

2022



JACQUET
METALS

Half-year financial report



A European leader in the distribution of specialty steels

Table of contents

pages

04	Press release dated September 7, 2022 - First half 2022 results
09	The Group
10	1 A leading distributor of specialty steels
11	2 Brand management
12	3 Stock market information and shareholder structure
13	4 Financial communication schedule
14	Half-year activity report - June 30, 2022
15	1 Group's sales and earnings
18	2 Sales and earnings by division
22	3 Consolidated financial position
25	4 Summary interim consolidated financial statements
35	5 Statutory Auditors' Review Report on the Half-yearly Financial Information
37	6 Statement by the person responsible for the half-year financial report



PRESS RELEASE

First half 2022 results

07.09.2022 - 6.00 PM

Sales: €1,480m (+58% vs H1 2021)

EBITDA: €209m (14.1% of sales)

Net income (Group share): €126m

In H1 2022, the Group benefited from a favorable environment mainly marked by the **increase in raw materials prices**.

Volumes distributed also rose in the H1 (+1.9% compared to H1 2021). **Demand**, which was well oriented at the beginning of the year, showed a decline from Q2 onwards.

Likewise, after 18 months of increase, **raw material prices** began to decrease, leading to a decrease in purchase prices, a trend that is expected to continue in Q4. However this decrease should be mitigated by the increase in steel production costs, heavily impacted by energy costs.

The inventory valuation as of June 30, 2022 takes this evolution into account, with the recording of an impairment representing 19.8% of the gross value of inventory compared to 17.1% as of December 31, 2021.

Sales increased by +58% to €1,480 million and the **gross margin** by +63% to €404 million, representing 27.3% of sales, compared to 26.4% a year earlier.

In this context, **EBITDA** amounted to €209 million in H1 2022 (14.1% of sales versus 8.6% in H1 2021) and **Net income (Group share)** amounted to €126 million, compared to €43 million a year earlier.

Operating **working capital** also increased and represented 28% of sales as of June 30, 2022 compared to 26% at 2021 year-end.

During the period, the Group generated **operating cash flow** of €52 million and strengthened its financing structure with a **shareholders' equity** of €622 million and a net debt to equity ratio (gearing) of 27% (35% at 2021 year-end).

Capital expenditure (excluding external growth) amounted to €13 million in H1 2022.

In early May, **the Group acquired the Canadian company Fidelity PAC Metals** (annual sales: €33 million) specializing in master distribution of stainless steel long products and operating 3 logistics centers in Toronto, Montreal and Vancouver. Fidelity PAC Metals will strengthen the JACQUET division's positioning in North America, the largest market of the division, now representing one third of its sales.



On September 7, 2022, the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the six months ended June 30, 2022, on which the Statutory Auditors had conducted a limited review.

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	757	492	1,480	937
Gross margin	205	131	404	248
% of sales	27.0%	26.7%	27.3%	26.4%
EBITDA¹	107	46	209	81
% of sales	14.2%	9.5%	14.1%	8.6%
Adjusted operating income¹	93	36	183	64
% of sales	12.3%	7.3%	12.3%	6.8%
Operating income	89	35	179	61
Net income (Group share)	63	27	126	43

¹ Adjusted for non-recurring items.

H1 2022 results

Sales amounted to €1,480 million, up +58% versus H1 2021 including the following effects:

- volumes: +1.9% (Q1 +8.9%; Q2 -4.9%);
- prices: +55.5% (Q1 +53.7%; Q2 +57.6%; Q2 2022 +15.4% compared to Q1 2022);
- scope: +0.6% (Q2 +1.2%) following the acquisition of Fidelity PAC Metals at the beginning of May 2022.

Gross margin amounted to €404 million (Q1 €200 million; Q2 €205 million), representing 27.3% of sales, compared to €248 million a year earlier (26.4% of sales).

Current operating expenses* amounted to €195 million (13.2% of sales) compared to €167 million in H1 2021 (17.8 % of sales). The increase in energy costs contributed for €2.5 million to the increase in H1 current operating expenses.

* excluding depreciation, amortization and provisions €(31)m.

EBITDA amounted to €209 million and represented 14.1% of sales (Q1 14.0%; Q2 14.2%) compared to €81 million in H1 2021 (8.6% of sales).

Adjusted operating income amounted to €183 million (12.3% of sales).

In this context, **Net income (Group share)** amounted to €126 million compared to €43 million in H1 2021.



H1 2022 financial position

As of June 30, 2022, the Group generated positive **operating cash flow** of €52 million.

Operating **working capital** amounted to €709 million (28% of sales), up from €520 million at 2021 year-end (26% of sales), notably due to the inventory increase (€757 million compared to €588 million at 2021 year-end).

After the financing of the acquisition of Fidelity PAC Metals and capital expenditure, **net debt** amounted to €169 million compared to €171 million at 2021 year-end. The net debt to equity ratio (gearing) amounted to 27% compared to 35% at 2021 year-end.

As of June 30, 2022, **cash** amounted to €265 million while lines of credit totaled €776 million (of which €341 million are unused).

H1 2022 earnings by division

€m	JACQUET Stainless steel quarto plates		STAPPERT Stainless steel long products		IMS group Engineering steels	
	Q2 2022	H1 2022	Q2 2022	H1 2022	Q2 2022	H1 2022
Sales	176	334	220	445	366	712
Change 2022 vs 2021	+65.5%	+66.3%	+43.8%	+49.8%	+55.1%	+59.7%
Price effect	+67.8%	+62.4%	+56.3%	+52.5%	+53.6%	+54.0%
Volume effect	-8.0%	+0.9%	-12.5%	-2.7%	+1.5%	+5.7%
Scope effect	+5.7%	+3.0%	n.a.	n.a.	n.a.	n.a.
EBITDA^{1,2}	33	65	19	48	45	79
% of sales	18.8%	19.5%	8.8%	10.7%	12.2%	11.1%
Adjusted operating income²	30	60	18	46	38	71
% of sales	17.2%	18.1%	8.4%	10.3%	10.3%	10.0%

¹ Excluding IFRS 16 impacts. As of June 30, 2022, non-division operations (mainly holdings and real-estate companies) and the application of IFRS 16 - Leases contributed €8 million and €9 million to EBITDA respectively.

² Adjusted for non-recurring items.
n.a.: Not applicable.



JACQUET

The division specializes in the distribution of **stainless steel quarto plates**. It generates **62% of its business in Europe and 33% in North America**.

Sales amounted to €334 million, up +66.3% from €201 million in H1 2021:

- volumes: +0.9% (Q1 +10%; Q2 -8%);
- prices: +62.4% (Q1 +57.1%; Q2 +67.8%; Q2 2022 +19.7% vs Q1 2022);
- scope: +3% (Q2 +5.7%) following the acquisition of Fidelity PAC Metals at the beginning of May 2022.

Gross margin amounted to €120 million, representing 35.8% of sales, compared to €68 million in H1 2021 (33.6% of sales).

EBITDA amounted to €65 million, representing 19.5% of sales, compared to €24 million in H1 2021 (11.8% of sales).

STAPPERT

The division specializes in the distribution of **stainless steel long products** mainly in Europe. It generates **42% of its sales in Germany, the largest European market**.

Sales amounted to €445 million, up +49.8% from €297 million in H1 2021:

- volumes: -2.7% (Q1 +7%; Q2 -12.5%);
- prices: +52.5% (Q1 +49% ; Q2 +56.3%; Q2 2022 +17.1% vs Q1 2022).

Gross margin amounted to €99 million, representing 22.3% of sales, compared to €62 million in H1 2021 (20.9% of sales).

EBITDA amounted to €48 million, representing 10.7% of sales, compared to €18 million in H1 2021 (6% of sales).

IMS group

The division specializes in the distribution of **engineering steels**, mostly in the form of long products. It generates **48% of its sales in Germany, the largest European market**.

Sales amounted to €712 million, up +59.7% from €446 million in H1 2021:

- volumes: +5.7% (Q1 +9.9%; Q2 +1.5%);
- prices: +54% (Q1 +54.9% ; Q2 +53.6%; Q2 2022 +12.3% vs Q1 2022).

Gross margin amounted to €185 million, representing 26.0% of sales, compared to €118 million in H1 2021 (26.4% of sales).

EBITDA amounted to €79 million, representing 11.1% of sales, compared to €29 million in H1 2021 (6.4% of sales).



Key financial information

Income statements

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	757	492	1,480	937
Gross margin	205	131	404	248
% of sales	27.0%	26.7%	27.3%	26.4%
EBITDA¹	107	46	209	81
% of sales	14.2%	9.5%	14.1%	8.6%
Adjusted operating income¹	93	36	183	64
% of sales	12.3%	7.3%	12.3%	6.8%
Operating income	89	35	179	61
Net financial expense	(4)	(2)	(7)	(6)
Corporate income tax	(18)	(4)	(38)	(9)
Minority interests	(4)	(1)	(7)	(3)
Net income (Group share)	63	27	126	43

¹ Adjusted for non-recurring items.

Cash flow

€m	H1 2022	H1 2021
Operating cash flow before change in working capital	193	77
Change in working capital	(141)	(24)
Cash flow from operating activities	52	53
Capital expenditure	(13)	(15)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(6)	(7)
Other movements	(32)	(11)
Change in net debt	2	22
Net debt brought forward	171	106
Net debt carried forward	169	84

Balance sheet

€m	30.06.22	31.12.21
Goodwill	68	66
Net non-current assets	173	168
Right-of-use assets	73	63
Net inventory	757	588
Net trade receivables	339	209
Other assets	128	121
Cash & cash equivalents	265	246
Total assets	1,803	1,460
Shareholders' equity	622	495
Provisions (including provisions for employee benefit obligations)	96	101
Trade payables	387	277
Borrowings	434	417
Other liabilities	187	104
Lease liabilities	77	67
Total equity and liabilities	1,803	1,460

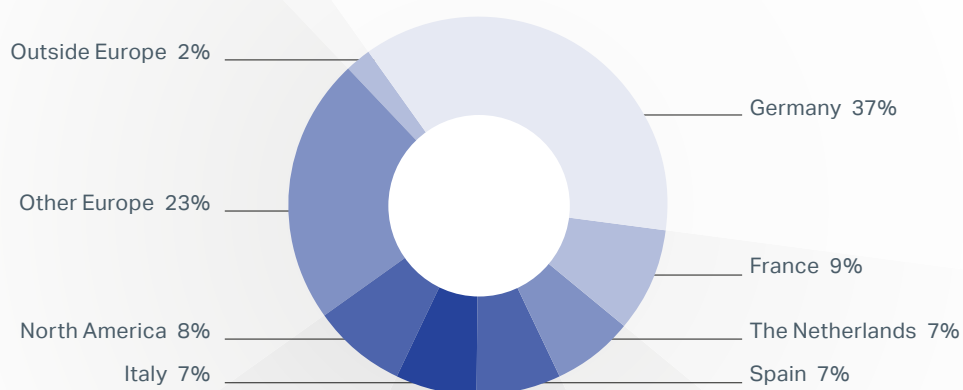
The Group



1 A leading distributor of specialty steels

JACQUET METALS is a European leader in the distribution of specialty steels and is also active in Asia and North America.

Breakdown of sales



A global player



106 distribution centers located in 24 countries • Staff : 3,081

Brand management

JACQUET METALS markets its products through a portfolio of three divisions, each of which targets specific customers and markets.

Each division is run by a Chief Executive in charge of developing the division in accordance with the strategic options and goals defined by JACQUET METALS.

Central functions, the negotiation of steel purchasing terms, financial and legal affairs, information technology, credit insurance and communications are managed by JACQUET METALS SA, in close collaboration with the specialists from each division.

Stainless steel quarto plates



Stainless steel long products



Engineering steels



3 Stock market information and shareholder structure

Main indices	CAC® All Shares, CAC® All-Tradable, CAC® Basic Materials, CAC® Mid & Small, CAC® Small
Market	Euronext Paris - Compartment B
Listed on	Euronext Paris
Code or ticker	JCQ
ISIN code	FR0000033904
Reuters	JCQ.PA
Bloomberg	JCQ : FP

		30.06.22	31.12.21
Number of shares at end of period	numbers of shares	23,022,739	23,022,739
Market capitalization at end of period	€k	378,494	483,478
High	€	25.60	25.30
Low	€	16.26	13.44
Price at end of period	€	16.44	21.00
Average daily traded volume	numbers of shares	26,110	23,249
Average daily traded capital	€	539,804	472,972

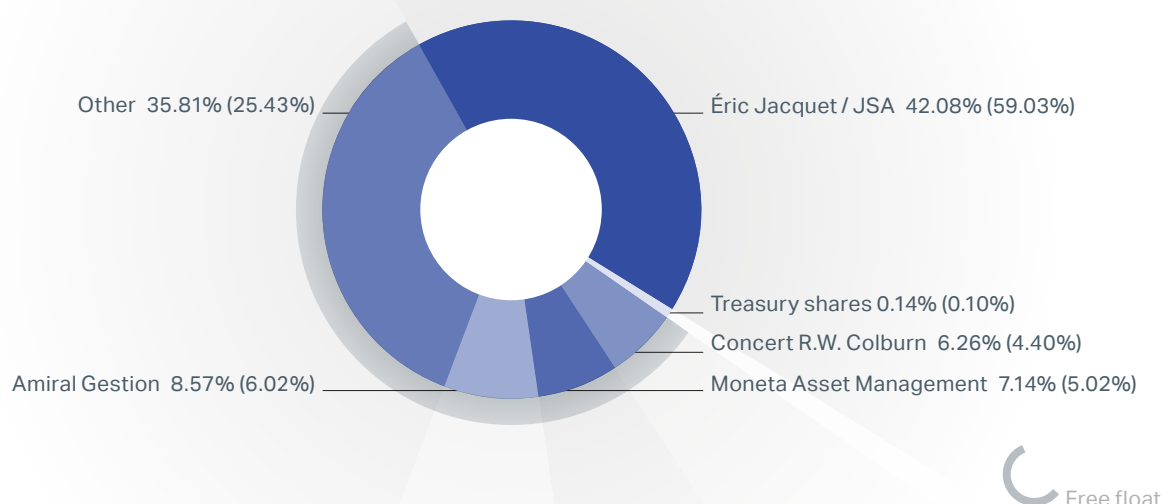
The share price was €15.40 on September 6, 2022.

JACQUET METALS' shares are followed by:

- ODDO BHF Corporates & Markets;
- Portzamparc of BNP Paribas group;
- GILBERT DUPONT of Société Générale group.

Shareholder structure as of June 30, 2022

% capital (% voting rights)



Éric Jacquet and JSA (which is controlled by Éric Jacquet) held 42.08% of the share capital and 59.03% of the voting rights in JACQUET METALS SA ("the Company") at June 30, 2022.

Financial communication schedule

Q3 2022 results

November 9, 2022

2022 full-year results

March 2023

Investors and shareholders may obtain complete financial information from the Company's website at:
jacquetmetals.com

Investor relations

JACQUET METALS
NEWCAP

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Half-year activity report

June 30, 2022

Group's sales and earnings

Results for the period ended June 30, 2022 are compared to the results for 2021, which may be consulted in the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF, French financial market regulator) on April 14, 2022 (filing No. D.22-0295), and in the 2021 half-year financial report.

In H1 2022, the Group benefited from a favorable environment mainly marked by the increase in raw materials prices.

Volumes distributed also rose in the H1 (+1.9% compared to H1 2021). Demand, which was well oriented at the beginning of the year, showed a decline from Q2 onwards.

Likewise, after 18 months of increase, raw material prices began to decrease, leading to a decrease in purchase prices, a trend that is expected to continue in Q4. However this decrease should be mitigated by the increase in steel production costs, heavily impacted by energy costs.

The inventory valuation as of June 30, 2022 takes this evolution into account, with the recording of an impairment representing 19.8% of the gross value of inventory compared to 17.1% as of December 31, 2021.

Sales increased by +58% to €1,480 million and the gross margin by +63% to €404 million, representing 27.3% of sales, compared to 26.4% a year earlier.

In this context, EBITDA amounted to €209 million in H1 2022 (14.1% of sales versus 8.6% in H1 2021) and Net income (Group share) amounted to €126 million, compared to €43 million a year earlier.

Operating working capital also increased and represented 28% of sales as of June 30, 2022 compared to 26% at 2021 year-end.

During the period, the Group generated operating cash flow of €52 million and strengthened its financing structure with a shareholders' equity of €622 million and a net debt to equity ratio (gearing) of 27% (35% at 2021 year-end).

Capital expenditure (excluding external growth) amounted to €13 million in H1 2022.

In early May, the Group acquired the Canadian company Fidelity PAC Metals (annual sales: €33 million) specializing in master distribution of stainless steel long products and operating 3 logistics centers in Toronto, Montreal and Vancouver. Fidelity PAC Metals will strengthen the JACQUET division's positioning in North America, the largest market of the division, now representing one third of its sales.

€k	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	756,715	491,602	1,480,354	936,730
Gross margin	204,602	131,172	404,189	247,568
% of sales	27.0%	26.7%	27.3%	26.4%
Operating expenses	(97,342)	(84,702)	(195,289)	(166,552)
Net depreciation and amortization	(9,658)	(9,143)	(18,835)	(18,138)
Net provisions	(8,791)	(2,796)	(11,904)	(1,680)
Gains on disposals of non-current assets	223	211	431	83
Operating income	89,034	34,742	178,592	61,281
Net financial expense	(4,182)	(2,026)	(7,259)	(6,229)
Income before tax	84,852	32,716	171,333	55,052
Corporate income tax	(18,260)	(4,221)	(38,300)	(8,853)
Consolidated net income	66,592	28,495	133,033	46,199
Net income (Group share)	62,584	27,041	125,825	43,385
Earnings per share in circulation (€)	2.72	1.17	5.47	1.88
Operating income	89,034	34,742	178,592	61,281
Non-recurring items and gains on disposals	3,877	1,182	4,205	2,310
Adjusted operating income	92,911	35,924	182,797	63,591
% of sales	12.3%	7.3%	12.3%	6.8%
Net depreciation and amortization	9,658	9,143	18,835	18,138
Net provisions	8,791	2,796	11,904	1,680
Non-recurring items	(4,100)	(1,393)	(4,636)	(2,392)
EBITDA	107,260	46,470	208,900	81,017
% of sales	14.2%	9.5%	14.1%	8.6%

Sales

Sales amounted to €1,480 million, up +58% versus H1 2021 including the following effects:

- volumes: +1.9% (Q1 +8.9%; Q2 -4.9%);
- prices: +55.5% (Q1 +53.7%; Q2 +57.6%; Q2 2022 +15.4% compared to Q1 2022);
- scope: +0.6% (Q2 +1.2%) following the acquisition of Fidelity PAC Metals in the early May 2022.

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	757	492	1,480	937
Change 2022 vs 2021	+53.9%		+58.0%	
Price effect	+57.6%		+55.5%	
Volume effect	-4.9%		+1.9%	
Scope effect	+1.2%		+0.6%	

The various effects are calculated as follows:

- volume effect = $(V_n - V_{n-1}) \times P_{n-1}$, where V = volumes and P = average sale price converted into euros at the average exchange rate;
- price effect = $(P_n - P_{n-1}) \times V_n$;
- the exchange rate effect is included in the price effect. There was no significant impact as of June 30, 2022;
- change in consolidation (current year acquisitions and disposals):
 - acquisitions: change in consolidation corresponds to the contribution (volumes and sales) of the acquired entity since the acquisition date;
 - disposals: change in consolidation corresponds to the contribution (volumes and sales) made by the sold entity in the year preceding disposal from the date falling one year before the disposal date until the end of the previous year;
- change in consolidation (previous year acquisitions and disposals):

- acquisitions: the impact of the change in consolidation scope corresponds to the contribution (volumes and sales) of the acquired entity in the current year from January, 1st until the anniversary of the acquisition;
- disposals: the impact of the change in consolidation scope corresponds to the contribution (volumes and sales) of the sold entity from January, 1st the previous year until the date of disposal.

Gross margin

Gross margin amounted to €404 million (Q1 €200 million; Q2 €205 million), representing 27.3% of sales, compared to €248 million a year earlier (26.4% of sales).

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	757	492	1,480	937
Cost of goods sold	(552)	(360)	(1,076)	(689)
Incl. purchases consumed	(507)	(352)	(1,012)	(676)
Incl. inventory impairment	(45)	(8)	(65)	(13)
Gross margin	205	131	404	248
% of sales	27.0%	26.7%	27.3%	26.4%

Operating income

Current operating expenses* amounted to €195 million (13.2% of sales) compared to €167 million in H1 2021 (17.8 % of sales). The increase in energy costs contributed for €2.5 million to the increase in H1 current operating expenses.

* excluding depreciation, amortization and provisions €(31)m.

EBITDA amounted to €209 million and represented 14.1% of sales (Q1 14.0%; Q2 14.2%) compared to €81 million in H1 2021 (8.6% of sales).

Adjusted operating income amounted to €183 million (12.3% of sales).

Operating income includes a €0.4 million income on disposal of non-current assets and €4.6 million non-recurring charges (provisions for a risk of retroactive taxation on certain imports) and amounted to €179 million.

Net financial expense

Net financial expense amounted to €7.3 million compared to €6.2 million in H1 2021. This variation is mainly due to the revaluation of non-cash items of the subsidiary in Turkey, which is considered as a hyperinflationary country (application of IAS 29).

As of June 30, 2022 the average gross debt rate was 1.8% (average gross debt over rolling 12 months: €433 million), compared to 2% at the end of December 2021 (average gross debt 2021: €418 million).

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Net cost of debt	(2.3)	(2.6)	(4.6)	(5.3)
Other financial items	(1.9)	0.5	(2.6)	(0.9)
Net financial expense	(4.2)	(2.0)	(7.3)	(6.2)

Net income

Net income (Group share) amounted to €125.8 million compared to €43.4 million in H1 2021.

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Income before taxes	84.9	32.7	171.3	55.1
Corporate income tax	(18.3)	(4.2)	(38.3)	(8.9)
Income tax rate	21.5%	12.9%	22.4%	16.1%
Consolidated net income	66.6	28.5	133.0	46.2
Minority interests	(4.0)	(1.5)	(7.2)	(2.8)
Net income (Groupe share)	62.6	27.0	125.8	43.4
% of sales	8.3%	5.5%	8.5%	4.6%

2

Sales and earnings by division

€m	JACQUET Stainless steel quarto plates		STAPPERT Stainless steel long products		IMS group Engineering steels	
	Q2 2022	H1 2022	Q2 2022	H1 2022	Q2 2022	H1 2022
Sales	176	334	220	445	366	712
Change 2022 vs 2021	+65.5%	+66.3%	+43.8%	+49.8%	+55.1%	+59.7%
Price effect	+67.8%	+62.4%	+56.3%	+52.5%	+53.6%	+54.0%
Volume effect	-8.0%	+0.9%	-12.5%	-2.7%	+1.5%	+5.7%
Scope effect	+5.7%	+3.0%	n.a.	n.a.	n.a.	n.a.
EBITDA ^{1 2}	33	65	19	48	45	79
% of sales	18.8%	19.5%	8.8%	10.7%	12.2%	11.1%
Adjusted operating income ²	30	60	18	46	38	71
% of sales	17.2%	18.1%	8.4%	10.3%	10.3%	10.0%

¹ Excluding IFRS 16 impacts. As of June 30, 2022, non-division operations (mainly holdings and real-estate companies) and the application of *IFRS 16 - Leases* contributed €8 million and €9 million to EBITDA respectively.

² Adjusted for non-recurring items.
n.a.: Not applicable.

JACQUET

The division specializes in the distribution of stainless steel quarto plates. It generates 62% of its business in Europe and 33% in North America.

Sales amounted to €334 million, up +66.3% from €201 million in H1 2021:

- volumes: +0.9% (Q1 +10%; Q2 -8%);
- prices: +62.4% (Q1 +57.1%; Q2 +67.8%; Q2 2022 +19.7% vs Q1 2022);
- scope: +3% (Q2 +5.7%) following the acquisition of Fidelity PAC Metals at the beginning of May 2022.

Gross margin amounted to €120 million, representing 35.8% of sales, compared to €68 million in H1 2021 (33.6% of sales).

EBITDA amounted to €65 million, representing 19.5% of sales, compared to €24 million in H1 2021 (11.8% of sales).

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	176.3	106.5	334.3	201.1
Change 2022 vs 2021	+65.5%		+66.3%	
Price effect	+67.8%		+62.4%	
Volume effect	-8.0%		+0.9%	
Scope effect	+5.7%		+3.0%	
Gross margin	61.3	35.5	119.8	67.6
% of sales	34.8%	33.3%	35.8%	33.6%
EBITDA	33.1	13.1	65.1	23.7
% of sales	18.8%	12.3%	19.5%	11.8%
Adjusted operating income	30.4	11.3	60.4	20.0
% of sales	17.2%	10.6%	18.1%	9.9%

STAPPERT

The division specializes in the distribution of stainless steel long products mainly in Europe. It generates 42% of its sales in Germany, the largest European market.

Sales amounted to €445 million, up +49.8% from €297 million in H1 2021:

- volumes: -2.7% (Q1 +7%; Q2 -12.5%);
- prices: +52.5% (Q1 +49%; Q2 +56.3% ; Q2 2022 +17.1% vs Q1 2022).

Gross margin amounted to €99 million, representing 22.3% of sales, compared to €62 million in H1 2021 (20.9% of sales).

EBITDA amounted to €48 million, representing 10.7% of sales, compared to €18 million in H1 2021 (6% of sales).

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	219.9	152.9	445.2	297.3
Change 2022 vs 2021	+43.8%		+49.8%	
Price effect	+56.3%		+52.5%	
Volume effect	-12.5%		-2.7%	
Gross margin	45.3	31.9	99.1	62.1
% of sales	20.6%	20.9%	22.3%	20.9%
EBITDA	19.3	9.2	47.7	18.0
% of sales	8.8%	6.0%	10.7%	6.0%
Adjusted operating income	18.4	9.1	45.8	17.4
% of sales	8.4%	5.9%	10.3%	5.8%

IMS group

The division specializes in the distribution of engineering steels, mostly in the form of long products. It generates 48% of its sales in Germany, the largest European market.

Sales amounted to €712 million, up +59.7% from €446 million in H1 2021:

- volumes: +5.7% (Q1 +9.9%; Q2 +1.5%);
- prices: +54% (Q1 +54.9%; Q2 +53.6%; Q2 2022 +12.3% vs Q1 2022).

Gross margin amounted to €185 million, representing 26.0% of sales, compared to €118 million in H1 2021 (26.4% of sales).

EBITDA amounted to €79 million, representing 11.1% of sales, compared to €29 million in H1 2021 (6.4% of sales).

€m	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales	366.1	236.0	712.3	446.1
Change 2022 vs 2021	+ 55.1%		+59.7%	
Price effect	+53.6%		+54.0%	
Volume effect	+1.5%		+5.7%	
Gross margin	98.0	63.7	185.3	117.8
% of sales	26.8%	27.0%	26.0%	26.4%
EBITDA	44.6	18.0	79.4	28.5
% of sales	12.2%	7.6%	11.1%	6.4%
Adjusted operating income	37.8	14.5	71.5	25.3
% of sales	10.3%	6.1%	10.0%	5.7%

Summary balance sheet

€m	30.06.22	31.12.21
Goodwill	68	66
Net non-current assets	173	168
Right-of-use assets	73	63
Net inventory	757	588
Net trade receivables	339	209
Other assets	128	121
Cash & cash equivalents	265	246
Total assets	1,803	1,460
Shareholders' equity	622	495
Provisions (including provisions for employee benefit obligations)	96	101
Trade payables	387	277
Borrowings	434	417
Other liabilities	187	104
Lease liabilities	77	67
Total equity and liabilities	1,803	1,460

Working capital

Operating working capital amounted to €709 million (28% of sales), up from €520 million at 2021 year-end (26% of sales), notably due to the inventory increase (€757 million compared to €588 million at 2021 year-end).

€m	30.06.22	31.12.21	Change
Net inventory	757	588	+169
<i>Days sales inventory¹</i>	200	185	
Net trade receivables	339	209	+130
<i>Days sales outstanding</i>	43	42	
Trade payables	(387)	(277)	-110
<i>Days payable outstanding</i>	47	46	
Net Operating working capital	709	520	+189
<i>% of sales¹</i>	27.9%	26.4%	
Other receivables or payables excluding taxes and financial items	(88)	(37)	-51
Working capital excluding taxes and financial items	621	483	+139
Consolidation and other changes		(2)	
Working capital before taxes and financial items and adjusted for other changes	621	480	+141
<i>% of sales¹</i>	24.4%	24.4%	

¹ Rolling 12 months (including Fidelity PAC Metals over rolling 12 months).

Net debt

As of June 30, 2022, Group net debt stood at €169 million with a shareholder's equity of €622 million resulting in a net debt to equity ratio (gearing) of 27% (35% at 2021 year-end).

€m	30.06.22	31.12.21
Borrowings	434.5	416.8
Cash and cash equivalents	265.2	245.7
Net debt	169.3	171.1
<i>Net debt to equity ratio (gearing)</i>	27.2%	34.6%

Borrowings

The Group had €776 million in lines of credit as of June 30, 2022, 56% of which had been used:

€m				Maturity			
				2022	2023-2024	2025-2026	2027 and beyond
	Authorized at 30.06.22	Used at 30.06.22	% used				
Syndicated revolving loan 2024	125	-	0%	-	-	-	-
Schuldscheindarlehen 2024-2025	70	70	100%	-	36	34	-
Schuldscheindarlehen 2026	150	150	100%	-	-	150	-
Term loans	88	88	100%	13	55	17	4
Other lines of credit	119	36	30%	18	18	-	-
JACQUET METALS SA borrowings	552	344	62%	30	109	201	4
Operational lines of credit (letter of credit, etc.)	160	59	37%	56	3	-	-
Factoring	33	1	3%	1	-	-	-
Assets financing (term loans, etc.)	31	31	100%	2	14	9	5
Subsidiaries borrowings	224	91	41%	59	17	9	5
Total	776	434	56%	90	125	210	9

In addition to the financing shown in the above table, the Group also had €83 million in non-recourse receivable assignment facilities, €67 million of which had been used as of June 30, 2022.

Borrowings covenants mainly apply to the syndicated revolving loan and the German private placements (Schuldscheindarlehen or SSD) contracted by the company JACQUET METALS SA. These covenants mainly correspond to commitments that must be complied with at Group level.

As of June 30, 2022, all borrowings covenants were in compliance.

	Syndicated revolving loan 2024	Schuldscheindarlehen 2024-2025	Schuldscheindarlehen 2026
Date of signature	June 2019	December 2019	July 2021
Maturity	June 2024	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)	July 2026
Amount	€125 million (unused as of June 30, 2022)	€70 million (fully used)	€150 million (fully used)
Amortization	n.a.	in fine	
Guarantee	None	None	
Change of control clause	JSA must hold at least 40% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	
Main covenants	- net debt to equity ratio (gearing) less than 100%, or - leverage less than 2	Net debt to equity ratio (gearing) less than 100%	

n.a.: Not applicable.

Cash flow

The Group generated operating cash flow of €+52 million in H1 2022.

€m	H1 2022	H1 2021
Operating cash flow before change in working capital	193	77
Change in working capital	(141)	(24)
Cash flow from operating activities	52	53
Capital expenditure	(13)	(15)
Asset disposals	1	1
Dividends paid to shareholders of JACQUET METALS SA	-	-
Interest paid	(6)	(7)
Other movements	(32)	(11)
Change in net debt	2	22
Net debt brought forward	171	106
Net debt carried forward	169	84

In H1 2022, capital expenditure (excluding external growth) amounted to €13 million.

"Other movements" mainly consist of the purchase price of Fidelity PAC Metals and rent expenses pursuant to the application of *IFRS 16 - Leases*.

Post balance sheet events

None.

4 Summary interim consolidated financial statements

Consolidated statement of comprehensive income

€k	Notes	30.06.22	30.06.21
Sales	4.2.1	1,480,354	936,730
Cost of goods sold	4.2.1	(1,076,165)	(689,162)
Gross margin	4.2.1	404,189	247,568
Operating expenses		(84,928)	(71,346)
Personnel expenses		(110,932)	(96,123)
Miscellaneous taxes		(2,350)	(2,082)
Other net expenses income		2,921	2,999
Net depreciation and amortization		(18,835)	(18,138)
Net provisions		(11,904)	(1,680)
Gains on disposals of non-current assets		431	83
Operating income		178,592	61,281
% of sales		12.1%	6.5%
Net cost of debt		(4,616)	(5,311)
Other financial income		-	316
Other financial expenses		(2,643)	(1,234)
Net financial expense		(7,259)	(6,229)
Income before tax		171,333	55,052
Corporate income tax	4.2.2	(38,300)	(8,853)
Net income from continued operations		133,033	46,199
Net income from discontinued operations		-	-
Total consolidated net income		133,033	46,199
% of sales		9.0%	4.9%
Minority interests		(7,208)	(2,814)
Net income (Group share)	4.2.3	125,825	43,385
% of sales		8.5%	4.6%
Items that may be reclassified to profit			
Translation differences		3,459	2,056
Cash flow hedges		3,158	104
Hyperinflation	4.1.1	1,250	-
Items not reclassified to profit			
Actuarial gains		11,867	1,673
Total comprehensive net income (Group share)		145,559	47,218
Minority interests		7,320	2,858
Total comprehensive net income		152,879	50,076
Basic earnings per share (€)	4.2.3	5.47	1.85
Diluted earnings per share (€)	4.2.3	5.47	1.85

Statement of financial position

€k		30.06.22	31.12.21
Assets	Notes	Net	Net
Goodwill	4.2.4	67,602	66,433
Intangible assets	4.2.5	3,431	3,744
Property, plant and equipment	4.2.5	169,431	164,083
Right-of-use assets	4.2.6	73,444	62,609
Other financial assets		22,602	21,081
Deferred tax	4.2.13	68,534	62,425
Non-current assets		405,044	380,375
Inventory and work-in-progress	4.2.1, 4.2.7	757,047	587,695
Trade receivables	4.2.1, 4.2.8	338,962	208,766
Tax assets receivable		337	1,790
Other assets		31,953	35,186
Derivatives		4,411	353
Cash and cash equivalents	4.2.9	265,182	245,709
Current assets		1,397,892	1,079,499
Assets held for sale		-	-
Total assets		1,802,936	1,459,874
Equity and liabilities			
Share capital		35,098	35,098
Consolidated reserves		561,748	439,481
Shareholders' equity (Group share)		596,846	474,579
Minority interests		25,349	20,000
Shareholders' equity	4.2.10	622,195	494,579
Deferred tax	4.2.13	5,403	6,053
Non-current provisions	4.2.11	9,424	8,928
Provisions for employee benefit obligations	4.2.12	37,107	54,896
Other non-current liabilities		4,803	4,954
Long-term borrowings	4.2.9	307,206	306,933
Long-term lease liabilities	4.2.6	59,080	50,118
Non-current liabilities		423,023	431,882
Short-term borrowings	4.2.9	127,287	109,909
Short-term lease liabilities	4.2.6	17,819	16,856
Trade payables	4.2.1	387,021	276,658
Current tax liabilities		56,399	20,415
Current provisions	4.2.11	49,288	36,743
Derivatives		122	386
Other liabilities		119,782	72,446
Total current liabilities		757,718	533,413
Liabilities held for sale		-	-
Total equity and liabilities		1,802,936	1,459,874

Cash flow statement

€k	30.06.22	30.06.21
Cash and cash equivalents at beginning of period	245,709	333,052
Operating activities		
Net income	133,033	46,199
Depreciation, amortization and provisions	30,606	19,774
Capital gains on asset disposals	(431)	(78)
Change in deferred taxes	(12,339)	(5,489)
Other non-cash income and expenses	696	(75)
Operating cash flow after tax and cost of borrowings	151,566	60,331
Cost of borrowings	5,636	6,537
Current income tax	50,640	14,342
Taxes paid	(14,623)	(3,882)
Operating cash flow before change in working capital	193,219	77,328
Change in inventory and work-in-progress	(155,664)	(27,165)
Change in trade receivables	(121,827)	(87,403)
Change in trade payables	109,090	78,398
Other changes	27,328	11,672
Total change in working capital	(141,073)	(24,498)
Cash flow from operating activities	52,146	52,830
Investing activities		
Acquisitions of fixed assets	(13,126)	(15,221)
Disposal of assets	841	1,392
Acquisitions of subsidiaries	(10,684)	(50)
Changes in consolidation and other	(837)	(643)
Cash flow from investing activities	(23,806)	(14,522)
Financing activities		
Dividends paid to parent company shareholders	-	-
Dividends paid to minority shareholders of consolidated companies	(1,906)	(67)
New borrowings	48,445	20,982
Lease liabilities payments	(9,764)	(9,288)
Lease receivables	455	300
Change in borrowings	(40,137)	(58,762)
Interest paid	(5,907)	(6,506)
Other changes	(426)	221
Cash flow from financing activities	(9,240)	(53,120)
Change in cash and cash equivalents	19,100	(14,812)
Translation differences	373	294
Cash and cash equivalents at end of period	265,182	318,534

Change in consolidated shareholders' equity

€k	Notes	Number of shares	Share capital	Reserves	Translation differences (Group share)	Shareholders' equity (Group share)	Minority interests	Shareholders' equity
At 01.01.21	4.2.10	23,461,313	35,767	330,327	(7,725)	358,369	15,033	373,402
Net income				43,385	-	43,385	2,815	46,199
Translation differences				-	2,056	2,056	37	2,093
Actuarial gains				1,673	-	1,673	-	1,673
Other				104	-	104	6	110
Total comprehensive net income				45,162	2,056	47,218	2,858	50,076
Change in consolidation scope				-	-	-	-	-
Dividend payments				(9,200)	-	(9,200)	(343)	(9,543)
Other		(438,574)	(669)	833	-	164	-	164
At 30.06.21	4.2.10	23,022,739	35,098	367,122	(5,669)	396,551	17,548	414,099
At 01.01.22	4.2.10	23,022,739	35,098	443,500	(4,069)	474,579	20,000	494,579
Net income				125,825	-	125,825	7,208	133,033
Translation differences				-	3,459	3,459	111	3,570
Actuarial gains				11,867	-	11,867	-	11,867
Other				4,408	-	4,408	-	4,408
Total comprehensive net income				142,100	3,459	145,559	7,320	152,879
Change in consolidation scope				0	-	0	-	-
Dividend payments				(23,023)	-	(23,023)	(1,970)	(24,993)
Other				(269)	-	(269)	(1)	(270)
At 30.06.22	4.2.10	23,022,739	35,098	562,358	(610)	596,846	25,349	622,195

Notes to the consolidated financial statements

The notes are an integral part of the summary interim consolidated financial statements.

The JACQUET METALS Group's consolidated financial statements for the six months ended June 30, 2022 were approved by the Board of Directors on September 7, 2022.

All figures are reported in thousands or millions of euros unless otherwise stated. Some totals may display differences in rounding.

Consolidation principles and methods

In accordance with European regulation 1606/2002 dated July 19, 2002 on international financial reporting standards, the JACQUET METALS Group ("the Group") summary interim consolidated financial statements for the six months ended June 30, 2022 and the 2021 comparative financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in force as of June 30, 2022, as approved by the European Union.

The standards and interpretations applied are those published in the Official Journal of the European Union (OJEU) before June 30, 2022 and of compulsory application from that date.

These guidelines cover all of the standards approved by the International Accounting Standards Board (IASB) and adopted by the EU, i.e. IFRS, International Accounting Standards (IAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC). These accounting standards can be consulted on the European Commission website at: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002_en.

The summary interim consolidated financial statements have been prepared in accordance with *IAS 34 - Interim Financial Reporting*, which allows a condensed presentation of the notes to the financial statements. The financial statements should therefore be read with reference to the consolidated financial statements for the year ended December 31, 2021 and, in particular, §2.1 "Consolidation principles and methods" and §2.2 "Valuation methods" as contained in the Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 14, 2022 under number D.22-0295 and available for consultation on the company website at: jacquetmetals.com.

With the exception of the points described in the paragraph below, the accounting principles applied are identical to those used in the audited consolidated financial statements for the year ended December 31, 2021.

New standards or amendments adopted by the European Union for compulsory application as from January 1, 2022 have been applied in the summary consolidated financial statements for the six months ended June 30, 2022. They comprise the following standards:

- amendments to *IFRS 3*, *IAS 16*, *IAS 37*.

Use of estimates

The preparation of IFRS-compliant consolidated financial statements requires management to take into account assumptions and estimates that have an impact on the assets and liabilities shown in the statement of financial position, and mentioned in the notes to the financial statements, as well as on the income and expenses recorded in the consolidated statement of comprehensive income. The estimates may be revised if the circumstances under which they were based change, or in accordance with new information obtained. Actual results may differ from these estimates.

In accordance with *IAS 10*, management's estimates are based on the information available at the balance sheet date, taking post balance sheet events into account.

The consolidated half-year financial statements have been established on the basis of rules applied for the 2021 annual financial statements. In this regard, it is appropriate to clarify the treatment of income taxes: for interim financial statements, the current and deferred tax charge is calculated by applying the estimated annual average tax rate for the current financial year to the six-month taxable income for each legal entity or tax group, as adjusted for non-recurring items allocated to the period.

The main estimates at June 30, 2022 involved:

- assessment of the recoverability of deferred tax assets: the method followed is based on internal business plans, and takes into account the local legislation in effect at the balance sheet date;
- the value of goodwill: tested for impairment at least once a year for the annual financial statements and whenever an indication of loss of value arises;
- inventory valuation: the method followed to determine the net realizable value of inventory is based on the best estimate, as of the date of the preparation of the financial statements, of the future sale price in the normal course of business less any estimated selling costs;
- measurement of right-of-use assets and lease liabilities following the adoption of *IFRS 16*;
- impairment of receivables: reviewed on a case-by-case basis in light of the specific situation of particular customers;
- employee benefit liabilities: measured based on actuarial assumptions;
- current and non-current provisions: estimated to reflect the best estimate of the risks as of the balance sheet date.

4.1.1 Hyperinflation

As of June 30, 2022 the Group applied *IAS 29 - Financial Reporting in Hyperinflationary Economies*, for the first time to the financial statements of IMS Özel Çelik located in Turkey. The financial statements of this entity have been re-stated to reflect the evolution of general purchasing power in the functional currency, with an impact of €1.3 million in consolidated reserves as of June 30, 2022 and a €0.9 million charge in H1 2022 net financial expense.

4.1.2 Changes in consolidation scope

In early May the Group acquired the Canadian company Fidelity PAC Metals (annual sales: €33 million) specializing in master distribution of stainless steel long products and operating 3 logistics centers in Toronto, Montreal and Vancouver. Fidelity PAC Metals will strengthen the JACQUET division's positioning in North America.

The summary consolidated financial statements as of June 30, 2022 include the activity of this new entity for two months.

4.2 Notes to the consolidated statement of comprehensive income

4.2.1 Operating segments

The Group is organized on the basis of 3 divisions:

- JACQUET - STAPPERT - IMS group

As of June 30, 2022, the key indicators per operating segment were as follows:

m€	JACQUET	STAPPERT	IMS group	Other ¹	Inter-brand elimination	Total
Sales	334	445	712	-	(12)	1,480
Change 2022 vs 2021	+66.3%	+49.8%	+59.7%	n.a.	n.a.	+58.0%
Price effect	+62.4%	+52.5%	+54.0%	n.a.	n.a.	+55.5%
Volume effect	+0.9%	-2.7%	+5.7%	n.a.	n.a.	+1.9%
Scope effect	+3.0%	n.a.	n.a.	n.a.	n.a.	+0.6%
Gross margin	120	99	185	-	-	404
Adjusted operating income ²	60	46	71	5	-	183
Operating working capital	183	131	386	9	-	709
% of sales ³	30.9%	17.2%	31.9%	n.a.	n.a.	27.9%

¹ Non-division operations (including JACQUET METALS SA)

² Adjusted for non-recurring items.

³ Rolling 12 months (including Fidelity PAC Metals over rolling 12 months).
n.a.: Not applicable.

As of June 30, 2021, the key indicators per operating segment were as follows:

m€	JACQUET	STAPPERT	IMS group	Other ¹	Inter-brand elimination	Total
Sales	201	297	446	-	(8)	937
Change 2021 vs 2020	+23.5%	+29.1%	+31.4%	n.a.	n.a.	+28.9%
Price effect	+4.3%	+7.9%	+8.2%	n.a.	n.a.	+7.3%
Volume effect	+19.3%	+21.2%	+23.2%	n.a.	n.a.	+21.7%
Gross margin	68	62	118	-	-	248
Adjusted operating income ²	20	17	25	1	-	64
Operating working capital	118	93	154	5	-	370
% of sales ³	34.4%	18.8%	20.4%	n.a.	n.a.	23.5%

¹ Non-division operations (including JACQUET METALS SA)

² Adjusted for non-recurring items.

³ Rolling 12 months.

n.a.: Not applicable.

4.2.2 Corporate income tax

Net income includes a tax charge of €38.3 million. Tax losses from previous years may have been used, particularly in France, Germany and the United States.

4.2.3 Earnings per share

	30.06.22	30.06.21
Net income (Group share) (€k)	125,825	43,385
Weighted average number of shares	23,022,739	23,449,198
Treasury shares	32,202	23,800
Weighted average number of shares excluding treasury shares	22,990,537	23,425,398
Basic earnings per share (€)	5.47	1.85
Free shares ¹	7,500	12,500
Weighted diluted average number of shares, excluding treasury shares	22,998,037	23,437,898
Diluted earnings per share (€)	5.47	1.85

¹ Average number of shares during the period.

4.2.4 Goodwill - Business combinations

Goodwill amounted to €67.6 million as of June 30, 2022 and breaks down as follows:

- JACQUET CGU: €11.3 million, including a goodwill related to the acquisition of the company Fidelity PAC Metals (€1 million);
- STAPPERT CGU: €40.4 million;
- IMS group CGU: €15.9 million.

The Group analyzed the results of the various cash-generating units (CGU); no indication of impairment has been identified.

4.2.5 Change in PP&E and intangible assets

Net book value at December 31, 2021	167.8
Acquisitions	13.1
Net disposals and scraps	(0.4)
Net depreciation / amortization	(9.7)
Translation differences	1.6
Change in consolidation scope	0.3
Other	0.1
Net book value at June 30, 2022	172.9

4.2.6

Change in right-of-use assets and lease liabilities

Net book value of right-of-use assets at December 31, 2021	62.6
New right-of-use assets	5.1
Net depreciation	(9.1)
Revaluation of right-of-use assets	13.8
Translation differences	0.2
Change in consolidation scope	0.8
Other	0.1
Net book value of right-of-use assets at June 30, 2022	73.4
Lease liabilities at December 31, 2021	67.0
New right-of-use assets	5.1
Repayments of lease liabilities	(9.8)
Revaluation of right-of-use assets	13.8
Translation differences	0.2
Change in consolidation scope	0.8
Other	(0.2)
Lease liabilities at June 30, 2022	76.9

4.2.7

Inventory and work-in-progress

€m	30.06.22	31.12.21
Gross value	944	709
Impairment	(187)	(121)
Net value	757	588

Inventory primarily consists of finished goods inventories (whole and cut plates, long products, etc.).

As of June 30, 2022, after taking into account inventory turnover and net realizable value, inventory was adjusted via an impairment amounting to 19.8% of its gross value, compared to 17.1% at December 31, 2021.

4.2.8

Trade receivables

€m	30.06.22	31.12.21
Gross value	345	215
Impairment	(6)	(6)
Net book value	339	209

As of June 30, 2022, the share of insured trade receivables amounted to 96%.

All receivables have a maturity of less than one year. The net value of receivables does not include the receivables assigned on a non-recourse basis, which amounted to €67.5 million at the end of June 2022, compared to €47.3 million at the end of 2021.

4.2.9 Net cash and borrowings

€m	30.06.22	31.12.21
Cash	255	236
Cash equivalents	10	10
Gross value	265	246

Net debt breaks down as follows:

€m	30.06.22	31.12.21
Fixed rate borrowings	96	80
Floating rate borrowings	338	337
Total borrowings	434	417
Cash and cash equivalents	265	246
Net debt	169	171

38% of floating rate debt totaling €130 million is hedged against changes in interest rates as follows:

- swaps covering €90 million with a five-year term expiring between 2023 and 2024;
- caps covering €40 million expiring in 2024.

4.2.10 Shareholders' equity

In accordance with a resolution of the June 24, 2022 General Meeting, on July 4, 2022 the company JACQUET METALS SA paid out a dividend of €1 per share amounting to €23 million in total. This amount is recognized under "Other liabilities" on the balance sheet.

4.2.11 Current and non-current provisions

€m	31.12.21	Change in consolidation scope	Additions	Reversals (unused)	Reversals (used)	Translation differences	30.06.22
Non-current provisions	8.9	-	0.5	-	(0.1)	-	9.4
Current provisions	36.7	-	13.4	-	(0.9)	(0.0)	49.3
Total	45.7	-	14.0	-	(0.9)	(0.0)	58.7

Current and non-current provisions correspond to disputes with employees, reorganization costs and disputes with customs, customers and suppliers.

The additions of the period notably included operational reorganization costs and a risk of retroactive taxation on certain imports.

4.2.12 Provisions for employee benefit obligations

In accordance with IAS 34 - *Interim Financial Reporting*, the change in employee benefit obligations is based on the annual actuarial projection for December 31, 2022 as estimated at December 31, 2021 by external actuaries.

The impact on income is accrued straight line over time. An increase in the discount rates from 1% to 3% was included in the summary interim consolidated accounts, leading to a decrease in provisions for employee benefit obligations of €16.8 million. The net impact after tax on shareholder's equity amounted to €11.9 million.

4.2.13 Deferred tax

The origin of deferred tax is as follows:

€m	30.06.22	31.12.21
Temporary differences	19	17
Tax losses carried forward	6	16
Other IFRS restatements ¹	43	30
Deferred tax assets	69	62
Temporary differences	1	1
Tax losses carried forward	-	-
Other IFRS restatements ¹	(7)	(7)
Deferred tax liabilities	(5)	(6)

¹ These are primarily restatements relating to the rules for harmonizing the accounting process between the subsidiaries.

4.3 Borrowings covenants

Borrowing covenants mainly apply to the syndicated revolving loan and the German private placements (Schuldscheindarlehen or SSD) contracted by the company JACQUET METALS SA. These covenants mainly correspond to commitments that must be complied with at Group level.

	Syndicated revolving loan 2024	Schuldscheindarlehen 2024-2025	Schuldscheindarlehen 2026
Date of signature	June 2019	December 2019	July 2021
Maturity	June 2024	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)	July 2026
Amount	€125 million (unused as of June 30, 2022)	€70 million (fully used)	€150 million (fully used)
Amortization	n.a.	<i>in fine</i>	
Guarantee	None	None	
Change of control clause	JSA must hold at least 40% of JACQUET METALS SA's share capital and voting rights	JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights	
Main covenants	- net debt to equity ratio (gearing) less than 100%, or - leverage less than 2	Net debt to equity ratio (gearing) less than 100%	

n.a.: Not applicable.

As of June 30, 2022, all borrowings covenants were in compliance.

4.4 Post balance sheet events

None.

5 Statutory Auditors' Review Report on the Half-yearly Financial Information

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JACQUET METALS • For the period from January 1 to June 30, 2022

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders of JACQUET METALS,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of JACQUET METALS, for the period from January 1 to June 30, 2022,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

5.1 Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with *IAS 34 - standard of the IFRSs* as adopted by the European Union applicable to interim financial information.

Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Lyon, September 7, 2022

The Statutory Auditors

French Original signed by:

GRANT THORNTON

French Member of Grant Thornton International

Robert Dambo • Partner

ERNST & YOUNG et Autres

Lionel Denjean • Partner

Statement by the person responsible for the half-year financial report

I hereby certify that, to my knowledge, JACQUET METALS' summary interim consolidated financial statements for the first half of 2022 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and earnings of the Company and all companies included in the consolidation scope, and that the activity report for the first half of 2022 gives a true and fair account of the important events that took place in the first six months of the year, their impact on the financial statements and the main transactions between related parties and includes a description of the main risks and uncertainties for the remaining six months of the year.

Saint-Priest, September 7, 2022

Éric Jacquet • Chairman and CEO, JACQUET METALS

JACQUET METALS is a European leader in the distribution of specialty steels.
The Group develops and operates a portfolio of three brands:

JACQUET stainless steel quarto plates - **STAPPERT** stainless steel long products - **IMS group** engineering steels

With a headcount of 3,081 employees, JACQUET METALS has a network of
106 distribution centers in 24 countries in Europe, Asia and North America.

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