended and held in the year in which their term of office expires. This term is suited to the specific features of the Company, in accordance with the Middlenext Code.

Supervisory Board members may be reappointed. They may be dismissed by the General Meeting. A legal entity may be appointed member of the Supervisory Board. Upon appointment, it is required to name a permanent representative. No person over the age of eighty-five (85) may be appointed as a Board member if such appointment would increase the number of Board members aged over 70 to more than one-third of the Board members. If this limit is reached, the oldest Board member is deemed to have resigned.
In the event of a vacancy due to death, age limit or resignation, the Supervisory Board may make provisional appointments between two General Meetings, subject to ratification by the next Ordinary General Meeting.
Membership of the Audit Committee, Strategy Committee, Remuneration and Appointments Committee and CSR Committee is set out below. The number of shares held is counted as of December 31, 2022.

Gender balance on the Board	Average age	Independent members	Average term of office	Employee representation
45% women/55% men	59 yrs	66%	6.6 yrs	None

	Date of birth	Gender	Nationality	Number of SFG shares held	Number of offices held in listed companies	Independent member	First appointed:	Years of Board membership	End of office
Sébastien Ferrari	2/26/1959	M	French	84	1	No	4/30/2014	9	2025 AGM
Bertrand Neuschwander	4/13/1962	M	French	-	2	Yes	4/30/2014	9	2024 AGM
Romain Ferrari	12/21/1960	M	French	313	1	No	4/30/2014	9	2023 AGM
Christophe Graffin	5/22/1959	M	French	-	1	Yes	4/29/2015	8	2023 AGM
Félicie Ferrari	9/12/1996	F	French	1	1	No	5/19/2021	2	2023 AGM
Carole Delteil de Chilly	4/8/1947	F	French	-	1	Yes	4/20/2017	6	2024 AGM
Caroline Weber	12/14/1960	F	French	900	2	Yes	4/20/2017	6	2024 AGM
Joelle Barreto	8/3/1975	F	French	-	1	Yes	1/25/2022	1	2025 AGM
Bertrand Chammas	6/25/1959	M	French	-	1	Yes	4/30/2014	9	2024 AGM

	Audit Committee	Remuneration and Appointments Committee	Strategy Committee	CSR Committee
Sébastien Ferrari	Member	Member	Chairman	-
Bertrand Neuschwander	-	Chairman	Member	-
Romain Ferrari	-	-	Member	Chairman
Christophe Graffin	Member	-	-	-
Félicie Ferrari	-	-	-	Member
Carole Delteil de Chilly	-	Member	-	-
Caroline Weber	Chairman	-	-	-
Joelle Barreto	-	-	-	Member
Bertrand Chammas	-	-	Member	-

For the first three-year period following the creation of the Supervisory Board on January 25, 2022, the members were appointed on a staggered basis for a term of one, two or three years in order to avoid mass reappointment of all Board members at the same time, in accordance with the Middlenext Code. Thereafter, directors will be reappointed in accordance with Article 14 of the Articles of Association based on seniority of appointment.

3.2.2 SUPERVISORY BOARD MEMBER INDEPENDENCE

Middlenext Code Recommendation R 3 establishes five criteria for determining the independence of non-executive Board members, based on the absence of a financial, contractual or family relationship that could impair the objectivity of the person's judgment. According to these criteria, the Supervisory Board has six independent members out of nine.

Each independent Board member reviews his/her situation every year in light of the Middlenext Code criteria and informs the Board accordingly.

	Sébastien Ferrari	Bertrand Neuschwander	Romain Ferrari	Christophe Graffin [1]	Carole Delteil de Chilly	Caroline Weber	Bertrand Chammas	Joelle Barreto [2]	Félicie Ferrari
1- has not been in the last five years and is not an employee or executive officer of the Company or any of its subsidiaries	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
2- has not been in the last two years and is not in a significant business relationship with the Company or any of its subsidiaries (customer, supplier, competitor, service provider, creditor, banker, etc.)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3- is not a major shareholder of the Company or does not hold a significant percentage of voting rights	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
4- has no close relationship or family ties with any corporate officer or major shareholder	No	Yes	No	Yes	Yes	Yes	Yes	Yes	No
5- has not been a statutory auditor of the Company over the last six years	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Board's conclusion on the classification of its members as independent: Six directors are classified as independent by the Board of Directors	Not independent	Independent	Not independent	Independent	Independent	Independent	Independent	Independent	Not independent

[1] Interim appointment as director at the request of Bpifrance. In February 2013, Bpifrance (via OSEO) granted some Group companies a €1 million interest-free innovation loan and a €107,000 innovation advance. As of December 31, 2019, these loans and advances had been fully repaid. Given the amount and nature of the funding, these loans and advances did not entail Bpifrance becoming a "significant banker" of SergeFerrari Group during its term of office from March 18 to December 9, 2015.

[2] The Board of Directors reviewed Joelle Barreto's independence criteria at its meeting on December 8, 2021. HSBC has not been classified as a principal banker of the Group insofar as it is not a member of the list of lenders involved in the Group's refinancing arrangements entered into in July 2020. The factoring agreement between HSBC and Serge Ferrari SAS represents less than 10% of the gross amount of the Group's loans and bank overdrafts.

3.2.3 PRESENTATION OF SUPERVISORY BOARD MEMBERS

Sébastien Ferrari
Chairman of the Supervisory Board
Chairman of the Strategy Committee
Member of the Remuneration and Appointments Committee
Member of the Audit Committee

Born February 26, 1959
A French national

End of office: 2025 AGM
84,796 SergeFerrari Group shares

Business address
SergeFerrari Group SA
59 rue Joseph Jacquard
38110 Rochetoirin (France)

BIOGRAPHY

Sébastien Ferrari joined the family firm in 1980 to take charge of developing its marketing and international business. Sébastien Ferrari was Chairman and Chief Executive Officer from April 30, 2014 to January 25, 2022.

He was a member of the Supervisory Board of Banque de Vizille (which later became CM-CIC Capital Finance, which owns CM-CIC Investissement) from 2002 to 2011.

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

- Texyloop: Chairman
- F.I.T. Industrial Co Ltd: Chairman
- Verseidag-Indutex GmbH: Geschäftsführer (Managing Director)
- Serge Ferrari Asia Pacific: Sole Director
- Serge Ferrari Brasil: Chairman
- Serge Ferrari AB: Chairman

Sébastien Ferrari's chairmanships and directorships in other Group subsidiaries were in the process of being transferred to Sébastien Baril at the date of registration of this document.

- KK Serge Ferrari Japan: Director
- Serge Ferrari India Private Limited: Chairman
- Serge Ferrari Shanghai Co: Chairman
- Serge Ferrari North America: Chairman

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Managing partner, SCEA Malherbe
- Chairman of Ferrari Participations
- Chairman of Ferrimmo
- Chairman of Immobilière Ferrari

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

None

Family ties with members of the SergeFerrari Group Executive Board

None

Romain Ferrari
Vice-Chairman of the Supervisory Board
Member of the Strategy Committee
Chairman of the CSR Committee

Born December 21, 1960
A French national

End of office: 2023 AGM
313,443 SergeFerrari Group shares

Business address
SergeFerrari Group SA
59 rue Joseph Jacquard
38110 Rochetoirin (France)

BIOGRAPHY

Romain Ferrari holds a certificate as a Deck and Engine officer of the French Merchant Navy. From 1985 to 1990, he worked as an engineering specialist at a subsidiary of Technip before joining the family firm in 1990, to take on responsibility for industrial projects and processes and sustainable development.

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

- Vice-Chairman of Serge Ferrari North America
- Director of KK Serge Ferrari Japan
- Chairman of CI2M

The remaining offices held by Romain Ferrari in Group subsidiaries are currently being removed or transferred as of the date of registration of the Document, with the exception of the CI2M chairmanship.

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Chief Executive Officer of Ferrari Participations
- Chief Executive Officer of Immobilière Ferrari
- Chief Executive Officer of Polyloop SAS

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

None

Family ties with members of the SergeFerrari Group Executive Board
None

Bertrand Neuschwander
Member of the Supervisory Board
Member of the Strategy Committee
Chairman of the Remuneration and Appointments Committee

Born April 13, 1962
A French national

End of office: 2024 AGM

Business address
13 rue Jarente
69002 Lyon (France)

BIOGRAPHY

With an engineering degree from INA Paris-Grignon and an MBA from INSEAD, Bertrand Neuschwander began his career at Arthur Andersen & Cie before moving on to Apax Partners & Cie. He then became Chairman and Chief Executive Officer of Groupe Aubert, then CEO of Devanlay-Lacoste Group.

In 2010, he joined Groupe SEB as Senior Vice-President, responsible for the Group's Business Units.

In 2011, he became Chairman of SEB Alliance, SEB Group's vehicle for investing in start-ups with a high-technology content.

In 2014, he was appointed Chief Operating Officer of Groupe SEB. In 2019, he left Groupe SEB.

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

None

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

Director of Husqvarna AB (Sweden)

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

- Member of the Executive Board of Devanlay SA
- Director of Orosdi
- Director of Maharaja
- Chief Operating Officer of SEB SA (France) - Euronext Paris Compartment A - FR0000121709
- Chairman of SEB Alliance (SAS – France)
- Director of SEB Denmark A/S
- Director of Tefal OBH Group AB (Sweden)
- Director of Groupe SEB Norway
- Director of Groupe SEB Finland Oy
- Director of Zhejiang Supor Co Ltd (China)
- Director of Husqvarna AB (Sweden)
- Chairman of the Supervisory Board of WMF (Germany)

Family ties with members of the SergeFerrari Group Executive Board
None

Christophe Graffin
Member of the Supervisory Board
Member of the Audit Committee

Born May 28, 1959
A French national

End of office: 2023 AGM

Business address
23 rue du Vieux Collonges
69660 Collonges-au-Mont-d'Or
(France)

BIOGRAPHY

Christophe Graffin held a large number of senior and operating management positions at Valeo, Entrelec, Pirelli Câbles et Systèmes and SONEPAR, both in France and abroad, particularly in Asia.

Christophe Graffin has extensive experience in business transformation (development, external growth and re-engineering).

Christophe Graffin is a graduate of both ENSAM and ESSEC.

Christophe Graffin did not request the renewal of his term of office expiring on April 19, 2023.

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

None

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Director of Defta Groupe
- Chairman of the Advisory Board of Groupe Payant

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

None

Family ties with members of the SergeFerrari Group Executive Board
None

Carole Delteil de Chilly
Member of the Supervisory Board
Member of the Remuneration and Appointments Committee

Born August 4, 1947
A French national

End of office: 2024 AGM

Business address
59 rue Joseph Jacquard
38110 Rochetoirin (France)

BIOGRAPHY

A psychologist by training, Carole Delteil de Chilly started her career in recruitment and human resources development at Rank Xerox. In 1975 she founded the "Executive Search" business line at Algoé management consulting group, where she served as Chief Operating Officer until February 2019.
She is a founding member of Stanton Chase international organization and Managing Director of the firm's French offices in Lyon and Paris.

Since January 2019, Carole Delteil de Chilly has been Chairwoman of CDC Consulting SAS, a human resources consulting firm.

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

None

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Director of the "Les Biennales de Lyon" association as a qualified member, officer of the association
- Director of Procivis Rhône
- Director of Golf Club de Lyon SA
- Chairwoman of CDC Consulting SAS

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

- Chief Operating Officer of Algoe Executive
- Director of Algoe
- Consultant

Family ties with members of the SergeFerrari Group Executive Board
None

Caroline Weber
Member of the Supervisory Board
Chairwoman of the Audit Committee

Born December 14, 1960
A French national

End of office: 2024 AGM

Business address
MiddleNext. Palais Brongniart
28 place de la Bourse
75002 Paris (France)

BIOGRAPHY

Caroline Weber has held financial and/or managerial positions at IBM France, Groupe GMF Assistance Internationale, Chaîne et Trame and Cars Philibert. Since 2007, she has been Chief Executive Officer of Middlenext.

She is a graduate of HEC and holds a DEA (post-graduate degree) in Politics and a Bachelor's degree in English.

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

None

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Chief Operating Officer of Middlenext
- Chairwoman of LeDo Tank
- Director of Herige
- Director of European Issuers
- Vice-President of the Observatory of French listed small to mid-cap companies
- Member of the Gaia Rating Scientific Committee
- Managing partner of Suka

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

- Member of the Supervisory Board of Toupargel SAS, Director of Toupargel Group
- Member of the Steering Committee of Proxinvest
- Director of Fondation d'entreprise CMA-CGM
- Director of GL Events
- Member of France's supervisory body for auditors, the Haut Conseil du Commissariat aux Comptes (H3C)
- Director of Lyon Pole Bourse

Family ties with members of the SergeFerrari Group Executive Board
None

Bertrand Chammas
Member of the Supervisory Board
Member of the Strategy Committee

Born June 25, 1959
A French national

End of office: 2024 AGM

Business address
Gerflor
50 cours de la République
69627 Villeurbanne Cedex (France)

BIOGRAPHY

Bertrand Chammas has been Chairman and Chief Executive Officer of Gerflor since 2003, after 12 years at Valeo equipment manufacturer, first in operating management positions (sales/marketing director and industrial director) and then in executive management positions.

Bertrand Chammas studied both engineering (at the Arts et Métiers engineering school) and management (at ISA/HEC business school).

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

None

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Chairman and Chief Executive Officer of Gerflor Floorings
- Chairman of Gerflor
- Chairman of SPM International
- Chairman and Chief Executive Officer of Gerflor Mipolam
- Chairman and Chief Executive Officer of Gerflor Polska
- Chairman and Chief Executive Officer of BCIC
- Chairman and Chief Executive Officer of Gerflor USA
- Chairman of Hestiafloor 1
- Chairman of Hestiafloor 2
- Chairman of Invesco Floor 1
- Chairman of Invesco Floor 2
- Chairman of Invesco Floor 3
- Director WFG Holding
- Director Progress Profile

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

None

Family ties with members of the SergeFerrari Group Executive Board
None

Félicie Ferrari
Member of the Supervisory Board
Member of the CSR Committee

Born September 12, 1996
A French national

End of office: 2023 AGM

Business address
59 rue Joseph Jacquard
38110 Rochetoirin (France)

BIOGRAPHY

Félicie Ferrari holds a BA in Management and Development from Coventry University (2017) and an MA in Management (DESMA) from Grenoble Ecole de Management (2020). Félicie Ferrari is Joint President of the Serge Ferrari Foundation.

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

None

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

- Joint President, Serge Ferrari Foundation
- Director, FF Participations
- Founder of Ice Cream, Annecy news media

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

None

Family ties with members of the SergeFerrari Group Executive Board
None

Joelle Barreto
Member of the Supervisory Board
Member of the CSR Committee

Born August 3, 1975
A French national

End of office: 2025 AGM

Business address
Business Manager Structured Finances & Risk Distribution Europe
Member of the Diversity and Inclusion Cmb Committee
HSBC Continental Europe
38 avenue Kléber
75016 Paris (France)

BIOGRAPHY

After five years at Bpifrance as Business Manager, Joelle Barreto joined HSBC Commercial Banking in Lyon, where she managed a portfolio of key accounts.

In September 2018 she was appointed Head of Business Development Corporate France. Since July 2022 she has served as Business Manager in the European Structured Finance & Risk Distribution department. Alongside the Regional Manager of this team, she is now responsible for rolling out the HSBC strategy in the areas of structured finance and risk distribution at European level.

As a member of the Diversity and Inclusion Cmb Committee, Joelle Barreto's mission is to promote diversity and inclusion policy and actions among the CMB teams in France.

She holds a science and technology Master's degree in Auditing and Operational Business Management and a DESS diploma in Business Valuation and Transfer from Lyon University Lumière 2.

OTHER CURRENT OFFICES AND POSITIONS WITHIN THE GROUP

None

CURRENT OFFICES AND POSITIONS OUTSIDE THE GROUP

None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP OVER THE LAST FIVE YEARS

None

Family ties with members of the SergeFerrari Group Executive Board
None

Proposed appointment of Bpifrance Investissement as member of the Supervisory Board

On March 2, 2023 the Supervisory Board decided to propose to the General Meeting of April 19, 2023 the appointment of Bpifrance Investissement as a member of the Supervisory Board. Bpifrance Investissement will be represented by Samantha Jeary. Given that it holds a 5.5% equity stake in SergeFerrari Group, Bpifrance is considered non-independent. Samantha Jeary is Senior Investment Manager at Bpifrance Large Cap and previously held analyst positions at various brokers, including ODDO BHF.

Samantha Jeary is a graduate of EM Lyon Business School and holds a law degree.

Following this appointment, the Supervisory Board will be composed of five independent members out of nine (55%) and the gender ratio will be 55% women to 45% men.

3.2.4 SUPERVISORY BOARD MEMBER EXPERIENCE MATRIX

	Executive Management	Relevant industry sector	Finance	Governance	CSR	International experience	Human resources
Sébastien Ferrari	●	●	●	●		●	●
Bertrand Neuschwander	●		●	●		●	●
Romain Ferrari	●	●			●		
Christophe Graffin	●		●	●		●	
Félicie Ferrari				●	●		
Carole Delteil de Chilly	●			●			●
Caroline Weber	●		●	●	●		
Joelle Barreto			●		●	●	
Bertrand Chammas	●	●	●	●		●	

3.2.5 ORGANIZATION AND OPERATION OF THE SUPERVISORY BOARD (ARTICLE 14.2 OF THE ARTICLES OF ASSOCIATION)

The Supervisory Board elects from among its members a Chairman and a Vice-Chairman responsible for convening the Board and chairing its discussions. The Board determines the amount of any remuneration it sees fit to award. The Chairman and Vice-Chairman must both be natural persons. They are appointed for the duration of their term of office on the Supervisory Board. They are eligible for reappointment.

The Supervisory Board may appoint a secretary who may or may not be a shareholder.

The Supervisory Board meets at the registered office or at any other location specified in the notice of meeting, at the request of its Chairman or the Executive Board, as often as the interests of the Company so require and at least once a quarter.

Meetings may be convened by any means, including orally.

Any member of the Supervisory Board may, by any means, appoint another member to represent him or her at a Board meeting.

Supervisory Board members attending meetings by means of video-conference or any other telecommunication means shall be deemed present for the purposes of calculating quorum and majority, under the conditions provided for by law.

Supervisory Board meetings are chaired by the Chairman or, in the event of absence or impediment, by the Vice-Chairman or any other person appointed by the Supervisory Board.

Decisions are taken in the presence of at least half of the Board members by a majority of the votes of members present or represented. In the case of a tied vote, the person chairing the meeting has the casting vote.

Minutes of the meeting are drawn up and copies or excerpts thereof are issued and certified in accordance with applicable statutory and regulatory provisions.

Decisions falling within the remit of the Supervisory Board, in accordance with the law, may be adopted by written consultation.

Powers of the Supervisory Board (Article 14.3 of the Articles of Association)

The Supervisory Board permanently oversees the management of the Company by the Executive Board.

At least once a quarter, the Executive Board submits a report to the Supervisory Board on the progress of the Company's business.

After the close of each fiscal year and within three months following the balance sheet date, the Executive Board presents the financial statements for the year ended to the Supervisory Board for checking and verification.

The Supervisory Board presents its comments on the Executive Board report and on the financial statements for the year to the Annual General Meeting.

The Supervisory Board decides on the number of members and appoints the members of the Executive Board. The Supervisory Board appoints the chairman of the Executive Board and determines the length of the chairman's term of office and the remuneration awarded. Where applicable, the Supervisory Board grants power to represent the Company to one or more members of the Executive Board and authorizes the combination of their appointments as member of the Executive Board or sole managing director of another company.

The Supervisory Board may convene the General Meeting.

In addition to the powers provided for by applicable regulations, the Supervisory Board defines any acts that may not be performed by the Executive Board without its prior authorization.

Internal rules of procedure

The internal rules of procedure were adopted on January 25, 2022 in accordance with the Middlenext Code: they specify the role of the Board, its composition, the criteria for assessing members' independence, its operating rules and the conditions for preparing meetings. The French version of the internal rules of procedure may be consulted at:

https://sergeferraribourse.com/serge-ferrari/reglement-interieur-du-conseil-de-surveillance.html

The internal rules also recall the rights and duties of the directors in the exercise of their office. In accordance with the Middlenext Code (Board member conduct), Article 5 of the internal rules of procedure sets out the rights and obligations of Board members: knowledge and observance of regulations, respect for the Company's interests, compliance with legislation and the Articles of Association, effectiveness of the Supervisory Board, freedom of judgment, prevention of conflicts of interest, obligation of diligence, obligation of confidentiality. The same article also specifies, in accordance with the Middlenext Code, that any Board member or candidate for appointment as a member of the Supervisory Board must immediately and fully disclose to the Supervisory Board any actual or potential conflict of interest with regard to his or her functions as a Board member, in order to determine whether said person should abstain from discussions and/or voting on the resolutions concerned.

Work carried out by the Supervisory Board and its committees in 2022.

	Supervisory Board		Audit Committee		Strategy Committee		Remuneration and Appointments Committee		CSR Committee	
	Meetings attended	Attendance rate	Meetings attended	Attendance rate	Meetings attended	Attendance rate	Meetings attended	Attendance rate	Meetings attended	Attendance rate
Sébastien Ferrari	5/5	100%	4/4	100%	3/3	100%	3/3	100%		
Bertrand Neuschwander	5/5	100%			3/3	100%	3/3	100%		
Romain Ferrari	5/5	100%			3/3	100%			4/4	100%
Christophe Graffin	5/5	100%	4/4	100%						
Félicie Ferrari	4/5	80%							4/4	100%
Carole Delteil de Chilly	5/5	100%					3/3	100%		
Caroline Weber	5/5	100%	4/4	100%						
Joelle Barreto	5/5	100%							4/4	100%
Bertrand Chammas	2/5	40%			3/3	100%				

In 2022, the Supervisory Board met five times, thus complying with the Middlenext Code. The Chairman of the Board chaired all the meetings and the overall attendance rate was 91%. At its first meeting, the Supervisory Board appointed the members of the Executive Board and its Chairman. The conduct of business and the Group's financial position, development policy and projects were discussed regularly at Board meetings.

In particular, the Supervisory Board approved the financial statements for the year ended December 31, 2021 and reviewed the interim financial statements for the six months ended June 30, 2022. At each meeting, an update was provided on the progress of the Group's business and the Board conducted a review of business activity, profitability and liquidity. In 2022 the Board focused on reviewing the Group's affairs against a backdrop of soaring raw material and energy costs. The Board was also informed of the acquisitions completed or in progress during the year. Finally, the Board members took part in a Climate Fresk session as part of the three-year training program offered to Board members.
The monitoring of the French Sapin II Law was regularly discussed by the Supervisory Board. The Group's CSR strategy and the determination of its carbon trajectory were also discussed extensively at Board meetings.

In accordance with the Middlenext Code recommendation, the Board was informed of and discussed the measures taken by corporate officers representing the family group to face a sudden incapacity or unforeseen vacancy. The Supervisory Board membership includes Félicie Ferrari, daughter of Sébastien Ferrari and niece of Romain Ferrari. Within the framework of an intergenerational transfer operation, Sébastien Ferrari's children control 45% of the capital of Ferrari Participations, the controlling holding company of SergeFerrari Group. The separation of the executive and supervisory functions offered by the new governance model comprising an Executive Board and Supervisory Board also reduces the concentration of risk on a limited number of individuals.

Membership, operation and work of the Board committees in 2022

Audit Committee

The Audit Committee meets about four times a year, at the invitation of its Chairwoman or at the request of the Chairman of the Board, in order to discuss the procedures for drawing up financial information, the effectiveness of information systems and the auditing of periodic financial and accounting information. The Audit Committee issues a recommendation regarding the statutory auditors proposed for appointment by the General Meeting.

In 2022, the Audit Committee met four times with an attendance rate of 100%, each meeting lasting between three and five hours.
On January 25, 2022, the Supervisory Board set up an Audit Committee with the same remit as the committee previously reporting to the Board of Directors. The Audit Committee interviews the persons responsible for preparing the financial statements, including the Group Deputy Chief Financial Officer, the Group Accounting Manager and any other Group employees whose duties concern or contribute to internal control. The Executive Board is represented at each Audit Committee meeting.
The members of the Audit Committee receive the findings of the statutory auditors based on their audits of the interim and annual financial statements. In order to carry out its assignment, the Audit Committee has access to all information and documents and may interview any Company manager. The Audit Committee reports to the Board on the performance of its assignments.

The work of the Audit Committee focused on a review of the 2021 full-year and 2022 half-yearly financial statements, monitoring the corrective plan drawn up in light of the 2021 information security audit, alerts received during the year and the GDPR (these points are reviewed at each meeting), risk mapping, noting the absence of any non-audit services, determination of the 2021 audit plan, review of ordinary and regulated agreements, and reviewing audit fees and scope. The Audit Committee also reviewed the purchase price allocation of companies acquired in 2021 and 2022.

The Audit Committee also received information on the absence of stranded assets and the lack of need for asset impairment due to climate and geopolitical risks. Lastly, the 2022 non-financial performance statement was presented to the Audit Committee meeting held to review the 2022 full-year financial statements, also attended by the independent third-party body.

Strategy Committee

The mission of the Strategy Committee is to give executive officers and shareholders its opinions and recommendations on the following:

- analysis of Group strategy, information on market trends, assessments of research, review of the competition and the resulting medium- and long-term outlook; approval of the 10-year business plan;

and

- review of Group development projects, especially in terms of external growth, and, in particular, acquisitions or sales of subsidiaries and equity interests or other assets, investment and debt, relating to amounts exceeding €10 million;

and

- examination of the Group's assets and shareholder structure.

The Strategy Committee meets at the invitation of its Chairman to an agenda set by the person convening the meeting. The Strategy Committee met three times in 2022 with a 100% attendance rate. Notice of the meeting may be issued by any means, including verbally. Video-conference participation is permitted. The committee may only validly deliberate if at least half of its members are actually or are deemed to be in attendance. The committee's opinions and recommendations are adopted by a majority of members in attendance. The Strategy Committee reports to the Supervisory Board on the performance of its assignments.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee met three times in 2022 with a 100% attendance rate. The committee is composed of at least two-thirds of the Board's independent members, including committee Chairman Bertrand Neuschwander. Meetings of the Remuneration and Appointments Committee are held in the presence of the Chairman of the Supervisory Board. However, he withdraws when the review of certain issues so require.

The main duties of the Remuneration and Appointments Committee are to:

- issue an opinion on the proposed appointment of Executive Board members by the Board and on the choice of Chairman;
- make proposals on the selection of Board and committee members, taking into account the desired balance within the Board considering the composition of and changes in the Company's shareholder structure, gender balance on the Board, and the skills and expertise required to drive the Group's development plans;
- every year, review the independence of Board members and candidates to a position on the Board or a committee;
- draw up and monitor key personnel succession plans;
- make recommendations to the Board regarding all components of the remuneration awarded to the Chairman of the Supervisory Board and to the members of the Executive Board and Strategic Management Committee, revision thereof as applicable, and the allocation of directors' remuneration;
- make proposals on the introduction and terms of stock option and bonus share plans.

The Remuneration and Appointments Committee pays close attention to the choice of CSR criteria applicable to the variable compensation awarded to the Executive Board.

CSR Committee

The CSR Committee met three times in 2021. On January 25, 2022, the Supervisory Board set up a CSR Committee with the same remit as the committee previously reporting to the Board of Directors. The CSR Committee invites Joel Tronchon, a non-member of the Supervisory Board, to attend the CSR Committee meetings.

The duties of the committee include:

- ensuring that CSR issues are taken into account when defining the Group's strategy;
- looking into CSR opportunities and risks related to the Group's businesses;
- reviewing policies in the aforementioned areas, targets set and results achieved;
- reviewing systems for non-financial reporting, measurement and control ensuring that the Group produces reliable non-financial information;
- reviewing all non-financial information published by the Group;
- reviewing and monitoring ratings assigned by non-financial rating agencies;
- reviewing the implementation of and changes in regulations applicable to the aforementioned areas.

3.2.6 NO FRAUD CONVICTIONS, BANKRUPTCY OR OFFICIAL SANCTIONS OVER THE LAST FIVE YEARS.

To the best of the Company's knowledge, none of the members of the Supervisory Board or Executive Board has, within the last five years, been convicted for fraud, been involved in a bankruptcy, had assets seized or undergone judicial liquidation, received an official public penalty or sanction from a regulatory or statutory authority, been barred under a court ruling from acting as the member of a management or supervisory body of an issuer, or been debarred from involvement in the conduct of an issuer's affairs.

3.3 CORPORATE OFFICER REMUNERATION

In application of Articles L. 22-10-26 and L. 22-10-18 of the French Commercial Code, the following information is provided below:

- information and general principles of the corporate officer remuneration policy;
- the individual information resulting from this policy in respect of each corporate officer.

On December 8, 2021, the Board of Directors approved the corporate officer remuneration policy applicable from 2022 onwards. This policy was submitted for approval by the General Meeting of shareholders on January 25, 2022.
On March 2, 2023, the Supervisory Board approved the remuneration package paid to the members of the Supervisory and Executive Boards in respect of fiscal year 2022, which will be submitted to the shareholder vote at the General Meeting to be held on April 19, 2023.

At the recommendation of the Remuneration and Appointments Committee, the Board focused on checking whether the structure, components and amounts of remuneration awarded to corporate officers were in keeping with the Company's overall interests, strategic priorities and environmental transition policies and whether they were commensurate with market practices and the performance levels expected for the Group and on the part of each Executive Board member. In particular, it appraised the appropriateness of the proposed remuneration structure in light of the Company's businesses and competitive environment, by reference to practices in the French market and among family groups.

The Board will make sure that the remuneration policy contains a long-term variable component to foster stability within the Group's Executive Management, an important factor for ensuring the success of the Group's development plan.

The Board also focused on ensuring that the performance criteria used to determine the variable component of the remuneration are appropriate for meeting the Group's operational and financial performance targets in the short, medium and long term.

The objective was to ensure that the overall amount of this remuneration provided an incentive while remaining consistent with the Company's size, business and international exposure.

The remuneration policy for corporate officers must be competitive, suited to the strategy and such as to promote the Company's performance and competitiveness over the medium and long term.
The Company complies with the Middlenext Code and its principles of determination: exhaustiveness, balance, benchmark, consistency, clarity of rules, measurement and transparency.
All the components of remuneration and benefits awarded to corporate officers are analyzed exhaustively in line with Company strategy.
Besides the interests of shareholders, this alignment also takes into account the need to attract, motivate and retain high performing executive officers.

3.3.1 Executive Board remuneration (Art. R. 22-10-18 I and II, French Commercial Code)

The principles and rules approved by the Board in order to determine the remuneration and benefits awarded to the Executive Board members, which are reviewed annually by the Remuneration and Appointments Committee, are as follows:

a) Fixed remuneration
Fixed compensation meets the objectives of attracting, retaining and motivating the best talent. This remuneration is proportionate, particularly in terms of experience and market practices.

b) Variable annual remuneration, allocated according to the achievement of performance targets
Annual variable remuneration is designed to encourage executive officers to achieve strong, growing and sustainable performance, both financial and non-financial. It is based on the financial and non-financial priorities and targets to be achieved for the year

c) Use of a company vehicle
Corporate officers are entitled to a company vehicle, in keeping with the Group's practices for these levels of responsibility.

d) Long-term variable remuneration
Bonus performance share allotment
At the date of registration of this Universal Registration Document, there was no outstanding bonus share plan.

e) Pension plan
A supplementary defined-benefit pension plan, subject to approval by the shareholders at the General Meeting of April 19, 2023, will be implemented for the Chairman of the Executive Board with effect from January 1, 2023 (see remuneration tables below).

f) Employment contracts
On December 8, 2021, the Board approved the combination of the Executive Board members' employment contract and corporate office in view of their length of service with the Company at the time of their appointment on January 25, 2022, in application of the Middlenext Code. Executive Board member lengths of service are 16 years for Sébastien Baril and 12 years for Philippe Brun.

g) Mandatory severance payment
A severance payment is provided for in the case of the Chairman of the Executive Board.

h) Corporate office allowance
Executive officers may receive remuneration for positions held within the Group and in significant consolidated subsidiaries.

	Chairman of the Executive Board	Member of the Executive Board
Employment contract	Maintained	Maintained
Annual fixed remuneration	€250,000	€230,000
Variable remuneration	Between 0% and 60% of annual fixed remuneration	Between 0% and 60% of annual fixed remuneration
Supplementary pension scheme	Yes	None
Mandatory severance payment	6 months' gross fixed salary	None
Company car	Yes	Yes

The variable remuneration awarded to Executive Board members amounts to between 0% and 60% of their annual fixed remuneration. An outperformance multiple may apply over and above 60% of the annual fixed remuneration in the event that collective financial targets are exceeded (budget revenues and budget REBIT as defined below). The determination of the remuneration awarded to corporate officers is reviewed every year by the Remuneration and Appointments Committee. Executive officers receive no deferred remuneration. The Company has granted no loans or guarantees to its executive or corporate officers.

For the year 2023, the targets meet the following characteristics:

	Target type	Principles
Collective financial	60%	Determined to promote profitable business growth and ensure REBIT growth
Collective non-financial	10%	Determined to reflect the Group's CSR strategy goals (reducing industrial accident frequency rate AF1 and improving manufacturing waste management)
Individual	30%	Determined to support long-term Group strategic goals whose achievement depends in particular on a member of the Executive Board

Collective financial targets break down as follows:

Criterion	Criterion weighting	Sensitivity
Consolidated revenues - 2023 budget	35%	■ VR 0% if actual revenues < 95% of budget
		■ VR progressively between 0% and 50% if actual revenues are between 95% and 100% of budget
		■ VR 100% if actual revenues are between 100% and 105% of budget
		■ VR 150% if actual revenues > 105% of budget
Consolidated REBIT - 2023 budget	65%	■ VR 0% if actual REBIT < 95% of budget REBIT
		■ VR progressively between 50% and 100% if actual REBIT is between 95% and 100% of budget
		■ VR progressively between 100% and 130% if actual REBIT is between 100% and 120% of budget
		■ VR 150% if actual REBIT > 120% of budget REBIT

REBIT (Recurring EBIT) is determined as follows:

1. Consolidated EBIT
2. +/- impact of consolidation adjustments relating to the impact of the recognition of acquisitions (e.g. inventory step-up, final purchase price allocation, etc.)

The collective qualitative criteria include one or more CSR criteria. Payment of variable remuneration to corporate officers is subject to approval by the General Meeting called to approve the annual financial statements.

3.3.2 BOARD MEMBER REMUNERATION (ART. R. 22-10-18 I AND II, FRENCH COMMERCIAL CODE)

The General Meeting of January 25, 2022 set the total amount of remuneration allocated to Board members at €206,000 (11th resolution). In its 14th resolution, the General Meeting also approved the remuneration policy for the Chairman and Vice-Chairman of the Board.

	Chairman	Vice-Chairman	Board member
Annual fixed remuneration	€150,000	€20,000	None
Variable remuneration (per meeting)	None	None	€2,000
Company car	Yes	Yes	None

Board members' remuneration is solely proportional to their actual attendance at meetings of the Supervisory Board or its committees, in application of the Middlenext Code recommendation.

The Chairman and Vice-Chairman of the Supervisory Board receive the fixed remuneration mentioned above and receive no remuneration per meeting.

3.3.3 AMOUNT OF REMUNERATION AND BENEFITS PAID TO CORPORATE OFFICERS

The overall gross amount of remuneration and benefits of all kinds awarded to corporate officers and members of the Supervisory Board is detailed in accordance with the recommendations and tables set out in Appendix 2 of AMF position-recommendation DOC-2021-02 (Universal Registration Document Preparation Handbook).

The following tables show remuneration paid and accrued in respect of the year in question. The remuneration is determined in accordance with the remuneration policy approved at the January 25, 2022 General Meeting.

Table 1 (AMF classification) - Remuneration, options and bonus shares allotted to executive officers (in euros)		FY 2022	FY 2021
Sébastien Ferrari, Chairman & CEO in 2021/ Chairman of the Supervisory Board in 2022	Remuneration payable for the fiscal year	152,984	457,706
	Valuation of variable multi-year remuneration awarded during the fiscal year	---	---
	Value of options granted during the year	---	---
	Valuation of bonus shares awarded	---	---
	Total	**152,984**	**457,706**
Romain Ferrari, Chief Operating Officer in 2021/ Vice-Chairman of the Supervisory Board in 2022	Remuneration payable for the fiscal year	22,897	235,260
	Valuation of variable multi-year remuneration awarded during the fiscal year	---	---
	Value of options granted during the year	---	---
	Valuation of bonus shares awarded	---	---
	Total	**22,897**	**235,260**
Sébastien Baril, Chairman of the Executive Board[1]	Remuneration payable for the fiscal year	435,984	---
	Valuation of variable multi-year remuneration awarded during the fiscal year	---	---
	Value of options granted during the year	---	---
	Valuation of bonus shares awarded	---	---
	Total	**435,984**	**---**
Philippe Brun, Member of the Executive Board in 2022/ Chief Financial Officer in 2021	Remuneration payable for the fiscal year	395,146	333,730
	Valuation of variable multi-year remuneration awarded during the fiscal year	---	---
	Value of options granted during the year	---	---
	Valuation of bonus shares awarded	---	---
	Total	**395,146**	**333,730**

[1] Sébastien Baril acquired the status of corporate officer on January 1, 2022

Table 2 (AMF classification) - Remuneration paid to executive officers (in euros)

		FY 2022		FY 2021	
		Amount payable	Amount paid	Amount payable	Amount paid
Sébastien Ferrari, Chairman & CEO in 2021/ Chairman of the Supervisory Board in 2022	Fixed remuneration	150,000	150,000	238,128	232,176
	Fixed remuneration (corporate office allowances)	---	---	48,000	48,000
	Variable annual remuneration	---	168,594	168,594	0
	Multi-year variable remuneration	---	---	---	---
	Exceptional remuneration	---	---	---	---
	Attendance fees	2,984	2,984	---	---
	Benefits in kind	---	---	2,984	2,984
	Total	**152,984**	**324,562**	**457,706**	**283,160**
Romain Ferrari, Chief Operating Officer in 2021/ Vice-Chairman of the Supervisory Board in 2022	Fixed remuneration	20,000	20,000	120,420	117,556
	Fixed remuneration (corporate office allowances)	---	---	48,000	48,000
	Variable annual remuneration	---	63,943	63,943	0
	Multi-year variable remuneration	---	---	---	---
	Exceptional remuneration	---	---	---	---
	Attendance fees	2,897	2,897	---	---
	Benefits in kind	---	---	2,897	2,897
	Total	**22,897**	**89,737**	**235,260**	**168,453**
Sébastien Baril, Chairman of the Executive Board[1]	Fixed remuneration	250,008	250,008	---	---
	Fixed remuneration (corporate office allowances)	48,000	48,000	---	---
	Variable annual remuneration	135,000	60,180	---	---
	Multi-year variable remuneration	---	---	---	---
	Exceptional remuneration	---	60,000	---	---
	Attendance fees	---	---	---	---
	Benefits in kind	2,976	2,976	---	---
	Total	**435,984**	**421,164**	**---**	**---**
Philippe Brun, Member of the Executive Board in 2022/ Chief Financial Officer in 2021	Fixed remuneration	230,004	230,004	190,836	190,836
	Fixed remuneration (corporate office allowances)	36,000	36,000	36,000	36,000
	Variable annual remuneration	124,200	101,952	101,952	0
	Multi-year variable remuneration	---	---	---	---
	Exceptional remuneration	---	---	---	---
	Attendance fees	---	---	---	---
	Benefits in kind	4,942	4,942	4,942	4,942
	Total	**395,146**	**372,898**	**333,730**	**231,778**

The payment of variable remuneration is subject to approval by the Annual General Meeting of shareholders.

The change in performance indicators over the relevant period is as follows:

EQUITY RATIO		2018	2019	2020	2021	2022
Sébastien Ferrari	Ratio to average	1.1	1.3	1.2	1.6	----
	Ratio to median	1.2	1.5	1.3	1.9	----
	Ratio to SF SAS average remuneration	4.9	6.1	4.6	8.6	----
	Ratio to gross annual minimum wage	13.2	16.2	12.7	22.0	----
Romain Ferrari	Ratio to average	0.8	0.9	0.6	0.7	----
	Ratio to median	0.9	1.0	0.6	0.9	----
	Ratio to SF SAS average remuneration	3.6	4.2	2.4	3.9	----
	Ratio to gross annual minimum wage	9.6	11.1	6.5	10.0	----
Sébastien Baril	Ratio to average	----	----	----	----	1.7
	Ratio to median	----	----	----	----	1.9
	Ratio to SF SAS average remuneration	----	----	----	----	9.2
	Ratio to gross annual minimum wage	----	----	----	----	22.7
Philippe Brun	Ratio to average	0.9	1.0	1.0	1.2	1.6
	Ratio to median	1.0	1.1	1.0	1.4	1.7
	Ratio to SF SAS average remuneration	3.9	4.7	3.8	6.3	8.3
	Ratio to gross annual minimum wage	10.6	12.4	10.4	16.0	20.5

The change in performance indicators over the relevant period is as follows:

(€'000)	2018	2019	2020	2021	2022
Revenues	184,904	189,047	195,301	285,883	338,696
Operating income	2,829	7,404	4,673	18,242	25,110

The equity ratio is the ratio between, as numerator, the total fixed and variable gross remuneration and benefits in kind payable for the year in question and:

- the average value of remuneration paid by Ferrari Participations and re-invoiced to Group companies;
- the median value of remuneration paid by Ferrari Participations (fixed and variable remuneration, benefits in kind) and re-invoiced to Group companies;
- the average value of remuneration paid by Serge Ferrari SAS, which employs over 90% of the Group's French workforce. SergeFerrari Group SA has no employees. Serge Ferrari SAS headcount accounts for over 35% of the Group's workforce. There is no other French company with a significant workforce at Group level. The remuneration paid to Serge Ferrari SAS and Ferrari Participations is governed by the same regulations;
- the gross annual minimum wage.

Table 3 (AMF classification) - Attendance fees and other remuneration received by non-executive officers (in euros)		FY 2022	FY 2021
Karine Gaudin	Remuneration linked to membership of the Supervisory Board	---	16,000
	Other remuneration	---	---
Victoire Ferrari	Remuneration linked to membership of the Supervisory Board	---	16,000
	Other remuneration	---	---
Bertrand Neuschwander	Remuneration linked to membership of the Supervisory Board	22,000	20,000
	Other remuneration	---	---
Bertrand Chammas	Remuneration linked to membership of the Supervisory Board	10,000	6,000
	Other remuneration	---	---
Christophe Graffin	Remuneration linked to membership of the Supervisory Board	18,000	16,000
	Other remuneration	---	---
Carole Delteil de Chilly	Remuneration linked to membership of the Supervisory Board	16,000	14,000
	Other remuneration	---	---
Caroline Weber	Remuneration linked to membership of the Supervisory Board	18,000	16,000
	Other remuneration	---	---
Félicie Ferrari	Remuneration linked to membership of the Supervisory Board	16,000	6,000
	Other remuneration	---	---
Jan Kleinewefers	Remuneration linked to membership of the Supervisory Board	---	---
	Other remuneration	---	---
Joelle Barreto	Remuneration linked to membership of the Supervisory Board	18,000	---
	Other remuneration	---	---
Total		**118,000**	**110,000**

Supervisory Board member remuneration in respect of 2022 was paid in December 2022.

Stock option plan

As there were no stock option plans outstanding at the date of registration of this document, tables 4, 5, 8 and 9 provided for in Appendix 2 of AMF position-recommendation DOC-2021-02 (Universal Registration Document Preparation Handbook) are not shown here.

Bonus share plan

As there were no bonus share plans outstanding at the date of registration of this document (vesting period expired or ongoing), the tables provided for in Appendix 2 of AMF position-recommendation DOC-2021-02 (Universal Registration Document Preparation Handbook) are not shown here. Table 10 below covers a plan closed since 2018.

Table 10 (AMF classification) History of bonus share allotments		Plan 1 2016-2018	Canceled or lapsed shares	Shares vested in prior years	Outstanding shares
Date of AGM authorization		4/25/2016			
Board meeting date		6/15/2016			
Total number of bonus shares allotted		109,000			
Total number of bonus shares allotted to corporate officers	Sébastien Baril [1]	4,000	2,800	1,200	0
	Philippe Brun	40,000	14,000	26,000	0
	Hervé Trellu [2]	20,000	15,800	4,200	0
Share vesting date		6/15/2018			
End of lock-in period		6/15/2019			
Number of bonus shares vested at December 31, 2022		43,980			
Number of bonus shares canceled or lapsed at December 31, 2022		65,020			
Number of bonus shares outstanding at December 31, 2022		0			

[1] Sébastien Baril acquired the status of corporate officer on January 25, 2022

[2] Hervé Trellu left the Group in 2019

Restrictions relating to the transfer of shares

To the best of the Company's knowledge, at the date of registration of this document, there are no commitments made by members of the Executive Board or Supervisory Board concerning the transfer or retention of Company shares, except for the 26,000 shares vested to Philippe Brun under a previous bonus share plan. Attached to these shares vested on June 15, 2018 is an ongoing undertaking by the beneficiary to retain a volume of allotted bonus shares equivalent to six months' salary in a direct registered account for the entire duration of his career in the Serge Ferrari Group.

Other components of remuneration

The Company has not constituted any provisions, in respect of 2022 or prior years, for the payment of pension, retirement and other benefits owed to Supervisory Board members and executive officers.

The Company has not granted arrival or departure bonuses to these individuals. Executive officer employment contracts contain no provisions regarding severance pay, with the exception of Sébastien Baril's forced departure severance package, as set out in Section 3.3.1.

Table 11 (AMF classification) Miscellaneous information concerning executive officers		Employment contract [1]	Supplemental pension scheme	Remuneration or benefits that may be due following termination or change of duties	Remuneration relating to a non-compete clause
Sébastien Baril Chairman of the Executive Board	Start of office: January 25, 2022 End of office: 2025 AGM	Yes	No in 2022 Yes in 2023 (€90,000)	Yes	No
Philippe Brun Member of the Executive Board	Start of office: January 25, 2022 End of office: 2025 AGM	Yes	No	No	No

[1] Employment contract with Ferrari Participations

3.4 CURRENTLY VALID CAPITAL INCREASE AUTHORIZATIONS GRANTED TO THE EXECUTIVE BOARD

CAP	TYPE	EXPIRY
10% of the capital stock per 24-month period	Authorization for the Executive Board to reduce the capital stock by canceling treasury shares purchased under the Company share buyback plan (10th resolution, May 17, 2022 AGM).	5/17/2024
· Overall cap on capital increases: €1,480,000 nominal value (18th to 28th resolutions) **· Overall cap on issues of securities representing debt: €9,000,000 nominal value** (19th, 21st, 22nd and 25th to 28th resolutions)	Delegation of authority to the Executive Board to increase the capital stock by capitalization of reserves, profits, issue premiums or other amounts (18th resolution)	3/25/2024
	Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the capital stock or conferring entitlement to an allotment of debt securities of the Company or its subsidiaries with preferential subscription rights (19th resolution)	3/25/2024
	Delegation of authority to the Executive Board to increase, in the event of over-subscription, the number of shares to be issued in the event of a capital increase with or without shareholder preferential subscription rights (20th resolution)	3/25/2024
	Delegation of authority to the Executive Board to issue all ordinary shares and/or securities giving access to equity securities to be issued by the Company and/or its subsidiaries or to existing equity securities of an equity investment of the Company, without preferential subscription rights via a public offering other than those referred to in Article L. 411-2 1° of the French Monetary and Financial Code (21st resolution)	3/25/2024
	Delegation of authority to the Executive Board to issue all ordinary shares and/or securities giving access to equity securities to be issued by the Company and/or its subsidiaries or to existing equity securities of an equity investment of the Company, without preferential subscription rights via a public offering as referred to in Article L. 411-2 1° of the French Monetary and Financial Code (22nd resolution)	3/25/2024
	Authorization of the Executive Board, in the event of an issue of ordinary shares or any other securities giving access to the capital stock without preferential subscription rights, to set the issue price, under the terms defined by the General Meeting, up to a maximum of ten per cent (10%) of the capital stock (23rd resolution)	3/25/2024
	Delegation of powers to the Executive Board to issue shares and any other securities giving access to the capital stock as consideration for contributions in kind (24th resolution)	3/25/2024
	Delegation of authority to the Executive Board to issue ordinary shares in the Company and/or securities giving access, immediately and/or at a later date, to the Company's capital stock as consideration for securities contributed as part of a public exchange offer initiated by the Company (25th resolution)	3/25/2024
	Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (companies regularly investing, directly and/or indirectly, in growth shares of "small caps") (26th resolution)	7/25/2023
	Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (employee or exclusive commercial agent of the Company or of a related company, corporate officer of a related foreign company) (27th resolution)	7/25/2023
	Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (credit institution, investment services provider, investment fund or company under an equity or bond financing contract) (28th resolution)	7/25/2023
5% of the capital stock (overall cap common to the 29th and 30th resolutions)	Authorization of the Executive Board to award stock options entailing the shareholders' express waiver of their preferential subscription rights in favor of Group employees and/or executive officers (29th resolution)	3/25/2025
	Authorization of the Executive Board to allot existing or new ordinary Company shares free of charge to Group employees and/or executive officers, with automatic waiver of shareholders' preferential subscription rights (30th resolution)	3/25/2025

None of the delegations of authority have been exercised by the Executive Board at the date of registration of this Universal Registration Document.

3.5 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TENDER OFFER

In accordance with the provisions of Article L. 22-10-11 of the French Commercial Code, we present below the events likely to have an impact in the event of a public tender offer:

- There is no feature in the Company's capital structure likely to have an impact in the event of a public tender offer;
- There is no restriction on the exercise of voting rights or transfer of shares imposed by the Articles of Association or clauses of agreements brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code;
- No declaration made under Articles L. 233-7 and L. 233-12 of the French Commercial Code mentions any direct and indirect equity interests in the Company likely to have an impact in the event of a public tender offer;
- There are no securities carrying special control rights, except for double voting rights for any registered share held in the name of the same shareholder for more than two years;
- The Company is not aware of any shareholder agreements that could entail restrictions on the transfer of shares or exercise of voting rights;
- Under Article 14.1 of the Articles of Association, members of the Supervisory Board are appointed for a three-year term by the Ordinary General Meeting. If one or more member seats fall vacant, the Board may make provisional appointments during the period between two General Meetings in accordance with Article L. 225-78 of the French Commercial Code. The member thus appointed to replace another remains in office only until the predecessor's term of office expires;
- The Executive Board has received authorizations as set out in Section 3.4 "Currently valid capital increase authorizations";
- The Company has entered into certain agreements containing an explicit change of control clause. These are financing agreements requiring the prior consent of the contracting party in the event of a change in control of SergeFerrari Group SA;
- At the date of registration of this Universal Registration Document, there is no agreement providing for the payment of compensation to Executive Board members in the event of their resignation or unfair dismissal or if their employment is terminated as a result of a public tender offer, except as provided in Section 3.3.1 of this Universal Registration Document.

3.6 SPECIAL PROCEDURES REGARDING SHAREHOLDER PARTICIPATION IN GENERAL MEETINGS

Article 17 of the Articles of Association defines the rules and procedures for shareholder participation in General Meetings. The shareholders meet every year for the General Meeting.

3.6.1 PROCEDURE FOR CONVENING MEETINGS

Ordinary and Extraordinary General Meetings are convened, meet and vote under the conditions laid down in applicable laws and regulations. They are held at the registered office or at any other place specified in the notice of meeting. Shareholders' decisions are taken in Ordinary, Extraordinary or Combined General Meetings depending on the nature of the decisions they are asked to take.

3.6.2 PARTICIPATION IN GENERAL MEETINGS

Every shareholder has the right to attend General Meetings and to take part in the voting in accordance with the conditions set out in the applicable regulations.
However, this right is contingent on the shares being registered shares or, in the case of bearer shares, on presentation of proof of the accounting entry of the shares in the name of the shareholder or the intermediary acting on his/her behalf under the conditions and within the deadlines set out in the applicable regulations.

Every shareholder can vote by post, using a form prescribed for this purpose and sent to the Company, or be represented, under the conditions and within the deadlines set out in the applicable regulations.
The Executive Board has the option to decide that shareholders may take part and vote at any meeting by video-conference or any other telecommunication means, or vote remotely via an electronic ballot or by an electronically signed proxy, under the conditions set out in the applicable regulations.

3.6.3 CONDITIONS FOR EXERCISING VOTING RIGHTS

The voting right attached to shares is proportional to the capital that they represent. Each share entitles the holder to at least one vote (Article L. 225-122, French Commercial Code).

A double voting right is attached to all fully paid-up shares demonstrably held in registered form for at least two (2) years in the name of a given shareholder, counting from the date the Company shares were first listed on a regulated market or organized multilateral trading system.
In the event of a capital increase through the capitalization of reserves, profits or issue premiums, the double voting right is conferred, immediately upon issuance, on all registered shares allotted to a shareholder in respect of their existing double voting shares.

Disclosure of thresholds pursuant to the Articles of Association

In addition to statutory and regulatory threshold crossing disclosure requirements, any natural person or legal entity acting alone or in concert that comes to hold, directly or indirectly, in any manner whatsoever, within the meaning of Article L. 233-7 of the French Commercial Code, a number of shares representing more than one fortieth (2.5%) of the capital stock or voting rights must notify the Company of the total number of shares or voting rights they hold by a deadline equivalent to the deadline applicable to statutory threshold crossing disclosures, counting from the date on which the threshold was crossed. This information shall also be disclosed within the same time limits when the number of shares or voting rights falls below the aforementioned thresholds.

If a shareholder fails to disclose the fact they have crossed the threshold of 2.5% of the capital stock or voting rights stipulated by the Articles of Association, they may be stripped of the voting rights attached to the undisclosed excess shares for a period of two years counting from the date on which the required disclosure is made. The decision to strip voting rights falls under the jurisdiction of the Chairman of the General Meeting of shareholders, provided that his/her shareholding represents at least five per cent (5%) of the capital stock or that he/she is requested to do so by one or more shareholders satisfying the same condition.

The natural person or legal entity concerned shall also inform the French Financial Markets Authority (AMF), in accordance with the procedures and timeframes set out in the AMF General Regulation, as from the crossing of the shareholding threshold. This information is disclosed to the public under the conditions set out in the AMF General Regulation.

3.6.4 AMENDMENTS TO SHAREHOLDER RIGHTS

Shareholders' rights may be amended at an Extraordinary General Meeting, under the conditions laid down by law.

3.7 SHARE BUYBACK PLAN

The May 17, 2022 General Meeting authorized the Executive Board, for a period of 18 months, to implement a Company share buyback plan in accordance with Article L. 22-10-62 of the French Commercial Code and European Regulation 596/2014 of April 16, 2014, under the terms and conditions described below:

These shares may be purchased, sold or transferred at any time and by any means, in one or more installments, on or off-market, including by means of block trades or option transactions and during a public tender offer. The total number of shares authorized under the share buyback plan may be purchased or sold by means of block trades.

The net purchase price per share shall not exceed thirty (30) euros, excluding fees and commissions, subject to any adjustments made in accordance with applicable statutory and regulatory provisions in relation to transactions involving the Company's equity.

The Company shall be entitled to purchase, in one or more installments and at such times as the Executive Board shall see fit, a number of ordinary Company shares not exceeding:

- ten per cent (10%) of the total number of shares comprising the capital stock as adjusted in accordance with any transactions that may affect it following the date of the decision; or
- five per cent (5%) of the aforementioned number of shares comprising the capital stock if the shares are purchased by the Company to hold for subsequent delivery as consideration or in exchange in relation to a merger, demerger or capital contribution transaction.

The maximum amount of funds required to implement the plan will be set at thirty-six million, eight hundred and ninety-seven thousand, seven hundred and seventy-seven euros (€36,897,777).
In the event of a capital increase by capitalization of reserves, bonus share allotment, stock split or reverse stock split, the aforementioned prices shall be adjusted by applying a multiplying factor equal to the ratio between the number of shares comprising the capital stock before and after the said transaction.

Shares may be purchased for the following purposes, in order of priority:

- to encourage liquidity and boost the Company's share price through the intervention of an investment services provider acting independently under a liquidity contract in compliance with the French Financial Markets Association's ethics charter as recognized by the French Financial Markets Authority (AMF). As of December 31, 2022 the Company holds 61,486 treasury shares for this purpose;
- to allot shares to employees or corporate officers of the Company and French or foreign companies or groups related to it, in accordance with statutory and regulatory conditions, primarily as a means of sharing in the profits of the Company's growth, under employee shareholding plans, company savings plans, stock option plans or bonus share allotments, or on any other terms permitted by applicable regulations. There are 50,000 shares held for this purpose as of December 31, 2022; at the date of registration of this Universal Registration Document, there is no plan of this nature in the Group;
- to transfer Company shares as consideration or in exchange, primarily in relation to mergers and acquisitions. There are 365,957 shares held for this purpose as of December 31, 2022;
- to grant shares upon the exercise of rights attached to securities conferring the right to existing Company shares via redemption, conversion, exchange, presentation of a warrant or in any other way;
- to cancel repurchased shares as part of a capital reduction, subject to the shareholders in an extraordinary General Meeting adopting a resolution specifically authorizing such capital reduction.

The shares thus repurchased may be canceled, as the General Meeting authorized the Executive Board to reduce the capital stock by canceling the treasury shares resulting from the buyback plan described above.

TREASURY SHARES HELD AS OF DECEMBER 31, 2022

Total number of treasury shares		477,443
	for the liquidity contract	61,486
	for allotment of bonus shares	50,000
	for external growth	365,957
% of capital stock		3.88%
Purchase price value (€)		5,010,226
Value at year-end price (€)		5,127,738
Par value (€)		190,977

3.8 AGREEMENTS BETWEEN AN EXECUTIVE OFFICER OR SIGNIFICANT SHAREHOLDER AND GROUP SUBSIDIARIES

3.8.1 AGREEMENTS BETWEEN GROUP COMPANIES AND ONE OF ITS SHAREHOLDERS

Services agreement between Ferrari Participations and the Group

The role of Ferrari Participations, as holding company, is to implement a globally applicable and consistent policy within the Group and to define the Group's strategic priorities and growth strategies. Accordingly, a services agreement effective January 1, 2022 replaced the agreement entered into on January 1, 2012 between Ferrari Participations and SergeFerrari Group's direct and indirect operating subsidiaries.

In 2022, the agreement covered the following direct and indirect subsidiaries: Serge Ferrari SAS, Texyloop, CI2M, Serge Ferrari Tersuisse, Serge Ferrari AG, Serge Ferrari Asia Pacific, Serge Ferrari North America, Serge Ferrari Japan, Serge Ferrari Brasil, Serge Ferrari Shanghai, Serge Ferrari India Private Ltd, Ferramat, Serge Ferrari Turkey, Serge Ferrari AB, Serge Ferrari SpA, Serge Ferrari GmbH, Verseidag-Indutex GmbH, F.I.T. Industrial Co Ltd and SergeFerrari Group.

The amount invoiced to all Group companies for these services by Ferrari Participations for fiscal year 2022 was €2,359,000 compared to €3,229,000 in 2021.

The costs covered by management fee invoicing relate to:

- Executive Board member remuneration and employer charges (€1,072,000);
- remuneration and employer charges in respect of technical functions for which the employees were paid by Ferrari Participations up until December 31, 2022 (€842,000);
- other costs (€445,000).

These services include:

- consulting on strategy and development of beneficiary companies (operating subsidiaries);
- consulting on financial and cash management issues;
- assistance in tax administration and insurance management;
- assistance in human resources management;
- business development consulting;
- consulting on industrial development and quality;
- consulting on R&D;
- consulting on sustainable development and environmental matters.

The agreement does not include remuneration for services related to executive duties. Corporate officers receive remuneration from SergeFerrari Group in respect of their executive duties.

This agreement is automatically renewable annually.

Strategic guidance agreement between Ferrari Participations and the Group

On December 3, 2021, the companies entered into a strategic guidance agreement whereby Ferrari Participations undertook to perform a management, assistance and control assignment on behalf of its subsidiaries based on their membership of the Group.

Strategy will be defined in particular in the following areas without limitation or exclusion of other areas:

- defining strategic guidelines and, in particular, defining strategy with regard to market positioning, marketing and customers with regard to the specific nature of the Group's business;
- assistance and advice in the preparation, implementation and monitoring of the company's strategy, identification and analysis of requirements, assistance in implementing decisions taken by corporate bodies;
- identification and analysis of acquisitions and organic growth transactions and opportunities for developing Group companies' business;
- business development (identification and analysis of needs, identification of solutions for optimizing existing operations and identification and analysis of diversification opportunities). This agreement does not provide for any remuneration.

Group central cash management (cash pooling) agreement

A cash pooling agreement between Ferrari Participations, SergeFerrari Group, Serge Ferrari SAS, Texyloop and CI2M came into effect on January 1, 2012, replacing a previous agreement signed in 2007.

Under this new agreement, Serge Ferrari SAS is the pooling company.

As of December 31, 2022, the outstanding balance of the cash pooling accounts opened in the name of SergeFerrari Group on the books of Serge Ferrari SAS was a credit balance of €4,935,000 plus €28,000 with CI2M.

3.8.2 AGREEMENTS BETWEEN GROUP COMPANIES AND ONE OF ITS EXECUTIVE OFFICERS

Real estate leases

Apart from the premises owned by the Group, the main Group company premises are leased from real estate companies owned by the Company's sister company Ferrimmo, the executive officers of which are Ferrari Participations, Romain Ferrari and Sébastien Ferrari, controlling shareholders of SergeFerrari Group.

As such, lease agreements exist (standard 3/6/9 commercial leases) between the Group's French entities and the real estate companies controlled by Ferrimmo.

In 2022, the Group paid Ferrimmo and its subsidiaries (Immobilière Ferrari SAS, SCI La Roche, SCI Clomeca, SCI SRF and SCI SETIMM) total rent of €3,060,000 compared to €2,981,000 in 2021. The change in rent between 2021 and 2022 is due to rent revision based on changes in the construction price index.

As regards the potential conflict of interest these agreements represent for Sébastien and Romain Ferrari, the Company hired an independent real estate assessor to determine whether the rent paid by the Group to the SCIs controlled by the Ferrari family group was consistent with market rates. The latest valuations date from 2019 and 2020.

Ordinary and regulated agreements were reviewed by the Audit Committee on December 7, 2022 and by the Supervisory Board on December 8, 2022. The Board members concerned abstained from the vote.

In accordance with Article L. 22-10-29 of the French Commercial Code, the Supervisory Board has established a procedure for the regular assessment of agreements pertaining to ordinary transactions entered into on arm's length terms. This identification procedure is applied upon execution of all agreements that could qualify as regulated and whenever an agreement is amended, renewed or terminated, including in the case of agreements considered as "unrestricted" at the time of their execution.

3.8.3 CONFLICTS OF INTEREST AND AGREEMENTS IN WHICH CORPORATE OFFICERS HAVE AN INTEREST

To the best of the Company's knowledge, at the date of registration of this report no potential conflicts of interest exist between the duties of Félicie Ferrari, Carole Delteil de Chilly, Caroline Weber, Joelle Barreto, Bertrand Neuschwander, Christophe Graffin and Bertrand Chammas, directors outside the Ferrari family group, towards the Company and their private interests or other duties. Furthermore, Sébastien Ferrari and Romain Ferrari are Chairman and Chief Executive Officer respectively of Ferrari Participations, the controlling shareholder of SergeFerrari Group SA.

Interests in the Company held directly or indirectly by corporate officers are set out in Section 8.5 of this Universal Registration Document.

On January 25, 2022, the Supervisory Board adopted a set of internal rules of procedure, of which Article 5.8 "Prevention of conflicts of interest" requires that a Board member in such a situation immediately and fully disclose to the Board any actual or potential conflict of interest with regard to his or her functions as Board member, in order to determine whether said member should abstain from discussions or voting on the resolutions concerned.

Board member independence with regard to items on the agenda is discussed under a preliminary item at each Board meeting.

The Board's internal rules of procedure restate the code of ethics by which Board members are required to abide. At the time of their appointment, each Board member is made aware of the responsibilities incumbent upon them, the duty to observe the ethical rules and the rule prohibiting the holding of multiple offices, the duty to inform the Board in the event of a conflict of interest, the need for regular attendance at Board meetings and the confidentiality of Board proceedings. Each independent Board member reviews his/her situation every year in light of the Middlenext Code criteria and informs the Board accordingly.

The Board may recommend that a current Board member tender their resignation, where it believes that such member has a proven permanent or substantially permanent conflict of interest.

3.9 REGULATED AGREEMENTS AND MAIN INTERCOMPANY CASH FLOWS

To the best of the Company's knowledge, no corporate officer is bound to the Company or any of its subsidiaries by a services agreement, with the exception of the agreements set out below and in Section 3.8.
As of the date of this Universal Registration Document, the main cash flows between Group companies relate to the following agreements:

Services agreement between Ferrari Participations and the Group.
The Company and its subsidiaries are bound to its parent company, Ferrari Participations, by a services agreement effective January 1, 2022, the terms and conditions of which are set out in the statutory auditors' report on regulated agreements (see Sections 3.8 and 3.10).

Central cash management (cash pooling) agreement
Under the cash pooling agreement signed on January 1, 2012, Serge Ferrari SAS manages the cash of some Group companies via a central cash pooling account. This agreement was signed with the following companies: Ferrari Participations, SergeFerrari Group, Serge Ferrari SAS, Texyloop and CI2M.
The reciprocal advances agreed under this arrangement bore interest in 2022 at the EURIBOR 3-month rate plus 80 basis points when used for trading and 50 basis points when used for investment.
Intercompany trade receivables and payables not settled within 60 days are reclassified to current accounts.
As of December 31, 2022, the outstanding balance of the cash pooling accounts opened in the name of SergeFerrari Group SA on the books of Serge Ferrari SAS was a debit balance of €4,963,000.

Agreement on current account advance granted by SergeFerrari Group SA to Verseidag-Indutex GmbH
Financing amounting to €21.3 million was arranged on July 29, 2020 in order to repay debts outstanding at the acquisition date.

Investment loan agreements (granted by SergeFerrari Group SA to Verseidag-Indutex GmbH and Serge Ferrari SpA)
Loans repayable in five years under the initial terms were arranged to finance subsidiaries' capital expenditure. The outstanding balance under these loans was €10.5 million as of December 31, 2022.

Operating license agreement covering the "Serge Ferrari" trademark
On January 1, 2012 SergeFerrari Group SA granted the following subsidiaries a license to use the "Serge Ferrari" trademark for an indefinite term (the fee charged to each licensee amounts to 0.8% of revenue):
- Serge Ferrari SAS
- Serge Ferrari North America
- Serge Ferrari Japan
- Serge Ferrari Asia Pacific Ltd
- Serge Ferrari AG
- Serge Ferrari Tersuisse AG
- Serge Ferrari Brasil
- Serge Ferrari India Private Limited
- Serge Ferrari Shanghai
- Serge Ferrari AB

In fiscal year 2022, SergeFerrari Group SA recognized income of €1,446,000 under this license, compared to €1,338,000 in 2021.

Tax consolidation agreement
Under the tax consolidation agreement, SergeFerrari Group SA, the Group's parent company, consolidates its subsidiaries Serge Ferrari SAS, Texyloop and CI2M for taxation purposes. Any tax losses are reallocated to the subsidiaries. Since fiscal year 2020, the principle of tax neutrality has been applied across this group.

Lease agreements
Subsidiaries of the Company are bound to FERRIMMO SAS and its subsidiaries by lease agreements pursuant to which FERRIMMO rents out buildings to the Company and its subsidiaries for the conduct of their business. On December 31, 2017 these agreements were reclassified as regulated agreements subject to review by the Audit Committee and the Supervisory Board. Rents are periodically revised following an appraisal of these leases at market value.

The agreements listed below were put through the regulated agreement control procedures provided for by Articles L. 225-86 et seq. of the French Commercial Code, at the level of SergeFerrari Group SA or its main subsidiary Serge Ferrari SAS.

- **Services agreement between Ferrari Participations and the Group;**
- **Lease agreements with Ferrimmo;**
- **Bank guarantee agreement granted by the Company to its subsidiary Giofex France;**
  In connection with the establishment of a bank facility, the Company granted a guarantee in the amount of €1,500,000 on behalf of its indirect subsidiary Giofex France.
- **Strategic guidance agreement between Ferrari Participations and the Group.**

The other agreements have been classified as ordinary agreements.

Business ethics policy

An ethics charter, drawn up in 2015 and early 2016, was approved by the Works Council and the health and safety committee (CHSCT) respectively on April 11 and April 19, 2016. The purpose of the charter is to lay down the ethical principles and rules to be followed in each Group entity. It applies to all Group executive officers, representatives and employees.
It forms Appendix 3 of the internal rules of procedure of the Economic and Social Unit comprising the companies based at La Tour-du-Pin. This charter has been translated into English and German and gradually rolled out across the Group among the members of the Strategic Management Committee, salespeople, buyers, etc. It is attached to the employment contract of all new recruits, who are required to acknowledge receipt accordingly.

The Ethics Charter aims to address the following situations:

- Conflicts of interest;
- Gifts, invitations and other benefits;
- Protection of confidential information and intellectual property;
- Competition;
- Market ethics.

The Ethics Charter also provides for a whistleblowing system designed to forestall and settle any issues as quickly as possible.

In continuation of the measures taken pursuant to the French Sapin II Law, the Group adopted an anti-corruption code of conduct, as recommended by Middlenext. The code was presented to the Works Council of the Economic and Social Unit comprising the companies based at La Tour-du-Pin. This Code of Conduct and the amended Ethics Charter became effective on January 22, 2018. These documents can be found on www.sergeferrari.com

Relations with shareholders

In accordance with the Middlenext Code recommendation, the Company's executive officers ensure that the conditions for dialog with shareholders are met.

In this respect, the shareholders present or represented at the January 25 and May 17, 2022 General Meetings represented over 84% of total voting rights.

At the January 25, 2022 General Meeting, all resolutions put to the vote and backed by the Board were approved by at least 95% of votes cast. The Board also verifies that the majority of votes cast by shareholders outside the family group are in favor of the resolutions submitted.

At the May 17, 2022 General Meeting, all resolutions put to the vote and backed by the Board were approved by at least 95% of votes cast by shareholders, while the regulated agreements were approved by 76% of the shareholders voting on these agreements.

The executive officers see that they meet major shareholders who request a meeting.

3.10 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

KPMG SA
51 rue de Saint-Cyr
69009 Lyon
France

Grant Thornton
Cité Internationale
Quai Charles de Gaulle
69463 Lyon Cedex 06
France

SergeFerrari Group
Zone Industrielle de La Tour-du-Pin
38110 Saint-Jean-de-Soudain

General Meeting called to approve the financial statements for the year ended December 31, 2022
To the General Meeting of SergeFerrari Group SA,

As statutory auditors for your Company, we hereby present our report on regulated agreements.

It is our duty to disclose to you, based on the information provided to us, the features and key terms of the agreements of which we have been informed, or which we have identified during our assignment, as well as the reasons justifying the benefit of such agreements for the Company, without being required to form an opinion as to their usefulness or appropriateness or to search for undisclosed agreements. It is your duty, pursuant to the provisions of Article R. 225-58 of the French Commercial Code, to assess the advantages of entering into said agreements for the purpose of granting your approval.

It is also our duty, where applicable, to communicate to you the information provided for in Article R. 225-58 of the French Commercial Code regarding the performance of agreements previously approved by the General Meeting during the year ended.

We carried out the investigations that we considered necessary in order to comply with the professional guidelines issued by the French National Institute of Auditors (*Compagnie nationale des commissaires aux comptes*) in respect of this assignment. These investigations involved verifying the consistency of the information provided to us with the underlying documents from which it was taken.

AGREEMENTS SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

Agreements authorized and entered into during the fiscal year ended

Pursuant to Article L. 225-88 of the French Commercial Code, we have been informed of the following agreements entered into during the year ended and previously authorized by your Supervisory Board.

Service agreement with Ferrari Participations

Service provider
Ferrari Participations

Executive officers concerned
- Sébastien Ferrari:
  Chairman of Ferrari Participations and Chairman of the SergeFerrari Group SA Supervisory Board;
- Romain Ferrari:
  CEO of Ferrari Participations and Vice-Chairman of the SergeFerrari Group SA Supervisory Board;
- Philippe Brun:
  CFO of Ferrari Participations and member of the SergeFerrari Group SA Executive Board.

Type and purpose
Provision of advice and assistance by Ferrari Participations with regard to:
- strategy and development of beneficiary companies;
- finance and cash management;
- tax administration and insurance management;
- human resources;
- business development;
- industrial development and quality control;
- R&D;
- sustainable development and environmental matters.

Effective date of agreement
January 1, 2022

Term
One year, thereafter automatically renewable annually.

Reasons justifying the benefit for the Company
The role of Ferrari Participations, as holding company, is to implement a globally applicable and consistent policy within the Group and to define the Group's strategic priorities and growth strategies. Accordingly, a services agreement effective January 1, 2022 replaced the agreement entered into on January 1, 2012 between Ferrari Participations and SergeFerrari Group's direct and indirect operating subsidiaries.

In 2022, the agreement covered the following direct and indirect subsidiaries: Serge Ferrari SAS, Texyloop, CI2M, SergeFerrari Tersuisse, Serge Ferrari AG, Serge Ferrari Asia Pacific, Serge Ferrari North America, Serge Ferrari Japan, Serge Ferrari Brasil, Serge Ferrari Shanghai, Serge Ferrari India Private Ltd, Ferramat, Serge Ferrari Turkey, Serge Ferrari AB, Serge Ferrari SpA, Serge Ferrari GmbH, Verseidag-Indutex GmbH, F.I.T. Industrial Co. Ltd and SergeFerrari Group SA.

Terms
The amount invoiced to all Group companies for these services by Ferrari Participations for fiscal year 2022 was €2,359,000. The costs covered by the invoice relate to:
- Executive Board member remuneration and employer charges (€1,072,000);
- remuneration and employer charges in respect of technical functions for which the employees were paid by Ferrari Participations up until December 31, 2022 (€842,000);
- other costs (€445,000).

The portion re-invoiced to SergeFerrari Group SA for 2022 amounted to €318,700.

Strategic guidance agreement with Ferrari Participations

Service provider
Ferrari Participations

Executive officers concerned
- Sébastien Ferrari:
  Chairman of Ferrari Participations and Chairman of the SergeFerrari Group SA Supervisory Board;
- Romain Ferrari:
  CEO of Ferrari Participations and Vice-Chairman of the SergeFerrari Group SA Supervisory Board;
- Philippe Brun:
  CFO of Ferrari Participations and member of the SergeFerrari Group SA Executive Board.

Type and purpose
Provision of unpaid advice and assistance by Ferrari Participations with regard to:
- defining strategic guidelines and, in particular, strategy with regard to market positioning, marketing and customers in accordance with the specific nature of the Group's business;
- assistance and advice in the preparation, implementation and monitoring of the company's strategy, identification and analysis of requirements, assistance in implementing decisions taken by corporate bodies;
- identification and analysis of acquisitions and organic growth transactions and opportunities for developing Group companies' business;
- business development:
  - identification and analysis of requirements;
  - optimization of existing business activities and search for/analysis of diversification opportunities.

Effective date of agreement
January 1, 2022

Term
One year, thereafter automatically renewable annually.

Reasons justifying the benefit for the Company
On December 3, 2021, the companies entered into a strategic guidance agreement whereby Ferrari Participations undertook to perform a management, assistance and control assignment on behalf of its subsidiaries based on their membership of the Group.

Terms
The agreement does not give rise to remuneration.

AGREEMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

Performance of agreements approved in previous years during the fiscal year ended

Pursuant to Article R. 225-57 of the French Commercial Code, we have been informed of the performance of the following agreements approved in previous years by the General Meeting during the fiscal year ended.

Guarantee granted to Giofex France

Executive officers concerned

- Sébastien Ferrari:
  Chairman of the SergeFerrari Group SA Supervisory Board and Director of Giofex Group;
- Romain Ferrari:
  Vice-Chairman of the SergeFerrari Group SA Supervisory Board and Director of Giofex Group;
- Philippe Brun:
  member of the SergeFerrari Group SA Executive Board and Director of Giofex Group.

Purpose and terms

In connection with the establishment of a bank facility, the Company granted a guarantee in the amount of €1,500,000 on behalf of its subsidiary Giofex France.

The Statutory Auditors

Lyon, March 3, 2023
KPMG SA

Sara Righenzi de Villers
Partner

Lyon, March 3, 2023
Grant Thornton

Frédéric Jentellet
Partner

3.11 SUPERVISORY BOARD COMMENTS ON THE EXECUTIVE BOARD REPORT

To the Shareholders,

The Executive Board of our Company has convened you to a Combined General Meeting, in accordance with the law and the Articles of Association, in order to report to you on the Company's situation and operations during the fiscal year ended December 31, 2022 and to submit the financial statements for said fiscal year and the appropriation of earnings for your approval. We would remind you that, in accordance with Article L. 22-10-20 of the French Commercial Code, the Supervisory Board must present to the Annual Ordinary General Meeting its comments on the Executive Board report and on the financial statements for the fiscal year in question on which you are requested to vote. We hereby inform you that the Executive Board has forwarded the 2022 parent company and consolidated financial statements and the Executive Board report to the Supervisory Board in accordance with the provisions of Article L. 22-10-20 of the French Commercial Code.

Having performed checks and verifications on the 2021 parent company and consolidated financial statements and the Executive Board report, after viewing the opinion of the Audit Committee and holding discussions with the statutory auditors, we believe that these documents do not call for particular comment. The resolutions submitted to you by the Executive Board have been discussed and approved by the Supervisory Board. Pursuant to the provisions of Articles L. 22-10-26, R. 22-10-18 and L. 22-10-34 of the French Commercial Code, the Supervisory Board has drawn up the resolutions relating to (i) the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components comprising the total remuneration and benefits of any kind awarded to members of the Executive Board and Supervisory Board in respect of their office, and (ii) the components of remuneration due or awarded to the members of the Executive Board and the Chairman of the Supervisory Board. We hope that all the proposals presented to you by the Executive Board in its report will meet with your approval and that you will adopt the resolutions submitted to you.

The Supervisory Board

Marine equipment protection ■ Canada

4

Risk management

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4.1 INTERNAL CONTROL AND RISK MANAGEMENT

4.1.1 DEFINITION OF INTERNAL CONTROL AND RISK MANAGEMENT

The internal control and risk management system used within the Group is based on a set of appropriate resources, policies, behaviors, procedures and actions designed to ensure that the necessary measures are taken to control:

- activities, operational efficiency and efficient use of resources;
- risks likely to have a material impact on the Group's assets or the achievement of its objectives, whether operational, financial or non-financial in nature or related to compliance with laws and regulations.

Internal control and risk management is a process steered by the Executive Board under supervision from the Supervisory Board and implemented by the Strategic Management Committee and all staff.

Regardless of its quality and degree of application, it cannot provide an absolute guarantee that the objectives in the following categories will be achieved:

- compliance with applicable laws and regulations;
- application of the instructions and guidelines laid down by the Executive Board;
- proper functioning of internal processes, particularly those relating to the protection of assets;
- reliability of financial and accounting information.

One of the objectives of internal control systems is to prevent and manage all risks resulting from the Group's business, in particular accounting and financial risks, including errors and fraud, other operational, strategic, non-financial and compliance risks. As with any control system, it cannot however give an absolute guarantee that these risks are entirely eliminated.

Moreover, in pursuing the above objectives, companies may find themselves faced with events and hazards that are beyond their control (unforeseen changes in markets, the competition and the geopolitical situation, error in forecasting or estimating these changes and their impact on the organization, etc.).

4.1.2 INTERNAL CONTROL ENVIRONMENT

4.1.2.3 Key components of internal control procedures

Budget monitoring: it is structured around three lines: (i) the annual budget (updated several times during the year); (ii) the monitoring of achievements as part of the monthly reporting and (iii) the strategic plan. It is performed by the Group's finance and controlling departments. Specific instructions regarding the budget (principles, planning) are issued by Group central functions to all subsidiaries. The final budget is approved by the Executive Board before being submitted to the Supervisory Board.

Monthly reporting is prepared on the basis of data entered directly at subsidiaries following a specific schedule sent out at the beginning of the year and in accordance with the reporting manual and the accounting principles issued by the central teams; as part of the monthly reporting process, a monthly performance analysis is presented to the Executive Board by the finance and controlling departments. The Executive Board provides a quarterly presentation to the Supervisory Board.

An **annual internal audit plan** is drawn up following the risk review conducted by the Audit Committee.

A multi-annual **strategic plan** underpins the Group's medium-term strategic guidelines.

A **single reporting and consolidation tool** is used by each subsidiary to input all accounting and financial data.

Central cash and financing management and exchange rate and interest rate risk hedging is overseen by the Group Treasury & Financing Manager reporting to the Executive Board.

The Deontology Charter

The Deontology Charter can be found at www.sergeferrari.com. In effect since January 2018, it covers in particular:

- the prevention of conflicts of interest;
- the policy on gifts, invitations and other benefits;
- the prohibition of anti-competitive behavior;
- stock market ethics (abstention periods, inside information);
- the protection of confidential information and intellectual property;
- the whistleblowing procedure.

The anti-corruption code of conduct

The anti-corruption code of conduct may be found at www.sergeferrari.com.

The anti-corruption code of conduct refers to the United Nations Convention against Corruption and seeks to combat all forms of bribery and corruption. It is based on the Middlenext anti-corruption code. The Serge Ferrari anti-corruption code of conduct is governed by Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and modernization of economic life. However, as one document cannot address all cases of corruption and influence peddling that may occur in the course of day-to-day business, everyone must exercise their own judgment and common sense. When in doubt as to what action to take, each company relies on the assistance and advisory tools it has put in place, as well as an internal whistleblowing system.
In application since January 2018, the code specifies the concepts of active and passive corruption, the framework for gifts and invitations, donations to charitable or political organizations, patronage, sponsorship, facilitation payments, third-party monitoring (suppliers, service providers, customers), conflicts of interest and accounting records as well as related internal controls.

4.1.2.4 Legal and operational control over subsidiaries by head office

Most subsidiaries are wholly owned, directly or indirectly, by SergeFerrari Group or its main subsidiary, Serge Ferrari SAS. The members of the Executive Board also hold office as chairman or member of the management bodies of each subsidiary. For subsidiaries less than 100% controlled, a shareholder agreement setting out the roles, responsibilities and delegations of authority has been put in place.

SergeFerrari Group pools financing and investments within the Group consolidation scope.

4.2 RISK FACTORS

In 2022, the Group conducted a review of the risk factors likely to have a significant adverse impact on its businesses, profit margins or earnings. This analysis focused on climate change risks and their induced consequences (stranded assets, potential need to adjust depreciation and amortization periods). The Group has not identified any material risk other than those presented below.

In 2022, the Group identified a new strategic risk, namely "human resources", which takes into account the age pyramid, particularly with regard to industrial jobs and the preservation of know-how, difficulties hiring certain operating profiles and the need to onboard and promote teams worldwide. In 2022, the Group also identified the risk related to the cost and availability of energy sources.

The Group also further defined the risk related to the efficiency of industrial and supply chain operations, which will be a key factor in bringing customer satisfaction back in line with pre-COVID levels.

The Group risk matrix reproduced below is used as a risk management tool. It summarizes risks according to their significance and likelihood of occurrence. It presents gross risks before taking management or mitigation measures into account.

IMPACT \ PROBABILITY	LOW	MODERATE	HIGH
HIGH		Cyberattacks and information system downtime Accidents and industrial site downtime	Geopolitical and macroeconomic instability
MODERATE	Operational, industrial and supply chain efficiency	Impact of raw material and energy price volatility on profitability Change in regulations governing organizations and products (environment, components, compliance) Human resources (attractiveness, knowledge management, international opportunities)	Costs and availability of energy sources
LOW	Change management and integration of acquired companies	Exchange rate fluctuation	

Strategic risks | Operational risks | Financial risks

Risk ranking

Risk factors are presented in decreasing order of importance for each type of risk.

Strategic risks	■ Geopolitical and macroeconomic instability ■ Cyberattacks and information system downtime ■ Human resources (attractiveness, knowledge management, international opportunities) ■ Change management and integration of acquired companies
Operational risks	■ Accidents and industrial site downtime ■ Change in regulations governing organizations and products (environment, components, compliance) ■ Operational, industrial and supply chain efficiency
Financial risks	■ Costs and availability of energy sources ■ Impact of raw material and energy price volatility on profitability ■ Exchange rate fluctuation

4.2.1 STRATEGIC RISKS

Geopolitical and macroeconomic instability

Identification and description of the risk	The Group has developed activities in parts of the world that are likely to experience regional geopolitical tensions. These tensions are risk factors that could affect international trade, the free movement of people and capital, financing and exchange rates, the availability of products and services and, consequently, global economic growth.
Potential impacts on the Group	SergeFerrari Group generates 81% of its revenues outside of France and over 25% outside of Europe. The increase in geopolitical tensions could lead to slower economic growth, supply disruption, deterioration in the terms and conditions of the financing required primarily for the Group to pursue its investment and targeted acquisition policy, and lead to a significant decline in sales and margins.
Risk control and mitigation	The Group's sales are broken down into four strategic market segments with different outlooks according to their areas of application. This diversification of markets and areas of application reduces the Group's exposure to any single market or territory. The Group operates in around 80 countries and therefore its exposure to a single territory is relatively limited. Group sales in Russia and Ukraine, very low before February 2022, were completely suspended. The end of China's zero-COVID policy is expected to remove the risks of a business slowdown in the region.

Cyberattacks and information system downtime

Identification and description of the risk	The Group uses complex IT systems (notably for managing its production, sales and logistics, and for bookkeeping and financial reporting) that are essential for running its commercial and industrial activities.
Potential impacts on the Group	Any failure of one of the IT systems could have a significant adverse impact on the Group's business, financial position, earnings or outlook.
Risk control and mitigation	The Group has chosen to outsource almost all of its data infrastructure and storage requirements to a top-tier facilities management operator which also provides helpdesk services. The Company performs periodic IT security and vulnerability audits, the findings of which are included in multi-annual improvement plans. The IT services department conducts regular awareness initiatives for staff on the risk of cyberattacks. These training sessions raise awareness about how to detect phishing attempts and mitigating the related risk. Security measures have ensured close to 100% information system uptime over the last few years. One member of the Executive Board performs the duties of Chief Information Security Officer.

Human resources: attractiveness, knowledge management, international opportunities

Identification and description of the risk	The Group is faced with an age pyramid that will require it to cope with numerous departures over the next few years. The Group's ability to offer varied and motivating career paths will be decisive in managing this situation. Due to its international presence (nearly two-thirds of the workforce is based outside France), management methods, remuneration systems and career management need to be adjusted in line with specific regional conditions.
Potential impacts on the Group	Lack of attractiveness could lead to hiring difficulties and therefore slow down business and profitability.
Risk control and mitigation	The Group has changed its local organization system, particularly in terms of industrial operations. The appointment of site managing directors and plant managers has enhanced the Group's ability to provide an effective response to local requirements. The creation of a People Development position in March 2023 should enable the Group to embrace these concerns and prepare a dedicated limb of its strategic plan.

Change management and integration of acquired companies

Identification and description of the risk	In 2020 and 2022, the Group carried out acquisitions to strengthen its presence in its strategic markets and develop its business in the Solutions sector. This includes integrating new and complementary technologies, reinforcing its international presence and streamlining production sites or adding new activities.
Potential impacts on the Group	Recent acquisitions were made with a view to creating technological, industrial and commercial synergies and providing new services to customers. Failure to implement these synergies or develop these new services could impact the Group's financial results.
Risk control and mitigation	Aware of the importance of proper integration of the acquisitions, the Group has adapted its governance and managerial structure to ensure smooth change management. The latest acquisitions have involved the purchase of majority stakes together with advantageous shareholder agreements encouraging minority shareholders to transfer their interests when they so wish.

4.2.2 OPERATIONAL RISKS

Accidents and industrial site downtime

Identification and description of the risk	The Group's facilities carry a certain number of safety, fire or pollution risks, mainly due to the toxicity or inflammability of certain raw materials, finished products or manufacturing or supply processes. In particular, the Group's manufacturing processes that use inflammable materials (varnishes, solvents, chemicals, PET, PVC, etc.) can create a high risk of fire or explosion.
Potential impacts on the Group	The Group could face the unavailability of its manufactured materials at one of its industrial sites. This would result in a loss of revenue and a potentially material impact on its profitability and liquidity.
Risk control and mitigation	The Group is therefore diligent in putting in place measures to manage fire and industrial accident risks, specifically: ■ Regarding fire risk, in conjunction with the regional fire department (SDIS 38), a listed-facility ETARE plan No. 411 has been established to identify premises in risk areas (with insufficient means) and risks related to their activities. In addition, staff regularly receive training in firefighting (use of fire extinguishers, evacuation drills). The fire control center is also connected to a remote-surveillance central station. ■ Regarding industrial accidents, in accordance with its ISO 14001 certification, the Group has put in place an annual improvement plan which consists of organizing the security of sensitive areas (truck loading/unloading), arranging ATEX (explosive atmosphere) zones, conducting studies and fire scenarios (flow of thermal emissions), as well as training staff to identify explosion-risk areas and monitor the smoke oxidizer for air pollution. The Group has also improved its insurance cover over time so as to ensure appropriate compensation for the consequences of a major disaster. Following the fire that broke out in December 2019 at the La Tour-du-Pin site, the Group has agreed with its insurers on a water sprinkler system plan for all its industrial facilities, to be rolled out from 2020 to 2024. Safety in the broad sense of the term is reflected in the objectives of all Group managers. All Group employees were trained in these matters during the Safety Days organized in November 2022 and January 2023. They will be repeated each year.

Change in regulations governing organizations and products (environment, components, compliance)

Identification and description of the risk	The Group is subject to a restrictive regulatory environment notably concerning the environment and safety, in particular as regards industrial safety, emissions or discharges of any kind, the use, production, traceability, handling, transport and storage of products and substances, including disposal and exposure to them, as well as site remediation and environmental clean-up. The Group's failure to comply with these regulations or inability to adapt to future regulatory changes could entail penalties of various kinds – financial, civil, administrative or criminal – and could lead to the withdrawal of the permits and licenses required to pursue its activities (ICPE classification of industrial sites in France and equivalent classification in other countries where the Group has plants).
Potential impacts on the Group	Compliance with these regulations requires the Group to incur regular and large expenditure. Moreover, this regulatory environment frequently changes, making the requirements increasingly stringent. These changes could have a significant adverse impact on the Group's business, financial position, earnings and outlook. Changes in these laws and regulations and their interpretation could lead to significant expenditure and/or investment mainly in industrial tooling and/or adaptation of product formulation.
Risk control and mitigation	Since June 2007, the Group has complied with REACH regulations (Registration, Evaluation, Authorization and Restriction of Chemicals). The Group is also engaged in an initiative to anticipate and exceed these European regulatory requirements. The Group regularly assesses the health and environmental performance of its composite materials on the basis of five key indicators: health precautions, internal air quality, environmental footprint, circular economy and renewable content. These Eco Identity system indicators measure the progress made over and above regulatory requirements. The Group is also a member of a number of organizations operating in the field of sustainable development. The Group is constantly anticipating changes in regulations and restrictions by mobilizing its research and development resources to this end. More than 50 people work on monitoring these changes on a full or part-time basis.

Operational, industrial and supply chain efficiency

Identification and description of the risk	The Group produces its materials, partly on a make-to-order basis, and partly for temporary use in its inventory, based on sales forecasts and estimates of the months ahead. Differences between forecasts and actual sales can result in slow-moving inventory.
Potential impacts on the Group	As a result, the Group may be required to record provisions for impairment due to slow inventory turnover (see Note 9 to the consolidated financial statements) or may lose sales if orders cannot be manufactured within customers' requested lead times.
Risk control and mitigation	The Group carries out a monthly assessment of the risk of slow-moving inventory, and recognizes a provision when this risk is deemed present. A Supply Chain Officer joined the Group in September 2022 tasked with implementing an S&OP process at all Group manufacturing plants and improving the customer service rate.

4.2.3 FINANCIAL RISKS

Costs and availability of energy sources

Identification and description of the risk	The Group uses various energy sources to operate its industrial sites: gas, electricity and fuel oil. The upheavals since February 2022 sent energy costs soaring, initially until November 2022, due to fears of power cuts or unavailability of energy sources.
Potential impacts on the Group	The absence of an energy source could interrupt the operation of membrane manufacturing equipment, resulting in a production slowdown that could curb profit margin growth.
Risk control and mitigation	The Group has a varied energy mix that would to a certain extent allow production to be relocated to another manufacturing site. The Group secures its electricity and gas consumption over a maximum period of 24 months in order to maintain the execution of customer orders. Finally, the Group has rolled out a capex plan aimed at identifying the most energy-consuming equipment and then reviewing the adaptations, alterations and replacements required to achieve energy savings in line with its carbon trajectory.

Price of raw materials and energy

Identification and description of the risk	The Group uses large quantities of raw materials and industrial supplies in its manufacturing processes (nearly 60% of standard production costs), mostly from petrochemicals (polyvinyl chloride "PVC", polyethylene terephthalate "PET" and plasticizers), which are indirectly impacted by fluctuations in the price of crude oil. The Group is also exposed to fluctuations in the price of other raw materials essential to its activities, such as dyes, varnishes, antimony (flame retardant), pigments and glass yarn. The Group passes these price increases on to its customers after a certain time lag, generally on January 1 of the following year. Prices also depend on the availability of specialty chemical components: cases of *force majeure* (unplanned maintenance, supplies, disasters, etc.) encountered in chemical industries may cause temporary strong pressure on prices.
Potential impacts on the Group	The delay in increasing selling prices following an increase in raw materials costs may result in a temporary contraction of Group margins.
Risk control and mitigation	The Group passes raw material price increases on to customers, generally on January 1 of the following year: in 2021 and 2022, contrary to previous practice, the Group temporarily applied surcharges to its selling prices, which have since then been transformed into definitive price increases. With the notable exception of PET, the raw materials used by the Group are derived from specialty chemicals: these raw materials have lower volatility than chemical commodities. Moreover, the prices of raw materials are global prices: the fact that there are no significant differences from one continent to another prevents the development of a competitive advantage to the Group's detriment. Furthermore, the Group has worked to procure supplies on a sale-or-return basis, whereby the Company is invoiced on the basis of the monthly price of the supplies used during that month. The reduction in product lead times also reduces the potential impact of price volatility. The Company has also implemented clauses on the increase in raw materials prices based on indices published by leading organizations. In general, these clauses apply for the current year. The Company also has numerous operational measures to minimize such fluctuations and their impact on its results. These measures include reducing production times, bargaining to revise prices, ongoing search for alternative sources of supply, as well as a strong innovation policy focused in particular on the chemical formulations of its products and the substitution of some components.

Forex impact

Identification and description of risk	**Related to operating cash flows** Due to the international character of the Group's business activities and operations, it faces fluctuations in the exchange rates of various currencies, which have a direct accounting impact on the Group consolidated financial statements, reflected in a transaction risk on income and expenses denominated in a foreign currency and the unpredictability of their conversion into euros in the statements of income and financial position of foreign subsidiaries in the euro zone. Within its historic consolidation scope, in 2020, the Group generated approximately 30% of its revenues in currencies other than the euro. Ses expositions principales en devises de facturations portent sur l'USD, le CNY, le TWD et le CHF. For the same period, in value terms, over 85% of purchases of raw materials and services were contracted in euros and less than 10% in CHF. Moreover, although the Group benefits from partial automatic backing, some residual exposure remains. Lastly, some of the Group's production is carried out in Switzerland (PET micro-cables and composite materials) in a non-euro accounting currency. These annual intra-group invoices are covered by a hedging policy. **Related to current assets and liabilities in foreign currencies** In its subsidiaries, the Group has residual financial assets and liabilities in foreign currencies. These financial assets and liabilities are not covered by exchange-rate hedges: however, net flows in USD and CHF, including the change in these financial assets and liabilities, after determination of the net exposure in USD and CHF, are hedged. **Related to non-current assets in foreign currencies** Besides investments in its own subsidiaries, the Group does not have non-current assets in foreign currencies.
Potential impacts on the Group	Significant and lasting changes in exchange rates could have a significant adverse impact on the Group's earnings, financial position or outlook.
Risk control and mitigation	The Group has centralized the management of foreign exchange risk by focusing open positions on Serge Ferrari SAS for easier management. Intercompany sales are made in the currency of the distribution subsidiary, wherever possible and justified (USD, CHF, JPY, RMB, BRL, etc.). Des opérations de couvertures sont également mises en œuvre au profit de filiales (USA, Inde,…) par le responsable de la trésorerie et de financement Groupe. The Group's objective is to hedge the rate set for the budget, for the flows of the current year. As regards current assets and liabilities in foreign currencies, the Group seeks to have the most appropriate assets-liabilities natural hedge.

4.3 INSURANCE AND RISK COVERAGE

The Group has instituted a policy for covering the main insurable risks, with the insured amounts and deductibles it considers to be compatible with the nature of its activities.

Furthermore, the occurrence of one or more major claims for damages, even if they are covered by these insurance policies and/or even if they were caused by a third-party fault in manufacturing or installation, could seriously impact the Group's activities and financial position given the interruption in its services that could result from such claims, the delays in insurance company payouts in the event that the policy limits are exceeded, and the resulting increase in future premiums.

The Group's main policies, taken out with internationally respected insurance companies, are as follows:

Third party liability covering personal injury, damage to property and consequential damage, caused to third parties due to the Group's activities. The maximum insured limits are:

- Operational third party liability: €8 million per claim;
- Third-party liability after delivery: €16 million per insured year;
- Legal action and defense: €100,000.

Professional third party liability is also included in this policy as additional cover with a separate limit of €1 million.

Comprehensive industrial insurance - **Property damage and operating losses**, with the following total limits including a limit of €100 million per claim:

- "Property damage" limited to €149 million covering fire, explosion and special risks - Deductible of €600,000 per claim;
- "Operating losses" limited to €73.4 million gross profit - Deductible of 14 calendar days.

The Group has undertaken works for the installation of a sprinkler system in its industrial units at La Tour du Pin, which will improve the contractual compensation limits currently applicable, once the works are completed.

For purposes of these two policies, the Group has also for many years operated a risk prevention process which involves asking its insurers to provide consulting engineers to carry out annual audits, and implementing any resulting recommendations.

Manufacturing defects, for architectural composite materials and for breathable products. The total limits are €2 million per year and €1 million per claim.

The Group also has policies to cover the following:

- Transport - inventories and transits,
- Automobile fleet,
- Credit insurance,
- Directors' and officers' liability,
- Damage to the environment.

In addition, the Group has insurance policies for its Swiss, Italian and German entities. The insurance cover for PLASTITEX, GIOFEX and FERRAMAT as well as Verseidag is not included in the amounts above.

Should one or more of these risks materialize, they could have a material adverse impact on the Group's business, outlook, financial position, earnings or growth.

4.4 PREPARATION OF FINANCIAL INFORMATION AND PERFORMANCE INDICATORS

Procedures for preparing and processing accounting and financial information

Procedures for preparing and processing accounting and financial information

The administrative, legal and finance departments are headed by one member of the Executive Board, who is also responsible for the preparation and publication of financial information. The production of the Group's financial information is under the responsibility of the Deputy CFO, who supervises the accounting, consolidation and controlling teams: hierarchically for the French companies and functionally for the other subsidiaries.

The finance department defines and implements the financial strategy, contributes to the development of tools and systems for managing and supervising operating activities (reporting, consolidation, budgets, etc.) and manages the Group's liquidity.

The consolidation and controlling teams are responsible for drawing up and circulating periodic financial information. This information is presented monthly to the Executive Board. These departments are also responsible for managing the budget process and updating forecasts. They update and circulate accounting and financial procedures and maintain the Group chart of accounts in all of the accounting and reporting tools. The Group generates its consolidated financial information using FEBUS (FErrari BUSiness – SAP/BFC). Performance information regarding industrial operations is reviewed on a monthly basis.

The Company uses external specialists for certain areas of expertise for which it does not have sufficient internal resources (tax, insurance, legal, M&A, etc.).

Information systems are managed within the Group: the Group uses ERP for its main production entities (SAP for the French and Swiss sites, PPS/L for the German sites, and Diamond for the Italian site due to migrate to SAP in 2023) and SAGE, more appropriate for the distribution business, for its distribution subsidiaries. The implementation of a common ERP system for the Group's distribution entities was completed in 2022 with the migration of Giofex Deutschland to the latest version of SAGE.

The Group's finance teams perform other tasks periodically:

- Reviewing receivables, probability of recovery and the need for provisions;
- Reviewing industrial business volume indicators and assessing any deviations from standard costs;
- Reviewing research and development programs, their continued implementation, or the relevant transfers to the income statement in the event that they are abandoned;
- Monthly confirmation of intercompany balances and cash flows;
- Periodic/annual physical inventories of raw material stocks, work in progress and finished products.

The Group has appointed statutory auditors or external inspectors in its subsidiaries, who provide satisfactory audit coverage of Group revenues, earnings, assets and liabilities. For subsidiaries outside the audit scope, limited external reviews may supplement internal audits of financial statements. The Group organizes assignment planning and closing meetings with its statutory auditors (in France, for the consolidated financial statements and those of the French companies) and with its independent auditors (in Switzerland, for the statutory financial statements of its two industrial subsidiaries, in Italy for Serge Ferrari SpA (former Plastitex), and in Germany for Verseidag and its subsidiaries).
The auditors then forward their findings and recommendations for improvements to be made by subsequent period-ends to the Audit Committee and Executive Board.

The related functions or services for which the Group does not have in-house expertise are outsourced to external service providers, except for the German sites where the organization and supervision of the IT system are currently carried out internally.

Financial statements - preparation and control

SergeFerrari Group has introduced standard guidelines for accounting recognition and monitoring financial performance. These guidelines are based on:

- maintaining a Group chart of accounts;
- circulating a timetable and instructions for account-closing procedures;
- rolling out a common ERP system, or one that communicates with the existing system, in particular for the companies or activities acquired.

The head office departments help the subsidiaries to prepare their reports and periodic financial statements. A review of the subsidiaries' financial statements enables the quality of the reported financial statements to be examined and approved. Some subsidiaries are too small to have their own accounting or reporting team: in this case, the Group uses local service providers who fulfill all disclosure and reporting requirements on behalf of the local subsidiary.

The Group uses the following key indicators to measure its overall performance:

- Sales by market and region, as well as margins on production costs;
- REBIT (Recurring EBIT excluding the impact of restructuring transactions and the accounting consequences of consolidation adjustments of acquisition transactions);
- Changes in working capital and net debt.

Each activity also has its own set of specific indicators:

- OEE, rejection rate, actual vs budget cost comparison - industrial sites;
- Actual vs budget raw material and energy purchase cost comparison - purchasing departments;
- Project monitoring - R&D teams;
- Customer service rate - supply chain.

Information systems

Since its deployment in 2008 at La Tour-du-Pin, the Group has sought to extend its SAP ERP system, installed subsequently in Switzerland at Eglisau (2012) and Emmenbrücke (2015). In 2022, the Group decided to deploy SAP at the entities not yet covered, starting with the Italian subsidiaries and followed by the German subsidiaries, between 2023 and 2026. This roadmap was proposed to the Executive Board by the Group CIO, who joined the company in September 2021.

A standardized information system supplies the Company with shared and consistent performance indicators, providing more effective control of operating risks and furthering fulfillment of the Group's development plan.

The Group uses a CRM booster system (Salesforce), as well as several transport cost management solutions (TMS).
For the distribution entities, the Group deploys a SAGE solution based on a common core model.

European regulations monitored by SF

Organization or Directive	Field	Description
Monitoring of changes in European directives		
ECHA	BPR	Biocidal Products Regulation
	CLP	Classification, labelling and packaging of substances
REACH	CMR	Chemical substance control
Conflict Minerals Regulation	Minerals	Sourcing of minerals from areas not in a state of armed conflict
		Traceability in supply chain,
		extraction, processing and trading
ISO certification at SF		
Standard		Certificate
ISO 9001: 2015	Quality	2021-2024
ISO 14001: 2015	Environment	2021-2024
ISO 50001: 2018	Energy	2021-2024
Non-financial commitments		
CSR + Transition to CSRD	Human rights	Sustainable development
	Gender diversity	Disability
Directive 2008/98/EC of 19/11/2008	Waste	Treatment of hazardous and non-hazardous waste

Airbus HQ Campus facade ■ Blagnac, France

5

Comments on fiscal 2022

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5.1 INTRODUCTION

2022 was marked by continuing inflation in raw material costs, as well as extreme volatility in energy prices, which reached record highs in summer 2022. Interest rate hikes also steepened considerably in summer 2022.

Amid these highly volatile conditions, SergeFerrari Group continued to pursue its objectives:

- profitable organic growth: faced with strong inflation in raw material and energy costs, the Group partly passed on these cost increases to its selling prices;
- targeted acquisitions: in 2022, the Group announced the acquisition of Baltijos Tentas (which joined the Serge Ferrari distribution network in Europe) and MSE/DCS, two companies specializing in the design and engineering of biogas domes (to boost the offering of DBDS acquired in 2020).

In 2022, the Group generated revenues of €338.7 million (up 18% vs 2021) and operating income of €25.1 million (compared to €18.2 million in 2021). This record performance prompts the Group to remain confident but vigilant with regard to 2023.

5.2 ANALYSIS OF CONSOLIDATED RESULTS

5.2.1 HIGHLIGHTS OF THE YEAR

Energy and raw material costs

The Group was heavily impacted by rising energy prices and the persisting record high costs of its main raw materials. These cost increases were partly passed on to selling prices.

Changes in consolidation scope

Acquisition of Baltijos Tentas, Lithuania (distribution)

SergeFerrari Group SA purchased a 60% stake in Baltijos Tentas, a distribution company located in Vilnius, Lithuania. The company specializes in the distribution of innovative membranes in the Baltic States, including those manufactured by Verseidag and Serge Ferrari. Baltijos Tentas posted 2022 revenues of around €2 million. The company was consolidated from July 1.

An initial €484,000 payment was made on the June 1, 2022 execution date, followed by a €200,000 unconditional earn-out payment on January 31, 2023. The earn-out was recognized under other current liabilities on the December 31, 2022 balance sheet.

The acquisition agreement provides for a put option in favor of the seller over a portion of the minority interests retained at the time of sale, with the corresponding liability valued at €347,000.

Acquisition of MSE and DCS, Netherlands

On July 27, 2022, SergeFerrari Group purchased a 60% stake in two Dutch companies, MSE and DCS, specializing in the design and engineering of biogas domes used in the farming and agrifood industries to store biogas produced by anaerobic digestion. In 2021 these companies posted combined revenues of €12.8 million.

These acquisitions will strengthen the Group's ties with companies involved in the transformation of its composite materials while providing MSE and DCS with the means to develop their business. These companies were consolidated from August 1, 2022. Goodwill as of December 31, 2022 is provisionally valued at €9.4 million.

The price paid is €8.5 million, while the acquisition agreement provides for an earn-out indexed to the acquired entities' performance in 2024. The liability corresponding to this earn-out payment is valued at €1.7 million and recorded under non-current liabilities. Goodwill resulting from these two acquisitions is incorporated and analyzed within the Group's single CGU as of December 31, 2022.

Share buybacks

The Company repurchased 585,417 of its own shares delivered to Jagenberg AG on July 28, 2021 in part payment for the acquisition of Verseidag-Indutex GmbH. This transaction was carried out for an amount of €7 million. These shares were partly assigned to the purpose of payment in connection with acquisitions.

Part payment to Jagenberg AG in treasury shares

On July 28, 2022, the Company delivered 370,725 treasury shares to Jagenberg AG in part payment for the Verseidag-Indutex GmbH acquisition. Following this payment in shares, the balance payable on this acquisition is the earn-out provided for in the acquisition agreement: the floored amount of this earn-out was paid on January 31, 2023. The same agreement provides for an additional earn-out payment of up to €5 million, the final amount of which will be paid in Q2 2023.

5.2.2 KEY PERFORMANCE INDICATORS

To assess the performance of its businesses, SergeFerrari Group monitors the following indicators in particular:
- sales and margins by region and market;
- REBIT (Recurring EBIT);
- operating working capital and net debt.

- **REBIT** is reconciled with operating income as follows:

(€'000)	2022	2021
Operating income	**25,110**	18,242
Restructuring costs	+971	+948
Depreciation/amortization of PPA assets	+383	+374
Reversal of inventory step-up	+34	+469
REBIT	**26,498**	20,033

REBIT excludes restructuring charges and consolidation adjustments recorded on acquisition transactions.

- **Adjusted EBITDA**, which the Group continues to calculate, is used solely for bank covenant testing. The adjustments required:
  1. following application of IFRS 16 (accounting treatment of operating leases),
  2. in connection with the recognition of acquisitions (inventory step-up, purchase price allocation, etc.), and
  3. to account for restructuring costs related to these acquisitions,

prompted the Group to adopt REBIT as the best indicator of performance, control of which is based on the Group's operating activities. Adjusted EBITDA is determined by adding together EBIT, provisions and reversals, as shown in Notes 23 and 24 to the consolidated financial statements, and the "company value-added contribution" (CVAE) restated as income tax, as shown in Note 22 to the consolidated financial statements. Adjusted EBITDA is used as an indicator of the Group's liquidity for the purpose of testing bank covenant ratios.

(€'000)	2022	2021
Adjusted EBITDA (excl. IFRS 16)	36,653	28,398
Adjusted EBITDA (% of revenues)	**10.80%**	9.90%

- **Operating working capital** consists of inventories, trade receivables and trade payables. It is the primary indicator of liquidity and the use of Group capital.

(€'000)	2022	2021
Operating working capital	**135,768**	105,610
Operating working capital (as % of revenues)	40.0%	36.9%
Inventory (gross)	111,018	88,436
Trade receivables (gross)	68,070	54,901
Trade payables	43,320	37,727

- **ROCE** (Return On Capital Employed) after tax equals EBIT after tax divided by average net capital employed.

(€'000)	2022	2021
ROCE	**8.9%**	7.2%
Average capital employed	204,680	180,936
EBIT after tax	18,241	13,060
Tax rate (Note 28)	25.8%	26.2%

Average capital between the year opening and closing dates, composed of the sum of net intangible assets, net PP&E, excluding the impact of IFRS 16, trade receivables net of provisions for impairment, and inventories net of provisions, as set out respectively in Notes 5, 6, 9 and 10 to the consolidated financial statements, less trade payables as presented under consolidated balance sheet liabilities.

For the periods presented, industrial capital expenditure mainly corresponds to industrial plant upgrading contracted and commissioned throughout the year. EBIT after tax is also restated for the impact of IFRS 16.

5.2.3 GROUP REVENUES

(€'000)	Q4 2022	Q4 2021	Ch. at current scope & forex	Ch. at constant scope & forex	2022	2021	Ch. at current scope & forex	Ch. at constant scope & forex
Northern Europe	36,212	28,381	+27.6%	+10.5%	132,145	111,395	+18.6%	+11.3%
Southern Europe – Americas	36,702	29,143	+25.9%	+23.3%	150,106	127,568	+17.7%	+15.9%
Asia – Africa – ME – Pacific	16,066	13,457	+19.4%	+19.7%	56,446	46,919	+20.3%	+16.2%
Total revenues	**88,980**	**70,981**	**+25.4%**	**+17.5%**	**338,697**	**285,883**	**+18.5%**	**+14.2%**

The change in revenues between 2021 and 2022 breaks down as follows:

- volume effect (SF + Distribution) : -3.7%
- price mix effect : +17.9%
- forex impact : +1.8%
- change in consolidation : +2.5%

Total change in revenue : +18.5%

5.2.4 GROUP PROFITABILITY

The change in profitability between 2021 and 2022 breaks down as follows:

(€'000)	2022	2021	Change
Revenues	338.696	285,883	+18.5%
Purchases consumed	(161,433)	(124,502)	+29.7%
External expenses	(50,521)	(45,869)	+10.1%
Personnel expenses	(81,063)	(75,548)	+7.3%
Other (net)	(19,181)	(19,931)	-3.7%
REBIT	**26,498**	20,033	+32.3%
Other opex (net)	(1,388)	(1,791)	-22.5%
Operating income	**25,110**	18,242	+37.6%

- Group purchases consumed increased by 29.7% or €37 million. This change illustrates strong inflation in raw material costs since 2021, which continued in 2022 and also affected energy costs. This inflation has an impact on working capital (see below). The margin on purchases consumed fell four percentage points from 56.4% of revenues in 2021 to 52.3% in 2022 as a result of the Group's efforts to grow the margin in terms of volume (€177 million in 2022 versus €161 million in 2021). The margin in terms of percentage of revenue could not be maintained, however, owing to the effects of inflation.
- Group external expenses increased by €4.7 million; almost half of this increase comprised transport costs, reflecting the sharp rise in the costs of fuel and overseas freight shipments, especially to North America. Excluding transport costs, external expenses rose a mere 6.9% compared to the 18.5% increase in revenues.
- Personnel expenses totaled €81 million, up 7.3% versus 2021. Total Group headcount increased 8% (mainly production jobs) to 1,309 people at 2022 year-end compared to 1,212 a year earlier. Salary increases averaged around 3% in 2022. Lastly, variable, individual and collective (employee profit-share) remuneration increased in line with profitability.
- As in 2021, other net operating expenses, shown on a line item below REBIT, include around €1 million in industrial restructuring costs arising from the relocation of production from Switzerland to Germany and from France to Italy. The impact of acquisition-related consolidation adjustments was €0.4 million in 2022 compared to €0.8 million in 2021.

Net financial expense

(€'000)	2022	2021
Operating income	**25,110**	18,242
Cost of debt	(2,862)	(2,804)
Other financial expenses	239	(212)
Income before tax	**22,487**	15,225
Income tax	(5,798)	(3,987)
Minority interests	(1,165)	(1,058)
Net income, Group share	**15,524**	10,178

The Group posted a net financial expense of €2,623,000 compared to €3,016,000 in 2021. The main components of the change over the period are as follows:

1. Interest expense on financing agreements: interest was virtually stable at €2.3 million compared to €2.1 million in 2021. The 46% increase in average net debt from €30 million to €44 million between 2021 and 2022 was almost entirely offset by the reduction in bank margins provided for in the agreement and effective leverage as of December 31, 2021.
2. Currency gains amounted to €168,000 compared to €564,000 in 2021. The decrease is due to the strengthening of USD versus EUR at the very end of 2022.
3. Other items: Zero in 2022 versus a €0.8 million net expense in 2021. In 2021 and 2022, this item included costs related to the unwinding of discounting on acquisition liabilities (€0.5 million expense each year) and the amortization of borrowing costs (€0.2 million expense for each year). Meanwhile, fair value measurement of currency hedges resulted in a €0.6 million gain in 2022.

Income tax

The income tax charge (current and deferred) amounted to €5.8 million in 2022 compared to €4.0 million in 2021. The effective tax rates are very similar: 25.8% in 2022 versus 26.2% in 2021. The 45% increase in tax is in line with the 48% increase in income before tax from €15.2 million in 2021 to €22.5 million in 2022.

The minority share of net income increased from €1.1 million to €1.2 million. Besides Giofex (51% control), F.I.T. Industrial Co Ltd (55% control) and DBDS (60% control), new minority interests attached to acquisitions made during the year concern Baltijos Tentas (60% control) and MSE/DCS (60% control).

Net income (Group share) amounted to €15.5 million versus €10.1 million in 2021.

5.2.5 BALANCE SHEET AND LIQUIDITY

The balance sheet total increased by €31 million from €317 million at 2021 year-end to €348 million at 2022 year-end. The main changes are due to working capital items, in particular inventories (up €22 million) and trade receivables (up €12 million), non-current assets (up €8 million) and cash and cash equivalents (down €14 million).

Non-current assets (intangible assets and property, plant and equipment) increased from €125 million to €132 million, mainly due to the purchase price allocation for acquisitions made during the year (Baltijos Tentas, MSE and DCS), which gave rise to a €9.5 million increase in goodwill.

Investments in property, plant and equipment (€14.7 million) were nearly equal to depreciation charges for the year (€15 million), which explains the relative stability of this asset item at €75 million.

Working capital

(€'000)	2022	2021
Operating working capital	**135,768**	105,610
Operating working capital (as % of revenues)	40.00%	36.90%
Inventory (gross)	111,018	88,436
Trade receivables (gross)	68,070	54,901
Trade payables	43,320	37,727

Two-thirds of the €30 million increase in working capital is attributable to inventories (up €23 million). The 24% increase in trade receivables correlates fully with the 25.4% increase in Q4 2022 revenues versus 2021. DSO is virtually stable (67 days in 2021 versus 66 days in 2022). There is no deconsolidation mechanism that could result in an increase or decrease in any of the aggregates presented above. Trade receivables sold under the factoring program are added back to the 'Trade receivables' line.

On the other hand, inventories increased by 26% and this change is not correlated with the change in sales by volume (volume effect -3.7%) or the 18.5% increase in full-year sales. The last four months of 2022 were marked by a 16% increase in inventories of innovative membranes expressed in m².

Seasonal effects and impact on working capital

The diversification of sectors and regions where the Group's products and services are marketed eases the seasonality resulting from a focus on local and regional markets. However, sales of solar protection products as well as architectural and homeowner products are higher in the first half of each year than the second. Weather conditions in the Northern Hemisphere (where most of the Group's sales are concentrated) are less conducive to architectural and homeowner work late in the year. This breakdown of sales is reflected in peak working capital requirements (and therefore the need to finance them) between April and September.

Overall, working capital amounted to 40% of 2022 sales, up from 36.9% in 2021.

Debt and cash

	2022	2021
Net debt	**85,321**	**54,807**
Debt	**118,210**	**101,677**
EURO PP	30	30
Bank finance	54,614	35,485
Factoring	8,478	6,178
Operating leases	24,161	28,456
Finance leases	956	1,558
Cash & equiv.	**(32,889)**	**(46,871)**

As of December 31, 2022, the Group had undrawn confirmed lines of credit amounting to €15 million (revolving credit facility) resulting from financing arranged in July 2020 and €25 million for financing arranged in December 2022 (acquisitions): see Note 29 of the financial report. The increase in net debt is related to the increase in working capital, with the financing of property, plant and equipment purchases (€15 million) and financial investments (€9 million) and the buyback of the shares delivered in part payment of the Verseidag-Indutex GmbH acquisition price (€7 million).

The change in other non-current liabilities from €17.5 million at December 31, 2021 to €7.5 million at December 31, 2022 results from the reclassification of the Verseidag-Indutex GmbH acquisition earn-out (€12.5 million before unwinding of discounting) to other current liabilities.

5.3 SERGEFERRARI GROUP SA (GROUP PARENT COMPANY)

5.3.1 2022 HIGHLIGHTS

Acquisition of 60% stake in Baltijos Tentas

On June 1, 2022, SergeFerrari Group purchased a 60% stake in Baltijos Tentas, a distribution company located in Vilnius, Lithuania. The company specializes in the distribution of innovative membranes in the Baltic States, including those manufactured by Verseidag and Serge Ferrari. An initial €484,000 payment was made on the June 1, 2022 execution date, followed by a €200,000 unconditional earn-out payment on January 31, 2023. The earn-out was recognized under other liabilities on the December 31, 2022 balance sheet. The acquisition agreement provides for a put option in favor of the seller over a portion of the minority interests retained at the time of sale. The corresponding liability is valued at €347,000 and presented under off-balance sheet commitments.

Acquisition of 60% stake in MSE and DCS

On July 27, 2022, SergeFerrari Group purchased a 60% stake in two Dutch companies, MSE and DCS, specializing in the design and engineering of biogas domes used in the farming and agrifood industries to store biogas produced by anaerobic digestion.
In 2021 these companies posted combined revenues of €12.8 million. These acquisitions will strengthen the Group's ties with companies involved in the transformation of its composite materials while providing MSE and DCS with the means to develop their business.

Additional lines of credit

In December 2022, SergeFerrari Group SA obtained confirmation from its relationship banks of a €25 million line of credit allocated to financing and refinancing acquisitions. This line was not drawn as of December 31, 2022.

5.3.2 REVENUES AND EARNINGS

In 2022, the Company invoiced its subsidiaries using the "Serge Ferrari" brand name for trademark license fees, which comprise all of its revenues totaling €1,447,000 in 2022 compared to €1,339,000 in 2021. The license fee rate charged in 2021 and 2022 was 0.8% of sales outside the Group by each of the companies concerned.

In 2022, the Company posted an operating loss of €827,000 compared to an operating profit of €37,000 in 2021. In 2022, the Company incurred €0.3 million structuring costs for new credit facilities, whereas in 2021 the Company benefited from a €0.3 million reversal of a provision for risks and contingencies relating to the negative equity of its subsidiary CI2M, after this company was recapitalized. Finally, following the change in governance on January 25, 2022, the Company recognized gross remuneration totaling €0.17 million for the duties of Chairman and Vice-Chairman of the Supervisory Board.

In 2022 the Company posted net financial income of €6 million compared to €7.4 million in 2021. The difference is mainly due to a reduction in dividends received from €9.1 million in 2021 to €6.6 million in 2022.

The Company posted net income of €5.6 million in 2022 compared to €8.1 million in 2021.

5.3.3 SERGEFERRARI GROUP SA BUSINESS ACTIVITIES

The change in shareholders' equity relates to the recognition of 2022 net income of €5.6 million and the distribution of dividends totaling €3.5 million. As of December 31, 2022, Company shareholders' equity amounted to €70.7 million compared to €68.6 million as of December 31, 2021.

The Company's gross medium-term debt as of December 31, 2022 stood at €80.3 million compared to €59.9 million as of December 31, 2021. These loans carry restrictive covenants in the form of financial ratio requirements based on the consolidated financial statements drawn up to IFRS standards (with the exception of IFRS 16 on operating leases), with which the Company was in compliance as of December 31, 2021 and 2022. The Company did not make use of any state-guaranteed loans (French PGEs).

The Company's cash position as of December 31, 2022 amounted to €7.5 million compared to €17 million at 2021 year-end.

5.3.4 CAPITAL STOCK, TREASURY SHARES AND TRANSACTIONS IN SERGEFERRARI GROUP SHARES

As of December 31, 2022, the capital stock consisted of 12,299,259 shares, each with a par value of €0.40.

- SergeFerrari Group liquidity contract: as of December 31, 2022, funds assigned to the liquidity contract amounted to €900,000 (unchanged from December 31, 2021). 61,486 treasury shares were held for the purposes of the liquidity contract as of December 31, 2022.
- The Company implemented the share buyback program approved by the General Meeting on April 20, 2017 as part of the bonus share plan also approved by the shareholders. As of December 31, 2022, the remaining number of treasury shares allocated for this purpose was 50,000 shares.
- Finally, treasury shares held for payment in the case of an acquisition amounted to 365,957 shares as of December 31, 2022.

As of the date of this Universal Registration Document, to the best of the Company's knowledge, the capital stock was held by:

- members of the Ferrari family (72.1%), including Sébastien Ferrari, his children and the companies they control, Romain Ferrari, Serge Ferrari Industries, Ferrari Participations and One Team Investments;
- FCP ETI 2020 (Bpifrance): 670,000 shares (5.45% of capital stock);
- Jagenberg AG: 370,725 shares (3.0% of capital stock).

Research and development information

The Company performed no research and development activity during the 2021 and 2022 fiscal years.

Information on supplier and customer payments outstanding

As of December 31, 2022, trade payables amounted to €316,000 compared to €270,000 as of December 31, 2021.
As of December 31, 2022, trade receivables net of provisions for impairment amounted to €74,000 compared to €93,000 as of December 31, 2021.

Serge Ferrari Group FY 2022	Art. D.441 I.-1 Past due invoices received but not paid at year-end					Art. D.441 I.-1 Past due invoices issued but not paid at year-end				
(€'000)	1-30 days	31-60 days	61-90 days	> 91 days	Total	1-30 days	31-60 days	61-90 days	> 91 days	Total
(A) Late payment tranches										
Total amount of invoices concerned (excl. VAT)	0	0	0	0	0	0	8	0	24	0
% of total purchases excl. VAT during the year	0	0	0	0	0					
% of revenues excl. VAT during the year						0	0.54%	0	1.63%	0
(B) Invoices excluded from A relating to disputed or unrecognized receivables and payables										
Number of invoices excluded	---					---				
Total amount of excluded invoices	---					---				
(C) Benchmark payment terms applied (contractual or statutory terms – Article L. 441-6 or L. 443-1, French Commercial Code)										
Payment terms used to calculate late payments	Statutory terms: 45 days end of month					Statutory terms: 45 days end of month				

5.4 ADDITIONAL INFORMATION

5.4.1 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are disclosed in Note 31 to the consolidated financial statements.

5.4.2 BORROWING TERMS AND ISSUER'S FINANCING STRUCTURE

5.4.2.1 Information on liquid assets

The total amount of cash and cash equivalents held by the Group as of December 31, 2022 was €32.9 million compared to €46.9 million as of December 31, 2021.
Cash is partly invested in term accounts with a maturity of less than 36 months, which are accessible at 32 days' notice.

5.4.2.2 Information on the Group's financing agreements

The Group's loan and financing agreements are conditional on covenants based on the Group IFRS consolidated financial statements and tested once a year as of December 31. All covenants were in compliance as of December 31, 2022.

The calculation of covenants as per the banking documentation excludes the application of changes in accounting standards after the financing agreements are signed. The Group continues to determine the aggregates used for covenant testing by restating the impact of IFRS 16 on operating leases as from January 1, 2019.

Medium-term financing

The bank portion of this financing has been arranged with the Group's relationship banks. This bank debt is subject to two impact commitments (level of employment at the La Tour-du-Pin site and industrial accident frequency rate), compliance with which may result in an 8 bp discount on borrowing costs. In the event of non-compliance with either commitment, the interest on the loan will be increased by 4 basis points. As of December 31, 2022, one of these criteria was not met, with no impact on borrowing costs.

The remaining debt consists of a syndicated EURO PP placed with four subscribers. The EURO PP is subject to the same impact commitments (level of employment at La Tour-du-Pin and industrial accident frequency rate), compliance with which may result in a 10 bp discount on borrowing costs. In the event of non-compliance with either commitment, the interest on the loan will be increased by 5 basis points.

One of these criteria was not met as of December 31, 2022.

The Group has not applied for any state-guaranteed loans (French PGEs).

Short-term financing

In 2011, to optimize management of working capital, the Company entered into a factoring agreement. The financing set up under this agreement relies mainly on the existence of the guarantees offered by the Group's credit insurance company.

As of December 31, 2022, factoring amounted to €8.5 million.

Occasional use of this means of financing allows the Group to cover peak periods in working capital requirements.

In addition to the financing indicated above, the Group supplements the financing of working capital requirements with short-term financing lines.
As of December 31, 2022, the Group had unconfirmed and unused overdraft facilities of €3 million.

5.4.3 RESTRICTIONS ON THE USE OF CAPITAL

With the exception of guarantee deposits and current accounts frozen for a period longer than one year, the Company faces no restrictions on the availability of its capital.

These items are recognized under non-current assets in an amount of €1.1 million as of December 31, 2022, close to the amount recognized as of December 31, 2021.

5.4.4 SOURCES OF FINANCING REQUIRED IN THE FUTURE

The Company believes it can meet its operating and capital expenditure and borrowing repayment requirements (including interest) for the twelve months following the 2022 balance sheet date.

Confirmed lines of credit used by SergeFerrari Group SA break down as follows as of December 31, 2022:

(€'000)	Initial amount	Amount available at 12/31/2022	Maturity	Drawn at 12/31/2022	Due in < 1 yr	Due in > 1yr and < 5 yrs	Due in > 5 yrs
Euro PP (bond format – repayable on maturity)	30,000	30,000	July 2027	30,000	0	30,000	0
Acquisition loan and refinancing (amortizing)	26,000	26,000	June 2026	16,545	4,727	11,818	0
Acquisition loan and refinancing (bullet)	6,000	6,000	Dec 2026	6,000	0	6,000	0
2020-2022 investment loan (amortizing)	28,000	28,000	June 2026	27,000	6,875	20,125	0
Revolving credit facility	15,000	15,000	June 2025	0	0	0	0
2023 confirmed loans (amortizing)	25,000	25,000	June 2026	0	0	0	0
F.I.T. Industrial Ltd Co loan	5,655	5,655	March 2026	4,628	587	4,041	0
Other (IFRS restatements, etc.)				441	441	0	0
Total	**135,655**	**135,655**		**84,614**	**12,630**	**71,984**	**0**

5.4.5 MATERIAL CONTRACTS

All contracts have been entered into within the framework of the Group's ordinary business transactions.

5.4.6 SHAREHOLDER CALENDAR

Annual General Meeting

The SergeFerrari Group shareholders will meet at the annual ordinary and extraordinary General Meeting to be held on April 19, 2023. The Supervisory Board will propose to the General Meeting that a dividend of €0.40 per share be paid and that the balance of the profit for 2022 be allocated to reserves.

Q1 2023 revenues: April 20, 2023 after market close

To the Company's knowledge, there have been no material changes in the Group's financial or commercial position since December 31, 2022 of which the shareholders were unaware as of the date of registration of this Universal Registration Document.

5.4.7 CLIMATE-RELATED FINANCIAL RISKS

The Company believes it is no more exposed to climate risks than its competitors. The Company has not invested and does not intend to invest in fossil fuel companies. It also notes the initiatives undertaken to reduce waste (see non-financial performance statement), the attention paid to these matters by the Executive Board and the appointment of a CSR Manager in summer 2021. For this purpose, the Company has drawn up an Environment Handbook.

To date, the Company has not identified any material impacts of climate-related risks on its financial statements, such as changes in asset useful lives, impairment testing, provisions for contingencies or significant capital expenditure.

Environment Handbook

The Group's Environment Handbook describes and illustrates the characteristics of the Company's environmental management system for the French industrial sites.
This document illustrates the Company's commitment to continually meet the requirements of the ISO 14001 international standard and reflects the Company's determination to care for the environment by implementing an organizational system designed to attain quantified, constantly upgraded objectives by set dates.

The Environment Handbook focuses on environmental policy and planning, implementation and operation, as well as the related checks and review by Executive Management. The Environment Handbook is prepared and implemented under standards ISO 14001 (Environmental management systems - Requirements and guidelines for use) and ISO 14004 (Environmental management systems - General guidelines on implementation principles, systems and techniques).

5.4.8 NON-TAX DEDUCTIBLE EXPENSES

Pursuant to Article 223 *quater* and *quinquies* of the French General Tax Code, it is noted that expenses added back to earnings for the purpose of calculating 2022 taxable income amounted to €131,000.

5.4.9 TAX CONSOLIDATION

SergeFerrari Group is the parent company for the tax consolidation entity formed with Serge Ferrari SAS, Texyloop and CI2M.

5.4.10 PRIOR YEAR DIVIDENDS

Pursuant to Article 243 *bis* of the French General Tax Code, the Company notes that:

- a dividend of €0.29 per share was distributed in 2022 in respect of 2021 earnings;
- no dividend was distributed in 2021 in respect of 2020 earnings;
- a dividend of €0.12 per dividend share was paid on September 30, 2020 for shareholders outside the Ferrari family group and on January 7, 2021 for shareholders within the Ferrari family group in connection with the distribution of 2019 earnings.

5.5 OUTLOOK

Significant post-balance sheet events – Foreseeable developments and future outlook

The Group's outlook and goals are not forecasts resulting from a budget process, but merely targets arising from strategic choices and the Group's development plan.

Outlook and goals are based on data and assumptions considered reasonable by Group management as of the Universal Registration Document date.

These assumptions and data are liable to change due to the uncertainty relating, in particular, to the regulatory, economic, financial, competitive, accounting or tax environment, or depending on other factors of which the Group may be unaware as of the date of this Universal Registration Document.

Accordingly, the Company makes no commitments or guarantees regarding the achievement of the outlook and goals described in this Universal Registration Document.

Planned expenditure

The Group plans to maintain its plant upgrading expenditure at its historic level of around 3% of revenues.
Capital expenditure related to industrial transformation and the relocation of production to Krefeld and Carmignano will continue in 2023 for lower amounts than in 2022, i.e. around €5 million.

In view of rising energy costs, specific investments will be made in 2023 to replace existing equipment with more effective and energy-efficient alternatives. The Group estimates this expenditure at between €1 million and €2 million in 2023.
Lastly, the Group expects to finance, at around €1.5 million in 2023, its commitment to purchase the first PET/ PVC membrane recycling equipment developed by Polyloop.

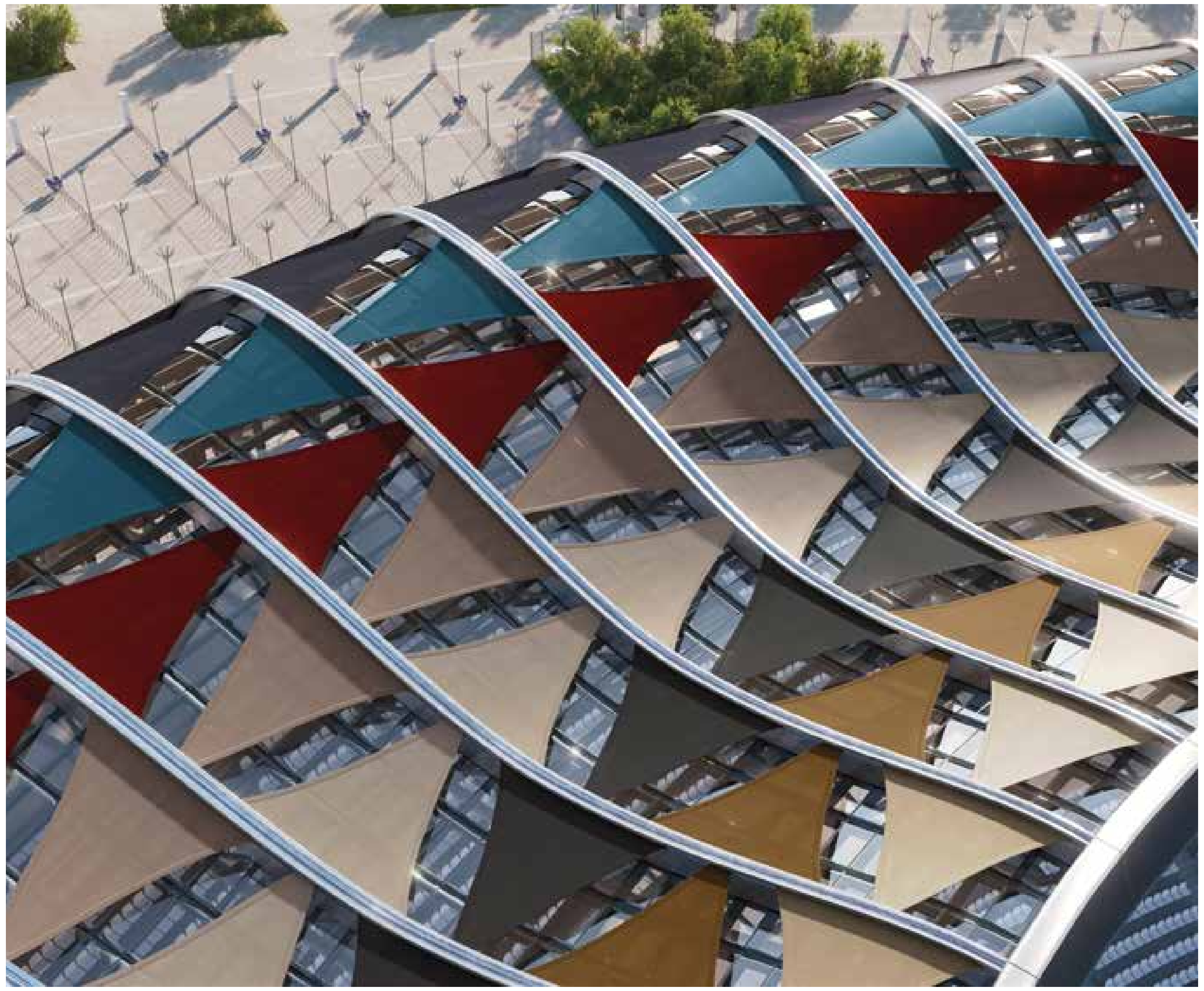
The Company is not currently planning to make any significant investments in PP&E or intangible assets in the foreseeable future for which its management bodies have already made firm commitments at the date of this document. Nevertheless, the Group is working on the design of additional coating equipment in order to significantly ramp up production capacity by 2026. This investment will have an impact of between €1 million and €2 million in 2023.
All in all, the Group estimates total capital expenditure on property, plant and equipment in 2023 at around €15 million.

Available financing in the form of authorized undrawn lines of credit (c. €20 million) or available cash will help finance these investments. As of December 31, 2022, cash and cash equivalents stood at €32.9 million (see Note 5.4.4 on sources of financing).

Outlook

The Group intends to continue taking the following action:
- continue to focus on four strategic market segments to which the main development resources are allocated (innovation, marketing, finance) and propose a "Solutions" offering to customers, as it has already done in the field of biogas, for example;
- seize acquisition opportunities that would provide the Group with additional product ranges, complementary technological solutions or a geographic presence close to its more distant customers;
- improve operating, industrial and supply chain efficiency in order to restore working capital, at constant consolidation scope and exchange rates, to its 2021 level of around 36.9% of revenues.

In 2023, amid a complex global environment, SergeFerrari Group will aim to grow revenues and keep operating income at the 2022 level despite high energy cost volatility.



Outdoor solar protection

Double-membrane gasholder ■ France

6

Financial statements

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6.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

6.1.1 STATEMENT OF FINANCIAL POSITION

BALANCE SHEET - ASSETS

(€'000)	Note	12/31/2022	12/31/2021
Goodwill	4	30,232	20,722
Other intangible assets	5	19,362	20,259
Property, plant and equipment	6	74,866	75,216
Other financial assets	7	2,097	1,986
Deferred tax assets	8	6,266	7,184
Total non-current assets	**19**	**132,823**	**125,367**
Inventories and WIP	9	104,297	82,456
Trade receivables	10	64,156	51,819
Other current assets	11	13,496	10,313
Cash and cash equivalents	12	32,889	46,871
Total current assets		**214,837**	**191,458**
Total assets		**347,660**	**316,825**

BALANCE SHEET - LIABILITIES & EQUITY

(€'000)	Note	12/31/2022	12/31/2021
Capital stock	13	4,920	4,920
Additional paid-in capital	13	43,868	43,868
Consolidated reserves and other reserves	13	55,670	50,131
Net income for the period	13	15,524	10,178
Total equity, Group share		**119,981**	**109,097**
Non-controlling interests		9,735	8,179
Total equity		**129,717**	**117,276**
Borrowings and debt	14	89,839	81,889
Provisions for pensions and similar commitments	15	3,136	4,198
Deferred tax liabilities	8	1,166	562
Other non-current liabilities	16	7,478	17,508
Total non-current liabilities		**101,619**	**104,157**
Borrowings and bank overdrafts (due in less than 1 yr)	14	28,371	19,788
Current provisions	17	1,099	1,002
Trade payables		43,320	37,727
Other current liabilities	18	43,536	36,876
Total current liabilities		**116,326**	**95,393**
Total liabilities		**217,945**	**199,550**
Total liabilities and equity		**347,660**	**316,825**

6.1.2 CONSOLIDATED INCOME STATEMENT

(€'000)	Note	12/31/2022	12/31/2021
Revenues	**19**	**338,696**	**285,883**
Purchases		(183,120)	(136,127)
Change in inventories		21,687	11,625
External expenses	20	(50,521)	(45,869)
Personnel expenses	21	(81,063)	(75,548)
Miscellaneous taxes	22	(2,006)	(1,884)
Total depreciation, amortization and impairment	23	(17,905)	(17,784)
Net provisions for impairment	24	(1,445)	(1,262)
Other recurring income and expenses	25	786	155
EBIT		**25,110**	**19,189**
Non-recurring income and expenses	26	-	(948)
Operating income		**25,110**	**18,242**
Income from cash and cash equivalents		10	27
Gross cost of debt		(2,872)	(2,831)
Net cost of debt	**27**	**(2,862)**	**(2,804)**
Other financial income and expenses	27	239	(212)
Income before tax		**22,487**	**15,225**
Income tax	28	(5,798)	(3,987)
Total net income		**16,689**	**11,238**
Group share		15,524	10,178
Non-controlling interests		1,165	1,058
Earnings per share (€)		1.3	0.86
Diluted earnings per share (€)		1.3	0.86

6.1.3 STATEMENT OF COMPREHENSIVE INCOME

(€'000)	12/31/2022	12/31/2021
Total consolidated net income	**16,689**	**11,238**
Other comprehensive income:		
Revaluation of liabilities (assets) of defined benefit plans	1,129	6,753
Fair value of equity instruments revalued through comprehensive income	118	(100)
Income tax	(428)	(1,075)
Subtotal - comprehensive income/(loss) not transferable to earnings	**819**	**5,578**
Currency translation differences	(464)	2,292
Change in fair value of hedging instruments	1,875	157
Income tax	(484)	(41)
Subtotal - comprehensive income/(loss) transferable to earnings	***927***	***2,408***
Total other comprehensive income/(loss) after tax	**1,746**	**7,987**
Total comprehensive income	**18,435**	**19,223**
Group share	17,612	17,450
Non-controlling interests	823	1,773

6.1.4 STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(€'000)	Capital stock	Additional paid-in capital	Consolidated net income and reserves	Treasury shares	Other comprehensive income	Total, Group share	Non-controlling interests	Total
Equity at 12/31/2020 (restated)	**4,920**	**43,868**	**53,043**	**(4,946)**	**(2,106)**	**94,778**	**6,413**	**101,191**
Net income for the period			10,178			10,178	1,058	11,238
Other comprehensive income					7,272	7,272	715	7,987
Total comprehensive income for the period	**-**	**-**	**10,178**	**-**	**7,272**	**17,450**	**1,773**	**19,223**
Treasury shares				2,728		2,728		2,728
Parent company dividends			(18)			(18)		(18)
Other items [1]			(5,386)	(455)		(5,841)	(7)	(5,841)
Equity at 12/31/2021	**4,920**	**43,868**	**57,817**	**(2,673)**	**5,166**	**109,097**	**8,179**	**117,276**
Net income for the period			15,524			15,524	1,165	16,689
Other comprehensive income					2,088	2,088	(342)	1,746
Total comprehensive income for the period			**15,524**		**2,088**	**17,612**	**823**	**18,435**
Treasury shares				(2,797)		(2,797)		(2,797)
Parent company dividends			(3,512)			(3,512)	(82)	(3,593)
Change in consolidation scope [2]							816	816
Other items			(430)	10		(420)	(2)	(422)
Equity at 12/31/2022	**4,920**	**43,868**	**69,400**	**(5,460)**	**7,253**	**119,981**	**9,735**	**129,717**

[1] Impact primarily relating to the put option granted to the Jagenberg Group and recognized under current liabilities at December 31, 2021 (Note 18)
[2] Mainly corresponds to the acquisition of a 60% stake in MSE, DCS and Baltijos Tentas.

6.1.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(€'000)	12/31/2022	12/31/2021
Total consolidated net income	16,689	11,238
Depreciation, amortization, impairment and provisions	19,103	18,091
Gains/losses on disposal	201	1,227
Other non-cash income and expenses	597	807
Net cost of debt (Note 27)	2,862	2,804
Tax expense (Note 28)	5,798	3,987
Free cash flow	**45,251**	**38,154**
Tax paid	(6,952)	(840)
Change in operating working capital	**(29,035)**	**80**
o/w Change in trade receivables	(10,462)	(4,769)
o/w Change in inventories	(21,679)	(11,274)
o/w Change in trade payables	4,038	11,836
o/w Change in other receivables	(865)	(2,129)
o/w Change in other payables	(67)	6,415
Net cash flow from operating activities	**9,263**	**37,393**
Acquisition of PP&E and intangible assets (Notes 5 and 6)	(13,109)	(9,000)
Acquisitions of financial assets		(66)
Payments received from disposal of PP&E and intangible assets (Notes 5 and 6)	115	72
Payments received from disposal of financial assets	1	126
Impact of changes in consolidation scope (incl. deferred payments and earn-outs)	(9,120)	(5,261)
Net cash flow from investing activities	**(22,113)**	**(14,128)**
New borrowings (Note 14)	25,188	-
Borrowings repaid (Note 14)	(14,389)	(16,269)
o/w Payment of lease liabilities	(8,362)	(8,007)
Net interest expense	(2,861)	(2,853)
Dividends paid	(3,593)	(1,057)
Factoring (Note 15)	2,300	898
Other cash flow from financing activities	(25)	(763)
Purchase of treasury shares	(7,480)	(2,569)
Net cash flow from financing activities	**(860)**	**(22,612)**
Impact of changes in foreign exchange rates	**(288)**	**293**
Change in cash and cash equivalents	**(13,981)**	**946**
Opening cash and cash equivalents (Note 12)	46,871	45,925
Net cash at start of period	**46,871**	**45,925**
Closing cash and cash equivalents (Note 12)	32,889	46,871
Net cash at end of period	**32,889**	**46,871**
Change in cash and cash equivalents	**(13,981)**	**946**

Notes to the consolidated financial statements

NOTE 1 INFORMATION ABOUT THE GROUP

1.1 IDENTIFICATION OF THE ISSUER

SergeFerrari Group is a limited liability company ("*société anonyme*") domiciled in France.

The Serge Ferrari Group designs, manufactures and distributes innovative composite materials.

The 2022 consolidated financial statements were approved by the Executive Board on March 2, 2023 and will be submitted for approval by the General Meeting on April 19, 2023.
The financial statements are presented in thousands of euros unless otherwise indicated. The amounts are rounded to the nearest thousand euros.

1.2 HIGHLIGHTS OF THE FISCAL YEAR PRESENTED

Energy and raw material costs	The Group was heavily impacted by rising energy prices and the persisting record high costs of its main raw materials. These cost increases were partly passed on to selling prices.
Acquisition of Baltijos Tentas, Lithuania (distribution)	On June 1, 2022, SergeFerrari Group purchased a 60% stake in Baltijos Tentas, a distribution company located in Vilnius, Lithuania. The company specializes in the distribution of innovative membranes in the Baltic States, including those manufactured by Verseidag and Serge Ferrari. An initial €484,000 payment was made on the June 1, 2022 execution date, followed by a €200,000 unconditional earn-out payment on January 31, 2023. The earn-out was recognized under other current liabilities on the December 31, 2022 balance sheet. The acquisition agreement provides for a put option in favor of the seller over a portion of the minority interests retained at the time of sale. The corresponding liability is valued at €347,000 and recognized under other non-current liabilities at December 31, 2022.
Acquisition of MSE and DCS, Netherlands	On July 27, 2022, SergeFerrari Group purchased a 60% stake in two Dutch companies, MSE and DCS, specializing in the design and engineering of biogas domes used in the farming and agrifood industries to store biogas produced by anaerobic digestion. In 2021 these companies posted combined revenues of €12.8 million. These acquisitions will strengthen the Group's ties with companies involved in the transformation of its composite materials while providing MSE and DCS with the means to develop their business. These companies were consolidated from August 1, 2022. As of December 31, 2022, goodwill is valued provisionally at €8 million for MSE and €(1.3 million) for DCS. The price paid is €7.2 million for MSE and €1.3 million for DCS, while the acquisition agreement provides for an earn-out indexed to the performance of the acquired entities in 2024. The liabilities associated with these earn-out payments are valued at €1,467,000 for MSE and €241,000 for DCS as of December 31, 2022, recognized under non-current liabilities. Goodwill resulting from these two acquisitions is incorporated and analyzed within the Group's single CGU as of December 31, 2022.
Company share buybacks and payment of treasury shares to Jagenberg AG	The Company repurchased 585,417 of its own shares delivered to Jagenberg AG on July 28, 2021 in part payment for the acquisition of Verseidag-Indutex GmbH. This transaction was carried out for an amount of €7 million. On July 28, 2022, the Company delivered 370,725 treasury shares to Jagenberg AG in part payment for the Verseidag-Indutex GmbH acquisition.
Liquidation of Chinese company F.I.T. HK, an indirect subsidiary of F.I.T. Industrial Co Ltd	The Group has completed the legal and tax procedures required for the liquidation of F.I.T. Hong Kong. As the company is dormant, its liquidation had no material impact on the 2022 consolidated financial statements.
Sale of shares in SIBAC Tunisia	During first half 2022, the Group sold its shares in the Tunisian company SIBAC. The company was not consolidated, as the Group exercised no significant influence over it. The share disposal has no material impact on the first half financial statements. The shares were presented under other financial assets as of December 31, 2021.
Hyperinflation in Turkey	The Group operates in Turkey via two subsidiaries: Ferramat (distribution) and Serge Ferrari Tekstil (sales office). Ferramat's operating currency is the euro (product price catalog denominated in euros) and Serge Ferrari Tekstil's assets and operating expenses are non-material at Group scale. Accordingly, the Group decided not to apply IAS 29 to Serge Ferrari Tekstil's 2022 financial statements, as the impacts are deemed non-material. As for Ferramat, as its operating currency is the euro there is no need to apply IAS 29 in the Group consolidated financial statements.

1.3 POST-BALANCE SHEET EVENTS

None

FINANCIAL STATEMENTS
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 ACCOUNTING AND FINANCIAL PRINCIPLES

The main accounting methods used in the preparation of the consolidated financial statements are explained below. They have been applied consistently to all the fiscal years presented.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared pursuant to:

- IFRS (International Financial Reporting Standards) as adopted by the European Union. These may be consulted on the European Commission website at: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002_en;
- IFRS as published by the IASB and adopted by the EU.

The consolidated financial statements were prepared in accordance with the general principles of IFRS: fair presentation, going concern, accrual basis of accounting, consistency of presentation and materiality.

2.2 CHANGES IN ACCOUNTING STANDARDS

The Group refers to the guidelines available for consultation on the EFRAG (European Financial Reporting and Advisory Group) website at:
https://www.efrag.org/News/Public-351/EFRAG-Endorsement-Status-Report---Update

New standards, amendments and interpretations of mandatory application from 2022 have not had a material impact on the Company's financial statements or their presentation.

The Group has applied the following standards, amendments and interpretations since January 1, 2022:

- Amendments to IFRS 3: Reference to the conceptual framework;
- Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use;
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract;
- IFRS annual improvements, 2018-2020 cycle.

Principal accounting standards, amendments and interpretations published by the IASB and not mandatory within the European Union as of January 1, 2022:

None

Principal accounting standards, amendments and interpretations published but not yet adopted by the European Union:

- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction; (*)
- Amendments to IAS 8: Definition of Accounting Estimates; (*)
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies; (*)
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 1:
  - Classification of Liabilities as Current or Non-current
  - Classification of Liabilities as Current or Non-current - Deferral of Effective Date;
  - Non-current Liabilities with Covenants.

(*) Adopted by the EU and applicable to fiscal years beginning on or after January 1, 2023

The foregoing standards, interpretations and amendments are not expected to have a material impact on the Group financial statements upon first-time application.

2.3 CONSOLIDATION METHODS

SergeFerrari Group is the consolidating company.

In accordance with IFRS 10, an investor controls an investee if and only if all of the following criteria have been met:

(a) it has power over the investee;
(b) it is exposed or entitled to variable returns due to its links with the investee;
(c) it has the ability to exercise power over the investee so as to influence the returns it receives.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated.
The financial statements of consolidated companies are all closed on December 31 of each year, with the exception of Serge Ferrari India Private Ltd, whose fiscal year ends on March 31. For Group consolidation purposes, interim statements are prepared on December 31 each year.

The consolidation scope is presented in Note 3.

2.4 CURRENCY TRANSLATION OF FINANCIAL STATEMENTS

2.4.1 Operating currency and reporting currency of financial statements

The items included in the financial statements of each Group entity are measured in terms of the prevailing currency in the economic environment in which the entity operates ("operating currency").

The consolidated financial statements are presented in euros, which is the operating and reporting currency of the parent company SergeFerrari Group.

2.4.2 Currency translation of financial statements of foreign subsidiaries

The operating currency of subsidiaries is their local currency, in which most of their transactions are denominated. The financial statements of all Group entities whose operating currency is different from the reporting currency are translated into euros as follows:

- assets and liabilities are translated at the closing exchange rate at the balance sheet date;
- income, expenses and cash flows are translated at the average exchange rate over the reporting period;
- all the resulting differences on translation are recognized in "Items of other comprehensive income", then reclassified under profit or loss at the disposal date of those investments.

Goodwill/badwill and adjustments in fair value resulting from the acquisition of a foreign activity are treated as assets and liabilities of the foreign activity and translated at the closing rate.

Hyperinflation in Turkey:
The Group operates in Turkey via two subsidiaries: Ferramat (distribution) and Serge Ferrari Tekstil (sales office). Ferramat's operating currency is the euro (product price catalog denominated in euros) - as such, there is no need to apply IAS 29 to the Group consolidated financial statements; Serge Ferrari Tekstil's assets and operating expenses are non-material at Group scale.
Accordingly, it was decided not to restate Serge Ferrari Tekstil's 2022 financial statements, as the impacts of hyperinflation are deemed non-material.

The exchange rates used for converting foreign currencies into euros are shown below.

2.4.3 Translation of transactions in a foreign currency

	Average rate		Closing rate	
	12/2022	12/2021	12/2022	12/2021
BGN-Bulgarian lev	1.96	1.96	1.96	1.96
BRL-Brazilian real	5.44	6.38	5.64	6.31
CHF-Swiss franc	1.01	1.08	0.98	1.03
CNY-Chinese yuan	7.08	7.63	7.36	7.19
EUR-Euro	1.00	1.00	1.00	1.00
GBP-Pound sterling	0.85	0.86	0.89	0.84
HKD-Hong Kong dollar	8.25	9.20	8.32	8.83
HRK-Croatian kuna	7.53	7.53	7.54	7.52
INR-Indian rupee	82.72	87.49	88.17	84.23
JPY-Japanese yen	138.00	129.86	140.66	130.38
NOK-Norwegian krone	10.1	9.93	10.51	9.71
PLN-Polish zloty	4.68	4.56	4.68	4.60
ROL-Romanian leu	4.90	4.92	4.95	4.95
SEK-Swedish krona	10.63	10.15	11.12	10.25
TRY-New Turkish lira	17.39	10.47	19.96	15.23
TWD-Taiwan dollar	31.32	33.09	32.71	31.34
USD-US dollar	1.05	1.18	1.07	1.13

In practice, transactions in currencies other than the operating currency are translated into the operating currency at the average exchange rate for the previous month, which is an approximation of the transaction rate.

Gains and losses on translation resulting from the settlement of these transactions and from the translation, at the closing exchange rate, of monetary assets and liabilities denominated in a foreign currency, are recognized under net financial items.

2.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements involves making estimates and assumptions about the valuation of certain assets and liabilities shown on the balance sheet and of certain income statement items. The Executive Board is also required to exercise its judgment with regard to the application of the Group's accounting methods, any environmental and dismantling requirements, the impairment of receivables and the accounting treatment of transactions under the factoring agreement.

These estimates and judgments, continually updated, are based partly on historical information and partly on expectations of the future that are considered to be reasonable in light of circumstances. Given the relative uncertainty over assumptions about the future, the accounting estimates may differ from actual results.

Critical accounting estimates and judgments

Assumptions and estimates that may lead to material adjustments in the net carrying value of assets and liabilities mainly relate to the following items:

- Development expenses: development expenses that meet the criteria for capitalization are entered under intangible assets and amortized over their expected useful life. The Group assesses these criteria mainly in light of the business and profitability forecasts applicable to the projects in question;
- The depreciation/amortization periods of non-current assets;
- Deferred tax assets: these result from tax loss carryforwards and the deductible temporary differences between the carrying value and tax value of recognized assets and liabilities. The recoverable value of these assets is measured on the basis of provisional data;
- Measurement of the net realizable value of work-in-progress and finished products (see Notes 2.16 and 9);
- Measurement of post-employment obligations and other long-term benefits. Post-employment obligations and other long-term benefits are estimated on statistical and actuarial bases;
- The structuring assumptions of the business plans used in the impairment tests carried out on Group CGUs at each balance sheet date, or whenever an impairment loss is identified pursuant to IAS 36;
- Fair value measurement of assets and liabilities acquired as part of business combinations and the related valuation of residual goodwill.

When acquisition agreements provide for earn-outs indexed to the future performance of the acquired companies or the purchase of minority interests, the Group recognizes these commitments on the balance sheet under current or non-current liabilities. Liabilities are valued subject to estimates, including future cash flows, discount rates, and the settlement horizon. Changes in the fair value of earn-out liabilities are recognized in the income statement.

Subsequent changes in the fair value of liabilities related to options on minority interests are recognized under equity.

2.6 BUSINESS COMBINATIONS

The Group applies IFRS 3 Revised to the purchase of assets and assumption of liabilities constituting a business combination. The acquisition of assets or groups of assets not constituting a business is recognized in accordance with the standards applicable to those assets (IAS 38, IAS 16, IFRS 9). The Group recognizes each business combination through the acquisition method which consists of the measurement and recognition on the acquisition date of the difference known as goodwill (badwill if negative), between:

1. either, i) the sum of:
   - the consideration transferred, valued in accordance with this standard, which generally requires the use of fair value at the acquisition date,
   - the controlling interest in the acquired company measured in accordance with this standard, and
   - in a business combination carried out in stages (step acquisition), the acquisition date fair value of the purchaser's previously held interest in the acquired company,

   and ii) the net identifiable assets acquired and liabilities assumed (full goodwill method).
2. or, i) the purchase price and ii) the purchaser's share of the fair value of net identifiable assets acquired (partial goodwill method).

The initial consolidation date is the date on which the Group obtains effective control of the acquired business. The acquisition price of the acquired business is the fair value, as of the acquisition date, of the components of the remuneration given to the seller in exchange for control of the acquiree, excluding any component that remunerates a transaction separate from taking control.
Where the initial recognition value can only be measured provisionally before the end of the period during which the combination is completed, the acquirer recognizes the combination on the basis of provisional valuations. The acquirer must then recognize any adjustments to those provisional values from the initial recognition value, within 12 months following the acquisition date.

2.7 GOODWILL

For each business combination, the Group has the choice of recognizing partial goodwill (corresponding to its percentage holding) or full goodwill (including goodwill on non-controlling interests) as an asset.
When the calculation of goodwill shows that the value of the assets acquired is higher than the price paid for them, the Group recognizes the entire difference (badwill gain) in the income statement.

Goodwill is assigned to the cash generating unit to which the assets concerned belong for the purposes of impairment testing. These tests are performed every year as of December 31, the balance sheet date, and whenever a loss in value is identified. As of December 31, 2022, there was only one cash generating unit, named "innovative composite materials and accessories". The main assumptions used to determine the assets' value in use using the future cash flow method are presented below:

- Forecast: 5 yrs
- Perpetual growth rate of 1.8% to project cash flows beyond the forecast period;
- Discount rate of 9.5% applied to cash flow projections.

The sensitivity tests (+/- 0.5%) performed on the discount rate and perpetual growth rate do not alter the findings of the impairment test.

The Group examined the impact of climate risks on its future cash flow projections. The Group considers that it is not particularly exposed to climate risk. The analyses carried out did not lead to a revision of the assumptions used for the cash flow projections related to the business plan, discount rates (other than indirect impacts due to the methodology inherent to the valuation of WACC) or perpetual growth rate.

2.8 INTANGIBLE ASSETS

2.8.1 Separately acquired intangible assets

These correspond to software, licenses, and patents valued on an amortized-cost basis (historical cost at initial recognition date, plus subsequent amortizable expenses, less accumulated amortization and identified impairment losses). These assets are amortized on a straight line basis over a period ranging from one to eight years, depending on their estimated useful life.

2.8.2 Research and development expenses

The Serge Ferrari Group is engaged in a high-value-added business activity whose products are used in innovative applications. R&D operations are critical factors in implementing the Group's strategy in developing functional uses and chemical formulations of innovative composite materials. The criticality of customers' applications of Group products (mechanical and aerodynamic constraints in tensile architecture, hostile or highly corrosive environments) calls for the implementation of high-level technology.
R&D corresponds to the work of designing products, making industrial prototypes for potential scale-up, and development testing to ensure product compliance with market specifications and applicable regulations (fire ratings, REACH requirements, etc.).
To date, many patents have been filed in the names of Serge Ferrari Group companies covering the Group's products and the industrial processes used to manufacture them.

In accordance with IAS 38 "Intangible Assets":

- research expenses are expensed as incurred;
- development expenses are capitalized if the following six conditions can be demonstrated:
  - the technical feasibility of completing the intangible asset so that it will be available for use or sale;
  - the intention to complete the intangible asset and to use or sell it;
  - the capacity to use or sell the intangible asset;
  - expected future economic benefits;
  - the availability of suitable technical, financial and other resources for completing development and using or selling the intangible asset;
  - the ability to reliably estimate the costs attributable to the intangible asset during its development.

These development costs include the gross salaries and social security contributions of the employees who work on these programs and are calculated on a prorated time basis. The expenses related to service providers involved in these projects are also taken into account.

The useful life of these development expenses is estimated at four years, while the equipment is depreciated on a straight line basis over the same period after commissioning.
Residual values and useful lives are reviewed at every period-end and adjusted if necessary.

2.9 PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment mainly includes land, structures and technical facilities, as well as re-engineering expenses incurred to upgrade and prolong the lifetime of industrial equipment.
Property, plant and equipment is recognized at acquisition cost (purchase price and ancillary expenses or production costs for certain industrial equipment comprising capitalized production) excluding financial expenses, minus accrued depreciation and impairment, if any. It is not revalued. In application of the component method, each component of a single asset is recognized separately for the purpose of establishing the relevant depreciation schedule.

Depreciation is calculated using the straight line method based on the expected useful life of the various categories of assets:

Non-current assets	Depreciation method	Term
Buildings	straight line	10/27 yrs
Building fixtures	straight line	5/12 yrs
Industrial equipment and machinery	straight line	3/8 yrs
Transport equipment	straight line	2/5 yrs
Office equipment/furniture	straight line	3/7 yrs

Depreciation is calculated on the basis of acquisition price, minus any residual value. Residual values and expected useful lifetimes are reviewed at every period-end.

2.10 LEASE AGREEMENTS

The Group has applied IFRS 16 "Leases" with effect from January 1, 2019.
Where the commencement of a lease agreement gives rise to fixed or substantially fixed payments, the standard requires recognition of (i) a liability corresponding to discounted future lease payments and (ii) a right-of-use asset which is depreciated over the eligible lease term under IFRS 16.

Each lease payment is broken down between the interest expense and amortization of the outstanding debt remaining so as to obtain a constant periodic interest rate on the remaining balance due. The corresponding contractual rents, net of interest expense, are included under "Borrowings and debt" in the statement of financial position. The corresponding interest expense is recognized in the income statement under "Cost of debt" over the lease term.

The Group recognizes deferred taxes in the accounting treatment for leases eligible for IFRS 16 when the accounting and tax bases are no longer equal.

As of December 31, 2022, the Group has not anticipated the renewal of leases approaching maturity within the medium term.

2.11 IMPAIRMENT OF ASSETS

2.11.1 Impairment of intangible assets

IAS 36 "Impairment of Assets" requires the entity to identify any evidence of impairment whenever financial statements are prepared. If evidence of impairment is found, the entity must estimate the recoverable value of the asset. An entity must also, even in the absence of evidence of impairment:

- annually test intangible assets with an indefinite useful life;
- test business combinations for goodwill impairment;
- annually test intangible assets in progress at the balance sheet date.

Impairment tests are carried out at the level of the cash generating unit (CGU) to which the assets are assigned. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of cash inflows generated by other assets or groups of assets.

The Group adopts segmentation per CGU that is consistent with the operational organization of business units, management control, and sector information and reporting.

Impairment tests consist of comparing the carrying value and the recoverable value of the CGUs. The recoverable value of a CGU is the higher of its fair value (generally the market price) net of disposal cost and its value in use.

The value in use of a CGU is measured using the discounted future cash flow method:

- estimated flows during an explicit 5-year forecasting period, the first year of this period being derived from the budget;
- flows subsequent to this 5-year period measured by applying a perpetual growth rate reflecting the expected real growth rate of the economy in the long term.

Cash flows are discounted using a discount rate equal to the weighted average:

- cost of capital valued according to:
  - the 10-year risk-free interest rate;
  - plus the market risk premium to which a sensitivity coefficient (β) specific to the entity is applied (average of betas observed across a sample of comparable companies);
- Group cost of debt.

If the carrying value of the CGU exceeds its recoverable value, the CGU's assets are written down to match their recoverable value. An impairment charge is allocated as a priority to goodwill and recorded in the income statement under "Non-recurring operating income and expenses". The recognition of goodwill impairment is final.

2.11.2 Impairment of investments in equity affiliates

Each investment in an equity affiliate is a unique asset and is tested for impairment in accordance with IAS 36 "Impairment of Assets".

The goodwill relating to an equity affiliate is included in the value of the investment in the equity affiliate and must not be tested separately for impairment, as the value of these investments is measured including goodwill.

At each period-end, if there is evidence of impairment of the value of any investments in equity affiliates, the parent company performs an impairment test which consists of comparing the carrying value of the investments with their recoverable value.

According to IAS 36, the recoverable value of an investment in an equity affiliate is the higher of the value in use, measured in terms of future cash flow, and the fair value of the equity interest minus its disposal cost.

If an improvement in the recoverable value of investments in equity affiliates justifies a reversal of the value impairment, the entire impairment loss must be reversed, including the portion relating to goodwill.

2.11.3 Impairment of financial assets

IFRS 9 replaces the incurred loss model of IAS 39 with the expected loss model. Impairment of financial assets through profit or loss applies to financial assets measured at amortized cost and to debt instruments measured at fair value through OCI transferable to earnings. However, this principle does not apply to equity instruments (regardless of how they are measured) or debt instruments measured at fair value through profit or loss.

IFRS 9 applies to all financial instruments and defines the rules for classifying and measuring financial assets and liabilities, the impairment of credit risk on financial assets (including the impairment of trade receivables), and hedge accounting.

2.12 FINANCIAL ASSETS

The Group classifies its financial assets under the following categories:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value, recognized under other comprehensive income;
- Financial assets measured at fair value through profit or loss.

Financial assets are not reclassified following their initial recognition unless the Group changes its model for managing financial assets.

Financial assets are measured at amortized cost if both of the following conditions are met and if they are not measured at fair value through profit or loss:

- It is held as part of a business model under which the assets are held with a view to receiving contractual cash flows;

and:

- The contractual terms generate, on specified dates, cash flows that correspond solely to principal repayments and interest payments on the outstanding principal.

These assets are initially recognized (a) at their nominal value, in the case of short-term trade receivables, and (b) at their fair value net of direct costs. They are subsequently recognized at amortized cost, net of impairment charges recognized on the basis of the probability of recovery, using the expected credit loss model.

The Group has identified in this category:

- (i) long-term loans and receivables classified as non-current financial assets;

and:

- short-term trade receivables. As required, impairment is recognized on a case-by-case basis to take into account any payment collection problems. Where the customer is involved in a court-supervised procedure (receivership, liquidation, etc.), except in duly justified circumstances, a provision is recorded for an amount ranging from 75% to 100% of the value of the receivable. Otherwise, the provision is estimated with regard to the likelihood of collection, with the amount ranging from 25% to 100% of the amount owed.

Trade receivables not due that are sold as part of a valid factoring agreement are kept under "Trade receivables and related accounts". A financial liability is recorded to offset the cash received.

A financial asset is measured at fair value through other comprehensive income with subsequent transfer to profit or loss when:

- it is held as part of a business model whose objective is achieved through (i) the collection of contractual cash flows and (ii) the sale of financial assets; and
- the contractual terms provide for cash flows on specified dates which comprise solely repayments of the principal and payments of interest on the outstanding principal.

For these assets, changes in fair value are recognized under items transferable to profit or loss. The Group does not hold any assets in this category.

In the case of equity instruments not held for trading by the Group, changes in fair value are recognized under non-transferable items of comprehensive income. This is specifically the case for non-consolidated holdings analyzed on a line-by-line basis.

As these Group-held equity instruments are not quoted on an active market (unlisted companies), they are valued at their fair value. This is measured by taking various criteria into account (Group share of net assets, growth and profitability outlook of the investee, etc.).

All financial assets not classified at amortized cost or fair value through other comprehensive income as set out above are measured at fair value through profit or loss. This is the case for all derivative financial assets, with the exception of some derivatives recorded as hedges (see Note 2.14). Upon initial recognition, the Group may irrevocably record at fair value through profit or loss a financial asset that would otherwise qualify for measurement at amortized cost or fair value through other comprehensive income, if this would eliminate or significantly reduce an accounting discrepancy that may otherwise arise.

2.13 DEFERRED TAX

Deferred taxes are recognized using the liability method for all temporary differences between the tax base of the assets and liabilities and their carrying value in the consolidated financial statements.

Deferred taxes are measured per entity or tax group, using the tax rate adopted or substantially adopted at year-end, in accordance with IAS 12, and expected to be applied when the relevant tax asset is realized or tax liability settled.

Deferred tax assets corresponding to temporary differences and tax loss carryforwards are not recognized unless the probability exists that these tax savings will be realized in the future. They are calculated by applying the tax rate of the country to which the deferred tax assets are attached to the relevant tax base.

To assess the Group's ability to recover these assets, the following elements in particular have been taken into account:
- projected future taxable income;
- the proportion of non-recurring expenses in past losses which are not expected to recur in the future;
- the existence of sufficient taxable differences or tax opportunities;
- historical taxable income in previous years.

2.14 DERIVATIVES

Derivative financial instruments are initially recognized at fair value on the date on which the agreement was entered into. They are subsequently remeasured at fair value. The method for recognizing the resulting profit or loss depends on the designation of the derivative as a hedge instrument and the type of item hedged.

The Group designates hedges as follows:
- a hedge of the fair value of recognized assets or liabilities or of a firm commitment (fair value hedge);

or:
- a hedge of a specific risk associated with a recognized asset or liability or a highly probable future transaction (cash flow hedge);

or:
- a hedge of a net investment in a foreign operation (net investment hedge).

The fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the hedged item is longer than 12 months, and as a current asset or liability when the residual maturity of the hedged item is less than 12 months. Depending on whether the hedge is a cash flow hedge or fair value hedge, changes in fair value are recognized in:
- Items of other comprehensive income. In the case of a cash flow hedge, the amount accumulated under other comprehensive income is posted to income as of the date on which the hedged transactions are executed;
- Profit or loss, in the case of fair value hedges.

Derivatives held for trading are classified as current assets or liabilities when they close out within less than a year after the period-end concerned. Otherwise, they are recognized as non-current assets or liabilities. The Group classifies as speculative derivatives that cannot be qualified as designated and effective hedging instruments as defined by IFRS 9. Changes in fair value are recorded in the income statement under "Other financial income and expenses". The Group held no speculative instruments as of December 31, 2022 and 2021.

2.15 CASH AND CASH EQUIVALENTS

This heading includes liquid assets, bank sight deposits, other highly liquid investments with initial maturities of no more than three months, and bank overdrafts. Bank overdrafts are shown under balance sheet liabilities, under "Borrowings and debt - short-term portion".

The Group uses the analytical approach updated by the French Financial Management Association (AFG), the French Association of Corporate Treasurers (AFTE) and the French Association of Institutional Investors (AF2I) on the classification of UCITS (mutual funds) as cash equivalents:
- UCITS classified by the AMF as "money market" and "short-term money market" automatically satisfy the four eligibility criteria;
- The eligibility of other cash UCITS for classification as "cash equivalents" is not presumed: an assessment of compliance based on the four accepted criteria (short-term investment, highly liquid investment, investment easily convertible into a known amount of cash, and a negligible risk of change in value) is performed.

Cash equivalents are recognized at their fair value in the income statement under "Income from cash and cash equivalents"; changes in fair value of cash equivalents are recognized in the income statement under "Other financial income and expenses".

2.16 INVENTORIES

Inventories of raw materials and traded goods are valued at the weighted average price.

The gross value of inventories of traded goods and supplies includes the purchase price and ancillary expenses (customs duties and other taxes, as well as handling, shipping and costs directly attributable to the purchase).
Inventories of manufactured products and work-in-progress are valued at their production cost. Production cost includes consumables and direct and indirect production expenses. The cost of under-activity is excluded from inventory value. Intermediate products are components whose cycle of production is completed and which are due to be incorporated into innovative composite materials, which have been classified solely as finished products in these financial statements.

Net realizable value (NRV) corresponds to the expected selling price after deducting the estimated completion and marketing costs.

Inventories are written down to their net realizable value when evidence exists that NRV is below cost; the impairment is reversed as soon as the circumstances that led to the write-down cease to exist.
An impairment charge can also be recognized if the inventories have been damaged, if they have become completely or partly obsolete, or their selling price has fallen.

Estimates of net realizable value take into account fluctuations in price or costs directly linked to events arising after the end of the reporting period if those events confirm conditions existing at the end of the period.

2.17 EMPLOYEE BENEFITS

2.17.1 Post-employment defined benefit schemes

These schemes relate to the payment of contractual retirement benefits (France) and retirement pensions (Switzerland and Germany) under a plan that concerns a limited number of employees and former employees of Verseidag-Indutex.

The Group recognizes under "Personnel expenses" the value of short-term benefits as well as the contributions payable for general and mandatory pension plans. A provision is recorded under liabilities for the Italian companies corresponding to these companies' commitments to Italian employees benefiting from the TFR (*Trattamento di fine rapporto*) severance pay scheme.

Defined benefit schemes are borne directly by the Group, which provisions the cost of the deliverable benefits as follows.

The Group uses the projected unit credit method to measure the value of its defined benefit obligations: this method stipulates that each period of service gives rise to one additional unit of benefit rights and separately measures each unit to obtain the final obligation.

These calculations incorporate various actuarial assumptions such as the employee's probable future length of service, the level of future compensation, life expectancy, and estimated staff turnover.

The Group makes use of actuaries to assess its commitments in France, Switzerland and Germany.
The commitment calculated in this way is then discounted at the interest rate for blue chip corporate bonds, denominated in the currency of payment and whose duration approximates the estimated average duration of the pension obligation concerned.

Changes in these estimates and assumptions may lead to a significant change in the amount of the obligation. The main estimates and assumptions are presented in Note 15 to the consolidated financial statements.

The amount of the provision set up for pension and similar obligations corresponds to the discounted value of the defined benefit obligation. Actuarial gains (losses) resulting from the change in value of the discounted defined benefit obligation include (i) the effects of the differences between the earlier actuarial assumptions and actuals and (ii) the effects of the changes in actuarial assumptions.

Actuarial gains (losses) are recognized in full under "Items of other comprehensive income" without subsequent reclassification in the income statement, for all of the Group's defined benefit schemes, in accordance with IAS 19 Revised.

No new benefit or change of scheme resulting from statutory or contractual provisions was introduced during the year ended.

2.17.2 Other long-term benefits

These benefits concern the payment of various long-service awards ("jubilee gifts") in Switzerland.

Other long-term benefits are borne by the Group and are calculated by an independent actuary.

2.18 BORROWINGS AND DEBT

Borrowings and debt include:

- bank loans, initially recognized at fair value net of transaction costs. Borrowings are subsequently measured at their amortized cost; any difference between the income (net of transaction costs) and the repayment value is recognized in the income statement under "Other financial income and expenses" over the lifetime of the loan using the effective interest rate method;
- bank overdrafts;
- factoring.

The portion of borrowings and debt that must be repaid within 12 months following period-end is classified under current liabilities.

Financial liabilities are classified as measured at either amortized cost or fair value through profit or loss. A financial liability is classified as a financial liability at fair value through profit or loss if it is held for trading, whether it is a derivative or is designated as such upon first-time recognition. Financial liabilities at fair value through profit or loss are measured at fair value and any resulting gains or losses, net of interest expenses, are recognized on the income statement.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the income statement.

2.19 PROVISIONS

A provision is set up when an obligation to a third party arises before period-end and the loss or liability is probable and can be measured reliably.

When the Group expects the provision to be totally or partly reimbursed, for example under an insurance policy, the reimbursement is recognized as a separate asset but only if the reimbursement is substantially certain. The provision charge is shown in the income statement net of any reimbursement.

If the effect of the time value of money is significant, the provision is discounted at a pre-tax rate that reflects the risks specific to the liability.

When the provision is discounted, the provision increase linked to the flow of time is recognized as a financial expense.

When the provision reversal reflects the extinction of the projected risk with or without associated expenditure, the reversal is recognized on the credit side of the provision expense account.

If the loss or liability is not probable or cannot be measured reliably, a contingent liability is mentioned under off-balance sheet commitments.

Provision for warranties

In addition to the product liability insurance subscribed by the Group, a provision for warranties is recognized to cover technical and/or commercial expenses resulting from the partial or total replacement of deliveries of innovative composite materials to customers or the cost of additional or corrective work invoiced to the Group by customers. The expenditures actually recognized in previous years are analyzed by market and extrapolated to sales in the period ended. Depending on how long it takes for the Group to identify the origin of these costs, a provision is recognized and updated at each annual period-end.

2.20 REVENUE RECOGNITION

Revenue is recognized once control of the goods has been transferred to the customer. This transfer of control constitutes the transfer of risk of the goods sold; in most cases, this corresponds to the date of shipment. Revenue includes proceeds from the sale of goods and services after deduction of price reductions and taxes and after elimination of intercompany sales.

The Group recognizes revenue generated by its subsidiary F.I.T.'s PTFE membrane installation business in Taiwan using the percentage of completion method. Since August 2022 and the acquisition of MSE and DCS, the Group has also recognized the revenues generated by these companies according to the same method. The portion of consolidated revenues recognized on a percentage-of-completion basis is non-material.

2.21 EBIT

Profit from continuing operations, or EBIT, includes all recurring income and expenses directly relating to the Group's activities, with the exception of income and expenses presented under "Non-recurring income and expenses".

2.22 NON-RECURRING INCOME AND EXPENSES

This item is populated when a major event occurs during the accounting period that may give a false impression of the Company's performance.

This includes a very limited number of income and expense entries, of unusual frequency, nature or value.

2.23 OPERATING INCOME

Operating income includes all income and expenses directly related to the Group's activities.

2.24 SEGMENT REPORTING

The Group is a "single segment" enterprise within the meaning of IFRS 8, in the "innovative composite materials and accessories" segment (in accordance with IFRS 8, segment reporting is based on internal management data used by the Group's Executive Management, the Chairman of the Executive Board and members of senior management), this single-segment presentation being linked to the strongly integrated nature of the Group's business activities.

Geographic regions and fields of application do not constitute segments as defined by IFRS 8.

2.25 EARNINGS PER SHARE

The earnings per share presented with the income statement is calculated from "Net income, Group share" as follows:

- basic earnings per share is calculated using the weighted average number of shares outstanding during the period, after cancellation, where applicable, of treasury shares relating to the liquidity contract and share buyback plan, based on (i) the injection dates of funds from capital increases in the form of cash, and (ii) the date of first consolidation for share issues carried out in connection with external contributions of securities of newly consolidated companies;
- diluted earnings per share is calculated by adjusting "Net income, Group share" and the weighted average number of outstanding shares by the dilutive effect of stock option plans outstanding at period-end and bonus share allocation plans. The share buyback method is applied at the market price based on the average share price throughout the year.

NOTE 3 CONSOLIDATION SCOPE

Company	Activity	Headquarters	Percentage interest 2022	Percentage interest 2021	2022 consolidation method
Serge Ferrari Group	Holding	La Tour-du-Pin (France)	100%	100%	Parent company
Serge Ferrari SAS	Production and distribution	La Tour-du-Pin (France)	100%	100%	Full consolidation
Serge Ferrari North America	Distribution	Deerfield Beach (USA)	100%	100%	Full consolidation
Serge Ferrari Asia Pacific	Distribution	Hong Kong (HK)	100%	100%	Full consolidation
Serge Ferrari Japan	Distribution	Kamakura (Japan)	83%	83%	Full consolidation
Serge Ferrari Brasil	Distribution	São Paulo (Brazil)	100%	100%	Full consolidation
CI2M SAS	Equipment manufacture	La Tour-du-Pin (France)	100%	100%	Full consolidation
Serge Ferrari AG	Production and distribution	Eglisau (Switzerland)	100%	100%	Full consolidation
Serge Ferrari Tersuisse (formerly Ferfil Multifils)	Production	Emmenbrücke (Switzerland)	100%	100%	Full consolidation
Texyloop SAS	Recycling	La Tour-du-Pin (France)	100%	100%	Full consolidation
Serge Ferrari India Limited	Distribution	Delhi (India)	100%	100%	Full consolidation
Serge Ferrari Shanghai	Distribution	Shanghai (China)	100%	100%	Full consolidation
Serge Ferrari GmbH	Distribution	Berlin (Germany)	100%	100%	Full consolidation
Serge Ferrari AB	Distribution	Veddige (Sweden)	100%	100%	Full consolidation
Serge Ferrari Tekstil	Distribution	Istanbul (Turkey)	100%	100%	Full consolidation
Ferramat Tekstil	Distribution	Istanbul (Turkey)	100%	100%	Full consolidation
Serge Ferrari Spa	Production and distribution	Carmignano di Brenta (Italy)	100%	100%	Full consolidation
Istratextum	Production and distribution	Novigrad (Croatia)	100%	100%	Full consolidation
Giofex Group Srl	Holding	Milan (Italy)	51%	51%	Full consolidation
Giofex France	Distribution	La Tour-du-Pin (France)	51%	51%	Full consolidation
Giofex UK	Distribution	Dartford (United Kingdom)	51%	51%	Full consolidation
Giofex GmbH	Distribution	Chemnitz (Germany)	51%	51%	Full consolidation
Giofex Slovakia	Distribution	Bratislava (Slovakia)	51%	51%	Full consolidation
Giofex sp. z o.o.	Distribution	Warsaw (Poland)	51%	51%	Full consolidation
Giofex Bulgaria	Distribution	Plovdiv (Bulgaria)	51%	51%	Full consolidation
F.I.T.	Production and distribution	Chiayi (Taiwan)	55%	55%	Full consolidation
Taiwan Eden	Production and distribution	Chiayi (Taiwan)	55%	55%	Full consolidation
F.I.T. HK	Holding	Hong Kong (HK)	-	28%	Liquidated in 2022
Verseidag-Indutex GmbH	Production and distribution	Krefeld (Germany)	100%	100%	Full consolidation
Cubutex GmbH	None	Krefeld (Germany)	100%	100%	Full consolidation
Verseidag-US Inc.	Distribution	New Jersey (USA)	100%	100%	Full consolidation
Deutsche Biogas Dach-Systeme GmbH	Manufacture	Kreuzau (Germany)	60%	60%	Full consolidation
S3A	Engineering	Svelvik (Norway)	80%	-	Full consolidation
Dutch Cover Solutions B.V.	Manufacture	Hengelo (Netherlands)	60%	-	Full consolidation
Membrane Systems Europe B.V.	Manufacture	Hengelo (Netherlands)	60%	-	Full consolidation
Baltijos Tentas	Distribution	Vilnius (Lithuania)	60%	-	Full consolidation

SIBAC (18% owned, shares sold in 2022) and MTB Group (5% owned) are excluded from the consolidation scope due to the lack of significant influence over these entities.

The Group holds a 35% stake in VR Développement and does not take part in strategic decision-making regarding the company's operations. The company is therefore not included in the 2022 consolidated financial statements.

NOTE 4 GOODWILL

(€'000)	12/31/2022	12/31/2021
Innovative composite materials and accessories	30,232	20,722

The valuation tests conducted on the cash generating unit (CGU) as of December 31, 2022 and 2021, based on discounted future cash flows (DCF), did not show evidence of a need to write down this asset.

Changes in goodwill allocated to the Group's innovative composite materials and accessories CGU as of December 31, 2022 are due to:

- the acquisition of MSE and DCS:

The Group acquired a 60% stake in these companies on July 27, 2022. The fair value of the consideration transferred to the seller (including earn-outs payable) is valued at €10.2 million. The net assets of companies acquired on the date of acquisition of control amounted to €1.5 million, while non-controlling interests were valued at €580,000 using the partial goodwill method. The provisional goodwill arising from the transaction is therefore valued at €9.4 million. The valuation of goodwill was deemed provisional as of December 31, 2022;

- the acquisition of Baltijos Tentas on June 1, 2022;
- fluctuations in the currencies in which goodwill items were recognized under purchase price allocations.

These goodwill items were allocated to the Group's sole CGU, i.e. innovative composite materials and accessories.

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NOTE 5 INTANGIBLE ASSETS

Intangible assets can be analyzed as follows:

(€'000)	12/31/2020 restated	Acquisitions	Disposals	Increases	Changes in exchange rates	Reclassification and retirement	12/31/2021
Development costs	15,674	755	-	-	135	(908)	15,655
Concessions, patents & similar rights	621	25	-	-	-	2	648
Intangible assets in progress	136	194	-	-	-	(104)	226
Trademark, customers	13,663	-	-	-	22	-	13,685
Right-of-use assets - Software	1,238	138	-	-	-	-	1,376
Other intangible assets	13,700	278	(21)	-	109	257	14,323
Total intangible assets	**45,032**	**1,390**	**(21)**	**-**	**266**	**(753)**	**45,914**
Dev. costs amortization/ impairment	(8,902)	-	-	(1,582)	(93)	193	(10,384)
Concessions, patents & similar rights amortization/impairment	(345)	-	-	(98)	-	-	(443)
Customers amortization/ impairment	(804)	-	-	(267)	(8)	-	(1,079)
Amort. of right-of-use assets - Software	(649)	-	-	(392)	-	-	(1,041)
Other intangible assets amortization/impairment	(11,902)	-	21	(701)	(129)	-	(12,711)
Total intangible assets amortization/impairment	**(22,602)**	**-**	**21**	**(3,039)**	**(230)**	**193**	**(25,658)**
Total net book value	**22,432**	**1,390**	**0**	**(3,039)**	**36**	**(560)**	**20,259**

(€'000)	12/31/2021	Acquisitions	Disposals	Increases	Changes in exchange rates	Reclassification and retirement	12/31/2022
Development costs	15,655	803	-	-	155	(37)	16,576
Concessions, patents & similar rights	648	-	-	-	-	-	648
Intangible assets in progress	226	220	-	-	-	(44)	402
Trademark, customers	13,685	-	-	-	(16)	-	13,669
Right-of-use assets - Software	1,376	434	(18)	-	-	-	1,792
Other intangible assets	14,323	542	(6)	-	137	65	15,061
Total intangible assets	**45,914**	**1,999**	**(24)**	**-**	**275**	**(16)**	**48,149**
Dev. costs amortization/ impairment	(10,384)	-	-	(1,306)	(109)	-	(11,799)
Concessions, patents & similar rights amortization/impairment	(443)	-	-	(85)	-	-	(529)
Customers amortization/ impairment	(1,079)	-	-	(269)	9	-	(1,339)
Amort. of right-of-use assets - Software	(1,041)	-	-	(386)	-	(13)	(1,440)
Other intangible assets amortization/impairment	(12,711)	-	6	(828)	(142)	(5)	(13,680)
Total intangible assets amortization/impairment	**(25,658)**	**-**	**6**	**(2,874)**	**(242)**	**(18)**	**(28,786)**
Total net book value	**20,259**	**1,999**	**(18)**	**(2,874)**	**33**	**(34)**	**19,362**

Development expenses capitalized for the year totaled €803,000.

Development projects are amortized as from commissioning. For projects in progress and not yet commissioned, impairment is recognized when the likelihood of success is uncertain.

Other intangible assets and intangible assets in progress mainly consist of IT solutions and systems used by the Group.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

(€'000)	12/31/2020 restated	Acquisitions	Disposals	Increases	Changes in exchange rates	Reclassification and retirement	12/31/2021
Land	5,562	-	-	-	491	-	6,053
Buildings	45,726	389	(195)	-	1,647	2,049	49,617
Plant and equipment	138,937	1,566	(657)	-	3,309	5,114	148,269
Other PP&E	11,190	2,310	(220)	-	385	(642)	13,023
Right-of-use assets - Buildings	38,373	303	(549)	-	205		38,332
Right-of-use assets - Production facilities	2,987	1,784	(242)	-	15	-	4,545
Right-of-use assets - Other items	2,882	1,016	(1,054)	-	(66)	-	2,779
PP&E in progress	6,895	3,632	-	-	22	(6,511)	4,038
Total property, plant and equipment	**252,552**	**11,000**	**(2,916)**	**-**	**6,008**	**11**	**266,655**
Building depreciation/impairment	(33,311)	-	164	(1,862)	(827)	16	(35,818)
Plant and equipment depreciation/impairment	(120,799)	-	555	(4,586)	(3,004)	65	(127,768)
Depr./imp. of right-of-use assets - Buildings	(8,880)	-	789	(5,552)	(71)	-	(13,714)
Depr./imp. of right-of-use assets - Production facilities	(1,196)	-	105	(828)	(11)	-	(1,930)
Depr./imp. of right-of-use assets - Other	(1,617)	-	955	(957)	25	-	(1,593)
Other PP&E depreciation/impairment	(10,038)	-	207	(388)	(288)	(111)	(10,618)
Total PP&E depreciation/impairment	**(175,840)**	**-**	**2,776**	**(14,173)**	**(4,174)**	**(29)**	**(191,441)**
Total net book value	**76,713**	**11,000**	**(140)**	**(14,173)**	**1,834**	**(20)**	**75,216**

(€'000)	12/31/2021	Acquisitions	Disposals	Increases	Changes in exchange rates	Changes in conso. scope	Reclassification and retirement	12/31/2022
Land	6,053	-	-	-	(74)	-	-	5,979
Buildings	49,617	999	(18)	-	715	10	251	51,573
Plant and equipment	148,269	5,376	(379)	-	3,361	8	2,280	158,915
Other PP&E	13,023	787	(103)	-	298	216	95	14,316
Right-of-use assets - Buildings	38,332	1,933	(185)	-	35	302		40,417
Right-of-use assets - Production facilities	4,545	256	(76)	-	13	-	-	4,738
Right-of-use assets - Other items	2,779	866	(604)	-	(34)	60	-	3,068
Property, plant and equipment in progress	4,038	4,439	-	-	40	-	(2,645)	5,872
Total property, plant and equipment	**266,655**	**14,657**	**(1,366)**	**-**	**4,354**	**596**	**(18)**	**284,877**
Building depreciation/impairment	(35,818)	-	18	(1,903)	(871)	(8)	-	(38,583)
Plant and equipment depreciation/impairment	(127,768)	-	224	(4,740)	(3,280)	(3)	-	(135,566)
Depr./imp. of right-of-use assets - Buildings	(13,714)	-	-	(5,932)	19	(104)	-	(19,730)
Depr./imp. of right-of-use assets - Production facilities	(1,930)	-	76	(848)	(11)	-	-	(2,712)
Depr./imp. of right-of-use assets - Other	(1,593)	-	527	(830)	12	(24)	-	(1,908)
Other PP&E depreciation/impairment	(10,618)	-	143	(778)	(178)	(114)	33	(11,512)
Total PP&E depreciation/impairment	**(191,441)**	**-**	**988**	**(15,031)**	**(4,309)**	**(253)**	**33**	**(210,012)**
Total net book value	**75,215**	**14,657**	**(378)**	**(15,031)**	**46**	**343**	**14**	**74,866**

NOTE 7 OTHER FINANCIAL ASSETS

(€'000)	12/31/2022	12/31/2021
Non-consolidated investments	966	911
Other loans and receivables	1,130	1,075
Total other financial assets	**2,097**	**1,986**

NOTE 8 DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes are shown on the balance sheet separately from current tax assets and liabilities and are classified as non-current items.

(€'000)	12/31/2022	12/31/2021
Deferred tax assets related to employee benefits	108	524
Tax loss carryforwards	4,848	5,188
Elimination of intercompany gains and losses	1,274	757
Research tax credit	19	76
Fair values of interest rate and currency hedges	(652)	(27)
Asset revaluation - first-time consolidation of acquired company	(680)	(656)
Temporary differences	182	760
Total net deferred tax	**5,100**	**6,622**

NOTE 9 INVENTORIES

(€'000)	12/31/2022			12/31/2021		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials, supplies and other	23,816	114	23,930	19,508	(106)	19,402
Work-in-progress	646		646	690		690
Finished goods and components	78,338	(6,699)	71,638	61,608	(5,778)	55,830
Goods for resale	8,217	(135)	8,082	6,629	(96)	6,534
Total inventories	**111,018**	**(6,721)**	**104,297**	**88,436**	**(5,980)**	**82,456**

NOTE 10 TRADE RECEIVABLES

(€'000)	12/31/2022	12/31/2021
Trade receivables	53,454	44,209
Receivables sold to the factoring company	14,617	10,692
Trade receivables	**68,070**	**54,901**
Trade receivables impairment	(3,914)	(3,082)
Net trade receivables	**64,156**	**51,819**

Impairment of trade receivables is presented under Note 2.12 "Financial assets".

Customer credit risks are presented in Note 29 "Information on financial risk".

NOTE 11 OTHER CURRENT ASSETS

(€'000)	12/31/2022	12/31/2021
Current accounts - assets	215	176
Tax receivables excl. income tax	3,292	3,563
Staff and related receivables	55	524
Supplier receivable balances	537	175
Other receivables	5,022	2,950
Prepaid expenses	1,344	1,484
Loans receivable, guarantees and other receivables	234	44
Advances and payments on account to suppliers	845	547
Receivables against suppliers (rebates, discounts, refunds and other credits)	553	466
Tax receivables	1,399	385
Total other current assets	**13,496**	**10,313**

Tax receivables excluding corporate income tax mainly include customs duties and VAT receivables.

The change in current accounts is presented in "Other cash flows from financing activities" in the cash flow statement.

NOTE 12 CASH AND CASH EQUIVALENTS

(€'000)	12/31/2022	12/31/2021
Cash equivalents	5,440	15,353
Cash	27,448	31,517
Total cash and cash equivalents	**32,889**	**46,871**

As of December 31, 2022 term deposits amounted to €5 million.

The valuation methods for cash and cash equivalents are presented in Note 2.15 "Accounting rules and methods".

NOTE 13 CAPITAL STOCK

The capital stock of SergeFerrari Group as of December 31, 2022 comprised 12,299,259 shares with a par value of €0.40 each.

In accordance with economic conditions and changing requirements, the Group may opt to make changes to its capital stock, for example by issuing new shares or by purchasing and canceling existing shares.

As of December 31, 2022, the Group held 477,443 treasury shares. These shares are eliminated via an offsetting entry under equity; the value of treasury shares held and deducted from equity as of December 31, 2022 was €5,010,000. Gains or losses made under the liquidity contract are removed from the income statement and posted to shareholders' equity. These impacts are recorded under the "Treasury shares" column in the statement of changes in shareholders' equity.

NOTE 14 BORROWINGS AND DEBT

12/31/2021 (€'000)	Current	Non-current	Total	Due in < 1 yr	Due in 1 to 5 yrs	Due in > 5 yrs
Bank loans and bonds	6,402	59,083	65,485	6,402	29,083	30,000
Finance lease liabilities	593	966	1,558	593	966	
Operating lease liabilities	6,616	21,841	28,456	6,616	17,369	4,472
Factoring	6,178		6,178	6,178	-	-
Total borrowings and debt	**19,788**	**81,889**	**101,677**	**19,788**	**47,417**	**34,472**
Cash and cash equivalents	(46,871)	-	(46,871)	(46,871)		
Net (cash)/debt	**(27,082)**	**81,889**	**54,807**	**(27,082)**	**47,417**	**34,472**

12/31/2022 (€'000)	Current	Non-current	Total	Due in < 1 yr	Due in 1 to 5 yrs	Due in > 5 yrs
Bank loans and bonds	12,379	72,235	84,614	12,379	72,235	-
Finance lease liabilities	610	346	956	610	346	
Operating lease liabilities	6,904	17,257	24,161	6,904	15,961	1,296
Factoring	8,478		8,478	8,478	-	-
Total borrowings and debt	**28,371**	**89,839**	**118,210**	**28,371**	**88,542**	**1,296**
Cash and cash equivalents	(32,889)	-	(32,889)	(32,889)		
Net (cash)/debt	**(4,518)**	**89,839**	**85,321**	**(4,518)**	**88,542**	**1,296**

Bank debt as of December 31, 2022 is mainly carried by SergeFerrari Group SA.
In December 2022, SergeFerrari Group SA set up two new lines of credit totaling €25 million, undrawn as of December 31, 2022.

The Group drew €60 million under the facilities agreement signed in July 2020 with its relationship banks.

NOTE 15 PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS

The provisions recognized relate to:

- post-employment benefits relating to defined benefit schemes in France (severance pay on retirement), Switzerland and Germany (pension plan);
- other long-term benefits in Switzerland (jubilee gifts);
- specific measures (Italy - TFR).

These benefits are calculated by actuaries working in France, Switzerland, Italy and Germany.

The main actuarial assumptions adopted for obligations in France are as follows:

	12/31/2022	12/31/2021
Retirement age	64 years executives / 62 years non-executives	
Collective bargaining agreement	Textile industry	
Discount rate	3.65%	0.64%
Mortality table	TH-TF 16-18	TH-TF 15-17
Salary growth rate	2.50%	2.50%
Staff turnover rate	Turnover inversely proportional to age	
Social security charge rate	45%	45%

The main actuarial assumptions adopted for obligations in Switzerland are as follows:

	12/31/2022	12/31/2021
Retirement age	65 for men, 64 for women	
Discount rate	2.10%	0.40%
Mortality table	BVG2020GT	BVG2020GT
Salary growth rate	1.00%	1.00%
Staff turnover rate	Turnover inversely proportional to age	

The reference discount rate used is the rate of return on "investment grade" corporate bonds in the industrial sector on the Swiss market.

The main actuarial assumptions adopted for obligations in Germany are as follows:

	12/31/2022	12/31/2021
Discount rate	3.78%	1.02%
Mortality table	© Richttafeln Heubeck 2018 G	
Salary growth rate	3.20%	2.50%

The following table shows changes in provisions for pension and related commitments:

(€'000)	Retirement compensation - France	Switzerland		Retirement compensation - Italy	Retirement compensation - Germany	Total
		Pension plan	Long-service awards			
12/31/2020	2,110	5,931	417	951	1,604	11,015
Cost of past services	355	821	(35)	162	(17)	1,286
Sustain plan impact		(562)	(90)			(652)
Interest expense	6	12	1		14	33
Actuarial gains/(losses)	(1,192)	(5,518)			(43)	(6,753)
Benefits paid	(41)	(464)	(66)	(162)	(20)	(753)
Exchange differences		3	19			22
12/31/2021	1,238	224	246	951	1,538	4,198
Cost of past services	330	612	20	194	20	1,176
Interest expense	8	1	1		16	26
Actuarial gains/(losses)	(837)	213	21		(505)	(1,108)
Benefits paid	(217)	(655)	(62)	(228)	(19)	(1,181)
Exchange differences	0	13	13			26
12/31/2022	522	408	239	917	1,049	3,136

The following tables analyze the provision for pensions in Switzerland:

(€'000)	12/31/2022	12/31/2021
Present value of the obligation	32,586	35,522
Fair value of plan assets	34,815	35,297
Theoretical net liability	**(2,229)**	**225**
Cap on fair value of plan assets	2,637	-
Recognized net liability	**408**	**225**

Reconciliation of plan assets and the present value of pension obligations in previous years:

CHANGE IN THE PRESENT VALUE OF THE OBLIGATION

(€'000)	12/31/2022	12/31/2021
Benefit obligations at start of period	35,522	40,280
Interest expense	145	82
Cost of services rendered	671	1,038
Members' contributions	441	523
Benefits paid or received	(1,792)	36
Cost of past services	(77)	(237)
Administration costs	18	20
Actuarial gains/losses	(3,992)	(3,139)
Currency translation differences	1,651	(3,082)
Benefit obligations at end of period	**32,586**	**35,522**

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CHANGE IN PRESENT VALUE OF PLAN ASSETS

(€'000)	12/31/2022	12/31/2021
Benefit obligations at start of period	35,297	34,348
Return on assets recognized in the income statement	144	70
Employer contributions	655	464
Members' contributions	441	523
Benefits paid	(1,792)	36
Return on assets recognized in OCI	(1,619)	2,379
Settlement impact (sustain)	-	(3,782)
Other	-	(279
Currency translation differences	1,690	1,538
Benefit obligations at end of period	**34,815**	**35,297**

The breakdown of plan assets for the years presented is as follows:

BREAKDOWN OF PLAN ASSETS BY ASSET CLASS

(€'000)	12/31/2022	12/31/2021
Cash and cash equivalents	587	530
Equity instruments	6,029	7,459
Debt securities	6,737	7,169
Real estate	14,628	13,801
Other	10	10
Other assets from insurance policies	6,824	6,328
Total plan assets	**34,815**	**35,297**

The nature of the underlying assets that constitute "Other assets from insurance policies" expresses the valuation of the rights of Serge Ferrari AG in the assets managed collectively.

Plan assets for Serge Ferrari Tersuisse comprise around 52% real estate, 24% fixed income and 24% equities, the remainder consisting of other assets and cash.

The following table shows the sensitivity to significant changes in actuarial assumptions:

SENSITIVITY TEST

(€'000)	12/31/2022	12/31/2021
Change in present value of the obligation if the discount rate is reduced by 0.50%	2,378	896
Change in present value of the obligation if the discount rate is increased by 0.50%	(2,099)	(4,872)
Change in present value of the obligation if the interest rate on the retirement savings plan capital is reduced by 0.50%	(525)	(2,682)
Change in present value of the obligation if the interest rate on the retirement savings plan capital is increased by 0.50%	544	(1,557)
Change in present value of the obligation if the salary growth rate decreases by 0.50%	(171)	(2,382)
Change in present value of the obligation if the salary growth rate increases by 0.50%	160	(2,039)
Change in the present value of the obligation if life expectancy increases by 1 year	762	(1,129)
Change in the present value of the obligation if life expectancy decreases by 1 year	(779)	(3,273)

The Company does not expect significant fluctuation in its cash flows in future years, as the flows mainly correspond to premiums paid to insurance companies. The annual premiums paid in respect of 2022 amounted to CHF 658,000 and the expected premium for 2023 is estimated at CHF 720,000. The estimated weighted average duration of the obligation is 14 years. There is no minimum funding requirement.

NOTE 16 OTHER NON-CURRENT LIABILITIES

(€'000)	12/31/2022	12/31/2021
Commitment to purchase shares from minority shareholders (put option)	5,632	5,171
Liabilities to shareholders of acquired companies	1,808	12,289
Other	38	48
Total other non-current liabilities	**7,478**	**17,508**

Commitments to purchase shares from minority shareholders relate to put option liabilities provided for in the subsidiaries acquisition agreement, which are valued on the basis of discounted future cash flows.

As of December 31, 2021, liabilities to shareholders of acquired companies related to earn-outs provided for in the Verseidag and Sunteam acquisition agreements.

The change in liabilities to shareholders of acquired companies is due to two opposing effects:

- reclassification of the Verseidag earn-out from non-current to current liabilities;
- recognition of the earn-outs provided for in the DCS and MSE acquisition agreements.

NOTE 17 PROVISIONS FOR RISKS AND CONTINGENCIES

(€'000)	12/31/2021	Increases	Reversals		12/31/2022
			Used	Not used	
Current provisions	**1,002**	**535**	**(438)**	**0**	**1,099**
Provisions for guarantees	765	109	(216)	0	658
Disputes	237	426	(222)		441

NOTE 18 OTHER CURRENT LIABILITIES

(€'000)	12/31/2022	12/31/2021
Current accounts - liabilities	35	26
Tax and social security payables	16,584	16,076
Customers - Advances and down payments received	3,928	4,477
Customers - Credits, rebates, discounts & refunds	2,311	2,037
Other payables	2,173	1,454
Commitment to purchase shares from minority shareholders (put option)	4,683	4,683
Liabilities to shareholders of acquired companies	12,659	5,198
Tax payables	1,164	2,924
Total other current liabilities	**43,536**	**36,876**

The change in current accounts is presented in "Other cash flows from financing activities" in the cash flow statement.

Liabilities to shareholders of acquired companies relate to deferred payments provided for in the Verseidag and F.I.T. acquisition agreements at December 31, 2021 and those of Verseidag and Baltijos Tentas at December 31, 2022. The increase versus December 31, 2021 is due to the reclassification of the Verseidag earn-out payable to the company's former shareholders from non-current to current liabilities (€12.5 million).

Commitments to buy up minority interests correspond to the put option granted to the former Verseidag group shareholder in respect of the earn-out paid in July 2022 in the form of SergeFerrari Group shares. This shareholder has a period of nine months from April 28, 2023 to sell its SergeFerrari Group shares to the Group for a fixed price of €4,683,000.

NOTE 19 REGIONAL INFORMATION

REVENUES

(€'000)	Q4 2022	Q4 2021	Ch. at current scope & forex	Ch. at constant scope & forex	2022	2021	Ch. at current scope & forex	Ch. at constant scope & forex
North Europe	36,212	28,381	27.60%	10.50%	132,145	111,395	18.60%	11.30%
South Europe + Americas	36,702	29,143	25.90%	23.30%	150,106	127,568	17.70%	15.90%
Asia – Africa – ME – Pacific	16,066	13,457	19.40%	19.70%	56,446	46,919	20.30%	16.20%
Total revenues	**88,980**	**70,981**	**25.40%**	**17.50%**	**338,697**	**285,882**	**18.50%**	**14.20%**

COUNTRIES IN WHICH THE GROUP GENERATED OVER 10% OF ITS CONSOLIDATED REVENUES

(€'000)	12/31/2022	12/31/2021
France	62,721	50,428
Germany	52,447	45,785
Italy	34,257	26,736
Other countries	189,272	162,934
Total revenues	**338,696**	**285,883**

Geographic breakdown of main assets

The Group's main assets are located in France and Germany. For its commercial bases outside Europe, the Group leases its offices and facilities.

BREAKDOWN OF NON-CURRENT ASSETS BY MAIN GEOGRAPHIC REGION

(€'000)	12/31/2022	12/31/2021
Total consolidated non-current assets	**132,823**	**125,367**
France	40,851	42,186
Germany	41,714	41,835
Taiwan	15,348	16,373
Switzerland	9,860	9,989
Italy	9,683	9,074
Netherlands	9,671	
Other countries	5,696	5,910

NOTE 20 EXTERNAL EXPENSES

(€'000)	12/31/2022	12/31/2021
Bank charges	(548)	(652)
Maintenance and repairs	(6,600)	(5,650)
Leasing and rental costs	(1,279)	(1,012)
Transport	(12,910)	(10,685)
Fees and advertising expenses	(15,908)	(14,643)
Other external expenses	(13,275)	(13,226)
Total external expenses	**(50,521)**	**(45,869)**

The amounts recorded under the leasing line item relate to contracts not eligible for accounting treatment under IFRS 16.

The increase in transport costs, fees, advertising expenses and other external expenses is mainly due to 2022 business growth, as well as rising energy and raw material costs.

NOTE 21 PERSONNEL EXPENSES AND EXECUTIVE REMUNERATION

PERSONNEL EXPENSES

(€'000)	12/31/2022	12/31/2021
Staff pay	(59,745)	(55,680)
Social security charges	(16,426)	(15,355)
Pension commitments	(1,176)	(1,286)
Other personnel expenses	(3,716)	(3,227)
Total personnel expenses	**(81,063)**	**(75,548)**

The headcount at period-end breaks down as follows:

	12/31/2022	12/31/2021
TOTAL	**1,309**	**1,212**
Commercial	369	343
Production / Logistics	783	710
Support Functions - R&D	157	159

EXECUTIVE REMUNERATION

(€'000)	12/31/2022	12/31/2021
Ferrari Participations (for services provided)	739	884
Corporate office	84	132
Benefits in kind	8	11
Total executive remuneration	**831**	**1,027**

Ferrari Participations (for services provided)

The amounts shown comprise remuneration paid in respect of corporate officer operational positions.

The total invoiced amount under the management fees agreement, which amounted to €2,360,000 in 2022 and €3,229,000 in 2021, is shown in the table in Note 30 "Related party transactions", and is recorded under "Other external expenses".

Corporate office

All remuneration received by Group corporate officers in respect of Group corporate office positions.

Benefits in kind

Benefits in kind relating to the provision of company vehicles.

NOTE 22 MISCELLANEOUS TAXES

(€'000)	12/31/2022	12/31/2021
Other miscellaneous taxes	(1,309)	(1,285)
Miscellaneous payroll taxes	(697)	(599)
Total miscellaneous taxes	**(2,006)**	**(1,884)**

Miscellaneous payroll taxes include ongoing training, the 1% housing contribution, apprenticeship tax and the disability tax paid in France. All other miscellaneous taxes are included under "Other miscellaneous taxes".

€541,000 was recognized in 2022 in respect of the CVAE business value added tax, compared to €488,000 in 2021. These amounts are included in the calculation of adjusted EBITDA.

NOTE 23 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(€'000)	12/31/2022	12/31/2021
Intangible assets	(2,875)	(3,312)
Property, plant and equipment	(15,031)	(14,471)
Total depreciation, amortization and impairment	**(17,905)**	**(17,784)**

NOTE 24 NET PROVISIONS FOR IMPAIRMENT

(€'000)	12/31/2022	12/31/2021
Operating provisions	(535)	(474)
Receivables provisions	(1,480)	(858)
Provisions for inventories, WIP and finished goods	(3,394)	(1,450)
WIP and finished goods reversals	2,693	861
Reversals of receivables provisions	720	232
Reversals of operating provisions	552	428
Net provisions for impairment	**(1,445)**	**(1,262)**

NOTE 25 OTHER RECURRING INCOME AND EXPENSES

(€'000)	12/31/2022	12/31/2021
Operating grants	967	671
Gains/(losses) on disposal of assets	(76)	(471)
Bad debt losses	(176)	(105)
Other	71	60
Other recurring income and expenses	**786**	**155**

Operating grants include €931,000 of income from the research tax credit.

Bad debt losses were offset by reversals of provisions for impairment, as presented in Note 24.

NOTE 26 NON-RECURRING INCOME AND EXPENSES

(€'000)	12/31/2022	12/31/2021
Non-recurring income and expenses	-	(948)

Non-recurring operating income and expenses mainly comprised non-recurring expenses relating to the implementation of the integration program for companies acquired in first half 2021, which was completed according to plan in 2021.

NOTE 27 FINANCIAL INCOME AND EXPENSES

	12/31/2022	12/31/2021
Net cost of debt	**(2,862)**	**(2,804)**
Income from cash and cash equivalents	10	27
Interest expense	(2,266)	(2,138)
Interest on lease liabilities	(606)	(693)
Other financial income and expenses	**239**	**(212)**
Net currency gains/(losses)	168	564
Financial expenses on employee benefits	(26)	(33)
Dividends from non-consolidated entities	56	49
Other	41	(792)
Net financial expense	**(2,623)**	**(3,016)**

NOTE 28 TAX CHARGE

The notional tax charge is calculated using the French corporate tax rate of 25.83% for fiscal 2022 and 27.37% for fiscal 2021. This charge is reconciled with the recognized tax charge as follows:

(€'000)	12/31/2022	12/31/2021
Net income	16,689	11,238
Offset:		
> Tax charge	5,798	3,987
Income before tax	**22,487**	**15,226**
French statutory tax rate	**25.83%**	**27.37%**
Notional tax charge	**5,807**	**4,168**
Reconciliation		
> Tax credits	(250)	(206)
> Tax rate differences - France/other countries	(77)	(298)
> Permanent differences	186	343
> Other	132	(18)
Actual tax charge	**5,798**	**3,987**
Effective tax rate	**25.80%**	**26.20%**

CVAE business value added tax has been recognized in "Miscellaneous taxes" under operating income.

NOTE 29 INFORMATION ON FINANCIAL RISK

CREDIT RISK

The Group assesses the insolvency risk of its customers. Solvency takes into account items that are purely internal to the Group, as well as contextual items such as geographic location, global economic conditions and sector growth prospects.

An application for cover is submitted to a credit insurer whenever a key account is opened.

Credit risk represents the risk, for the Group, of financial loss in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is not exposed to material credit risk, which mainly concerns trade receivables. The net carrying value of identified receivables reflects the net cash flow receivable estimated by management, based on data at year-end. The Group has not taken into account any guarantees or agreements for offsetting liabilities with the same maturity when performing impairment tests on financial assets.
The Group also considers the risk of customer insolvency "moderate": it has rarely encountered problems with collecting payments or bad debts in the past. However, the unit amount of each customer can be significant when it comes to distributors.

All of the Group's main relationship banks have complied with EU solvency testing requirements.

■ Trade receivables
A credit risk exists when a loss may occur if a customer cannot meet its obligations within the deadlines provided. The Group has set up an internal permanent credit-risk watch on its customers. When a possible credit risk is identified, the Group requires its customers to pay an advance deposit.

■ Average payment time by main geographic region
The average collection time for trade receivables depends on the market and financing practices in the economy concerned:
- Europe: from 10 days for discount (German-speaking region) to 120 days (Italy);
- North America and Asia: from 30 to 90 days;
- Latin America: from 90 to 180 days.

■ Provisions for impairment of receivables:
Trade receivables are analyzed on a case-by-case basis and an impairment charge is recognized when the recoverability of the receivable is at risk.

■ Importance of main customers
In 2022, the Group's largest customer accounted for 7% of revenues from innovative composite materials and the top 5 customers accounted for 11% of total revenues. On the other hand, distributor-customers serve thousands of end customers in the countries in which they operate.

EXCHANGE RATE RISK

Related to operating cash flows

Due to the international character of its business activities and operations, the Group faces fluctuations in the exchange rates of various currencies, which are reflected in (i) a currency risk affecting income and expenses denominated in a foreign currency and (ii) the unpredictability of their conversion into euros in the statements of income and financial position of foreign subsidiaries in the euro zone.

The Group generates between 25% and 30% of its revenues in currencies other than the euro. Its main invoicing currency exposures are to USD, CNY, TWD and CHF. For the same period, in value terms, over 85% of purchases of raw materials and services were contracted in euros and less than 10% in CHF. Moreover, although the Group benefits from partial automatic backing, some residual exposure remains. Lastly, some of the Group's production is carried out in Switzerland (PET micro-cables and composite materials) in a non-euro accounting currency. These annual intra-group invoices are covered by a hedging policy.

Related to current assets and liabilities in foreign currencies

In its subsidiaries, the Group has financial assets and liabilities in foreign currencies. These financial assets and liabilities are not covered by currency hedges. On the other hand, net cash flows in USD and CHF are hedged after the net exposure has been determined.

Related to non-current assets in foreign currencies

Besides investments in its own subsidiaries, the Group holds no material non-current assets in foreign currencies.

Significant and lasting changes in exchange rates could have a significant adverse impact on the Group's earnings, financial position or outlook.

The Group has centralized the management of foreign exchange risk by focusing open positions on Serge Ferrari SAS for easier management. Intercompany sales are made in the currency of the distribution subsidiary, wherever possible and justified (USD, CHF, JPY, RMB, BRL, etc.). Hedging transactions are also executed for the subsidiaries (USA, India, etc.) by the Group Treasury and Financing Manager. The Group's objective is to hedge the rate set for the budget, for the flows of the current year.

As regards current assets and liabilities in foreign currencies, the Group seeks to have the most appropriate assets-liabilities natural hedge.

LIQUIDITY RISK

The Group has no liquidity risk: net debt as of December 31, 2022 amounted to €85,321,000, while net debt excluding financial liabilities relating to the application of IFRS 16 amounted to €61,160,000 (see Note 14).
Moreover, the Group has the following financing means:

- a factoring agreement covering up to €15 million, €8.5 million of which had been drawn as of December 31, 2022;
- a €25 million financing agreement, not drawn as of December 31, 2022.

Bank loans taken out by the Group provide for floating interest rates indexed to 3-month Euribor.
The bond issue was subscribed at a fixed rate.

The Group's medium-term financing agreements include covenants requiring compliance with financial ratios. The covenants are tested at each annual balance sheet date:

- Leverage ratio (net debt/adjusted EBITDA): maximum 3 as of December 31, 2022;
- Gearing ratio (net debt/equity): maximum 1 as of December 31, 2022.

The aggregates used to calculate the aforementioned ratios are clearly defined in the borrowing agreements referred to in the IFRS consolidated financial statements with regard to covenant tests conducted as from December 31, 2022.

Non-compliance with these ratios gives the lender concerned the option of requiring the loan to be repaid early and could lead to an increase in the interest rates. As of December 31, 2022, the Group was in compliance with its covenants.

The Group gives its subsidiary managers freedom to incur expenses provided for in the annual budget. As such, the Group is exposed to a financial risk and a risk of non-compliance with its rules on the delegation of powers and separation of duties, which is covered by central management of bank statements and reconciliations. A cash pooling system is gradually being rolled out and the internal audit team is involved in reviewing the separation of duties implemented at subsidiaries in accordance with Group rules.

COSTS AND AVAILABILITY OF ENERGY SOURCES

The Group uses various energy sources to operate its industrial sites: gas, electricity and fuel oil.
The upheavals since February 2022 sent energy costs soaring, initially until November 2022, due to fears of power cuts or unavailability of energy sources.

The absence of an energy source could interrupt the operation of membrane manufacturing equipment, resulting in a production slowdown that could curb profit margin growth.

The Group has a varied energy mix that would to a certain extent allow production to be relocated to another manufacturing site. The Group secures its electricity and gas consumption over a maximum period of 24 months in order to maintain the execution of customer orders.

Finally, the Group has rolled out a capex plan aimed at identifying the most energy-consuming equipment and then reviewing the adaptations, alterations and replacements required to achieve energy savings in line with its carbon trajectory.

PRICE OF RAW MATERIALS AND ENERGY

The Group uses large quantities of raw materials and industrial supplies in its manufacturing processes (over 60% of standard production costs), mostly from petrochemicals (polyvinyl chloride "PVC", polyethylene terephthalate "PET" and plasticizers), which are indirectly impacted by fluctuations in the price of crude oil. The Group is also exposed to fluctuations in the price of other raw materials essential to its activities, such as dyes, varnishes, antimony (flame retardant), pigments and glass yarn. The Group passes these price increases on to its customers after a certain time lag, generally on January 1 of the following year.

Prices also depend on the availability of specialty chemical components: cases of *force majeure* (unplanned maintenance, supplies, disasters, etc.) encountered in chemical industries may cause temporary strong pressure on prices.

The delay in increasing selling prices following the increase in raw materials costs may result in a temporary contraction of Group margins.

The Group passes raw material price increases on to customers, generally on January 1 of the following year: in 2021 and 2022, contrary to previous practice, the Group temporarily applied surcharges to its selling prices, which have since then been transformed into definitive price increases.
With the notable exception of PET, the raw materials used by the Group are derived from specialty chemicals: these raw materials have lower volatility than chemical commodities. Moreover, the prices of raw materials are global prices: the fact that there are no significant differences from one continent to another prevents the development of a competitive advantage to the Group's detriment.

Furthermore, the Group has worked to procure supplies on a sale-or-return basis, whereby the Company is invoiced on the basis of the monthly price of the supplies used during that month. The reduction in product lead times also reduces the potential impact of price volatility. The Company has also implemented clauses on the increase in raw materials prices based on indices published by leading organizations. In general, these clauses apply for the current year.

The Company also has numerous operational measures to minimize such fluctuations and their impact on its results. These measures include reducing production times, bargaining to revise prices, ongoing search for alternative sources of supply, as well as a strong innovation policy focused in particular on the chemical formulations of its products and the substitution of some components.

NOTE 30 RELATED PARTY TRANSACTIONS

(€'000)	12/31/2022		12/31/2021	
	Ferrari Participations	Real estate companies	Ferrari Participations	Real estate companies
Operating payables	-	-	417	13
Operating receivables	203	-	67	-
Current accounts	-	-	-	-
Purchases of goods and services	2,362	3,256	3,229	3,135
Sales of goods and services	47	-	152	118
Interest income	6	-	25	-

Income recognized corresponds to services rendered under the services agreement whereby Serge Ferrari SAS provides administrative services (assistance in accounting, human resources management and IT services) to other Group entities and companies related to the Group.

Expenses correspond to:
- Ferrari Participations: re-invoicing under the agreement described in Note 21 "Executive remuneration";
- real estate companies: rent paid to real estate companies directly or indirectly controlled by the same Ferrari family group, for industrial sites in France.

These agreements were entered into on arm's length terms.

NOTE 31 OFF-BALANCE SHEET COMMITMENTS

COMMITMENTS GIVEN

SergeFerrari Group debt is subject to covenants with which the Group has complied in all the fiscal periods presented.
As part of the loans taken out by SergeFerrari Group with financial institutions, 45,617 Serge Ferrari SAS shares held by SergeFerrari Group were pledged to the pool of bank creditors.

The acquisition guarantees obtained by SergeFerrari Group under the Verseidag and F.I.T. group acquisition agreements (asset and liability guarantees) were pledged to said creditors in connection with loans taken out in 2020.
The same applies to the current account advance granted by SergeFerrari Group to subsidiary Verseidag-Indutex GmbH, pledged for an amount of €22,375,000.

SergeFerrari Group has granted a joint and several guarantee to Giofex Group Srl in the amount of €1,500,000.

SergeFerrari Group has granted a first call guarantee to HSBC Bank (Taiwan) Limited for TWD 25 million (€764,000) to secure all amounts due under an unconfirmed short-term facility.

SergeFerrari Group has granted a first call guarantee to HSBC India on behalf of SergeFerrari Group for USD 500,000 to secure all amounts due under an unconfirmed foreign exchange facility.

F.I.T. has pledged the land it owns to the Taiwan Business Bank as security for a TWD 185 million (€566,000) bank loan. F.I.T. has issued a promissory note for TWD 25 million to HSBC Bank (Taiwan) Limited as security for the unconfirmed short-term facility.

SF SAS, SFAG and Tersuisse have issued letters of credit to suppliers for a total amount payable valued at €560,000 as of December 31, 2022.

COMMITMENTS RECEIVED

The F.I.T. and Verseidag group acquisition agreements provide for asset and liability guarantees granted by the sellers to SergeFerrari Group.

The asset and liability guarantee granted by Jagenberg to SergeFerrari Group is only for a minimum amount of €100,000 and a maximum amount of €4 million.

SergeFerrari Group has a preemptive right over the 45% of F.I.T. shares held by minority shareholders, without any obligation to purchase them. The purchase price would be determined under similar terms to the valuation carried out when it acquired its 55% stake.

The seller of Baltijos Tentas has granted SergeFerrari Group a call option on 20% of the shares, which may be exercised within one year as from June 1, 2025 if the seller has not exercised its put option.

NOTE 32 STATUTORY AUDITORS' FEES

(€'000, excl. tax)	KPMG				Grant Thornton			
	Amount		%		Amount		%	
	2022	2021	2022	2021	2022	2021	2022	2021
Total fees	**161**	**143**	**100%**	**100%**	**190**	**170**	**100%**	**100%**
Statutory audit, certification, review of separate and consolidated financial statements	**150**	**140**	**93%**	**98%**	**175**	**164**	**93%**	**96%**
Parent company (recurring assignments)	60	59			64	62		
Fully consolidated subsidiaries	90	81			111	102		
Not-audit services required under statutory and regulatory provisions	**11**	**3**	**7%**	**2%**	**14**	**6**	**7%**	**4%**
Parent company	11	3			11	3		
Fully consolidated subsidiaries	-	-			3	3		
Non-audit services	**-**	**-**	**0%**	**0%**	**-**	**-**	**0%**	**0%**
Parent company								
Fully consolidated subsidiaries								

NOTE 33 IMPACT OF IFRS 16

The main impacts of the application of IFRS 16 on the financial position and income statement are presented below:

(€'000)	12/31/2022	12/31/2021
Interest on lease liabilities	(606)	(700)
Total depreciation, amortization and impairment	(7,821)	(7,581)
Canceled rental costs	8,347	8,077
Other (currency gain/loss)	0	7
Impact on income before tax	**(80)**	**(197)**
Deferred tax	22	48
Impact on income after tax	**(58)**	**(149)**

FINANCIAL STATEMENTS
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

6.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

KPMG SA
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Grant Thornton
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Zone Industrielle de La Tour-du-Pin
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Year ended December 31, 2022
To the General Meeting of SergeFerrari Group SA,

Opinion

In accordance with the engagement entrusted to us by your General Meeting, we have audited the consolidated financial statements of SergeFerrari Group for the year ended December 31, 2022, as appended to this report.

We hereby certify that the consolidated financial statements present a true and fair view of the results of the operations of the group comprising the persons and entities included in the consolidation scope for the year ended and of said group's financial position and net assets at the end of said year, in accordance with IFRS guidelines as adopted in the European Union.

The opinion expressed above is consistent with the terms of our report to the Audit Committee.

Bases of opinion

Terms of reference
We conducted our audit in accordance with professional standards applicable in France. We believe that the information we have gathered is sufficient and appropriate to form the basis of our opinion.

Our responsibilities in accordance with these standards are set out in the section of this report entitled "Statutory auditors' responsibilities regarding the audit of the consolidated financial statements".

Independence
We have performed our audit in compliance with the rules of independence laid down by the French Commercial Code and the French Code of Ethics for statutory auditors, for the period running from January 1, 2022 to the date of issue of our report, and in particular we have not provided services prohibited under Article 5 (1) of Regulation (EU) 537/2014.

Justification of assessments – Key audit matter

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code on the justification of audit assessments, we hereby draw your attention to one key audit matter relating to the risk of material misstatements which, in our professional judgment, has been the most significant for the audit of the consolidated financial statements and to our responses with regard to these risks.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed herein. We express no opinion on individual items comprising these consolidated financial statements taken in isolation.

Measurement of the recoverable amount of goodwill and commitments given and received in relation to acquisitions

Risk identified
As part of its development, the Group has carried out targeted acquisitions and recognized multiple items of goodwill.

The Group tests goodwill for impairment whenever a loss in value is identified and systematically at the annual balance sheet date. The recoverable amount of goodwill is defined as the higher of fair value, net of disposal costs, and the value in use calculated using the discounted future cash flow method. Impairment is recognized when the recoverable amount of goodwill falls below the book value. Notes 2.7 and 2.11 to the consolidated financial statements set out the procedures for performing impairment tests.

Furthermore, as described in Notes 16 and 18 to the consolidated financial statements, in connection with these acquisitions, SergeFerrari Group has given and received a number of commitments, such as earn-outs indexed to the future performance of acquired companies and put options over minority interests. The Group measures these commitments as liabilities on the basis of their fair value, which takes into account the settlement horizon among other things. As of December 31, 2022, minority interest put option commitments totaled €10.3 million, while earn-out liabilities indexed to the future performance of acquired companies stood at €14.5 million, as described in Notes 16 "Other non-current liabilities" and 18 "Other current liabilities" to the consolidated financial statements.

We considered the measurement of the recoverable amount of goodwill and the valuation of commitments given and received in relation to acquisitions to be a key audit matter for the following reasons:

- measurement of the recoverable amount of goodwill requires the Serge Ferrari Group to make estimates and judgments, including the probability of future cash flow forecasts materializing,
- measurement of the fair value of the commitments related to these acquisitions also requires the Serge Ferrari Group to make estimates and judgments, including the probability of the events planned at the time of the acquisition for earn-outs, and the assumptions used to calculate the put options over minority interests.

FINANCIAL STATEMENTS
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Our response
We carried out a critical analysis of the methods used by the Group to determine the recoverable amount of goodwill and the fair value of liabilities related to the purchase of non-controlling interests and earn-outs indexed to the future performance of acquired companies.

We assessed the compliance of the methodology applied by the Company with applicable accounting standards.

We also consulted our own expert appraisers. Our work involved:

- reviewing the impairment tests prepared by the Group,
- assessing the reasonableness of the cash flow forecasts by means of interviews with management and by comparison with the year's performance, by:
    - comparing the 2023 cash flows used in the tests with the Group's 2023 budgets,
    - assessing the reasonableness of the main assumptions used (including growth rate and discount rate) in relation to global economic data available at the closing date,
    - performing our own sensitivity tests in relation to the discount rate and main operational assumptions,
  - examining the methods used to determine recoverable amounts and corroborate the mathematical accuracy of the calculations made,
  - assessing the reasonableness of the assumptions used in estimating earn-outs indexed to the future performance of acquired companies,
  - assessing the compliance of the calculation of minority interest put option clauses with the related acquisition agreements.

Lastly, we verified the appropriateness of the information provided in Notes 2.6, 2.7, 2.11.1, 16 and 18 to the consolidated financial statements in respect of goodwill and commitments given and received in relation to acquisitions.

Specific testing

We also carried out the specific testing required by statutory and regulatory provisions on the information regarding the Group presented in the Executive Board's management report, in accordance with professional standards applicable in France.

We have no comment to make on the fair presentation of that information or on its consistency with the consolidated financial statements.

Non-financial performance statement
We hereby certify that the consolidated statement of non-financial performance required under Article L. 225-102-1 of the French Commercial Code is included in the information on the Group provided in the management report, on the understanding that, in accordance with the provisions of Article L. 823-10 of said Code, we have not verified the fair presentation of the information contained in this statement or its consistency with the consolidated financial statements, which must be the subject of a report by an independent third-party body.

Other verifications and disclosures required by statutory and regulatory provisions

Presentation format of the consolidated financial statements to be included in the annual financial report
We have also verified, in accordance with the professional standard applicable to the statutory auditors' review of the parent company and consolidated financial statements presented under the European single electronic reporting format, that this format defined by European Delegated Regulation 2019/815 of December 17, 2018 was adhered to in the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L. 451-1-2 I of the French Monetary and Financial Code, prepared under the responsibility of the Chairman of the Executive Board. In the case of the consolidated financial statements, our procedures included checking that these financial statements were marked up according to the format defined by the aforementioned regulation.

Based on our work, we find that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material aspects, with the European single electronic format.

Due to the technical limitations inherent in the block tagging of consolidated financial statements according to the European single electronic reporting format, it is possible that the contents of certain tags in the notes to the financial statements may not be restored identically in comparison with the consolidated financial statements attached to this report.

Furthermore, it is not our responsibility to verify that the consolidated financial statements actually included by your Company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of statutory auditors
We were appointed as statutory auditors of SergeFerrari Group SA by the General Meeting on May 19, 2021 in the case of KPMG SA and May 16, 2019 in the case of Grant Thornton.

As of December 31, 2022, KPMG SA was in the second consecutive year of its assignment and Grant Thornton in the fourth year.

Responsibilities of management and persons involved in corporate governance with regard to the consolidated financial statements

It is management's responsibility to prepare consolidated financial statements presenting a true and fair view in accordance with IFRS guidelines as adopted in the European Union and to establish the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to assess the Company's ability to continue its operations, to present in these statements, where applicable, the requisite information with regard to continuity of business and to apply the going concern principle, unless there is the intention to liquidate the Company or discontinue its operations.

It is the responsibility of the Audit Committee to monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and, where applicable, of the internal audit system, as regards the procedures relating to the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Executive Board.

Statutory auditors' responsibilities regarding the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our goal is to obtain reasonable assurance that these consolidated financial statements, taken as a whole, are free of material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, the guarantee that an audit performed in accordance with professional standards enables systematic detection of all material misstatements. Misstatements may result from fraud or error and are deemed material when they may reasonably be expected, when taken either individually or together, to influence economic decisions taken by users of the financial statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or quality of your Company's management.

Within the scope of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises his or her professional judgment throughout this audit. Furthermore:

- the auditor identifies and assesses the risks that the consolidated financial statements contain material misstatements, whether resulting from fraud or error, defines and implements audit procedures to address these risks, and gathers the elements the auditor deems necessary and appropriate upon which to base the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is more serious than the risk of not detecting a material misstatement resulting from error, since fraud may involve collusion, falsification, deliberate omission, false representations or the circumvention of internal control;
- the auditor examines the aspects of the internal control system that are relevant to the audit, in order to define the audit procedures appropriate in the circumstances but not for the purpose of expressing an opinion on the efficacy of the internal control system;
- the auditor assesses the appropriateness of the accounting methods adopted and the reasonableness of the accounting estimates made by management, as well as the related information provided in the consolidated financial statements;
- the auditor assesses the appropriateness of management's application of the going concern principle and, according to the information gathered, the existence or absence of material uncertainty regarding events or circumstances liable to jeopardize the Company's ability to continue its operations. This assessment is based on information gathered up until the date of the auditor's report, provided, however, that any subsequent circumstances or events could jeopardize business continuity. If the auditor finds that material uncertainty exists, the auditor draws the attention of the readers of the auditor's report to the information provided in the consolidated financial statements regarding this uncertainty or, if such information is not provided or is irrelevant, issues certification with reservations or refuses to certify;
- the auditor assesses the presentation of the consolidated financial statements, taken as a whole, and assesses whether they reflect the underlying transactions and events in such a way as to give a true and fair view thereof;
- the auditor obtains sufficient appropriate audit evidence regarding the financial information of the persons or entities included in the consolidation scope to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on these financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report defining the scope of the audit work and the audit program implemented, as well as the findings based on our work. We also draw the committee's attention to any material internal control deficiencies we have identified, as regards procedures relating to the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee also contains information on the risks of material misstatements that we deemed to have been the most significant for the audit of the consolidated financial statements and which therefore constitute key audit matters, which we are required to set out herein.

We also submit to the Audit Committee the declaration referred to in Article 6 of Regulation (EU) 537/2014 confirming our independence, within the meaning of the rules applicable in France as defined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and the French Code of Ethics for statutory auditors. If necessary, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

The Statutory Auditors

Lyon, March 3, 2023
KPMG SA

Sara Righenzi de Villers
Partner

Lyon, March 3, 2023
Grant Thornton

Frédéric Jentellet
Partner

6.3 PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

6.3.1 BALANCE SHEET - ASSETS

		12/31/2022			12/31/2021
	Presentation currency: euros	Gross	Depr. & imp.	Net	Net
	Subscribed capital not called (1)				
NON-CURRENT ASSETS	**INTANGIBLE ASSETS**				
	Start-up costs				
	Development costs				
	Concessions, patents & similar rights				
	Commercial goodwill (1)				
	Other intangible assets				
	Advances and down payments				
	PROPERTY, PLANT & EQUIPMENT				
	Land				
	Buildings				
	Plant, machinery, tools and equipment				
	Other PP&E				
	PP&E in progress				
	Advances and down payments				
	FINANCIAL ASSETS (2)				
	Interests valued under equity method				
	Other interests	101,200,333	12,666,318	88,534,015	77,670,577
	Loans to affiliates	10,730,636		10,730,636	1,842,152
	Other long-term investments				
	Loans				
	Other financial assets	699,362	39,001	660,361	612,771
	TOTAL (II)	**112,630,331**	**12,705,319**	**99,925,012**	**80,125,500**
CURRENT ASSETS	**INVENTORIES AND WIP**				
	Raw materials & supplies				
	Work in progress - goods				
	Work in progress - services				
	Intermediate and finished products				
	Traded goods				
	Advances and down payments on orders				
	RECEIVABLES (3)				
	Trade receivables and related accounts	73,498		73,498	93,498
	Other receivables	48,876,442	247,978	48,628,464	45,459,744
	Subscribed, called-up but unpaid capital				
	MARKETABLE SECURITIES	4,705,273		4,705,273	1,733,729
	CASH & CASH EQUIVALENTS	7,497,946	9,217	7,488,729	16,957,460
ACCRUALS AND EQUIVALENT	Prepaid expenses	46,391		46,391	25,675
	TOTAL (III)	**61,199,551**	**257,195**	**60,942,356**	**64,270,107**
	Deferred debt issuance costs (IV)				
	Bond redemption premiums (V)				
	Unrealized foreign currency losses (VI)	1,053		1,053	333,733
	TOTAL ASSETS (I to VI)	173,830,935	**12,962,514**	**160,868,420**	**144,729,340**
	(1) o/w leasehold rights				
	(2) o/w financial assets < 1yr			5,301,584	2,276,504
	(3) o/w receivables > 1 yr			22,374,848	21,936,126

6.3.2 BALANCE SHEET - LIABILITIES & EQUITY

	Presentation currency: euros	12/31/2022	12/31/2021
SHAREHOLDERS' EQUITY	Capital stock or individual capital	4,919,704	4,919,704
	Additional paid-in capital	43,867,647	43,867,647
	Revaluation surplus		
	RESERVES		
	Legal reserve	491,970	491,970
	Voluntary and contractual reserves		
	Regulated reserves		
	Other reserves	15,849,597	11,225,527
	Retained earnings		
	Net income for the period	**5,565,188**	**8,123,125**
	Investment subsidies		
	Regulated provisions		
	Total equity	**70,694,107**	**68,627,973**
OTHER EQUITY	Proceeds from issue of equity loans		
	Conditional advances		
	Total other equity		
PROVISIONS	Provision for risks	346,381	609,214
	Provisions for contingencies		
	Total provisions	**346,381**	**609,214**
LIABILITIES (1)	FINANCIAL LIABILITIES		
	Convertible bonds		
	Other bonds	30,532,110	30,536,041
	Borrowings from credit institutions (2)	49,721,982	29,359,650
	Other borrowings and debt (3)		
	Advances and down payments received on current orders	37,061	
	OPERATING LIABILITIES		
	Trade payables	315,623	270,122
	Tax and social security payables	108,142	2,404,237
	OTHER LIABILITIES		
	Payables for non-current assets		
	Other payables	9,056,492	12,881,808
	Deferred income (1)		
	Total liabilities	**89,771,408**	**75,451,859**
	Unrealized foreign currency gains	56,525	40,295
	TOTAL EQUITY & LIABILITIES	**160,868,420**	**144,729,340**
	Net income for the period (in euros and cents)	5,565,188.33	8,123,124.67
	(1) Liabilities and deferred income < 1yr	20,434,687	21,406,404
	(2) o/w current bank loans and overdrafts	171,609	86,923
	(3) o/w borrowings from affiliates		

6.3.3.a INCOME STATEMENT

	Presentation currency: euros	France	Exports	12/31/2022 12 months	12/31/2021 12 months
OPERATING INCOME	Sales of traded goods				
	Production sold - goods				
	Production sold - works and services	1,048,896	397,761	1,446,657	1,338,568
	Net revenues	**1,048,896**	**397,761**	**1,446,657**	**1,338,568**
	Production transferred to inventories				
	Capitalized production				
	Operating grants				
	Write-back of provisions and depreciation, expense transfers				317,531
	Other income			18,028	5,088
	Total operating income [1]			**1,464,685**	**1,661,187**
OPERATING EXPENSES	Purchase of traded goods				
	Change in inventories				
	Purchase of raw materials and other supplies				
	Change in inventories				
	Other purchases and external expenses			1,679,277	1,294,701
	Taxes, duties and levies			17,543	35,889
	Wages and salaries			194,004	36,000
	Social security charges			76,672	53,000
	Operator's contribution				
	Depreciation and amortization:				
	- of non-current assets				
	- deferred operating expenses				
	Impairment:				
	- of non-current assets				
	- of current assets			84,904	1,000
	Provisions			69,847	45,550
	Other expenses			169,347	158,292
	Total operating expenses [2]			**2,291,593**	**1,624,432**
	NET OPERATING INCOME/(LOSS)			**(826,908)**	**36,755**

6.3.3.b INCOME STATEMENT (CONT.)

	Presentation currency: euros	12/31/2022	12/31/2021
	NET OPERATING INCOME/(LOSS)	**(826,908)**	**36,755**
Joint ventures	Profit transferred in/loss transferred out		
	Loss transferred in/profit transferred out		
FINANCIAL INCOME	From equity investments [3]	6,638,045	9,075,232
	Other marketable securities and fixed-asset receivables [3]		
	Other interest and similar income [3]	1,125,727	748,197
	Write-back of provisions and impairment, expense transfers	921,775	2,353,943
	Currency gains	7,009	5,452
	Net gains on sale of marketable securities	173,346	281,172
	Total financial income	**8,865,902**	**12,463,995**
FINANCIAL EXPENSES	Depreciation, amortization and impairment charges, provisions	250,099	2,102,827
	Interest and similar expense [4]	2,235,648	2,081,475
	Currency losses	368,413	34,264
	Net losses on sale of marketable securities		894,987
	Total financial expenses	**2,854,160**	**5,113,553**
	NET FINANCIAL INCOME/(EXPENSE)	**6,011,743**	**7,350,443**
	NET INCOME BEFORE TAX & NON-RECURRING ITEMS	**5,184,834**	**7,387,198**
NON-RECURRING INCOME	On operating transactions		
	On capital transactions	37,960	
	Write-back of provisions and impairment, expense transfers		
	Total non-recurring income	**37,960**	
NON-RECURRING EXPENSES	On operating transactions		
	On capital transactions	102,269	
	Depreciation, amortization and impairment charges, provisions		
	Total non-recurring expenses	**102,269**	
	NET NON-RECURRING ITEMS	**(64,309)**	
	STAFF PROFIT SHARE		
	INCOME TAX	(444,663)	(735,927)
	TOTAL INCOME	**10,368,547**	**14,125,182**
	TOTAL EXPENSES	**4,803,359**	**6,002,058**
	NET INCOME FOR THE PERIOD	**5,565,188**	**8,123,125**
	[1] o/w income from prior years		
	[2] o/w expenses from prior years		
	[3] o/w income from affiliated companies	7,626,931	9,753,209
	[4] o/w interest from affiliated companies	147,412	85,541

6.3.4 ACCOUNTING RULES AND METHODS

Introduction

The balance sheet total at year-end amounted to **€160,868,420**.

The income statement, presented in the form of a list, includes total **income** of **€10,368,547** and total **expenses** of €4,803,359, resulting in **net income** of **€5,565,188**.
These notes form an integral part of the financial statements for the 12-month period beginning January 1, 2022 and ending December 31, 2022. These parent company financial statements were approved by the Executive Board on March 6, 2023.

Accounting principles, valuation methods and comparability of financial statements

The parent company financial statements were prepared and presented in accordance with French accounting standard ANC 2014-03
of June 5, 2014 as amended by subsequent additional regulations up to the date of preparation of said parent company financial statements.
Generally accepted accounting principles were applied with respect to the true and fair view principle in accordance with the underlying assumptions and the general rules of preparation and presentation as required for annual financial statements. Intercompany current accounts (current account and cash pool account, excluding tax consolidation current account) are presented as of December 31, 2022 under "Other receivables" for debit items and under "Other payables" for credit items. Please note that positions between the same legal entity are netted under a single debit or credit position.

Valuation methods and procedures applied to various balance sheet items

The basic method used to value items recorded in the financial statements is the historical cost method.

No change was made to the valuation and presentation methods during the fiscal year.

Highlights of the year

Acquisition of Baltijos Tentas by SergeFerrari Group
On June 1, 2022, SergeFerrari Group purchased a 60% stake in Baltijos Tentas, a distribution company located in Vilnius, Lithuania. The company specializes in the distribution of innovative membranes, including Verseidag and Serge Ferrari membranes, in the Baltic States.

An initial €484,000 payment was made on the June 1, 2022 execution date, followed by a €200,000 unconditional earn-out payment made on January 31, 2023. The earn-out was recognized under other liabilities on the December 31, 2022 balance sheet.

The acquisition agreement provides for a put option in favor of the seller over a portion of the minority interests retained at the time of sale.
The corresponding liability is valued at €347,000 and presented under off-balance sheet commitments.

Acquisition of MSE and DCS (Netherlands) by SergeFerrari Group
On July 27, 2022, SergeFerrari Group purchased a 60% stake in two Dutch companies, MSE and DCS, specializing in the design and engineering of biogas domes used in the farming and agrifood industries to store biogas produced by anaerobic digestion.

In 2021 these companies posted combined revenues of €12.8 million. These acquisitions will strengthen the Group's ties with companies involved in the transformation of its composite materials while providing MSE and DCS with the means to develop their business.

The price paid is €7.2 million for MSE and €1.3 million for DCS, while the acquisition agreement provides for an earn-out indexed to the performance of the acquired entities in 2024.

The liabilities associated with these earn-out payments were valued at €1,165,000 for MSE and €191,000 for DCS as of December 31, 2022.

Financing and refinancing contracts
In December 2022, SergeFerrari Group SA obtained confirmation from its relationship banks
of a €25 million line of credit allocated to financing and refinancing acquisitions. This line was not drawn as of December 31, 2022.

Highlights of the year

Loans
In 2022, SergeFerrari Group granted loans to its subsidiary Serge Ferrari SpA for an amount of €2.6 million as of December 31, 2022, repayable in tranches of €520,000 over five years, and €2.95 million repayable on July 29, 2023.

In 2022, SergeFerrari Group granted Verseidag a €4.9 million loan repayable in 2027.

Dividends
On May 17, 2022, the General Meeting decided to distribute dividends of €0.29 per share, i.e. a total amount of €3,566,785.11 allowing for treasury shares that do not confer entitlement to dividends.

On May 17, 2022, the Company received a €6,487,201 dividend from Serge Ferrari SAS.
On January 5, 2022, the Company received a €5,702.87 dividend from SIBAC.

On July 25, 2022, the Company received a €50,000 dividend from MTB Group.

On June 30, 2022, the Company received a €95,140.59 dividend from F.I.T.

Company share buybacks and payment of treasury shares to Jagenberg AG
The Company bought back 585,417 of its own shares, which were delivered to Jagenberg AG on July 28, 2021 in part payment for the Verseidag-Indutex GmbH acquisition.

This transaction was carried out for an amount of €7 million.

On July 28, 2022, the Company delivered 370,725 treasury shares to Jagenberg AG in part payment for the Verseidag-Indutex GmbH acquisition.

Equity investments

Equity investments are recognized at their acquisition cost, excluding ancillary expenses.

An impairment charge is recorded when the fair value of the securities falls below the book value.

Depending on the investment in question and the manner in which the securities were acquired, the fair value is the higher of:
- the market value, which may be obtained by reference to a comparable transaction or recent valuation;
- the company's net assets as of the balance sheet date; and
- value in use, measured using the discounted cash flow method via calculations analogous to those used for impairment testing on non-current assets during the preparation of the consolidated financial statements.

On February 8, 2022, SergeFerrari Group sold the 10,518 shares it held in SIBAC.

As of December 31, 2022, impairment charges recognized on equity investments held by the Company amounted to €210,000, while reversals amounted to €586,000.

Additional information

Statutory auditors' fees amounted to €166,525.

Group

The SergeFerrari Group SA financial statements have been included in the Ferrari Participations consolidated financial statements in accordance with the full consolidation method.

Since July 1, 2007, the cash flows of the companies based at La Tour-du-Pin have been pooled. Serge Ferrari SAS acts as the pooling company.

Remuneration of directors

Net attendance fees of €118,000 were recorded under expenses in the accounts.

SergeFerrari Group paid annual remuneration of €24,000 to two members of the Executive Board and gross remuneration of €170,000 to two members of the Supervisory Board.

Taxation

Since January 1, 1992, the Company has headed the tax group. This tax consolidation option is tacitly renewed.

An amendment to the tax consolidation agreement was concluded by way of Amendment No. 4 applicable from January 1, 2020 to December 31, 2024, taking into account the change in the neutral method of allocating tax between the member companies, as if there were no tax consolidation system, while taking into account losses of subsidiaries previously offset.

6.3.5 NON-CURRENT ASSETS

Presentation currency: euros

		Gross values b/fwd	Changes during the period – Increase – Revaluations	Changes during the period – Increase – Acquisitions	Changes during the period – Decrease – Item transfers	Changes during the period – Decrease – Disposals	Gross values as of 12/31/2022
INTANGIBLE	Start-up and development costs						
	Other						
	TOTAL INTANGIBLE ASSETS						
PROPERTY, PLANT & EQUIPMENT	Land						
	Buildings – on own land						
	Buildings – on land owned by third parties						
	Buildings – fixtures, fittings & equipment						
	Plant, machinery, tools and equipment						
	Other fixtures, fittings & equipment						
	Transport equipment						
	Office equipment/furniture						
	Recoverable packaging, miscellaneous						
	PP&E in progress						
	Advances and down payments						
	TOTAL PROPERTY, PLANT & EQUIPMENT						
FINANCIAL	Interests accounted for by the equity method						
	Other interests	92,564,747		19,532,224		166,001	111,930,969
	Other long-term investments						
	Loans and other financial assets	612,771		86,591			699,362
	TOTAL FINANCIAL ASSETS	**93,177,518**		19,618,815		166,001	112,630,331
	TOTAL	**93,177,518**		**19,618,815**		**166,001**	**112,630,331**

6.3.6 PROVISIONS

	Presentation currency: euros		B/fwd	Increase	Decrease	12/31/2022
REGULATED PROVISIONS	Reconstruction of mining and oil deposits					
	Provisions for investment					
	Provisions for price increases					
	Provisions for accelerated depreciation					
	Tax provisions for installation loans					
	Other provisions					
	REGULATED PROVISIONS					
PROVISIONS FOR RISKS & CONTINGENCIES	For litigation					
	For guarantees given to customers					
	For losses on futures markets					
	For fines and penalties					
	For foreign exchange losses		333,733	1,053	333,733	1,053
	For pensions and similar commitments					
	For taxes					
	For renewal of assets					
	For major works and repairs					
	For vacation pay soc. sec. & tax charges					
	Other		275,481	69,847		345,328
	PROVISIONS FOR RISKS & CONTINGENCIES		**609,214**	**70,900**	**333,733**	**346,381**
PROVISIONS FOR IMPAIRMENT	Non-current assets	intangible assets				
		PP&E				
		investments in equity affiliates				
		equity investments	13,052,017	200,828	586,527	12,666,318
		other financial assets		39,001		39,001
	Inventories and work-in-progress					
	Trade receivables					
	Other		164,589	94,121	1,515	257,195
	PROVISIONS FOR IMPAIRMENT		**13,216,606**	**333,950**	**588,042**	**12,962,514**
		OVERALL TOTAL	**13,825,821**	**404,850**	**921,775**	**13,308,895**
	o/w charges and reversals	operating		154,751		
		financial		250,099	921,775	
		non-recurring				

Investments in equity affiliates: impairment carried forward calculated according to the rules outlined under Article 39-1 5e of the French General Tax Code

6.3.7 RECEIVABLES AND PAYABLES

	Presentation currency: euros	12/31/2022	≤ 1 year	> 1 yr
RECEIVABLES	Loans to affiliates	10,730,636	4,602,222	6,128,414
	Loans [(1) (2)]			
	Other financial assets	699,362	699,362	
	Doubtful or disputed receivables			
	Other trade receivables	73,498	73,498	
	Receivables - securities lent			
	Personnel and related payables	5,294	5,294	
	Social security and other welfare organizations			
	Income tax	653,376	653,376	
	Value-added tax	59,580	59,580	
	Other taxes, duties and levies			
	Sundry			
	Group and associates [(2)]	48,158,192	25,783,344	22,374,848
	Miscellaneous debtors			
	Prepaid expenses	46,391	46,391	
	TOTAL RECEIVABLES	**60,426,330**	**31,923,068**	**28,503,262**
[(1)] Loans granted during the year		8,850,000		
[(1)] Repayments received during the year		49,210		
[(2)] Loans and advances granted to associates (natural persons)		44,444,873		

	Presentation currency: euros	12/31/2022	≤ 1 year	1 to 5 yrs	> 5 years
PAYABLES	Convertible bonds [(1)]				
	Other bonds [(1)]	30,532,110	532,110	30,000,000	
	Borrowings from credit institutions originally due in up to 1 yr [(1)]	171,609	171,609		
	Borrowings from credit institutions originally due in more than 1 yr [(1)]	49,550,373	11,607,193	37,943,180	
	Other borrowings and debt [(1) (2)]				
	Trade payables	315,623	315,623		
	Personnel and related payables				
	Social security and other welfare organizations	44,895	44,895		
	Income tax				
	Value-added tax				
	Secured bonds				
	Other taxes, duties and levies	63,247	63,247		
	Payables for non-current assets				
	Group and associates [(2)]				
	Other payables	9,056,492	7,700,011	1,356,481	
	Borrowed securities				
	Deferred income				
	TOTAL PAYABLES	**89,734,348**	**20,434,687**	**69,299,661**	
[(1)] Borrowings taken out during the year		25,500,000			
[(1)] Borrowings repaid during the year		5,227,278			
[(2)] Borrowings from associates (natural persons)					

6.3.8 ACCRUED INCOME

Presentation currency: euros		12/31/2022
Total accrued income		**545,996**
Loans to affiliates		**102,217**
Accrued interest on loans to affiliates	102,217	
Other receivables		**443,779**
Accrued interest on current accounts	336,957	
Accrued income/interest	106,822	

6.3.9 ACCRUED EXPENSES PAYABLE

Presentation currency: euros		12/31/2022
Total accrued expenses payable		**486,186**
Borrowings from credit institutions		176,528
Interest on borrowings	4,919	
Accrued interest	171,609	
Trade payables		204,972
Pending invoices	204,972	
Tax and social security payables		104,687
Soc. sec. charges/Pr reser-Bonus	42,214	
Tax payable	62,472	

6.3.10 PREPAID EXPENSES

Presentation currency: euros	Period	Amount	12/31/2022
Prepaid expenses - OPERATIONS			**46,391**
ANNUAL INSIDERLOG CONTRACT IN SWEDEN		4,626	
INSURANCE	1/1/2023-7/31/2022	9,701	
INSURANCE	1/1/2023-8/31/2023	10,987	
CONSULTING	1/1/2023-6/30/2023	20,000	
CONSULTING	1/1/2023-5/11/2023	1,077	
Prepaid expenses - FINANCIAL			
Prepaid expenses - NON-RECURRING			
TOTAL			**46,391**

6.3.11 CAPITAL STOCK

	Presentation currency: euros	Number	Par value	12/31/2022 Amount
SHARES / UNITS	Capital stock b/fwd	12,299,259.00	0.4	**4,919,703.60**
	Issued during the fiscal year			
	Redeemed during the year			
	Capital stock c/fwd	**12,299,259.00**	**0.4**	**4,919,703.60**

6.3.12 CURRENCY TRANSLATION DIFFERENCES

Presentation currency: euros	Amount	12/31/2022
Unrealized foreign currency LOSSES		**1,053**
Trade receivables	1,053	
Unrealized foreign currency GAINS		**56,525**
Current accounts & trade receivables	56,525	
TOTAL		**(55,472)**

6.3.13.a FINANCIAL COMMITMENTS

Presentation currency: euros	12/31/2022 Commitments granted	12/31/2022 Commitments received
Discounted bills not yet due		
Endorsements, sureties and guarantees	**143,420,302**	
First ranking pledge of Serge Ferrari SAS securities: 45,617 shares	119,545,454	
Corporate guarantee to Giofex France	1,500,000	
Pledge of current account receivable related to Verseidag	22,374,848	
Finance lease commitments		
Pension and retirement commitments		
Other commitments	**5,382,948**	**88,045,455**
Confirmed tranche		12,500,000
Revolving credit facility		15,000,000
See breakdown below - Other commitments	5,382,948	
Interest rate hedges (notional + variable rate and cap)		48,045,455
Additional acquisition loan agreement		12,500,000
Total financial commitments [1]	**148,803,250**	**88,045,455**

[1] o/w:

Executive management

Subsidiaries

Equity interests

Other affiliated companies

An earn-out clause relating to the acquisition of the Verseidag group is included in the acquisition agreement. This is indexed to the future performance of the acquired companies. The earn-out value is floored at €7.5 million and capped at €12.5 million. The Company has recognized the earn-out in its accounts under other payables as of December 31, 2022 at its minimum amount, i.e. €7.5 million. The €5 million difference between minimum and maximum amounts has not been valued in the financial statements, as this cannot be done reliably.
SergeFerrari Group has granted Jagenberg put options over SergeFerrari Group shares, which will be delivered to Jagenberg as part of the payment of the Verseidag group purchase price. SergeFerrari Group has undertaken to buy back its own shares between:
- May 1, 2023 and January 31, 2024 for shares to be delivered to Jagenberg on July 29, 2022. These shares are subject to a one-year lock-up period from the date of delivery.

6.3.13.b BREAKDOWN - OTHER COMMITMENTS

Presentation currency: euros	12/31/2022 Commitments granted	12/31/2022 Commitments received
Put option granted to Jagenberg group over the 370,247 shares delivered in July 2022, exercisable between 4/28/2023 and 1/28/2024	4,683,333	
Baltijos Tentas: Put option granted over a maximum 20% of shares held by the minority shareholder, exercisable until May 31, 2025	346,906	
Call option granted by the minority shareholder over a maximum 20% of shares, exercisable within one year from June 1, 2025 if the put option has not been exercised by the seller of MSE and DCS: The Group may have to pay a higher earn-out than the amount recognized if the calculation formula defined in the acquisition agreement yields a result exceeding the recognized minimum amount.	352,709	
Total	**5,382,948**	

6.3.14.a SUBSIDIARIES AND EQUITY INTERESTS

A. Detailed information	Capital stock	Shareholders' equity	% of capital held	Book value of shares held	
12/31/2022				Gross	Net
1. Subsidiaries (> 50%)					
Serge Ferrari SAS	14,169,170	52,035,399	99.80	14,690,638	14,690,638
Texyloop	1,101,000	(516,968)	100.00	10,787,500	
CI2M	400,000	(167,262)	100.00	1,085,245	
Tersuisse (in CHF except for shares and advances in EUR)	1,000,000	16,757,228	100.00	623,789	623,789
Serge Ferrari Brasil (in BRL except for shares and advances in EUR)	7,993,575	11,745,751	8.80	271,117	106,289
Giofex Srl	4,000,000	10,463,505	51.00	7,765,000	7,765,000
Ferramat (in TRY except for shares and advances in EUR)	9,167,400	33,154,819	100.00	1,834,696	1,668,038
2. Equity interests (10 to 50%)					
VR Développement at Dec 31, 2021 (except for loans & advances and shares)	1,072,370	961,269	35.00	449,979	360,230

	Loans and advances granted	Sureties and endorsements granted	Revenues	Net income for year ended	Dividends received
1. Subsidiaries (> 50%)					
Serge Ferrari SAS	23,832,714		179,495,688	11,399,509	6,487,201
Texyloop	2,293			(8,899)	
CI2M	348,697		1,613,626	(197,017)	
Tersuisse (in CHF except for shares and advances in EUR)	13,868		24,975,717	(601,668)	
Serge Ferrari Brasil (in BRL except for shares and advances in EUR)	295,657		5,476,507	2,293,134	
Giofex Srl	820,000		471,245	14,609	
Ferramat (in TRY except for shares and advances in EUR)			39,511,608	13,274,217	
2. Equity interests (10 to 50%)					
VR Développement at Dec 31, 2021 (except for loans & advances and shares)	156,811		183,778	14,103	

B. General information	Subsidiaries not included in A		Equity interests not included in A	
	French	Overseas	French	Overseas
Capital stock			2,000,000	
Shareholders' equity			32,279,413	
% interest			5	
Book value of shares held - Gross			100,000	
Book value of shares held - Net			100,000	
Loans and advances granted				
Sureties and endorsements				
Revenues			4,298,537	
Net income for year ended			19,848,350	
Dividends received			50,000	

Part B - General information:
The information in Part B relates to 2021, excluding loans and advances.

6.3.14.b SUBSIDIARIES AND EQUITY INTERESTS

A. Detailed information	Capital stock	Shareholders' equity	% of capital held	Book value of shares held	
12/31/2022				Gross	Net
1. Subsidiaries (> 50%)					
Plastitex	500,000	3,232,630	100	7,285,241	7,285,241
Serge Ferrari AB (in SEK except for shares and advances in EUR)	4,235,863	5,243,364	100	394,763	394,763
F.I.T. (in TWD except for shares, advances and dividends in EUR)	235,500,000	305,339,714	55	9,658,919	9,658,919
Verseidag-Indutex	2,560,000	16,044,213	100	35,300,000	35,300,000
Cubutex	100,000	(337,544)	100	1	1
Verseidag US (in USD except for shares and advances in EUR)	569,870	19,342	100	372,339	
S3A (in NOK except for shares and advances in EUR)	100,000	69,734	80	7,957	7,957
2. Equity interests (10 to 50%)					

	Loans and advances granted	Sureties and endorsements granted	Revenues	Net income for year ended	Dividends received
1. Subsidiaries (> 50%)					
Plastitex	5,776,702		13,955,994	579,391	
Serge Ferrari AB (in SEK except for shares and advances in EUR)			13,325,768	503,780	
F.I.T. (in TWD except for shares, advances and dividends in EUR)			464,884,642	31,232,899	95,141
Verseidag-Indutex	27,328,759		74,228,397	477,189	
Cubutex				(6,463)	
Verseidag US (in USD except for shares and advances in EUR)					
S3A (in NOK except for shares and advances in EUR)	10,000		52,000	(30,266)	
2. Equity interests (10 to 50%)					
VR Développement at Dec 31, 2021 (except for loans & advances and shares)	156,811		183,778	14,103	

B. General information	Subsidiaries not included in A		Equity interests not included in A	
	French	Overseas	French	Overseas
Capital stock			2,000,000	
Shareholders' equity			32,279,413	
% interest			5	
Book value of shares held - Gross			100,000	
Book value of shares held - Net			100,000	
Loans and advances granted				
Sureties and endorsements				
Revenues			4,298,537	
Net income for year ended			19,848,350	
Dividends received			50,000	

Part B - General information:
The information in Part B relates to 2021, excluding loans and advances.

6.3.14.c SUBSIDIARIES AND EQUITY INTERESTS

A. Detailed information 12/31/2022	Capital stock	Shareholders' equity	% of capital held	Book value of shares held Gross	 Net
1. Subsidiaries (> 50%)					
Baltijos Tentas	2,500	603,570	60.00	683,884	683,884
Dutch Cover Solutions BV	10,000	525,235	60.00	1,480,659	1,480,659
Membrane Systeme Europe BV	116,750	1,655,652	60.00	8,407,507	8,407,507
2. Equity interests (10 to 50%)					

	Loans and advances granted	Sureties and endorsements granted	Revenues	Net income for year ended	Dividends received
1. Subsidiaries (> 50%)					
Baltijos Tentas	100		1,255,751	148,361	
Dutch Cover Solutions BV			1,775,924	126,559	
Membrane Systeme Europe BV			4,068,370	451,941	
2. Equity interests (10 to 50%)					

B. General information	Subsidiaries not included in A French	 Overseas	Equity interests not included in A French	 Overseas
Capital stock			2,000,000	
Shareholders' equity			32,279,413	
% interest			5	
Book value of shares held - Gross			100,000	
Book value of shares held - Net			100,000	
Loans and advances granted				
Sureties and endorsements				
Revenues			4,298,537	
Net income for year ended			19,848,350	
Dividends received			50,000	

Part B - General information:
The information in Part B relates to 2021, excluding loans and advances.

6.3.15 TREASURY SHARES

	Number	Book value
January 1, 2022	262,372	2,040,361
Purchases	452,980	5,574,913
Sales	(237,909)	(2,545,530)
Gains on disposal		173,346
December 31, 2022	**477,443**	**5,243,090**

6.4 RESULTS OF THE LAST FIVE FISCAL YEARS

Results of the last five fiscal years

(€)	2018	2019	2020	2021	2022
1. Capital stock c/fwd					
a. Capital stock	4,919,704	4,919,704	4,919,704	4,919,704	4,919,704
b. No. of existing ordinary shares	12,299,259	12,299,259	12,299,259	12,299,259	12,299,259
c. No. of non-voting preference shares	----	----	----	----	----
d. Max no. of future shares issued					
d.1 by bond conversion	----	----	----	----	----
d.2 by exercise of subscription rights	----	----	----	----	----
2. Transactions and earnings for the year					
a. Gross revenues	1,288,072	1,341,407	1,123,456	1,338,568	1,446,657
b. Earnings before tax, employee profit-share, depreciation and provisions	1,394,827	2,268,556	790,792	6,865,101	4,667,909
c. Income tax	170,780	(580,266)	300,281	735,927	444,663
d. Employee profit share due for period	----	----	----		
e. Earnings after tax, employee profit-share, depreciation and provisions	324,763	2,054,779	437,120	8,123,125	5,565,188
f. Distributed earnings	592,037	1,475,911	0	3,566,785	4,919,704
3. Earnings per share					
a. Earnings after tax and employee profit-share, but before depreciation and provisions	0.13	0.23	0.09	0.09	0.41
b. Earnings after tax, employee profit-share, depreciation and provisions	0.03	0.17	0.04	0.66	0.45
c. Dividend per share	0.05	0.12	0.00 [2]	0.29	0.40
4. Personnel					
a. Average headcount (full-time equivalent) during the period	----	----	----		
b. Total payroll	576,640	42,580	36,000	36,000	194,004
c. Social security, employee services and benefits, etc.	124,489	38,550	46,799	53,000	76,672

[1] Share split whereby the par value per share was reduced from €20 to €0.40 on April 30, 2014
[2] According to resolution put forward at the May 19, 2021 General Meeting

6.5 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

KPMG SA
51 rue de Saint-Cyr
69009 Lyon
France

Grant Thornton
Cité Internationale
Quai Charles de Gaulle
69463 Lyon Cedex 06
France

SergeFerrari Group
Zone Industrielle de La Tour-du-Pin
38110 Saint-Jean-de-Soudain

Year ended December 31, 2022
To the General Meeting of SergeFerrari Group SA,

Opinion

In accordance with the engagement entrusted to us by your General Meeting, we have audited the financial statements of SergeFerrari Group SA for the year ended December 31, 2022, as appended to this report.

We hereby certify, in accordance with French accounting rules and standards, that the Company financial statements give a true and fair view of the results of the transactions performed during the fiscal year ended, as well as of the Company's financial position and net assets at the end of that fiscal year.

The opinion expressed above is consistent with the terms of our report to the Audit Committee.

Bases of opinion

Terms of reference
We conducted our audit in accordance with professional standards applicable in France. We believe that the information we have gathered is sufficient and appropriate to form the basis of our opinion.

Our responsibilities in accordance with these standards are set out in the section of this report entitled "Statutory auditors' responsibilities regarding the audit of the Company financial statements".

Independence
We have performed our audit in compliance with the rules of independence laid down by the French Commercial Code and the French Code of Ethics for statutory auditors, for the period running from January 1, 2022 to the date of issue of our report, and in particular we have not provided services prohibited under Article 5 (1) of Regulation (EU) 537/2014.

Justification of assessments – Key audit matter

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code on the justification of audit assessments, we hereby draw your attention to one key audit matter relating to the risk of material misstatements which, in our professional judgment, has been the most significant for the audit of the Company financial statements and to our responses with regard to these risks.

These assessments were made as part of our audit of the Company financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed herein. We express no opinion on individual items comprising these Company financial statements taken in isolation.

Valuation of equity investments

Risks identified
Equity investments, which are carried on the December 31, 2022 balance sheet at a net amount of €88.5 million, constitute one of the most significant balance sheet items.

As explained in the note to the financial statements on "Equity investments", they are initially recognized at acquisition cost and written down on the basis of their fair value. Fair value is estimated by management on the basis of market value (which may be obtained by reference to a comparable transaction or recent valuation), the investee's net assets as of the balance sheet date, and value in use as measured using the discounted cash flow method.

Estimating the present value of equity investments requires management to exercise judgment in its choice of information to be taken into account and assumptions to be applied if cash flow forecasts are used.

In this context and due to the inherent uncertainty of certain items, in particular the probability of forecasts materializing, we considered that the correct valuation of equity investments, related receivables and provisions for risks was a key audit matter.

Audit procedures implemented to address identified risks
In order to assess the reasonableness of estimates of the present value of equity investments, based on the information provided to us, our work consisted mainly in verifying that the estimates of these values made by management were based on an appropriate justification of the valuation method and figures used. We also conducted the following checks and verifications depending on the securities concerned:

For valuations based on historical data:
- we reconciled the amounts of shareholders' equity used with the financial statements of entities that had been audited or subject to analytical procedures and we verified that any adjustments made to shareholders' equity were corroborated by adequate supporting documentation.

For valuations based on forecasts:
- we obtained cash flow and operating forecasts for the activities of the entities in question prepared by their operating departments and we assessed their overall consistency;
- we verified the consistency of the assumptions adopted with the economic environment at the financial statements closing and preparation dates;
- we compared the forecasts used in previous periods with the corresponding actual figures in order to assess the achievement of past objectives;
- we checked that the value resulting from cash flow forecasts had been adjusted by the amount of the entity's debt.

FINANCIAL STATEMENTS
STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

In addition to assessing the present value of equity investments, our work also consisted in:

- assessing the recoverability of loans to affiliates in light of the analyses performed on equity investments;
- verifying the recognition of a provision for risks in cases where the Company is required to bear the losses of a subsidiary posting negative equity.

Lastly, we assessed the appropriateness of the disclosures made in the note to the financial statements on "Equity investments" in the paragraph entitled "Accounting rules and methods".

Specific testing

In accordance with professional standards applicable in France, we also carried out the specific testing required by statutory and regulatory provisions.

Information provided in the management report and in the other documents sent to shareholders regarding the Company's financial position and financial statements
We have nothing to report regarding the fair presentation of the information provided in the Executive Board management report and in the documents sent to the shareholders regarding the Company's financial position and financial statements, or on the consistency of such information with the Company financial statements.

We hereby certify the fair presentation of the information regarding outstanding payments referred to in Article D. 441-6 of the French Commercial Code and the consistency of such information with the Company financial statements.

Report on corporate governance
We hereby certify that the Executive Board report on corporate governance contains the information required under Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

We have checked the consistency of the information provided, in accordance with Article L. 22-10-9 of the French Commercial Code, on the remuneration and benefits paid or awarded to corporate officers and on the commitments granted in their favor with the financial statements or with the underlying data used to prepare the financial statements and, where appropriate, with the information gathered by your Company from companies controlled by it which are included in the consolidation scope. Based on this work, we hereby certify the accuracy and fair presentation of this information.

Regarding information concerning factors that your Company has considered likely to have an impact in the event of a public tender or exchange offer, which is provided in application of Article L. 22-10-11 of the French Commercial Code, we have verified the consistency of such information with the documents from which it was derived and which were forwarded to us. On the basis of our work, we have nothing to report regarding this information.

Additional information
As required by law, we verified that the information concerning the identity of the holders of capital stock or voting rights has been disclosed to you in the management report.

Other verifications and disclosures required by statutory and regulatory provisions

Presentation format of the Company financial statements to be included in the annual financial report
We have also verified, in accordance with the professional standard applicable to the statutory auditors' review of the parent company and consolidated financial statements presented under the European single electronic reporting format, that this format defined by European Delegated Regulation 2019/815 of December 17, 2018 was adhered to in the presentation of the Company financial statements to be included in the annual financial report mentioned in Article L. 451-1-2 I of the French Monetary and Financial Code, prepared under the responsibility of the Chairman of the Executive Board.

Based on our work, we find that the presentation of the Company financial statements to be included in the annual financial report complies, in all material aspects, with the European single electronic format.

It is not our responsibility to verify that the Company financial statements actually included by your Company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of statutory auditors
We were appointed as statutory auditors of SergeFerrari Group SA by the General Meeting on May 19, 2021 in the case of KPMG SA and May 16, 2019 in the case of Grant Thornton.

As of December 31, 2022, KPMG SA was in the second consecutive year of its assignment and Grant Thornton in the fourth year.

Responsibilities of management and persons involved in corporate governance with regard to the Company financial statements
It is management's responsibility to prepare Company financial statements presenting a true and fair view in accordance with the French accounting rules and principles and to establish the internal control procedures it deems necessary for the preparation of Company financial statements that are free of material misstatements, whether due to fraud or error.

In preparing the Company financial statements, management is required to assess the Company's ability to continue its operations, to present in these statements, where applicable, the requisite information with regard to continuity of business and to apply the going concern principle, unless there is the intention to liquidate the Company or discontinue its operations.

It is the responsibility of the Audit Committee to monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and, where applicable, of the internal audit system, as regards the procedures relating to the preparation and processing of accounting and financial information.

These Company financial statements have been approved by the Executive Board.

Statutory auditors' responsibilities regarding the audit of the Company financial statements

Audit objective and approach
It is our responsibility to prepare a report on the Company financial statements. Our goal is to obtain reasonable assurance that these Company financial statements, taken as a whole, are free of material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, the guarantee that an audit performed in accordance with professional standards enables systematic detection of all material misstatements. Misstatements may result from fraud or error and are deemed material when they may reasonably be expected, when taken either individually or together, to influence economic decisions taken by users of the financial statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or quality of your Company's management.

Within the scope of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises his or her professional judgment throughout this audit. Furthermore:

- the auditor identifies and assesses the risks that the Company financial statements contain material misstatements, whether resulting from fraud or error, defines and implements audit procedures to address these risks, and gathers the elements the auditor deems necessary and appropriate upon which to base the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is more serious than the risk of not detecting a material misstatement resulting from error, since fraud may involve collusion, falsification, deliberate omission, false representations or the circumvention of internal control;
- the auditor examines the aspects of the internal control system that are relevant to the audit, in order to define the audit procedures appropriate in the circumstances but not for the purpose of expressing an opinion on the efficacy of the internal control system;
- the auditor assesses the appropriateness of the accounting methods adopted and the reasonableness of the accounting estimates made by management, as well as the related information provided in the Company financial statements;
- the auditor assesses the appropriateness of management's application of the going concern principle and, according to the information gathered, the existence or absence of material uncertainty regarding events or circumstances liable to jeopardize the Company's ability to continue its operations. This assessment is based on information gathered up until the date of the auditor's report, provided, however, that any subsequent circumstances or events could jeopardize business continuity. If the auditor finds that material uncertainty exists, the auditor draws the attention of the readers of the auditor's report to the information provided in the Company financial statements regarding this uncertainty or, if such information is not provided or is irrelevant, issues certification with reservations or refuses to certify;
- the auditor assesses the presentation of the Company financial statements, taken as a whole, and assesses whether they reflect the underlying transactions and events in such a way as to give a true and fair view thereof.

Report to the Audit Committee

We submit to the Audit Committee a report defining the scope of the audit work and the audit program implemented, as well as the findings based on our work. We also draw the committee's attention to any material internal control deficiencies we have identified, as regards procedures relating to the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee also contains information on the risks of material misstatements that we deemed to have been the most significant for the audit of the Company financial statements and which therefore constitute key audit matters, which we are required to set out herein.

We also submit to the Audit Committee the declaration referred to in Article 6 of Regulation (EU) 537/2014 confirming our independence, within the meaning of the rules applicable in France as defined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and the French Code of Ethics for statutory auditors. If necessary, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

The Statutory Auditors

Lyon, March 3, 2023
KPMG SA

Sara Righenzi de Villers
Partner

Lyon, March 3, 2023
Grant Thornton

Frédéric Jentellet
Partner

Solar protection - residential

Batyline sling seats ■ France

7

Combined General Meeting of April 19, 2023

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7.1 AGENDA

ORDINARY RESOLUTIONS

- Review of the management and Group report;
- Review of the statutory auditors' report on the parent company and consolidated financial statements for the fiscal year ended December 31, 2022;
- Review of the report on corporate governance;
- Review of the statutory auditors' report on the report on corporate governance;
- Review of the non-financial performance statement and the related certificate issued by an independent third-party body;
- Approval of the parent company financial statements for the 2022 fiscal year *(1st resolution)*;
- Approval of the consolidated financial statements for the 2022 fiscal year (2nd resolution);
- Regulated agreements *(3rd resolution)*;
- Appropriation of earnings for the fiscal year *(4th resolution)*;
- Reappointment of Félicie Ferrari as member of the Supervisory Board *(5th resolution)*;
- Reappointment of Romain Ferrari as member of the Supervisory Board *(6th resolution)*;
- Appointment of Bpifrance Investissement as member of the Supervisory Board *(7th resolution)*;
- Approval of the information on corporate officer remuneration referred to in Article L. 22-10-9 of the French Commercial Code *(8th resolution)*;
- Approval of the components of remuneration and benefits of all kind paid to Sébastien Baril, Chairman of the Executive Board, during the 2022 fiscal year or awarded in respect of said year *(9th resolution)*;
- Approval of the components of remuneration and benefits of all kind paid to Philippe Brun, Member of the Executive Board, during the 2022 fiscal year or awarded in respect of said year *(10th resolution)*;
- Approval of the components of remuneration and benefits of all kind paid to Sébastien Ferrari, Chairman of the Supervisory Board, during the 2022 fiscal year or awarded in respect of said year *(11th resolution)*;
- Approval of the components of remuneration and benefits of all kind paid to Romain Ferrari, Vice-Chairman of the Supervisory Board, during the 2022 fiscal year or awarded in respect of said year *(12th resolution)*;
- Approval of the components of remuneration and benefits of all kind paid to the members of the Supervisory Board during the 2022 fiscal year or awarded in respect of said year *(13th resolution)*;
- Approval of the remuneration policy applicable to Sébastien Baril, Chairman of the Executive Board *(14th resolution)*;
- Approval of the remuneration policy applicable to Philippe Brun, Member of the Executive Board *(15th resolution)*;
- Approval of the remuneration policy applicable to Sébastien Ferrari, Chairman of the Supervisory Board *(16th resolution)*;
- Approval of the remuneration policy applicable to Romain Ferrari, Vice-Chairman of the Supervisory Board *(17th resolution)*;
- Approval of the remuneration policy applicable to the members of the Supervisory Board *(18th resolution)*;
- Authorization for the Company to buy back its own shares *(19th resolution)*.

EXTRAORDINARY RESOLUTIONS

- Authorization for the Executive Board to reduce the capital stock by canceling treasury shares held by the Company *(20th resolution)*;
- Overall cap on capital increases *(21st resolution)*;
- Delegation of authority to the Executive Board to increase the capital stock by capitalization of reserves, profits, issue premiums or other amounts *(22nd resolution)*;
- Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the capital stock or conferring entitlement to an allotment of debt securities of the Company or its subsidiaries with preferential subscription rights *(23rd resolution)*;
- Delegation of authority to the Executive Board to increase, in the event of over-subscription, the number of shares to be issued in the event of a capital increase with or without shareholder preferential subscription rights *(24th resolution)*;
- Delegation of authority to the Executive Board to issue all ordinary shares and/or securities giving access to equity securities to be issued by the Company and/or its subsidiaries or to existing equity securities of an equity investment of the Company, without preferential subscription rights via a public offering other than those referred to in Article L. 411-2 1° of the French Monetary and Financial Code *(25th resolution)*;
- Delegation of authority to the Executive Board to issue all ordinary shares and/or securities giving access to equity securities to be issued by the Company and/or its subsidiaries or to existing equity securities of an equity investment of the Company, without preferential subscription rights via a public offering as referred to in Article L. 411-2 1° of the French Monetary and Financial Code *(26th resolution)*;
- Authorization for the Executive Board, in the event of an issue of ordinary shares or any other securities giving access to the capital stock without preferential subscription rights, to set the issue price, under the terms defined by the General Meeting, up to a maximum of ten per cent (10%) of the capital stock *(27th resolution)*;
- Delegation of powers to the Executive Board to issue shares and any other securities giving access to the capital stock as consideration for contributions in kind *(28th resolution)*;
- Delegation of authority to the Executive Board to issue ordinary shares in the Company and/or securities giving access, immediately and/or subsequently, to the Company's capital stock as consideration for securities contributed as part of a public exchange offer initiated by the Company *(29th resolution)*;
- Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (companies regularly investing, directly and/or indirectly, in small-cap growth stocks) *(30th resolution)*;
- Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (employee or exclusive commercial agent of the Company or of a related company, corporate officer of a related foreign company) *(31st resolution)*;
- Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (credit institution, investment service provider, investment fund or company under an equity or bond financing contract) *(32nd resolution)*;
- Delegation of authority to the Executive Board to carry out capital increases reserved for employees enrolled in a company savings plan, with waiver of preferential subscription rights in favor of said beneficiaries *(33rd resolution)*;
- Authorization for the Executive Board to award stock options entailing the shareholders' express waiver of their preferential subscription rights in favor of Group employees and/or executive officers *(34th resolution)*;
- Authorization for the Executive Board to allot existing or new ordinary Company shares free of charge to Group employees and/or executive officers, with automatic waiver of shareholders' preferential subscription rights (*35th resolution)*;
- Powers for formalities *(36th resolution)*.

7.2 DRAFT RESOLUTIONS

ORDINARY GENERAL MEETING

FIRST RESOLUTION – Approval of the parent company financial statements for the 2022 fiscal year

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings and having reviewed the reports of the Executive Board and the statutory auditors, hereby approves the Executive Board report and the parent company financial statements for the 2022 fiscal year, as presented to the meeting, together with all the transactions reflected in said financial statements and summarized in said reports, showing a net profit of €5,565,188.33.
The meeting notes that the financial statements for the fiscal year ended do not include any expenses that cannot be included in tax-deductible expenses under Article 39.4 of the French General Tax Code.

SECOND RESOLUTION - Approval of the consolidated financial statements for the 2022 fiscal year

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings and having reviewed the reports of the Executive Board and the statutory auditors, hereby approves the consolidated financial statements for the 2022 fiscal year, together with all the transactions reflected in said financial statements and summarized in said reports, showing net income of €16,688,933.

THIRD RESOLUTION - Regulated agreements

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings and having reviewed the statutory auditors' special report provided for by Article L. 225-88 of the French Commercial Code on the agreements referred to in Articles L. 225-86 et seq. of the French Commercial Code, hereby approves the regulated agreements referred to in said report.

FOURTH RESOLUTION - Appropriation of earnings for the fiscal year

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, at the recommendation of the Executive Board, hereby resolves to appropriate:

net profit for the year ended December 31, 2022,		**€5,565,188.33**
plus retained earnings		€0.00
giving a total distributable amount of		**€5,565,188.33**
as follows:	dividend paid to shareholders	€4,919,703.60
	allocation to the legal reserve	€0.00
	other reserves	€645,484.73

The aforementioned amount is calculated on the basis of the number of shares comprising the Company's capital stock as of December 31, 2022 and will be adjusted in accordance with the number of shares issued between January 1, 2023 and the dividend payment date.

Dividends attached to treasury shares held as of the ex-dividend date, which do not grant entitlement to dividends, will be added to the "Other reserves" account, which will be increased accordingly.

Consequently, for the fiscal year ended December 31, 2022, the General Meeting hereby sets the dividend to be paid at €0.40 per share. When paid to shareholders who are natural persons domiciled for tax purposes in France, the dividend is paid after withholding at source of PFU flat tax at 12.8% and social security deductions at 17.2% of the gross dividend amount. PFU flat tax is exempt from income tax, unless the shareholder opts to apply the income tax sliding scale to all investment income and capital gains falling within the scope of the PFU.
If this option is exercised, the dividend is eligible for the 40% allowance provided for in Article 158-3.2° of the French General Tax Code.

The option to tax dividends on the income tax sliding scale must be exercised by the individual shareholder when submitting the tax return on their entire income.

Shares will go ex-dividend at zero hour Paris time on April 26, 2023 and dividends will be paid out on April 28, 2023.

Dividends paid to shareholders in respect of the last three fiscal years were as follows:

	2019	2020	2021
Dividend per share	€0.12	€0	€0.29

FIFTH RESOLUTION – Reappointment of Félicie Ferrari as member of the Supervisory Board

The General Meeting, voting under the quorum and majority conditions for Ordinary General Meetings and having noted the expiry of Félicie Ferrari's term of office as member of the Supervisory Board, hereby resolves to reappoint Félicie Ferrari as a member of the Supervisory Board for a period of three (3) years expiring at the close of the General Meeting called in 2026 to approve the financial statements for the fiscal year ended December 31, 2025.

SIXTH RESOLUTION – Reappointment of Romain Ferrari as member of the Supervisory Board

The General Meeting, voting under the quorum and majority conditions for Ordinary General Meetings and having noted the expiry of Romain Ferrari's term of office as member of the Supervisory Board, hereby resolves to reappoint Romain Ferrari as a member of the Supervisory Board for a period of three (3) years expiring at the close of the General Meeting called in 2026 to approve the financial statements for the fiscal year ended December 31, 2025.

SEVENTH RESOLUTION – Appointment of Bpifrance Investissement as member of the Supervisory Board

The General Meeting, voting under the quorum and majority conditions for Ordinary General Meetings, hereby resolves to appoint Bpifrance Investissement as a member of the Supervisory Board for a period of three (3) years expiring at the close of the General Meeting called in 2026 to approve the financial statements for the fiscal year ended December 31, 2025.

EIGHTH RESOLUTION - Approval of the information on corporate officer remuneration referred to in Article L. 22-10-9 of the French Commercial Code

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, hereby approves, in accordance with Article L. 22-10-34 of the French Commercial Code, the information listed in Article L. 22-10-9 of the French Commercial Code, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.

NINTH RESOLUTION – Approval of the components of remuneration and benefits of all kind paid to Sébastien Baril, Chairman of the Executive Board, during the 2022 fiscal year or awarded in respect of said year

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, hereby approves, in accordance with Article L. 22-10-34 of the French Commercial Code, the components of remuneration and benefits of all kind paid to Sébastien Baril, in respect of his duties as Chairman of the Executive Board, during the 2022 fiscal year or awarded in respect of said year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.

TENTH RESOLUTION – Approval of the components of remuneration and benefits of all kind paid to Philippe Brun, Member of the Executive Board, during the 2022 fiscal year or awarded in respect of said year

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, hereby approves, in accordance with Article L. 22-10-34 of the French Commercial Code, the components of remuneration and benefits of all kind paid to Philippe Brun, in respect of his duties as member of the Executive Board, during the 2022 fiscal year or awarded in respect of said year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.

ELEVENTH RESOLUTION – Approval of the components of remuneration and benefits of all kind paid to Sébastien Ferrari, Chairman of the Supervisory Board, during the 2022 fiscal year or awarded in respect of said year

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, hereby approves, in accordance with Article L. 22-10-34 of the French Commercial Code, the components of remuneration and benefits of all kind paid to Sébastien Ferrari, in respect of his duties as Chairman of the Supervisory Board, during the 2022 fiscal year or awarded in respect of said year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.

TWELFTH RESOLUTION – Approval of the components of remuneration and benefits of all kind paid to Romain Ferrari, Vice-Chairman of the Supervisory Board, during the 2022 fiscal year or awarded in respect of said year

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, hereby approves, in accordance with Article L. 22-10-34 of the French Commercial Code, the components of remuneration and benefits of all kind paid to Romain Ferrari, in respect of his duties as Vice-Chairman of the Supervisory Board, during the 2022 fiscal year or awarded in respect of said year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.

COMBINED GENERAL MEETING OF APRIL 19, 2023
DRAFT RESOLUTIONS

THIRTEENTH RESOLUTION – Approval of the components of remuneration and benefits of all kind paid to the members of the Supervisory Board during the 2022 fiscal year or awarded in respect of said year	The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, hereby approves, in accordance with Article L. 22-10-34 of the French Commercial Code, the components of remuneration and benefits of all kind paid to the members of the Supervisory Board in respect of their duties as such, during the 2022 fiscal year or awarded in respect of said year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.
FOURTEENTH RESOLUTION – Approval of the remuneration policy applicable to Sébastien Baril, Chairman of the Executive Board	The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, in application of Article L. 22-10-26 of the French Commercial Code, hereby approves the remuneration policy applicable to the Chairman of the Executive Board in respect of his duties as such during the 2023 fiscal year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.
FIFTEENTH RESOLUTION – Approval of the remuneration policy applicable to Philippe Brun, Member of the Executive Board	The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, in application of Article L. 22-10-26 of the French Commercial Code, hereby approves the remuneration policy applicable to the member of the Executive Board other than the Chairman, in respect of his duties as such during the 2023 fiscal year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.
SIXTEENTH RESOLUTION – Approval of the remuneration policy applicable to Sébastien Ferrari, Chairman of the Supervisory Board	The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, in application of Article L. 22-10-26 of the French Commercial Code, hereby approves the remuneration policy applicable to Sébastien Ferrari, Chairman of the Supervisory Board, in respect of his duties as such during the 2023 fiscal year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.
SEVENTEENTH RESOLUTION – Approval of the remuneration policy applicable to Romain Ferrari, Vice-Chairman of the Supervisory Board	The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, in application of Article L. 22-10-26 of the French Commercial Code, hereby approves the remuneration policy applicable to Romain Ferrari, Vice-Chairman of the Supervisory Board, in respect of his duties as such during the 2023 fiscal year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.
EIGHTEENTH RESOLUTION – Approval of the remuneration policy applicable to the members of the Supervisory Board	The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, in application of Article L. 22-10-26 of the French Commercial Code, hereby approves the remuneration policy applicable to the members of the Supervisory Board, in respect of their duties as such during the 2023 fiscal year, as presented in the report on corporate governance included in the notice of meeting brochure for this General Meeting, which may be downloaded (in French) from the "Assemblées générales" page of the Company website.

NINETEENTH RESOLUTION - Authorization for the Company to buy back its own shares

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings and having reviewed the Executive Board report, hereby authorizes the Executive Board, with the option to sub-delegate said authorization, to purchase Company shares up to an amount representing ten per cent (10%) of the number of shares comprising the capital stock, for a period of eighteen (18) months or until the date of its renewal by the Ordinary General Meeting, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code and European Regulation 596/2014 of April 16, 2014.

These shares may be purchased, sold or transferred at any time and by any means, on one or more occasions, on the stock market or over the counter, in full or in part, through the acquisition, disposal, exchange or transfer of blocks of shares or option transactions. These means include, if necessary, the use of all financial instruments and derivatives. The total number of shares authorized under the share buyback plan may be purchased or sold by means of block trades.

The net purchase price per share shall not exceed thirty euros (€30), excluding fees and commissions, subject to any adjustments made in accordance with applicable statutory and regulatory provisions in relation to transactions involving the Company's equity.

The Company shall be entitled to purchase, in one or more installments and at such times as the Executive Board shall see fit, a number of ordinary Company shares not exceeding:

- ten per cent (10%) of the total number of shares comprising the capital stock as adjusted in accordance with any transactions that may affect it following the date of the decision; or
- five per cent (5%) of the aforementioned number of shares comprising the capital stock if the shares are purchased by the Company to hold for subsequent delivery as consideration or in exchange in relation to a merger, demerger or capital contribution transaction.

The maximum amount of funds required to implement the plan will be set at thirty-six million, eight hundred and ninety-seven thousand, seven hundred and seventy-seven euros (€36,897,777).

In the event of a capital increase by capitalization of reserves, bonus share allotment, stock split or reverse stock split, the aforementioned prices shall be adjusted by applying a multiplying factor equal to the ratio between the number of shares comprising the capital stock before and after the said transaction.

Shares can be acquired in accordance with the terms set out in the applicable laws and regulations, in particular with the aim of:

- encouraging liquidity and boosting the Company's share price through the intervention of an investment service provider under a liquidity contract in compliance with the ethics charter recognized by the French Financial Markets Authority (AMF);
- allotting or selling shares to employees or corporate officers of the Company and of French or foreign companies or groups related to it in accordance with the applicable statutory and regulatory conditions, including as part of sharing the profits of business expansion, employee shareholding plans, company savings plans, stock option plans or bonus share allotments or on any other terms permitted by applicable regulations;
- granting shares upon the exercise of rights attached to securities conferring the right to existing Company shares via redemption, conversion, exchange, presentation of a warrant or in any other way;
- canceling repurchased shares as part of a capital reduction;
- holding and delivering Company shares as consideration or in exchange, primarily in relation to mergers and acquisitions.

In accordance with regulatory limitations, the transactions may be carried out by the Executive Board pursuant to this authorization at any time, on one or more occasions, throughout the duration of the share buyback plan, on the understanding that the Executive Board cannot exercise this authority and the Company cannot pursue the execution of a share buyback plan once a third party has filed a proposed public tender offer to purchase the Company's shares and until the end of the offer period.

The General Meeting hereby grants full powers to the Executive Board to place any orders, enter into any agreements, complete any formalities, make any representations to any bodies and generally do all that is required, with the option to sub-delegate these powers pursuant to applicable laws.

This authorization cancels, for the remaining period and in respect of the unused portion, the authorization granted by the General Meeting of May 17, 2022 under its 9th resolution.

EXTRAORDINARY GENERAL MEETING

TWENTIETH RESOLUTION – Authorization for the Executive Board to reduce the capital stock by canceling treasury shares held by the Company

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings and having reviewed the Executive Board report and the statutory auditors' special report and subject to the adoption of the 9th resolution, hereby authorizes the Executive Board, with the option to sub-delegate said authorization, in accordance with Articles L. 22-10-62 et seq. of the French Commercial Code, for a period of twenty-four (24) months as from the date of this General Meeting, in such proportions and at such times as it shall see fit:

- to cancel the shares purchased by the Company in exercise of the authorization granted in the 9th resolution, within a limit of ten per cent (10%) of the total number of shares comprising the capital stock, as adjusted in accordance with transactions that may affect it subsequently to this resolution, for each period of twenty-four (24) months;
- to reduce the capital stock accordingly by deducting the difference between the net book value and the par value of the shares thus canceled from the additional paid-in capital or available reserves account, in accordance with the procedures determined by the Executive Board; and
- to amend the Articles of Association accordingly and complete all required formalities.

The General Meeting notes that this authorization cancels any previous authorization for the same purpose.

The General Meeting hereby resolves that the Executive Board shall have full powers to exercise this authorization and, in particular, to set all terms and conditions of such share cancellations, in accordance with applicable statutory and regulatory provisions and the aforementioned caps, to record the completion of the resulting capital reductions, amend the Company's Articles of Association accordingly and, in general, do all that is appropriate or necessary in order to exercise this authorization.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of May 17, 2022 under its 10th resolution.

TWENTY-FIRST RESOLUTION – Overall cap on capital increases

The General Meeting, having reviewed the Executive Board report and the statutory auditors' special report, in accordance with the provisions of Article L. 225-129-2 of the French Commercial Code, hereby resolves:

- to set at one million four hundred and eighty thousand euros (€1,480,000) the cumulative total maximum nominal value of capital increases carried out pursuant to the 22nd to 32nd resolutions subject to approval by this General Meeting;
- that the par value of any additional ordinary shares issued, in accordance with the law and any applicable contractual terms providing for other adjustment scenarios, in order to maintain the rights of holders of shares or other securities giving access to the Company's capital stock shall be added to the aforementioned cap;
- to set the total maximum nominal value of securities representing debt issued pursuant to the 23rd, 25th, 26th and 29th to 32nd resolutions of this General Meeting at nine million euros (€9,000,000), on the understanding that this amount will be increased, where applicable, by any redemption premium above par. This cap is also independent and distinct from the amount of securities representing debt conferring entitlement to an allotment of debt securities and from the amount of debt securities whose issuance is independently decided or authorized by the Executive Board in accordance with Article L. 228-40 of the French Commercial Code;
- that this resolution replaces the common caps provided for at previous General Meetings of the Company, with the exception of securities giving access, immediately and/or subsequently, to the Company's capital stock already issued at the date of this General Meeting and any issuance decided by the Board of Directors or Executive Board prior to this General Meeting, settlement and delivery of which has not taken place by this date.

TWENTY-SECOND RESOLUTION – Delegation of authority to the Executive Board to increase the capital stock by capitalization of reserves, profits, issue premiums or other amounts

The General Meeting, voting in its extraordinary capacity under the quorum and majority conditions provided for in Articles L. 22-10-32 and L. 225-98 of the French Commercial Code, having reviewed the Executive Board report and in accordance with the provisions of the French Commercial Code, in particular Articles L. 225-129, L. 225-129-2, L. 225-130 and L. 22-10-50, hereby:

- delegates to the Executive Board, with the option to sub-delegate in accordance with statutory conditions, its authority to decide to increase the capital stock, on one or more occasions, in such proportion and at such times as it shall see fit, by capitalization of premiums, reserves, profits or other amounts, capitalization of which is permitted by law and by the Articles of Association, via a bonus share allotment, by increasing the par value of existing shares or via a combination of these two methods;
- resolves that the maximum nominal value of any capital increases carried out under this authorization shall not exceed one million four hundred and eighty thousand euros (€1,480,000), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to this cap;
- in the event that the Executive Board exercises this delegation of authority, delegates to the Executive Board full powers, with the option to sub-delegate said powers under the conditions laid down by law, to exercise the authority delegated hereunder and, in particular, to set the terms and conditions of issuance, record the completion of the resulting capital increases, amend the Articles of Association accordingly and, in particular, to:
  - set the amount and nature of the amounts to be incorporated into the capital stock, set the number of new shares to be issued and/or the amount by which the par value of existing shares comprising the capital stock shall be increased, and set the date, including on a retrospective basis, from which the new shares will carry dividend rights or the date on which the increase in the par value will take effect;
  - decide that fractional rights shall be neither tradable nor transferable and that the corresponding shares shall be sold; the proceeds from the sale shall be allocated to the holders of rights under the conditions provided for by law and regulations;
  - make any adjustments required to allow for the impact of transactions involving the Company's capital stock, including changes to the share par value, capital increases by capitalization of reserves, bonus share allotments, stock splits or reverse stock splits, distribution of reserves or any other assets, capital redemption or any other transaction involving shareholders' equity, and set the terms and conditions under which, where applicable, the rights of holders of securities or rights giving access to the capital stock will be maintained; and
  - in general, enter into any agreement, in particular in order to ensure the due completion of the planned issues, take all steps and decisions and complete all formalities required for the issuance, listing and financial servicing of securities issued under this delegation of authority and for the exercise of the rights attached thereto or arising from the capital increases carried out;
- sets the term of validity of this delegation of authority at 26 months from the date of this General Meeting;
- resolves that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

This delegation of authority cancels, for the remaining period, the delegation of authority granted by the General Meeting of January 25, 2022 under its 18th resolution.

TWENTY-THIRD RESOLUTION – Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the capital stock or conferring entitlement to an allotment of debt securities of the Company or its subsidiaries with preferential subscription rights

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings and having reviewed the Executive Board's supplementary report and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-132, L. 225-133, L. 225-134 and L. 228-91 to L. 228-93, hereby:

- delegates to the Executive Board, for a term of twenty-six (26) months as from this General Meeting, its authority to carry out one or more capital increases, on one or more occasions, in such proportions and at such times as it shall see fit, in France or abroad, either in euros or in any other currency or unit of account established with reference to a basket of currencies, via the issuance, separately or cumulatively, within the overall cap defined below, of (i) ordinary shares of the Company, (ii) securities issued for consideration or free of charge giving access, immediately or subsequently, to other equity securities or securities conferring entitlement to an allotment of debt securities, or (iii) securities giving access to equity securities to be issued by the Company or by any company in which the Company directly or indirectly holds more than half of the capital stock, on the understanding that said shares and other securities may be subscribed either in cash or by offset against receivables;
- resolves that the maximum nominal value of any capital increases carried out under this authorization, immediately and/or subsequently, shall not exceed one million four hundred and eighty thousand euros (€1,480,000), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to this cap;
- resolves that the maximum nominal value of securities representing debt that may be issued giving immediate or subsequent access to a portion of the Company's capital stock under this delegation of authority shall not exceed nine million euros (€9,000,000), or the equivalent in any foreign currency used or any unit of account established with reference to a basket of currencies as of the date of the issuance decision, on the understanding that this amount shall be deducted from the overall cap provided for in the 21st resolution in respect of debt securities and that any redemption premium above par shall be added to said cap;
- resolves that the Company may issue share warrants by way of a subscription offer, but also by allotment free of charge to the holders of existing shares, with the option given to the Executive Board to decide that fractional rights shall not be tradable and that the corresponding securities shall be sold;
- resolves that, subject to the conditions laid down by law, the shareholders may exercise their statutory preferential subscription rights to the ordinary shares and/or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities. In addition, the Executive Board may grant shareholders the right to subscribe to a number of securities over and above their statutory entitlement, in proportion to the subscription rights they hold and, in any event, up to the number they request;
- resolves that if the subscriptions received from the aforementioned persons under their statutory entitlement and, where applicable, over and above such entitlement, do not cover an entire issue of shares or securities as defined above, the Executive Board shall be entitled to implement one or more of the following measures, in whichever order it shall see fit:
  - cap the issue at the amount of subscriptions received, provided that these subscriptions cover at least three-quarters of the issue decided upon;
  - allocate some or all of the unsubscribed securities at its own discretion;
  - make a public offering, on the French or international market, of some or all of the securities issued but not subscribed;
- notes that this delegation of authority automatically entails the shareholders' waiver of their preferential subscription rights to the shares or debt securities to which these securities carry entitlement, in favor of the holders of securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities;
- resolves that the Executive Board shall have full powers, with the option to sub-delegate said powers, pursuant to statutory and regulatory provisions, to exercise the authority delegated hereunder, on one or more occasions, in such proportions and at such times as it shall see fit, in particular in order to:
  - set the dates and terms of the issues;
  - set the prices and conditions of the issues in accordance with statutory and regulatory conditions, as well as the list or category of subscribers of the issue;
  - set the amount of the capital increase, the issue price and the amount of the issue premium, where applicable;
  - determine the dates and terms of the capital increase, issues to be carried out, including the nature, characteristics and terms of the securities to be issued, the opening and closing dates for subscription, the price and dividend entitlement date of the securities to be issued, the manner in which they are to be paid up, the terms and conditions under which the securities to be issued pursuant to this resolution will give access to the Company's capital stock, all other terms and conditions applicable to the issues to be carried out and the subordination ranking of debt securities;
  - set, where applicable, the terms and conditions for exercising the rights attached to the shares or securities giving access to the capital stock to be issued and, in particular, set the date, including on a retrospective basis, from which the new shares will carry dividend rights, determine the terms and conditions for exercising the rights, if any, to conversion, exchange and redemption, as well as all other terms and conditions for carrying out the capital increase;
  - set the terms and conditions under which the Company shall be entitled, where applicable, to purchase or exchange, by any means, at any time or during specified periods, the securities issued or to be issued immediately or subsequently with a view to canceling them or not, in accordance with statutory and regulatory provisions;
  - provide, where applicable, for the possibility of suspending the exercise of share allotment rights attached to the securities to be issued in accordance with statutory and regulatory provisions;
  - define the procedures whereby the rights of holders of securities giving access to the capital stock will be maintained in accordance with statutory and regulatory provisions;
  - deduct any amounts required from issue premiums, including costs, disbursements and fees incurred in relation to the issues;
  - in general, take all steps required and enter into any agreements to ensure the due completion of the planned issues, procure completion of all formalities required for the issuance, trading and admission of the shares or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to trading on a regulated market, for the listing and financial servicing of the securities issued under this delegation of authority and for the exercise of the rights attached to these securities;
  - duly note the capital increases resulting from all issues carried out via the exercise of this delegation of authority and amend the Articles of Association accordingly;
- resolves that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 19th resolution.

TWENTY-FOURTH RESOLUTION – Delegation of authority to the Executive Board to increase, in the event of over-subscription, the number of shares to be issued in the event of a capital increase with or without shareholder preferential subscription rights

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board's supplementary report and the statutory auditors' special report, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, hereby:

- delegates to the Executive Board, with the option to sub-delegate under the conditions laid down by law, its authority to decide to increase the number of shares or securities to be issued in the event of an increase in the Company's capital stock with or without preferential subscription rights, at the price applied to the initial issue, within the deadlines and limits provided for by the regulations applicable on the date of issuance (i.e., at present, within thirty days of the close of subscription and up to 15% of the initial issue) and subject to the cap provided for in the resolution pursuant to which the issue is decided (23rd and 25th resolutions) as well as the overall cap set by the 21st resolution;
- sets the term of validity of this delegation of authority at 26 months from the date of this General Meeting;
- resolves that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 20th resolution.

TWENTY-FIFTH RESOLUTION – Delegation of authority to the Executive Board to issue all ordinary shares and/or securities giving access to equity securities to be issued by the Company and/or its subsidiaries or to existing equity securities of an equity investment of the Company, without preferential subscription rights via a public offering other than those referred to in Article L. 411-2 1° of the French Monetary and Financial Code

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board report and the statutory auditors' special report, in accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52, L. 22-10-54 and L. 228-91 et seq. of the French Commercial Code, hereby:

- delegates authority to the Executive Board to decide on the issuance, on one or more occasions, in both France and abroad, in such proportions and at such times as it shall see fit, in euros or in foreign currencies or in any currency or unit of account established with reference to a basket of foreign currencies, with or without premiums, of ordinary shares or securities issued for consideration or free of charge giving access by any means, immediately and/or subsequently, to (a) equity securities to be issued by the Company or any company in which the Company directly or indirectly holds more than half of the capital stock, or (b) existing equity securities of another company in which the Company does not directly or indirectly hold more than half of the capital stock, on the understanding that the subscription may be made in cash or by offsetting liquid and payable receivables;
- resolves to cancel shareholder preferential subscription rights to the securities covered by this resolution and resolves that the issues will be carried out via a public offering other than those referred to in Article L. 411-2 1° of the French Monetary and Financial Code;
- resolves, notwithstanding, that, during the regulatory period, in accordance with the procedure set out by the Executive Board and in respect of all or part of a given issue, the Executive Board may grant shareholders a subscription priority not giving rise to the establishment of tradable rights, which must be exercised in proportion to the number of shares held by each shareholder, potentially supplemented by subscription to additional shares over and above their statutory entitlement, on the understanding that, following the end of the priority period, any unsubscribed securities may be issued as part of a public offering;
- notes that this delegation of authority entails automatic waiver by the shareholders of their preferential subscription rights to equity securities to which any securities issued under this delegation of authority confer entitlement;
- resolves that the cumulative maximum nominal value of any capital increases carried out immediately and/or subsequently shall not exceed one million four hundred and eighty thousand euros (€1,480,000), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to this cap;
- resolves that the maximum nominal value of securities representing debt that may be issued giving immediate or subsequent access to a portion of the Company's capital stock under this delegation of authority shall not exceed nine million euros (€9,000,000), or the equivalent in any foreign currency used or any unit of account established with reference to a basket of currencies as of the date of the issuance decision, on the understanding that this amount shall be deducted from the overall cap provided for in the 21st resolution in respect of debt securities and that any redemption premium above par shall be added to said cap;
- resolves, in accordance with Article L. 22-10-52 of the French Commercial Code:
  - that the issue price of the shares issued or to which any securities issued pursuant to this delegation of authority may confer entitlement must be at least equal to the amount provided for by statutory and regulatory provisions applicable as of the date of issuance, i.e. at present the weighted average share price over the three trading sessions immediately preceding the start of the public offering, within the meaning of European Regulation (EU) 2017/1129 of June 14, 2017, potentially subject to a maximum discount of 10%, after correction of said average amount in accordance with any differences between dividend entitlement dates;
  - that the issue price of the securities giving access to the capital stock shall be such that the amount received immediately by the Company, plus any subsequent amount received by the Company, shall be at least equal to the minimum subscription price provided for in the previous paragraph in respect of each share issued as a result of the issue of the aforementioned securities;
  - that, if the subscriptions do not cover the entire issue of shares or securities, the Executive Board may exercise one or more options provided for by law, in such order as it shall determine, including the right to offer all or part of the shares or securities not subscribed on French and/or foreign markets to the public;
- resolves that these securities may, inter alia, be issued as consideration for securities contributed to the Company as part of a public offering involving an exchange, under the conditions provided for in Article L. 22-10-54 of the French Commercial Code;
- resolves that the Executive Board shall have full powers, with the option to sub-delegate said powers, pursuant to statutory and regulatory provisions, to exercise the authority delegated hereunder, on one or more occasions, in such proportions and at such times as it shall see fit, in particular in order to:
  - set the dates and procedures for the issues, including the manner in which the shares or other securities issued are to be paid up and the form and characteristics of the securities to be issued;
  - set, where applicable, the characteristics of and procedures for exercising the rights attached to shares or securities giving access to the capital stock, where applicable, in particular with regard to conversion, exchange and redemption, including by delivery of Company assets such as securities already issued by the Company;
  - set the prices and conditions of the issues, on the understanding that the Executive Board is authorized, in accordance with the provisions of Article L. 22-10-52 of the French Commercial Code and up to a limit of 10% of the capital stock per year, to set the issue price in accordance with such terms and conditions as it shall decide at its sole discretion, under the conditions provided for by the 27th resolution below and subject to its adoption;
  - decide, in the event of the issuance of debt securities, whether or not they are subordinated (and, if subordinated, their rank, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set interest at a fixed or floating rate or subject to a zero or indexed coupon, provide that their term shall be fixed or indefinite and set the other terms and conditions of issuance - including the establishment of pledges or charges - and redemption - including the possibility of redemption by delivery of Company assets; in the case of securities that may be bought back on the stock exchange or via a purchase or exchange offer by the Company, set the conditions under which these securities will give access to the Company's capital stock, alter the aforementioned terms and conditions during the lifetime of the securities concerned, in compliance with applicable formalities;
  - set the amounts to be issued;
  - set the dividend entitlement date, including on a retroactive basis, of the securities to be issued and, where applicable, provide for the option of suspending the exercise of share allotment rights attached to the securities to be issued during a period of no more than three (3) months;
  - define and carry out any adjustments required to allow for the impact of transactions involving the Company's capital stock, and define the procedures whereby the rights of holders of securities giving access to the capital stock will be maintained in accordance with statutory and regulatory provisions;
  - deduct any required amounts from the issue premium(s), including costs, disbursements and fees incurred in relation to the issues, and deduct any further amount from the resulting amount as required in order to increase the legal reserve to one-tenth of the new capital stock after each issue;
  - in general, take all steps required and enter into any agreements to ensure the due completion of the planned issues, procure completion of all formalities required for the issuance, trading and admission of the shares or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to trading on a regulated market, for the listing and financial servicing of the securities issued under this delegation of authority and for the exercise of the rights attached to these securities;
  - duly note the capital increases resulting from all issues carried out via the exercise of this delegation of authority and amend the Articles of Association accordingly;
- resolves that this delegation of authority shall be applicable for a period of twenty-six (26) months as from the date of this General Meeting;
- resolves that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting further notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the next General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 21st resolution.

COMBINED GENERAL MEETING OF APRIL 19, 2023
DRAFT RESOLUTIONS

TWENTY-SIXTH RESOLUTION – Delegation of authority to the Executive Board to issue all ordinary shares and/or securities giving access to equity securities to be issued by the Company and/or its subsidiaries or to existing equity securities of an equity investment of the Company, without preferential subscription rights via a public offering as referred to in Article L. 411-2 1° of the French Monetary and Financial Code

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board report and the statutory auditors' special report, in accordance with the provisions of Articles L. 225-129-2, L. 225 135, L. 22-10-49, L. 22-10-51, L. 225-136, L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code, hereby:

- delegates authority to the Executive Board to decide on the issuance, as part of an offering to eligible investors or a restricted circle of investors in accordance with Article L. 411- 2 1° of the French Monetary and Financial Code, on one or more occasions, in both France and abroad, in such proportions and at such times as it shall see fit, in euros or in foreign currencies or in any currency or unit of account established with reference to a basket of foreign currencies, with or without premiums, of ordinary shares or securities issued for consideration or free of charge giving access by any means, immediately and/or subsequently, to (a) equity securities or debt securities to be issued by the Company or any company in which the Company directly or indirectly holds more than half of the capital stock, or (b) existing equity securities of another company in which the Company does not directly or indirectly hold more than half of the capital stock, on the understanding that the subscription may be made in cash or by offsetting liquid and payable receivables;
- resolves that the cumulative maximum nominal value of any capital increases carried out immediately and/or subsequently shall not exceed one million four hundred and eighty thousand euros (€1,480,000), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to this cap;
- resolves that the maximum nominal value of securities representing debt that may be issued giving immediate or subsequent access to a portion of the Company's capital stock under this delegation of authority shall not exceed nine million euros (€9,000,000), or the equivalent in any foreign currency used or any unit of account established with reference to a basket of currencies as of the date of the issuance decision, on the understanding that this amount shall be deducted from the overall cap provided for in the 21st resolution in respect of debt securities and that any redemption premium above par shall be added to said cap;
- resolves to cancel shareholder preferential subscription rights to the securities covered by this resolution and resolves that the issues will be carried out via a public offering as referred to in Article L. 411-2 1° of the French Monetary and Financial Code;
- notes that this delegation of authority entails automatic waiver by the shareholders of their preferential subscription rights to equity securities to which any securities issued under this delegation of authority confer entitlement;
- resolves, in accordance with Article L. 22-10-52 of the French Commercial Code:
  - that the issue price of the shares issued or to which any securities issued pursuant to this delegation of authority may confer entitlement must be at least equal to the amount provided for by statutory and regulatory provisions applicable as of the date of issuance, i.e. at present the weighted average share price over the three trading sessions immediately preceding the start of the public offering, within the meaning of European Regulation (EU) 2017/1129 of June 14, 2017, potentially subject to a maximum discount of 10%, after correction of said average amount in accordance with any differences between dividend entitlement dates;
  - that the issue price of the securities giving access to the capital stock shall be such that the amount received immediately by the Company, plus any subsequent amount received by the Company, shall be at least equal to the minimum subscription price provided for in the previous paragraph in respect of each share issued as a result of the issue of the aforementioned securities;
  - that, if the subscriptions do not cover the entire issue of shares or securities, the Executive Board may exercise one or more options provided for by law, in such order as it shall determine, including the right to offer all or part of the shares or securities not subscribed on French and/or foreign markets to the public;
- resolves that these securities may, inter alia, be issued as consideration for securities contributed to the Company as part of a public offering involving an exchange, under the conditions provided for in Article L. 22-10-54 of the French Commercial Code;
- resolves that the Executive Board shall have full powers, with the option to sub-delegate said powers, pursuant to statutory and regulatory provisions, to exercise the authority delegated hereunder, on one or more occasions, in such proportions and at such times as it shall see fit, in particular in order to:
  - set the dates and procedures for the issues, including the manner in which the shares or other securities issued are to be paid up and the form and characteristics of the securities to be issued;
  - set, where applicable, the characteristics of and procedures for exercising the rights attached to shares or securities giving access to the capital stock, where applicable, in particular with regard to conversion, exchange and redemption, including by delivery of Company assets such as securities already issued by the Company;
  - set the prices and conditions of the issues, on the understanding that the Executive Board is authorized, in accordance with the provisions of Article L. 22-10-52 of the French Commercial Code and up to a limit of 10% of the capital stock per year, to set the issue price in accordance with such terms and conditions as it shall decide at its sole discretion, under the conditions provided for by the 27th resolution below and subject to its adoption;
  - decide, in the event of the issuance of debt securities, whether or not they are subordinated (and, if subordinated, their rank, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set interest at a fixed or floating rate or subject to a zero or indexed coupon, provide that their term shall be fixed or indefinite and set the other terms and conditions of issuance - including the establishment of pledges or charges - and redemption - including the possibility of redemption by delivery of Company assets; in the case of securities that may be bought back on the stock exchange or via a purchase or exchange offer by the Company, set the conditions under which these securities will give access to the Company's capital stock, alter the aforementioned terms and conditions during the lifetime of the securities concerned, in compliance with applicable formalities;
  - set the amounts to be issued;
  - set the dividend entitlement date, including on a retroactive basis, of the securities to be issued and, where applicable, provide for the option of suspending the exercise of share allotment rights attached to the securities to be issued during a period of no more than three (3) months;
  - define and carry out any adjustments required to allow for the impact of transactions involving the Company's capital stock, and define the procedures whereby the rights of holders of securities giving access to the capital stock will be maintained in accordance with statutory and regulatory provisions;
  - deduct any required amounts from the issue premium(s), including costs, disbursements and fees incurred in relation to the issues, and deduct any further amount from the resulting amount as required in order to increase the legal reserve to one-tenth of the new capital stock after each issue;
  - in general, take all steps required and enter into any agreements to ensure the due completion of the planned issues, procure completion of all formalities required for the issuance, trading and admission of the shares or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to trading on a regulated market, for the listing and financial servicing of the securities issued under this delegation of authority and for the exercise of the rights attached to these securities;
  - duly note the capital increases resulting from all issues carried out via the exercise of this delegation of authority and amend the Articles of Association accordingly;
- resolves that this delegation of authority shall be applicable for a period of twenty-six (26) months as from the date of this General Meeting;
- resolves that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting further notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the next General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 22nd resolution.

TWENTY-SEVENTH RESOLUTION – Authorization for the Executive Board, in the event of an issue of ordinary shares or any other securities giving access to the capital stock without preferential subscription rights, to set the issue price, under the terms defined by the General Meeting, up to a maximum of ten per cent (10%) of the capital stock

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board report and the statutory auditors' special report, in accordance with the provisions of Article L. 22-10-52 of the French Commercial Code, hereby authorizes the Executive Board, with the option to sub-delegate, in the event of a capital increase via the issuance of ordinary shares and/or securities giving access, immediately and/or subsequently, to the Company's capital stock under the 25th and 26th resolutions, to waive the applicable price-setting conditions and to determine the price as follows:

- the issue price of shares shall not be lower than the weighted average share price over the three (3) trading sessions immediately preceding the day on which the price is set, less a potential discount of up to ten per cent (10%);
- the issue price of the securities giving access to the capital stock shall be such that the amount received immediately by the Company, plus any subsequent amount received by the Company, shall be at least equal to the amount provided for in the previous paragraph in respect of each share issued as a result of the issue of the aforementioned securities;
- as provided by law, the nominal value of capital increases carried out immediately or subsequently under this authorization shall not exceed ten per cent (10%) of the capital stock per 12-month period, without exceeding any of the caps provided for in the relevant resolutions (on the understanding that this limit shall be assessed as of the date of the decision to issue the shares and/or securities giving access to the capital stock).

The General Meeting also resolves that this authorization shall be granted for a term of twenty-six (26) months as from the date of this General Meeting.

The General Meeting notes that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the next General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This delegation of authority cancels, for the remaining period, the delegation of authority granted by the General Meeting of January 25, 2022 under its 23rd resolution.

TWENTY-EIGHTH RESOLUTION – Delegation of powers to the Executive Board to issue shares and any other securities giving access to the capital stock as consideration for contributions in kind

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board report, in accordance with the provisions of Articles L. 225-147 et seq., L. 228-92 and L. 22-10-53 of the French Commercial Code,
hereby:

- delegates its powers to the Executive Board, for a term of twenty-six (26) months as from the date of this General Meeting, to carry out one or more capital increases, on the basis of the contribution appraisers' report, by issuing, in France and/or abroad, (i) ordinary shares in the Company and/or (ii) securities of any kind giving access, immediately and/or subsequently, to the Company's capital stock, as consideration for contributions in kind granted to the Company and consisting of equity securities or securities giving access to the capital stock, where the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable;
- confirms that the issue price of the shares issued as consideration for contributions in kind shall be at least equal to the minimum price determined in accordance with applicable methods and practices;
- resolves that the maximum nominal amount of capital increases that may be carried out, immediately and/or subsequently, under this authorization shall not exceed ten per cent (10%) of the Company's capital stock (assessed on the date of the Executive Board decision), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to said cap;
- resolves that the maximum nominal value of securities representing debt that may be issued giving immediate or subsequent access to a portion of the Company's capital stock under this delegation of authority shall not exceed nine million euros (€9,000,000), or the equivalent in any foreign currency used or any unit of account established with reference to a basket of currencies as of the date of the issuance decision, on the understanding that this amount shall be deducted from the overall cap provided for in the 21st resolution in respect of debt securities and that any redemption premium above par shall be added to said cap;

- resolves that the Executive Board shall have full powers, with the option to sub-delegate said powers, pursuant to statutory and regulatory provisions, to exercise the authority delegated hereunder, on one or more occasions, in such proportions and at such times as it shall see fit, in particular in order to:
  - decide to increase the Company's capital stock as consideration for the aforementioned contributions in kind and determine the nature of the shares and/or securities to be issued;
  - approve the valuation of the contributions in kind, define the terms and conditions of the issue of shares and/or securities issued as consideration for said contributions, determine the amount of any balance payable, approve the grant of special benefits and, subject to the contributors' consent, decrease the valuation of the contributions in kind or the consideration for special benefits;
  - determine the characteristics of the securities issued as consideration for the contributions in kind and define the procedures whereby the rights of holders of securities effectively or potentially giving access to the Company's capital stock will be maintained, where applicable;
  - at its sole discretion, deduct the costs of the capital increases from the corresponding amount of issue premiums and deduct from this amount the amounts required to bring the legal reserve up to the required level;
  - duly note the completion of each capital increase decided upon pursuant to this delegation of authority and amend the Articles of Association accordingly;
  - and, in general, enter into any agreement, in particular in order to ensure the due completion of the planned issues, take all steps and decisions and complete all formalities required for the issuance, listing and financial servicing of the shares and/or securities issued under this delegation of authority and for the exercise of the rights attached thereto;
- notes that this delegation of authority automatically entails the shareholders' waiver of their preferential subscription rights to the shares or debt securities to which these securities carry entitlement, in favor of the holders of securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities;
- notes that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the next General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 24th resolution.

COMBINED GENERAL MEETING OF APRIL 19, 2023
DRAFT RESOLUTIONS

TWENTY-NINTH RESOLUTION – Delegation of authority to the Executive Board to issue ordinary shares in the Company and/or securities giving access, immediately and/or subsequently, to the Company's capital stock as consideration for securities contributed as part of a public exchange offer initiated by the Company

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board report and the statutory auditors' special report, voting in accordance with the provisions of the French Commercial Code, in particular Articles L. 225-129-2, L. 22-10-54 and L. 228-91 et seq., hereby:

- delegates to the Executive Board, with the option to sub-delegate under the conditions laid down by law, for a term of twenty-six (26) months as from the date of this General Meeting, its authority to decide on the issuance, on one or more occasions, of (i) ordinary shares in the Company and/or (ii) securities of any kind giving access, immediately and/or subsequently, to the Company's capital stock, as consideration for contributions of securities made as part of a public exchange offer initiated, in France or abroad (including any transaction having the same effect as a public exchange offer or that may be deemed equivalent), by the Company on securities of another company admitted to trading on one of the regulated markets referred to in Article L. 22-10-54 of the French Commercial Code;
- notes that this delegation of authority automatically entails the shareholders' waiver of their preferential subscription rights to ordinary shares in the Company to which the securities issued pursuant to this delegation of authority may confer entitlement, in favor of the holders of securities giving access, immediately and/or subsequently, to ordinary shares in the Company;
- resolves that the cumulative maximum nominal value of any capital increases carried out immediately and/or subsequently shall not exceed one million four hundred and eighty thousand euros (€1,480,000), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to this cap;
- resolves that the maximum nominal value of securities representing debt that may be issued giving immediate or subsequent access to a portion of the Company's capital stock under this delegation of authority shall not exceed nine million euros (€9,000,000), or the equivalent in any foreign currency used or any unit of account established with reference to a basket of currencies as of the date of the issuance decision, on the understanding that this amount shall be deducted from the overall cap provided for in the 21st resolution in respect of debt securities and that any redemption premium above par shall be added to said cap;
- resolves that the Executive Board shall have full powers, with the option to sub-delegate under the conditions laid down by law, to exercise the authority delegated hereunder, including in particular to:
    - determine the exchange ratio and, where applicable, the amount of any balance payable in cash;
    - record the number of securities contributed to the exchange;
    - determine the dates and issue conditions, including the price and dividend entitlement date, including on a retroactive basis, of the new ordinary shares or, where applicable, securities giving immediate and/or future access to the Company's capital stock;
    - make any adjustments required to allow for the impact of the transaction on the Company's capital stock, and set the terms and conditions under which the rights of holders of securities giving access to the capital stock will be maintained, in accordance with statutory and regulatory provisions;
    - record the difference between the issue price of the new ordinary shares and their par value as a liability on the balance sheet under a "contribution premium" account, to which the rights of all shareholders shall apply;
    - deduct from said "contribution premium" all costs and duties incurred in respect of the issue carried out pursuant to this delegation of authority and deduct from this amount the amounts necessary to fund the legal reserve, where applicable;
    - record the completion of the issues carried out pursuant to this delegation of authority and amend the Articles of Association accordingly and, in general, enter into any agreements, take all steps and complete all formalities required for the issuance, listing and financial servicing of the shares and securities issued under this delegation of authority and for the exercise of the rights attached thereto and request all authorizations that may prove necessary for the completion of said contributions;
- notes that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the next General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This delegation of authority cancels, for the remaining period, the delegation of authority granted by the General Meeting of January 25, 2022 under its 25th resolution.

THIRTIETH RESOLUTION – Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (companies regularly investing, directly and/or indirectly, in small-cap growth stocks)

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and in accordance with Articles L. 225-129-2, L. 225-138 and L. 228-92 of the French Commercial Code, having reviewed the Executive Board report and the statutory auditors' special report, hereby:

- delegates its authority to the Executive Board, for a term of eighteen (18) months as from the date of this General Meeting, to issue, on one or more occasions, in such proportions and at such times as it shall see fit, in France or abroad, in euros or in any other currency or unit of account established with reference to a basket of currencies, new ordinary shares in the Company and/or any other securities giving access by any means, immediately and/or subsequently, to the capital stock (with preference shares being expressly excluded) or conferring entitlement to an allotment of debt securities, to be subscribed in cash and paid up either in cash or by offset against receivables;
- resolves that the maximum nominal value of any capital increases carried out under this authorization, immediately and/or subsequently, shall not exceed one million four hundred and eighty thousand euros (€1,480,000), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to this cap;
- resolves that the maximum nominal value of securities representing debt that may be issued giving immediate or subsequent access to a portion of the Company's capital stock under this delegation of authority shall not exceed nine million euros (€9,000,000), or the equivalent in any foreign currency used or any unit of account established with reference to a basket of currencies as of the date of the issuance decision, on the understanding that this amount shall be deducted from the overall cap provided for in the 21st resolution in respect of debt securities and that any redemption premium above par shall be added to said cap;
- resolves to cancel the shareholders' preferential subscription rights to the ordinary shares and/or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to be issued, in favor of the following categories of persons:
    - companies generally investing, directly and/or indirectly, in small-cap growth stocks (i.e. companies whose market capitalization, if they are listed companies, does not exceed one billion euros (€1,000,000,000)), operating in the industrial sector, notably in the field of composite materials, which invest an amount (including issue premium) of over one hundred thousand euros (€100,000) in the issue;
    - resolves that if the subscriptions received from the aforementioned persons do not cover an entire issue of shares or securities as defined above, the Executive Board shall be entitled to implement one or more of the following measures, in whichever order it shall see fit:
    - cap the issue at the amount of subscriptions received, provided that these subscriptions cover at least three-quarters of the issue decided upon;
    - allocate some or all of the unsubscribed securities at its own discretion;
    - make a public offering, on the French or international market, of some or all of the securities issued but not subscribed;
- notes that this delegation of authority automatically entails the shareholders' waiver of their preferential subscription rights to the shares or debt securities to which these securities carry entitlement, in favor of the holders of securities issued, if any;

- resolves that the Executive Board shall have full powers, with the option to sub-delegate said powers, pursuant to statutory and regulatory provisions, to exercise the authority delegated hereunder, on one or more occasions, in such proportions and at such times as it shall see fit, in particular in order to:
  - set the dates, terms and conditions of the issues, including the manner in which the shares or other securities issued are to be paid up and the form and characteristics of the shares or securities giving access to the capital stock to be issued;
  - set the price and conditions of the issues, provided that the issue price of the shares shall be at least equal to the average weighted listed price on Euronext Paris, over the three (3) trading sessions preceding the determination of the issue price, said average being subject to correction if necessary to take account of differences in dividend entitlement dates, and less a discount, if applicable, amounting to no more than ten per cent (10%), provided that the issue price of the securities giving access to the capital stock issued under this delegation of authority shall be such that the amount received immediately by the Company, plus any subsequent amount received by the Company, shall be at least equal to the issue price defined above in respect of each share issued as a result of the issue of the aforementioned securities;
  - set the amounts to be issued and the amount of the issue premium, where applicable;
  - set the dividend entitlement date, including on a retroactive basis, of the securities to be issued, the manner in which they are to be paid up and, where applicable, provide for the option of suspending the exercise of share allotment rights attached to the securities to be issued during a period of no more than three (3) months;
  - determine the list of beneficiaries within each category of persons mentioned above and the number of securities to be allocated to each of them;
  - define and carry out any adjustments required to allow for the impact of transactions involving the Company's capital stock, and define the procedures whereby the rights of holders of securities giving access to the capital stock will be maintained in accordance with statutory and regulatory provisions;
  - deduct any amounts required from issue premiums, including costs, disbursements and fees incurred in relation to the issues;
  - in general, take all steps required and enter into any agreements to ensure the due completion of the planned issues, procure completion of all formalities required for the issuance, trading and admission of the shares or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to trading on a regulated market, for the listing and financial servicing of the securities issued under this delegation of authority and for the exercise of the rights attached to these securities;
  - duly note the capital increases resulting from all issues carried out via the exercise of the authorization delegated hereunder and amend the Articles of Association accordingly;
- resolves that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the next General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This delegation of authority cancels, for the remaining period, the delegation of authority granted by the General Meeting of January 25, 2022 under its 26th resolution.

THIRTY-FIRST RESOLUTION – Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (employee or exclusive commercial agent of the Company or of a related company, corporate officer of a related foreign company)

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and in accordance with Articles L. 225-129-2, L. 225-138 and L. 228-92 of the French Commercial Code, having reviewed the Executive Board report and the statutory auditors' special report, hereby:

- delegates its authority to the Executive Board, for a term of eighteen (18) months as from the date of this General Meeting, to issue, on one or more occasions, in such proportions and at such times as it shall see fit, in France or abroad, in euros or in any other currency or unit of account established with reference to a basket of currencies, new ordinary shares in the Company and/or any other securities conferring access by any means, immediately and/or subsequently, to ordinary shares in the Company (with preference shares being expressly excluded) or conferring entitlement to an allotment of debt securities, to be subscribed in cash and paid up either in cash or by offset against receivables;
- resolves that the maximum nominal value of any capital increases carried out under this authorization, immediately and/or subsequently, shall not exceed one million four hundred and eighty thousand euros (€1,480,000), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to this cap;
- resolves that the maximum nominal value of securities representing debt that may be issued giving immediate or subsequent access to a portion of the Company's capital stock under this delegation of authority shall not exceed nine million euros (€9,000,000), or the equivalent in any foreign currency used or any unit of account established with reference to a basket of currencies as of the date of the issuance decision, on the understanding that this amount shall be deducted from the overall cap provided for in the 21st resolution in respect of debt securities and that any redemption premium above par shall be added to said cap;
- resolves to cancel the shareholders' preferential subscription rights to the ordinary shares and/or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to be issued, in favor of the following categories of persons:
  - all persons holding the status or whose main shareholder holds the status of employee or exclusive commercial agent of the Company, or of a related company as defined by Article L. 225-180 of the French Commercial Code, as of the date of issuance of the shares or securities giving access to the Company's capital stock, provided that exclusive commercial agents are required to prove that they have held such status for at least one year in order to be eligible;
  - all persons holding the status or whose main shareholder holds the status of corporate officer of a foreign company related to the Company within the meaning of Article L. 225-180 of the French Commercial Code, as of the date of issuance of the shares or securities giving access to the Company's capital stock, provided that this category expressly excludes corporate officers of said companies related to the Company who are also corporate officers of the Company;
- resolves that if the subscriptions received from the aforementioned persons do not cover an entire issue of shares or securities as defined above, the Executive Board shall be entitled to implement one or more of the following measures, in whichever order it shall see fit:
  - cap the issue at the amount of subscriptions received, provided that these subscriptions cover at least three-quarters of the issue decided upon;
  - allocate some or all of the unsubscribed securities at its own discretion;
  - make a public offering, on the French or international market, of some or all of the securities issued but not subscribed;
- notes that this delegation of authority automatically entails the shareholders' waiver of their preferential subscription rights to the shares or debt securities to which these securities carry entitlement, in favor of the holders of securities issued, if any;

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- resolves that the Executive Board shall have full powers, with the option to sub-delegate said powers, pursuant to statutory and regulatory provisions, to exercise the authority delegated hereunder, on one or more occasions, in such proportions and at such times as it shall see fit, in particular in order to:
  - set the dates, terms and conditions of the issues, including the manner in which the shares or other securities issued are to be paid up and the form and characteristics of the shares or securities giving access to the capital stock to be issued;
  - set the price and conditions of the issues, provided that the issue price of the shares shall be at least equal to the average weighted listed price on Euronext Paris, over the three (3) trading sessions preceding the determination of the issue price, said average being subject to correction if necessary to take account of differences in dividend entitlement dates, and less a discount, if applicable, amounting to no more than ten per cent (10%), provided that the issue price of the securities giving access to the capital stock issued under this delegation of authority shall be such that the amount received immediately by the Company, plus any subsequent amount received by the Company, shall be at least equal to the issue price defined above in respect of each share issued as a result of the issue of the aforementioned securities;
  - set the amounts to be issued and the amount of the issue premium, where applicable;
  - set the dividend entitlement date, including on a retroactive basis, of the securities to be issued, the manner in which they are to be paid up and, where applicable, provide for the option of suspending the exercise of share allotment rights attached to the securities to be issued during a period of no more than three (3) months;
  - define and carry out any adjustments required to allow for the impact of transactions involving the Company's capital stock, and define the procedures whereby the rights of holders of securities giving access to the capital stock will be maintained in accordance with statutory and regulatory provisions;
  - determine the list of beneficiaries within each category of persons mentioned above and the number of securities to be allocated to each of them;
  - deduct any amounts required from issue premiums, including costs, disbursements and fees incurred in relation to the issues;
  - in general, take all steps required and enter into any agreements to ensure the due completion of the planned issues, procure completion of all formalities required for the issuance, trading and admission of the shares or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to trading on a regulated market, for the listing and financial servicing of the securities issued under this delegation of authority and for the exercise of the rights attached to these securities;
  - duly note the capital increases resulting from all issues carried out via the exercise of the authorization delegated hereunder and amend the Articles of Association accordingly;
- resolves that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the next General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 27th resolution.

THIRTY-SECOND RESOLUTION – Delegation of authority to the Executive Board to issue ordinary shares or any other securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities without preferential subscription rights, to a specific category of persons (credit institution, investment service provider, investment fund or company under an equity or bond financing contract)

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and in accordance with Articles L. 225-129-2, L. 225-138 and L. 228-92 of the French Commercial Code, having reviewed the Executive Board report and the statutory auditors' special report, hereby:

- delegates its authority to the Executive Board, for a term of eighteen (18) months as from the date of this General Meeting, to issue, on one or more occasions, in such proportions and at such times as it shall see fit, in France or abroad, in euros or in any other currency or unit of account established with reference to a basket of currencies, new ordinary shares in the Company and/or any other securities conferring access by any means, immediately and/or subsequently, to ordinary shares in the Company (with preference shares being expressly excluded) or conferring entitlement to an allotment of debt securities, to be subscribed in cash and paid up either in cash or by offset against receivables;
- resolves that the maximum nominal value of any capital increases carried out under this authorization, immediately and/or subsequently, shall not exceed one million four hundred and eighty thousand euros (€1,480,000), this cap being deducted from the overall cap provided for in the 21st resolution of this General Meeting, on the understanding that the par value of any shares issued as a result of adjustments made to maintain, in accordance with statutory and regulatory provisions and any applicable contractual provisions, the rights of holders of shares, securities or other rights giving access to the capital stock, or the rights of stock option plan beneficiaries, shall be added to this cap;
- resolves that the maximum nominal value of securities representing debt that may be issued giving immediate or subsequent access to a portion of the Company's capital stock under this delegation of authority shall not exceed nine million euros (€9,000,000), or the equivalent in any foreign currency used or any unit of account established with reference to a basket of currencies as of the date of the issuance decision, on the understanding that this amount shall be deducted from the overall cap provided for in the 21st resolution in respect of debt securities and that any redemption premium above par shall be added to said cap;
- resolves to cancel the shareholders' preferential subscription rights to the ordinary shares and/or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to be issued, in favor of the following categories of persons:
  - any credit institution, investment service provider, investment fund or company undertaking to subscribe to or underwrite the capital increase or any issue of securities likely to lead to a capital increase in the future (including through the exercise of share warrants) which may be carried out pursuant to this delegation under an equity (such as an equity securities underwriting agreement as referred to in paragraph 6-1 of Article L. 321-1 of the French Monetary and Financial Code) or bond financing contract;
- notes that this delegation of authority automatically entails the shareholders' waiver of their preferential subscription rights to the shares or debt securities to which these securities carry entitlement, in favor of the holders of securities issued, if any;

- resolves that the Executive Board shall have full powers, with the option to sub-delegate said powers, pursuant to statutory and regulatory provisions, to exercise the authority delegated hereunder, on one or more occasions, in such proportions and at such times as it shall see fit, in particular in order to:
  - set the dates, terms and conditions of the issues, including the manner in which the shares or other securities issued are to be paid up and the form and characteristics of the shares or securities giving access to the capital stock to be issued;
  - set the price and conditions of the issues, provided that the issue price of the shares shall be at least equal to the average weighted listed price on Euronext Paris, over the three (3) trading sessions preceding the determination of the issue price, said average being subject to correction if necessary to take account of differences in dividend entitlement dates, and less a discount, if applicable, amounting to no more than ten per cent (10%), provided that the issue price of the securities giving access to the capital stock issued under this delegation of authority shall be such that the amount received immediately by the Company, plus any subsequent amount received by the Company, shall be at least equal to the issue price defined above in respect of each share issued as a result of the issue of the aforementioned securities;
  - set the amounts to be issued and the amount of the issue premium, where applicable;
  - set the dividend entitlement date, including on a retroactive basis, of the securities to be issued, the manner in which they are to be paid up and, where applicable, provide for the option of suspending the exercise of share allotment rights attached to the securities to be issued during a period of no more than three (3) months;
  - define and carry out any adjustments required to allow for the impact of transactions involving the Company's capital stock, and define the procedures whereby the rights of holders of securities giving access to the capital stock will be maintained in accordance with statutory and regulatory provisions;
  - determine the list of beneficiaries within each category of persons mentioned above and the number of securities to be allocated to each of them;
  - deduct any amounts required from issue premiums, including costs, disbursements and fees incurred in relation to the issues;
  - in general, take all steps required and enter into any agreements to ensure the due completion of the planned issues, procure completion of all formalities required for the issuance, trading and admission of the shares or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to trading on a regulated market, for the listing and financial servicing of the securities issued under this delegation of authority and for the exercise of the rights attached to these securities;
  - duly note the capital increases resulting from all issues carried out via the exercise of the authorization delegated hereunder and amend the Articles of Association accordingly;
- resolves that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the next General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 28th resolution.

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THIRTY-THIRD RESOLUTION – Delegation of authority to the Executive Board to carry out capital increases reserved for employees enrolled in a company savings plan, with waiver of preferential subscription rights in favor of said beneficiaries

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board report and the report of the statutory auditors, in accordance with the provisions of Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code, hereby:

- authorizes the Executive Board, for a term of twenty-six (26) months as from the date of this General Meeting, to carry out a cash capital increase, on one or more occasions, amounting to no more than three per cent (3%) of the capital stock, via the issuance of new shares having a par value of forty euro cents (€0.40) each to be fully paid up in cash, either by cash payment or by offset against specific, liquid and payable receivables against the Company;
- resolves to cancel the shareholders' preferential subscription rights to the new shares to be issued in favor of employees of the Company or of French or foreign companies or groups of companies related to it, within the meaning of the applicable regulation, enrolled in a company savings plan or a similar plan such as an employee mutual fund (FCPE) and who also meet the criteria defined by the Executive Board in accordance with the provisions of Article L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code and/or any such law or regulation permitting the reservation of a capital increase under similar conditions;
- delegates full powers to the Executive Board, for a term of twenty-six (26) months as from the date of this General Meeting, with the option to sub-delegate said powers to the Chief Executive Officer pursuant to statutory and regulatory provisions, to define the other terms applicable to the securities issue, including, more specifically, to:
  - carry out the capital increase on one or more occasions, at its sole discretion, via an issue of shares reserved for employees enrolled in said company savings plan in favor of whom the shareholders' preferential subscription rights will be canceled;
  - set the final issue price of the new shares in accordance with and to the extent of the provisions of Article L. 3332- 15 of the French Labor Code, providing its justification for the price adopted;
  - where applicable and in accordance with statutory and regulatory limits, define the seniority criteria that employees are required to meet in order to subscribe to the capital increase, the exact list of beneficiaries and the number of securities to be allocated to each one in accordance with the aforementioned limit;
  - subject to a cap of three per cent (3%) of the capital stock, set the amount of each issue, the length of the subscription period and the dividend entitlement date of the new shares;
  - set the opening and closing dates for subscriptions and receive said subscriptions;
  - subject to the statutory maximum period of three (3) years following subscription, set the time period within which subscribers are required to pay up their subscriptions, provided that, in accordance with statutory provisions, shares subscribed may be paid up, at the request of the Company or subscriber, either via periodic payments or in regular equal installments deducted from the subscriber's salary;
  - collect the amounts paid up in respect of subscriptions, irrespective of whether they are paid in cash or by offset against receivables; where applicable, balance the subscriber's current account by offset;
  - determine whether the new shares are to be subscribed directly or via a mutual investment fund;
  - note the completion of the capital increases in the amount of the shares actually subscribed pursuant to this delegation of authority;
- notes that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

In addition, the Executive Board shall be entitled, where applicable, with the option to sub-delegate such powers, subject to statutory and regulatory conditions, to deduct any amounts required from the issue premium(s), including costs, disbursements and fees incurred in relation to the issues, and, in general, take all steps required and enter into any agreements to ensure the due completion of the planned issues, procure completion of all formalities required for the issuance, trading and admission of the shares or securities giving access to the Company's capital stock or conferring entitlement to an allotment of Company debt securities to trading on a regulated market, for the listing and financial servicing of the securities issued under this delegation of authority and for the exercise of the rights attached to these securities, and to duly note the capital increase(s) resulting from all issues carried out via the exercise of this delegation of authority and amend the Articles of Association accordingly.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 31st resolution.

THIRTY-FOURTH RESOLUTION – Authorization for the Executive Board to award stock options entailing the shareholders' express waiver of their preferential subscription rights in favor of Group employees and/or executive officers

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board report and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, in particular Articles L. 22-10-56 et seq., hereby:

- authorizes the Executive Board, for a term of thirty-eight (38) months as from the date of this General Meeting, to grant options to subscribe for new shares in the Company or options conferring entitlement to purchase existing shares in the Company previously purchased by the Company, on one or more occasions, to employees and/or corporate officers of the Company and/or of companies or groups related to the Company as defined by the French Commercial Code, including, at the present date:
  - employees and/or executive officers of companies or economic interest groups of which at least 10% of the capital stock or voting rights is held, directly or indirectly, by the company granting the options;
  - employees and/or executive officers of companies or economic interest groups holding, directly or indirectly, at least 10% of the capital stock or voting rights in the company granting the options;
  - employees and/or executive officers of companies or economic interest groups in which at least 50% of the capital stock or voting rights is held, directly or indirectly, by a company that directly or indirectly holds at least 50% of the capital stock of the company granting the options;
- resolves that the total number of options thus granted under this authorization shall not entitle the holder to a total number of shares greater than 5% of the Company's capital stock (as existing on the date of grant of the options by the Executive Board), on the understanding that (i) the total number of shares thus defined does not take into account any adjustments that may be made pursuant to the provisions of the French Commercial Code in the event of transactions involving the Company's capital stock and (ii) said 5% cap constitutes an overall cap common to this resolution and the following resolution of this General Meeting;
- resolves that the Executive Board shall have full powers, with the option to sub-delegate under the conditions laid down by applicable statutory provisions, to exercise the authority delegated hereunder, including in particular to:
  - set the terms and conditions under which the options will be granted, as well as the list of beneficiaries, the number of options offered and, where applicable, the criteria for granting and/or exercising said options;
  - set, where applicable, performance, presence and other criteria governing the right to exercise the options;
  - determine the subscription or purchase price of the shares to be set on the date on which the options are granted. In the event of the grant of subscription stock options, this price shall not be lower than the average listed price of the Company share on the Euronext Paris regulated market over the 20 trading sessions preceding the date on which the subscription options are granted. In the event of the grant of options to purchase shares, this price shall not be lower than the value defined above for subscription stock options, or 80% of the average purchase price of shares held by the Company pursuant to Articles L. 22-10-61 and L. 20-10-62 of the French Commercial Code; it may only be adjusted if the Company carries out one of the transactions provided for by Article L. 225-181 paragraph 2 of the French Commercial Code. If one of the transactions provided for by Articles L. 225-181 paragraph 2 and R. 225-138 of the French Commercial Code takes place, the Executive Board will, in accordance with statutory and regulatory provisions, adjust the number and/or price of the shares included in the options granted to allow for the impact of the transaction; it may also, if it sees fit, temporarily suspend the right to exercise the options in accordance with statutory and regulatory conditions;
  - charge, if it sees fit, the costs of the capital increase against the amount of the premiums relating to these transactions and deduct from this amount the sums required to fund the legal reserve, perform all acts and formalities to record the capital increases resulting from the exercise of the options, complete all formalities required for the listing of the securities issued and amend the Articles of Association accordingly;
  - in general, enter into any agreement, take all steps, perform or procure the performance of all acts and formalities and do all that is necessary for the exercise of this authorization;
- resolves that the options may be exercised by the beneficiaries during a period of five (5) years as from the date of grant;
- notes that this authorization automatically entails the shareholders' express waiver, in favor of the stock option beneficiaries, of their preferential subscription rights to the shares issued as and when these options are exercised;
- notes that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the following Ordinary General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This authorization cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 29th resolution.

THIRTY-FIFTH RESOLUTION – Authorization for the Executive Board to allot existing or new ordinary Company shares free of charge to Group employees and/or executive officers, with automatic waiver of shareholders' preferential subscription rights

The General Meeting, voting under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the Executive Board report and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, in particular Articles L. 22-10-59 et seq., hereby:

- authorizes the Executive Board, on one or more occasions, to allot existing or new ordinary Company shares free of charge;
- resolves that such allotments may be made to employees and/or executive officers of the Company and of companies or groups directly or indirectly related to it as defined in the French Commercial Code, including, as of the present date:
  - employees and/or executive officers of companies or economic interest groups of which at least 10% of the capital stock or voting rights is held, directly or indirectly, by the company carrying out the share allotment;
  - employees and/or executive officers of companies or economic interest groups holding, directly or indirectly, at least 10% of the capital stock or voting rights in the company carrying out the share allotment;
  - employees and/or executive officers of companies or economic interest groups in which at least 50% of the capital stock or voting rights is held, directly or indirectly, by a company that directly or indirectly holds at least 50% of the capital stock of the company carrying out the share allotment;
- resolves that the Executive Board shall determine the identity of the beneficiaries of the allotments as well as the terms and conditions and, where applicable, the criteria for allotting the shares, and shall, inter alia, be entitled to make the vesting of the shares conditional on the achievement of specific individual or collective performance criteria and other conditions;
- resolves that the total number of existing or new shares thus allotted under this authorization shall not represent more than 5% of the Company's capital stock (as existing on the date of allotment of the shares by the Executive Board), on the understanding that (i) the total number of shares thus defined does not take into account any adjustments that may be made, in application of statutory, regulatory or contractual provisions, in the event of a transaction involving the Company's capital stock, and (ii) the aforementioned 5% cap constitutes an overall cap common to this resolution and the previous resolution of this General Meeting;
- resolves that the allotted shares shall vest to the beneficiaries at the end of a vesting period of at least one (1) year to be determined by the Executive Board in accordance with statutory or regulatory conditions applicable as of the allotment date;
- resolves that the duration of the lock-in period during which the beneficiaries are required to retain their shares shall, where applicable, be set by the Executive Board, provided that the combined duration of the vesting and lock-in periods shall not be less than two (2) years;
- resolves that, if a beneficiary suffers second or third-category disablement as defined by Article L. 341-1 of the French Social Security Code, the shares shall vest before the end of the vesting period and shall be freely disposable immediately upon vesting;
- authorizes the Executive Board, if it deems it necessary, in the event of transactions involving capital stock or shareholders' equity occurring before the vesting date, to adjust the number of shares vested in order to maintain the rights of the beneficiaries and, in such event, to determine the method for making said adjustment;

- authorizes the Executive Board, in the event of an allotment of new bonus shares, to charge against reserves, profits or issue premiums any amounts required for the payment of said shares, to determine the dividend entitlement date of the new shares to be issued, including on a retroactive basis, to record the completion of the capital increases carried out in application of this authorization, to complete all formalities required for the issuance, listing and financial servicing of the securities issued, to make the corresponding amendments to the Articles of Association and, in general, to perform all the required acts and formalities;
- notes that, in the event of an allotment of new bonus shares, this authorization shall entail, as and when said shares vest, a capital increase by capitalization of reserves, profits or issue premiums in favor of the beneficiaries of said shares and a corresponding waiver by the shareholders of their preferential subscription rights to said shares in favor of said beneficiaries;
- resolves that the Executive Board shall have full powers, with the option to sub-delegate under the conditions laid down by applicable statutory provisions, to exercise this authorization, in particular to determine whether the allotted bonus shares will be existing or new shares, to determine the identity of the beneficiaries or the category of beneficiaries of the share allotments and the number of shares allotted to each one, to set the dates and terms of the allotments, to set, if necessary, vesting and lock-in periods longer than the minimum periods set out above, to provide for the option of temporarily suspending allotment rights in accordance with applicable statutory and regulatory conditions and, in general, to make all the necessary arrangements and enter into any agreements in order to successfully complete the planned allotments, to record the capital increase(s) resulting from all allotments made in exercise of this authorization and to amend the Articles of Association accordingly and, in general, to enter into any agreements, take all steps, perform or procure the performance of all acts and formalities and do all that is necessary for the exercise of this authorization;
- notes that this delegation of authority shall be suspended during a public tender or exchange offer on the Company's shares.

The General Meeting notes that, should the Executive Board exercise the authority hereby delegated, it shall report to the following Ordinary General Meeting, as provided by law, on its exercise of the authority delegated under this resolution.

This authorization shall be granted for a term of thirty-eight (38) months as from the date of this General Meeting. It cancels, for the remaining period, the authorization granted by the General Meeting of January 25, 2022 under its 30th resolution.

THIRTY-SIXTH RESOLUTION – Powers for formalities

The General Meeting grants full powers to the bearer of copies or extracts of these minutes of proceedings to complete all registrations and formalities required by applicable laws and regulations.

7.3 TERMS OF PARTICIPATION IN THE GENERAL MEETING

Any shareholder, regardless of the number of shares he or she holds, is entitled to attend this meeting or be represented in accordance with the conditions and procedures laid down by law and regulations.

7.3.1 FORMALITIES FOR ATTENDING THE GENERAL MEETING

The General Meeting consists of all bearer and registered shareholders irrespective of the number of shares they hold. Any shareholder may be represented at the General Meeting by another shareholder or by their spouse or common-law partner. Shareholders may also be represented by any other natural person or legal entity of their choosing (Articles L. 225-106 and L. 22-10-39, French Commercial Code).

In accordance with Article R. 22-10-28 of the French Commercial Code, a shareholder is automatically entitled to attend the General Meeting if their shares are recorded in a securities account registered in the name of the shareholder or intermediary acting on their behalf (in application of Article L. 228-1 paragraph 7 of the French Commercial Code) at zero hour Paris time on the second business day preceding the General Meeting, i.e. April 17, 2023, either in the shareholder register held by the Company (or its representative) or in a bearer securities account held by the authorized intermediary.

The registration or accounting entry of shares in the bearer securities accounts held by a financial intermediary is duly evidenced by a shareholding certificate issued by the intermediary, where applicable by email, in accordance with the conditions laid down by Article R. 225-85 of the French Commercial Code (by reference from Article R. 225-61 of the French Commercial Code), attached to:

- the postal voting form;
- the proxy voting form;
- the application for an admission card issued in the shareholder's name or on behalf of the shareholder represented by the registered intermediary.

A certificate is also issued to shareholders wishing to attend the meeting in person who have not received their admission card by zero hour Paris time on the second business day preceding the meeting, i.e. April 17, 2023.

7.3.2 TERMS OF PARTICIPATION IN THE GENERAL MEETING

7.3.2.1 Physical attendance

Shareholders wishing to attend the General Meeting in person must proceed as follows:

- Registered shareholders (holders of directly registered or administered registered shares) must present themselves on the day of the meeting at the counter specifically set up for this purpose carrying proof of identity or request an admission card from CIC Service Assemblées, 6 avenue de Provence, 75452 Paris Cedex 09;
- Bearer shareholders must ask the authorized intermediary managing their securities account to send them an admission card. This admission card is sufficient to attend the General Meeting in person; bearer shareholders who have not received their admission card in time or have mislaid it may have their shareholding certificate issued directly by their authorized intermediary and may present themselves at the meeting with this certificate.

Bearer and registered shareholders must be able to prove their identity in order to attend the General Meeting.

7.3.2.2 Voting by post or by proxy

Shareholders not personally attending the meeting and wishing to vote by post or by proxy granted to the chairman of the meeting, their spouse or common-law partner or any other person may proceed as follows:

- Registered shareholders (holders of directly registered or administered registered shares) must return the single postal or proxy voting form sent to them by the intermediary managing their securities along with the notice of meeting to the following address: CIC Service Assemblées, 6 avenue de Provence, 75452 Paris Cedex 09.
- Bearer shareholders must request the single postal or proxy voting form from the intermediary managing their securities once the General Meeting has been convened. The single postal or proxy voting form must be sent together with a shareholding certificate issued by the financial intermediary to the following address: CIC Service Assemblées, 6 avenue de Provence, 75452 Paris Cedex 09.

The single "postal/proxy voting" form may be downloaded from the Company website at https://www.sergeferraribourse.com/informations-financieres/assemblees-generales.html.

To be valid, postal voting forms must be received by CIC Service Assemblées, 6 avenue de Provence, 75452 Paris Cedex 09 no later than three days before the meeting is held, i.e. by zero hour Paris time on April 15, 2023.

Within the statutory time limits, shareholders may obtain the documents provided for by Articles R. 225-81 and R. 225-83 of the French Commercial Code by writing to CIC Service Assemblées, 6 avenue de Provence, 75452 Paris Cedex 09.

7.3.2.3 Designation of proxies by email

In accordance with Articles R. 225-79 and R. 22-10-24 of the French Commercial Code, notification of the appointment and revocation of a proxy may also be carried out by email, as follows:

Directly registered shares

- Shareholders must send an email to the following addresses: investor@sergeferrari.com and serviceproxy@cic.fr. This email must contain the following information: Name of the Company concerned, date of the General Meeting, the full name, address and registered securities account number of the grantor, where applicable, and the full name and, if possible, address of the proxy;
- Shareholders must send written confirmation to CIC Service Assemblées, 6 avenue de Provence, 75452 Paris Cedex 09.

Bearer and administered registered shares

- Shareholders must send an email to the following addresses: investor@sergeferrari.com and serviceproxy@cic.fr. This email must contain the following information: Name of the Company concerned, date of the General Meeting, the full name, address and bank details of the grantor and the full name and, if possible, address of the proxy;
- Shareholders must ask the financial intermediary managing their securities account to send written confirmation to CIC Service Assemblées, 6 avenue de Provence, 75452 Paris Cedex 09.

Only notifications of proxy appointments and revocations may be sent to the aforementioned email address; no other request or notification relating to another matter will be taken into account or processed.

In order for proxy appointments or revocations notified by email to be valid, confirmations must be received by the day before the meeting, i.e. no later than 3 pm Paris time on April 18, 2023. Proxy appointments and revocations sent by post must be received no later than three calendar days before the date of the meeting.

7.3.3 WRITTEN QUESTIONS AND SHAREHOLDER REQUESTS FOR THE INCLUSION OF AGENDA ITEMS OR DRAFT RESOLUTIONS

In accordance with Article R. 225-84 of the French Commercial Code, each shareholder has the right to send any written questions of their choosing to the Executive Board, which will reply to those questions during the meeting.

Questions must be sent by registered mail with return receipt requested to the following address: SergeFerrari Group, Assemblée générale 2023, ATTN: Chairman of the Executive Board, Zone Industrielle de La Tour-du-Pin, Saint-Jean-de-Soudain, 38110, La Tour-du-Pin, France.

The letter must be sent no later than the fourth business day preceding the date of the General Meeting, i.e. by zero hour Paris time on April 13, 2023. Only written questions within the meaning of Article R. 225-84 above may be sent to the Company; no other request or notification relating to another matter will be taken into account or processed.

Requests must be sent together with a certificate of registration either in the registered securities accounts held by the Company or in the bearer securities accounts held by the authorized intermediary. Requests for inclusion of items or draft resolutions on the agenda by shareholders fulfilling the conditions set out in Article R. 225-71 of the French Commercial Code must be sent to the registered office by registered mail with return receipt requested to the following address: SergeFerrari Group, Assemblée générale 2023, ATTN: Chairman of the Executive Board, Zone Industrielle de La Tour-du-Pin, Saint-Jean-de-Soudain, 38110, La Tour-du-Pin, France, no later than 25 calendar days before the General Meeting and no later than 20 days after the date of this notice of meeting, in accordance with Articles R. 225-73 and R. 22-10-22 of the French Commercial Code. The request to include an item on the agenda must be accompanied by a brief explanation of the reasons why it is being proposed. If the request concerns an amendment to or the inclusion of a draft resolution, the wording of the proposed resolution must be included and may be accompanied by a brief explanation of the reasons why it is being proposed.

In accordance with applicable legislation, a joint reply may be provided to questions that present the same content or address the same subject.

At the date of the request, the originators of the request must prove that they hold or represent the required fraction of the capital stock by the registration of the corresponding shares either in the registered securities accounts held by the Company or in the bearer securities accounts held by an authorized intermediary. They must enclose a share registration certificate with their request.

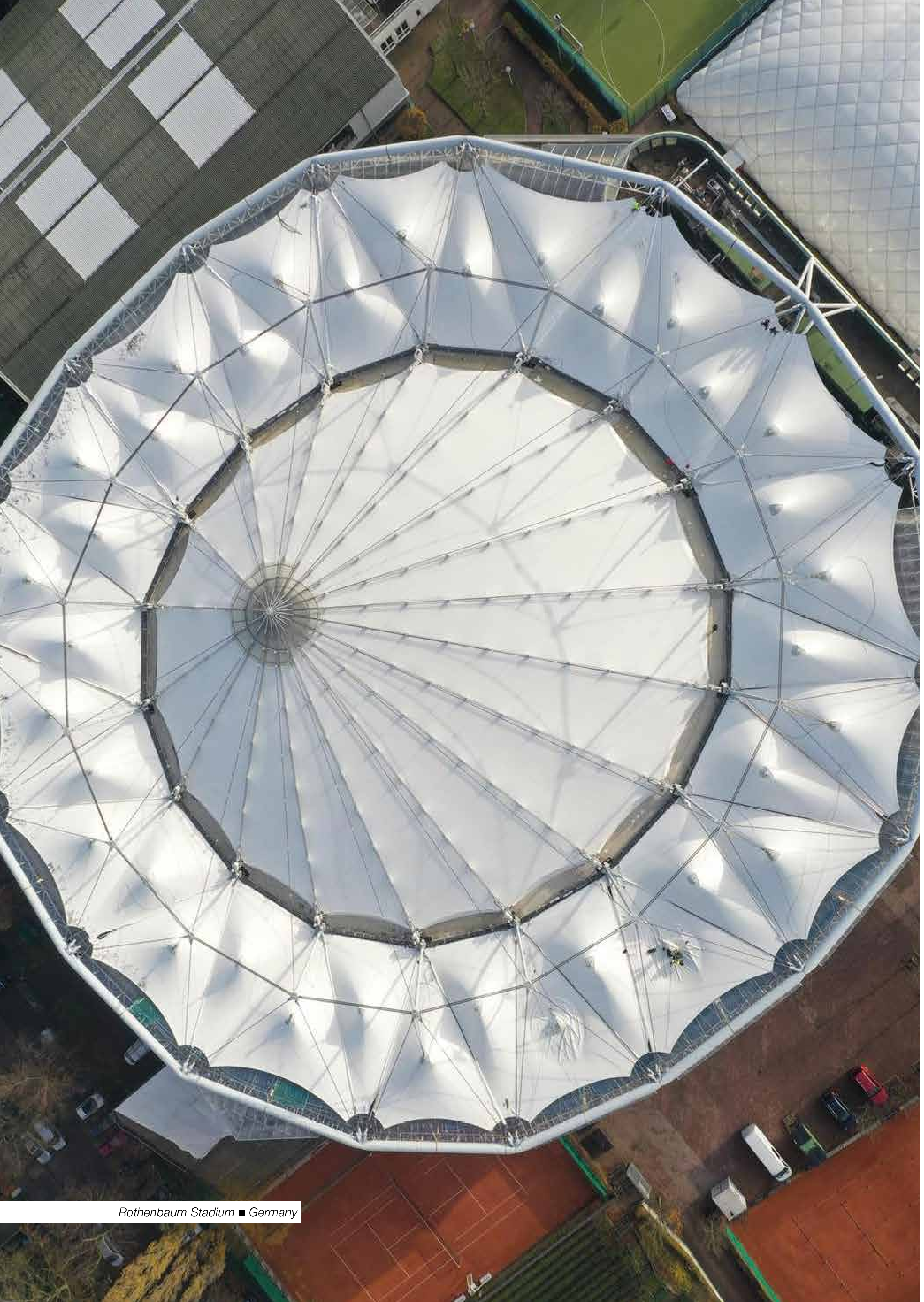
The agenda item or resolution will be raised at the meeting only if the originators of the request send a further certificate proving the registration of their shares in the same accounts at zero hour Paris time on the second business day preceding the date of the General Meeting, i.e. April 17, 2023.

All written questions asked by shareholders and the answers provided will be published on the Company website. Publication will take place as soon as possible after the close of the General Meeting and, in any event, no later than the end of the fifth business day following the date of the General Meeting, i.e. by April 26, 2023.

7.3.4 SHAREHOLDERS' RIGHT TO INFORMATION

All documents and information provided for by Article R. 22-10-23 of the French Commercial Code will be made available for consultation on the Company website at www.sergeferrari.com no later than the twenty-first day preceding the meeting, i.e. from March 28, 2023 at the latest.

All documents referred to in Articles R. 225-81 and R. 225-83 of the French Commercial Code will be made available to shareholders at the Company's registered office (Zone Industrielle La Tour-du-Pin – Saint-Jean-de-Soudain, 38110 La Tour-du-Pin) as from publication of the notice of meeting or on the fifteenth day preceding the General Meeting at the latest, depending on the document in question.



Rothenbaum Stadium ■ Germany

8

Additional information in the Universal Registration Document

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8.1 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Statement by the person responsible for the Universal Registration Document

“I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, accurate and does not contain any omission that could affect its scope.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting principles and present a true and fair view of the assets and liabilities, financial position and earnings of the Company and all of the companies included in the consolidation. I also certify that the management report included from page 197 onward presents a true and fair view of developments in the business activity, earnings and financial position of the Company and all of the companies included in the consolidation and describes the main risks and contingencies with which they are faced.”

Sébastien Baril
Chairman of the Executive Board
April 18, 2023

8.2 STATUTORY AUDITORS

Identity of the Statutory Auditors

The incumbent statutory auditors are:

Grant Thornton
represented by Frédéric Jentellet
44 Quai Charles de Gaulle 69006 Lyon

Grant Thornton was appointed statutory auditor to replace Cabinet Martine Chabert at the Extraordinary General Meeting of May 16, 2019 for a six-year term ending at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2024.

KPMG SA
represented by Sara Righenzi de Villers
51 Rue de Saint-Cyr 69009 Lyon

KPMG SA was appointed statutory auditor to replace MAZARS at the Extraordinary General Meeting of May 19, 2021 for a six-year term ending at the close of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026.

The alternate statutory auditors are:

Institut de Gestion et d’Expertise Comptable – IGEC
(alternate statutory auditor to Grant Thornton)
22 Rue Garnier 92200 Neuilly sur Seine

IGEC was appointed alternate statutory auditor to replace Didier Vaury at the Extraordinary General Meeting of May 16, 2019 for a six-year term ending at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2024.

Salustro Reydel (alternate statutory auditor to KPMG SA)
51 Rue de Saint-Cyr 69009 Lyon

Salustro Reydel audit firm was appointed alternate statutory auditor to replace Philippe Galofaro at the Extraordinary General Meeting of May 19, 2021 for a six-year term ending at the close of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending December 31, 2026.

Information regarding resignations and non-reappointment of statutory auditors

The May 19, 2021 General Meeting appointed KPMG to replace Mazars, on the recommendation of the Audit Committee.

8.3 FEES PAID TO STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORK

Information on fees paid to statutory auditors is set out in Note 32 to the consolidated financial statements.

8.4 INFORMATION ABOUT THE COMPANY

Corporate name

The Company’s corporate name is SergeFerrari Group.

Place of registration and registration number

The Company is entered in the Vienne Commercial Register (Registre du Commerce et des Societes de Vienne) under number 382 870 277.

Date of incorporation and term

The Company was incorporated for a period of 99 years expiring on June 30, 2090, unless wound up early or extended.

Registered office, legal form, applicable legislation

Initially incorporated as a French limited liability company (*société anonyme*), then transformed into a simplified joint-stock company (*société par actions simplifiée*) by unanimous decision of the shareholders at a meeting held on June 30, 2003, the Company was transformed back into a limited liability company by decision of the April 30, 2014 General Meeting of shareholders, then into a company with an Executive Board and Supervisory Board by the General Meeting of shareholders held on January 25, 2022.

The Company is governed by present and future applicable laws and regulations, notably the French Commercial Code, as amended from time to time, and the Company’s Articles of Association. Due to the nature of its activity, since 2007 the Company has also complied with the European “REACH” regulations governing manufacturing safety and the use of chemical substances in European industry.

The Company’s registered office is at: Zone Industrielle de La Tour-du-Pin - 38110 Saint-Jean-de-Soudain, France.
The Company’s contact details are as follows:
Telephone: +33(0)4 74 97 41 33
Email: investor@sergeferrari.com
Website: www.sergeferrari.com
LEI: 96950023L46VUM1L8555
FR0011950682

Key events in the development of the Company

1973	TESF (Tissage et Enduction Serge Ferrari) is founded by Serge Ferrari, father of Sébastien Ferrari and Romain Ferrari. Development starts on the Précontraint® process and the first production line is set up.
1977	The first distribution contract is signed, in Italy.
1980	Sébastien Ferrari joins the Serge Ferrari Group.
1987	The Batyline® (Taraflex) business is acquired, specializing in coating extruded cables for furniture.
1990	Romain Ferrari joins the Serge Ferrari Group.
1991	As part of the family succession plan, Ferrari Participations is formed (corporate name later changed to SergeFerrari Group) by contribution of TESF shares.
1999	A collaboration and license agreement is signed with Solvay to develop an industrial process for recycling PVC materials.
2000	A 50% stake is acquired in Tersuisse (a company based in Lucerne, Switzerland), the main supplier of micro-cables to the Group, as a joint venture with Rhodia Group.
2001	Forbo-Stamoïd, a Group competitor based in Zurich, Switzerland, is acquired in order to expand the range of coating technologies and products (yachting and breathable protection mainly for roofs and facades).

2002	A US marketing subsidiary (Serge Ferrari North America) is created in Kentucky, to target the United States and Canada. It is currently the Group's largest subsidiary (based in Florida, with 15 employees and approximately US$15 million revenues in 2017).
2004	A 10% stake is acquired in a marketing subsidiary in Tokyo, Japan (Serge Ferrari Japan), gradually increased to 83% over the following years.
2005	The remaining 50% stake in Tersuisse is acquired (the Company having held 50% since 2000).
2007	A marketing subsidiary is created in Hong Kong (Serge Ferrari Asia Pacific Ltd) to target China and Southeast Asia.
2008	A 2% stake is acquired in SergeFerrari Group by Banque de Vizille, later becoming CM-CIC Capital Finance (which owns CM-CIC Investissement). The composite materials collection and recycling business is developed through the Texyloop subsidiary created in 2003. Texyloop provides the first mechanical stage involved in recycling collected PVC materials, and sells the PET products resulting from the recycling process.
2008-2012	SAP systems are installed at the La Tour-du-Pin (France) and Eglisau (Switzerland) sites as part of the Group's streamlining and restructuring program.
2009	Précontraint Ferrari SAS merges with weaving firm Sénéclauze Ainé & Fils.
2011	Following the restructuring of shareholding (by creating a controlling holding company called Ferrari Participations), the former pre-existing Ferrari Participations SAS changes its corporate name and becomes SergeFerrari Group SAS.
2012	A marketing subsidiary is opened in São Paulo, Brazil (Serge Ferrari Brasil), to target South America.
2013	An exclusive distribution agreement is signed in December for the Stamisol range with the German group Würth. A strategy committee is formed with three independent (non-company) members.
2014	Merger by absorption of Précontraint Ferrari SAS by Serge Ferrari SAS (formerly TESF). The Company is transformed into a limited liability company with a Board of Directors. Initial public offering (IPO) on Euronext Paris – Compartment C ISIN: FR0011950682 Symbol: SEFER
2015	Deployment of SAP at Emmenbrücke. Hiring of sales staff. Refinancing and strengthening of credit facilities.
2016	Acquisition of a 51% equity stake in Giofex Group srl. Review of strategic plan and sales/marketing organization.
2017	Acquisition of a 100% equity stake in Plastitex SpA. Acquisition of the business operations of Ferrateks (Turkey) and Milton (UK). Start of operations at Serge Ferrari Shanghai (China), Serge Ferrari India Private Limited (India), Serge Ferrari GmbH (Germany).
2018	Sale of a 40% equity stake in Vinyloop Ferrari SpA. Two new members join the Executive Committee as Chief Industrial Operations Officer and CEO-Research & Development.
2019	Plan to focus on four strategic markets and improve operating margins.
2020	Acquisition of a 55% equity stake in F.I.T. Industrial Co Ltd (Taiwan) and acquisition of Verseidag-Indutex (Germany) and its subsidiaries.
2021	Commercial and industrial integration of 2020 acquisitions and decision to change the governance model to a dual structure with Executive Board and Supervisory Board.
2022	Acquisition of a 60% equity stake in MSE and DCS (biogas sector, Netherlands), thereby strengthening the DBDS business (Verseidag-Indutex subsidiary), and a 60% equity stake in Baltijos Tentas (Lithuania), a long-standing distributor of Verseidag products.

8.5 INFORMATION ON THE CAPITAL STOCK

8.5.1 SHAREHOLDER STRUCTURE AT DECEMBER 31, 2022 AND DURING THE PRIOR TWO FISCAL YEARS

Ferrari Participations and Serge Ferrari Industries are ultimately controlled by Sébastien Ferrari and Romain Ferrari.

	12/31/2022			12/31/2021			12/31/2020		
	Shares	**% capital**	**% voting rights**	**Shares**	**% capital**	**% voting rights**	**Shares**	**% capital**	**% voting rights**
Ferrari Participations	6,615,688	53.79%	63.35%	6,615,688	53.79%	63.0%	7,075,015	57.52%	59.2%
Serge Ferrari Industries	1,229,926	10.00%	11.78%	1,229,926	10.00%	11.7%	1,229,926	10.00%	13.1%
Sébastien Ferrari	84,796	0.69%	0.60%	39,791	0.32%	0.2%	39,791	0.32%	0.4%
Romain Ferrari	313,443	2.55%	3.00%	313,443	2.55%	3.0%	313,443	2.55%	3.3%
One Team Investments	620,000	5.04%	2.97%	620,000	5.04%	3.0%	---	---	---
Victoire Ferrari [1]	8,650	0.07%	0.08%	8,650	0.07%	0.1%	---	---	---
Félicie Ferrari	1,900	0.02%	0.01%	---	---	---			
Ferrari concert subtotal	**8,872,503**	**72.14%**	**81.8%**	**8,827,498**	**71.8%**	**81.1%**	**8,658,175**	**70.4%**	**76.0%**
Board members [2]	900	0.01%	0.00%	900	0.0%	0.0%	144,140	1.2%	1.0%
Other shareholders	2,948,413	23.97%	18.2%	3,208,489	26.1%	18.9%	3,011,873	24.5%	23.0%
Treasury shares	477,443	3.88%	0.0%	262,372	2.1%	0.0%	485,071	3.9%	0.0%
Total	**12,299,259**	**100.0%**	**100%**	**12,299,259**	**100.0%**	**100.0%**	**12,299,259**	**100.0%**	**100.0%**

(1) Victoire Ferrari has been included in the Ferrari concert subtotal since December 8, 2021. As of December 31, 2019 and December 31, 2020, the shares held by Victoire Ferrari were reported under the "Board members" line item. The number of shares held by Victoire Ferrari did not change during the period.

(2) The "Board members" line item shows shares held by the members of the Board of Directors as of December 31, 2019 and December 31, 2020. The shares reported as of December 31, 2021 and 2022 are those held by the Supervisory Board members appointed by the General Meeting of January 25, 2022.

To the Company's knowledge, excluding family shareholders and shareholders controlled by family shareholders, the following shareholder held over or around 5% of the capital stock as of December 31, 2021: FCP ETI 2020 (Bpifrance) held 670,000 shares (5.45% of the capital stock).

- Ferrari Participations is held by the following shareholders:

	Full ownership	Bare ownership	Beneficial ownership
Sébastien Ferrari	38.70%	0.00%	14.67%
Romain Ferrari	4.30%	0.00%	22.33%
FFH	0.00%	12.00%	0.00%
Victoire Ferrari	5.00%	6.25%	0.00%
Félicie Ferrari	5.00%	6.25%	0.00%
Adélie Ferrari	5.00%	6.25%	0.00%
Jules Ferrari	5.00%	6.25%	0.00%
	63.00%	**37.00%**	**37.00%**

Sébastien and Romain hold 75% of the voting rights in FFH. They therefore jointly control the Ordinary General Meetings of Ferrari Participations, appoint at their sole discretion the legal representative of Ferrari Participations empowered to vote at the General Meetings of the issuer, SergeFerrari Group, and, more generally, still jointly control Ferrari Participations, Serge Ferrari Industries and One Team Investments.

- Ferrari Participations holds 70% of the capital stock of Serge Ferrari Industries, the remaining 30% being held by Romain Ferrari.
- Ferrari Participations holds 86% of the capital stock of One Team Investments, the remaining portion being held by the members of the SergeFerrari Group Strategic Management Committee.

Pledges

Pledges of Company shares
To the Company's knowledge, at the date of registration of this Universal Registration Document, the only pledge of SergeFerrari Group shares granted to a financial institution concerns 1,470,000 SergeFerrari Group shares in application of the contractual provisions of a financing agreement.

Pledges of Company assets
As of the date of this Universal Registration Document, a pledge of all Serge Ferrari SAS shares held by SergeFerrari Group had been granted to banks in relation to the loans contracted by the Company on July 28, 2015 (see Section 5.4).

8.5.2 INFORMATION ON CONTROL OF THE COMPANY'S CAPITAL STOCK

Sébastien Ferrari, Ferrari Participations, which he controls, Serge Ferrari Industries controlled by Ferrari Participations, Romain Ferrari, One Team Investments, FFH, Victoire Ferrari, Félicie Ferrari, Adélie Ferrari, Jules Ferrari and the companies they control have declared that they act in concert within the meaning of Article L. 233-10 of the French Commercial Code.

The Company has not implemented any measures to ensure that control is not abused. However, over half of the members of the Supervisory Board are independent.

In the event of a change in the control of SergeFerrari Group, the Company's banks could require the immediate repayment of medium-term credit facilities of which €84 million had been drawn at December 31, 2022.

The Board of Directors has always been mindful about the votes expressed by all shareholders and has paid particular attention to the outcome of voting at General Meetings excluding the votes cast by the two executives Sébastien Ferrari and Romain Ferrari and the companies they control. As such, at the General Meetings held on January 22, 2022 and May 17, 2022, the majority of minority shareholders voted in favor of the resolutions submitted for their approval in accordance with the Board's recommendations.

8.5.3 CAPITAL STOCK

The capital stock, fully subscribed and paid up, amounted to €4,919,703.60 at December 31, 2022. It is divided into 12,299,259 shares with a par value of €0.40 each.

Each share grants the right to ownership of the corporate assets and a share in the profits and liquidation surplus in proportion to the amount of capital stock that it represents.

As of December 31, 2022 there were no securities granting access to the capital stock, shares not representing capital stock, or stock options.

At its meeting on March 14, 2016, the Board of Directors reviewed the conditions for implementing a bonus share plan for the period from April 2016 to April 2018 for a maximum of 200,000 shares. The corresponding resolution was submitted to the shareholders for approval at the General Meeting of April 25, 2016. The General Meeting of April 25, 2016 approved this resolution and the bonus share plan was implemented by the Board of Directors from June 15 and from September 15, 2016 for a potential allotment of 109,000 shares. During fiscal year 2018, 43,980 shares vested representing 0.35% of the capital stock. At the date of registration of this Universal Registration Document, 8,760 SergeFerrari Group shares were covered by the two-year vesting period referred to in the bonus share plan rules.

Changes in capital stock since the Company's foundation

Date	Nature of the transactions *(in euros unless otherwise specified)*	Transaction amount	Issue premium	Number of shares created	Number of shares comprising the capital stock	Par value	Amount of the capital stock following the transaction
9/2/1991	Incorporation (in FRF)	17,184,000		171,840	171,840	100.00	17,184,000
5/10/1991	Cancellation of shares following merger with SEROM (in FRF)	(5,900,000)		(59,000)	112,840	100.00	11,284,000
5/10/1991	Capital increase (in FRF)	5,650,000		56,500	169,340	100.00	16,934,000
4/25/2001	Capital increase by capitalization of reserves (in FRF)	66,000		660	170,000	100.00	17,000,000
4/25/2001	Increase in par value by capitalization of reserves (in FRF)	5,302,538		0	170,000	131.19	22,302,538
4/25/2001	Translation into euros			0	170,000	20.00	3,400,000
6/9/2008	Capital increase	69,380,000	1,930,602	3,469	173,469	20.00	3,469,380
4/30/2014	50-for-1 par value split			8,499,981	8,763,450	0.40	3,469,380
6/24/2014	Capital increase (retail public offering and global placement)	1,101,068	31,930,995	2,752,672	11,426,122	0.40	4,570,448
6/24/2014	Capital increase reserved for CM-CIC Investissement	166,666	4,833,325	416,666	11,842,788	0.40	4,737,115
7/18/2014	Capital increase (over-allotment option)	162,198	4,703,753	405,496	12,248,284	0.40	4,899,313
7/28/2014	Capital increase reserved for employees	20,390	468,970	50,975	12,299,259	0.40	4,919,703

8.5.4 DOUBLE VOTING RIGHTS

A double voting right was introduced for all shares held in registered form for at least two years as from the admission of the Company's shares to trading on the Euronext Paris regulated market on June 24, 2014.

The table presented in Section 8.5.1 shows the percentage of capital stock and voting rights held by the shareholders.

8.5.5 ARTICLES OF ASSOCIATION AND BY LAWS

8.5.5.1 Corporate purpose

The Company's objects are:

- financial participation by any means, including by contribution, subscription or purchase of shares or units, merger or business combination, in any existing or future French or foreign groups, companies or businesses operating, in particular, in the design, manufacturing and/or distribution of innovative composite materials and associated systems and their recycling;
- purchase, sale and management of any securities;
- management, control and coordination of its subsidiaries and equity interests;
- management and exploitation of intellectual property rights;
- consulting on sales organization, marketing and public relations, and provision of all services in the fields of commerce, administration, finance or information technology;
- acceptance and exercise of any administrative, management, control or consulting assignments, engineering, research, development of all management resources and assistance to businesses related to the Company;
- management of financial investments and any interests in any companies;
- and, more generally, any commercial, industrial, financial, investment or real estate transactions that may relate directly or indirectly to the corporate purpose.

8.5.5.2 Provisions of the Articles of Association and other arrangements relating to the members of executive and management bodies

See Section 3. "Corporate governance" of this Universal Registration Document.

8.5.5.3 Rights, preferences and restrictions attached to shares in the Company

Share form - Identifiable bearer securities (Article 11)

Fully paid-up shares may be registered or bearer shares, at the choice of the shareholder, except where the applicable laws and regulations require them to be registered.

They are registered in an individual account in the name of the shareholder under the terms and conditions provided for by applicable laws and regulations.

The Company is entitled to request identification of the holders of securities conferring voting rights, immediately or subsequently, at its General Meetings, as well as the quantities held, under the conditions provided for by applicable legislation.

In addition to statutory and regulatory threshold crossing disclosure requirements, any natural person or legal entity acting alone or in concert that comes to hold, directly or indirectly, in any manner whatsoever, within the meaning of Article L. 233-7 of the French Commercial Code, a number of shares representing more than one fortieth (2.5%) of the capital stock or voting rights must notify the Company of the total number of shares or voting rights they hold by a deadline equivalent to the deadline applicable to statutory threshold crossing disclosures, counting from the date on which the threshold was crossed. This information shall also be disclosed within the same time limits when the number of shares or voting rights falls below the aforementioned thresholds.

If a shareholder fails to disclose the fact they have crossed the threshold of 2.5% of the capital stock or voting rights stipulated by the Articles of Association, they may be stripped of the voting rights attached to the undisclosed excess shares for a period of two years counting from the date on which the required disclosure is made. The decision to strip voting rights falls under the jurisdiction of the Chairman of the General Meeting of shareholders, provided that his/her shareholding represents at least five per cent (5%) of the capital stock or that he/she is requested to do so by one or more shareholders satisfying the same condition.

The natural person or legal entity concerned shall also inform the French Financial Markets Authority (AMF), in accordance with the procedures and timeframes set out in the AMF General Regulation, as from the crossing of the shareholding threshold. This information is disclosed to the public under the conditions set out in the AMF General Regulation.

Rights and obligations attached to shares (Article 9)

Each share confers a right to the Company's profits, assets and liquidation surplus in proportion to the fraction of capital that it represents.

Each share also grants the right to vote and be represented at General Meetings, as well as the right to be informed of the Company's operations and to receive certain corporate documents at the times and under the conditions provided for by law and the Articles of Association.

Shareholders are only liable for the Company's liabilities up to the amount of their contributions.

Rights and obligations shall remain attached to the share irrespective of the holder.

Ownership of a share automatically entails adherence to the Company's Articles of Association and the resolutions of the General Meeting of shareholders.

Whenever it is necessary to hold a specific number of shares in order to exercise a given right, shareholders who do not hold said number of shares shall make specific efforts to pool together and, where applicable, to purchase or sell the required number of shares.

Participation in General Meetings - voting rights (Article 17)

General Meetings of shareholders are convened under the conditions laid down by law. They are held at the registered office or at any other place specified in the notice of meeting.

Every shareholder has the right to attend General Meetings and to take part in the voting in accordance with the conditions set out in the applicable regulations.

However, this right is contingent on the shares being registered shares or, in the case of bearer shares, on presentation of proof of the accounting entry of the shares in the name of the shareholder or the intermediary acting on his/her behalf under the conditions and within the deadlines set out in the applicable regulations.

Every shareholder can vote by post, using a form prescribed for this purpose and sent to the Company, or be represented, under the conditions and within the deadlines set out in the applicable regulations.

The Executive Board has the option to decide that shareholders may vote remotely via an electronic ballot or by an electronically signed proxy, under the conditions and limitations set out in the applicable regulations.

A double voting right is attached to all fully paid-up shares demonstrably held in registered form for at two (2) years in the name of a given shareholder, counting from the date the Company shares were first listed on a regulated market or organized multilateral trading system. In the event of a capital increase through the capitalization of reserves, profits or issue premiums, the double voting right is conferred, immediately upon issuance, on all registered shares allotted to a shareholder in respect of their existing double voting shares.

General Meetings are chaired by the Chairman of the Supervisory Board or, in their absence, by a member of the Supervisory Board previously appointed by the Board.

Ordinary, Extraordinary and Special General Meetings deliberate under the quorum and majority conditions provided for by law.

The powers of Ordinary, Extraordinary and Special General Meetings are those provided for by law.

Limitation on voting rights

None.

Purchase by the Company of its own shares

See Section 5.2.1.4 of this Universal Registration Document.

8.5.5.4 Procedure for modifying shareholders' rights

Only an Extraordinary General Meeting is authorized to amend any provisions of the Articles of Association. It may not, however, increase shareholders' commitments unless resulting from a duly executed reverse stock split.

8.5.5.5 General Meetings of shareholders

General Meetings are convened and vote under the conditions laid down in applicable laws and regulations.

Shareholders' collective decisions are taken in Ordinary, Extraordinary or Special General Meetings depending on the nature of the decisions they are asked to take.

Special Meetings convene the holders of a given class of shares or securities to approve a change to the rights attached to that class of shares or securities.

The decisions of General Meetings bind all shareholders, including those absent, dissenting or incapacitated.

8.5.5.6 Provisions for delaying, deferring or preventing a change of control

None.

8.5.5.7 Crossing of thresholds established by the Articles of Association (Article 11)

In accordance with Article L. 233-7 of the French Commercial Code and the Company's Articles of Association, if the number of shares held by any natural person or legal entity acting alone or in concert exceeds the threshold of one fortieth (2.5%) of the capital stock or voting rights, such person or entity must inform the Company within the deadlines applicable to the crossing of statutory thresholds referred to in the previous section, counting from the date on which the total number of shares or voting rights held by the person exceeded the shareholding threshold. This information shall also be disclosed within the same time limits when the number of shares or voting rights falls below the aforementioned thresholds.

In accordance with Article L. 233-7 VI of the French Commercial Code, if a shareholder fails to disclose the fact that they have crossed the threshold of 2.5% of the capital stock or voting rights stipulated by the Articles of Association, they may be stripped of the voting rights attached to the undisclosed excess shares for a period of two years counting from the date on which the required disclosure is made. The decision to strip voting rights falls under the jurisdiction of the Chairman of the shareholders' General Meeting, provided that his/her shareholding represents at least two-and-a-half per cent (2.5%) of capital stock or that he/she is requested to do so by one or more shareholders satisfying the same condition.

8.5.5.8 Special stipulations governing changes to capital

None.

8.5.6 SERGEFERRARI GROUP SHARE PRICE AND TRADING VOLUMES

The SergeFerrari Group share is listed on Euronext Paris (Compartment C).

	High (€)	Low (€)	Latest (€)	Number of shares traded	Volumes (€'000)	Average price (€)
Jan-21	7.22	6.00	6.36	541,695	3,518	6.49
Feb-21	7.58	6.36	6.90	591,084	4,273	7.23
Mar-21	7.34	6.82	6.92	199,634	1,403	7.03
Apr-21	7.39	6.81	7.19	179,895	1,265	7.03
May-21	7.19	6.36	6.99	288,649	1,961	6.79
June-21	7.22	6.62	6.75	71,130	495	6.96
July-21	7.64	5.97	7.48	330,558	2,335	7.06
Aug-21	8.49	7.40	8.40	177,583	1,424	8.02
Sept-21	10.00	8.30	9.22	553,062	5,200	9.40
Oct-21	11.18	8.62	10.78	372,664	3,800	10.20
Nov-21	11.90	9.94	10.60	356,449	3,912	10.98
Dec-21	12.70	10.56	12.48	230,091	2,662	11.57
Jan-22	15.32	10.56	14.98	414,133	5,462	13.19
Feb-22	17.60	14.58	15.80	435,622	7,029	16.14
Mar-22	19.78	13.62	18.42	495,056	8,237	16.64
Apr-22	19.18	16.10	17.40	251,266	4,419	17.59
May-22	17.60	14.48	15.72	213,346	3,339	15.65
June-22	16.06	10.96	11.54	235,647	3,141	13.33
July-22	13.90	11.18	13.10	213,791	2,689	12.58
Aug-22	15.04	12.60	13.20	208,301	2,851	13.69
Sept-22	13.20	9.52	10.70	338,210	3,882	11.48
Oct-22	11.26	9.72	10.10	182,020	1,876	10.31
Nov-22	11.58	10.14	11.42	163,476	1,774	10.85
Dec-22	11.46	10.06	10.74	103,979	1,119	10.77

8.5.7 SUPERVISORY AND EXECUTIVE BOARD MEMBER SHAREHOLDINGS AND STOCK OPTIONS

The following table shows the Company shares directly held by Supervisory Board members at the date of registration of this Universal Registration Document. Note that as of December 31, 2022 no other securities exist giving access to Company capital:

Member of the Supervisory Board	Number of shares	% capital	% voting rights
Sébastien Ferrari	84,796	0.7%	1.0%
Romain Ferrari	313,434	2.5%	3.0%
Bertrand Neuschwander	0	0.0%	0.0%
Christophe Graffin	0	0.0%	0.0%
Carole Delteil de Chilly	0	0.0%	0.0%
Caroline Weber	900	0.0%	0.0%
Bertrand Chammas	0	0.0%	0.0%
Félicie Ferrari	1,900	0.0%	0.0%
Joelle Barreto	0	0.0%	0.0%
Sébastien Baril	0	0	0
Philippe Brun	128,497	1.05%	1.23%

8.5.8 EMPLOYEE EQUITY INTERESTS IN THE COMPANY'S CAPITAL STOCK

Since December 6, 2011, the employees of Serge Ferrari SAS and of the Economic and Social Unit consisting of Serge Ferrari SAS and Texyloop SAS, of which Serge Ferrari SAS is the main constituent, are covered by a Company Savings Plan (Plan d'Epargne Entreprise – PEE) and a Collective Retirement Savings Plan (Plan d'Epargne de Retraite Collectif – PERCO) both invested in a number of employee mutual funds (Fonds Communs de Placement Entreprise – FCPE). At its stock-market listing in June 2014, the Company wished to allow access to its capital stock for employees of the Economic and Social Unit. A capital increase was reserved for employees, with the statutory 20% discount on the issue price. A special-purpose FCPE employee mutual fund was instituted (the FCPE Serge Ferrari Actionnariat), invested exclusively in shares of the Company. Its principles and methods of operation are identical to those of the other FCPEs in which the PEE company savings plan is invested: the operating costs are paid by Serge Ferrari SAS, while virtually all the flows into the FCPEs are supplied by voluntary payments or payments from the special profit-share reserve. Serge Ferrari SAS tops up voluntary payments with a bonus payment and each year a contract rider is signed by Serge Ferrari SAS and the social partners. Under a rider signed in April 2016, employees are allowed to allocate a fraction of their residual paid leave to this Company Savings Plan.

32,034 SergeFerrari Group shares were held by the Company employee mutual fund (FCPE) at the date of registration of this Universal Registration Document.

8.5.9 INCENTIVE AND PROFIT-SHARING AGREEMENTS

Since December 16, 2004, the employees of Serge Ferrari SAS have benefited from a profit-sharing agreement. On April 9, 2010, a rider to this agreement was signed in order to bring its provisions into compliance with legislative amendments enacted since its execution.

Serge Ferrari SAS plans to set up an incentive agreement within the meaning of Articles L. 3311-1 et seq. of the French Labor Code before June 30, 2023, effective from January 1, 2023.

8.6 DOCUMENTS AVAILABLE TO THE PUBLIC

Copies of this Universal Registration Document may be obtained free of charge from the Company's registered office at Zone Industrielle la Tour-du-Pin - 38110 Saint-Jean-de-Soudain, France. This Universal Registration Document can also be consulted on the Company's website (www.sergeferrari.com) and on the AMF website (www.amf-france.org).

The Articles of Association, minutes of General Meetings and other Company documents, as well as historical financial information and all assessments and reports issued by an expert at the Company's request that are required to be available to the shareholders, in accordance with applicable laws, can be consulted free of charge at the Company's registered office.
The information required pursuant to the AMF General Regulation is also available on the Company's website (www.sergeferrari.com).

This Universal Registration Document incorporates the following information by reference, which readers are advised to consult:

- reports by KPMG and Grant Thornton dated March 14, 2022 on the consolidated financial statements and the parent company financial statements for the fiscal year ended December 31, 2021 provided, along with the corresponding historical financial statements, respectively from pages 192 onward and from pages 242 onward of the registration document filed with the AMF on March 15, 2022;
- reports by Mazars and Grant Thornton dated March 17, 2021 on the consolidated financial statements and the parent company financial statements for the fiscal year ended December 31, 2020 provided, along with the corresponding historical financial statements, respectively from pages 196 onward and from pages 223 onward of the registration document filed with the AMF on March 24, 2021.

8.7 CROSS-REFERENCE TABLES

8.7.1 TABLE OF CROSS-REFERENCES WITH THE UNIVERSAL REGISTRATION DOCUMENT

This cross-reference table reproduces the headings of Annexes I and II of Commission Delegated Regulation (EU) No. 2019/980 of March 14, 2019 and refers to the pages of this Universal Registration Document where information relating to each of these headings is mentioned.

Heading		Section	Page
1	**Persons responsible, third-party information, expert reports and approval by the competent authority**		
1.1	Identification of persons responsible	8.1	314
1.2	Statement by persons responsible	8.1	314
1.3	Statement or report attributed to a person as an expert	N/A	N/A
1.4	Third-party information	N/A	N/A
1.5	Declaration of filing with the competent authority		2
2	**Statutory auditors**		
2.1	Names and addresses of statutory auditors	8.2	314
2.2	Information on the resignation of the statutory auditors	N/A	N/A
3	**Risk factors**	**4.2**	**186**
4	**Information about the issuer**		
4.1	Legal and commercial name of the issuer	8.4	315
4.2	Issuer's place of registration, registration number and legal entity identifier	8.4	315
4.3	Issuer's date of incorporation and term	8.4	315
4.4	Issuer's registered office and legal form, the legislation under which the issuer operates, its country of incorporation, the address and telephone number of its registered office, and website	8.4	315
5	**Business overview**		
5.1	Principal activities	1	10-16
5.1.1	Nature of the issuer's operations and principal activities	1	10-16
5.1.2	Mention of any major new product and/or service launched on the market	1 / 2	27; 49
5.2	Principal markets	1	18-26
5.3	Important events in the development of the issuer's business	5.3 / 5.5	203; 208
5.4	Strategy and objectives	1 / 5.5	6-7; 208
5.5	Potential dependence on patents, licenses, industrial, commercial or financial contracts, or new manufacturing processes	N/A	N/A
5.6	Factors underlying statements regarding competitive position	1	20
5.7	Capex	1 / 5.2.1	34; 198
5.7.1	Main investments incurred	1 / 5.2.1	34; 198
5.7.2	Main investments in progress and future commitments	1 / 5.2.1	7 / 198
5.7.3	Information concerning joint ventures and undertakings in which the issuer holds a portion of the capital liable to have a material impact on the valuation of its assets and liabilities, financial position or results	6 Note 3	231
5.7.4	Environmental issues that may affect the use of property, plant and equipment	3.2	98-110
6	**Organizational structure**		
6.1	Brief description of the Group	1	10
6.2	List of main subsidiaries	6 Note 3	231

Heading		Section	Page
7	**Operating and financial review**		
7.1	Financial condition	5	197-208
7.1.1	Development and results of the issuer's business activities	5	197-208
7.1.2	Probable future development of the issuer's business and research and development activities	1	34
7.2	Operating results	5.2.2	199
7.2.1	Significant factors affecting income from the issuer's operations	6 Note 1.2	217
7.2.2	Explanation of significant changes in net revenues or net income	5.2	198-202
8	**Capital resources**		
8.1	Issuer's capital resources	6.1.4	214
8.2	Source and amount of cash flows	6.1.1 / 6.1.5 / 6 Note 14	212; 215; 237
8.3	Information on borrowing requirements and funding structure	6 Note 14	237
8.4	Restrictions on the use of capital	6 Note 13	237
8.5	Expected sources of funding	6 Note 14	237
9	**Regulatory environment**	**4.4**	**195**
10	**Trend information**		
10.1	Main trends affecting production, sales and inventories, costs and sale prices and significant change in financial performance since the end of the last fiscal year	5.3 / 6 Note 1.2	203; 217
10.2	Known trends, uncertainties, requests, commitments or events reasonably likely to noticeably affect the issuer's outlook	5.5	208
11	**Profit forecasts or estimates**		
11.1	Statement on the validity of a forecast previously included in a prospectus	N/A	N/A
11.2	Statement setting out the main assumptions on which the issuer based its forecast or estimate	N/A	N/A
11.3	Preparation of the forecast or estimate	5.5	208
12	**Administrative, management and supervisory bodies and senior management**		
12.1	Composition – statement	3.1 / 3.2	139-141; 145
12.2	Conflicts of interest	3.8.3	174
13	**Remuneration and benefits**		
13.1	Remuneration and benefits in kind	3.3.3	163-164
13.2	Pensions and other benefits	3.3.3	163-164
14	**Board practices**		
14.1	Terms of office of members of the Board of Directors and Management	3.1.1 / 3.2.3	139-140; 147-155
14.2	Service contracts binding members of the administrative and management bodies	3.1.1 / 3.2.3	139-140; 147-155
14.3	Information on the Audit Committee and Remuneration Committee	3.2.5	156-159
14.4	Corporate governance statement	3.1-3.6	138-170
14.5	Potential material impacts on corporate governance	N/A	N/A
15	**Employees**		
15.1	Headcount	6 Note 21	244
15.2	Ownership interests in the issuer's capital stock and stock options	8.5.7	323
15.3	Arrangements for involving employees in the issuer's capital	N/A	N/A
16	**Major shareholders**		
16.1	Identification of major shareholders	5.3.4 / 8.5	204; 317
16.2	Existence of different voting rights	8.5.4	320
16.3	Control of the issuer	6.2	252-257
16.4	Arrangements, the operation of which may result in a change in control of the issuer	8.5.2	318

Heading		Section	Page
17	**Related party transactions**	**3.8-3.9**	**172-176**
18	**Financial information concerning the Company's assets and liabilities, financial position and profits and losses**		
18.1	Historical financial information	6.4	273
18.2	Interim and other financial information	N/A	N/A
18.3	Audit of interim and other financial information	N/A	N/A
18.3.1	Audit report	6.5	274-278
18.3.2	Other information checked by the statutory auditors	2	129-133
18.3.3	Statement of the source of the data and that the data is unaudited where financial data in the registration document is not extracted from the issuer's audited financial statements	N/A	N/A
18.4	Pro forma financial information	N/A	N/A
18.5	Dividend policy and amount	5.3.2 / 5.4.10	203; 207
18.6	Legal and arbitration proceedings	3.1.3	142
18.7	Significant change in the issuer's financial position	5.5	208
19	**Additional information**		
19.1	Capital stock	8.5.3	319
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19.1.2	Shares not representing capital	6.3	258
19.1.3	Shares held by the issuer	3.7	171
19.1.4	Convertible securities, exchangeable securities or securities with warrants	6.3.1	258
19.1.5	Information about and terms of any acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	8.5.8	323
19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option	8.5.8	323
19.1.7	Capital stock history	8.5.3	319
19.2	Memorandum and Articles of Association	8.5.5	320
19.2.1	Description of the issuer's objects	8.4	315
19.2.2	Description of the rights, preferences and restrictions attaching to each class of shares	8.5.5.3	320-321
19.2.3	Description of any provision that would have an effect of delaying, deferring or preventing a change in control of the issuer	8.5.5.6	322
20	**Material contracts**	**5.4.5**	**206**
21	**Documents on display**	**8.6**	**324**

8.7.2 TABLE OF CROSS-REFERENCES WITH THE ANNUAL FINANCIAL REPORT (AFR)

In order to facilitate the reading of this Universal Registration Document, the cross-reference table below enables the reader to identify the information comprising the Annual Financial Report to be published by listed companies in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation.

	Annual Financial Report	Section	Page
1	Parent company financial statements	6.3	258-278
2	Consolidated financial statements	6.1	210-257
3	Management report (within the meaning of the French Commercial Code)	5	197-209
4	Statement by persons responsible for the Annual Financial Report	8.1	314
5	Statutory auditors' reports on the parent company and consolidated financial statements	6.2 / 6.5	252-257; 274-278

ADDITIONAL INFORMATION IN THE UNIVERSAL REGISTRATION DOCUMENT
CROSS-REFERENCE TABLES

8.7.3 TABLE OF CROSS-REFERENCES WITH THE MANAGEMENT REPORT PREPARED BY THE BOARD OF DIRECTORS FOR THE ANNUAL GENERAL MEETING

	Management Report	Section	Applicable provision
GROUP POSITION AND ACTIVITY			
1	Objective and exhaustive analysis of business developments, results and financial position of the Company and Group	5	L. 225-100-1-I-1°, L. 232-1-II, L. 233-6 & L. 233-26, French Commercial Code
2	Key financial and non-financial performance indicators relating to the specific activity of the Company and Group	2 / 5.2.2	L. 225-100-1-I-2°, French Commercial Code
3	Significant events occurring between the balance sheet date and the date on which the Management Report was prepared	5.5	L. 232-1-II & L. 233-26, French Commercial Code
4	Description of the main risks and uncertainties and indication of the use of financial instruments for the Company and Group	6 Note 29	L. 225-100-1-I-3° & 6°, French Commercial Code
5	Internal control and risk management procedures implemented by the Company	4.1	L. 22-10-35, 2°, French Commercial Code
6	Description and management of environmental and climate risks	4.2	L. 22-10-35, 1°, French Commercial Code
7	Significant equity investments in companies having their registered office in France	6 Note 3	L. 233-6 para. 1, French Commercial Code
8	Foreseeable developments in the Company's and Group's position and outlook	5.5	L. 232-1-II & L. 233-26, French Commercial Code
9	Research and development activities	1	L. 232-1-II & L. 233-26, French Commercial Code
REPORT ON CORPORATE GOVERNANCE			
10	List of all offices and positions held by each corporate officer in all companies during the fiscal year	3.1-3.2	L. 225-37-4-1°, French Commercial Code
11	Board composition, conditions of preparation and organization of its work	3.2	L. 22-10-10, 1°, French Commercial Code
12	Limitations placed by the Board on the powers of the Chief Executive Officer	3.2	L. 22-10-10, 3°, French Commercial Code
13	Reference to a Corporate Governance Code and application of the "comply or explain" principle	3.1	L. 22-10-10, 4°, French Commercial Code
14	Corporate officer remuneration policy	3.3	L. 225-37-2-I, French Commercial Code
15	Remuneration and benefits of any kind paid during the year or awarded in respect of the fiscal year to each corporate officer	3.3	L. 22-10-9, I-1°, French Commercial Code
16	Relative proportion of fixed and variable compensation	3.3	L. 22-10-9, I-2°, French Commercial Code
17	Use of the option of requesting the repayment of variable compensation	5.3.2	L. 22-10-9, I-3°, French Commercial Code
18	Commitments of any kind made by the Company in favor of its corporate officers, corresponding to components of remuneration, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of their duties or after the exercise thereof	3.3	L. 22-10-9, I-4°, French Commercial Code
19	Remuneration paid or allocated by a company included in the consolidation scope within the meaning of Article L. 233-16 of the French Commercial Code	N/A	L. 22-10-9, I-5°, French Commercial Code
20	Ratios between the level of remuneration of each executive corporate officer and the average and median remuneration paid to the Company's employees	4.4.1.1	L. 22-10-9, I-6°, French Commercial Code
21	Annual change in remuneration, Company performance, the average remuneration paid to the Company's employees and the aforementioned ratios over the last five fiscal years	4.4	L. 22-10-9, I-7°, French Commercial Code
22	Explanation of how total remuneration complies with the remuneration policy adopted, including how it contributes to the Company's long-term performance and the manner in which the performance criteria have been applied	3.3	L. 22-10-9, I-8°, French Commercial Code
23	Manner in which the vote cast at the last Ordinary General Meeting provided for by Article L. 225-100 II of the French Commercial Code was taken into account	3	L. 22-10-9, I-9°, French Commercial Code
24	Deviation from the procedure for implementing the remuneration policy and any exceptions	N/A	L. 22-10-9, I-10°, French Commercial Code
25	Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code	7	L. 22-10-9, I-11°, French Commercial Code
26	Agreements between an executive officer or significant shareholder and a subsidiary	N/A	L. 225-37-4-2°, French Commercial Code
27	Special procedures regarding shareholder participation in General Meetings	3.6	L. 22-10-10, 5°, French Commercial Code
28	Summary table of currently valid capital increase authorizations granted by the General Meeting	3.4	L. 225-37-4-3°, French Commercial Code
29	Description of the diversity policy	2	L. 225-37-4-6°, French Commercial Code
30	Procedure for assessing ordinary agreements - Implementation	3.10	L. 225-37-4-10°, French Commercial Code
31	Information likely to have an impact in the event of a public tender offer	3.5	L. 225-37-5, French Commercial Code
SHAREHOLDER STRUCTURE AND CAPITAL STOCK			
32	Structure, changes in the Company's capital stock and threshold crossing	3.6.3 / 8.5	L. 233-13, French Commercial Code
33	Acquisition and disposal of treasury shares	5.2	L. 225-211, French Commercial Code
34	Employee shareholdings	N/A	L. 225-102 para. 1, French Commercial Code
35	Securities acquired by employees as a result of an employee buyout	N/A	L. 225-102 para. 2, French Commercial Code
36	Statement of any adjustments for securities giving access to the capital stock in the event of share buybacks or financial transactions	N/A	R. 228-90 & R. 228-91, French Commercial Code
37	Information on transactions involving the Company's shares performed by Executive officers and related persons	8.5	L. 621-18-2, French Monetary & Financial Code
38	Grant and retention of options by corporate officers Grant and retention of bonus shares by executive officers	8.5.7	L. 225-185, French Commercial Code L. 225-197-1, French Commercial Code
39	Amounts of dividends distributed in respect of the previous three fiscal years	5.4.10	243 bis, French General Tax Code

	Management Report	Section	Applicable provision
	NON-FINANCIAL PERFORMANCE STATEMENT		
40	Business model	2	R. 225-105-I, French Commercial Code
41	Information on how the Group takes into account the social and environmental consequences of its activity	2.2	L. 225-102-1-III & R. 225-105, French Commercial Code
42	Specific information for companies operating at least one "high threshold" Seveso site	N/A	L. 225-102-2, French Commercial Code
43	Information on the fight against corruption and tax evasion	N/A	L. 225-102-1-III & R. 225-105-II-B-1° & 2°, French Commercial Code
44	Information on respect for human rights	3.3.1	L. 225-102-4, French Commercial Code
45	Vigilance plan	N/A	L. 225-102-4, French Commercial Code
46	Information on sustainable activities	3.3	Regulation (EU) 2020/852 on the European Taxonomy
	ADDITIONAL INFORMATION		
47	Additional tax information	N/A	223 quater & 223 quinquies, French General Tax Code
48	Court orders and financial penalties for anti-competitive practices	N/A	L. 464-2, French Commercial Code
49	Information on supplier and customer payments outstanding	6.1	D. 441-6-1, French Commercial Code
50	Table showing the Company's results for each of the last five fiscal years	6.4	R. 225-102, French Commercial Code

8.8 EUROPEAN TAXONOMY

Proportion of revenues from products or services associated with taxonomy-aligned economic activities - information for year N

				Substantial contribution criteria						Lack of significant harm criteria (DNSH - Do No Significant Harm)										
Economic activities (1)	**Code(s) (2)**	**Total revenues (3)**	**Proportion of revenues (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of revenues, year N (18)**	**Taxonomy-aligned proportion of revenues, year N-1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		€m	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
A.1 Environmentally sustainable activities (taxonomy-aligned)	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0			
Activity 1 [1]	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0		E	
Activity 2	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0			
Revenues from environmentally sustainable activities (taxonomy-aligned) (A.1)	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0			
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not taxonomy-aligned)	N/A	0	0							NO	NO	NO	NO	NO	NO	NO	0			
Activity 1	N/A	0	0																	
Activity 3	N/A	0	0																	
Revenues from activities eligible for the taxonomy but not environmentally sustainable (not taxonomy-aligned) (A.2)	N/A	0	0																	
Total (A.1 + A.2)	N/A	0	0														0		0	
Revenues from activities not eligible for the taxonomy (B)	N/A	338.7	100																	
Total (A + B)	N/A	338.7	100																	

Activity 1 is fully eligible for the taxonomy but only partly aligned. It can therefore be reported under both A1 and A2. However, only the portion reported under A1 can be recorded as taxonomy-aligned in the revenue KPI of a non-financial company.

Column 21 must contain transitional activities that contribute to climate change mitigation.

For activities recorded under A2, non-financial companies may choose whether or not to fill in columns 5 to 17.

Proportion of OpEx relating to products or services associated with taxonomy-aligned economic activities - information for year N

				Substantial contribution criteria						Lack of significant harm criteria (DNSH - Do No Significant Harm)										
Economic activities (1)	Code(s) (2)	Total OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		€m	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
A.1 Environmentally sustainable activities (taxonomy-aligned)	N/A	0								NO	NO	NO	NO	NO	NO	NO				
Activity 1[1]	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0		E	
Activity 2	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0			
OpEx incurred on environmentally sustainable activities (taxonomy-aligned) (A.1)	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0			
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not taxonomy-aligned)	N/A	0								NO	NO	NO	NO	NO	NO	NO				
Activity 1	N/A	0	0																	
Activity 3	N/A	0	0																	
OpEx incurred on activities eligible for the taxonomy but not environmentally sustainable (not taxonomy-aligned) (A.2)	N/A	0	0																	
Total (A.1 + A.2)	N/A	0	0														0		0	
Revenues from activities not eligible for the taxonomy (B)	N/A	0	0																	
Total (A + B)	N/A	0	0																	

Activity 1 is fully eligible for the taxonomy but only partly aligned. It can therefore be reported under both A1 and A2. However, only the portion reported under A1 can be recorded as taxonomy-aligned in the OpEx KPI of a non-financial company.

For activities recorded under A2, non-financial companies may choose whether or not to fill in columns 5 to 17.

Proportion of CapEx on products or services associated with taxonomy-aligned economic activities - information for year N

				Substantial contribution criteria						Lack of significant harm criteria (DNSH - Do No Significant Harm)										
Economic activities (1)	Code(s) (2)	Total CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year N (18)	Taxonomy-aligned proportion of CapEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		€m	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
A.1 Environmentally sustainable activities (taxonomy-aligned)	N/A	0								NO	NO	NO	NO	NO	NO	NO				
Activity 1[1]	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0		E	
Activity 2	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0			
CapEx incurred on environmentally sustainable activities (taxonomy-aligned) (A.1)	N/A	0	0	0	0	0	0	0	0	NO	NO	NO	NO	NO	NO	NO	0			
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not taxonomy-aligned)	N/A	0								NO	NO	NO	NO	NO	NO	NO				
Activity 1	N/A	0	0																	
Activity 3	N/A	0	0																	
CapEx incurred on activities eligible for the taxonomy but not environmentally sustainable (not taxonomy-aligned) (A.2)	N/A	0	0																	
Total (A.1 + A.2)	N/A	0	0														0		0	
Revenues from activities not eligible for the taxonomy (B)	N/A	0	0																	
Total (A + B)	N/A	0	100																	

Activity 1 is fully eligible for the taxonomy but only partly aligned. It can therefore be reported under both A1 and A2. However, only the portion reported under A1 can be recorded as taxonomy-aligned in the CapEx KPI of a non-financial company.

For activities recorded under A2, non-financial companies may choose whether or not to fill in columns 5 to 17.

8.9 GLOSSARY

LCA (Life Cycle Analysis)

Life Cycle Analysis adds to the understanding of the sustainability of the system studied. It does not include economic and social factors. The systems studied are considered to be running normally, so accidents are excluded. Impact studies apply to the biosphere and not to the technosphere. What happens in the product environment is therefore not examined.

PET (polyethylene terephthalate)

A saturated polyester plastic, as opposed to a thermoset polyester. This polymer is obtained by polycondensation of terephthalic acid with ethylene glycol. Despite its name, it shares no similarities with polyethylene and does not contain phthalate. This plastic is mainly used to make bottles, jars, pots, films and sheets, fibers, etc. As part of the thermoplastic family, it is recyclable.

When extruded or drawn under tension, the amorphous polyester produces a film with biaxial semicrystalline properties. This film is very strong under tension, highly stable and transparent and an excellent electrical insulator.

PVC (polyvinyl chloride)

A popular thermoplastic polymer, amorphous or slightly crystalline, generally known as PVC. It is produced from two raw materials, 57% salt and 43% petroleum. PVC is the only widely used plastic comprising over 50% mineral-based raw materials found in abundance in natural sources.

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