2022

JACQUET METALS

Universal Registration Document

including the annual financial report

This is a translation into English of the Universal Registration Document of the Company issued in French and it is available at jacquetmetals.com

A leader in the distribution of special metals

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Detailed section contents can be found at the beginning of each section.

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

PRESS RELEASE

2022 annual results

14.03.2023 - 6.00PM CET

Sales: €2.68bn (+36% vs 2021)
EBITDA: €312m (11.6% of sales)
Net income (Group share): €180m

Solid performances and international development

In 2022, the Group benefited fully from its investments in new distribution and finishing capacities and from favorable market conditions which boosted both sales and margin despite a decline in demand and raw material prices observed since Q2, which appears to be continuing in 2023.

Sales increased by 36% to €2.68 billion (Q4 +7% to €565 million) and the gross margin by +29% to €681 million, representing 25.4% of sales (Q4 23.5%) compared to 26.7% in 2021.

EBITDA amounted to €312 million, representing 11.6% of sales (Q4 7.6% to €43 million) compared to 10.2% in 2021.

Net income (Group share) amounted to €180 million compared to €121 million in 2021.

In this context, operating **working capital** increased, representing 28% of sales at 2022 year-end, compared to 26% a year earlier.
During the period, the Group generated **operating cash flow** of €43 million and consolidated its financial structure with **shareholders' equity** of €675 million. The net debt to equity ratio (gearing) amounted to 35% at 2022 year-end.

The Group pursued its development on key markets via a sustained **capital expenditure** policy (€30 million in 2022) and the JACQUET division's acquisition of Canadian company Fidelity PAC Metals (€33 million sales).

In early 2023, the Group completed the **acquisition of Delta Acciai** (€10 million sales), an Italian company specializing in the distribution of stainless steel long products. This acquisition gives the **STAPPERT division a foothold in Italy with 2 distribution centers** in Turin and Milan.

The Group also signed a definitive agreement to **acquire 11 distribution centers** from SWISS STEEL Group. This acquisition, due to be completed in Q2, will strengthen the **IMS group division in Central and Eastern Europe**. The transaction perimeter encompasses companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Backed by its financial strength, the Group will continue its capital expenditure and development policy in an environment of reduced visibility.

2022 results

On March 14, 2023 the Board of Directors, chaired by Éric Jacquet, approved the consolidated financial statements for the year ended December 31, 2022, which have been audited by the Statutory Auditors. The certification report is currently in the process of being issued.

€m	Q4 2022	Q4 2021	2022	2021
Sales	**565**	**527**	**2,683**	**1,970**
Gross margin	**133**	**137**	**681**	**526**
% of sales	*23.5%*	*26.0%*	*25.4%*	*26.7%*
EBITDA [1]	**43**	**55**	**312**	**201**
% of sales	*7.6%*	*10.5%*	*11.6%*	*10.2%*
Adjusted operating income [1]	**30**	**58**	**263**	**175**
% of sales	*5.2%*	*10.9%*	*9.8%*	*8.9%*
Operating income	**30**	**48**	**260**	**163**
Net income (Group share)	**19**	**38**	**180**	**121**

[1] Adjusted for non-recurring items.

Consolidated **sales** amounted to €2,683 million, up +36.2% (Q4 +7.3%) compared to 2021, including the following effects:

- volumes sold: -2.9% (Q4 2022 -10.6% vs Q4 2021);
- prices: +38.1% (Q4 2022 +16.8% vs Q4 2021 and -3.7% vs Q3 2022);
- scope: +1% (Q4 2022 +1.1% vs Q4 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €681 million and represented 25.4% of sales compared to €526 million in 2021 (26.7% of sales). In order to take into account the evolution of market conditions, inventory valuation and gross margin include the recording of an impairment representing 19.6% of the gross value of inventories at 2022 year-end, compared to 17.1% at 2021 year-end.

Current operating expenses* amounted to €369 million (13.7% of sales) compared to €325 million in 2021 (16.5% of sales). Inflation and rising energy costs contributed for around €20 million to the increase in expenses.

* excluding depreciation and amortization €(39)m and provisions €(14)m.

EBITDA amounted to €312 million and represented 11.6% of sales compared to €201 million in 2021 (10.2% of sales).

Adjusted operating income amounted to €263 million (9.8% of sales).

In this context, **Net income (Group share)** amounted to €180 million compared to €121 million in 2021.

Financial position as of December 31, 2022

In 2022, the Group generated positive **operating cash flow** of €43 million.

Operating **working capital** amounted to €746 million (27.7% of sales), including inventories of €780 million, compared to €520 million at 2021 year-end (26.4% of sales), including inventories of €588 million.

After the dividend payment and the financing of its development, net debt amounted to €234 million compared to €171 million at 2021 year-end. The net debt to equity ratio (gearing) amounted to 35%, stable compared to 2021 year-end.

Cash amounted to €254 million while lines of credit totaled €807 million (of which €319 million is unused).

2022 earnings by division

€m	Q4 2022			2022		
	JACQUET Stainless steel quarto plates	**STAPPERT** Stainless steel long products	**IMS group** Engineering steels	**JACQUET** Stainless steel quarto plates	**STAPPERT** Stainless steel long products	**IMS group** Engineering steels
Sales	**133**	**153**	**283**	**619**	**784**	**1,301**
Change 2022 vs 2021	+12.4%	+1.0%	+8.5%	+44.2%	+28.3%	+37.7%
Price effect	+15.5%	+14.8%	+18.5%	+41.9%	+35.7%	+37.9%
Volume effect	-8.1%	-13.8%	-10.0%	-2.1%	-7.4%	-0.2%
Scope effect	+5.0%	n.a.	n.a.	+4.4%	n.a.	n.a.
EBITDA [1 2]	**16.9**	**4.0**	**12.9**	**101.7**	**59.8**	**117.2**
% of sales	*12.7%*	*2.6%*	*4.5%*	*16.4%*	*7.6%*	*9.0%*
Adjusted operating income [2]	**14.9**	**2.4**	**9.2**	**93.2**	**55.7**	**104.2**
% of sales	*11.2%*	*1.6%*	*3.2%*	*15.0%*	*7.1%*	*8.0%*

[1] Excluding IFRS 16 impacts. As of December 31, 2022, non-division operations (mainly holdings and real-estate companies) and the application of *IFRS 16 - Leases* contributed €15 million and €19 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 **64% of its business in Europe and 30% in North America**.

In 2022, the division strengthened its positioning in North America with the acquisition of Canadian company Fidelity PAC Metals. The division also continues its organic development and plans to increase its distribution capacities in the medium term, notably in North America and Germany.

Sales amounted to €619 million, up +44.2% (Q4 +12.4%), from €429 million in 2021:

- volumes sold: -2.1% (Q4 2022 -8.1% vs Q4 2021);
- prices: +41.9% (Q4 2022 +15.5% vs Q4 2021 and -5.8% vs Q3 2022);
- scope: +4.4% (Q4 2022 +5% vs Q4 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €208 million, representing 33.5% of sales compared to €155 million in 2021 (36.2% of sales).

EBITDA amounted to €102 million, representing 16.4% of sales compared to €66 million in 2021 (15.4% 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**.

In 2022, the division set up operations in England with the launch of a distribution center in the Cardiff region. In early 2023, the division acquired the Italian company Delta Acciai, marking the establishment of STAPPERT operations in Italy with 2 distribution centers located in Turin and Milan. The division also intends to continue its organic development, notably in Poland, Italy and Germany.

Sales amounted to €784 million, up +28.3% (Q4 +1%), from €611 million in 2021:

- volumes sold: -7.4% (Q4 2022 -13.8% vs Q4 2021);
- prices: +35.7% (Q4 2022 +14.8% vs Q4 2021 and -3% vs Q3 2022).

Gross margin amounted to €154 million, representing 19.7% of sales compared to €129 million in 2021 (21% of sales).

EBITDA amounted to €60 million, representing 7.6% of sales compared to €42 million in 2021 (6.8% of sales).

IMS group

The division specializes in the distribution of **engineering steels**, mostly in the form of long products. It generates **49% of its sales in Germany**, the largest European market.

In early 2023, the division signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, comprises companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Sales amounted to €1,301 million, up +37.7% (Q4 +8.5%) from €945 million in 2021:

- volumes sold: -0.2% (Q4 2022 -10% vs Q4 2021);
- prices: +37.9% (Q4 2022 +18.5% vs Q4 2021 and -3.1% vs Q3 2022).

Gross margin amounted to €319 million, representing 24.5% of sales compared to €242 million in 2021 (25.6% of sales).

EBITDA amounted to €117 million, representing 9% of sales compared to €68 million in 2021 (7.2% of sales).

Key financial information

Income statement

€m	Q4 2022	Q4 2021	2022	2021
Sales	**565**	**527**	**2,683**	**1,970**
Gross margin	**133**	**137**	**681**	**526**
% of sales	*23.5%*	*26.0%*	*25.4%*	*26.7%*
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% of sales	*5.2%*	*10.9%*	*9.8%*	*8.9%*
Operating income	**30**	**48**	**260**	**163**
Net financial expense	(4)	(3)	(16)	(12)
Corporate income tax	(5)	(5)	(53)	(23)
Minority interests	(2)	(2)	(11)	(7)
Net income (Group share)	**19**	**38**	**180**	**121**

[1] Adjusted for non-recurring items.

Cash flow

€m	2022	2021
Operating cash flow before change in working capital	259	183
Change in working capital	(215)	(175)
Cash flow from operating activities	**43**	**8**
Capital expenditure	(30)	(32)
Asset disposals	1	2
Dividends paid to shareholders of JACQUET METALS SA	(23)	(9)
Interest paid	(13)	(12)
Other movements	(42)	(22)
Change in net debt	**(63)**	**(65)**
Net debt brought forward	**171**	**106**
Net debt carried forward	**234**	**171**

Balance sheet

€m	31.12.22	31.12.21
Goodwill	67	66
Net non-current assets	178	168
Right-of-use assets	75	63
Net inventory	780	588
Net trade receivables	218	209
Other assets	146	121
Cash & cash equivalents	254	246
Total assets	**1,719**	**1,460**
Shareholders' equity	675	495
Provisions (including provisions for employee benefit obligations)	100	101
Trade payables	252	277
Borrowings	488	417
Other liabilities	127	104
Lease liabilities	78	67
Total equity and liabilities	**1,719**	**1,460**

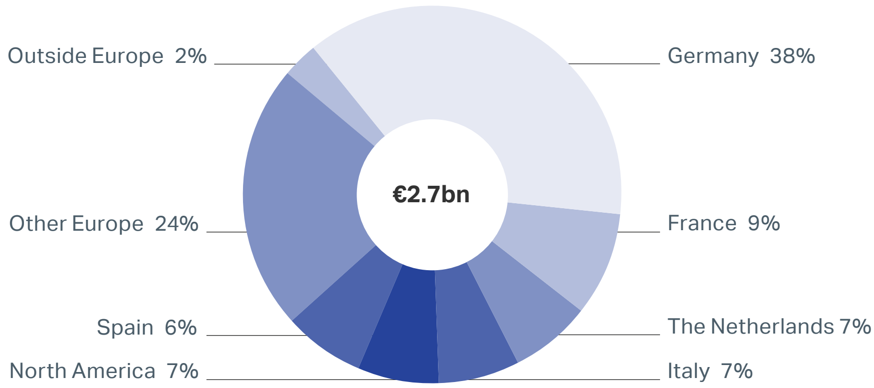
1 Overview of the Group

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

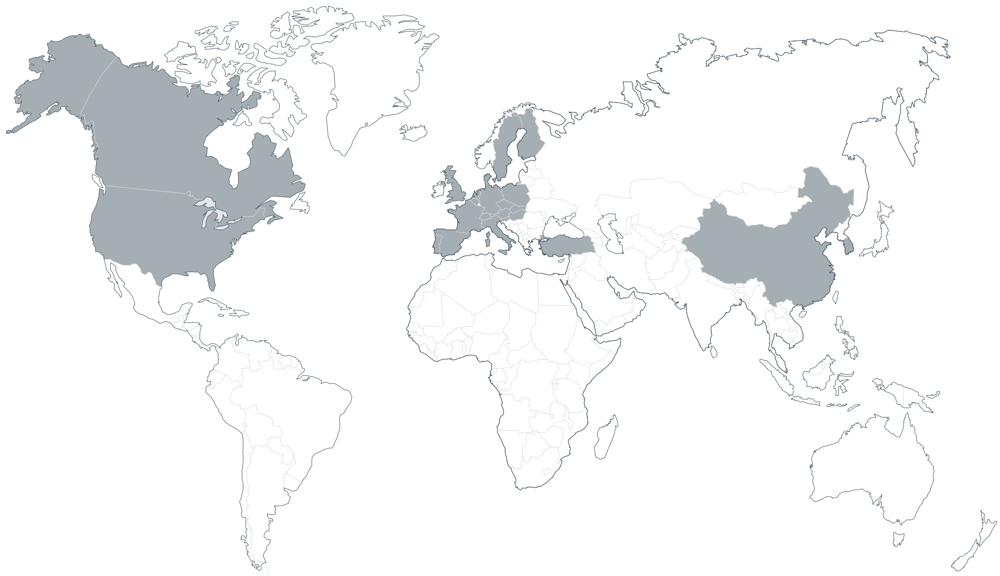
1 A leading distributor of special metals

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

2022 breakdown of sales



A global player



2022 figures: 108 distribution centers located in 24 countries • Staff: 3,060

2 History of the Group

JACQUET METALS

1962 Foundation of Établissements JACQUET, a company specializing in custom metal cutting, by Michel Jacquet in Lyon.

1993 Éric Jacquet becomes the majority shareholder (51%) in JACQUET SA, the Group's parent company.

1994 Éric Jacquet founds JACQUET Industries, which controls 100% of the Group.

1997 JACQUET Industries is listed on the Paris Stock Exchange second market on October 23.

1991-2006 The Group expands into Europe (The Netherlands, Poland, UK, Italy and Finland).

2006 JACQUET Industries becomes JACQUET METALS.

2006-2010 JACQUET establishes its first operations in Asia (Shanghai, China) and the USA (Philadelphia, Houston, Chicago and Los Angeles).

2008-2009 Éric Jacquet and JACQUET METALS acquire a 33.19% stake in IMS.

IMS

1977 Foundation of "International Metal Service", which includes the Creusot-Loire steel manufacturer's " commercial companies ".

1983 Usinor acquires full control of IMS.

1987 IMS listed on the Paris Stock Exchange second market, June 11.

1996-2002 IMS group expands into Europe (Poland, Italy, Spain, France).

2004 Arcelor sells its interest and the Chequers Capital Fund acquires control of IMS.

2005 Acquisitions in Central Europe (Hungary, Czech Republic and Slovakia).

2006 Acquisition of Hoselmann (Germany); Chequers Capital sells its interest: market placement of the IMS shares.

2007 Acquisition of the Cotubel group.

2008 Sale of the Astralloy subsidiary in the USA.

2010 JACQUET METALS launches a public exchange offer (PEO) for IMS (including the IMS group, STAPPERT and Abraservice businesses).
Merger by absorption between JACQUET METALS and IMS. IMS becomes Jacquet Metal Service.

2011-2012 Disposal of IMS France's aluminum and non-ferrous metals businesses and of Euralliage (France), Produr (France), Venturi (Italy) and Breccia Acciai (Italy).

2013-2014 Acquisition of Finkenholl (Germany) by the IMS group division.
Acquisition of Rolark (Canada) by the JACQUET division.

2015-2017 Acquisition and integration of Schmolz+Bickenbach Distribution (Germany, The Netherlands, Belgium and Austria) by the IMS group division.

2018 Sale of IMS TecPro (Germany) and Calibracier (France).

2019 Sale of the Abraservice group specializing in the distribution of wear-resistant steels (10 distribution centers located in 11 countries).

2020 Jacquet Metal Service becomes JACQUET METALS.

2022 Acquisition of Fidelity PAC Metals (Canada) by the JACQUET division.

2023 Acquisition of Delta Acciai (Italy) by the STAPPERT division.
Acquisition of 11 distribution centers (Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia) by the IMS group division (closing expected in Q2 2023).

3 Information on the Group's business

The market

In 2022, the global steel market amounted to around 1.88 billion tons, of which special metals accounted for around 6%.

As the special metals market covers a large number of product niches, geopolitical situations and types of distribution role, the Group has relatively little quantified information of an official nature.

The business

JACQUET METALS is a European leader in the distribution of special metals.

Special metals have chemical and mechanical properties suited to environments such as corrosion and changes in temperature and pressure and engineering specifications. Delivery times are longer than for general usage steels and generally range from 2 to 12 months.

The Group's main business activity consists in purchasing special metals in large quantities from producers, storing them and serving a very broad industrial customer base (60,000 active customers in 60 countries) within very short deadlines (below 1 week).

JACQUET METALS provides the following value-added between the producer and the end-customer:

- a wide range of products stored and delivered within short timeframes (order books rarely exceed a few weeks);
- security of supply and product traceability;
- managing requirements on a just-in-time basis (customized inventory, defined supply strategies);
- competitive sale prices;
- managing price fluctuations on the customer's behalf;
- cutting and finishing services.

In addition to selling its standard product range, the Group also offers a range of customized initial processing operations designed to meet end-user specifications. These services, which are performed at the Group's distribution centers, vary according to the products sold but usually involve light cutting, straightening and bending, folding or drilling operations. They provide a major commercial advantage, which enables the Group to increase customer loyalty by positioning itself as a single contact point, thereby avoiding the use of a sub-contractor.

The Group buys large quantities of steel from specialty steel producers: **20 suppliers account for around 50% of Group purchases** with lead times ranging from 2 to 12 months, and sells them to a fragmented customer base: **60,000 active customers, average invoice less than €3,000**.

Business model

The Group's business model is also explained in §1.4 of the 4-Corporate Social Responsibility.

Suppliers →

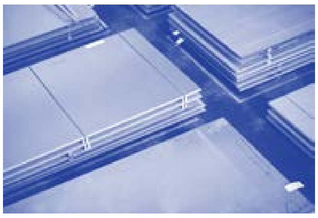
- 20 suppliers: 50% of purchases
- Delivery time: 2 to 12 months

JACQUET METALS →

- Purchase prices
- Storage of special metals
- Managing price fluctuations
- Finishing services

Customers

- 60,000 customers
- Average invoice: < €3,000
- Delivery time: ± 1 week



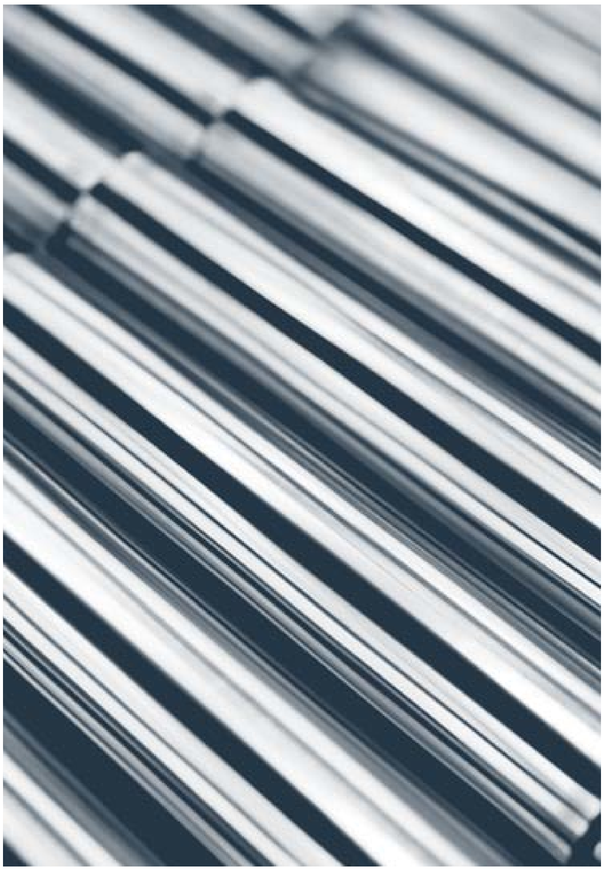
Purchases

Purchasing terms and conditions are negotiated between the main specialty steel producers' management teams and the JACQUET METALS SA managers, working together with the division managers.

By aggregating the volumes for each division, JACQUET METALS provides producers with greater visibility on their business volumes and on the organization of their production schedule. The Group benefits from optimal purchasing terms and conditions in return. The " framework terms and conditions " obtained in this way are passed on to the subsidiaries involved, which place their orders with the producers directly.

The Group is not dependent on a specific supplier and only uses sub-contractors on an occasional basis. A given supplier is only in a position to provide a limited number of stock items. In the case of so-called specialty products distributed on niche markets, the number of suppliers is also limited.

For certain niche products, the Group purchases its supplies primarily from producers with which it has a close relationship (VDM for nickel alloys, etc.). The Group also has exclusive agreements for some products and in certain countries.



Customers

Special metals are used for specific applications by a wide variety of industries. Larger end-users such as automotive manufacturers are supplied directly by producers.

Conversely, JACQUET METALS's core target market consists of a local network of small businesses operating in a wide variety of industrial sectors.

The Group supplies over 60,000 active customers operating in around 100 countries, while its commercial relationships are based on a large quantity of small orders (less than €3,000 on average). Accordingly, the Group is not dependent on any specific customer. Customers place their orders directly with the Group companies, with no call for tender process. Every customer order is invoiced once the products have been dispatched. Over 90% of sales are insured by various credit insurance companies.

The commercial relationships are recurring and involve a large quantity of small orders, which account for most of the Group's sales. The order book represents around one month's sales.

Strategy and objectives

The Group is a distributor independent of the special metals producers, enabling it to purchase all over the world, from any source, at the most competitive terms and conditions. To be in a position to get the best purchase terms and conditions is one of the main drivers of the Group's strategy.

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

The primary function of the parent company, JACQUET METALS SA (" the Company "), is to conduct – for the main products and main producers – the negotiation of the purchase conditions in collaboration with the manager of each division.

In order to increase the volumes purchased by division, and thus to optimize the purchase conditions, the Group develops the distribution networks of its divisions in Europe, Asia and North America, through external or organic growth.

In the medium term, the main areas of development are:

- Europe and more particularly Germany, Italy and the United Kingdom;
- North America, where only the JACQUET division operates.

Besides geographical development, the Group is also considering developing other product areas.

Each division is run by a chief executive officer, who is in charge of developing the division in accordance with the strategic options and goals defined by JACQUET METALS.

Central functions, the negotiation of purchasing terms of special metals, 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

The stainless steel market

Stainless steels are characterized by their strong resistance to corrosion and their stability when treated with fluids or gas. The main consumers of stainless steels are industries operating in the following sectors:

- chemicals;
- food processing;
- gas treatment and storage;
- water treatment;
- environment and decontamination;
- energy sector
  (hydraulic, nuclear and thermal power plants, etc.).

The stainless steel sector is characterized by regular adaptation of alloys to the increasingly stringent requirements of the various industrial sectors. JACQUET currently stocks several dozen varieties of stainless steel, in addition to nickel alloy varieties, whose corrosion resistance is even higher than that of stainless steel.

The stainless steel quarto plates market

The annual global stainless steel quarto plate market represents just over 1.5 million tons, i.e. around 3% of the global stainless steel market. As such, it is a classic niche market. This market is usually equally divided between projects (direct supply from the producer to the end-customer) and distribution. JACQUET is the leading global distributor of stainless steel quarto plates.

The competition

JACQUET makes most of its sales in the cut plate market, where it faces two types of competitor:

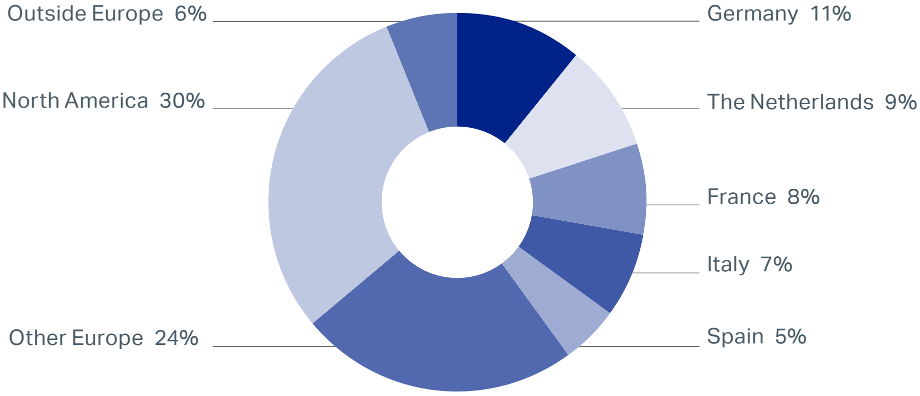
- in-house departments of large European steels groups (e.g. Outokumpu, ArcelorMittal), which operate in several countries or distributors independent of producers (Amari, Reliance, Ryerson);
- family type businesses operating in a single country.

In the trade segment (sale of unprocessed plates), JACQUET implements an opportunistic policy depending on market conditions. Given that product availability, and therefore inventory, is a key factor in this business, there are few competitors in the trading segment. They also fall into two categories:

- stainless steel producers with their own in-house distribution network (Acerinox, Outokumpu, Daekyung);
- companies independent from producers, such as Nichelcrom (Italy) and HW Inox (Germany).

2022 geographical breakdown of sales

JACQUET operates in Europe, North America and Asia.



The stainless steel market

Stainless steels are characterized by their strong resistance to corrosion and their stability when treated with fluids or gas. The main consumers of stainless steels are industries operating in the following sectors:

- chemicals;
- food processing;
- gas treatment and storage;
- water treatment;
- environment and decontamination;
- energy sector (hydraulic, nuclear and thermal power plants, etc.).

The stainless steel sector is characterized by regular adaptation of alloys to the increasingly stringent requirements of the various industrial sectors. STAPPERT currently stocks several dozen varieties of stainless steel.

The stainless steel long products market

The annual global stainless steel long products market amounts to around 6.4 million tons. The global stainless steel rod market, which comprises most of STAPPERT's business activity, represents around 4.2 million tons, ⅓ of which is the European market. Distribution accounts for around 50% of the long stainless steel product market in Europe. STAPPERT is one of the leading European operators on the distribution market.

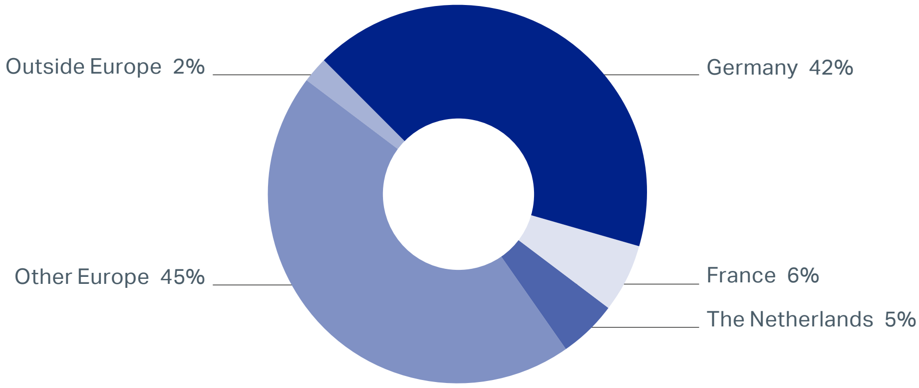
The competition

STAPPERT's competition breaks down between the following types of operator:

- operators established at European level, including stainless steel long product manufacturers who distribute their products via their own distribution network (Cogne, Valbruna, etc.) or distributors who are independent from the producers (Amari, Damstahl, ThyssenKrupp Materials);
- Independent distributors, whose size may be significant at a regional or national level, but who do not operate on a European scale.

2022 geographical breakdown of sales

STAPPERT operates mainly in Europe and generates 42% of its sales in Germany, the largest European market.



The market

These steels are used to manufacture parts that are subject to stringent engineering specifications. Engineering steels are distributed by IMS group, primarily in the form of seamless rods and tubes, and are produced in accordance with specific standards and specifications that guarantee their suitability for processing by the customer (forging, machining, folding, welding, heat treatment), so as to achieve specific engineering features following their treatment.

They are used in many industrial sectors, including:

- general engineering;
- yellow goods;
- green goods;
- transportation (engines, automotive drives, heavy goods vehicles and the railway sector);
- lifting machinery;
- oil and gas;
- energy (wind turbines, etc.);
- machining plants.

The engineering steels market includes many forms and categories of products. The annual European engineering steel alloy market is estimated at around 8.3 million tons. The two largest geographical markets are Germany and Italy, which together account for 60% of the market, followed by France and Spain, which account for 20% of the European market. The distribution sector's share of the engineering steel rod market is estimated at 50%. IMS group is a leading European distributor of engineering steels.

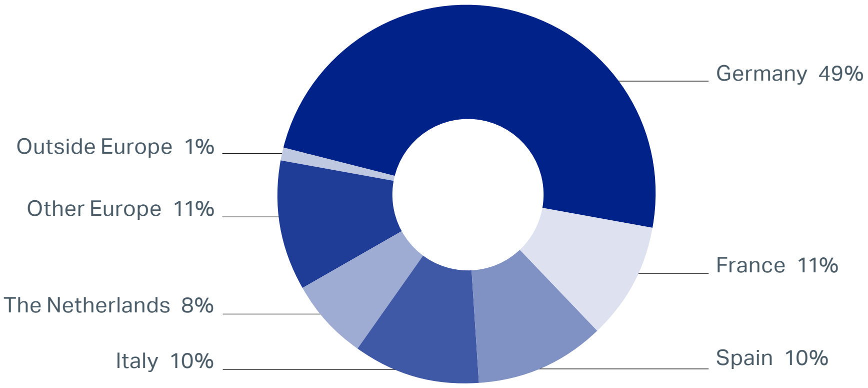
The competition

The engineering steel distribution market includes a small number of major international operators at European level (ThyssenKrupp Materials, etc.).
The rest of the market is divided between a large number of independent distributors, whose size may be significant at regional or national level, but who do not operate on a European scale.

Competition in the engineering steel distribution segment rarely stems from the producers themselves. A large number of those producers do not hold any inventory. The different varieties are often not produced on an ongoing basis and are sold through the order book as soon as they leave the plant. This means that the producers only target major end-users directly.

2022 geographical breakdown of sales

IMS group operates throughout Europe. It generates 49% of its sales in Germany, the largest European market.



4 Other information

4.1 IT systems

The Group has its own business application (Jac ERP*), which has been developed to cover the different types of products and includes an accounting solution (Finance V10). The application has been developed using state-of-the-art technologies, while all Group sites are connected to the central site via a SDWAN secured network.

* Enterprise Resource Planning

Jac ERP is used by all JACQUET companies and most of the STAPPERT and IMS group companies.

These centralized tools are among the keys to effective and responsive inventory management and financial controlling. They enable the implementation of purchasing systems based on centralized negotiations and offer solutions that facilitate the sales process.

Every user can access all their division's inventories in real time. Intra-group sales are processed automatically. Marketing documents are published in the local language and measurement systems and comply with national presentation specifications.

The high degree of scalability offered by these solutions ensures that Group's developments are supported, regardless of the number of users or volumes handled.

4.2 Digital transformation

In anticipation of the growing digitalization of commercial flows in the special metals distribution sector, as in other areas of trade, the Group is pursuing digital transformation while remaining as close as possible to its customers.

The Group has identified three areas of development for this transformation drive:

- EDI (Electronic Data Interchange): for several years now the Group has been using EDI protocols with customers generating large and recurring business volumes. EDI will also be used for metal supplies;

- customer accounts: in addition to the sales process, customers can now set up an account that contains all of their purchase documentation (product certification, delivery note, invoice, order history and tracking, etc.) and enable them to manage quotes issued by sales people;.

- e-commerce: an online sales platform was designed in 2020 and is gradually deployed across the Group from 2021 onwards.

The digital transformation of the offering, in combination with the CRM (Customer Relationship Management) policy, help to understand the customers better and provide new opportunities in terms of loyalty enhancement and prospect conversion.

4.3 Developments

Founded in Lyon in 1962, the Group has developed through organic growth but primarily through acquisitions, including the acquisitions of IMS and STAPPERT in 2010 (14 countries, 1,500 employees, €1.2 billion of sales) and SCHMOLZ+BICKENBACH DISTRIBUTION in 2015 (6 countries, 1,000 employees, €600 million of sales).

Regarding organic growth, the Group sometimes develops its subsidiaries with a local partner, who is usually the manager of the subsidiary. This partner invests and receives an equity interest in the subsidiary ranging from 10 to 49%. The subsidiary has an exclusive right to exploit the brand and can therefore market the full range of brand products in a specified area.

All Group subsidiaries benefit from a set of resources placed at their disposal, including terms and conditions of purchase, a product / market information system tailored to their business, staff training and access to an information network. Every effort is made to enable them to focus on their main goal, i.e. generating profitable sales.
Local managers manage their inventories in accordance with their own marketing policy.
The compensation paid to subsidiary managers is largely based on the subsidiary's results.
The Group invoices the subsidiary for services performed, primarily management and IT services. Where applicable, managers also receive dividends in proportion to the shares they hold.

4.4 Capital expenditure policy

This information is provided in §1.3 of the 5-2022 Results - Group.

The Company is not dependent on patents for the conduct of its business.

4.5 Infrastructure

Group assets largely consist of distribution centers and finishing capacity (cutting and folding machines, etc.).

The Group operates buildings with a total surface area of 691,979 sqm, of which 49% are fully owned.

sqm	Wholly-owned property			Rented property			Property under finance lease		
Country	Building surface area	Land surface area	Number of warehouses	Building surface area	Land surface area	Number of warehouses	Building surface area	Land surface area	Number of warehouses
Austria	101,970	164,269	16	121,357	25,049	8	8,808	29,918	1
Belgium	1,363	30,350	1	10,092	-	1	5,000	17,200	1
Canada	17,946	33,133	2	3,414	9,700	1	-	-	-
China	1,209	3,900	1	13,511	24,851	4	-	-	-
Czech Republic	5,439	20,118	1	5,315	-	2	-	-	-
Denmark	-	-	-	2,005	2,388	1	-	-	-
Germany	-	-	-	60	-	-	-	-	-
Finland	2,259	20,354	1	59,430	38,954	10	-	-	-
France	16,182	36,381	2	6,628	11,200	3	-	-	-
Hungary	2,333	23,064	1	-	-	-	-	-	-
Italy	70,552	299,028	7	42,184	77,358	9	-	-	-
Korea	7,259	22,602	2	89	-	-	-	-	-
The Netherlands	39,064	81,787	5	46,502	21,788	6	-	-	-
Poland	36,100	54,260	5	543	1,410	-	-	-	-
Portugal	11,152	66,203	2	13,385	18,882	2	-	-	-
Slovakia	1,700	6,760	1	7,084	13,625	2	-	-	-
Slovenia	7,545	29,202	1	485	-	1	-	-	-
Spain	2,900	17,000	1	3,045	-	1	-	-	-
Sweden	3,828	20,974	1	-	-	-	-	-	-
Switzerland	4,747	7,402	1	40	-	-	-	-	-
Turkey	4,169	27,927	2	747	-	-	-	-	-
United Kingdom	1,395	1,500	1	-	-	-	-	-	-
USA	-	-	-	3,143	5,324	1	-	-	-
Total	**339,112**	**966,214**	**54**	**339,059**	**250,529**	**52**	**13,808**	**47,118**	**2**

Number of warehouses	31.12.22
Wholly-owned sites	54
Rented sites	52
Sites under finance lease	2
Total	**108**

As of today, there are no environmental regulation that could impact the Group's use of its property, plant and equipment.

Disclosures concerning assets belonging directly or indirectly to executive corporate directors and used by the Group in the course of its business activities are given in §2.7 of the 6-2022 Results - JACQUET METALS SA.

5 Organizational chart

as of 31.12.22

JACQUET METALS SA • FR

JACQUET

JACQUET HOLDING
SARL • FR • 100%

- JACQUET Metallservice GmbH • AT • 100%
- JACQUET Benelux SA • BE • 99,96%
- Fidelity PAC Metals Ltd. • CA • 100%
- JACQUET Montréal Inc. • CA • 100%
- Rolark Toronto Inc. • CA • 96.88%
- Rolark Edmonton Inc. • CA • 100%
- JACQUET Osiro AG • CH • 51%
- JACQUET Chengdu CO. LTD. • CN • 100%
- JACQUET Shanghai CO. LTD. • CN • 100%
- JACQUET Tianjin Metal Material CO. LTD. • CN • 100%
- JACQUET Sro • CZ • 80%
- JACQUET Deutschland GmbH • DE • 90%
- Quarto Deutschland GmbH • DE • 100%
- JMS Danmark APS • DK • 100%
- JACQUET Ibérica SA • ES • 70%
- JACQUET Finland OY • FI • 78,95%
- Détail Inox SAS • FR • 100%
- France Inox SAS • FR • 100%
- JACQUET International SAS • FR • 100%
- JACQUET Lyon SAS • FR • 100%
- JACQUET Paris SAS • FR • 100%
- OSS SARL • FR • 100%
- Quarto International SAS • FR • 100%
- JACQUET Magyarorszag Kft • HU • 100%
- JACQUET Italtaglio Srl • IT • 85%
- JACQUET Nova Srl • IT • 85%
- Quarto International Srl • IT • 100%
- JACQUET Korea CO. LTD. • KR • 100%
- JACQUET Nederland BV • NL • 50.40%
- JACFRIESLAND BV • NL • 80%
- JACQUET Polska Sp. z o.o. • PL • 93%
- JACQUET Portugal LDA • PT • 100%
- JACQUET Sverige AB • SE • 100%
- JMS Metals Asia Pte. Ltd. • SG • 100%
- JMS Adriatic d.o.o. • SI • 51%
- Quarto Jesenice d.o.o. • SI • 100%
- JACQUET UK Ltd • UK • 76%
- JACQUET Mid Atlantic LLC • USA • 100%
- JACQUET Houston Inc. • USA • 100%
- JACQUET Midwest Inc. • USA • 95%
- JACQUET West Inc. • USA • 100%
- Quarto North America LLC • USA • 100%

STAPPERT

STAPPERT DEUTSCHLAND
GMBH • DE • 100%

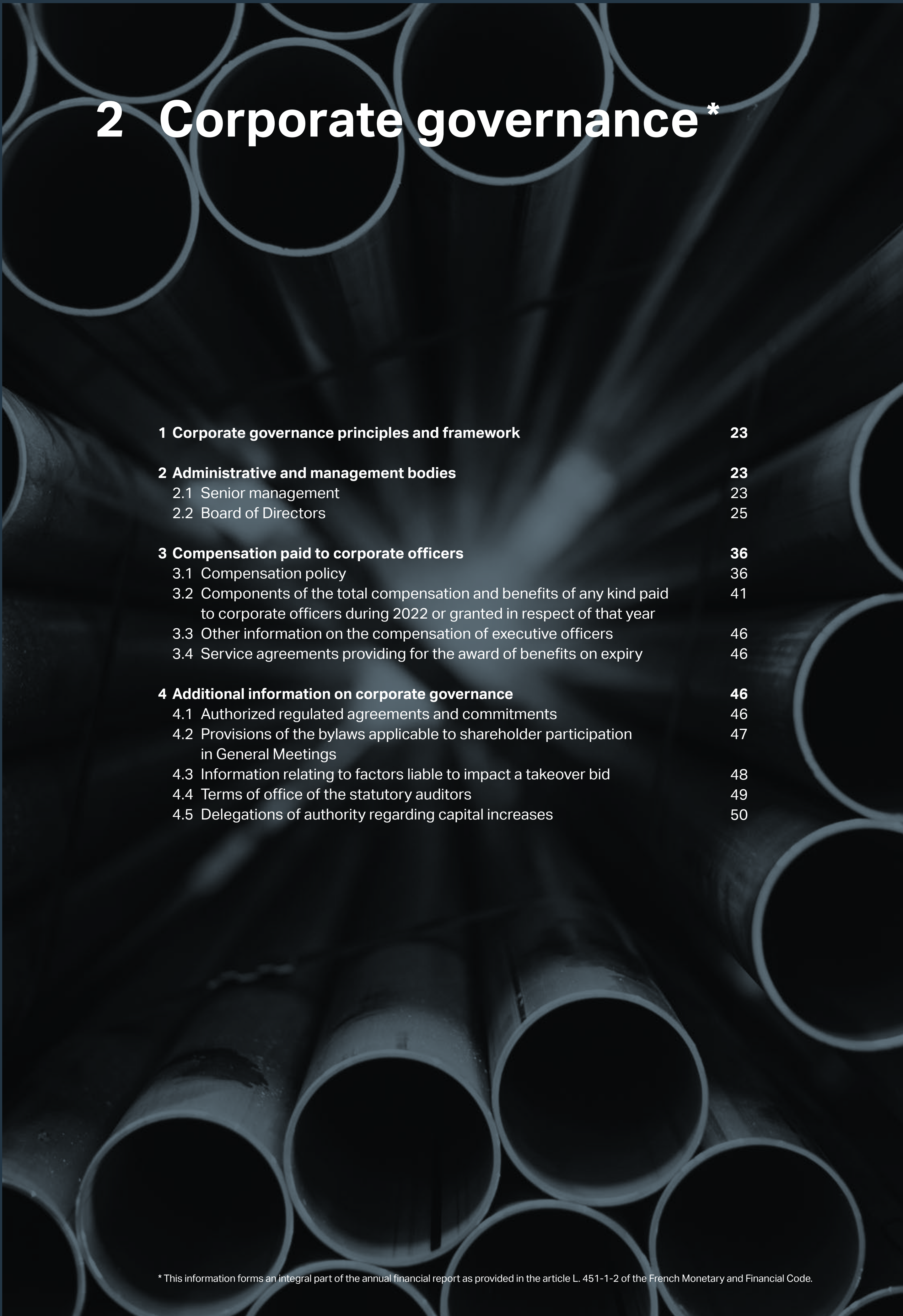
- STAPPERT Fleischmann GmbH • AT • 100%
- STAPPERT Intramet SA • BE • 100%
- STAPPERT Ceská Republika Spol Sro • CZ • 100%
- STAPPERT France SAS • FR • 100%
- STAPPERT Magyarország Kft • HU • 99,99%
- STAPPERT Noxon BV • NL • 100%
- STAPPERT Polska Sp. z o.o. • PL • 100%
- STAPPERT Sverige AB • SE • 100%
- STAPPERT Slovensko AS • SK • 100%
- STAPPERT UK Ltd • UK • 76,2%

IMS GROUP

IMS GROUP HOLDING
SAS • FR • 100%

- IMS Austria GmbH • AT • 100%
- IMS Belgium SA • BE • 100%
- Dr. Wilhelm Mertens GmbH • DE • 100%
- Finkenholl Stahl Service Center GmbH • DE • 100%
- Günther + Schramm GmbH • DE • 100%
- Hoselmann Stahl GmbH • DE • 100%
- International Metal Service Nord GmbH • DE • 100%
- International Metal Service Süd GmbH • DE • 100%
- International Metal Service Trade GmbH • DE • 100%
- IMS Aceros INT SAU • ES • 100%
- Aciers Fourvière SARL • FR • 100%
- IMS France SAS • FR • 100%
- IMS SpA • IT • 100%
- IMS Nederland BV • NL • 100%
- IMS Polska Sp. z o.o. • PL • 100%
- IMS Portugal SA • PT • 100%
- IMS Özel çelik Ltd Şi. • TR • 99,99%

List of main companies directly or indirectly held, in % of capital and voting rights.



2 Corporate governance *

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

1 Corporate governance principles and framework

The Company complies with the legal obligations relating to corporate governance and has chosen to refer to the AFEP-MEDEF corporate governance code, as revised in December 2022 (the "AFEP-MEDEF Code"). This code can be consulted in French on the AFEP website:

https://afep.com/wp-content/uploads/2022/12/Code-AFEP-MEDEF-version-de-decembre-2022.pdf

The provisions of the AFEP-MEDEF Code that have not been applied are set out below.

Staggered renewal of directors' terms of office. - *Recommendation 15.2*	This recommendation has not been applied due to the short duration of directors' terms of office within the Company (2 years).
Organization of an annual meeting of the directors not attended by the executive officers. - *Recommendation 12.3*	The directors feel that they have sufficient time before or after Board meetings to exchange views.

2 Administrative and management bodies

2.1 Senior management

As of December 31, 2022, the Company was managed by Éric Jacquet, Chairman and Chief Executive Officer, and Philippe Goczol, Deputy Chief Executive Officer, whose term of office was renewed on June 24, 2022.

2.1.1 Manner in which Senior management is exercised - Combination of the positions of Chairman and Chief Executive Officer

In a one-tier organization of powers, it is the Board of Directors' responsibility to decide whether the Company's Senior management should be entrusted to the Chairman of the Board of Directors or to a third party, in accordance with the provisions of Article L. 225-51-1 of the French Commercial Code and the recommendations of the AFEP-MEDEF Code.

At its meeting on June 24, 2022, the Board of Directors, on the recommendation of the Appointment and Compensation Committee, decided to maintain the combination of the positions of Chairman and Chief Executive Officer.

2.1.2 The Chairman and Chief Executive Officer

At its meeting on July 20, 2010, the Board of Directors unanimously decided that the Company's Senior management would be exercised by Éric Jacquet, Chairman of the Board of Directors.

On the recommendation of the Appointment and Compensation Committee, the Board of Directors, at its meeting on June 24, 2022, reappointed Éric Jacquet as Chairman and Chief Executive Officer for the duration of his term as director, i.e. until the General Meeting called in 2024 to approve the financial statements for the year ending December 31, 2023.

The Board of Directors has not imposed any restrictions on the powers of the Chairman and Chief Executive Officer other than those set out in §2.2.5.2 of this section.

2.1.3 The Deputy Chief Executive Officer

On the recommendation of Éric Jacquet, the Board of Directors decided at its June 24, 2022 meeting to reappoint Philippe Goczol as Deputy Chief Executive Officer for the duration of Éric Jacquet's term as Chief Executive Officer. Mr. Goczol's role is to assist the Chairman and Chief Executive Officer in his duties of representation and management of JACQUET METALS in accordance with the law and the bylaws.

At its meeting on June 24, 2022, the Board of Directors decided that the Deputy Chief Executive Officer would have no authority, power of control or responsibility in the area of finance, including with regard to the financial management of equity investments, management of subsidiary dividends, financial investments, current accounts, cash position and subsidiaries' financial commitments, these areas falling under the exclusive remit of the Chief Executive Officer. This decision is a matter of internal order and is not enforceable on third parties.

Philippe Goczol holds a degree from Mons University (Belgium). A Belgian national, he began his career in 1988 at steel manufacturer Industeel (formerly Fafer, ARCELOR MITTAL Group), where he held positions as Commercial Engineer (1988-1992), Proxy (1992-2000), and Sales Director (1999-2000). In 2001, he joined JACQUET METALS as Chief Development Officer before being appointed Deputy CEO in 2004.

List of offices held by Philippe Goczol during the year ended December 31, 2022:

Offices within the JACQUET METALS Group	Offices outside the JACQUET METALS Group
- Manager of Quarto Deutschland GmbH (Germany), International Metal Service Group Holding Deutschland GmbH (Germany), JSP SARL, OSS SARL, JACQUET Portugal LDA (Portugal), IMS Ozel Celik Ltd Şi. (Turkey) ; - Director of Foncière Engis SA (Belgium), STAPPERT Intramet SA (Belgium), JACQUET Iberica SA (Spain), JACQUET Nova SRL (Italy), JACQUET Italtaglio SRL (Italy), IMS Portugal SA (Portugal) ; - Director of Rolark Toronto Inc. (Canada), Fidelity PAC Metals Ltd. (Canada), JACQUET Korea Co. Ltd. (Korea), Quarto Nordic AB (Sweden), JACQUET Sverige AB (Sweden), JACQUET Midwest Inc. (USA), JACQUET Holding US (USA) ; - Vice-President of Rolark Edmonton Ltd. (Canada), JACQUET Montréal Inc. (Canada), JACQUET METALS Canada Inc. (Canada), JACQUET Shanghai Co. Ltd (China) ; - Managing Director of IMS France SAS, STAPPERT France SAS, IMS S.p.A (Italy), STAPPERT Slovensko AS (Slovakia), Quarto Jesenice d.o.o. (Slovenia), JACQUET UK Ltd. (United Kingdom) ; - President of Quarto international SRL (Italy), Quarto North America LLC. (USA), JACQUET Mid Atlantic LLC. (USA)	- Managing Partner of SCI des Acquits

2.1.4 Senior management

- **Éric Jacquet**	- Chairman & Chief Executive Officer
- **Philippe Goczol**	- Deputy Chief Executive Officer
- **Thierry Philippe**	- Chief Financial Officer
- **Alexandre Iacovella**	- Chief Operating Officer
- **Hans-Josef Hoss**	- Chief Executive Officer, IMS group
- **Arnaud Giuliani**	- Chief Information Officer
- **Anne-Frédérique Dujardin**	- General Counsel
- **Sarah Vaison de Fontaube**	- Financial Officer

2.2 Board of Directors

2.2.1 Summary presentation of the Board of Directors

	Personal information				Experience	Position on the Board of Directors				
	Age	**Gen-der**	**Nationality**	**Number of shares**	**Number of offices in listed companies at 31.12.22**	**Indepen-dence**	**First appointed**	**Term ends**	**Length of service on the Board**	**Membership of Board Committees**
Éric Jacquet Chairman of the Board of Directors	64	M	French	39,530	None	-	30.06.10	2024	12 years	-
Jean Jacquet Vice-Chairman of the Board of Directors	90	M	French	2,000	None	-	30.06.10	2024	12 years	-
Gwendoline Arnaud Director	50	F	French	0	None	√	26.06.14	2024	8 years	Appointment and Com-pensation Committee (Chairwoman)
Séverine Besson Director	48	F	French	500	None	√	30.06.16	2024	6 years	-
Jacques Leconte Director	78	M	French	500	None	-	30.06.10	2024	12 years	-
Henri-Jacques Nougein Director	75	M	French	510	None	-	30.06.10	2024	12 years	Appointment and Com-pensation Committee
Dominique Takizawa Director	66	F	French	500	None	√	26.06.20	2024	2 years	Audit and Risk Committee (Chairwoman)
Pierre Varnier Director	74	M	French	0	None	√	26.06.20	2024	2 years	Audit and Risk Committee
Alice Wengorz Director	56	F	German	700	None	√	30.06.16	2024	6 years	Appointment and Com-pensation Committee
JSA represented by Ernest Jacquet Director	25	M	French	9,648,941	None	-	30.06.10	2024	12 years	Audit and Risk Committee

The Company's directors were all reappointed at the General Meeting on June 24, 2022, each for a period of two years, i.e. until the General Meeting called in 2024 to approve the financial statements for the year ending December 31, 2023.

The Board of Directors comprises:

- 10 members, including 4 women;
- 5 independent directors;
- 1 Vice-Chairman whose role is to replace the Chairman of the Board of Directors in the event of absence;
- 1 director of German nationality.

The Board of Directors pays special attention to ensuring balanced membership of the Board and its committees. In particular, it seeks to ensure:

- a diverse range of experiences, backgrounds and ages amongst its members,
- an independence rate of at least a third of its members in accordance with the AFEP-MEDEF Code;
- a minimum of 40% of directors of each gender in accordance with the requirements of Article L. 225-18-1 of the French Commercial Code.

The directors have complementary experience (notably international, industrial, financial and legal expertise), and some have long-standing knowledge of the JACQUET METALS Group and its environment.

The Board of Directors has established an Audit and Risk Committee and an Appointment and Compensation Committee. The members of these committees were appointed by the Board of Directors on June 24, 2022 for the term of their office as director.

2.2.2 Presentation of the directors as of December 31, 2022

Éric Jacquet • Chairman and Chief Executive Officer • Non-independent director

Age	64
Nationality	French
Member of a committee	No
Number of shares held	39,530
First appointed	General Meeting of June 30, 2010
Most recent reappointment	General Meeting of June 24, 2022
Term ends	2024

Biography:
Éric Jacquet has been Chairman and Chief Executive Officer of JACQUET METALS SA since July 20, 2010. He was previously Chairman and Chief Executive Officer of JACQUET METALS SA (formerly JACQUET Industries SA) from its foundation in 1994. He has spent his entire career at the JACQUET METALS Group, where he has held positions including Sales Manager (1980-1985) and Marketing and Export Development Manager (1986-1993). He is also a member of the Lyon Commercial Court Association of Judges and Former Judges.

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group
- Manager of International Metal Service Group Holding Deutschland GmbH (Germany), JACQUET Deutschland GmbH (Germany), Foncière Nantes SARL, JACQUET Holding EURL, Jestion SARL, JACQUET Portugal LDA (Portugal), Foncière Bochum SRL (Belgium) - President of Rolark Toronto Inc. (Canada), Rolark Edmonton Ltd. (Canada), JACQUET Montréal Inc. (Canada), JACQUET METALS Canada Inc. (Canada), IMS France SAS, IMS Group Holding SAS, JACQUET Lyon SAS, STAPPERT France SAS, IMS S.p.A. (Italy) - Director of JACQUET Shangai Co. LTD. (China), JACQUET Chengdu Co. LTD. (China), JMS Danmark ApS (Danmark), IMS Özel çelik Ltd Şi. (Turkey), JACQUET UK Ltd. (United Kingdom), JACQUET Midwest Inc (USA), JACQUET S.R.O. (Czech Republic) - Sole Director of Aceros IMS Int SA (Spain) - Chairman and Director of the Board of Directors of JACQUET Nova SRL (Italy), JACQUET Italtaglio SRL (Italy), JACQUET International SA (Luxembourg), JACQUET Benelux SA (Belgium) - Chairman of the Board of Directors of JACQUET Finland Oy (Finland), JACQUET Osiro AG (Switzerland) - Member of the Board of Directors of STAPPERT Slovensko AS (Slovakia), Quarto Nordic AB (Sweden), JACQUET Sverige AB (Sweden), JACQUET Polska Sp z.o.o (Poland) - Chairman & Managing Advisor of JACQUET Iberica SA (Spain) - Chief Executive Officer of JACQUET West Inc. (USA)	- JSA TOP (Managing Partner) - JSA SA (Managing Director) - SCI DU CANAL (Managing Partner) - SCI ROGNA BOUE (Managing Partner) - SOCIETE CIVILE IMMOBILIERE QUEDE (Managing Partner) - SCI DE MIGENNES (Managing Director) - SCI DE LA RUE DE BOURGOGNE (Managing Partner) - JACQUET BATIMENTS EURL (Managing Partner) - JERIC SAS (Chairman) - CITÉ 44 (Managing Partner) - SCI LES CHENES - SAINT FORTUNAT (Managing Partner) - JML SAS (Chairman)

Jean Jacquet • Vice-Chairman of the Board of Directors • Non-independent director

Age	90
Nationality	French
Member of a committee	No
Number of shares held	2,000
First appointed	General Meeting of June 30, 2010
Most recent reappointment	General Meeting of June 24, 2022
Term ends	2024

Biography:
Jean Jacquet served as Chairman of Faïence et Cristal de France until 2012, Chairman and Chief Executive Officer of SOMERGIE (the Metz urban public-private waste management company) until 2011 and Chairman and Chief Executive Officer of TCRM (Metz area public transport system) until 2010. He began his career at the Renault Group, where he worked until 1984. He was then Chairman and Chief Executive Officer of Unimetal/Ascometal from 1984 to 1988 and Chairman of the Special Steel Dealers' Union (UNAS) from 1988 to 1999. He has also served as Chairman of the Supervisory Board of Winwise, Director of the Metz National Engineering School, Chairman of the Inter-Ministerial Development Mission for the development of the Longwy European Hub, Chairman of the Board of Directors of the Metz Power Plant, Deputy Vice-Chairman of the French National Association of Electricity Concessions and Vice-Chairman of the Metz Urban District (now the Metz Metropolitan Urban District Grouping). He holds a law degree and is a graduate of the Paris Institute of Political Studies.
Jean Jacquet is not related to Éric Jacquet.

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group
None	None

Gwendoline Arnaud • Independent director

Age	50	**Biography:** Gwendoline Arnaud has been practicing law since 1998. In 2003 she set up her own firm specializing in business and family law. She holds a master's degree in private law and a Certificate of Legal Proficiency (CAPA).
Nationality	French	
Member of a committee	Chairwoman of the Appointment and Compensation Committee	
Number of shares held	0	
First appointed	General Meeting of June 26, 2014	
Most recent reappointment	General Meeting of June 24, 2022	
Term ends	2024	

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	**Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group**
None	- SCM 2G (Managing Partner) - SCI PNRAS (Managing Partner) - SCI LCSG (Managing Partner) - CABINET GWENDOLINE ARNAUD ET ASSOCIES SELARL (Managing Partner)

Séverine Besson • Independent director

Age	48	**Biography:** Séverine Besson is the founder and Chairwoman of SAS ACQ4 TALENTS, which specializes in supporting companies in their social transformation. She has spent most of her career in management in an industrial and international environment. She has held positions as a marketing consultant, International Development Director and then CEO of a small business in the chemicals industry. She was made Knight of the French National Order of Merit for her various social and employment-related impacts in the Auvergne-Rhône-Alpes region. She holds a master's degree in sales and marketing, an Executive MBA from Emlyon business school and a PhD in HR Management from Paris-Dauphine University.
Nationality	French	
Member of a committee	No	
Number of shares held	500	
First appointed	General Meeting of June 30, 2016	
Most recent reappointment	General Meeting of June 24, 2022	
Term ends	2024	

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	**Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group**
None	- SAS ORK-ID (Chairwoman) - SAS ACQ4 TALENTS (Chairwoman)

Jacques Leconte • Non-independent director

Age	78	**Biography:** Jacques Leconte held the position of Director of the Crédit Agricole Sud Rhône-Alpes business center. He was also in charge of the financing activities for large companies, cooperatives and institutional investors for the Rhône-Alpes regional districts at the Crédit Agricole Regional Development Agency. He studied geography at university and is a graduate of the Lyon Institute of Political Studies.
Nationality	French	
Member of a committee	No	
Number of shares held	500	
First appointed	General Meeting of June 30, 2010	
Most recent reappointment	General Meeting of June 24, 2022	
Term ends	2024	

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	**Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group**
None	- BIB Group Belgium (member of the Strategy Committee). This company is the holding company of the THERMACROSS SA France Group and the PARTEDIS France Group.

Henri-Jacques Nougein • Non-independent director

Age	75	**Biography:** Henri-Jacques Nougein is an arbitration expert, mediator, voluntary liquidator and former insurance broker (specializing in corporate risk and civil liability). He is also the Honorary President of the Lyon Commercial Court, former Chairman of the Inter-Professional Mediation and Arbitration Center and Joint Manager of the European Arbitration and Mediation Network. He is the founder and Joint Manager of the Franco-Argentinian Mediation and Arbitration Center, the Franco-Chinase Mediation Center (in partnership with the Shanghai government authorities) and the Franco-Indian Mediation and Arbitration Center (in partnership with the Indian Federation of Chambers of Commerce and Industry). He was a lecturer at Lyon III University (Economic Procedural Law) and is the author of a number of legal and technical research publications. He holds a degree in Private Law and a higher doctorate in law (1976) and is a graduate of the Lyon Legal Studies Institute and the French Advanced School of Private Law.
Nationality	French	
Member of a committee	Member of the Appointment and Compensation Committee	
Number of shares held	510	
First appointed	General Meeting of June 30, 2010	
Most recent reappointment	General Meeting of June 24, 2022	
Term ends	2024	

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	**Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group**
None	- SCPI FICOMMERCE (Vice-Chairman of the Supervisory Board) - SCPI BUROBOUTIC (Chairman of the Supervisory Board)

Dominique Takizawa • Independent director

Age	66	**Biography:** Dominique Takizawa served as Secretary General of Institut Mérieux (2001-2020). She joined the Mérieux Group in 2001, where she was involved in its strategic development, in particular M&A and shareholder and investor relations. She also helped coordinate the bioMérieux initial public offering. She was previously Chief Financial Officer at various companies: Pasteur-Mérieux Connaught (now Sanofi Pasteur), Aventis Crop Sciences (now Bayer) and Rhône Mérieux/Mérial. She is a graduate of HEC Management School and holds a DECF diploma in Accounting and Financial Studies.
Nationality	French	
Member of a committee	Chairwoman of the Audit and Risk Committee	
Number of shares held	500	
First appointed	General Meeting of June 26, 2020	
Most recent reappointment	General Meeting of June 24, 2022	
Term ends	2024	

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	**Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group**
None	None

Pierre Varnier • Independent director

Age	74	**Biography:** Since 2007, Pierre Varnier has been Chairman of Varco International SAS, which specializes in transition management. He was also Chairman and Chief Executive Officer of Thyssenkrupp Materials France SAS and CRO of Lucchini/Aferpi, He was Chief Executive Officer of KDI (a Kloeckner Group company) (2003-2007), Chairman and Chief Executive Officer of Arcelor Tubes (1999-2003), Chief Executive Officer of Ugine Europe Service (1997-1999), VP Strategy/Development at Ugine Group (1996-1997), Managing Director at Ugine Srl, Italy (1991-1996), Sales Director at Ugitech (1986-1991), and Financial Control/Plan Director at Ugine Aciers (1981-1985). He is a graduate of the Paris Institute of Political Studies and holds an advanced diploma (DESS) in Economics.
Nationality	French	
Member of a committee	Member of the Audit and Risk Committee	
Number of shares held	0	
First appointed	General Meeting of June 26, 2020	
Most recent reappointment	General Meeting of June 24, 2022	
Term ends	2024	

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	**Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group**
None	- VARCO INTERNATIONAL (Chairman)

Alice Wengorz • Independent director

Age	56	**Biography:** Alice Wengorz is a corporate management consultant at her own firm. She specializes in corporate strategy, organization and processes, and human resources. She previously worked in this profession at Deloitte & Touche GmbH and Arthur Andersen & Co. GmbH. She is also an Honorary Judge at the Frankfurt District Court, with responsibility for criminal matters. She holds a Degree in Economics.
Nationality	German	
Member of a committee	Member of the Appointment and Compensation Committee	
Number of shares held	700	
First appointed	General Meeting of June 30, 2016	
Most recent reappointment	General Meeting of June 24, 2022	
Term ends	2024	

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	**Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group**
None	None

Ernest Jacquet (as representative of JSA) • Non-independent director

Age	25	**Biography:** JSA is a limited company governed by Belgian law controlled by Éric Jacquet, whose permanent representative on the Board of Directors is Ernest Jacquet. Ernest Jacquet holds commercial positions in IMS France. He previously held the same positions at JACQUET Lyon. He holds a Master of Science degree in Global Innovation & Entrepreneurship from emlyon. Ernest Jacquet is the son of Éric Jacquet, Chairman and Chief Executive Officer of the Company.
Nationality	French	
Member of a committee	Member of the Audit and Risk Committee	
Number of shares held (JSA)	9,648,941	
First appointed (JSA)	General Meeting of June 30, 2010	
Most recent reappointment (JSA)	General Meeting of June 24, 2022	
Term ends (JSA)	2024	

Other current offices and duties as of 31.12.22 within the JACQUET METALS Group	**Other current offices and duties as of 31.12.22 outside the JACQUET METALS Group**
None	None

2.2.3 Changes in the membership of the Board of Directors

Status as of March 14, 2023

	Departure	Appointment	Reappointment
Board of Directors	n.a.	n.a.	June 24, 2022: - Éric Jacquet - Jean Jacquet - Gwendoline Arnaud - Séverine Besson - Jacques Leconte - Henri-Jacques Nougein - Dominique Takizawa - Pierre Varnier - Alice Wengorz - Société JSA
Audit and Risk Committee	June 24, 2022: - Jacques Leconte	n.a.	June 24, 2022: - Dominique Takizawa - Pierre Varnier - Société JSA
Appointment and Compensation Committee	n.a.	n.a.	June 24, 2022: - Gwendoline Arnaud - Henri-Jacques Nougein - Alice Wengorz

n.a.: Not applicable.

2.2.4 Independence of directors, conflicts of interest and other disclosures

2.2.4.1 Assessment of the independence of directors

Criteria	Éric Jacquet	Jean Jacquet	Gwendoline Arnaud	Séverine Besson	Jacques Leconte	Henri-Jacques Nougein	Dominique Takizawa	Pierre Varnier	Alice Wengorz	Ernest Jacquet *permanent representative of JSA*
1 Employee or corporate officer over the past five years	×	√	√	√	√	√	√	√	√	√
2 Reciprocal corporate offices	√	√	√	√	√	√	√	√	√	√
3 Material business relationships	√	√	√	√	√	√	√	√	√	√
4 Family ties	√	√	√	√	√	√	√	√	√	×
5 Statutory auditor	√	√	√	√	√	√	√	√	√	√
6 Office held for over 12 years	×	×	√	√	×	×	√	√	√	√
7 Non-executive officer receiving variable compensation	√	√	√	√	√	√	√	√	√	√
8 Major shareholder	×	√	√	√	√	√	√	√	√	×

In this table, √ represents an independence criterion satisfied and × represents an independence criterion not satisfied with regard to the criteria set out in the AFEP-MEDEF Code.

The Board of Directors, at its meeting on June 24, 2022, followed the recommendation of the Appointment and Compensation Committee and established the list of directors deemed independent as follows:

- Gwendoline Arnaud;
- Séverine Besson;
- Dominique Takizawa;
- Pierre Varnier;
- Alice Wengorz.

Note that at least a third of the members of the Company's Board of Directors are independent, in accordance with the provisions of the AFEP-MEDEF Code for controlled companies.

The independent member qualification is discussed each year by the Appointment and Compensation Committee and reviewed on a case-by-case basis each year by the Board of Directors. Even if a director complies with all of the AFEP-MEDEF Code criteria, the Board of Directors may nonetheless decide not to qualify them as independent in view of their particular situation. Inversely, the Board may consider that a director who does not meet these criteria is nevertheless independent.

2.2.4.2 Conflicts of interest and other disclosures

To the Company's knowledge, no member of the Board of Directors has been the subject of an official public sanction, convicted of fraud, involved in any receivership, sanctioned by any statutory or regulatory authorities, including designated professional bodies, or the subject of any measure preventing them from directing, managing, administering or controlling a company, or been subject to any bankruptcy, liquidation, or receivership proceedings during the past five years.

There is no potential conflict of interest between the private interests of the members of the Board of Directors and their duties with regard to the Company.

There are no arrangements or agreements with the main shareholders, or with customers or suppliers, pursuant to which a member of the Board of Directors might have been appointed as a director of the Company.

2.2.5 Organization and proceedings of the Board of Directors

2.2.5.1 Organization of the Board of Directors

The Board of Directors adopted its Internal Regulations on July 20, 2010 (the "Internal Regulations") and updated them most recently on March 9, 2021, in order to take the various revisions of the AFEP-MEDEF Code into account. The Internal Regulations lay down the organizational and procedural rules applicable to the Board, as well as the operating rules of its committees (Audit and Risk Committee, and Appointment and Compensation Committee).

The Internal Regulations set forth:

- the competences and powers of the Board of Directors;
- the duties and obligations of its members with regard to the principles of confidentiality applicable to privileged information and the rules of independence and fairness;
- each member's duty to notify the Board of any actual or potential conflict of interests in which they may be directly or indirectly involved; in such a case, the relevant member shall refrain from participating in discussions and decisions on the issues concerned;
- the rules applicable to trading in the Company's securities as set out in Article L. 621-18-2 of the French Monetary and Financial Code and Articles 223-22 A to 223-26 of the General Regulation of the Autorité des Marchés Financiers (AMF, French financial market regulator).

The Internal Regulations provide that the Board of Directors must meet at least once a quarter and at least once every three months.

The Internal Regulations also provide that, at least once a year, the Board of Directors shall be convened by its Chairman to review and assess the Board's work.

Pursuant to the provisions of the AFEP-MEDEF Code, it is recommended that all directors endeavor to hold at least 500 shares in the Company. The purchase of these shares may be staggered in order to reach this minimum threshold. Each director undertakes to keep their Company shares in registered form (direct or administered).

2.2.5.2 Tasks and proceedings of the Board of Directors

The Board of Directors determines the Company's business strategy and sees to its implementation. It addresses all matters concerning the efficient running of the Company and settles issues, through its deliberations, over which it has authority.

In this context, the Board notably:

- deliberates on Company strategy and the operations ensuing from it and, more generally, on all material transactions, particularly those involving major investments or divestments;
- appoints the Company's Senior management and oversees its management;
- monitors the quality of information provided to the shareholders and to the stock market, especially the information presented in the financial statements and annual report, or when material transactions are concluded.

Conclusion of the following transactions requires the prior authorization of the Board of Directors:

- all acquisitions or divestments of equity interests or business undertakings for an enterprise value of over €5 million per transaction;
- all material transactions falling outside the scope of the Company's published strategy;
- endorsements, sureties and guarantees, subject to the conditions provided for by applicable legislation.

The Chairman of the Board of Directors or, where applicable, the Vice-Chairman organizes and directs the work of the Board of Directors and reports to the General Meeting on the Board's work. The Chairman oversees the operation of the Company's bodies, in particular that of the Board's committees. The Chairman ensures that Board members are able to perform their duties and that the Board spends sufficient time on issues impacting the JACQUET METALS Group's future.

The Chairman of the Board of Directors is the sole person empowered to make statements on the Board's behalf.

2.2.5.3 Activity of the Board of Directors

In 2022, the Company's Board of Directors met seven times. Each director receives invitations to Board meetings together with the agenda and technical documentation for the issues discussed, one week before the meeting. In particular, the Board of Directors:

- reviewed the 2022 budget;
- authorized the Chairman to grant guarantees on behalf of the Company;
- allocated the compensation payable to the directors for 2021;
- carried out the annual review of its operations;
- reviewed and approved the quarterly, half-year and annual consolidated and parent company financial statements and reviewed the management forecasts;
- approved the corporate governance report;
- approved the reports and draft resolutions submitted by the Board of Directors to the June 24, 2022 General Meeting;
- exercised the authority granted by the General Meeting to purchase or transfer the Company's shares;
- reviewed all minutes of committee proceedings;
- reviewed the progress made on current material projects, events and transactions for the Company and the JACQUET METALS Group.

2.2.5.4 Assessment of the Board's work

In accordance with the recommendations of the AFEP-MEDEF Code, the Board conducts an annual assessment of its operations.

Accordingly, once a year the Board assigns one item on its agenda to this assessment and holds a discussion on its work with a view to improving its efficiency, ensuring that important issues are adequately prepared and discussed by the Board and measuring each member's actual contribution to its work. The last three-year review was carried out during the March 14, 2023 Board meeting. The responses showed that most directors consider that the Company applies proper corporate governance rules. The Board of Directors concluded that the frequency and length of its meetings and the information provided in advance enabled it to duly perform its duties.

2.2.5.5 Director attendance in 2022

	Board of Directors	Appointment and Compensation Committee	Audit and Risk Committee
Éric Jacquet Chairman of the Board of Directors	85.71%	n.a.	n.a.
Jean Jacquet Vice-Chairman of the Board of Directors	100%	n.a.	n.a.
Gwendoline Arnaud Director, Chairwoman of Appointment and Compensation Committee	100%	100%	n.a.
Séverine Besson Director	100%	n.a.	n.a.
Jacques Leconte Director	100%	n.a.	100%*
Henri-Jacques Nougein Director, Member of Appointment and Compensation Committee	85.71%	100%	n.a.
Dominique Takizawa Director, Chairwoman of Audit and Risk Committee	100%	n.a.	100%
Pierre Varnier Director, Member of Audit and Risk Committee	85.71%	n.a.	100%
Alice Wengorz Director, Member of Appointment and Compensation Committee	100%	100%	n.a.
Société JSA représentée par Ernest Jacquet Director, Member of Audit and Risk Committee	100%	n.a.	100%

* Until June 24, 2022, end date of his term of office as a member of the Audit and Risk Committee.
n.a.: Not applicable.

2.2.5.6 Board committees

2.2.5.6.1 Audit and Risk Committee

Membership of the Audit and Risk Committee

The Audit and Risk Committee comprises three members:

- Dominique Takizawa (Chairwoman), Independent director;
- Pierre Varnier, Independent director;
- JSA represented by Ernest Jacquet, Non-independent director.

In 2022, the Board of Directors changed the membership of the Audit and Risk Committee to ensure that two-thirds of its members are independent directors. As such, Jacques Leconte ceased to be a member of this Committee on June 24, 2022.

Audit and Risk Committee tasks

In accordance with the Internal Regulations, the Audit and Risk Committee's tasks are to:

- verify the appropriateness of the accounting methods applied in the preparation of the parent company and consolidated financial statements;
- investigate any problems encountered in the application of the accounting methods;
- before presentation to the Board of Directors, review the parent company and consolidated financial statements, budgets and forecasts and, to this end, review the annual, half-year and, where applicable, quarterly financial statements, the accounting principles and methods, the Company's audit and internal control principles and methods, and the analyses and reports concerning financial reporting and accounting policies;
- ensure the quality of and compliance with internal control procedures and their application;
- review the inventory of ordinary agreements entered into on arm's length terms transmitted by the Company's management and submit to the Board of Directors its analysis and recommendations for the purposes of the Board of Directors' annual review of regulated agreements and ordinary agreements;
- determine the rules concerning the engagement of the statutory auditors on assignments other than those related to the audit of the financial statements and entrust additional audit assignments to external auditors;
- oversee the selection, appointment and re-appointment of the statutory auditors, provide an opinion on the amount of professional fees requested by the auditors, verify their independence and impartiality in the case of statutory auditors belonging to a network that provides both auditing and advisory services and submit the results of its work to the Board of Directors;
- review the schedule for the statutory auditors' inspections, their audit findings, recommendations and the follow-up thereof;
- more generally, review, control and evaluate anything that might affect the truth and accuracy of the financial statements and non-financial information;
- assume any other duties assigned to the Audit and Risk Committee by law or the AFEP-MEDEF Code.

The Audit and Risk Committee meets at least twice a year, prior to Board meetings whose agenda includes the following items:

- review of the half-year and full-year parent company and consolidated financial statements including related audit reports;
- review of the budget.

To carry out its duties, the Audit and Risk Committee sees that all requisite and useful information is communicated to it sufficiently in advance of the relevant meeting so that the members have sufficient time to review such information before the meeting. The committee conducts any interviews, with any persons, that may be necessary or useful with regard to the fulfillment of its duties, subject, for a person outside the JACQUET METALS Group, to obtaining the prior authorization of the Chairman of the Board of Directors.

The Audit and Risk Committee is informed by the Chairman of the Board of Directors, the Company's management or the statutory auditors of any event that may expose the Company to a material risk. The Chairman of the Board of Directors is also required to present to the committee on a half-yearly basis an analysis of all risks to which the Company and its subsidiaries are or may be exposed, including those of a social and environmental nature.
The committee issues a recommendation on the statutory auditors proposed for appointment by the General Meeting or the body exercising a similar function.

The committee also monitors potential risks incurred by the JACQUET METALS Group.

Activity of the Audit and Risk Committee

The Audit and Risk Committee met three times in 2022 and had an attendance rate of 100%.

Its work primarily consisted of:

- managing the expiry of the term of the statutory auditors;
- reviewing the annual and half-yearly financial statements of the JACQUET METALS Group and the Company, as well as management planning documents;
- overseeing the proper application of accounting principles;
- checking that the year-end procedures and review of the statutory auditors' findings following completion of their audits were performed correctly;
- reviewing the budget;
- following up on the recommendations of the statutory auditors;
- examining the findings of specific audit engagements;
- considering the approach proposed for the organization of internal control;
- identifying and monitoring risks and insurance;
- following up on the progress of the various measures provided for by the General Data Protection Regulation ("GDPR");
- assessing compliance activities.

Assessment of the work of the Audit and Risk Committee

The members of the Audit and Risk Committee reviewed and assessed the work of the committee. This assessment was performed by committee members and primarily covered committee membership, frequency and length of meetings, the quality of the discussions, the work of the committee, communication of information to committee members, committee members' compensation and access to JACQUET METALS Group management.

2.2.5.6.2 Appointment and Compensation Committee

Membership of the Appointment and Compensation Committee

The Appointment and Compensation Committee comprises three members:

- Gwendoline Arnaud (Chairwoman), Independent director;
- Alice Wengorz, Independent director;
- Henri-Jacques Nougein, Non-independent director.

In 2022, the Board of Directors appointed Gwendoline Arnaud as Chairwoman of the Appointment and Compensation Committee to replace Henri-Jacquet Nougein, so that the committee would be chaired by an independent director.

Appointment and Compensation Committee tasks

In accordance with the Internal Regulations, the Appointment and Compensation Committee's tasks are to:

- communicate to the Board of Directors all proposals regarding all compensation and benefits of executive officers. It also issues a recommendation on the amount and terms of distribution of the compensation allocated to the directors;
- organize the selection procedure for future independent directors and propose to the Board of Directors the recruitment of new directors or Chief Executive Officer(s) and more particularly, the determination of and changes to all components of their compensation;
- prepare a succession plan for executive officers in order to propose solutions, particularly in the event of unforeseen vacancies;
- participate, for the subjects and themes concerning it, in the preparation of the annual report;
- where applicable, communicate to the Board of Directors any recommendations on the compensation policy for the main executives who are not corporate officers;

- assume any other duties assigned to the Appointment and Compensation Committee by the AFEP-MEDEF Code.

To this end, the Appointment and Compensation Committee sees that all requisite and useful information is communicated to it sufficiently in advance of the relevant committee meeting so that the members have sufficient time to review such information before the meeting. The committee conducts any interviews, with any persons, that may be necessary or useful with regard to the fulfillment of its duties.

Activity of the Appointment and Compensation Committee

The Appointment and Compensation Committee met twice in 2022 and had an attendance rate of 100%.

Its work primarily focused on reviewing:

- the renewal of directors' terms of office;
- the manner in which Senior management is exercised: proposal on whether or not to separate the positions of Chairman of the Board of Directors and Chief Executive Officer;
- the appointment and determination of the powers and compensation of the Chairman of the Board of Directors and Chief Executive Officer;
- the appointment and determination of the powers and compensation of the Deputy Chief Executive Officer, the non-compete clause and termination benefit of the Deputy Chief Executive Officer;
- the wage policy with respect to JACQUET METALS Group company senior executives, and compensation of corporate officers in relation to the size of the JACQUET METALS Group and the recommendations of the AFEP-MEDEF Code;
- the wage policy with respect to JACQUET METALS Group company senior executives - Equity ratio;
- the executive officer succession plan;
- the membership of the Board of Directors and committees and the independence of the directors;
- details provided to shareholders regarding corporate officer compensation;
- the compensation package allocated to directors.

The Chairman and Chief Executive Officer is associated with the work of the Appointment and Compensation Committee for matters relating to the compensation of senior managers who are not corporate officers.

Assessment of the work of the Appointment and Compensation Committee

The members of the Appointment and Compensation Committee reviewed and assessed the work of the committee.

The Appointment and Compensation Committee concluded that the frequency of its meetings, which varies from year to year depending on the number of issues to be discussed, the length of meetings and the information provided in advance to each committee member, enabled it to duly perform its duties.

3 Compensation paid to corporate officers

As of the date of publication of this Universal Registration Document, and since July 20, 2010, the executive officers are Éric Jacquet, Chairman and Chief Executive Officer, and Philippe Goczol, Deputy Chief Executive Officer. They were reappointed for new terms on June 24, 2022.

The current term of the Chairman and Chief Executive Officer is two years, renewable, corresponding to his term as director. The term of current directorships is also two years. The term of the Deputy Chief Executive Officer is two years, corresponding to the period during which Éric Jacquet is Chief Executive Officer.

All offices may be terminated by the Board of Directors at any time. No employment contract has been concluded between the Company or a company of the JACQUET METALS Group and the Chairman and Chief Executive Officer. The same applies for the Deputy Chief Executive Officer.

3.1 Compensation policy

3.1.1 General description

- This §3.1 describes and makes a distinction between the fixed, variable and exceptional components of the compensation and benefits paid to corporate officers. It also sets out the criteria taken into account and the circumstances in which such compensation is granted.

- The Board of Directors, on the recommendation of the Appointment and Compensation Committee, sets a compensation policy for corporate officers that is consistent with the Company's corporate interest. This policy takes into account (I) the recommendations of the AFEP-MEDEF Code, (II) the conditions governing the compensation of JACQUET METALS Group senior executives, and (III) the practices observed in groups or companies of comparable size.

  The compensation policy and its components are analyzed and reviewed annually by the Appointment and Compensation Committee, which examines any proposed changes. The committee makes its recommendations to the Board of Directors, which discusses them at a meeting and then decides on the terms of the policy.

  Unless otherwise provided for, the compensation policy is applicable to all corporate officers, whether reappointed during the year or newly appointed.

  The Board of Directors may exceptionally deviate from the compensation policy in the event of a change in the Company's organization or governance.

- Executive officers do not take part in the Board's discussions and assessments of their performance, and leave the meeting in order to avoid any conflict of interest. Their compensation includes:

  - fixed annual compensation, reviewed from time to time to ensure its consistency with the Company's performance and developments;
  - variable compensation, which is balanced in relation to total compensation; it is linked mainly to the Group's performance and may also include an attendance bonus.

  It is specified that the Chairman does not receive any compensation for his duties.

- Lastly, directors' compensation takes into account their actual attendance at Board and committee meetings. This compensation encourages the directors to take an active part in the Company's strategy. The compensation package allocated to directors is reviewed from time to time to take into account changes in the membership of the Board.

3.1.2 Components of the compensation of corporate officers

3.1.2.1 Compensation paid to directors

On the recommendation of the Appointment and Compensation Committee, the Board of Directors proposes to the General Meeting an overall package for the compensation of directors.

The maximum amount of compensation allocated to directors will be €275,000 per year for 2023 and subsequent years, subject to the approval of the resolution to be presented to the Company's General Meeting in 2023.

The Board of Directors will periodically review the appropriateness of this compensation.

For 2023 and subsequent years, the compensation allocated to the directors is as follows:

Board of Directors	Annual amount per director*
	€14,000

Specialized committees	Per Committee meeting
Chairman	€3,325
Member	€1,820

* In proportion to their actual attendance.

3.1.2.2 Compensation paid to executive officers

Fixed compensation

Fixed compensation is determined taking into account the level of responsibility, experience in the position and in the field of activity of the JACQUET METALS Group and practices observed in groups or companies of comparable size.

Annual variable compensation

Annual variable compensation is based on two sets of criteria:

Quantitative
Quantitative criteria are covered by the Profit Bonus Manager Group ("PBMG"), which is calculated based on the ratio of net income (Group share) to consolidated sales. The PBMG consists of the variable compensation of certain executives of the JACQUET METALS Group.
There are no fixed targets.

The gross variable annual compensation based on quantitative criteria is capped at:

- 150% of the fixed annual compensation for the Chief Executive Officer;
- €200,000 gross for the Deputy Chief Executive Officer.

Qualitative
Qualitative criteria concern the Chief Executive Officer and are set by the Board of Directors on the recommendation of the Appointment and Compensation Committee, which assesses their achievement and the level of annual compensation. Some qualitative criteria may be pre-established and precisely defined but not made public for confidentiality reasons.

Executive corporate officers may also receive exceptional compensation, which is left to the discretion of the Appointment and Compensation Committee and approved by the Board of Directors.

3.1.2.2.1 Compensation of the Chief Executive Officer

Fixed compensation

The Chief Executive Officer's gross annual fixed compensation, paid in 12 monthly installments, has been €650,000 since 2019. It will not change in 2023.

Annual variable compensation

The Chief Executive Officer's gross annual variable compensation is based on two types of criteria, quantitative and qualitative.

Quantitative
They are calculated based on the PBMG method. The PBMG is 6,000% of a base equal to 100. The overall amount is capped at 150% of the fixed annual compensation allocated to the Chief Executive Officer.

Qualitative
They are based on the Group's development and the implementation and promotion of a CSR (Corporate Social Responsibility) strategy within the Group. Its amount is capped at 10% of the fixed annual compensation allocated to the Chief Executive Officer.

These criteria are assessed by the Appointment and Compensation Committee.

Total annual variable compensation is capped at 160% of gross annual fixed compensation.

Exceptional compensation, grants of free shares or stock options

The Chief Executive Officer may also receive exceptional compensation in the form of bonuses or other payments, at the discretion of the Appointment and Compensation Committee and subject to the approval of the Board of Directors, as well as grants of free shares or stock options.

Compensation as a director

The Chief Executive Officer receives compensation for his duties as a director.

Retirement benefit and supplementary pension

The Chief Executive Officer may be entitled to a retirement benefit for which the Company contributes to an insurance company in accordance with a calculation method common to all employees.
The Company pays supplementary pension contributions based on a calculation method common to Company employees and, where applicable, senior managers and other corporate officers.

Welfare protection

He also benefits from the supplementary welfare protection system in force within the Company for all salaried employees.

Reimbursement of expenses

He is reimbursed for his duties, and the travel, representation and reception expenses incurred in the interest and for the needs of the Company, on the basis of the corresponding supporting documents.

3.1.2.2.2 Compensation of the Deputy Chief Executive Officer

Fixed compensation

The Deputy Chief Executive Officer's gross annual fixed compensation, paid in 12 monthly installments, has been €210,000 since 2021. It will not change in 2023.

Annual variable compensation

His annual variable compensation is calculated based on the PBMG method used within the Group.
It has been composed as follows since January 1, 2022:

- part 1: PBMG of 1,000% of a base equal to 100, capped at €200,000 gross, giving right to an attendance bonus;
- part 2: PBMG of 1,000% of a base equal to 100, capped at €50,000 gross, not giving right to an attendance bonus;
  The PBMG is capped at €200,000 gross.

Annual attendance bonus

The Deputy Chief Executive Officer is entitled to a gross annual bonus known as the "Attendance Bonus", for which the amount for the year under review (year N), paid in January of the subsequent year (N+1), is calculated as follows in proportion to attendance:

0.5 × PBMG Part 1 of the reference year N-1 that was paid during year N
+
0.5 × PBMG Part 1 of the reference year N-2 that was paid during year N-1

In the event of cumulative absence, excluding paid leave and public holidays, exceeding 130 working days during the same year, no Attendance Bonus is payable. In the event of termination of the duties of the Deputy Chief Executive Officer at any time during the year under review, whatever the cause and origin, no Attendance Bonus shall be payable for that year.

Exceptional compensation, grants of free shares or stock options

The Deputy Chief Executive Officer may also receive exceptional compensation in the form of bonuses or other payments, at the discretion of the Appointment and Compensation Committee and subject to the approval of the Board of Directors, as well as grants of free shares or stock options.

Retirement benefit and supplementary pension

The Deputy Chief Executive Officer may be entitled to a retirement benefit for which the Company contributes to an insurance company in accordance with a method of calculation common to all employees.
The Company pays contributions for retirement benefits and supplementary pension contributions based on a calculation method common to Company employees and, where applicable, senior managers and other corporate officers.

Unemployment insurance

The Deputy Chief Executive Officer is entitled to a GSC-type directors' unemployment insurance policy, which provides for payment of an indemnity during a period of no more than 18 months as from the month following the date when the event covered by the policy occurred.

Welfare protection

He also benefits from the supplementary welfare protection system in force within the Company for all salaried employees.

Reimbursement of expenses

The Deputy Chief Executive Officer is reimbursed for his duties, and the travel, representation and reception expenses incurred in the interest and for the needs of the Company, on the basis of the corresponding supporting documents.

Indemnity for the termination or non-renewal of the Deputy Chief Executive Officer's term of office

On November 15, 2010, the Board of Directors decided that the Deputy Chief Executive Officer will benefit from an indemnity for the termination or non-renewal of his duties as Deputy Chief Executive Officer of the Company.

At its meeting of June 24, 2022, the Board of Directors renewed its approval of the terms and conditions of the payment, identical to those set at its November 15, 2010 meeting.

Conditions for awarding the indemnity
The Deputy Chief Executive Officer is entitled to a severance payment in the following cases, subject to the determination by the Board of Directors that the performance conditions have been met:

- dismissal by the Board of Directors;
- non-renewal by the Board of Directors of his term of office, unless the Deputy Chief Executive Officer is given the chance to perform other duties, whether salaried or not, within the Company and / or any of its affiliates, in return for an annual compensation corresponding to half the gross amount of the gross compensation actually received (fixed and variable, excluding stock options and / or grants of free shares) by the Deputy Chief Executive Officer during the 24 months preceding the month in which one of the cases for granting the severance payment occurs. The gross salary as shown on the Deputy Chief Executive Officer's pay slips will be used to calculate the compensation received over the last 24 months.

Lastly, the Board of Directors decided that no severance payment will be payable to the Deputy Chief Executive Officer if the termination or non-renewal of his term of office occurs after the date on which he claimed his right to retirement or has retired.

Calculation of the indemnity on the basis of performance criteria
The amount of the indemnity will be based on the change in the Company's theoretical enterprise value (TEV) between:

- 2010, when the current Deputy Chief Executive Officer took office; and
- the average TEV for the Benchmark Period of the starting year and the two previous years.
  This indemnity will be equal to:
  - six months' salary if the TEV has increased by an average of 3-6% per year compared to 2010; and
  - 12 months' salary if the average increase in the TEV is greater than 6% per year. No indemnity will be paid if the average increase in the TEV is less than 3% per year.

The following elements are taken into account to calculate compensation:

- Reference salary: average gross fixed and variable compensation (PBMG, Attendance Bonus, or any other variable compensation) payable for the last three financial years available on the date of departure ("Salary"). Compensation does not include stock options or bonus share allocations;
- TEV = average market capitalization + average debt of the JACQUET METALS Group
  - average market capitalization: number of shares (recorded at the end of the benchmark period for the year of departure) multiplied by the average of the average daily volume-weighted share price over the benchmark period;
  - average debt: average net debt at the end of the last two benchmark periods;
- Benchmark period:
  - if departure occurs before the date of the Board of Directors' meeting called to review the half-year financial statements for the year of departure (year N), and no later than September 1 of year N, the benchmark period for the year of departure will correspond to the most recent full financial year (N-1). The two previous benchmark periods are therefore financial years N-2 and N-3;
  - if departure occurs after the date of the Board of Directors' meeting called to review the half-year financial statements for the year of departure (year N), but before the date on which the Board of Directors reviews the full-year financial statements for the same year (which must be prior to March 1), the benchmark period for the year of departure will correspond to the 12 months preceding the half-year closing date (N). The two prior benchmark periods are determined in the same way for the 12 months preceding the closing of the first half-year N-1 and the first half-year N-2.

Non-compete clause

On November 15, 2010, on the recommendation of the Appointment and Compensation Committee, the Board of Directors approved a non-compete clause with the Deputy Chief Executive Officer to apply after he leaves the Company. On March 13, 2019 the Board of Directors decided to amend the Deputy Chief Executive Officer's non-compete clause such that no financial consideration would be payable once he had claimed his retirement entitlements and that no indemnity would be paid to him upon reaching the age of 65.
The Board of Directors renewed its approval at its meeting on June 24, 2022.

This commitment provides for a one-year undertaking not to compete directly or indirectly, in the Benelux countries, mainland France or adjacent countries, in any manner whatsoever, including e-commerce, with activities carried out by the Company or by companies of the JACQUET METALS Group. During the contractual non-compete period, the Company will pay the Deputy Chief Executive Officer a special monthly financial consideration equal to his monthly compensation (hereinafter "MC") × 0.6.

MC equals the total gross compensation actually received by the Deputy Chief Executive Officer over the 12 months preceding the month in which his duties are terminated, divided by 12. "Compensation received" means the fixed and variable compensation (PBMG Group manager profit-share, Attendance Bonus and any other variable compensation that the Deputy Chief Executive Officer may receive during his term of office, where applicable). Compensation does not include stock options or bonus share allocations. The gross salary as shown on the pay slips of the Deputy Chief Executive Officer will be used to calculate the compensation received over the prior 12 months.

The Company reserves the right to waive the non-compete clause, upon prior authorization of the Board of Directors, and consequently not to pay the financial compensation.

It is specified that the rule of capping termination benefits and non-compete indemnities at two years' compensation, as prescribed by the AFEP-MEDEF Code, is complied with.

3.2 Components of the total compensation and benefits of any kind paid to corporate officers during 2022 or granted in respect of that year

Pursuant to Article L. 225-37-2 of the French Commercial Code, the payment of all variable compensation is subject to approval by the Ordinary General Meeting of Shareholders.

The compensation described below complies with the compensation policy adopted by the June 24, 2022 General Meeting which ruled on the 2022 compensation policy. The results are as follows:

Resolution n°19 - Compensation of Éric Jacquet	74.31%
Resolution n°20 - Compensation of Philippe Goczol	74.50%
Resolution n°21 - Benefits granted to Philippe Goczol	74.02%
Resolution n°22 - Compensation of directors	91.72%

Equity ratios

Pursuant to Article L. 22-10-9 of the French Commercial Code, changes from 2018 in the equity ratio between the level of compensation of executive officers and the average and median compensation of the Company's employees are presented below.

Methodology for calculating the ratio:

- scope of the Company JACQUET METALS SA;
- fixed and variable compensation paid during the year under review;
- all full-time employees in France on fixed-term or permanent contracts, excluding work-study students, interns and temporary staff, expatriates and part-time employees;
- taking into account, for each year, employees present throughout the year.

The equity ratio table takes into account the AFEP guidelines updated in February 2021 for the Company's scope.

Equity ratio table pursuant to paragraphs I-6° and 7° of Article L. 22-10-9 of the French Commercial Code

Year ended 31.12	2022	2021	2020	2019	2018
Total compensation paid to Éric Jacquet, Chairman and Chief Executive Officer (in €k) [1]	1,639	756	664	1,253	1,037
Change in compensation vs. previous year	*117%*	*14%*	*-47%*	*21%*	*61%*
Total compensation paid to Philippe Goczol, Deputy Chief Executive Officer (in €k) [1]	478	297	365	373	315
Change in compensation vs. previous year	*61%*	*-18%*	*-2%*	*19%*	*17%*
Information on the scope					
Average employee compensation	330	220	192	166	146
Change in average employee compensation vs. previous year	*50%*	*15%*	*16%*	*14%*	*21%*
Median employee compensation	216	155	74	67	64
Change in median employee compensation vs. previous year	*39%*	*109%*	*10%*	*6%*	*-1%*
Compensation of Éric Jacquet					
Ratio to average employee compensation	5	3	3	8	7
Change in ratio vs. the previous year	*45%*	*-1%*	*-54%*	*6%*	*33%*
Ratio to median employee compensation	8	5	9	19	16
Change in ratio vs. the previous year	*56%*	*-45%*	*-52%*	*15%*	*62%*
Compensation of Philippe Goczol					
Ratio to average employee compensation	1	1	2	2	2
Change in ratio vs. the previous year	*7%*	*-29%*	*-16%*	*4%*	*-3%*
Ratio to median employee compensation	2	2	5	6	5
Change in ratio vs. the previous year	*15%*	*-61%*	*-12%*	*12%*	*18%*
Group performance (€k)					
Consolidated sales	2,683	1,970	1,365	1,615	1,745 [2]
Change vs. previous year	*36%*	*44%*	*-15%*	*-7%*	*0%*
Adjusted operating income	263	175	24	43	88 [2]
Change vs. previous year	*51%*	*619%*	*-43%*	*-51%*	*4%*
Net income (Group share)	180	121	11	25	62
Change vs. previous year	*49%*	*979%*	*-54%*	*-60%*	*33%*

1 Compensation paid during the year, excluding the benefits in kind and / or the post-employment benefits.
2 Proforma datas.

3.2.1 Compensation of directors for 2022

On June 24, 2022, the General Meeting renewed the compensation package allocated to directors in the amount of €275,000.

Summary table of compensation allocated

	2022		2021	
Gross amounts (€k)	**Amounts payable**	**Amounts paid**	**Amounts payable**	**Amounts paid**
Éric Jacquet	11.66	13.50	13.50	12.25
Jean Jacquet	14.00	13.50	13.50	16.00
Gwendoline Arnaud	17.64	17.00	17.00	15.42
Séverine Besson	14.00	13.50	13.50	12.25
Jacques Leconte	17.64	18.75	18.75	17.00
Henri-Jacques Nougein	18.31	19.90	19.90	18.05
Dominique Takizawa	23.97	23.10	23.10	9.02
Pierre Varnier	17.12	18.75	18.75	7.71
Alice Wengorz	17.64	17.00	17.00	15.42
JSA (Ernest Jacquet)	19.46	18.75	18.75	9.75
Wolfgang Hartmann	-	-	-	5.67
Françoise Papapietro	-	-	-	6.13
Total	**171.44**	**173.75**	**173.75**	**144.68**

The Company's non-executive corporate officers are not bound by employment contracts within the Group. The only compensation they receive for the performance of their duties takes the form of a compensation package, which is awarded on the basis of their actual attendance of Board and committee meetings. As such, table 3 appearing in AMF recommendation 2021-02 is not included.

3.2.2 Compensation of executive officers for 2022

Table 1

Gross amounts (€k)	**2022**	**2021**
Éric Jacquet		
Compensation awarded for the year*	1,652.91	1,645.94
Valuation of options awarded during the year	None	None
Valuation of performance shares granted during the year	None	None
Valuation of other long-term compensation plans	None	None
Philippe Goczol		
Compensation awarded for the year*	522.83	483.00
Valuation of options awarded during the yeas	None	None
Valuation of performance shares granted during the year	None	None
Valuation of other long-term compensation plans	None	None

* Compensation payable for each year (detailed in Table 2) including respectively the accounting valuation of the supplementary pension scheme for Éric Jacquet and the unemployment agreement for Philippe Goczol.

Éric Jacquet and Philippe Goczol receive no compensation from any other company belonging to the Group.

Details of the compensation of Éric Jacquet, Chairman and Chief Executive Officer, for 2022

Table 2	2022		2021	
Gross amounts (€k)	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	650.00	650.00	650.00	650 .00
Annual variable compensation	975.00	975.00	975.00	94.00
Exceptional compensation	-	-	-	-
Compensation allocated for the office of director	11.66	13.50	13.50	12.25
Benefits in kind	16.25	16.25	7.44	7.44
Total	**1,652.91**	**1,654.75**	**1,645.94**	**763.69**

Components of Éric Jacquet's compensation

Components of compensation submitted to a vote	Amounts (or accounting valuation) paid or allocated during the year ended	Presentation
Fixed compensation	€650,000	Fixed compensation has amounted to €210,000 since 2021. This compensation was approved by the June 24, 2022 General Meeting.
Annual variable compensation	€975,000	On the proposal of the Appointment and Compensation Committee, the Board of Directors decided on March 14, 2023 to grant variable compensation, in application of the PBMG as described in §3.1.2.2. The PBMG is capped at 150% of the annual fixed compensation. In this case, the PBMG paid amounts to €975,000, i.e. 150% of the annual fixed compensation.
Multi-year variable compensation	n.a.	Éric Jacquet does not receive multi-year variable compensation.
Allocation of performance shares	n.a.	Éric Jacquet was not granted any performance shares.
Exceptional compensation	n.a.	Éric Jacquet does not receive any exceptional compensation.
Compensation allocated for the office of director	€11,667	As a member of the Board of Directors, Éric Jacquet receives compensation for his duties under the same conditions as other directors, as set out in §3.2.2.
Valuation of benefits of all kinds	n.a.	Éric Jacquet does not receive any benefits in kind.
Termination benefit	n.a.	Éric Jacquet does not receive any termination benefit.
Non-compete indemnity	n.a.	Éric Jacquet does not receive any non-compete indemnity.
Supplementary pension scheme	€16,250	Éric Jacquet benefits from a supplementary pension plan.

n.a.: Not applicable.

Details of the compensation of Philippe Goczol, Deputy Chief Executive Officer, for 2022

Table 2	2022		2021	
Gross amounts (€k)	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	210.00	210.00	210.00	210.00
Annual variable compensation	307.83	268.00	268.00	75.00
Exceptional compensation	-	-	-	13.00
Compensation allocated for the office of director	-	-	-	-
Benefits in kind	-	-	-	-
Post-employment benefits	5.00	5.00	5.00	5.00
Total	**522.83**	**483.00**	**483.00**	**303.00**

Components of Philippe Goczol's compensation

Components of compensation submitted to a vote	Amounts (or accounting valuation) paid or allocated during the year ended	Presentation
Fixed compensation	€210,000	Fixed compensation has amounted to €210,000 since 2021. This compensation was approved by the June 24, 2022 General Meeting.
Annual variable compensation	€307,837	On the recommendation of the Appointment and Compensation Committee, the Board of Directors decided on March 14, 2023 to grant variable compensation, in application of the PBMG as described in §3.1.2.2. The PBMG is capped at €200,000. In 2022, the PBMG paid amounted to €200,000. In addition, Philippe Goczol receives an Attendance Bonus of €107,837 as described in §3.1.2.2.
Multi-year variable compensation	n.a.	Philippe Goczol does not receive multi-year variable compensation.
Allocation of performance shares	n.a.	Philippe Goczol was not granted any performance shares.
Exceptional compensation	n.a.	Philippe Goczol does not receive any exceptional compensation.
Compensation allocated for the office of director	n.a.	Philippe Goczol is not a director.
Valuation of benefits of all kinds	n.a.	Philippe Goczol does not receive any benefits in kind.
Termination benefit	No amount received	Philippe Goczol is entitled to a termination package, the terms of which are described in §3.1.2.2.
Non-compete indemnity	No amount received	Philippe Goczol is entitled to a non-compete indemnity, the terms of which are described in §3.1.2.2.
Unemployment insurance	€5,237	Philippe Goczol benefits from unemployment insurance for company executives and managers (GCS contribution).
Supplementary pension scheme	n.a.	Philippe Goczol does not benefit from a supplementary pension plan. He may be entitled to a retirement benefit for which the Company contributes to an insurance company in accordance with a method of calculation common to all employees.

n.a.: Not applicable.

3.3 Other information on the compensation of executive officers

Contractual status of corporate officers

Table 11

	Employment contract		Supplementary pension scheme		Indemnities or benefits *		Indemnities relating to a non-compete clause	
Executive officers	**yes**	**no**	**yes**	**no**	**yes**	**no**	**yes**	**no**
Éric Jacquet • Chairman and CEO since 20.07.10		√	√			√		√
Philippe Goczol • Deputy CEO since 20.07.10		√		√	√		√	

* Indemnities or benefits actually or potentially payable as the result of termination or a change in duties.

The Company does not include the tables from AMF recommendation 2021-02 listed below because the executive officers do not receive the compensation described therein:

- table 4 - Stock options granted during the year to each executive officer by the issuer or by any company of the Group;
- table 5 - Stock options exercised during the year by each executive officer;
- table 6 - Performance shares granted during the year to each executive officer by the issuer or by any company of the Group;
- table 7 - Performance shares vesting during the year for each executive officer;
- table 8 - History of grants of stock options;
- table 9 - History of grants of preference shares;
- table 10 - Summary table of multi-year variable compensation for each executive officer.

3.4 Service agreements providing for the award of benefits on expiry

There are no service contracts binding the corporate officers to the issuer or any of its subsidiaries and providing for the granting of benefits at the end of such contracts.

4 Additional information on corporate governance

4.1 Authorized regulated agreements and commitments

4.1.1 Authorized regulated agreements and commitments

See §4-Statutory Auditors' special report on regulated agreements, in 6-2022 Results - JACQUET METALS SA.

4.1.2 Agreements entered into in the ordinary course of business on arm's length terms

In accordance with Articles L. 22-10-12 and L. 22-10-29 of the French Commercial Code, the Board of Directors has established a procedure for regularly assessing whether agreements entered into by the Company with its Chief Executive Officer, one of its Deputy Chief Executive Officers, directors, or shareholders holding more than 10% of the voting rights, or, in the case of a corporate shareholder, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code and relating to ordinary agreements entered into on arm's length terms, meet these conditions.

With regard to agreements entered into in the ordinary course of business on arm's length terms, note the following items:

- both criteria regarding ordinary course of business and arm's length terms must be satisfied;
- given that ordinary agreements entered into on arm's length terms are excluded from the regulated agreement authorization procedure provided for by Article L. 225-38 of the French Commercial Code, it is necessary to verify periodically that the criteria for classification as such agreements are duly met;
- agreements entered into between the Company and Group companies in which the Company directly or indirectly holds all of the share capital (less the minimum number of shares required to meet statutory requirements, where applicable) are excluded from this assessment procedure given that they are by definition excluded from the regulated agreement procedure pursuant to Article L. 225-39 of the French Commercial Code.

With regard to the annual assessment procedure:

- Company management draws up an annual inventory of ordinary agreements entered into on arm's length terms between the Company and non-wholly owned subsidiaries (less the minimum number of shares required to meet statutory requirements, where applicable) or with the persons defined by Article L. 225-38 of the French Commercial Code;
- every year, before approving the financial statements for the year ended, Company management forwards the aforementioned inventory of ordinary agreements entered into on arm's length terms to the Audit and Risk Committee;
- the Audit and Risk Committee reviews this inventory and submits its analysis and recommendations to the Board of Directors for the purposes of the annual Board review of regulated agreements and ordinary agreements;
- persons having a direct or indirect interest in a given agreement must not take part in its assessment.

4.2 Provisions of the bylaws applicable to shareholder participation in General Meetings

The terms and procedures regarding shareholder participation in the General Meeting are set out in Articles 23 to 28 of the Company bylaws.

4.2.1 Notice of Meetings

General Meetings are convened and deliberate in accordance with the conditions provided for by law. The agenda is set by the author of the notice of meeting. However, one or more shareholders may, under the conditions provided for by law, request that draft resolutions be placed on the agenda.

The Meeting is held at the registered office or at any other place indicated in the notice of meeting.

The notice of the General Meeting is published in the Bulletin des Annonces Légales Obligatoires (BALO) in accordance with the conditions provided for by law and regulations.

General Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman or a member of the Board of Directors specially delegated for this purpose by the Board.

The duties of scrutineer are fulfilled by the two shareholders present and accepting those duties, representing, either by themselves or as proxies, the largest number of votes. The office thus composed appoints a secretary who need not be a shareholder.

The deliberations of General Meetings are recorded in minutes signed by the members of the office and consigned in a special register in accordance with the law. Copies or extracts of the minutes are issued and certified in accordance with the law.

4.2.2 Attendance at Meetings

All shareholders have the right to attend General Meetings provided that their shares are fully paid up, in accordance with the laws and regulations in force and within the framework defined by those texts.

The right to attend General Meetings or to be represented at them is subject to the registration of the shares in the name of the shareholder at midnight (Paris time) on the second business day preceding the Meeting, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorized intermediary.

In accordance with Article 24 of the Company bylaws, any shareholder may also, if so specified in the notice of meeting, participate in the meeting by means of videoconference, electronic telecommunication or data transmission technology, subject to applicable statutory or regulatory conditions. Shareholders participating in meetings by such means shall be deemed present for the purpose of calculating quorum and majority.

4.3 Information relating to factors liable to impact a takeover bid

Factors liable to contribute to delaying a change of control, if any, are as follows:

- restrictions in the bylaws on the exercise of voting rights and share transfers: Article 10 of the Company bylaws requires any individual or legal entity, acting alone or in concert, whose shareholding exceeds or falls below 1% of the share capital or voting rights, or any multiple of this percentage up to one-third of the share capital, are required to notify the Company thereof, within five trading days following the crossing of the shareholding threshold, by registered letter with acknowledgment of receipt sent to the Company's registered office;
- double voting rights are granted to all fully paid-up shares that have been registered in the name of the same shareholder for at least two years;
- powers of the Board of Directors to buy back shares: the General Meeting of June 24, 2022 granted the Board of Directors the powers necessary to launch a share buyback; this delegation of authority will be renewed subject to approval by the General Meeting of June 2023;
- delegations of authority and powers granted by the General Meeting to the Board of Directors concerning the issue of shares;
- change of control clauses: certain contracts to which the Company is a party may be modified or terminated in the event of a change of control.

Type of contract	Contracting parties	Purpose
Syndicated revolving loan 2024	5 banks	€125 million syndicated loan maturing in June 2024
Schuldscheindarlehen 2024-2025	Various lenders	December 2024 (tranche 1: €36 million) and January 2025 (tranche 2: €34 million)
Schuldscheindarlehen 2026	Various lenders	Loan in a total amount of €150 million maturing in July 2026

4.4 Terms of office of the statutory auditors

ERNST & YOUNG et Autres

Tour Oxygène - 10 boulevard Vivier Merle 69003 Lyon

ERNST & YOUNG et Autres, statutory auditor since June 30, 2011, was reappointed by the General Meeting of June 30, 2017 for a term of six years, i.e. until the end of the General Meeting to be held in 2023 to approve the financial statements for the year ended December 31, 2022.

ERNST & YOUNG et Autres is represented by Lionel Denjean.

Grant Thornton

44 quai Charles de Gaulle 69463 Lyon cedex 06

Grant Thornton, statutory auditor since June 26, 2014, was reappointed by the General Meeting of June 26, 2020 for a term of six years, i.e. until the end of the General Meeting to be held in 2026 to approve the financial statements for the year ending December 31, 2025.

Grant Thornton is represented by Robert Dambo.

4.5 Delegations of authority regarding capital increases

The following authorization granted to the Board of Directors by the June 24, 2022 General Meeting is still in effect:

Delegation of authority	General Meeting	Maturity	Maximum authorized amount per transaction	Overall maximum authorized amount
Delegation of authority to increase the Company's share capital via the capitalization of premiums, reserves, earnings or other. *- Resolution 25*	24.06.22	24.08.24	€8,000,000	€8,000,000
Delegation of authority to increase the Company's share capital via the issuance of shares and / or securities granting access to the Company's share capital, with maintenance of preferential subscription rights, and / or via the issuance of securities conferring the right to allotment of debt securities. *- Resolutions 26 and 31*	24.06.22	24.08.24	**Capital increase*:** €8,000,000 **Issuance of debt securities:** €120,000,000	**Capital increase*:** €12,000,000 **Issuance of debt securities:** €175,000,000
Delegation of authority to increase the Company's share capital via the issuance of shares and / or transferable securities granting access to the Company's share capital, by way of public offerings without preferential subscription rights, and / or via the issuance of transferable securities conferring the right to allotment of debt securities *- Resolutions 27 and 31*	24.06.22	24.08.24	**Capital increase*:** €8,000,000 **Issuance of debt securities:** €120,000,000	**Capital increase*:** €12,000,000 **Issuance of debt securities:** €175,000,000
Delegation of authority to decide to increase the Company's share capital via the issuance of shares and / or transferable securities granting access to the Company's share capital, without preferential subscription rights, without a public offering as referred to in paragraph 1° of Article L. 411-2 of the French Monetary and Financial Code *- Resolutions 28 and 31*	24.06.22	24.08.24	**Capital increase*:** €8,000,000 **Issuance of debt securities:** €120,000,000	**Capital increase*:** €12,000,000 **Issuance of debt securities:** €175,000,000
Authorization, in the event of an increase in the Company's share capital via the issuance of shares and / or transferable securities granting access to the Company's share capital without preferential subscription rights, to set an issue price in accordance with the procedure approved by the General Meeting *- Resolutions 29 and 31*	24.06.22	24.08.24	10% of the share capital	**Capital increase*:** €12,000,000 **Issuance of debt securities:** €175,000,000
Authorization to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights. *- Resolutions 30 and 31*	24.06.22	24.08.24	Subject to the cap provided for in the resolution concerning the relevant issue	**Capital increase*:** €12,000,000 **Issuance of debt securities:** €175,000,000
Delegation of powers to the Board of Directors to issue shares or transferable securities granting access to the Company's share capital without preferential subscription rights as consideration for in-kind contributions of shares or transferable securities. *- Resolution 32*	24.06.22	24.08.24	10% of the share capital	10% of the share capital
Delegation of authority to the Board of Directors to issue shares and / or transferable securities granting access to the Company's share capital in the event of a public exchange offer initiated by the Company. *- Resolution 33*	24.06.22	24.08.24	**Capital increase*:** €8,000,000 **Issuance of debt securities:** €120,000,000	**Capital increase*:** €8,000,000 **Issuance of debt securities:** €120,000,000
Delegation of authority to the Board of Directors to increase the share capital via the issuance of shares in the event that the Board of Directors exercises the authority delegated to it to decide on one or more mergers by absorption *- Resolution 35*	24.06.22	24.08.24	€8,000,000	€8,000,000
Delegation of authority to the Board of Directors to increase the share capital via the issuance of shares in the event that the Board of Directors exercises the authority delegated to it to decide on one or more demergers. *- Resolution 37*	24.06.22	24.08.24	€8,000,000	€8,000,000
Delegation of authority to the Board of Directors to increase the share capital via the issuance of shares in the event that the Board of Directors exercises the authority delegated to it to decide on one or more partial asset transfers. *- Resolution 39*	24.06.22	24.08.24	€8,000,000	€8,000,000
Delegation of authority to increase the Company's share capital via the issuance of shares or transferable securities granting access to the capital reserved for members of saving plans, with waiver of preferential subscription rights *- Resolution 42*	24.06.22	24.08.24	1% of the number of shares comprising the share capital	1% of the number of shares comprising the share capital
Authorization to award existing or future bonus shares of the Company to employees and executive officers of the Company and its affiliates *- Resolution 40*	24.06.22	24.08.25	- 3% of the share capital - 1% of the share capital for executive officers	- 3% of the share capital - 1% of the share capital for executive officers
Authorization to grant stock options for existing or new shares in the Company to the employees and / or corporate officers of the Company and its affiliates *- Resolution 41*	24.06.22	24.08.25	- 3% of the share capital - 1% of the share capital for executive officers	- 3% of the share capital - 1% of the share capital for executive officers

* joint caps for Resolutions 26 to 30.

The Board of Directors did not use these delegations and authorizations in the year ended December 31, 2022.

3 Risk management*

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

1 Risks assessment

In consultation with division managers, Company management regularly reviews the main risks that could have a material adverse effect on the Group business activities, financial position and results (or on its ability to meet its targets).

Risks management is led by the internal audit department in connection with Company management.

The primary purpose of the quarterly meetings is to review results, monitor targets and identify growth opportunities and risks.
In addition, a half-yearly report on risks identified is issued by the subsidiary managers.

2 Main risk factors

The presentation of the risk factors hereafter is based on the Group's risk mapping at the date of this document. In accordance with the guidelines of the European Securities and Markets Authority (ESMA) and the Autorité des Marchés Financiers (AMF, French financial market regulator) on risk factors in the context of the EU Prospectus Regulation, only the risks that are specific to the Group and that are the most significant are evoked.

Summary table of the main risks

The above table reflects the exposure of the Group to the listed risks, after taking into account the mitigation measures implemented to reduce their impact and occurrence.

The main non-financial risks are identified by the NFS pictogram and are also developed in the 4-Corporate Social Responsibility.

Given the Group's low exposure to markets in Russia, Belarus and Ukraine in terms of both purchases and sales, the adoption of Western sanctions following the outbreak of the war in Ukraine does not alter the Group's main risk factors, which remain unchanged compared to 2021.

Nevertheless, the situation demands increased vigilance with regard to the following risks:

- supply chain management (see §2.1.8 of this section);
- non-compliance with national or international regulations (see §2.3 of this section).

Categories	Risk factors		Net impact	Occurrence
Operating risks	Change in metal prices		•••	•••
	Economic environment and decrease in demand		•••	•••
	IT systems and cybersecurity		•••	••
	Market development and digitalization		••	•••
	Human resources	NFS	••	••
	Acquisitions and integration		••	••
	Environmental responsibility and climate change	NFS	••	••
	Procurement and supplier dependency		••	•
	Safety of people	NFS	•	••
	Property security		•	•
Financial risks	Liquidity		•••	•
	Interest rates		••	••
	Counterparty		•	••
	Currency		•	••
Legal and regulatory risks	Compliance	NFS	••	••

Net impact and occurrence scale: ••• High | •• Medium | • Low

2.1 Operating risks

2.1.1 Change in metal prices

Overview

The Group's business consists of:

- buying and trading in different categories of special metals (stainless steels and engineering steels, etc.) for which production times can be long (up to 12 months);
- storing these metals (108 warehouses in 24 countries);
- selling these metals to a large customer base of industrial players within short timeframes.

The purchase price of metals usually consists of two separate components:

- the base price, which is the outcome of negotiations at the time when the order is placed with the producer;
- a variable portion which depends on the trend in commodity prices, e.g. the scrap metals surcharge for engineering steels or the alloy surcharge for stainless steels (the alloy surcharge is usually determined at the time of delivery in accordance with a calculation formula specific to each producer, which factors in the cost of nickel, chromium, titanium, molybdenum and scrap metals, the euro-US dollar exchange rate, etc).

Production and delivery lead times (which may be seldom observed) are an important factor in determining purchase prices. For example, some agreements may provide for an adjustment of the purchase price according to the change in raw material prices between the order date and the delivery date (actual or theoretical). Lastly, annual price reductions may be provided for in accordance with volumes purchased and the producer's overall performance.

The sale price: Group policy and industry practice tend to pass on any purchase price increases to customers, with immediate effect if possible. Conversely, if prices decrease, the competitive positioning requires it to pass on these price decreases within variable timeframes.

Potential impacts

The Group's ability to pass on changes in purchase prices to sales prices and optimize inventory turnover has an impact on:

- the gross margin rate (%); and
- inventory valuation.

Risk management

Centralized negotiation of purchasing terms and conditions, an IT system common to most subsidiaries providing an instant overview of purchase orders and inventories, and the definition of procurement and commercial policies for each warehouse depending on the local customer base and economic environment, are all factors that contribute to improving gross margin and inventory turnover.

Moreover, the Group does not use any financial instruments to hedge fluctuations in the price of the raw materials used as components in the steels it markets. In the case of some of the metals used, this is due to the lack of a market allowing such a hedging process. In the case of nickel, the lack of hedging is a management decision, as the Group currently considers that such a policy would not necessarily be effective and could even be financially counter-productive, as the related costs may be higher than the profits likely to result. This choice means that the Group is exposed to fluctuations in the price of the raw materials.

The Group is unable to provide relevant and reliable quantified information regarding the elasticity and sensitivity of prices and margins, due to the large number of factors taken into account when setting purchase and sale prices.

2.1.2 Economic environment and decrease in demand

Overview

The Group stores metals close to its customers, with more than one hundred distribution centers in 24 countries. The demand for special metals is generally linked to the economic environment and trends in industrial production.

Local conditions may be affected by major events, such as the introduction of customs tariffs, restrictions related to health constraints, geopolitical events, etc.

Potential impacts

A deteriorating economic environment can lead to reductions in demand and volumes sold, with the resulting impact:

- a deterioration in financial performance (decrease in sales, gross margin and the gross margin rate, lower absorption of fixed costs);
- a temporary decline in inventory turnover;
- increased competitive pressure leading to additional pressure on gross margin.

Risk management

The Group's presence in 24 countries, the positioning of its activities in distinct markets (stainless steels and engineering steels), the diversity of product categories distributed and its large customer base of over 60,000 active customers operating in a wide range of industrial sectors all help to mitigate fluctuations in the economic environment.

2.1.3 IT systems and cybersecurity

Overview

Most Group companies use an ERP (Enterprise Resource Planning) program developed by the Company. This program includes a business application and an accounting solution. IT systems play an essential role in the management, control and development of JACQUET METALS business activities in an international and decentralized environment.

The main risks relating to IT systems are related to potential system failure (infrastructure and / or software) and cybercrime.

Potential impacts

Any failure or malfunction of hardware or IT applications or a successful cybercriminal attack could:

- result in business interruptions and operating losses;
- result in loss or theft of data;
- damage the Group's image and reputation.

Risk management

Assisted by external experts, the Group's various IT teams (in particular the Infrastructure and Cyber teams) draw up and monitor action plans aimed at strengthening:

- IT governance;
- the protection of IT systems
- threat detection systems;
- backup processes;
- continuity and remediation processes.

In addition, the Group has special ERP maintenance and development teams.

2.1.4 Market development and digitalization

Overview

The growth of the digitalization of commercial flows in all business sectors is leading to changes in market practices and customer expectations.

Potential impacts

Paperless communication and digitalization are still underdeveloped in the special metals distribution sector, but the ramp-up of digitalization in supply and marketing techniques must be anticipated in order to:

- meet supplier and customer expectations;
- preserve / increase market share and competitive advantages;
- maintain / increase margins.

Risk management

In anticipation of the growing digitalization of commercial flows, the Group is pursuing digital transformation while remaining as close as possible to its customers. For this purpose, the Company has hired special teams to develop and deploy digital systems within the Group.

The Group has identified three areas of development for this transformation drive:

- EDI (Electronic Data Interchange): for several years now the Group has been using EDI protocols with customers generating large and recurring business volumes. EDI will also be used for metals purchases;
- customer accounts: in addition to the sales process, customers can now set up on the internet an account that contains all of their purchase documentation (product certification, delivery note, invoice, order history and tracking, etc.), and enable them to manage quotes issued by sales people;
- e-commerce: an online sales platform is gradually deployed across the Group from 2021 onwards.

The digital transformation of the offering, in combination with the CRM (Customer Relationship Management) policy, help to understand the customers better and provide new opportunities in terms of loyalty enhancement and prospect conversion.

2.1.5 Human resources NFS

Overview

The Group hires more than 500 employees each year, mainly as part of:

- its organic growth policy (opening of new sites, commercial development, etc.);
- strengthening support functions (IT, digital, procurement, cyber, etc.);
- reappointments due to natural turnover of the teams.

Hiring talent is therefore a key issue.

Potential impacts

The shortage of certain skills (especially when the job market is tight) and increased competition between companies are likely to cause delays in the completion and roll-out of certain projects.
This phenomenon may be more or less accentuated depending on the region or area of expertise.

Risk management

Given its 108 locations in 24 countries, the Group's human resources policy is implemented at individual company level by subsidiary managers in order to take local requirements, conditions and regulations into account. Aware of the challenges of recruiting and retaining talent, the division managers supervise all subsidiary managers and support functions (IT, digital, finance, etc.) to help them meet their staffing and employee development needs.

The Group's human resources policy includes promoting training and variable compensation systems indexed to performance.

The management policy for this risk is presented in the 4-Corporate Social Responsibility.

2.1.6 Acquisitions and integration

Overview

As part of its development, the Group carries out acquisitions, notably in foreign countries.
Key markets where the Group has considerable scope for development in the short / medium term include Germany, Italy, Central European countries, the United Kingdom and North America.

Prior to its implementation, each operation requires:

- identification of the specific characteristics of the target company (commercial, legal, organizational, corporate culture, strengths and weaknesses, etc.);
- preparation of an integration and communication plan for the workforce.

Potential impacts

The Group's ability to identify the specific characteristics of the companies and to prepare effective integration plans will determine the success of the operation, particularly:

- commitment of the workforce to the strategy proposed by the Group;
- implementation of measures identified within a short timeframe;
- the expected financial performance of the acquisition.

Risk management

Management places great importance on the selection of acquisitions and pays particular attention to ensuring that the target company's activity corresponds to that of the Group and its divisions, so as to improve the Group's purchasing conditions and / or geographical positioning, or to diversify the range of products distributed.

In addition to the operational and financial due diligence phases, considerable attention is paid to preparing the integration plan (communication to staff, measures to be implemented, integration of IT and financial systems, centralization of purchasing conditions, etc.).

2.1.7 Environmental responsibility and climate change NFS

Overview

The Group's main business activity is the storage and distribution of special metals, either unprocessed or cut to size.
As a distributor, most greenhouse gas ("GHG") emissions are indirect (scope 3) and come, for more than 90% of the GHG emissions, from the upstream phase, i.e. emissions generated by metal producers. The Group's GHG direct emissions (around 1% of total emissions) are essentially generated by electricity consumption in warehouses (lighting and consumption by finishing machines).

Scrap metals generated by cutting and finishing operations are systematically and completely recovered and sold to recycling companies, which re-inject it into the steel production process. The Group estimates that more than 75% of its steel supplies come from the circular economy, i.e. from recycling.

Furthermore, European regulations aiming for neutrality by 2050 (e.g. Taxonomy Regulation (EU) 2020/852, Carbon Border Adjustment Mechanism (CBAM), etc.) are tending to drive companies toward a low carbon economy.

Potential impacts

The consideration of environmental issues requires a policy of regular investment, particularly in the promotion of renewable energies.

In addition, changing environmental standards and regulations are likely to impact the following policies:

- procurement;
- investment;
- financing.

Risk management

The Group has established a CSR committee (see §1.2 of the 4-Corporate Social Responsibility) responsible for developing and promoting the implementation of the CSR approach within the Group.
This approach notably includes:

- promoting renewable energy and monitoring energy consumption. Every year, the Group invests in promoting renewable energies (solar panels, LED lighting). As such, the Group currently has approximately 8,000 sqm of solar panels, enabling the sites equipped to produce 1,200 MWh of electricity. In 2022, capital expenditure fell short of expectations due to raw material shortages experienced by solar panel suppliers. The Group nonetheless commissioned about 2,000 sqm of solar panels in Italy. In 2023, the Group intends to equip 12 of its distribution centres, in Italy, Germany, Austria and Sweden.
- recycling and the circular economy;
- periodic assessment of the main suppliers and quality of supplies.

Lastly, the Group is developing its indicators and communications in response to regulatory changes and stakeholder demand.

The management policy for this risk is presented in the 4-Corporate Social Responsibility.

2.1.8 Procurement and supplier dependency

Overview

The Group is a leader in the distribution of special metals. This strong positioning allows it to source directly from a diversified producer base in terms of both product and location.
In a given product category (stainless steels or engineering steels), each producer is generally able to supply only a limited number of items.

Potential impacts

The Group's sources of supply may change depending on multiple factors:

- the commercial policy of a particular producer compared to its competitors;
- the logistical constraints encountered by producers (extended production times, production incidents, etc.) or supply chain players (extended delivery times, etc.);
- customs constraints;
- geopolitical events;
- etc.

Risk management

The policy of centralized purchase negotiation by the Company and the Group's strong positioning in its markets enable it to purchase directly from a wide range of producers and to avoid dependency on any one producer.

2.1.9 Safety of people NFS

Overview

The Group employs around 3,000 people in 24 countries in the following departments:

- Warehousing and logistics (48%);
- Sales, Procurement (38%);
- IT and Administration (14%).

Potential impacts

The risk of industrial accidents concerns all categories of employees, especially those working in the warehouses where metals are processed.

Risk management

The Group applies a training and prevention policy aimed at reducing the number and severity of industrial accidents. This policy includes:

- periodic communication of safety rules and instructions;
- regular training;
- regulatory external auditing of machinery and equipment;
- identification and analysis of industrial accidents followed by corrective measures where necessary;
- upgrading workstations;
- the appointment of a "safety manager" at each subsidiary.

The management policy for this risk is presented in the 4-Corporate Social Responsibility.

2.1.10 Property security

Overview

The Group has 108 distribution centers located in 24 countries. The centers are exposed to accidental or malicious incidents (fire, theft, etc.) or climate-related events (flood, earthquake, etc.) that can damage buildings, equipment or inventory.

Potential impacts

Any event leading to the partial or total destruction of a Group asset (building, cutting equipment, overhead cranes, stacker cranes, etc.) or its inventory could have a negative impact on Group operations.

Risk management

The Group has a low level of exposure to risks of fire, flood and other natural events in light of:

- its operations (storage of metals in warehouses with few inflammable materials or explosive substances);
- the type of products stored (metals).

Property damage is also covered by insurance policies as described in §3 of this section.

The Group has also implemented a regular and centralized monitoring plan for checking its installations (including electrical installations, fire safety systems, etc.) in order to limit any failure that may damage or incapacitate one of its sites or machines.

Inventory is stored in enclosed spaces and subject to regular controls (physical inventory, monitoring of scraps, etc.) by local and central teams (internal audit department, procurement department, etc.).

Lastly, the large number of distribution centers (108 centers across 24 countries) helps curb the impact of an accidental, malicious or climate-related events on Group operations.

2.2 Financial risks

2.2.1 Liquidity

Overview

The Group's financing structure is composed of:

- €220 million Schuldscheindarlehen (SSD) maturing in December 2024, January 2025 and July 2026;
- a €125 million syndicated loan maturing in June 2024;
- multiple lines of credit (term and revolving loans, etc.) for a total of €462 million, €57 million of which mature in over two years.

The main obligations (covenants) are:

- change of control clauses: JSA must hold at least 37% of JACQUET METALS SA's share capital and voting rights;
- compliance with one of the following two criteria:
  - net debt to equity ratio (gearing) less than 100%, or
  - leverage less than 2.

Potential impacts

The Group periodically refinances its financial debts.
The offer and financial conditions (in particular margins and commissions) vary according to banking market conditions and the Group's performance.

Risk management

The Group ensures that it maintains a solid financial position in order to respond to market developments, in particular by:

- periodically refinancing its financing arrangements in order to extend maturities;
- maintaining a strong cash position (€254 million as of December 31, 2022);
- holding unused confirmed lines of credits (€319 million as of December 31, 2022).

2.2.2 Interest rates

Overview

The financing contracted by the Group consists of fixed and floating rate borrowings, broken down as follows as of December 31, 2022:

- fixed rate borrowings: €115 million;
- floating rate borrowings: €373 million.

88% of Group borrowings are contracted in euro.

Potential impacts

Rising interest rates could increase Group financial expenses.
After accounting for hedging instruments, a 1 percentage point change in the EURIBOR 3 month rate would have an impact of €2.4 million on the Group financial expenses.

Risk management

The Group ensures that it maintains an appropriate mix of fixed and floating rate debt.
In addition, in order to limit the impact of interest rate fluctuations on floating rate debt, the Group regularly enters into hedging instruments (swaps or caps).
As of December 31, 2022, 35% of floating rate debt was hedged.

2.2.3 Counterparty

Overview

The Group has a large customer base spanning 60 countries (60,000 active customers with an average invoice of €3,000).

Counterparty risk mainly concerns the the risk of financial loss arising from customer default.

Potential impacts

Failure to collect trade receivables results in operating and cash losses.

Risk management

Counterparty risk is limited by the fragmented structure of the Group's customer base with no dependency on a given customer or industry sector.

Furthermore, thanks to the Group's credit insurance policy, risk exposure is limited to uninsured trade receivables. As of December 31, 2022, 95% of balance sheet trade receivables were insured.

2.2.4 Currency

Overview

Cash flows are mainly generated through:

- metals purchases (most purchases are made in the currency of the buying company). The Group's exposure to currency risk primarily concerns purchases made by European subsidiaries from producers based outside the euro zone and euro purchases made by subsidiaries based outside the zone;
- metals sales (most sales are made in the country where the subsidiary is located);
- cash advances granted by the Company to its subsidiaries, usually in the subsidiary's currency (the currency risk being managed by the Company).

Potential impacts

An unfavorable change in the exchange rate may have an adverse effect on the Group's financial performance.

Risk management

The Group's currency risk policy requires the finance department to assess currency positions every month, per currency and per subsidiary, and then arrange the hedges required. The most frequently used hedging instruments are forward currency purchases or sales.

When the Company makes cash advances to its subsidiaries, it generally borrows from a bank in the subsidiary's currency to hedge its exposure.

2.3 Compliance NFS

Overview

The Group's presence in 24 countries and its operation (purchases, sales) carried out with partners throughout the world, increases the risk of non-compliance with:

- national or international regulations;
- restrictions on international trade;
- the Group's internal rules.

Lastly, the Group may be exposed to situations of fraud (internal or external) or corruption.

Potential impacts

Failure to comply with a law or regulation may expose the Group to legal action resulting in financial losses and affecting its image and reputation.

Moreover, any case of fraud, whether theft or cybercrime, may result in financial losses for the Group.

Risk management

With assistance from local law firms, the Group regularly monitors changes in legislation in order to ensure compliance with laws and regulations.

The Group has also established a process for reporting information to management in order to identify fraud attempts as early as possible.

The Group has also strengthened its policy of preventing and combating corruption, in particular through the deployment of an "anti-corruption" e-learning program and an internal whistleblowing system which makes it possible to report the existence of situations or behavior that contravene the Anti-Corruption Policy. The Group has established a Compliance committee (see §1.2 of the 4-Corporate Social Responsibility.).

The management policy for this risk is presented in the 4-Corporate Social Responsibility.

3 Insurance and risk coverage

In the case of operational risks, each subsidiary has a risk coverage tailored to its operations through insurance policies taken out locally or by the Group and covering all potential risks, such as:

- comprehensive property damage and consequential operating losses;
- directors and officers liability;
- civil general liability: the Company has taken out a master policy covering liability incurred by the Company and its subsidiaries. Local insurance policies are taken out to cover subsidiaries not included under the Group master policy.

The Company considers that its insurance coverage complies with French and European professional third-party liability insurance standards and is sufficiently broad to cover the standard risks inherent in its operations.

However, it cannot guarantee that these policies will cover all the damages that the Group may face.

As of December 31, 2022, no material potential risk whose consequences were not already included in the 2022 financial statements had been identified.

4 Internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The information regarding the internal control procedures implemented by the Company is based on the AMF internal control and risk management reference framework by small and mid caps, published on July, 2010. It covers all Group subsidiaries included in the Group consolidation scope.

4.1 Definition and objectives of internal control

Internal control is a system that aims to ensure:

- compliance with applicable laws and regulations;
- implementation of instructions and guidelines issued by Senior management;
- the proper functioning of the Company's internal procedures, in particular those that contribute to safeguarding its assets; and
- the reliability of financial and accounting information.

By contributing to the prevention and control of risks that could prevent the Company from achieving its defined objectives, the internal control system plays a key role in the management and execution of its various operations. Nevertheless, internal control cannot guarantee that the Company's objectives will be achieved.

Currently applicable internal controls are designed to optimize the Company's control over its subsidiaries in a decentralized framework for responsibilities and operations. The key control objectives are as follows:

- ensure that management actions are in line with the strategic guidelines approved by Senior management and comply with the Group's internal rules and are in line with annual targets;
- verify that the accounting, financial and management information communicated to the Board of Directors and the Company's shareholders gives a fair and accurate picture of the Group's operations and position;
- ensure control of risks liable to have a material impact on the Group's assets and liabilities or the achievement of its objectives.

However, as with all control systems, it cannot guarantee that these risks have been completely eliminated.

4.2 Contributors to internal control

Internal control is everyone's concern, from senior executives through to each individual staff member.

Board of Directors

Senior management is required to report to the Board of Directors and the Audit and Risk Committee on the essential features of the internal control system, its Group-wide implementation and the measures adopted in order to improve the system.

As required, the Board of Directors may exercise its general powers in order to implement checks and verifications it considers necessary or to adopt any other initiative it considers appropriate in this respect.

The Board of Directors determines the Company's business strategy and sees to its implementation. It addresses all matters concerning the efficient running of the Company and settles issues, through its deliberations, over which it has authority.

Audit and risk committee

The Audit and Risk Committee is responsible for reviewing the Company and consolidated financial statements and the related reports prior to their review by the Board of Directors, and for verifying that these financial statements are consistent with other information of which it is aware.

It is also responsible for monitoring the efficiency of the internal control and risk management systems. The statutory auditors attend the meetings of the Audit and Risk Committee and keep themselves informed of the assignments carried out by the internal audit department.

Group Finance Department

The Chief Financial Officer is responsible for the core competences of (I) finance and treasury, (II) consolidation and financial control, (III) legal matters and insurance, (IV) audit and internal control, (V) taxation, (VI) investor relations and (VII) mergers & acquisitions. These responsibilities are exercised or delegated as follows:

Finance Department

Consisting of a central department and local country departments, the Finance Department's principal remit is to:

- monitor the performance of the subsidiaries, divisions and Group;
- monitor the achievement of targets set by Senior management;
- define, implement and ensure the reliability of reporting and procedures;
- verify that the accounting, financial and management information gives a fair and accurate picture of the operations and position of the subsidiaries, divisions and Group;
- ensure that tax rules are properly adhered to;
- optimize and secure the management of cash and borrowings within the Group. It also ensures that the commitments made by the Company and its subsidiaries correspond to the requirements of the financing arrangements.

Internal Audit Department

This department is responsible for supervising and organizing the internal control system, helping to define and circulate internal control guidelines and monitoring the application of the principles established by the Group. It exercises cross-level control over all Group operations and flows. Its work may involve assignments such as the financial audit (review of the financial statements, review of systems and regulations established in order to verify the reliability of financial reporting), the operational audit (review of the main business cycles, analysis of the current organizational arrangements to ensure that they allow risks to be controlled and set targets achieved) or ad hoc tasks such as support for operations, diagnostic or organizational studies.

Legal Department

The Legal Department works together with the Group's lawyers. Its assignments include overseeing legal operations performed in relation to normal business or growth transactions, monitoring regulatory obligations in terms of corporate law, stock exchange law and corporate governance, verifying compliance of regulated financial communications and any other documents intended for market authorities, overseeing the legal monitoring of Group companies in France and abroad, drafting and monitoring contracts and agreements of all kinds, monitoring litigation, disputes and arbitration proceedings, assisting with the negotiation of insurance policies, monitoring and managing insurance claims, and implementing and overseeing procedures for monitoring the compliance and proper governance of the subsidiaries in France and abroad and their legal secretary function.

4.3 Summary of internal control procedures

Information and reporting

Procedures specific to the preparation of financial and accounting information include:

- preparation of the quarterly financial statements for consolidation and publication;
- monthly monitoring of results;
- monthly cash flow forecasts.

Identification and assessment of risks

Group Senior management meets the main division managers once a quarter. The primary purpose of these meetings is to review results, monitor targets and identify growth opportunities and risks.

This survey is supplemented by a half-yearly report regarding the risks identified by the subsidiaries.

General Group regulations

The current regulations define and limit the powers and obligations of Group managers, particularly with regard to:

- commitments related to raw material purchases, overheads or financing;
- execution of sales contracts (credit insurance, long-term contracts, specific customer or consignment inventories, etc.);
- staff changes;
- investments and divestments;

Internal control management

An internal audit plan is prepared each year and submitted to the Audit and Risk Committee. The aim is to improve internal control by organizing ad hoc reviews of the procedures implemented by the subsidiaries and assessing each subsidiary's internal control system.

4.4 Internal control procedures relating to the preparation and processing of accounting and financial information

Reporting planning, management and processes

The procedures for preparing budgets and monitoring performance are as follows:

- on the basis of the strategic guidelines approved by Group Senior management, the division operating managers and the subsidiary managers draw up an annual budget to be discussed and approved by Group Senior management;
- once a quarter, Group Senior management holds a meeting with the division operating managers in order to review operating results, strategic guidelines and objectives.

Accounts closing procedures

The Group produces a monthly consolidated statement of specific KPIs and prepares consolidated financial statements on a quarterly basis.

The finance department organizes and plans all accounting operations so as to ensure reliable and consistent consolidation of data. This procedure covers all of the Group's consolidated subsidiaries.

Accounting principles are reviewed on a quarterly basis in light of recent changes in regulations.

The means employed to guarantee the consistency and reliability of the data used for the purposes of internal management and external communication include the use of a single reporting and consolidation software tool that incorporates, on a monthly basis, the management and accounting information required for consolidation and operational management. This single consolidation application is used to prepare monthly reports and external financial communications at each phase of consolidation (budget, forecasts, reporting). Using a single system ensures that accounting and financial information is reliable, available and relevant with regard to the specific data used for internal management and external communication purposes.

Subsidiary data is communicated via a standard format that is mandatory for all Group subsidiaries. The reported data is in local currency and complies with IFRS principles based on a standard chart of accounts. The subsidiaries are responsible for ensuring that this information complies with Group instructions (chart of accounts, instructions for closing) and that the detailed instructions sent by Group finance department are followed (reporting timetable and data reliability). The adjustments required between individual and consolidated financial statements are specified and recorded by each subsidiary and reviewed by the central finance department.
The reporting formats also include detailed analyses allowing results to be compared according to the same parameters, for example by isolating non-recurring transactions such as changes in the consolidation scope.

Each subsidiary manages its specific local characteristics, carries out accounting checks and ensures compliance with local regulations concerning the storage of information and data used in preparing accounting and financial records.

Control activities

The finance department verifies the consistency of information reported by the subsidiaries before consolidating the results and recording consolidation entries and adjustments. The subsidiaries' recorded transactions are also controlled automatically by the consolidation and reporting software.

Identification and listing of adjustments is carried out by the country finance departments together with the central finance department. These items are also reviewed by the statutory auditors within the scope of their audits.

Moreover, the central finance department may be required to carry out specific checks concerning sensitive accounting issues which could have a material impact on the presentation of the financial statements. These issues are also reviewed by the statutory auditors within the scope of their audits.

As part of their control work, controllers in charge of the subsidiaries have access to all information. Their main contacts are the managers and financial directors of the relevant subsidiaries.

Accounting and financial reporting

Every year, a timetable is drawn up showing all Group deadlines for financial and accounting reporting to the stock market and the Company's regulatory bodies. The timetable is circulated internally to those staff working specifically on financial reporting.

In addition, the finance department staff follow a formal accounting and financial timetable drawn up to ensure that the set deadlines are met.

Control procedures for accounting and financial information are based on:

- monthly checks of all accounting and financial information by financial controllers and treasury departments;
- a review of the financial statements by the finance department.

4 Corporate Social Responsibility * NFS

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

1 CSR approach

1.1 Commitment at the highest level

Corporate Social Responsibility ("CSR") is a part of the JACQUET METALS Group strategy and aims to preserve resources and limit the impact of its activities and development. The CSR approach is supervised by Senior management, which monitors its implementation and progress on a quarterly basis.

The CSR policy is shared annually with the Board of Directors.

1.2 Committees

The Group has established two operational committees to implement its CSR policy: a CSR committee and a Compliance committee. These two committees are steered by Senior management, which harmonizes and stimulates a collective and participatory approach.

These committees meet on a monthly basis and report on their work to Senior management each quarter, which in turn reports to the Board of Directors.

CSR committee	Compliance committee
- Division operating management - Procurement department - Internal audit department - Finance department - Legal department - IT department	- Legal department - Internal audit department

CSR committee

The CSR committee is responsible for developing and promoting the implementation of the CSR approach within the Group.

The CSR committee relies on two key elements of the Group's organizational structure in the performance of its mission:

- the division operating management, responsible for developing the divisions within the framework of the strategic options and objectives defined by Senior management;
- the central functions (procurement department, internal audit department, finance department, legal department, IT department), responsible for providing relevant recommendations and functional support to the subsidiaries for the implementation of the CSR approach.

Compliance committee

The Compliance committee implements preventive procedures within the Group to avoid exposure to risks related to non-compliance with regulations, notably with regard to corruption.

1.3 Non-financial reporting process

The data included in the non-financial reports covers all of the Group's activities and corresponds to the Group's scope of consolidation.

The period used for the annual reporting of non-financial information is the calendar year (January 1 to December 31).

To comply with legal requirements, consulting firm EY et Associés has verified the compliance and fairness of the non-financial performance presented in this section.

1.4 Business model

JACQUET METALS is a European leader in the distribution of special metals. The Group's main activity consists of:

- buying and trading in special metals, for which production times can be long (from 2 to 12 months depending on the type of metal bought);
- storing these metals close to the customers, in the Group's 108 distribution centers located in 24 countries; and
- selling these metals to a large customer base of industrial players within short timeframes (generally less than a week).

The Group supplies over 60,000 customers a year in 60 countries with an average invoice amount of €3,000.

JACQUET METALS provides the following value-added between the producer and the end-customer:

- a wide range of products stored and delivered to customers within short time frames;
- security of supply and product traceability;
- managing requirements on a just-in-time basis (customized inventories, defined supply strategies, etc.);
- competitive sale prices;
- managing price fluctuations on the customer's behalf;
- cutting and finishing services.

The Group's business model is also described in the §3 of 1-Overview of the Group and is detailed in the table below:

		§
1	**Description of the Group's business**	
	Description of business activity and divisions	1-Overview of the Group §3 Group's activity
	Key figures	5-2022 Results - Group
	Organization chart of main entities	1-Overview of the Group §5 Organization chart
	Product descriptions	1-Overview of the Group §3 Group's activity
2	**Description of the business model**	
	Market positioning	1-Overview of the Group §3 Group's activity
	Key resources / production factors used	1-Overview of the Group §3 Group's activity
	Value contributed to the various customer segments and other stakeholders	1-Overview of the Group §3 Group's activity
	Profit analysis	1-Overview of the Group §3 Group's activity

1.5 Description of main non-financial challenges

To identify the main non-financial risks and opportunities and to meet the requirements of the Non-Financial Statement, the Group has used a risk mapping (see methodology described in 3-Risk Management).

The table below provides a summary of the main challenges identified and the approaches implemented by the Group to address them:

Field	Non-financial challenges	Approaches implemented	Main data	§ CSR
Environmental	Environmental responsibility and climate change*	Mitigating the Group's impact on climate change through:	- greenhouse gas emissions (scopes 1, 2 and 3) - energy consumption	§2.1
		- the promotion of renewable energy	- number of sqm of solar panels commissioned - electricity production from solar panels installed (in MWh)	§2.2
		- the recycling of scrap metals and consumables and the circular economy	- percentage of supplies coming from the electrical industry (recycled steel) - percentage of scraps recovered and recycled	§2.3
		- supply requirements	- percentage of adherence to the Group Supplier Policy	§2.4
	Quality of product supplies	Purchasing and distributing high-quality metals that comply with local/international standards and meet customers' expectations	- supplies traceability	§2.4
Societal	Human resources *	Managing headcount and skills	- number of subsidiaries with minority shareholders managers - number of employees who received training - number of training hours - joining and leaving - breakdown female / male of headcount	§3.1
	Health and safety at work *	Protecting and ensuring employee health and safety through a training and prevention policy	- industrial accident frequency rate - industrial accident severity rate - brief absenteeism rate	§3.2
	Sponsorship	Supporting social and cultural actions and initiatives		§3.3
Ethics and compliance	Respect of Human rights*	In the course of its business activities: - ensuring respect for Human rights	- percentage of adherence to the Group Supplier Policy	§4.1
	Prevention of corruption*	- ensuring ethics and transparency and respect for the law	- percentage of adherence to the Group Anti-Corruption Policy	§4.2
	Prevention of tax evasion	- ensuring compliance with tax regulations and obligations in all countries where the Group operates		§4.3

* These challenges represent the main risks assessed in the risk mapping prepared by the Company (see 3-Risk Management).

1.6 Non-Financial Statement

Pursuant to Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code, the Company is required to prepare a Non-Financial Statement ("NFS"). This NFS provides information on how the Group addresses the social, societal and environmental consequences of its activities.

Given the nature of its business and the working conditions inherent to handling operations, the Group considers that (I) the prevention of food waste and food insecurity, (II) the respect for animal welfare and (III) the responsible, fair and sustainable food mentioned in Article L. 225-102-1 paragraph III of the French Commercial Code do not constitute major non-financial risks and do not warrant further discussion in this section.

The main elements of the NFS are listed in the table below:

	§ CSR
Business model	§1.4
Description of the main non-financial risks	§1.5
Overview and results of the policies applied to these risks	§2 to 4

The detailed NFS cross-reference table is provided below:

Non-Financial Statement	**§ CSR**
Business model	§1.4
Description of the main risks associated with the business of the company or Group, including, where relevant and proportionate, risks stemming from business relationships, products or services	§1.5
Information on the way in which the company or the Group takes into account the social and environmental consequences of its business, and the impact of this business on respect for Human rights and the fight against corruption (description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks associated with the business of the company or Group)	§2 to 4
Results of policies applied by the company or Group, including key performance indicators	§2 to 4
Staff information (employment, work organization, health and safety, labor relations, training, equal treatment)	§3
Environmental information (general environmental policy, pollution, circular economy, climate change)	§2
Societal information (social commitments to sustainable development, subcontracting and suppliers, fair practices)	§2 to 4
Information on the fight against corruption	§4.2
Information on actions in favor of Human rights	§4.1
Specific information: - technology risk prevention policy implemented by the company; - capacity of the company to cover its civil liability with respect to property and persons as a result of the operation of these facilities; - means provided by the company to manage victim compensation in the event of an accident incurring its liability.	n.a.
Collective agreements within the company and their impact on the company's economic performance as well as on employees' working conditions	§3
Independent verifier certification of the information contained in the NFS	§6

n.a.: Not applicable.

2 Environmental responsibility

The Group’s main business activity is the storage and distribution of special metals, either unprocessed or cut to size. In order to limit the impact of its operations on the environment and contribute towards climate change mitigation, the Group implements a policy comprising the following key elements:

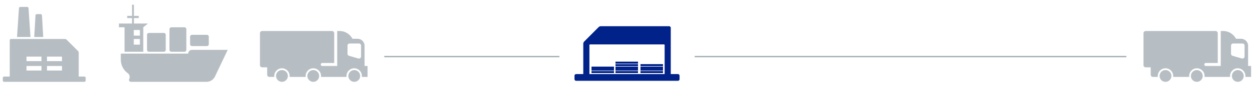
- the monitoring of greenhouse gas ("GHG") emissions;
- the promotion of renewable energy;
- the systematic recycling of scrap metals and consumables and the circular economy;
- high standards in terms of supply and quality.

2.1 Carbon footprint

Since 2021, the Group has performed an annual carbon footprint to estimate GHG emissions, of which there several types:

- scopes 1 and 2: emissions related to energy consumed by the Group’s distribution centers (electricity, gas, fuel oil);
- scope 3: emissions generated upstream and downstream of the Group’s activity (metals production by plants and transport by specialist companies).

In 2022, the total estimated GHG emissions (scopes 1, 2 and 3) represent around 2 million tons of CO_2 equivalent. Emissions related to energy consumed by the Group’s distribution centers represent 1.2% of total emissions:



Upstream activities **97.8%**
Production 94.1%
Transport 3.7%

Group activities **1.2%**
Distribution centers

Downstream activities **1%**
Transport

Energy consumed by the Group’s distribution centers mainly relates to the use of finishing equipment and machinery, as well as heating and lighting.

In 2022, reporting on energy consumption was extended to all Group subsidiaries (compared to 86% of sales covered in 2021).

This annual energy consumption reporting provides a detailed overview of the Group’s consumption by type and source of energy and by subsidiary, and thus to define levers for reducing GHG emissions by country, region and / or subsidiary in line with specific local requirements.

Group energy consumption

MWh	2022	2021[1]	Change	Change (excluding scope effect)[2]
Electricity	38,909	38,651	+0.7%	-0.6%
Gas	18,138	19,131	-5.2%	-8.2%
Fuel oil, diesel	1,470	1,060	+38.7%	+38.7%
Total	**58,517**	**58,842**	**-0.6%**	**-2.4%**

[1] Estimation extrapolated on the basis of 86% of sales. The main variation in fuel oil and diesel is related to the extrapolation of 2021 data.
[2] Excluding Fidelity PAC Metals acquired in May 2022.

The Group has notably implemented the following initiatives to reduce its carbon footprint:

- **Promotion of renewable energy:** the work achievements of recent years are detailed in §2.2 of this section;
- **Recycling and the circular economy:** the various initiatives are described in §2.3 of this section;
- **Demanding and quality supply chain:** the periodic assessment of the main suppliers and the quality of supplies are detailed in §2.4 of this section;
- **Transport of metals:** regarding the transport of metals (typically outsourced to independent carriers), the Group's action is based on two pillars:
  - improving the loading rate of transportation units: each subsidiary seeks to optimize transportation unit capacity,
  - selecting cleaner modes of transport/vehicles;
- **Business travel:** the Group encourages videoconferencing to reduce GHG emissions generated by staff travel.

2.2 Promotion of renewable energy

The Group is committed to developing renewable energies in its distribution centers wherever possible, i.e. in fully-owned buildings and where the project is technically feasible.

Capital expenditure in programs related to the energy transition consist mainly of solar panels.

↑ Drachten, The Netherlands

The Group currently has approximately 8,000 sqm of solar panels, enabling the sites equipped to produce 1,200 MWh of electricity.
In 2022, capital expenditure fell short of expectations due to raw material shortages experienced by solar panel suppliers. The Group nonetheless commissioned about 2,000 sqm of solar panels in Italy.
In 2023, the Group intends to equip 12 of its distribution centers, in Italy, Germany, Austria and Sweden.

2.3 Recycling and the circular economy

Steel can be produced in electric arc furnaces using recovered steel (recycled steel) or in gas-fired blast furnaces (steel produced from iron ore and coke).

Not all steels can be produced through the electrical industry; currently, **approximately 75% of the Group's supplies come from this industry.**

This rate should increase in the coming years, with progress in the European production sectors to increase the proportion of green steel production (i.e. in the electrical industry, expanding the range of products and for blast furnaces, replacing gas with hydrogen technology in particular).

Furthermore, the Group carries out initial processing operations for its customers as part of its business activities. These services usually involve light finishing operations such as cutting and folding, which may generate scrap metals. These scrap metals are systematically and completely recovered and sold to recycling companies, which re-inject it into the steel production process.

Management monitors the volumes of scrap generated for the entire Group on a regular basis. In 2022, scrap metals amounted to around 28,000 tons. The quantity generated depends on the activity as well as the complexity of the finishing operations.

In addition, some cutting machines consume a certain amount of oils, water and sand, which are systematically recovered and recycled.

↑ Stock in Bochum, Germany

2.4 A demanding supply chain

Periodic assessment of the main suppliers

While ensuring a balance between cost, quality and availability of metals, the Group is committed to incorporating CSR criteria into its procurement policy.

Suppliers are selected through a process designed to assess their competitiveness and ability to meet the Group's requirements in terms of quality, availability and compliance with the Group CSR approach.

The Group periodically assesses its main metal suppliers in order to measure their exposure to environmental risk and assess the integration of CSR criteria within their organization.
The assessment mainly involves ensuring that suppliers adhere to the Group Supplier Policy and obtaining copies of their CSR reports, where applicable. Supplier adherence is renewed every three years.
The Group has assessed producers that together represent approximately 75% of 2022 supplies; 92% have adhered to the Group Supplier Policy.

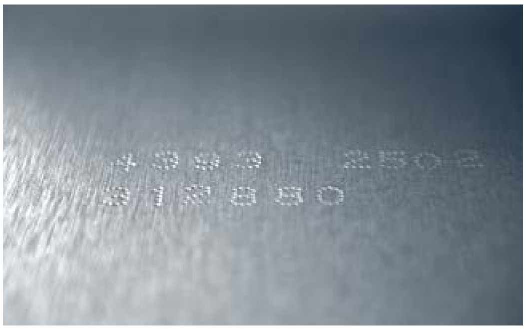
As part of the CSR committee's diligence, the procurement department aims to strengthen the supplier assessment process in 2023, notably by establishing a specific CSR criteria analysis grid, which will be filled out by suppliers and verified during site visits.

Quality of supplies

The Group seeks to maintain an excellent quality of supplies (product traceability, ISO standards, etc.) as a guarantee of product reputation for the end-customer.

The nature of the Group's business activities is such that it only purchases products that fulfill strict predefined standards. Each supplier must ensure that the material delivered corresponds to the product certificate (including the heat number showing the origin of the products). All Group supplies are therefore traceable.

The aim is to maintain and even improve this high standard each year.



↑ Marking on a plate

3 Societal responsibility

3.1 Human resources management

With operations in 24 countries and an average headcount of around 40 employees per subsidiary, the Group's human resources policy is implemented at individual company level by subsidiary managers in order to take local requirements, conditions and regulations into account. The following issues are covered:

- the organization of working time, training and industrial relations;
- health and safety at work;
- respect for Human rights and children's rights;
- elimination of discrimination.

There is no system for centralizing agreements signed with staff representative bodies in each subsidiary at the Company level. However, major agreements are brought to the Company's attention prior to their signature.

The Group is not aware of any material breach of its staff obligations.

3.1.1 Performance-related compensation

The Group has opted for a results-based variable remuneration system at all of its subsidiaries and divisions. As such, variable compensation awarded to corporate officers and other staff members is primarily based on the results of the subsidiary or division that employs them.

Similarly, variable compensation awarded to the Company's corporate officers is based on a number of criteria including Group earnings (ratio of Net income (Group share) to sales).

3.1.2 Shareholder structure

Wherever possible, the Group's subsidiary managers hold a stake in the entities they run. These managers invest and receive an equity interest ranging from 10 to 49% (see §4.3 of 1-Overview of the Group). As of December 31, 2022, the managers of 12 subsidiaries were minority shareholders.

3.1.3 Skills development, training and internships

Training is a key tool for developing employee skills, safeguarding expertise and improving safety and working conditions. Training is provided through various formats (via external training entities, in-house training, e-learning, etc.).

In 2022, 38% of employees received training over a total of 15,892 training hours:

Training	2022	2021
Number of employees trained	1,150	778
Number of training hours	15,892	12,910

The Group also promotes internships and work-study programs. At the end of 2022, 104 interns were working in subsidiaries in Germany and France (that account for around half of the Group's workforce).

3.1.4 Breakdown of headcount

By function

As of December 31, 2022, Group headcount amounted to 3,060 full-time equivalent (FTE) employees including 2,782 under permanent contracts.

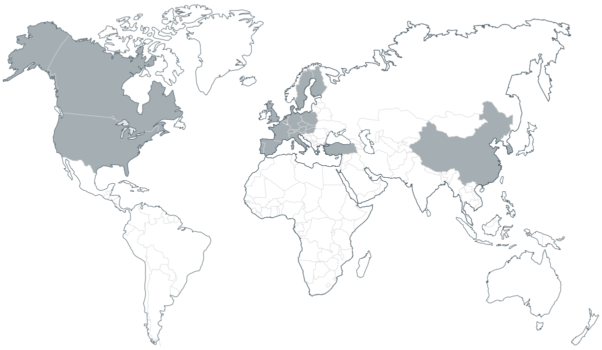
During 2022, 585 people joined the Group and 476 left.

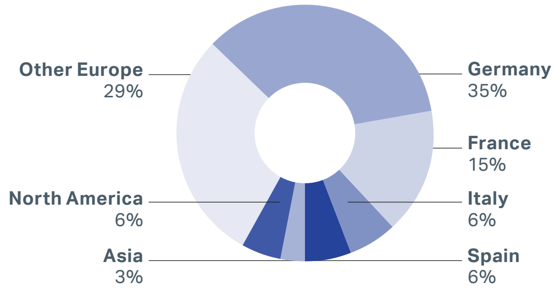
The change in FTE (full-time equivalent) headcount by function is as follows:

	2022	2021
Year-end	3,060	2,951
Support (IT, administration)	443 14%	447, 15%
Sales, Procurement	1,154 38%	1,119 38%
Warehousing and logistics	1,463 48%	1,385 47%

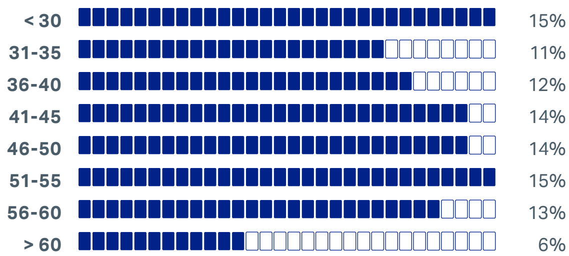
By region

The Group operates in 24 countries. As of December 31, 2022 the headcount breakdown by region was as follows:





By age



In 2022, the median age of Group employees was 45.

By gender

The male-female ratio is balanced in the "IT, administration" support functions (52% women and 48% men) and in the "Sales, Procurement" departments (59% men and 41% women). Women are under-represented at warehouses (5% of headcount).
Total headcount comprises 25% women and 75% men.

	Male	Female
Support (IT, administration)	48%	52%
Sales, Procurement	59%	41%
Warehousing and logistics	95%	5%
Total	**75%**	**25%**

3.2 Health and safety at work

The Group strives to safeguard its employees' health and ensure safety at work. As such, it applies a training and prevention policy aimed at reducing the number and severity of industrial accidents.

Measures to improve safety are implemented on a regular basis. For example:

- periodic dissemination of safety rules and instructions;
- regulatory controls of machinery and equipment by external bodies;
- identifying and assessing industrial accidents, followed by corrective measures, procedures and additional training where required;
- upgrading workstations;
- the appointment of a safety manager at distribution center level.

Industrial accidents are monitored locally under the responsibility of the subsidiary managers.

The frequency and severity rates of industrial accidents are set out below:

	2022[3]	2021
Frequency [1]	27.18	20.15
Severity rate [2]	0.70	0.39

[1] Industrial accident frequency rate = (no. of accidents with stoppage / hours worked) × 1,000,000.
[2] Industrial accident severity rate = (no. of days lost by temporary incapacity / hours worked) × 1,000.
[3] Calculated based on actual hours worked (versus a theoretical hours worked basis for 2021).
The frequency and severity rate recalculated on this new basis are estimated at 21.79 and 0.42 respectively for 2021.

Furthermore, a monitoring of short-term absenteeism (less than three days) on a half-yearly basis is implemented within the Group. It allows to implement corrective measures where required.

	2022	2021
Short-term absenteeism rate *	0.79%	0.58%

* Short-term absenteeism rate = (no. of days absent < 3 days/no. of days worked during the year) × 100

3.3 Corporate philantropy

The Group is involved in the local communities surrounding its sites and subsidiaries and participates in initiatives alongside local associations. These initiatives take one of two forms:

- social initiatives: the Group supports charitable organizations, notably those whose aim is to improve the lives of children;
- cultural initiatives: as a means of communication and outreach, the Group supports contemporary artistic events and projects. For example, the Group sponsors the Lyon Contemporary Art Biennial (France).

4 Ethics and compliance

4.1 Respect for Human rights

Each subsidiary manager is responsible for ensuring that Human rights are respected in accordance with local legislation.

With regard to supplies, the Group periodically assesses its main metal suppliers in order to measure their exposure to the risk of non-compliance with respect for Human rights within their organization (see §2.4 of this section, on adherence to the Group Supplier Policy).

To date, 92% of the suppliers to whom the code has been presented have adhered to it.

For suppliers that have not yet adhered, additional measures are implemented (request for information, on-site visits, etc.).

4.2 Prevention of corruption

The tightening of the French anti-corruption regulation has been an opportunity for the Group to strengthen its own Anti-Corruption Policy.

These values are set out in an Anti-Corruption Policy (set up in 2019) that defines the behavior to be adopted by each Group subsidiary with all of its partners, customers, suppliers and service providers. For example, suppliers must be selected on the basis of objective criteria such as quality, reliability, price, performance or service. An anti-corruption e-learning module was also deployed throughout the Group, and an internal whistleblowing system was set up at each subsidiary to report situations or behavior in breach of the Group Anti-Corruption Policy.

Furthermore, the risk of exposure to corruption was mapped out using a risk assessment approach tailored to specific business activities and regions. Risk is assessed as follows:

- periodic assessment of main metal suppliers;
- adherence to the Group Anti-Corruption Policy by the selected suppliers. Supplier adherence is renewed every three years. In 2022, the percentage of adherence to the Group Anti-Corruption Policy among selected suppliers (representing approximately 75% of the Group's supplies) was 92%.

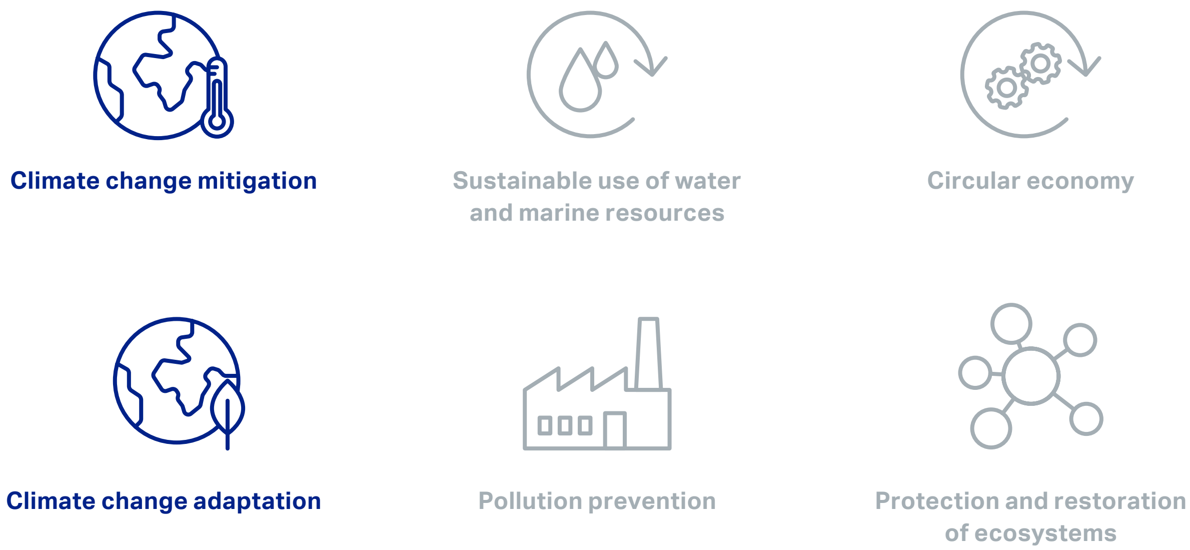
4.3 Prevention of tax evasion

The Group has no operations or holding companies in countries blacklisted as tax havens by the European Commission.

5 Application of the European Taxonomy to Group activities

5.1 Overview of the European Taxonomy

The European Taxonomy, provided for by the EU Taxonomy Regulation 2020/852, is a classification system for environmentally "sustainable" economic activities. This regulation is a key element of the European Commission's action plan for sustainable finance, which aims to direct capital flows toward the activities that it has identified as priorities according to their ability to contribute to one of six environmental objectives, outlined below:



An economic activity is considered "eligible" if it is included in the list of activities set out in the delegated acts of the Taxonomy Regulation, which is constantly being updated.

Thus, in order to be considered sustainable within the meaning of the European Taxonomy, an "eligible" activity must be "aligned", i.e. it must meet the requirements set out in Article 3 of the Taxonomy Regulation:

- it makes a substantial contribution to one of the six environmental objectives, i.e. meets the technical criteria specified in the delegated regulations;
- it does not harm the other five objectives (principle of Do No Significant Harm); and
- it complies with minimum safeguards.

In accordance with the Taxonomy Regulation and the delegated regulations, for the 2022 financial year, the Group is required to disclose:

- the proportion of its sales (I);
- the proportion of its capital expenditure (Capex) (II);
- the proportion of its operating expenses (Opex) (III).

associated with eligible and aligned economic activities for the European Taxonomy on the first two environmental objectives relating to climate change (mitigation and adaptation).

The financial information presented below relates to the scope of Group's consolidated financial statements.

5.2 Eligibility and alignment of Group activities with the European Taxonomy

(I) Sales

The list of eligible activities for the European Taxonomy does not include the distribution of metals.
As such, Group sales are not currently eligible and therefore not aligned under the Taxonomy Regulation. Depending on future changes to the list of eligible activities, the Group may need to review the classification of sales.

				Substantial contribution criteria						Do No Significant Harm criteria											
Economic activities	Code	Absolute sales	Proportion of sales	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of sales, year N	Taxonomy aligned proportion of sales, year N-1	Category (enabling)	Category (transitional)
		€m	%	%	%	%	%	%	%	y / n	y / n	y / n	y / n	y / n	y / n	y / n	%	%	e / t	e / t
A - Taxonomy eligible activities																				
A1 - Taxonomy aligned																				
Sales of Taxonomy aligned activities (A1)		0	0%														0%	n.a.	n.a.	n.a.
A2 - Taxonomy eligible but not Taxonomy aligned activities																				
Sales of Taxonomy eligible but not Taxonomy aligned activities (A2)		0	0%																	
Total A (A1 + A2)		0	0%														0%	n.a.	n.a.	n.a.
B - Taxonomy non-eligible activities																				
Sales of Taxonomy non-eligible activities (B)		2,683	100%																	
Total A + B		2,683	100%																	

y / n : yes / no.
e / t : enabling / transitional.
n.a.: Not applicable.

(II) Capital expenditure (Capex)

"Individually eligible" economic activities have been identified within the Group, including the purchase of products resulting from eligible activities and individual measures enabling certain activities to become less carbon-intensive or to result in greenhouse gas emission reductions, thereby contributing to the climate change mitigation objective. These activities are presented in the table below:

Eligible economic activity	Description of the activity within the Group	Type of capital expenditure (Capex)
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Capex for the acquisition of the fleet of leased or owned company vehicles	Capital expenditure related to an eligible activity
7.2 Renovation of existing buildings	Capex for the renovation of existing or acquired buildings	Capital expenditure related to an eligible activity
7.6 Installation, maintenance and repair of renewable energy technologies	Capex related to the installation and maintenance of renewable energy technologies (LEDs, solar panels)	Capital expenditure related to individual measures to improve the Group's environmental performance
7.7 Acquisition and ownership of buildings	Capex related to the acquisition and ownership of buildings	Capital expenditure related to an eligible activity

The proportion of eligible Capex is defined as European Taxonomy-eligible Capex (numerator) divided by total Capex (denominator). This definition is applied in the same way to calculate the proportion of European Taxonomy-aligned Capex, by simply replacing the amount of eligible Capex in the numerator with the amount of aligned Capex; the denominator remains the same.

Total eligible 2022 capital expenditure amounted to €8.3 million out of a total of €41 million and mainly corresponds to vehicles and property investments. The total Capex (€41 million) can be reconciled with the financial statements (see §2.4.2 Intangible assets (€0.4 million), §2.4.3 Property, plant and equipment (€29.2 million) and §2.4.4 Rights of use - Lease liabilities (€11.4 million) of 5-2022 results - Group). It corresponds to the total of the "increase" transaction type.

In view of its metal distribution activity, the main purpose of the warehouses is to store metals that do not require temperature control. Capital expenditure related to optimizing energy consumption is therefore limited.

The economic activities eligible for the European Taxonomy are detailed in the table below:

				Substantial contribution criteria						Do No Significant Harm criteria										
Economic activities	**Code**	**Absolute Capex**	**Proportion of Capex**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy aligned proportion of Capex, year N**	**Taxonomy aligned proportion of Capex, year N-1**	**Category (enabling)**	**Category (transitional)**
		€m	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**y / n**	**y / n**	**y / n**	**y / n**	**y / n**	**y / n**	**y / n**	**%**	**%**	**e / t**	**e / t**
A - Taxonomy eligible activities																				
A1 - Taxonomy aligned																				
Transport by motor-bikes, passenger cars and light commercial vehicles	**6.5**	0	0%														0%	n.a.	n.a.	n.a.
Renovation of existing buildings	**7.2**	0	0%														0%	n.a.	n.a.	n.a.
Installation, maintenance and repair of renewable energy technologies	**7.6**	0	0%														0%	n.a.	n.a.	n.a.
Acquisition and ownership of buildings	**7.7**	0	0 %														0 %	n.a.	n.a.	n.a.
Capex of Taxonomy aligned activities (A1)		**0**	**0%**														**0%**	**n.a.**	**n.a.**	**n.a.**
A2 - Taxonomy eligible but not Taxonomy aligned activities																				
Transport by motor-bikes, passenger cars and light commercial vehicles	**6.5**	4.0	9.7%																	
Renovation of existing buildings	**7.2**	1.5	3.7%																	
Installation, maintenance and repair of renewable energy technologies	**7.6**	0.1	0.2%																	
Acquisition and ownership of buildings	**7.7**	2.7	6.7%																	
Capex of Taxonomy eligible but not Taxonomy aligned activities (A2)		**8.3**	**20.3%**																	
Total A (A1 + A2)		**8.3**	**20.3%**														**0%**	**n.a.**	**n.a.**	**n.a.**
B - Taxonomy non-eligible activities																				
Capex of Taxonomy non-eligible activities (B)		**32.7**	**79.7%**																	
Total A + B		**41.0**	**100%**																	

y / n : yes / no.
e / t : enabling / transitional.
n.a.: Not applicable.

(III) Operating expenses (Opex)

Opex as defined by the Taxonomy Regulation include direct non-capitalized costs related to research and development, building renovation measures, short-term rentals, maintenance and repairs and any other direct expenses related to the day-to-day maintenance of property, plant and equipment.

Given the nature of the Group's business activities, Opex as defined by the Taxonomy Regulation are not significant (€20 million, less than 10% of Group's total Opex, which amounted to €369 million).

				Substantial contribution criteria						Do No Significant Harm criteria										
Economic activities	Code	Absolute Opex	Proportion of Opex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of Opex, year N	Taxonomy aligned proportion of Opex, year N-1	Category (enabling)	Category (transitional)
		€m	%	%	%	%	%	%	%	y / n	y / n	y / n	y / n	y / n	y / n	y / n	%	%	e / t	e / t
A - Taxonomy eligible activities																				
A1 - Taxonomy aligned																				
Opex of Taxonomy aligned activities (A1)		0	0%														0%	n.a.	n.a.	n.a.
A2 - Taxonomy eligible but not Taxonomy aligned activities																				
Opex of Taxonomy eligible but not Taxonomy aligned activities (A2)		0	0%																	
Total A (A1 + A2)		0	0%														0%	n.a.	n.a.	n.a.
B - Taxonomy non-eligible activities																				
Opex of Taxonomy non-eligible activities (B)		0	0%																	
Total A + B		0	0%																	

y / n : yes / no.
e / t : enabling / transitional.
n.a.: Not applicable.

The Group will continue to adapt its alignment and eligibility analysis and methodology in light of changes to the regulations (particularly with the publication of future delegated acts), listed activities, technical review criteria relating to the European Taxonomy and market practices.

Independent verifier's report on a selection of non-financial information

EY et Associés
Tour First • TSA 14444
92037 Paris-La Défense cedex

JACQUET METALS • Year ended December 31, 2022

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity JACQUET METALS (hereinafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended December 31, 2022 (hereinafter the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), included in the management report pursuant to the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

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

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

Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and / or estimates made in preparing it and presented in the Statement.

The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's Guideline as mentioned above.

Responsibility of the independent verifier

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e. the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

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

- the entity's compliance with other applicable legal and regulatory requirements, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation;
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 (revised)[1].

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

[1] ISAE 3000 (révisée) - Assurance engagements other than audits or reviews of historical financial information.

Means and resources

Our verification work mobilized the skills of three people and took place between November 2022 and March 2023 on a total duration of intervention of about twenty weeks.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. We conducted interviews with the persons responsible for the preparation of the Statement including in particular the General Management, Administration and Finance, Human Resources, Internal Audit and Purchasing.

Nature and scope of the work

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

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

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (anti-corruption, responsible procurement), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on the entity listed below: JACQUET Deutschland GmbH;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 2% and 6% of the consolidated data selected for these tests (2% of the workforce, 6% of material scrap);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, April 11, 2023

Independent third party
French original signed by:

EY et Associés
Christophe Schmeitzky • Partner, Sustainable Development

Appendix 1 The most important information

Social Information

Quantitative Information (including key performance indicators)

- FTE end of period.
- Frequency and severity rate of accidents at work.
- Short-term absenteeism rate.

Qualitative Information (actions or results)

- Employment (attractiveness, retention).
- Organization of work (organization, absenteeism).
- Health and safety (prevention actions).
- Training.

Environmental Information

Quantitative Information (including key performance indicators)

- Energy consumption (gas, oil, electricity).
- Greenhouse gas emissions scope 1 and 2.
- Volumes of waste generated during the cutting process (scraps).

Qualitative Information (actions or results)

- Circular economy (raw materials, waste management).
- Climate change (significant emission sources due to activity).
- Greenhouse gas emissions scope 3 (significant scope 3 emission sources due to activity i.e. production of purchased steel, upstream and downstream transport).

Societal Information

Quantitative Information (including key performance indicators)

- Share of suppliers exposed to environmental risk who have signed the Group's supplier code of conduct.
- Share of suppliers exposed to human rights risks who have signed the Group's supplier code of conduct.
- Share of suppliers exposed to the risk of corruption who have signed the Group's anti-corruption code of conduct.

Qualitative Information (actions or results)

- Subcontracting and suppliers (environmental and social issues).

5 2022 Results - Group *

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

1 Group's activity report

1.1 Group's sales and earnings

Results for the year ended December 31, 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 December 31, 2021 activity report.

Solid performances and international development

In 2022, the Group benefited fully from its investments in new distribution and finishing capacities and from favorable market conditions which boosted both sales and margin despite a decline in demand and raw material prices observed since Q2, which appears to be continuing in 2023.

Sales increased by 36% to €2.68 billion (Q4 +7% to €565 million) and the gross margin by +29% to €681 million, representing 25.4% of sales (Q4 23.5%) compared to 26.7% in 2021.

EBITDA amounted to €312 million, representing 11.6% of sales (Q4 7.6% to €43 million) compared to 10.2% in 2021.

Net income (Group share) amounted to €180 million compared to €121 million in 2021.

In this context, operating working capital increased, representing 28% of sales at 2022 year-end, compared to 26% a year earlier.
During the period, the Group generated operating cash flow of €43 million and consolidated its financial structure with shareholders' equity of €675 million. The net debt to equity ratio (gearing) amounted to 35% at 2022 year-end.

The Group pursued its development on key markets via a sustained capital expenditure policy (€30 million in 2022) and the JACQUET division's acquisition of Canadian company Fidelity PAC Metals (€33 million sales).

In early 2023, the Group completed the acquisition of Delta Acciai (€10 million sales), an Italian company specializing in the distribution of stainless steel long products. This acquisition gives the STAPPERT division a foothold in Italy with 2 distribution centers in Turin and Milan.

The Group also signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, will strengthen the IMS group division in Central and Eastern Europe. The transaction perimeter encompasses companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Backed by its financial strength, the Group will continue its capital expenditure and development policy in an environment of reduced visibility.

Group results as of December 31, 2022

€k	Q4 2022	Q4 2021	2022	2021
Sales	**565,007**	**526,756**	**2,683,479**	**1,969,739**
Gross margin	**132,646**	**137,028**	**680,601**	**525,692**
% of sales	*23.5%*	*26.0%*	*25.4%*	*26.7%*
Operating expenses	(89,821)	(81,855)	(368,554)	(325,031)
Net depreciation and amortization	(9,860)	(8,981)	(38,507)	(36,145)
Net provisions	(2,833)	1,615	(14,315)	(1,885)
Gains / (losses) on disposals of non-current assets	125	(33)	609	265
Operating income	**30,257**	**47,774**	**259,834**	**162,896**
Net financial expense	(3,875)	(2,863)	(15,857)	(12,476)
Income before tax	**26,382**	**44,911**	**243,977**	**150,420**
Corporate income tax	(5,322)	(4,530)	(53,498)	(22,942)
Consolidated net income	**21,060**	**40,381**	**190,479**	**127,478**
Net income (Group share)	**19,327**	**38,399**	**179,640**	**120,846**
Earnings per share in circulation (€)	**0.84**	**1.67**	**7.80**	**5.25**
Operating income	**30,257**	**47,774**	**259,834**	**162,896**
Non-recurring items and gains / losses on disposals	(643)	9,788	3,509	11,883
Adjusted operating income	**29,614**	**57,562**	**263,343**	**174,779**
% of sales	*5.2%*	*10.9%*	*9.8%*	*8.9%*
Net depreciation and amortization	9,860	8,981	38,507	36,145
Net provisions	2,833	(1,615)	14,315	1,885
Non-recurring items	518	(9,755)	(4,118)	(12,148)
EBITDA	**42,825**	**55,173**	**312,047**	**200,661**
% of sales	*7.6%*	*10.5%*	*11.6%*	*10.2%*

Sales

Consolidated sales amounted to €2,683 million, up +36.2% (Q4 +7.3%) compared to 2021, including the following effects:

- volumes sold: -2.9% (Q4 2022 -10.6% vs Q4 2021);
- prices: +38.1% (Q4 2022 +16.8% vs Q4 2021 and -3.7% vs Q3 2022);
- scope: +1% (Q4 2022 +1.1% vs Q4 2021) following the acquisition of Fidelity PAC Metals in May 2022.

€m	Q4 2022	Q4 2021	2022	2021
Sales	**565**	**527**	**2,683**	**1,970**
Change 2022 vs 2021	**+7.3%**		**+36.2%**	
Price effect	+16.8%		+38.1%	
Volume effect	-10.6%		-2.9%	
Scope effect	+1.1%		+1.0%	

The various effects are calculated as follows:

- volume effect = (Vn - Vn-1) × Pn-1, where V = volumes and P = average sale price converted into euros at the average exchange rate;
- price effect = (Pn - Pn-1) × Vn;
- the exchange rate effect is included in the price effect. There was no significant impact as of December 31, 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 €681 million and represented 25.4% of sales compared to €526 million in 2021 (26.7% of sales). In order to take into account the evolution of market conditions, inventory valuation and gross margin include the recording of an impairment representing 19.6% of the gross value of inventories at 2022 year-end, compared to 17.1% at 2021 year-end.

€m	Q4 2022	Q4 2021	2022	2021
Sales	**565**	**527**	**2,683**	**1,970**
Cost of goods sold	**(432)**	**(390)**	**(2,003)**	**(1,444)**
Incl. purchases consumed	(437)	(364)	(1,934)	(1,390)
Incl. inventory impairment	5	(26)	(69)	(54)
Gross margin	**133**	**137**	**681**	**526**
% of sales	*23.5%*	*26.0%*	*25.4%*	*26.7%*

Operating income

Current operating expenses* amounted to €369 million (13.7% of sales) compared to €325 million in 2021 (16.5% of sales). Inflation and rising energy costs contributed for around €20 million to the increase in expenses.

* excluding depreciation and amortization €(39)m and provisions €(14)m.

In 2022, current operating expenses (€369 million) consist of:

- personnel expenses (€203 million);
- other expenses (€165 million) including notably freight costs, consumables, energy, maintenance, fees and insurances.

EBITDA amounted to €312 million and represented 11.6% of sales compared to €201 million in 2021 (10.2% of sales).

Adjusted operating income amounted to €263 million (9.8% of sales).

Operating income includes gains on disposals of non-current assets for €0.6 million and non-recurring charges for €4.1 million (notably including provisions for risk of retroactive taxation on certain imports) and amounted to €260 million.

Net financial expense

Net financial expense amounted to €15.9 million compared to €12.5 million in 2021. This variation is notably 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 December 31, 2022 the average gross debt rate was 2.1% (average gross debt in 2022: €459 million) compared to 2% at 2021 year-end (average gross debt in 2021: €418 million).

€m	Q4 2022	Q4 2021	2022	2021
Net cost of debt	**(3.4)**	**(2.1)**	**(10.9)**	**(9.8)**
Other financial items	(0.5)	(0.7)	(5.0)	(2.7)
Net financial expense	**(3.9)**	**(2.9)**	**(15.9)**	**(12.5)**

Net income

Net income (Group share) amounted to €180 million compared to €121 million in 2021.

In 2022 the tax rate amounted to 21.9%, as some subsidiaries notably benefited from tax loss carryforwards not recognized at 2021 year-end.

€m	Q4 2022	Q4 2021	2022	2021
Income before taxes	**26.4**	**44.9**	**244.0**	**150.4**
Corporate income tax	(5.3)	(4.5)	(53.5)	(22.9)
Income tax rate	20.2%	10.1%	21.9%	15.3%
Consolidated net income	**21.1**	**40.4**	**190.5**	**127.5**
Minority interests	(1.7)	(2.0)	(10.8)	(6.6)
Net income (Groupe share)	**19.3**	**38.4**	**179.6**	**120.8**
% of sales	*3.4%*	*7.3%*	*6.7%*	*6.1%*

1.2 Sales and earnings by division

	Q4 2022			2022		
€m	**JACQUET** Stainless steel quarto plates	**STAPPERT** Stainless steel long products	**IMS group** Engineering steels	**JACQUET** Stainless steel quarto plates	**STAPPERT** Stainless steel long products	**IMS group** Engineering steels
Sales	**133**	**153**	**283**	**619**	**784**	**1,301**
Change 2022 vs 2021	+12.4%	+1.0%	+8.5%	+44.2%	+28.3%	+37.7%
Price effect	+15.5%	+14.8%	+18.5%	+41.9%	+35.7%	+37.9%
Volume effect	-8.1%	-13.8%	-10.0%	-2.1%	-7.4%	-0.2%
Scope effect	+5.0%	n.a.	n.a.	+4.4%	n.a.	n.a.
EBITDA [1 2]	**16.9**	**4.0**	**12.9**	**101.7**	**59.8**	**117.2**
% of sales	*12.7%*	*2.6%*	*4.5%*	*16.4%*	*7.6%*	*9.0%*
Adjusted operating income [2]	**14.9**	**2.4**	**9.2**	**93.2**	**55.7**	**104.2**
% of sales	*11.2%*	*1.6%*	*3.2%*	*15.0%*	*7.1%*	*8.0%*

[1] Excluding IFRS 16 impacts. As of December 31, 2022, non-division operations (mainly holdings and real-estate companies) and the application of *IFRS 16 - Leases* contributed €15 million and €19 million to EBITDA respectively.
[2] Adjusted for non-recurring items.
n.a.: Non applicable.

JACQUET

The division specializes in the distribution of stainless steel quarto plates. It generates 64% of its business in Europe and 30% in North America.

In 2022, the division strengthened its positioning in North America with the acquisition of Canadian company Fidelity PAC Metals. The division also continues its organic development and plans to increase its distribution capacities in the medium term, notably in North America and Germany.

Sales amounted to €619 million, up +44.2% (Q4 +12.4%), from €429 million in 2021:

- volumes sold: -2.1% (Q4 2022 -8.1% vs Q4 2021);
- prices: +41.9% (Q4 2022 +15.5% vs Q4 2021 and -5.8% vs Q3 2022);
- scope: +4.4% (Q4 2022 +5% vs Q4 2021) following the acquisition of Fidelity PAC Metals in May 2022.

Gross margin amounted to €208 million, representing 33.5% of sales compared to €155 million in 2021 (36.2% of sales).

EBITDA amounted to €102 million, representing 16.4% of sales compared to €66 million in 2021 (15.4% of sales).

€m	Q4 2022	Q4 2021	2022	2021
Sales	**133.3**	**118.5**	**619.3**	**429.5**
Change 2022 vs 2021	+12.4%		+44.2%	
Price effect	+15.5%		+41.9%	
Volume effect	-8.1%		-2.1%	
Scope effect	+5.0%		+4.4%	
Gross margin	**42.6**	**47.0**	**207.6**	**155.3**
% of sales	*32.0%*	*39.6%*	*33.5%*	*36.2%*
EBITDA	**16.9**	**23.4**	**101.7**	**66.2**
% of sales	*12.7%*	*19.7%*	*16.4%*	*15.4%*
Adjusted operating income	**14.9**	**22.2**	**93.2**	**59.4**
% of sales	*11.2%*	*18.7%*	*15.0%*	*13.8%*

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.

In 2022, the division set up operations in England with the launch of a distribution center in the Cardiff region. In early 2023, the division acquired the Italian company Delta Acciai, marking the establishment of STAPPERT operations in Italy with 2 distribution centers located in Turin and Milan. The division also intends to continue its organic development, notably in Poland, Italy and Germany.

Sales amounted to €784 million, up +28.3% (Q4 +1%), from €611 million in 2021:

- volumes sold: -7.4% (Q4 2022 -13.8% vs Q4 2021);
- prices: +35.7% (Q4 2022 +14.8% vs Q4 2021 and -3% vs Q3 2022).

Gross margin amounted to €154 million, representing 19.7% of sales compared to €129 million in 2021 (21% of sales).

EBITDA amounted to €60 million, representing 7.6% of sales compared to €42 million in 2021 (6.8% of sales).

€m	Q4 2022	Q4 2021	2022	2021
Sales	**153.2**	**151.6**	**784.3**	**611.1**
Change 2022 vs 2021	+1.0%		+28.3%	
Price effect	+14.8%		+35.7%	
Volume effect	-13.8%		-7.4%	
Gross margin	**25.7**	**30.5**	**154.3**	**128.6**
% of sales	*16.8%*	*20.1%*	*19.7%*	*21.0%*
EBITDA	**4.0**	**9.4**	**59.8**	**41.5**
% of sales	*2.6%*	*6.2%*	*7.6%*	*6.8%*
Adjusted operating income	**2.4**	**9.1**	**55.7**	**40.3**
% of sales	*1.6%*	*6.0%*	*7.1%*	*6.6%*

IMS group

The division specializes in the distribution of engineering steels, mostly in the form of long products. It generates 49% of its sales in Germany, the largest European market.

In early 2023, the division signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, comprises companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Sales amounted to €1,301 million, up +37.7% (Q4 +8.5%) from €945 million in 2021:

- volumes sold: -0.2% (Q4 2022 -10% vs Q4 2021);
- prices: +37.9% (Q4 2022 +18.5% vs Q4 2021 and -3.1% vs Q3 2022).

Gross margin amounted to €319 million, representing 24.5% of sales compared to €242 million in 2021 (25.6% of sales).

EBITDA amounted to €117 million, representing 9% of sales compared to €68 million in 2021 (7.2% of sales).

€m	Q4 2022	Q4 2021	2022	2021
Sales	**282.9**	**260.7**	**1,300.8**	**944.9**
Change 2022 vs 2021	+8.5%		+37.7%	
Price effect	+18.5%		+37.9%	
Volume effect	-10.0%		-0.2%	
Gross margin	**64.3**	**59.6**	**318.7**	**241.8**
% of sales	*22.7%*	*22.8%*	*24.5%*	*25.6%*
EBITDA	**12.9**	**15.9**	**117.2**	**67.6**
% of sales	*4.5%*	*6.1%*	*9.0%*	*7.2%*
Adjusted operating income	**9.2**	**23.6**	**104.2**	**68.3**
% of sales	*3.2%*	*9.0%*	*8.0%*	*7.2%*

1.3 Consolidated financial position

Summary balance sheet

€m	31.12.22	31.12.21
Goodwill	67	66
Net non-current assets	178	168
Right-of-use assets	75	63
Net inventory	780	588
Net trade receivables	218	209
Other assets	146	121
Cash & cash equivalents	254	246
Total assets	**1,719**	**1,460**
Shareholders' equity	675	495
Provisions (including provisions for employee benefit obligations)	100	101
Trade payables	252	277
Borrowings	488	417
Other liabilities	127	104
Lease liabilities	78	67
Total equity and liabilities	**1,719**	**1,460**

Working capital

Operating working capital amounted to €746 million (27.7% of sales), including inventories of €780 million, compared to €520 million at 2021 year-end (26.4% of sales), including inventories of €588 million.

€m	31.12.22	31.12.21	Change
Net inventory	780	588	+193
Days sales inventory [1]	*198*	*185*	
Net trade receivables	218	209	+9
Days sales outstanding	*44*	*42*	
Trade payables	(252)	(277)	+25
Days payables outstanding	*53*	*46*	
Net operating working capital	**746**	**520**	**+227**
% of sales [1]	*27.7%*	*26.4%*	
Other receivables or payables excluding taxes and financial items	(33)	(37)	
Working capital excluding taxes and financial items	**713**	**483**	**+230**
Consolidation and other changes		15	
Working capital before taxes and financial items and adjusted for other changes	**713**	**498**	**+215**
% of sales [1]	*26.4%*	*25.3%*	

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

Provisions for contingencies and charges and employee benefit obligations

Provisions for contingencies and charges and employee benefit obligations amounted to €100 million as of December 31, 2022, compared to €101 million at 2021 year-end. These provisions consist of:

- provisions for employee benefit obligations (€39 million at 2022 year-end compared to €55 million at 2021 year-end) mainly related to pension obligations;
- current and non-current provisions (€61 million at 2022 year-end compared to €46 million at 2021 year-end), mainly relating to reorganization costs, a risk of retroactive taxation on certain imports and contractual commitments (site remediation, etc).

Net debt

As of December 31, 2022, Group net debt stood at €234 million with a shareholders' equity of €675 million resulting in a net debt to equity ratio (gearing) of 35%, stable compared to 2021 year-end.

€m	31.12.22	31.12.21
Borrowings	487.9	416.8
Cash and cash equivalents	254.1	245.7
Net debt	**233.8**	**171.1**
Net debt to equity ratio (gearing)	*34.6%*	*34.6%*

Borrowings

The Group had €807 million in lines of credit as of December 31, 2022, 60% of which had been used:

€m							Maturity
	Authorized at 31.12.22	Used at 31.12.22	% used	2023	2024-2025	2026-2027	2028 and beyond
Syndicated revolving loan 2024	125	18	14%	-	18	-	-
Schuldsheindarlehen 2024-2025	70	70	100%	-	70	-	-
Schuldsheindarlehen 2026	150	150	100%	-	-	150	-
Term loans	95	95	100%	32	43	18	2
Other lines of credit	125	33	27%	31	2	-	-
JACQUET METALS SA borrowings	**565**	**366**	**65%**	**63**	**133**	**168**	**2**
Operational lines of credit (letter of credit, etc.)	171	85	50%	80	5	-	-
Factoring	37	3	7%	3	-	-	-
Assets financing (term loans, etc.)	35	35	100%	10	10	8	6
Subsidiaries borrowings	**242**	**122**	**50%**	**93**	**15**	**8**	**6**
Total	**807**	**488**	**60%**	**155**	**148**	**177**	**8**

In addition to the financing shown in the above table, the Group also had €88.3 million in non-recourse receivable assignment facilities, €54.7 million of which had been used as of December 31, 2022.

Borrowings by rate:

€m	31.12.22	31.12.21
Fixed rate	115.4	79.9
Floating rate	372.5	336.9
Total borrowings	**487.9**	**416.8**

35% of floating rate debt totaling €130 million is hedged against changes in interest rates as follows:

- swaps covering €90 million with 5-year terms expiring between 2023 and 2024;
- caps covering €40 million expiring in 2024.

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 December 31, 2022, all financing 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 (€17.5 million used as of December 31, 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

In 2022, the Group generated positive operating cash flow of €43 million.

€m	**2022**	**2021**
Operating cash flow before change in working capital	259	183
Change in working capital	(215)	(175)
Cash flow from operating activities	**43**	**8**
Capital expenditure	(30)	(32)
Asset disposals	1	2
Dividends paid to shareholders of JACQUET METALS SA	(23)	(9)
Interest paid	(13)	(12)
Other movements	(42)	(22)
Change in net debt	**(63)**	**(65)**
Net debt brought forward	**171**	**106**
Net debt carried forward	**234**	**171**

In 2022, capital expenditures (excluding external growth) amounted to €30 million.

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

After the dividend payment and the financing of its development, net debt amounted to €234 million, compared to €171 million at 2021 year-end.

Post balance sheet events

In early 2023, the Group completed the acquisition of Delta Acciai (€10 million sales), an Italian company specializing in the distribution of stainless steel long products. This acquisition gives the STAPPERT division a foothold in Italy with 2 distribution centers in Turin and Milan.

The Group also signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, will strengthen the IMS group division in Central and Eastern Europe. The transaction perimeter encompasses companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Consolidated statement of comprehensive income

€k	Notes	2022	2021
Sales	**2.3.1**	**2,683,479**	**1,969,739**
Cost of goods sold	2.3.2	(2,002,878)	(1,444,047)
Gross margin	**2.3.1, 2.3.2**	**680,601**	**525,692**
Operating expenses	2.3.3	(166,575)	(146,135)
Personnel expenses	2.3.4	(203,468)	(182,531)
Miscellaneous taxes		(3,864)	(3,322)
Other income		5,353	6,957
Net depreciation and amortization		(38,507)	(36,145)
Net provisions		(14,315)	(1,885)
Gains on disposals of non-current assets	2.3.5	609	265
Operating income	**2.3.1**	**259,834**	**162,896**
% of sales		*9.7%*	*8.3%*
Net cost of debt		(10,895)	(9,791)
Other financial income		-	-
Other financial expenses		(4,962)	(2,685)
Net financial loss	**2.3.6**	**(15,857)**	**(12,476)**
Income before tax		**243,977**	**150,420**
Corporate income tax	2.3.7	(53,498)	(22,942)
Net income from continued operations		**190,479**	**127,478**
Net income from discontinued operations		-	-
Total consolidated net income		**190,479**	**127,478**
% of sales		*7.1%*	*6.5%*
Minority interests		**(10,839)**	**(6,632)**
Continuing operations		(10,839)	(6,632)
Discontinued operations		-	-
Net income (Group share)		**179,640**	**120,846**
% of sales		*6.7%*	*6.1%*
Continuing operations		179,640	120,846
Discontinued operations		-	-
Items that may be reclassified to profit or loss			
Translation differences		(317)	3,656
Other		7,005	820
Items not reclassified to profit or loss			
Actuarial gains / (losses)		10,082	(170)
Total comprehensive net income (Group share)		**196,410**	**125,152**
Minority interests		10,908	6,883
Total comprehensive net income		**207,318**	**132,035**
Basic earnings per share (€)	2.3.8	7.82	5.21
Diluted earnings per share (€)	2.3.8	7.82	5.21

Statement of financial position as of December 31

€k		31.12.22	31.12.21
	Notes	Net	Net
Assets			
Goodwill	2.4.1	67,320	66,433
Intangible assets	2.4.2	3,363	3,744
Property, plant and equipment	2.4.3	175,058	164,083
Right-of-use assets	2.4.4	75,315	62,609
Other financial assets	2.4.5, 2.4.17	21,569	21,081
Deferred tax	2.4.14	68,588	62,425
Non-current assets		**411,213**	**380,375**
Inventory	2.4.6	780,270	587,695
Trade receivables	2.4.7, 2.4.17	217,766	208,766
Tax assets receivable	2.4.8	4,046	1,790
Other assets	2.4.9, 2.4.17	44,395	35,186
Derivatives	2.4.17	7,406	353
Cash and cash equivalents	2.4.10, 2.4.17	254,062	245,709
Current assets		**1,307,945**	**1,079,499**
Assets held for sale		**-**	**-**
Total assets		**1,719,158**	**1,459,874**
Equity and liabilities			
Share capital		35,098	35,098
Consolidated reserves		612,146	439,481
Shareholders' equity (Group share)		**647,244**	**474,579**
Minority interests		27,654	20,000
Shareholders' equity	**2.4.11**	**674,898**	**494,579**
Deferred tax	2.4.14	7,515	6,053
Non-current provisions	2.4.12	9,730	8,928
Provisions for employee benefit obligations	2.4.13	38,814	54,896
Other non-current liabilities	2.4.16, 2.4.17	4,617	4,954
Long-term borrowings	2.4.15, 2.4.17	332,842	306,933
Long-term lease liabilities	2.4.4	59,671	50,118
Non-current liabilities		**453,189**	**431,882**
Short-term borrowings	2.4.15, 2.4.17	155,039	109,909
Short-term lease liabilities	2.4.4	18,774	16,856
Trade payables	2.4.16, 2.4.17	251,609	276,658
Current tax liabilities	2.4.16	36,251	20,415
Current provisions	2.4.12	51,199	36,743
Derivatives	2.4.17	344	386
Other liabilities	2.4.16, 2.4.17	77,855	72,446
Total current liabilities		**591,071**	**533,413**
Liabilities held for sale		**-**	**-**
Total equity and liabilities		**1,719,158**	**1,459,874**

Cash flow statement

€k	Notes	2022	2021
Cash and cash equivalents at beginning of period	**2.4.10**	**245,709**	**333,052**
Operating activities			
Net income		**190,479**	**127,478**
Net income from discontinued operations		-	-
Net income from continued current operations		**190,479**	**127,478**
Depreciation, amortization and provisions		52,790	37,889
Capital gains on asset disposals	2.3.5	(610)	(265)
Change in deferred taxes	2.4.14	(10,437)	(13,630)
Other non-cash income and expenses		840	(930)
Operating cash flow after tax and cost of borrowings		**233,062**	**150,542**
Cost of borrowings	2.3.6	13,201	12,112
Current income tax	2.3.7	63,934	36,570
Taxes paid		(51,695)	(16,022)
Operating cash flow before change in working capital		**258,502**	**183,202**
Change in inventory		(182,339)	(217,116)
Change in trade receivables		(1,947)	(72,865)
Change in trade payables		(25,436)	106,823
Other changes		(5,356)	7,768
Total change in working capital		**(215,078)**	**(175,390)**
Cash flow from continued operating activities		**43,424**	**7,812**
Cash flow from discontinued operating activities		-	-
Cash flow from operating activities	**2.7**	**43,424**	**7,812**
Investing activities			
Acquisitions of fixed assets	2.4.2, 2.4.3	(29,604)	(31,708)
Disposal of assets	2.3.5	1,323	1,631
Acquisitions of subsidiaries		(10,864)	(71)
Changes in consolidation and other		97	(1,481)
Cash flow from continued investing activities		**(39,048)**	**(31,629)**
Cash flow from discontinued investing activities		-	-
Cash flow from investing activities	**2.7**	**(39,048)**	**(31,629)**
Financing activities			
Dividends paid to parent company shareholders		(22,992)	(9,200)
Dividends paid to minority shareholders of consolidated companies		(3,425)	(1,819)
New borrowings	2.4.15	87,837	177,642
Lease liability payments		(19,839)	(18,582)
Lease receivables		906	836
Change in borrowings	2.4.15	(24,900)	(200,897)
Interest paid	2.3.6	(12,529)	(12,124)
Other changes		(645)	267
Cash flow from continued financing activities		**4,413**	**(63,877)**
Cash flow from discontinued financing activities		-	-
Cash flow from financing activities	**2.7**	**4,413**	**(63,877)**
Change in cash and cash equivalents		**8,789**	**(87,694)**
Translation differences		(436)	351
Cash and cash equivalents at end of period	**2.4.10**	**254,062**	**245,709**

Changes in working capital are shown at net book value.

Change in consolidated shareholders' equity

€k	Notes	Number of shares	Share capital	Reserves	Translation differences (Group share)	Share-holders' equity (Group share)	Minority interests	Share-holders' equity
At 01.01.21	**2.4.11**	**23,461,313**	**35,767**	**330,327**	**(7,725)**	**358,369**	**15,033**	**373,402**
Net income				120,846	-	120,846	6,632	127,478
Translation differences	2.4.11.3			-	3,656	3,656	247	3,903
Actuarial gains / (losses)				(170)	-	(170)	1	(169)
Other	2.4.11.2			820	-	820	3	823
Total comprehensive net income				**121,496**	**3,656**	**125,152**	**6,883**	**132,035**
Change in consolidation scope				27	-	27	(98)	(71)
Dividend payments				(9,200)	-	(9,200)	(1,819)	(11,019)
Other	2.4.11.2	(438,574)	(669)	900	-	231	1	232
At 31.12.21	**2.4.11**	**23,022,739**	**35,098**	**443,550**	**(4,069)**	**474,579**	**20,000**	**494,579**
Net income				179,640	-	179,640	10,839	190,479
Translation differences	2.4.11.3			-	(317)	(317)	45	(272)
Actuarial gains / (losses)				10,082	-	10,082	20	10,102
Other	2.4.11.2			7,005	-	7,005	4	7,009
Total comprehensive net income				**196,727**	**(317)**	**196,410**	**10,908**	**207,318**
Change in consolidation scope				(118)	-	(118)	169	51
Dividend payments				(22,992)	-	(22,992)	(3,425)	(26,417)
Other	2.4.11.2			(635)	-	(635)	2	(633)
At 31.12.22	**2.4.11**	**23,022,739**	**35,098**	**616,532**	**(4,386)**	**647,244**	**27,654**	**674,898**

Notes to the consolidated financial statements

The JACQUET METALS Group's consolidated financial statements for the year ended December 31, 2022 were approved by the Board of Directors on March 14, 2023 and will be submitted for approval by the Ordinary General Meeting to be held no later than June 30, 2023.

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

2.1 Consolidation principles and methods

Pursuant to European Regulation 1606 / 2002 of July 19, 2002 on international financial reporting standards, the JACQUET METALS Group's consolidated financial statements published in respect of the 2022 financial year and the comparative 2021 financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) in force as of December 31, 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 December 31, 2022 for compulsory application as from this 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).

The new legislation or amendments adopted by the European Union for compulsory application as from January 1, 2022 have been applied in the consolidated financial statements for the year ended December 31, 2022. They comprise the following amendments:

- amendement to *IAS16 - Proceeds before Intended Use;*
- amendement to *IAS37 - Onerous contracts;*
- amendement to *IFRS3 - Update of the Conceptual Framework.*

The Group considers that the impacts of climate change on the financial statements are not material.

The Group's exposure to the Russian, Belarusian and Ukrainian markets is low in terms of both purchases and sales.

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.

As of December 31, 2022, the main estimates involved:

- assessment of the recoverability of deferred tax assets: the method followed is based on five-year projections and takes into account local legislation in force at the balance sheet date;
- the value of goodwill is 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 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, which is 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.

2.1.1

Consolidation scope

As of December 31, 2022, main operating companies consolidated:

	Country	% Interest	% Control
JACQUET METALS SA	**France**	**100.00%**	**100.00%**
JACQUET Holding SARL	**France**	**100.00%**	**100.00%**
JACQUET Metallservice GmbH	Austria	100.00%	100.00%
JACQUET Benelux SA	Belgium	99.96%	100.00%
Rolark Toronto Inc.	Canada	96.88%	96.88%
Rolark Edmonton Inc.	Canada	96.88%	100.00%
JACQUET Montréal Inc.	Canada	100.00%	100.00%
Fidelity PAC Metals Ltd.	Canada	100.00%	100.00%
JACQUET Shanghai Co. Ltd.	China	100.00%	100.00%
JACQUET Chengdu Co. Ltd.	China	100.00%	100.00%
JACQUET (Tianjin) Metal Material Co.Ltd.	China	100.00%	100.00%
JACQUET S.R.O.	Czech Republic	80.00%	80.00%
JMS Danmark ApS	Denmark	100.00%	100.00%
JACQUET Finland OY	Finland	78.95%	78.95%
Détail Inox SAS	France	100.00%	100.00%
France Inox SAS	France	100.00%	100.00%
JACQUET International SAS	France	100.00%	100.00%
JACQUET Lyon SASU	France	100.00%	100.00%
OSS SARL	France	100.00%	100.00%
JACQUET Paris SAS	France	100.00%	100.00%
Quarto International SAS	France	100.00%	100.00%
JACQUET Deutschland GmbH	Germany	90.00%	90.00%
Quarto Deutschland GmbH	Germany	100.00%	100.00%
JACQUET Magyarorszag Kft	Hungary	100.00%	100.00%
JACQUET Nova SRL	Italy	85.00%	85.00%
JACQUET Italtaglio SRL	Italy	85.00%	85.00%
Quarto International SRL	Italy	100.00%	100.00%
JACQUET Korea	Korea	100.00%	100.00%
JACQUET Nederland BV	The Netherlands	50.40%	50.40%
Friesland B.V.	The Netherlands	40.32%	80.00%
JACQUET Polska Sp z.o.o.	Poland	93.00%	93.00%
JACQUET Portugal LDA	Portugal	100.00%	100.00%
JMS Metals Asia Pte. Ltd.	Singapore	100.00%	100.00%
Quarto Jesenice d.o.o.	Slovenia	100.00%	100.00%
JMS Adriatic d.o.o.	Slovenia	51.00%	51.00%
JACQUET Iberica SA	Spain	70.00%	70.00%
JACQUET Sverige AB	Sweden	100.00%	100.00%
JACQUET Osiro AG	Switzerland	50.98%	51.00%
JACQUET UK Ltd.	UK	76.00%	76.00%
JACQUET Houston Inc.	USA	100.00%	100.00%
JACQUET Midwest Inc.	USA	95.00%	95.00%
JACQUET West Inc.	USA	100.00%	100.00%
JACQUET Midatlantic LLC	USA	100.00%	100.00%
Quarto North America LLC	USA	100.00%	100.00%

	Country	% Interest	% Control
STAPPERT Deutschland GmbH	**Germany**	**100.00%**	**100.00%**
STAPPERT Fleischmann GmbH	Austria	100.00%	100.00%
STAPPERT Intramet SA	Belgium	100.00%	100.00%
STAPPERT Ceska Republika Spol S.R.O.	Czech Republic	100.00%	100.00%
STAPPERT France SAS	France	100.00%	100.00%
STAPPERT Magyarorszag Kft	Hungary	100.00%	100.00%
STAPPERT Noxon BV	The Netherlands	100.00%	100.00%
STAPPERT Polska Sp z.o.o.	Poland	100.00%	100.00%
STAPPERT Slovensko AS	Slovakia	100.00%	100.00%
STAPPERT Sverige AB	Sweden	100.00%	100.00%
STAPPERT UK Ltd.	UK	76.00%	76.00%
IMS group Holding SAS	**France**	**100.00%**	**100.00%**
IMS Austria GmbH	Austria	100.00%	100.00%
IMS Belgium SA	Belgium	100.00%	100.00%
IMS France SAS	France	100.00%	100.00%
Aciers Fourvière SARL	France	100.00%	100.00%
Dr. Wilhelm Mertens GmbH	Germany	100.00%	100.00%
Finkenholl Stahl Service Center GmbH	Germany	100.00%	100.00%
Günther + Schramm GmbH	Germany	100.00%	100.00%
Höselmann Stahl GmbH	Germany	100.00%	100.00%
International Metal Service Süd GmbH	Germany	100.00%	100.00%
International Metal Service Nord GmbH	Germany	100.00%	100.00%
International Metal Service Trade GmbH	Germany	100.00%	100.00%
IMS SpA	Italy	100.00%	100.00%
IMS Nederland BV	The Netherlands	100.00%	100.00%
IMS Polska Sp z.o.o.	Poland	100.00%	100.00%
IMS Portugal SA	Portugal	100.00%	100.00%
IMS Aceros INT SAU	Spain	100.00%	100.00%
IMS Özel Celik Ltd Si	Turkey	99.99%	99.99%

2.1.2 Main 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 consolidated financial statements as of December 31, 2022 include the activity of this new entity for eight months.

2.1.3 Consolidation method

All companies that are fully controlled via the direct or indirect ownership of voting rights are fully consolidated. All transactions between consolidated companies are eliminated, in the same way as for internal Group income (dividends, capital gains, inventory margins, etc.).

The restatements required to harmonize the consolidated companies' valuation methods have been performed. The impact of internal Group transactions on the statement of financial position and consolidated earnings has been eliminated.

2.1.4 Closing date

The closing date for all consolidated subsidiaries is December 31.

2.1.5 Translation of foreign companies' financial statements

Foreign companies' financial statements, where the local currency is the functional currency, are translated into euros at the balance sheet date in accordance with the following principles:

- the items in the statement of financial position are translated at the exchange rate in effect at the balance sheet date;
- the items in the consolidated statement of comprehensive income are translated at the average rate for the year;
- the differences arising from these translation methods are recognized in shareholders' equity.

Euro exchange rates used for consolidation purposes

Country		Currency	2022 average rate	2022 closing rate
Canada	Canadian Dollar	CAD	1.3704	1.4440
China	Yuan	CNY	7.0859	7.4229
Czech Republic	Czech Koruna	CZK	24.5603	24.1160
Denmark	Danish Krone	DKK	7.4396	7.4365
Hungary	Forint	HUF	390.9439	400.8700
Poland	Zloty	PLN	4.6845	4.6808
Singapore	Singapore Dollar	SGD	1.4520	1.4300
South Korea	South Korean Won	KRW	1,356.7611	1,374.3100
Sweden	Swedish Krona	SEK	10.6206	11.1220
Switzerland	Swiss Franc	CHF	1.0052	0.9847
Turkey	Turkish Lira	TRY	19.8816	19.8816
United Kingdom	Pound Sterling	GBP	0.8526	0.8869
USA	US Dollar	USD	1.0539	1.0666

2.2 Valuation methods

2.2.1 Sales

Sales consist of the value of the goods and services, excluding tax, sold by the consolidated companies during their normal course of business, after the elimination of intra-group sales. Pursuant to *IFRS 15*, the Group reviewed its sales contracts and concluded that there was no need to alter the triggering event for recognizing revenue: control of the goods is transferred when they are made available to customers, usually on the delivery date.

Generally speaking, sales contracts only contain a single performance obligation.

The transaction price pertaining to this performance obligation reflects the payments receivable from the customer, with little impact from variables.

Therefore, the application of *IFRS 15* has not resulted in any material adjustments.

2.2.2 Cost of goods sold

The cost of goods sold primarily corresponds to purchases consumed and the net impact of inventory impairment charges recognized for the financial year.

Rebates, reductions and any financial discounts obtained are deducted from purchases.

2.2.3 Personnel expenses

Personnel expenses include costs related to salaries and payroll taxes.

2.2.4 Net financial income / (loss)

Net financial income / (loss) consists of the following items:

- interest income and expense on consolidated net debt, which consists of loans, cash and other financial liabilities;
- interest charges on lease liabilities;
- banking commissions and services;
- foreign exchange gains and losses;
- the valuation of derivatives, where hedge accounting is not applied;
- impact of the application of *IAS 29 - Financial Reporting in Hyperinflationary Economies* to the financial statements of the Turkish company IMS Özel Çelik.

Interest is recognized in the amount of the interest accrued, using the effective interest rate method.

2.2.5 Corporate income tax

The income tax charge includes current corporate income tax and deferred tax.

The tax charge payable is equal to the income tax payable to the tax authorities for the financial year, depending on the rules and tax rates in effect in each country.

In accordance with the provisions of *IAS 12 - Income Taxes*, deferred tax is valued using the balance sheet approach and the liability method for all temporary differences arising from the difference between the tax base and the accounting base for assets and liabilities, as well as for tax-loss carryforwards. However, deferred tax arising from tax-loss carryforwards is only recognized once its recoverability has been assessed.

The French business value-added charge (CVAE), which is based on the value-added resulting from the individual financial statements of the French subsidiaries, is classified under "income tax" in the consolidated statement of comprehensive income.

2.2.6 Earnings per share

Basic earnings per share is calculated by dividing Net income (Group share) for the period by the weighted average number of shares outstanding during the period, excluding treasury shares. The average weighted number of shares outstanding corresponds to the number of ordinary shares outstanding at the beginning of the period, adjusted for the number of ordinary shares bought back or issued during the period.

Diluted earnings per share is calculated by dividing Net income (Group share) by the weighted average number of ordinary shares outstanding, plus any potentially dilutive ordinary shares (stock options, warrants, etc.), restated for treasury shares.

2.2.7 Operating segments

Pursuant to *IFRS 8 - Operating Segments*, the information provided is based on the internal reporting process used by management in order to assess the performance of each operating segment.

In accordance with the Group's operational organizational structure, performance is assessed at the subsidiary level grouped by division:

- JACQUET: distribution of stainless steel quarto plates;
- STAPPERT: distribution of stainless steel long products;
- IMS group: distribution of engineering steels.

The sector-based benchmark indicators reviewed by the main decision-makers are: sales, gross margin, adjusted operating income, operating working capital and the operating working capital to sales ratio.

2.2.8 Goodwill - Business combinations

IFRS 3 entails measuring the assets and liabilities of the companies acquired by the Group at fair value. Only identifiable liabilities that meet the criteria for recognizing a liability in the acquired entity are recognized at the time of the combination. The difference between the purchase cost of the securities and the acquired portion of the fair value of the assets and liabilities identified at the acquisition date is recognized under goodwill. Where the goodwill is negative (badwill), it is immediately recognized through profit or loss. The determination of fair values and goodwill is finalized within a maximum period of one year as from the acquisition date. Any changes that occur after that date are recorded through profit or loss.

In accordance with *IAS 27*, any acquisition or disposal of an interest that does not alter control and is performed after the business combination must be directly recognized in shareholders' equity.

Goodwill arising on the acquisition of foreign companies outside the euro zone is treated in the same way as the assets and liabilities of the foreign business activity, and is therefore translated at the closing exchange rate, in accordance with *IAS 21*.

In accordance with the provisions of *IAS 36 - Impairment of Assets*, the value of goodwill is tested for impairment at least once a year, at the balance sheet date, and whenever an indication of impairment arises. This test is performed at the level of the Cash Generating Units (CGUs) to which the goodwill has been allocated.

The CGUs correspond to the Group's three divisions.

The divisions correspond to the Group's operational organizational structure and form the basis of the internal reporting used by the Senior management team to assess the performance.

In the event of material adverse factors, the Group re-assesses the recoverable value of the assets and may be required to impair some of those assets.

The recoverable value of the CGU is the higher of fair value and value-in-use.

The CGU's value-in-use is determined on the basis of discounted future operating cash flow forecasts, drawn from the 5-year business plans, and of a terminal value estimated by capitalizing cash flows to infinity.

Where the recoverable value of the CGU is lower than its net book value, an impairment charge is recorded under operating income.

The discount rate used is assessed on an individual basis at the level of each CGU, and is determined on the basis of the average weighted cost of capital determined for the Group, to which a company size premium is applied for the smaller subsidiaries.

The discounted future cash flow method used to assess the recoverable value of goodwill is by nature uncertain. Its structure implies that the values obtained are sensitive to changes in the assumptions and parameters selected, such as:

- changes in the economic environment and market conditions;
- changes in sale prices and gross margins;
- fluctuations in raw material prices and foreign exchange rates;
- the choice of discount rate and perpetual growth rate at the end of the forecast period.

Depending on the assumptions used to draw up the business plans and the rate parameters applied, the method results in a level of uncertainty that may affect the value of goodwill.

Goodwill impairment charges are definitively applied to the gross value of the goodwill.

2.2.9 Intangible assets

Intangible assets primarily include amortizable items such as software.

The useful life of intangible assets is assessed as finite or indefinite for each asset. Where an intangible asset has a finite useful life, it is amortized over that period.

The amortization periods and methods for intangible assets with a finite useful life are reviewed at least at every balance sheet date, and whenever there is evidence of impairment.

2.2.10 Property, plant and equipment

Gross value

In accordance with *IAS 16 - Property, Plant and Equipment*, assets are broken down if their components have different useful lives, or if they provide benefits to the company at different rates that require the use of separate depreciation rates and methods. Property, plant and equipment are recorded on the balance sheet at their historic cost, which consists of:

- the purchase price, including customs duties and other non-recoverable levies;
- any directly related expenses incurred to put the asset in working order for the purpose of its planned use;
- any trade rebates and discounts deducted when calculating the purchase cost;
- plus any valuation differences arising from first-time consolidation differences.

Amortization and impairment

The depreciation methods and periods (which correspond to the useful life) applied by the Group are as follows:

- buildings and their fixtures and fittings are depreciated on a straight-line basis over their estimated useful life, which ranges between 1 and 30 years;
- industrial equipment is depreciated on a straight-line basis over its estimated useful life, which ranges between 5 and 15 years;
- other categories of property, plant and equipment, such as vehicles and computer equipment, are depreciated on a straight-line basis based on their estimated useful lives, which usually range between 3 and 10 years.

The Group uses its assets for as long as possible, and sales of property, plant and equipment take place only very occasionally. This means that the Group uses its assets over their useful life, without taking their residual value into account.

Property, plant and equipment are tested for impairment where events or changes indicate that their book value may no longer be recoverable. If there is any evidence of this kind, or if their book value exceeds their estimated recoverable value, the assets are written down to their recoverable value, which is determined on the basis of their market value or their value based on discounted future cash flows, if higher.

2.2.11 Leases

Lease liabilities are presented under "long-term lease liabilities" or "short-term lease liabilities", while the corresponding asset is classified under "right-of-use assets".

The Group has chosen to apply the two exemptions proposed by the standard on the following contracts:

- short-term leases;
- leases of low-value items.

The expenses relating to these leases remain under operating expenses.

The Group applies the amendment to IFRS 16 related to rent reductions linked to Covid-19, these are not considered as a contract modification and the impacts have been taken into account in the result of the period.

Future lease payments are discounted by the lessee’s incremental borrowing rate, the implicit rate being difficult to determine. The incremental borrowing rate is determined by region and amounts to 2.2% for European companies and 4.5% for North American companies.

Depreciation periods generally correspond to the lease term, except in the case of a certain purchase option. In such cases, the depreciation period corresponds to the useful life.

The Group has taken note of the decisions issued by the IFRS IC on November 26, 2019 regarding the measurement of lease terms for automatically renewable leases or leases that do not specify a particular contractual term. The Group has analysed the term of some its leases but it did not lead to any significant impact on the duration.

2.2.12 Financial instruments

2.2.12.1 Financial assets

They comprise:

- financial assets recorded at amortized cost: this heading includes non-current financial assets, such as loans, deposits and guarantees, and current assets (trade receivables and other assets excluding prepaid expenses);
- financial assets designated at "fair value through comprehensive income": this heading includes cash and cash equivalents, as well as financial derivatives;
- non-consolidated securities and long-term investments: pursuant to *IFRS 9 - Financial Instruments*, these asset classes are measured at fair value as of the balance sheet date. Changes in fair value are recognized to profit or loss or to items of OCI not reclassified to profit or loss.

The application of new *IFRS 9* does not require any adjustments, as the Group does not hold material non-consolidated securities or long-term investments.

2.2.12.2 Financial liabilities

They comprise:

- financial liabilities recorded at amortized cost: this heading includes current and non-current borrowings (bank loans and finance leases, other financing and bank overdrafts) and other current and non-current liabilities (trade payables and other liabilities excluding deferred income);
- in accordance with *IFRS 9 - Financial Instruments*, borrowings and bank overdrafts are recognized at their amortized cost, calculated on the basis of the effective interest rate. The portion maturing in less than one year is classified under "short-term borrowings", while the portion maturing in over one year is classified under "long-term borrowings";
- in accordance with IFRS principles, reverse factoring agreements are presented according to whether or not the debts concerned have changed. As such, when trade payables are not substantially modified (term, maturity, counterparty, etc.), they continue to be recorded under trade payables. Otherwise, they are treated as financing transactions and presented under borrowings. After analysis, existing contracts are considered as borrowings;
- financial liabilities designated at "fair value through comprehensive income": this heading includes financial derivatives.

2.2.12.3 Derivatives

Derivatives primarily include interest rate and currency hedging instruments.

Derivatives are valued at their fair value at the balance sheet date. Where the Group can prove the effectiveness of the hedges, the changes in fair value are recorded under other comprehensive income; where the Group does not use hedge accounting, changes in fair value are recognized in profit or loss.

2.2.13 Inventory

Gross value

Inventory is valued at the weighted average cost.

Net realizable value

An impairment charge may be recognized in accordance with the inventory turnover period and the net realizable value. The net realizable value corresponds to the estimated sale price during the normal course of business less any costs necessary for completing the sale. This means that the impairment charge is calculated on the basis of an estimated net realizable value, which is discounted in accordance with the estimated resale date.

2.2.14 Trade receivables

Trade receivables are valued at their nominal value. Given the short payment timeframes, their fair value is identical to their nominal value.

Discounted notes not yet due, securitized receivables or receivables assigned under the Dailly Act are added back to trade receivables. Receivables assigned on a non-recourse basis in accordance with *IFRS 9 - Financial Instruments* are removed from the accounts, given that late payment and other credit risks are transferred to the factor.

Pursuant to *IFRS 9*, losses expected on trade receivables as of their origin are estimated and give rise to impairment charges. As the Group has taken out credit insurance, credit risk only arises from uninsured trade receivables. Amounts of impairment have remained stable and the application of the new standard has not required any material adjustments.

Irrecoverable receivables are removed from the balance sheet and recognized as losses.

2.2.15 Cash and cash equivalents

This item may consist of cash held at banks, cash on hand, term accounts and deposits and equity investments that are immediately convertible and subject to a non-material risk of change in value. Investment securities are measured at fair value and unrealized gains and losses are recognized under net financial items. These investments are held with a view to their short-term sale.

2.2.16 Assets and liabilities held for sale

Assets or groups of assets held for sale, as defined by *IFRS 5*, are shown on a separate line under assets. The liabilities attached to groups of assets held for sale are shown on a separate line under liabilities. Assets are no longer depreciated or amortized once they fulfill the conditions for classifying them as assets held for sale, i.e. as soon as they are available for immediate disposal and their disposal is likely.

Their book value is compared to their fair value, net of disposal costs, at each year-end, and an impairment charge is recognized, where applicable.

Where a group of assets disposed of, held for sale or discontinued is a component of the entity, the related income and expenses are shown on a separate line in the consolidated statement of comprehensive income (net income from discontinued operations).

2.2.17 Shareholders' equity, treasury shares and free share plans

Share-based payments

In accordance with *IFRS 2 - Share-Based Payments,* free shares awarded to Group employees are measured at the fair value of the benefit granted on the award date.

Changes in their value following the award date have no impact on this valuation. The expense calculated in this way is recognized under personnel expenses and offset in shareholders' equity over the vesting period for the rights on a straight-line basis.

Treasury shares

The treasury shares held by the Group are charged against shareholders' equity at their purchase cost. Any gains or losses relating to the purchase, sale, issuance or cancellation of these shares are recognized directly in shareholders' equity, with no impact on income.

2.2.18 Current and non-current provisions

In accordance with *IAS 37*, provisions are recognized where:

- there is a legal or constructive obligation arising from past events;
- it is likely that an outflow of resources will be required to extinguish the obligation;
- and the amount of the obligation can be reliably estimated.

Depending on their expiry date, provisions are considered as "current" (expiring in less than one year) or "non-current" (expiring in more than one year).

Contingent assets are mentioned in the notes to the financial statements where their realization is likely and their amount is material.

Contingent liabilities are mentioned in the notes to the financial statements where their amount is material.

2.2.19 Provisions for employee benefit obligations

In addition to the pension benefits required by the applicable local legislation of the countries where the companies are located, some Group employees receive retirement benefits (or termination allowances) and supplemental pensions. There are also long-service awards. The Group offers these benefits in some countries through defined-contribution or defined-benefit schemes.

In the case of defined-contribution schemes, the Group has no other obligation than to pay the premiums, while the related expense is recognized directly in income for the financial year.

In the case of defined-benefit schemes, pension obligations are valued in accordance with *IAS 19*, using the actuarial projected unit credit method.

The Group applies *IAS 19* revised and recognizes the change in actuarial differences under items of other comprehensive income.
The IFRS IC decision on the attribution of post-employment benefits to periods of service resulted in a change in the allocation period, mainly concerning French plans; the non-material impact was recognized directly in reserves in 2021.

The provision is assessed by actuaries who are independent of the Group.

2.2.20 Deferred tax

Deferred tax is recognized according to the balance sheet liability method for any temporary differences that exist between the tax base for assets and liabilities and their net book value at the balance sheet date.

Deferred tax assets are only recorded under assets if the Group expects to make sufficient taxable profits to absorb them, based on a business plan drawn up in accordance with the most likely scenarios. The methodology is based on five-year business plans, and takes the legislation in effect at the balance sheet date into account. The book value of deferred tax assets is reviewed at least once a year during the annual closing process.

Tax assets and liabilities are valued on the basis of the tax rates adopted or substantially adopted at the balance sheet date. Under the liability method, the impact of potential changes in tax rates on deferred tax recorded in prior periods is recorded in income during the financial year when these tax rate changes have become certain.

2.2.21 Current tax liabilities

All tax liabilities are recorded in accordance with *IAS 12*.

2.2.22 Receivables and payables denominated in foreign currencies

Transactions denominated in foreign currencies are recognized at their equivalent value in euros at the transaction date. At the balance sheet date, financial assets and monetary liabilities denominated in foreign currencies are converted into euros at the closing exchange rate. The resulting foreign exchange gains and losses are recognized under "foreign exchange gains and losses" and are shown under other financial income and expense in the consolidated statement of comprehensive income.

Foreign exchange differences relating to monetary items that are part of the Group's net investment in a foreign subsidiary are treated in the same manner as an investment in the subsidiary's share capital, i.e. they are recognized in shareholders' equity in accordance with *IAS 21 - Effects of Changes in Foreign Exchange Rates*. When the net investment is sold, these exchange rate differences are reclassified from shareholders' equity to profit or loss.

2.2.23 Hyperinflation

The Group applied *IAS 29 - Financial Reporting in Hyperinflationary Economies*, for the first time in 2022, to the financial statements of IMS Özel Çelik located in Turkey. The financial statements of this entity have been restated to reflect the evolution of general purchasing power in the functional currency, with a negative impact of €1.6 million in consolidated reserves and a €1.2 million charge in net financial expense.

The items of comprehensive income have been converted into euros at the closing exchange rate.

2.3 Notes to the consolidated statement of comprehensive income

2.3.1 Operating segments

The Group is organized on the basis of three divisions:

- JACQUET
- STAPPERT
- IMS group

As of December 31, 2021, the key indicators per operating segment were as follows:

€m	JACQUET	STAPPERT	IMS group	Other[1]	Inter-brand elimination	Total
Sales	**429**	**611**	**945**	**-**	**(16)**	**1,970**
Change 2021 vs 2020	+40.8%	+43.2%	+46.6%	n.a.	n.a.	+44.3%
Price effect	+21.8%	+23.3%	+24.8%	n.a.	n.a.	+23.7%
Volume effect	+19.0%	+19.9%	+21.8%	n.a.	n.a.	+20.6%
Gross margin	**155**	**129**	**242**	**-**	**-**	**526**
Adjusted operating income [2]	**59**	**40**	**68**	**7**	**-**	**175**
Operating working capital	**136**	**108**	**269**	**7**	**-**	**520**
% of sales	*31.8%*	*17.6%*	*28.4%*	*n.a.*	*n.a.*	*26.4%*

[1] Non-division operations (including JACQUET METALS SA)
[2] Adjusted for non-recurring items. The definition and calculation methods of financial indicators not defined by IFRS standards are included in §1 of this section.
n.a.: Not applicable

As of December 31, 2022, the key indicators per operating segment were as follows:

€m	JACQUET	STAPPERT	IMS group	Other[1]	Inter-brand elimination	Total
Sales	**619**	**784**	**1,301**	**-**	**(21)**	**2,683**
Change 2022 vs 2021	+44.2%	+28.3%	+37.7%	n.a.	n.a.	+36.2%
Price effect	+41.9%	+35.7%	+37.9%	n.a.	n.a.	+38.1%
Volume effect	-2.1%	-7.4%	-0.2%	n.a.	n.a.	-2.9%
Scope effect	+4.4%	n.a.	n.a.	n.a.	n.a.	+1.0%
Gross margin	**208**	**154**	**319**	**-**	**-**	**681**
Adjusted operating income [2]	**93**	**56**	**104**	**10**	**-**	**263**
Operating working capital	**198**	**143**	**402**	**3**	**-**	**746**
% of sales [3]	*31.3%*	*18.3%*	*30.9%*	*n.a.*	*n.a.*	*27.7%*

[1] Non-division operations (including JACQUET METALS SA)
[2] Adjusted for non-recurring items. The definition and calculation methods of financial indicators not defined by IFRS standards are included in §1 of this section.
[3] Rolling 12 months (including Fidelity PAC Metals over 12 rolling months).
n.a.: Not applicable

The breakdown of sales by geographical region are as follows:

€m	2022		2021	
	Sales	**%**	**Sales**	**%**
Germany	1,031	38%	741	38%
France	239	9%	170	9%
The Netherlands	191	7%	147	7%
North America	178	7%	109	5%
Italy	174	7%	129	7%
Spain	172	6%	130	7%
Other Europe	634	24%	490	25%
Outside Europe	65	2%	54	2%
Total	**2,683**	**100%**	**1,970**	**100%**

2.3.2 Cost of goods sold

€m	2022	2021
Sales	**2,683**	**1,970**
Cost of goods sold	**(2,003)**	**(1,444)**
Incl. purchases consumed	(1,934)	(1,390)
Incl. inventory impairment	(69)	(54)
Gross margin	**681**	**526**
Gross margin rate	*25.4%*	*26.7%*

The 2022 gross margin was €681 million representing 25.4% of sales compared to 26.7% in 2021.

2.3.3 Operating expenses

Inflation and rising energy costs contributed for around €14 million to the increase in operating expenses.

€m	2022	2021
Operating expenses	(167)	(146)

2.3.4 Personnel expenses and headcount

€m	2022	2021
Salaries	(168)	(147)
Payroll taxes	(34)	(31)
Other personnel expenses	(2)	(4)
Personnel expenses	**(203)**	**(183)**
Payroll tax rates	20%	21%

Headcount

	2022	2021
FTE at year-end	**3,060**	**2,951**
Average headcount	**3,079**	**2,932**
France	457	444
Other countries	2,622	2,488

Compensation paid to corporate officers

The Company has two executive officers, to whom the compensation and direct and indirect benefits of all kinds paid in 2022 amounted to €2,138,000 compared to €1,066,000 in 2021.

Net compensation paid to the Company non-executive directors amounted to €116,000 in 2022 compared to €99,000 in 2021.

2.3.5 Gains / (losses) on disposals of non-current assets

In 2022, net gains on disposals of non-current assets amounted to €0.6 million.

2.3.6 Net financial income / (loss)

€m	2022	2021
Interest on long-term borrowings	(6)	(6)
Interest on lease liabilities	(2)	(1)
Interest on short-term borrowings	(4)	(3)
Interest income	1	0
Net cost of debt	**(11)**	**(10)**
Other financial income	-	-
Other financial expenses	(5)	(3)
Other financial income and expenses	**(5)**	**(3)**
Net financial loss	**(16)**	**(12)**

2022 net financial loss amounted to €16 million and comprised:

- 2022 net cost of debt amounted to €11 million, compared to €10 million in 2021.
  The average cost of gross debt in 2022 was 2.1%, stable compared to 2021;
- a net expense of €5 million (€3 million in 2021), mainly comprising bank charges of €2.3 million (stable compared to 2021), a net currency loss of €1.4 million (net loss of €0.4 million in 2021) and a loss of €1.2 million due to the application of *IAS 29* to the financial statements of the Turkish company IMS Özel Çelik (hyperinflationary economies).

An assessment of the interest rate and currency risk management process is set out in §2.4.17.3.2 and 2.4.17.3.3 of this section.

2.3.7 Corporate income tax

€m	2022	2021
Income tax payable	(64)	(37)
Deferred income tax	10	14
Total income taxes	**(53)**	**(23)**

The reconciliation between theoretical income tax, as calculated by applying the tax rate in effect in France (25% in 2022) on pre-tax income, and the actual tax charge is as follows:

€m	2022 Basis	Corresponding tax income / (expense)	Rate
Net consolidated income before tax	**244.0**		
Calculated using the theoretical tax rate in France		**(61.0)**	**25.00%**
Impact of permanent differences [1]		(0.3)	0.1%
Impact of the non-recognition of loss carryforwards		(0.4)	0.2%
Impact of the use of prior unrecognized loss carryforwards		6.8	-2.8%
Recognition of previous tax loss carryforwards		2.1	-0.9%
Other		3.6	-1.5%
Total impact of tax base corrections		**11.9**	**-4.9%**
Additional tax arising from rate differences between France and other countries		(2.5)	1.0%
Other [2]		(1.9)	0.8%
Actual income tax expense		**(53.5)**	**21.9%**

[1] The permanent differences arise from non-tax-deductible expenses.
[2] The "Other" line primarily corresponds to the impact of the reclassification of the French CVAE business value-added charge as income tax (see §2.2.5 of this section).

As of December 31, 2022, a breakdown of the tax loss carryforwards positions is set out in §2.4.14 of this section.

2.3.8 Earnings per share

	2022	2021
Net income (Group share) (€k)	**179,640**	**120,846**
Weighted average number of shares	23,022,739	23,234,216
Treasury shares	65,447	22,600
Weighted average number of shares excluding treasury shares	22,957,292	23,211,616
Basic earnings per share (€)	**7.82**	**5.21**
Free shares [1]	-	-
Weighted diluted average number of shares, excluding treasury shares	22,957,292	23,211,616
Diluted earnings per share (€)	**7.82**	**5.21**

[1] Average number of shares during the period.

2.4 Notes to the statement of financial position

2.4.1 Goodwill - Business combinations

€m	31.12.20	Increase	Decrease	Translation differences	31.12.21
JACQUET CGU	10	-	-	0.2	10
STAPPERT CGU	40	-	-	-	40
IMS group CGU	16	-	-	-	16
Net goodwill	**66**	**-**	**-**	**0.2**	**66**

€m	31.12.21	Acquisition	Decrease	Translation differences	31.12.22
JACQUET CGU	10	1	-	(0)	11
STAPPERT CGU	40	-	-	-	40
IMS group CGU	16	-	-	-	16
Net goodwill	**66**	**1**	**-**	**(0)**	**67**

The change in goodwill in 2022 is related to the acquisition of the company Fidelity PAC Metals (Canada).

As of December 31, 2022, the Group analyzed the results of the various cash-generating units (CGUs), which correspond to the Group's three divisions, in order to identify any evidence of potential impairment. The main assumptions used to determine asset value-in-use based on the discounted future cash flow method are set out below for information purposes:

- projection period: 5 years;
- a perpetual growth rate of 1.9% was used to extrapolate the cash flow forecasts beyond the projection period. This rate is based on perpetual growth rates ranging between 1.1% (for companies operating in markets considered as mature and / or where the Group has traditionally operated) and 4.6% (for companies operating in developing markets and / or markets where the Group's growth targets exceed expected market growth);
- a discount rate of between 9.0% and 10.0%, depending on the division, is applied to the cash flow forecasts.

Sensitivity tests have been performed by varying:

- the perpetual growth rate by ±0.5pp and the discount rate by ±1pp;
- the gross margin, as expressed in euros, by ±1%.

These tests did not result in the identification of any impairment to be recognized at 2022 year-end. No impairment charges have been recorded against CGUs since 2011.

2.4.2 Intangible assets

€m	31.12.20	Increase	Decrease	Reclas-sification	Translation differences	31.12.21
Softwares	25.7	0.3	(2.0)	0.1	0.0	24.1
Development costs *	3.6	-	-	-	-	3.6
Other	1.0	0.0	-	-	0.0	1.1
Gross value	**30.3**	**0.3**	**(2.0)**	**0.1**	**0.0**	**28.8**
Softwares	(22.8)	(0.7)	1.8	(0.0)	(0.0)	(21.7)
Development costs *	(1.9)	(0.4)	-	-	-	(2.3)
Other	(1.0)	(0.0)	-	0.0	(0.0)	(1.0)
Amortization	**(25.8)**	**(1.1)**	**1.8**	**(0.0)**	**(0.0)**	**(25.0)**
Softwares	2.9	(0.4)	(0.1)	0.1	0.0	2.4
Development costs *	1.7	(0.4)	-	-	-	1.3
Other	0.0	0.0	-	0.0	0.0	0.0
Net value	**4.6**	**(0.8)**	**(0.1)**	**0.1**	**0.0**	**3.7**

* Development costs of the Group ERP (JAC3).

€m	31.12.21	Acquisition	Increase	Decrease	Reclas-sification	Translation differences	31.12.22
Softwares	24.1	0.1	0.4	(0.1)	0.1	(0.0)	24.6
Development costs *	3.6	-	-	-	-	-	3.6
Other	1.1	0.1	0.0	-	-	0.0	1.1
Gross value	**28.8**	**0.2**	**0.4**	**(0.1)**	**0.1**	**(0.0)**	**29.4**
Softwares	(21.7)	(0.1)	(0.6)	0.1	0.0	0.0	(22.3)
Development costs *	(2.3)	-	(0.4)	-	-	-	(2.6)
Other	(1.0)	(0.0)	(0.0)	-	-	0.0	(1.1)
Amortization	**(25.0)**	**(0.1)**	**(1.0)**	**0.1**	**0.0**	**0.0**	**(26.0)**
Softwares	2.4	0.0	(0.2)	0.0	0.1	(0.0)	2.4
Development costs *	1.3	-	(0.4)	-	-	-	0.9
Other	0.0	0.0	(0.0)	-	-	0.0	0.1
Net value	**3.7**	**0.1**	**(0.6)**	**0.0**	**0.1**	**0.0**	**3.4**

* Development costs of the Group ERP (JAC3).

2.4.3 Property, plant and equipment

€m	31.12.20	Increase	Decrease	Reclas-sification	Translation differences	31.12.21
Land	29.2	1.7	(1.7)	0.1	0.2	29.5
Buildings	158.2	8.6	(0.1)	3.0	1.7	171.3
Equipment, tools & technical installations	196.5	8.9	(2.2)	3.8	1.8	208.9
Transport equipment	11.0	0.9	(0.6)	(0.2)	0.1	11.3
Computer equipment	7.9	0.6	(1.8)	0.1	0.0	6.8
Other property, plant and equipment	32.8	1.8	(0.7)	0.1	0.0	34.0
Property, plant and equipment in progress	6.3	6.3	-	(4.6)	0.1	8.2
Advance payments	0.6	2.5	-	(1.0)	0.0	2.2
Total gross value	**442.5**	**31.4**	**(7.1)**	**1.2**	**4.1**	**472.1**
Buildings	(86.6)	(5.8)	0.1	0.0	(0.4)	(92.7)
Equipment, tools & technical installations	(160.6)	(8.8)	2.1	(1.3)	(1.3)	(169.9)
Transport equipment	(9.1)	(0.6)	0.5	0.3	(0.1)	(8.9)
Computer equipment	(6.7)	(0.6)	1.8	(0.0)	(0.0)	(5.5)
Other property, plant and equipment	(26.1)	(1.7)	0.7	0.0	(0.0)	(27.2)
Total amortization	**(289.1)**	**(17.6)**	**5.3**	**(1.0)**	**(1.9)**	**(304.3)**
Land	(1.6)	(0.0)	0.6	-	(0.0)	(1.0)
Buildings	(0.6)	-	-	-	-	(0.6)
Equipment, tools & technical installations	(2.1)	0.0	-	0.0	-	(2.1)
Other property, plant and equipment	(0.1)	-	-	-	-	(0.1)
Total impairment	**(4.4)**	**(0.0)**	**0.6**	**0.0**	**(0.0)**	**(3.8)**
Net book value	**149.0**	**13.8**	**(1.2)**	**(0.0)**	**2.2**	**164.1**

€m	31.12.21	Acquisition	Increase	Decrease	Reclas-sification	Translation differences	31.12.22
Land	29.5	-	0.1	-	0.0	0.0	29.7
Buildings	171.3	-	3.1	(0.2)	3.6	0.3	178.1
Equipment, tools & technical installations	208.9	0.7	11.4	(5.2)	4.4	0.0	220.1
Transport equipment	11.3	0.1	0.9	(1.4)	0.9	0.1	12.0
Computer equipment	6.8	0.3	0.7	(0.3)	0.1	(0.0)	7.5
Other property, plant and equipment	34.0	0.3	1.8	(1.1)	0.2	(0.0)	35.2
Property, plant and equipment in progress	8.2	-	9.0	-	(4.6)	0.1	12.7
Advance payments	2.2	-	2.2	-	(1.9)	(0.0)	2.5
Total gross value	**472.1**	**1.4**	**29.2**	**(8.2)**	**2.7**	**0.5**	**497.7**
Buildings	(92.7)	-	(6.2)	0.2	(0.3)	0.1	(98.8)
Equipment, tools & technical installations	(169.9)	(0.6)	(9.0)	4.7	(1.9)	0.1	(176.6)
Transport equipment	(8.9)	(0.1)	(0.8)	1.2	(0.2)	(0.0)	(8.8)
Computer equipment	(5.5)	(0.3)	(0.8)	0.3	(0.0)	0.0	(6.3)
Other property, plant and equipment	(27.2)	(0.3)	(2.0)	1.1	0.0	0.0	(28.3)
Total amortization	**(304.3)**	**(1.2)**	**(18.8)**	**7.5**	**(2.4)**	**0.2**	**(318.9)**
Land	(1.0)	-	(0.0)	-	-	0.0	(1.0)
Buildings	(0.6)	-	(0.0)	0.0	0.0	-	(0.6)
Equipment, tools & technical installations	(2.1)	0.0	(0.0)	0.0	0.0	-	(2.1)
Other property, plant and equipment	(0.1)	-	-	0.0	(0.0)	-	(0.1)
Total impairment	**(3.8)**	**0.0**	**(0.0)**	**0.0**	**0.0**	**0.0**	**(3.7)**
Net book value	**164.1**	**0.2**	**10.4**	**(0.7)**	**0.4**	**0.7**	**175.1**

2.4.4 Right-of-use assets - Lease liabilities

€m	31.12.20	Increase	Decrease	Reclas-sification	Lease remea-surement	Translation differences	31.12.21
Right-of-use assets - Land	5.3	-	-	-	0.0	-	5.4
Right-of-use assets - Buildings	85.0	1.6	(2.9)	(2.4)	4.4	0.3	85.8
Right-of-use assets - Equipment, tools & technical installations	12.1	3.2	(0.2)	(1.3)	0.0	0.1	13.9
Right-of-use assets - Transport equipment	7.4	2.5	(1.8)	0.0	0.0	0.1	8.2
Right-of-use assets - Computer equipment	0.3	0.1	-	-	-	0.0	0.3
Right-of-use assets - Other property, plant and equipment	0.6	0.1	(0.2)	-	(0.0)	0.0	0.5
Total gross value	**110.7**	**7.5**	**(5.1)**	**(3.7)**	**4.4**	**0.4**	**114.2**
Right-of-use assets - Land	(0.6)	(0.3)	-	-	-	-	(0.8)
Right-of-use assets - Buildings	(30.3)	(13.3)	2.9	0.6	-	(0.1)	(40.2)
Right-of-use assets - Equipment, tools & technical installations	(6.1)	(1.5)	0.2	1.0	-	(0.1)	(6.5)
Right-of-use assets - Transport equipment	(3.2)	(2.1)	1.7	(0.0)	-	(0.0)	(3.6)
Right-of-use assets - Computer equipment	(0.1)	(0.1)	-	0.0	-	(0.0)	(0.2)
Right-of-use assets - Other property, plant and equipment	(0.2)	(0.1)	0.2	-	-	(0.0)	(0.2)
Total amortization	**(40.6)**	**(17.5)**	**5.0**	**1.6**	**-**	**(0.2)**	**(51.6)**
Net book value	**70.1**	**(10.0)**	**(0.1)**	**(2.1)**	**4.4**	**0.2**	**62.6**

€m	31.12.20	Increase	Decrease	Reclas-sification	Lease remea-surement	Translation differences	31.12.21
Sub-lease receivables - Buildings	3.1	-	(0.8)	1.8	-	-	4.1
Gross value	**3.1**	**-**	**(0.8)**	**1.8**	**-**	**-**	**4.1**

€m	31.12.20	Increase	Decrease	Reclas-sification between short and long-term portions	Lease remea-surement	Translation differences	31.12.21
Long-term *IFRS 16* lease liabilities	56.1	7.5	-	(18.0)	4.4	0.1	50.1
Short-term *IFRS 16* lease liabilities	17.4	-	(18.6)	18.0	-	0.1	16.9
Gross value	**73.5**	**7.5**	**(18.6)**	**(0.0)**	**4.4**	**0.2**	**67.0**

€m	31.12.21	Acquisition	Increase	Decrease	Reclas-sification	Lease remea-surement	Translation differences	31.12.22
Right-of-use assets - Land	5.4	-	0.0	-	0.0	-	-	5.4
Right-of-use assets - Buildings	85.8	0.7	5.5	(1.5)	19.8	0.6	(0.2)	110.6
Right-of-use assets - Equipment, tools & technical installations	13.9	0.1	2.8	(0.7)	(0.6)	(2.1)	(0.0)	13.3
Right-of-use assets - Transport equipment	8.2	0.0	3.1	(1.8)	0.1	(0.2)	(0.0)	9.4
Right-of-use assets - Computer equipment	0.3	-	0.0	-	0.0	-	(0.0)	0.4
Right-of-use assets - Other property, plant and equipment	0.5	-	0.1	(0.1)	0.0	-	(0.0)	0.5
Total gross value	**114.2**	**0.8**	**11.4**	**(4.1)**	**19.4**	**(1.8)**	**(0.3)**	**139.6**
Right-of-use assets - Land	(0.8)	-	(0.3)	-	-	-	-	(1.2)
Right-of-use assets - Buildings	(40.2)	-	(14.2)	1.5	-	(0.1)	0.0	(53.0)
Right-of-use assets - Equipment, tools & technical installations	(6.5)	-	(1.8)	0.7	-	1.8	0.0	(5.8)
Right-of-use assets - Transport equipment	(3.6)	-	(2.3)	1.8	-	0.2	0.0	(3.9)
Right-of-use assets - Computer equipment	(0.2)	-	(0.1)	-	-	-	(0.0)	(0.3)
Right-of-use assets - Other property, plant and equipment	(0.2)	-	(0.1)	0.1	-	-	(0.0)	(0.2)
Total amortization	**(51.6)**	**-**	**(18.7)**	**4.1**	**-**	**1.9**	**0.0**	**(64.3)**
Net book value	**62.6**	**0.8**	**(7.4)**	**-**	**19.4**	**0.1**	**(0.2)**	**75.3**

€m	31.12.21	Acquisition	Increase	Decrease	Reclas-sification	Lease remea-surement	Translation differences	31.12.22
Sub-lease receivables - Buildings	4.1	-	-	(0.9)	-	-	-	3.2
Gross value	**4.1**	**-**	**-**	**(0.9)**	**-**	**-**	**-**	**3.2**

€m	31.12.21	Acquisition	Increase	Decrease	Reclas-sification between short and long-term portions	Lease remea-surement	Translation differences	31.12.22
Long-term *IFRS 16* lease liabilities	50.1	0.8	11.4	-	(21.8)	19.4	(0.2)	59.7
Short-term *IFRS 16* lease liabilities	16.9	-	-	(19.8)	21.8	-	(0.1)	18.8
Gross value	**67.0**	**0.8**	**11.4**	**(19.8)**	**(0.0)**	**19.4**	**(0.3)**	**78.4**

The Group has approximately 700 restated leases. These leases mainly consist of real estate leases representing a gross value of around €111 million.

New leases totaling €11 million were recognized in 2022.

Furthermore, changes in rent payments (rent revision or remeasurement of lease term) led to a €19 million adjustment in lease liabilities.

Payments on lease liabilities amounted to €20 million. The positive cash flow from lease receivables amounted to €1 million.

Reclassifications were due to the exercise of options, recognized under "Property, plant and equipment".

Sub-lease receivables are recorded under "Other financial assets".

Lease liabilities break down into a short-term portion (due in less than a year) and a long-term portion.

The lease liability payment schedule is as follows:

€m	31.12.22
Due in <1 month	2
Due in 1-3 months	3
Due in 3-12 months	14
Short-term lease liabilities	**19**
Due in 1-5 years	49
Due in >5 years	11
Long-term lease liabilities	**60**
Total lease liabilities	**78**

Impact on comprehensive income

The impact of the application of *IFRS 16* on the consolidated statement of comprehensive income may be summarized as follows:

€m	31.12.22
Net operating expenses	21
Amortization charge	(19)
Interest charge on lease liabilities	(2)

The remaining rental expenses recognized under operating expenses relate to:

- short-term contracts: -€0.3 million;
- contracts where the underlying asset is of low value: -€0.9 million;
- service agreements: -€0.4 million.

2.4.5 Other financial assets

This item primarily corresponds to deposits, guarantees and receivables maturing in more than 1 year and to lease receivables totaling €3.2 million (see §2.4.4 of this section).

2.4.6 Inventory

€m	31.12.22	31.12.21
Gross value	971	709
Impairment	(190)	(121)
Net value	**780**	**588**

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

As of December 31, 2022, after taking into account inventory turnover and net realizable value, inventory was adjusted via an impairment amounting to 19.6% of its gross value, compared to 17.1% in 2021.

2.4.7 Trade receivables

€m	31.12.22	31.12.21
Trade receivables	195	187
Bills for collection	20	18
Bills receivable	1	0
Notes receivable discounted and factoring	0	1
Doubtful receivables	8	8
Accrued income / credit notes	1	1
Gross value	**224**	**215**
Impairment of receivables	(6)	(6)
Impairment	**(6)**	**(6)**
Net value	**218**	**209**

All receivables have a maturity of less than one year.

The net value of the receivables does not include receivables assigned on a non-recourse basis, which amounted to €54.7 million in 2022, compared to €47.3 million in 2021.

An assessment of the counterparty risk management process is set out in §2.4.17.3.1 of this section.

Changes in the impairment of trade receivables broke down as follows:

€m	2022	2021
As of January 1	**(6.1)**	**(6.1)**
Net charges	0.0	0.0
Other	0.0	0.0
As of December 31	**(6.1)**	**(6.1)**

2.4.8 Current tax assets

Current tax assets amounted to €4.0 million as of December 31, 2022. The balance corresponds to amounts that are non-material on an individual basis.

2.4.9 Other assets

€m	31.12.22	31.12.21
Advances and down payments on orders	17	8
Tax receivables	15	14
Other assets	7	7
Prepaid expenses	5	6
Gross value	**44**	**35**

"Tax receivables" correspond to receivables other than corporate income tax (VAT and guarantees / customs deposits). All receivables have a maturity of less than one year.

2.4.10 Cash and cash equivalents

€m	31.12.22	31.12.21
Cash	197	236
Cash equivalents	57	10
Gross value	**254**	**246**

"Cash equivalents" primarily consist of term deposits. An assessment of the interest rate risk management process for balance sheet assets is set out in §2.4.17.3.2.1 of this section.

2.4.11 Shareholders' equity

The statement of changes in shareholders' equity is set out in the section on "Changes in consolidated shareholders' equity".

2.4.11.1 Share capital

In accordance with the authority granted by the June 25, 2021 General Meeting, the Board of Directors decided to cancel 438,574 shares at its meeting on June 25, 2021. Following this operation, the share capital of the Company now comprises 23,022,739 shares to which 32,783,524 theoretical voting rights are attached (as of December 31, 2022). The number of authorized shares outstanding and in circulation over the last two financial years were as follows:

	31.12.22	31.12.21
Number of shares	**23,022,739**	**23,022,739**
Of which number of shares with double voting rights	9,760,785	9,759,135
Of which number of treasury shares	65,447	22,600

2.4.11.2 Other changes recorded in shareholders' equity

"Actuarial gains and losses" comprise the net of income tax's impact of actuarial gains and losses related to provisions for employee benefit obligations (+€10.1 million), due to the change of the discount rate from 1% at 2021 year-end to 3.5% at 2022 year-end.

The "other changes" of the comprehensive income come from the remeasurement at fair value of derivates.

"Other changes", outside the comprehensive income, corresponded to changes in treasury shares recognized as a deduction from shareholders' equity at their purchase cost.

In 2022, the Company did not sell any treasury shares outside the liquidity agreement.

2.4.11.3 Translation differences recorded in shareholders' equity

As of December 31, 2022, the change in translation differences recorded in shareholders' equity amounted to -€0.3 million. The net impact on shareholders' equity of translation differences relating to long-term cash advances granted to subsidiaries in accordance with *IAS 21* was €0.3 million. These differences primarily corresponded to advances granted to the US subsidiaries.

2.4.11.4 Share Buyback Program and free share awards

In 2022, no shares were cancelled, the Company's share capital still comprises 23,022,739 shares.

As of December 31, 2022, the number of treasury shares held was 65.447 shares.

2.4.11.5 Minority interests

The Group is developing its divisional operations primarily via a business model that is unusual in the metals distribution sector. Subsidiaries are set up with a local partner, who is usually the manager of the subsidiary. This partner invests and receives an equity interest in the subsidiary ranging from 10 to 49%. The subsidiary has an exclusive right to exploit the brand and can therefore market the full range of brand products in a specified area.

Shareholder agreements have been signed with the minority shareholders.

These agreements in no way affect the terms and conditions governing the sale or purchase of the Company's shares.They are designed solely to arbitrate between the parties' interests in the event of a planned divestment or conflict.

Where applicable, some of these agreements provide for put and call options over minority interests in favor of both parties. Generally speaking, minority interests are valued using a base approximately equal to the subsidiary's shareholders' equity.

The percentages of interest and control held by the Group in each subsidiary and their country of location are listed in §2.1.1 of this section.

2.4.12 Current and non-current provisions

€m	31.12.21	Additions	Reversals (unused)	Reversals (used)	Other	Translation differences	31.12.22
Non-current provisions	8.9	0.9	(0.0)	(0.1)	0.0	-	9.7
Current provisions	36.7	18.9	(2.7)	(1.0)	(0.6)	(0.0)	51.2
Total	**45.7**	**19.7**	**(2.7)**	**(1.1)**	**(0.6)**	**(0.0)**	**60.9**

Current and non-current provisions correspond to disputes with employees, reorganization costs and disputes with customers and suppliers. The additions of the year notably cover a risk of retroactive taxation on imports.

2.4.13 Provisions for employee benefit obligations

The pension obligations primarily relate to France, Germany, The Netherlands and Italy. The main assumptions used are as follows:

Assumptions used		France	Germany	Italy	The Netherlands
Discount rate					
2022	Umbrella pension scheme	3.50%			
	Long-service awards	3.50%			3.63%
	Retirement indemnity / Pensions / other schemes	3.50%	3.50% or 3.80% depending on duration	3.50%	3.67%
2021	Umbrella pension scheme	1.00%			
	Long-service awards	1.00%			0.35%
	Retirement indemnity / Pensions / other schemes	1.00%	0.90% or 1.15% depending on duration	1.00%	0.93%
Inflation rate					
2022		2.00%	n.a.	2.00%	2.60%
2021		1.70%	n.a.	1.70%	1.90%
Average wage inflation rate					
2022		From 0.39% to 4.69% depending on SPC[1], pay schemes and age	depends on companies	n.a.	2.60%
2021		From 0.39% to 4.69% depending on SPC[1], pay schemes and age	depends on companies	n.a.	1.90%
Length in years					
2022	Umbrella pension scheme	10			
	Long-service awards	6	9		7
	Retirement indemnity / Pensions / other schemes	8	11	10	20
2021	Umbrella pension scheme	13			
	Long-service awards	7	11		8
	Retirement indemnity / Pensions / other schemes	9	14	11	25

[1] SPC: socio-professional categories.

As in the previous financial years, the discount rate used was calculated on the basis of top tier AA-rated private corporate bonds (iBoxx € Corporate AA10+ benchmark).

The provision is assessed by actuaries who are independent of the Group.

€m						31.12.22	31.12.21
	France	Germany	Italy	The Netherlands	Other countries	Total	Total
Reconciliation with opening financial position							
1 Opening actuarial liability (DBO)	(21.8)	(38.8)	(1.0)	(24.6)	(2.3)	(88.4)	(88.8)
2 Opening fair value of insurance fund assets	5.7	5.6	-	21.8	0.4	33.5	28.5
3 Opening financial position = 1+2	**(16.0)**	**(33.1)**	**(1.0)**	**(2.9)**	**(1.9)**	**(54.9)**	**(60.2)**
Expense for the year							
1 Cost of services rendered	0.3	0.4	0.0	0.6	0.1	1.4	1.4
2 Cost of past services rendered	-	0.0	-	-	-	0.0	0.0
3 Interest expense	0.2	0.4	-	0.2	0.0	0.8	0.6
4 Expected yield from insurance funds	(0.1)	(0.1)	-	(0.2)	(0.0)	(0.3)	(0.3)
5 Administrative expenses	-	-	-	0.1	-	0.1	0.1
6 Amortization of actuarial (gains) / losses	(0.0)	(0.3)	-	(0.0)	(0.0)	(0.4)	(0.2)
7 Expense for the year = total of 1 to 6	**0.4**	**0.4**	**0.0**	**0.7**	**0.1**	**1.7**	**1.6**
Change in actuarial liability (DBO)							
1 Opening actuarial liability (DBO)	(21.8)	(38.8)	(1.0)	(24.6)	(2.3)	(88.4)	(88.8)
2 Cost of services rendered	(0.3)	(0.4)	(0.0)	(0.6)	(0.1)	(1.4)	(1.4)
3 Interest expense	(0.2)	(0.4)	-	(0.2)	(0.0)	(0.8)	(0.6)
4 Employee contributions	-	-	-	(0.1)	-	(0.1)	(0.1)
5 Benefits paid out by the fund	1.0	1.9	0.2	0.2	0.2	3.4	3.0
6 Gains / (losses) generated during the year	4.6	8.8	0.1	10.9	0.2	24.5	(1.2)
7 Plan settlement / curtailment	0.1	(0.0)	-	-	-	0.1	(0.0)
8 Other	-	-	-	-	0.0	0.0	0.6
9 Closing actuarial liability (DBO) = total of 1 to 8	**(16.5)**	**(28.8)**	**(0.7)**	**(14.6)**	**(2.0)**	**(62.8)**	**(88.4)**
Insurance fund assets forecast							
1 Opening fair value of insurance fund assets	5.7	5.6	-	21.8	0.4	33.5	28.5
2 Expected return on assets	0.1	0.1	-	0.2	0.0	0.3	0.3
3 Employer contributions	-	(0.3)	-	0.6	0.0	0.3	4.4
4 Employee contributions	-	-	-	0.1	-	0.1	0.1
5 Benefits paid out by the fund	(0.1)	(0.2)	-	(0.2)	-	(0.4)	(0.5)
6 Administrative expenses	-	-	-	(0.1)	-	(0.1)	(0.1)
7 Gains / (losses) generated during the year	0.1	(0.1)	-	(9.9)	-	(9.9)	0.7
8 Other	-	-	-	-	-	-	-
9 Closing fair value of insurance fund assets = total of 1 to 8	**5.9**	**5.1**	**-**	**12.5**	**0.5**	**24.0**	**33.5**
Reconciliation with closing financial position							
1 Closing actuarial liability (DBO)	(16.5)	(28.8)	(0.7)	(14.6)	(2.0)	(62.8)	(88.4)
2 Closing fair value of insurance fund assets	5.9	5.1	-	12.5	0.5	24.0	33.5
3 Financial position = 1+2	**(10.7)**	**(23.7)**	**(0.7)**	**(2.1)**	**(1.6)**	**(38.8)**	**(54.9)**
Closing (provision) / advance payment							
1 Opening (provision) / advance payment	(16.0)	(33.1)	(1.0)	(2.9)	(1.9)	(54.9)	(60.2)
2 Expense for the year	(0.4)	(0.4)	(0.0)	(0.7)	(0.1)	(1.7)	(1.6)
3 Benefits / contributions paid by the employer	1.0	1.4	0.2	0.6	0.2	3.3	7.0
4 Actuarial gains / losses recognized in items of other comprehensive income	4.7	8.4	0.1	0.9	0.2	14.3	(0.6)
5 Plan settlement / curtailment	0.1	(0.0)	-	-	-	0.1	-
6 Other	-	-	-	-	0.0	0.0	0.6
7 Closing (provision) / advance payment = total of 1 to 6	**(10.7)**	**(23.7)**	**(0.7)**	**(2.1)**	**(1.6)**	**(38.8)**	**(54.9)**
Reasons for actuarial gains / losses generated during the year							
1 Change in demographic assumptions	-	-	-	(0.3)	-	(0.3)	-
2 Change in financial assumptions	4.9	8.7	0.2	12.1	0.2	26.2	(1.6)
3 Experience adjustments	(0.4)	(0.2)	(0.1)	(1.0)	(0.0)	(1.7)	0.2
4 Actuarial gains / losses generated by hedge assets	0.1	(0.1)	-	(9.9)	-	(9.9)	0.7
5 Total experience gains / (losses) over the year - Closing balance = total of 1 to 4	**4.7**	**8.4**	**0.1**	**0.9**	**0.2**	**14.3**	**(0.6)**

Assets held for the purpose of covering employee benefit liabilities amounted to €24 million and are mainly located in France (special pension fund set up in 2019), The Netherlands and Germany. They are invested in the general funds of the insurance company, on which the Company has not usually imposed any investment strategy (allocation to equity, real estate, etc.).

Actuarial gains and losses primarily relate to changes in financial assumptions, the discount rate rose from 1% in 2021 to 3.5% in 2022. These gains and losses were recognized under items of other comprehensive income for an amount of €10.1 million net of income taxes.

Sensitivity testing on the impact of changes in the discount rate on the valuation of the actuarial liability, with a deviation of ±0.25pp for most of the companies concerned, yielded the following results:

€m	France	Germany	Italy	The Netherlands	Total testé	Total Groupe
Actuarial liability as of 31.12.22	**(16.5)**	**(28.6)**	**(0.6)**	**(14.6)**	**(60.4)**	**(62.8)**
Actuarial liability calculated at a discount rate of +0.25pp	(16.2)	(27.5)	(0.6)	(13.9)	(58.2)	
Actuarial liability calculated at a discount rate of -0.25pp	(17.0)	(29.4)	(0.6)	(15.4)	(62.4)	

Sensitivity testing on the impact of changes in the inflation rate on the valuation of the actuarial liability, with a deviation of ±0.25pp for most of the companies concerned, yielded the following results:

€m	France	Germany	Italy	The Netherlands	Total testé	Total Groupe
Actuarial liability as of 31.12.22	**(16.5)**	**(28.6)**	**(0.6)**	**(14.6)**	**(60.4)**	**(62.8)**
Actuarial liability calculated at an inflation rate of +0.25pp	(17.0)	(29.2)	(0.6)	(15.7)	(62.5)	
Actuarial liability calculated at an inflation rate of -0.25pp	(16.2)	(28.1)	(0.6)	(14.5)	(59.4)	

The various pension schemes are relatively insensitive to the wage inflation rate.
The forecast benefit schedule over the next three years provides for an expense of €3.2 million in France, €0.4 million in The Netherlands and €5.6 million in Germany.

2.4.14 Deferred tax

The origin of deferred tax is as follows:

€m	31.12.22	31.12.21
Temporary differences	19	17
Tax losses carried forward	5	16
Other IFRS restatements *	45	30
Deferred tax assets	**69**	**62**
Temporary differences	4	1
Tax losses carried forward	0	-
Other IFRS restatements *	(12)	(7)
Deferred tax liabilities	**(8)**	**(6)**

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

The change in deferred tax on tax loss carryforwards broke down as follows:

€m	2022	2021
As of January 1	**16**	**15**
Utilization	(13)	(7)
Recognition	2	8
Translation differences	0	0
Impact of changes in tax rates	-	(0)
As of December 31	**5**	**16**

2.4.15 Borrowings

€m	31.12.22	<1 year	1-5 years	>5 years	31.12.21
Long-term borrowings	**333**	**-**	**325**	**8**	**307**
Portion of long-term borrowings due < 1 year	55	55	-	-	32
Bank overdrafts, factoring, discounting	99	99	-	-	77
Accrued interest	2	2	-	-	1
Short-term borrowings	**155**	**155**	**-**	**-**	**110**
Total borrowings	**488**	**155**	**325**	**8**	**417**

As of December 31, 2022 long-term borrowings mainly include:

- private placements under German law (Schuldscheindarlehen or SSD):
  - €150 million, arranged in 2021 and matures in 2026,
  - €70 million, arranged in 2019, tranche 1 amounting to €36 million maturing December 2024, and tranche 2 amounting to €34 million maturing January 2025;
- a revolving syndicated loan matures in 2024 (€17.5 million used as of December 21, 2022).

Short-term debt repayment schedule

€m	31.12.22
Due in < 1 month	89
Due in 1-3 months	18
Due in 3-12 months	48
Short-term borrowings	**155**

Change in borrowings

€m	
As of December 31, 2021	**417**
New borrowings	88
Repayment of borrowings	(46)
Change in bank overdrafts, discounts and credit facilities	22
Acquisition	8
Translation differences and others	(1)
As of December 31, 2022	**488**

New borrowings amounted to €88 million and correspond mainly to a drawing of €17.5 million on revolving syndicated loan and the establishment of new lines of credit by the Group.

The change in bank overdrafts, discounts and credit facilities includes reverse factoring agreements entered into by a subsidiary (€2.6 million as of December 31, 2022 compared to €8 million as of December 31, 2021).

Breakdown of net debt by interest rate type and currency

€m	31.12.22	31.12.21
Fixed rate borrowings	115	80
Floating rate borrowings	373	337
Total borrowings	**488**	**417**
EUR	431	377
USD	12	15
CAD	21	8
CZK	3	5
PLN	13	8
CHF	1	1
HUF	2	1
CNY	0	1
GBP	2	-
SEK	3	-
Liabilities held for sale	**-**	**-**
Cash and cash equivalent	**254**	**246**
Net debt	**234**	**171**

2.4.16 Trade payables and other liabilities

€m	31.12.22	31.12.21
Trade payables	**252**	**277**
Current tax liabilities	**36**	**20**
Tax liabilities	25	25
Payroll tax payable	44	36
Advances and down payments on orders	2	1
Fixed asset payables	1	0
Other payables	4	8
Deferred income	2	1
Other current liabilities	**78**	**72**
Other non-current liabilities	**5**	**5**

All trade payables and other liabilities have a maturity of less than one year. Average supplier payment terms are around 60 days.

2.4.17 Financial instruments

2.4.17.1 Financial assets

31.12.21				Breakdown by category of instruments				
€m	Statement of financial position total	Current	Non-current	Fair value through P/L	Derivatives at fair value through P/L	Derivatives at fair value through items of OCI	Fair value through OCI not reclassified to P/L	Loans and receivables at amortized cost
Non-current financial assets	21.1	-	21.1	-	-	-	-	21.1
Trade receivables	208.8	208.8	-	-	-	-	-	208.8
Other assets	35.2	35.2	-	-	-	-	-	35.2
Derivatives	0.4	0.4	-	-	-	0.4	-	-
Cash and cash equivalents	245.7	245.7	-	245.7	-	-	-	-
Total financial assets	**511.2**	**490.1**	**21.1**	**245.7**	**-**	**0.4**	**-**	**265.1**

31.12.22				Breakdown by category of instruments				
€m	Statement of financial position total	Current	Non-current	Fair value through P/L	Derivatives at fair value through P/L	Derivatives at fair value through items of OCI	Fair value through OCI not reclassified to P/L	Loans and receivables at amortized cost
Non-current financial assets	21.6	-	21.6	-	-	-	-	21.6
Trade receivables	217.8	217.8	-	-	-	-	-	217.8
Other assets	44.4	44.4	-	-	-	-	-	44.4
Derivatives	7.4	7.4	-	-	-	7.4	-	-
Cash and cash equivalents	254.1	254.1	-	254.1	-	-	-	-
Total financial assets	**545.2**	**523.6**	**21.6**	**254.1**	**-**	**7.4**	**-**	**283.7**

2.4.17.1.1 Loans and receivables at amortized cost

			2022			2021
€m	Gross	Impairment	Net	Gross	Impairment	Net
Other non-current financial assets	22.8	(1.2)	21.6	22.3	(1.2)	21.1
Trade receivables	223.8	(6.1)	217.8	214.8	(6.1)	208.8
Other assets	44.4	(0.0)	44.4	35.2	-	35.2
Total	**291.1**	**(7.3)**	**283.7**	**272.3**	**(7.3)**	**265.1**

2.4.17.1.2 Financial assets at fair value through profit or loss or items of other comprehensive income

		2022		2021
€m	Current	Non-current	Current	Non-current
Financial derivatives	7.4	-	0.4	-
Cash and cash equivalents	254.1	-	245.7	-
Total	**261.5**	**-**	**246.1**	**-**

As of December 31, 2022, financial derivatives classified as assets are shown in §2.4.17.4 of this section. The Group uses hedge accounting when the effectiveness of a hedge can be demonstrated. Where this is not the case, the Group recognizes all changes in the fair value of hedging instruments through profit or loss.
A change of €7 million have been recorded in the comprehensive income as of December 31, 2022.

2.4.17.1.3 Fair value of financial assets

31.12.21

€m	Listed price	Observable data model	Non-observable data model	Fair value	Statement of financial position
Non-current financial assets	-	-	21.1	21.1	21.1
Trade receivables	-	208.8	-	208.8	208.8
Other assets	-	35.2	-	35.2	35.2
Derivatives	-	0.4	-	0.4	0.4
Cash and cash equivalents	245.7	-	-	245.7	245.7
Total financial assets	**245.7**	**244.4**	**21.1**	**511.2**	**511.2**

31.12.22

€m	Listed price	Observable data model	Non-observable data model	Fair value	Statement of financial position
Non-current financial assets	-	-	21.6	21.6	21.6
Trade receivables	-	217.8	-	217.8	217.8
Other assets	-	44.4	-	44.4	44.4
Derivatives	-	7.4	-	7.4	7.4
Cash and cash equivalents	254.1	-	-	254.1	254.1
Total financial assets	**254.1**	**269.6**	**21.6**	**545.2**	**545.2**

2.4.17.1.4 Statement of changes in impairment of financial assets

€m	31.12.20	Translation differences	Reclassi-fications	Net charges	31.12.21
Impairment of non-current financial assets	1.2	-	-	0.0	1.2
Impairment of trade receivables	6.1	-	(0.0)	(0.0)	6.1
Total	**7.3**	**-**	**(0.0)**	**(0.0)**	**7.3**

€m	31.12.21	Translation differences	Reclassi-fications	Net charges	31.12.22
Impairment of non-current financial assets	1.2	-	-	-	1.2
Impairment of trade receivables	6.1	-	(0.0)	(0.0)	6.1
Total	**7.3**	**-**	**(0.0)**	**(0.0)**	**7.3**

2.4.17.2 Financial liabilities

31.12.21				Breakdown by category of instruments			
€m	Statement of financial position total	Current	Non-current	Fair value through P/L	Derivatives at fair value through P/L	Derivatives at fair value through items of OCI	Loans and receivables at amor-tized cost
Other non-current liabilities	5.0	-	5.0	-	-	-	5.0
Borrowings	416.8	109.9	306.9	-	-	-	416.8
Trade payables	276.7	276.7	-	-	-	-	276.7
Derivatives	0.4	0.4	-	-	-	0.4	-
Other liabilities	72.4	72.4	-	-	-	-	72.4
Total financial liabilities	**771.3**	**459.4**	**311.9**	**-**	**-**	**0.4**	**770.9**

31.12.22				Breakdown by category of instruments			
€m	Statement of financial position total	Current	Non-current	Fair value through P/L	Derivatives at fair value through P/L	Derivatives at fair value through items of OCI	Loans and receivables at amor-tized cost
Other non-current liabilities	4.6	-	4.6	-	-	-	4.6
Borrowings	487.9	155.0	332.8	-	-	-	487.9
Trade payables	251.6	251.6	-	-	-	-	251.6
Derivatives	0.3	0.3	-	-	-	0.3	-
Other liabilities	77.9	77.9	-	-	-	-	77.9
Total financial liabilities	**822.3**	**484.8**	**337.5**	**-**	**-**	**0.3**	**822.0**

2.4.17.2.1 Borrowings

The components of borrowings are set out in §2.4.15 of this section.

An assessment of the liquidity risk management process is set out in §2.4.17.3.2 of this section.

2.4.17.2.2 Derivatives

€m	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Derivatives	0.3	-	0.4	-
Total	**0.3**	**-**	**0.4**	**-**

As of December 31, 2022, financial derivatives classified as liabilities are shown in §2.4.17.4 of this section. The Group applies hedge accounting when effectiveness is demonstrated. In this case, financial derivatives are recognized under items of other comprehensive income. With financial derivatives classified as assets, a change of €7 million has been recorded in the comprehensive income as of December 31, 2022. Where effectiveness is not demonstrated, the Group recognizes all changes in the fair value of hedging instruments through profit or loss.

An assessment of the interest rate and currency risk management process is set out in §2.4.17.3.2, 2.4.17.3.3 and 2.4.17.4 of this section, together with the terms of the hedging agreements.

2.4.17.2.3 Trade payables and other liabilities

The components of trade payables and other liabilities are set out in §2.4.16 of this section.

2.4.17.2.4 Fair value of financial liabilities

31.12.21

€m	Listed price	Observable data model	Non-observable data model	Fair value	Statement of financial position
Other non-current liabilities	-	5.0	-	5.0	5.0
Total borrowings	416.8	-	-	416.8	416.8
Trade payables	-	276.7	-	276.7	276.7
Derivatives	-	0.4	-	0.4	0.4
Other liabilities	-	72.4	-	72.4	72.4
Fair value of financial liabilities	**416.8**	**354.4**	**-**	**771.3**	**771.3**

31.12.22

€m	Listed price	Observable data model	Non-observable data model	Fair value	Statement of financial position
Other non-current liabilities	-	4.6	-	4.6	4.6
Total borrowings	487.9	-	-	487.9	487.9
Trade payables	-	251.6	-	251.6	251.6
Derivatives	-	0.3	-	0.3	0.3
Other liabilities	-	77.9	-	77.9	77.9
Fair value of financial liabilities	**487.9**	**334.4**	**-**	**822.3**	**822.3**

2.4.17.3 Management of risks relating to financial instruments

2.4.17.3.1 Counterparty risk

Counterparty risk is limited by the fragmented structure of the Group's customer base with no dependency on a given customer or industry sector.

Furthermore, thanks to the Group's credit insurance policy, risk exposure is limited to uninsured trade receivables.

As of December 31, 2022, 95% of balance sheet trade receivables were insured.

All receivables have a maturity of less than one year. The payment terms usually offered to customers range between 30 and 120 days, depending on the region.

As of December 31, 2022, the gross value of customer payments in arrears is set out below.

€m	31.12.22	31.12.21
Receivables not due and not impaired	**167.2**	**170.5**
Receivables overdue and impaired	**15.7**	**11.5**
<30 days	7.8	5.1
30 to 60 days	2.3	1.9
60 to 90 days	1.0	0.2
90 to 120 days	0.6	0.6
>120 days	4.1	3.8
Receivables overdue and not impaired	**40.9**	**32.7**
<30 days	31.6	23.4
30 to 60 days	7.3	6.1
60 to 90 days	0.9	2.3
90 to 120 days	0.7	0.3
>120 days	0.4	0.6
Total receivables	**223.8**	**214.8**

2.4.17.3.2 Interest rate and liquidity risk

2.4.17.3.2.1 Assessment of interest rate risk relating to balance sheet assets

Balance sheet assets' exposure to interest rate risk primarily relates to the Group's cash investments. These cash investments primarily consist of term deposits, where the risk is limited.

2.4.17.3.2.2 Assessment of interest rate risk relating to balance sheet liabilities

Balance sheet liability exposure to interest rate risk primarily relates to Group floating rate debt.

€m	31.12.22	31.12.21
Floating rate bank overdrafts, factoring & discounting *	95.5	76.1
Floating rate borrowings *	275.4	259.9
Of which hedged floating rate borrowings	130.0	145.0
Unhedge balance	**240.9**	**191.0**

* Excluding accrued interests.

As of December 31, 2022, 35% of floating rate debt was hedged by:

- swaps covering €90 million with a five-year term (Eur3M floored at 0% against fixed rates averaging 0.187%, expiring between 2023 and 2024);
- caps covering €40 million (Eur3M capped at 0% against payment of a 0.15% premium, expiring in 2024).

If these hedging agreements are taken into account, a ±1pp change in interest rates would have an impact of around €2.4 million on Group interest expense.

2.4.17.3.2.3 Assessment of liquidity risk

Based on non-discounted contractual cash flows covering both the principal amounts and interest, the debt payment schedule is as follows:

31.12.22			Maturity		
€m	Total borrowings	Contractual underta-kings	<1 year	1-5 years	>5 years
Long-term borrowings including short-term portion	**388**	**416**	**64**	**343**	**9**
Bank overdrafts, factoring, discounting	99	99	99	-	-
Accrued interest	2	2	2	-	-
Short-term borrowings	**100**	**100**	**100**	**-**	**-**
Total borrowings	**488**	**516**	**164**	**343**	**9**

As long and short-term borrowings primarily consist of euro-denominated debt, no exchange rate assumptions have been used.

As of December 31, 2022, long-term debt (long and short-term portion) amounted to €388 million and consisted mainly of floating rate debt.

As of December 31, 2022, the contractual undertaking corresponds to:

- the debt shown on the balance sheet as of December 31, 2022 plus future interest payments on long-term debts. For unhedged floating rate borrowings, the future interest payments were calculated on the basis of an average rate of 4.84%;
- the nominal amount for the line "Bank overdrafts, factoring, discounting".

Some loans are subject to compliance with the covenants set out in §2.5.4 of this section.

The Group has carried out a specific review of its liquidity risk and considers that it is able to meet its future liabilities as they fall due. As of December 31, 2022:

- Group cash and cash equivalents amounted to €254 million, including €177 million held by the Company;
- the Company had an unused revolving credit facility of €125 million, used to €17.5 million at 2022 year-end, as well as other credit facilities;
- the subsidiaries have unused lines of credit amounting to €120 million.

The amount of used and unused lines of credit is set out in §2.5.3 of this section.

2.4.17.3.3 Currency risk

2.4.17.3.3.1 Currency hedging policies

The subsidiaries mainly purchase raw materials in euros. The Group's exposure to currency risk mainly concerns the subsidiaries based in the UK, Sweden, Switzerland, Poland, USA, Canada, Turkey and China, in respect of purchases in euros, while other cash flows are denominated in the subsidiary's functional currency.

The Company is exposed to currency risk when it grants cash advances in local currencies to subsidiaries outside the euro zone.

The finance department assesses the currency positions every month, per currency and per subsidiary, and then arranges the hedges required. The most frequently used hedging instruments are forward currency purchases or sales.

2.4.17.3.3.2 Currency risk on foreign currency investments in the subsidiaries

As of December 31, 2022, the net balance sheet positions for foreign currency investments in the subsidiaries by currency of origin are as follows:

€m	CAD	CHF	CNY	CZK	DKK	GBP	HUF	KRW	PLN	SEK	SGD	TRY	USD	Total
Assets excluding intangible assets and PP&E	34.8	5.6	9.1	18.8	1.1	10.4	17.0	1.8	49.8	16.3	0.7	4.8	67.4	237.6
Liabilities excluding shareholders' equity	29.2	3.1	3.2	9.8	0.8	4.4	11.5	3.5	25.6	9.9	0.9	3.8	34.5	140.2
Net position before hedging	**5.6**	**2.5**	**5.9**	**9.0**	**0.3**	**6.0**	**5.5**	**(1.7)**	**24.2**	**6.4**	**(0.2)**	**1.0**	**32.9**	**97.4**
Off-balance sheet position	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net position after hedging	**5.6**	**2.5**	**5.9**	**9.0**	**0.3**	**6.0**	**5.5**	**(1.7)**	**24.2**	**6.4**	**(0.2)**	**1.0**	**32.9**	**97.4**

The other risks identified by the Group are country risk, price elasticity risk, the risk of fluctuations in metal prices.

2.4.17.4 Derivatives

These instruments, which are recognized in net financial expense or in items of other comprehensive income, were valued on the basis of expectations for interest and foreign exchange rates:

€m	31.12.21	Increase	Decrease	Fair value	31.12.22
Interest-rate derivatives	0.1	-	-	(0.1)	(0.0)
Currency derivatives	0.3	0.2	(0.1)	(0.0)	0.3
Total derivatives under liabilities	**0.4**	**0.2**	**(0.1)**	**(0.1)**	**0.3**
Interest-rate derivatives	0.2	-	-	7.1	7.3
Currency derivatives	0.1	0.1	-	(0.1)	0.1
Total derivatives under assets	**0.4**	**0.1**	**-**	**7.0**	**7.4**

An assessment of currency, interest rate and liquidity risk is set out in §2.4.17.3.2 and 2.4.17.3.3 of this section.

2.5 Off-balance sheet commitments

The Group's finance department conducts a detailed review of off-balance sheet commitments. The commitments received and given presented below are presented on the basis of the outstanding capital of the debts to which they are attached.

2.5.1 Summary of commitments given and received

Off-balance sheet commitments break down as follows:

			Maturity		
€m	31.12.22	31.12.21	<1 year	1-5 years	>5 years
Commitments received	**2.7**	**2.8**	**0.7**	**2.0**	**-**
Commitments given	**193.3**	**174.3**	**148.8**	**26.2**	**18.3**
Supplier guarantees	29.3	31.8	27.1	2.2	-
Guarantees given to banks	63.5	62.5	58.3	5.2	-
Documentary credit, letters of credit, SBLC	1.0	6.7	1.0	-	-
Comfort letters	41.0	27.8	28.0	7.5	5.4
Mortgages	13.7	12.8	2.4	11.2	-
Security interests on working capital	43.6	31.4	30.8	-	12.8
Guarantees	1.3	1.3	1.1	0.0	0.1

€m	Collatera-lized assets	Start date	Maturity	Total balance sheet item *	Coll. assets as % of balance sheet item
Mortgages on lands or buildings					
Belgium	6.2	20.01.14	20.01.24	7.4	84%
Switzerland	1.1	01.07.21	30.06.26	5.8	19%
Czech Republic	2.1	01.09.14	31.01.23	4.0	52%
Poland	4.0	19.09.11	08.11.27	4.0	100%
Sweden	0.3	06.12.05	31.12.22	0.3	100%
Total collateralized equipment	**13.7**				

* Total gross value of balance sheet item in the consolidated financial statements.

2.5.2 Contractual obligations

Until 2018, contractual obligations were mainly related to operating leases. In application of *IFRS 16* as from January 1, 2019, contractual obligations excluding the exemptions listed in §2.2.11 of this section, are henceforth recognized on the balance sheet; the payment schedule is presented in §2.4.4 of this section.

2.5.3 Lines of credit

Lines of credit break down as follows:

			2022			2021
€m	Amount authorized	Amount used	Amount available	Amount authorized	Amount used	Amount available
JACQUET METALS SA borrowings	**565**	**366**	**199**	**523**	**325**	**197**
Of which syndicated revolving loan	125	18	108	125	-	125
Of which Schuldscheindarlehen (private placement of debt instruments under German law)	220	220	-	220	220	-
Of which lines of credit / facilities	220	128	92	178	105	72
Subsidiaries borrowings	**242**	**122**	**120**	**181**	**91**	**90**
Total	**807**	**488**	**319**	**704**	**417**	**287**

2.5.4 Borrowing covenants

Borrowing covenants mainly apply to the syndicated revolving loan and the German private placements (Schuldscheindarlehen or SSD) contracted by the Company. 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 (€17.5 million used as of December 31, 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.

As of December 31, 2022, all financing covenants were in compliance.

2.6 Information on related parties

Related parties have been defined as the corporate officers of the Company. The subsidiaries' senior managers were not considered as related parties inasmuch as their responsibility is limited to a fraction of the Group's sales or assets.

Assets owned directly or indirectly by related parties that are used as part of the Group's operations:

€k	Sites	2022 rent (excl. VAT)	2021 rent (excl. VAT)	Tenants
JERIC SARL	Saint Priest - France (69)	660	647	JACQUET METALS SA
	Villepinte - France (93)	213	209	JACQUET METALS SA
SCI Cité 44	Lyon - France (69)	608	546	JACQUET METALS SA
	Lyon - France (69)	41	40	Metal Services
SCI de Migennes	Migennes - France (89)	240	225	JACQUET METALS SA
SCI Rogna Boue	Grésy sur Aix - France (73)	209*	142	Détail Inox
JSA Holding Bochum	Bochum - Germany	554	526	Quarto Deutschland

* Growth due to the additional rented area.

Related-party transactions are performed under normal arm's length market conditions.

2.7 Changes in the consolidated cash position

The statement of changes in the consolidated cash position is shown on a net basis, after offsetting translation differences and changes in the consolidation scope.

Timing differences between financial expenses recognized for the period and expenses paid are taken into account in the cash position statement, but remain non-material.

Further information on operating activities

€m	31.12.21	Acquisition	Change in working capital	Other	Translation differences	31.12.22
Inventory	588	11	182	0	(1)	780
Trade receivables	209	8	2	0	(1)	218
Trade payables	(277)	(1)	25	0	1	(252)
Net operating working capital	**520**	**18**	**210**	**0**	**(2)**	**746**
Other assets	35	0	10	(1)	(0)	44
Other liabilities	(72)	(0)	(5)	(0)	0	(78)
Working capital before taxes and financial items	**483**	**18**	**215**	**(1)**	**(1)**	**713**

Further information on investing activities

Investments are set out in §2.4.2 and 2.4.3 of this section.

Further information on financing activities

A dividend of €1 per share was paid by the Company in 2022, entailing a total payout of €23 million. A further €3.4 million was paid to minority shareholders in the subsidiaries. Changes in borrowings may be summarized as follows:

€m	31.12.21	Acquisition	Cash flow	Translation differences	Reclassi-fication between short and long-term portions	31.12.22
Long-term financial borrowings	307	8	88	0	(70)	333
Long-term borrowings	**307**	**8**	**88**	**0**	**(70)**	**333**
Portion of financial long-term borrowings due < 1 year	32	0	(46)	(0)	68	55
Bank overdrafts, factoring, discounting	77	0	22	(2)	2	99
Short-term borrowings excluding accrued interest	**109**	**0**	**(25)**	**(2)**	**70**	**153**

The "New borrowings" line in the cash flow statement (€88 million) corresponds to new borrowings recognized under long-term borrowings on the balance sheet.

The outflow corresponding to short-term borrowings (-€25 million) is shown on the "Change in borrowings" line of the cash flow statement.

2.8 Statutory auditors' fees

Statutory auditors' fees amounted to €2,438,000 in 2022 and broke down as follows:

	EY		Grant Thornton		Other		Total	
€k	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Audit								
Independent audit, certification, review of parent company and consolidated financial statements								
Issuer	190	177	184	171	-	-	374	348
Fully consolidated subsidiaries	529	580	687	486	152	125	1,368	1,191
Services other than the certification of the financial statements								
Issuer	26	25	133	3	-	-	159	28
Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Sub-total	**745**	**782**	**1,004**	**660**	**152**	**125**	**1,901**	**1,567**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax and corporate services	-	-	537	-	-	-	537	-
Other	-	-	-	-	-	-	-	-
Sub-total	**-**	**-**	**537**	**-**	**-**	**-**	**537**	**-**
Total	**745**	**782**	**1,541**	**660**	**152**	**125**	**2,438**	**1,567**

2.9 Post balance sheet events

In early 2023, the Group completed the acquisition of Delta Acciai (€10 million sales), an Italian company specializing in the distribution of stainless steel long products. This acquisition gives the STAPPERT division a foothold in Italy with 2 distribution centers in Turin and Milan.

The Group also signed a definitive agreement to acquire 11 distribution centers from SWISS STEEL Group. This acquisition, due to be completed in Q2, will strengthen the IMS group division in Central and Eastern Europe. The transaction perimeter encompasses companies based in the Czech Republic, Poland, Slovakia, Hungary, Lithuania, Estonia and Latvia, which generated sales of €158 million in 2022.

Statutory auditors' report on the consolidated financial statements

GRANT THORNTON
Cité internationale • 44, quai Charles de Gaulle
CS 60095 - 69463 Lyon Cedex
632 013 843 R.C.S. Nanterre
Statutory auditor
Member of the compagnie régionale
de Versailles et du Centre

ERNST & YOUNG et Autres
Tour Oxygène • 10-12, boulevard Marius Vivier Merle
69393 Lyon Cedex 03
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre
Statutory auditor
Member of the compagnie régionale
de Versailles et du Centre

JACQUET METALS • Year ended December 31, 2022

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of JACQUET METALS,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of JACQUET METALS for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill

Risk identified

As at December 31, 2022, the net value of the group's goodwill is €67.3m for a total balance sheet of €1,719m. The group performs at each year-end impairment tests on its goodwill, according to the methods described in Notes 2.2.8 and 2.4.1 to the consolidated financial statements.

As stated in Note 2.2.8 to the consolidated financial statements, impairment testing consists in determining the recoverable value of a Cash Generating Unit; it represents the highest value between the value in use and the fair value. The value in use is determined based on projected discounted operating cash flows taken from five-year business plans, and a terminal value measured based on the capitalization of cash flows to infinity.

We considered the valuation of this goodwill to be a key audit matter given its materiality in the group's accounts and the use of assumptions and estimates required for the assessment of their recoverable amount.

Our response

Within the scope of our audit of the consolidated financial statements, our work notably consisted in:

- examining the methods of implementation of the impairment tests;
- corroborating, in particular through interviews with management, the main data and assumptions on which the estimates used are based, notably the cash flow forecasts, the long-term growth rates and the discount rates;
- assessing the consistency of the cash flow forecasts with business plans prepared by management, past performance and regarding the group economic environment;
- assessing, with the support of our valuation experts, the appropriateness of the valuation model, the long-term growth rates and the discount rates used compared to market benchmarks;
- performing our own sensitivity valuation to corroborate the analyses carried out by management.

In addition, we assessed the appropriateness of the information disclosed in Note 2.4.1 to the consolidated financial statements.

Valuation of inventories

Risk identified

Inventories and work-in-progress are recorded in the consolidated balance sheet as at December 31, 2022 for the net amount of €780 m and represent 45% of the consolidated balance sheet.

As stated in Note 2.2.13 to the consolidated financial statements, inventories are valued at the lower of their weighted average cost price and net realizable value. At each year-end, management assesses the net realizable value of inventories, which corresponds to their estimated selling price in the ordinary course of business, less selling costs.

We considered the valuation of inventories to be a key audit matter given their materiality in the group's accounts and the use of estimates necessary for the assessment of their net realizable value.

Our response

Our work consisted in assessing the data and assumptions used by management to determine the net realizable value and identify the items that should be recorded at this value.

We performed the following works:

- we familiarized ourselves with the internal control procedures and the method implemented to estimate impairments and identify the items concerned;
- we tested the effectiveness of the key controls relating to these procedures;
- we assessed the consistency of the methods used to determine the net realizable value;
- we tested the correct application of the method, using sampling techniques on the most significant components.

Valuation of provisions for liabilities and charges

Risk identified

As at December 31, 2022, provisions for employee disputes, restructuring costs and customer and supplier disputes amounted to € 60.9m.

The estimation of the impacts of these liabilities or restructuring costs and the related provisions required considerable use of judgement by management, notably to assess the possible outflow of resources and estimate the amount of the obligation. We therefore considered these items to constitute a key audit matter.

Our response

We examined the procedures set up by the group to identify and list all the liabilities and charges.

Our work also consisted in:

- familiarizing ourselves with the analysis of the liabilities and charges performed by the Group and its consultants, and examining the corresponding documentation;
- studying the main liabilities and charges identified;
- performing confirmation procedures of lawyers and consultants;
- examining management's and consultants' assumptions and the data used to evaluate the amount of the provisions.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018. Regarding the consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent in the macro-tagging of the consolidated accounts according to the single European electronic information format, the content of some tags in the notes may not be returned in the same way as the consolidated financial statements attached to this report.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des Marchés Financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of JACQUET METALS by the annual general meeting held on June 26, 2014 for GRANT THORNTON and on June 30, 2011 for ERNST & YOUNG Audit.

As at December 31, 2022, GRANT THORNTON and ERNST & YOUNG et Autres were in the 9th year and 12th year of total uninterrupted engagement respectively. Previously, ERNST & YOUNG Audit had been statutory auditor from 2005 to 2010.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- assesses the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Lyon, March 29, 2023

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

6 2022 Results - JACQUET METALS SA *

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

1 JACQUET METALS SA activity report

JACQUET METALS SA, hereinafter the "Company", holds equity interests in the Group subsidiaries on a direct or indirect basis. Its main roles are as follows:

- determining Group strategy and development;
- developing and maintaining information systems;
- controlling, coordinating and negotiating purchasing terms with the main producers;
- financial control, financing management, financial reporting and investor relations;
- corporate communications.

The Company financial statements for the year ended December 31, 2022 were prepared in accordance with French statutory requirements and in accordance with the same accounting principles and policies as those applied in the preparation of the previous year's financial statements.

1.1 2022 financial position and earnings

1.1.1 Income statement

€k	2022	2021
Sales	41,344	31,672
Operating income	6,445	1,548
Net financial income	19,744	22,723
Net non-recurring expense	(89)	(986)
Net income	**26,461**	**24,517**

In 2022, the Company posted sales of €41 million. Sales correspond to services invoiced to the subsidiaries, which are mainly management and IT services. The change in sales was partly related to the Group's activity.

In 2022, the operating income amounted to €6.4 million.
Meanwhile, net financial income amounted to €19.7 million, including €17.9 million in dividends received from the subsidiaries.
In view of these conditions, the Company's net income amounted to €26.5 million in 2022.

1.1.2 Balance sheet

€k		2022	2021
Financial assets	A	171,873	162,829
Intangible assets and PP&E		6,072	5,923
Cash and cash equivalents	B	177,365	167,516
Other assets	C	294,521	272,626
Total assets		**649,832**	**608,894**
Shareholders' equity		214,529	211,061
Financial debt	D	396,630	363,883
Other liabilities	E	38,673	33,950
Total equity and liabilities		**649,832**	**608,894**

A • Financial assets

Financial assets amounted to €171.9 million as of December 31, 2022, and broke down as follows:

€k	31.12.22	31.12.21
Equity investments	139,549	139,549
Loans and advances to subsidiaries	29,383	21,375
Other financial assets	2,941	1,905
Total net financial assets	**171,873**	**162,829**

B • Cash and cash equivalents

As of December 31, 2022, net cash and cash equivalents amounted to €177 million, of which €132 million invested in interest-bearing accounts.

C • Other assets

Other assets, which amounted to €294.5 million as of December 31, 2022, primarily consist of receivables on the subsidiaries (including cash pooling accounts).

D • Financial debt

As of December 31, 2022, debt amounted to €396.6 million and mainly comprised:

- €349 million in loans and other borrowings contracted with credit institutions of which €220 million relating to the Schuldscheindarlehen (German private placements);
- €31 million of debts from subsidiaries (including cash pooling accounts).

E • Other liabilities

As of December 31, 2022, other liabilities amounted to €38.7 million and mainly comprised operating liabilities (€31.7 million) and provisions for employee benefit obligations valued by external actuaries (€3.3 million).

Trade receivables and payables payment schedule

€k	Article D. 441 I.-1: Past due invoices RECEIVED and unpaid at year-end						Article D. 441 I.-2: Past due invoices ISSUED and unpaid at year-end					
A • Late payment tranches	0 days (indic.)	1 > 30 days	31 > 60 days	61 > 90 days	≥91 days	Total ≥1 days	0 days (indic.)	1 > 30 days	31 > 60 days	61 > 90 days	≥91 days	Total ≥1 days
Number of invoices concerned	299	n.av.	n.av.	n.av.	n.av.	179	307	n.av.	n.av.	n.av.	n.av.	92
Total amount of invoices concerned (incl. VAT)	7,689	31	3	11	81	125	10,313	193	32	9	145	379
% of total purchases during the year (incl. VAT)	*24%*	*0%*	*0%*	*0%*	*0%*	*0%*	n.av.	n.av.	n.av.	n.av.	n.av.	n.av.
% of sales during the year (incl. VAT)	n.av.	n.av.	n.av.	n.av.	n.av.	n.av.	*24%*	*0%*	*0%*	*0%*	*0%*	*1%*

n.av.: not available.

B • Invoices not included in "A" relating to disputed or unrecognized receivables and payables		
Number of invoices excluded	**0**	**24**
Total amount (including VAT) of excluded invoices	**0**	**520***

* Fully provisioned.

Share capital

As of December 31, 2022, it comprised 23,022,739 shares representing a total amount of €35,097,947.56.

1.2 List of establishments and branch offices

The Company has two other establishments in addition to its registered office at 7 rue Michel Jacquet, SAINT PRIEST (69800), located at:

- LYON (69006) - Cité Internationale ;
- PARIS (75009).

The Company does not hold any branch office.

1.3 Progress and outlook

The Company will continue to drive Group strategy and manage its direct and indirect equity investments in its various subsidiaries. The Group's progress and outlook are set out in §1 of 5-2022 Results - Group.

1.4 Intercompany loans

In addition to its main business activity, the Company did not grant any loans maturing within less than three years to micro-companies, SMEs or mid-tier companies with which it maintains business ties justifying such loans.

1.5 Staff information

As of December 31, 2022, JACQUET METALS SA's headcount consisted of 12 people.

1.6 Appropriation of 2022 earnings

The General Meeting's decision was not known at the time this document was prepared.

1.7 Non-deductible expenses referred to in Articles 39-4 and 223 of the French General Tax Code

The amount of the expenses referred to in Articles 39-4 and 223 of the French Tax Code was €8,876 in 2022, and the corresponding tax was €2,219.

1.8 Material events occurring between the balance sheet date and the date when the report was prepared

None.

1.9 Research and development activities

None.

1.10 Key figures over the past five years

€k	2022	2021	2020	2019	2018
Share capital at year-end					
Share capital	35,098	35,098	35,767	36,631	36,631
Number of ordinary shares outstanding	23,022,739	23,022,739	23,461,313	24,028,438	24,028,438
Operations and results for the year					
Sales excl. VAT	41,344	31,672	21,561	27,203	29,004
Profit before tax and calculated charges (depreciation, amortization and provisions)	27,562	22,511	7,456	11,735	17,855
Income tax	(361)	(1,232)	1,163	(1,744)	(1,149)
Employee profit-sharing	-	-	-	-	-
Profit after tax and calculated charges (depreciation, amortization and provisions)	26,461	24,517	2,753	12,453	18,122
Earnings distributed (year of payment)	22,992	9,199	4,615	16,562	16,584
Earnings per share (€)					
Profit after tax and before calculated charges (depreciation, amortization and provisions)	1.21	1.03	0.27	0.56	0.79
Profit after tax and calculated charges (depreciation, amortization, and provisions)	1.15	1.06	0.12	0.52	0.75
Dividend per share in circulation (year of payment)	1.00	0.40	0.20	0.69	0.69
Staff					
Average headcount during the year	12	13	12	12	12
Total payroll for the year	6,628	6,160	2,664	3,385	3,597
Total employee benefits paid during the year (social security, corporate welfare, etc.)	2,515	3,585	1,007	1,607	2,045

1.11 Information on subsidiaries and shareholdings

Information on subsidiaries and shareholdings is provided in §2.5.2 of this section.

Income statement

€k	Notes	2022	2021
Sales	**2.4.1**	**41,344**	**31,672**
Reversal of depreciation and provisions		357	1,276
Other income	2.4.2	2,707	2,957
Transfer of charges	2.4.2	2,741	3,147
Total operating income		**47,150**	**39,052**
Purchases and external expenses		(29,358)	(25,265)
Miscellaneous taxes		(735)	(575)
Wages and salaries		(6,628)	(6,160)
Payroll tax		(2,515)	(3,585)
Depreciation, amortization and provisions		(1,072)	(1,573)
Other charges		(397)	(346)
Total operating expenses	**2.4.3**	**(40,705)**	**(37,504)**
Operating income	**2.4.3**	**6,445**	**1,548**
Income from equity investments		17,903	23,820
Other interest and related income		9,755	5,223
Provision reversals and transfer of financial expenses		29	1,763
Foreign exchange gains		3,868	1,424
Net gains on sale of short-term investment securities		-	-
Financial income	**2.4.4**	**31,555**	**32,230**
Depreciation, amortization and provisions		(776)	(29)
Interest and related expenses		(6,707)	(6,481)
Foreign exchange losses		(4,328)	(2,997)
Financial expenses	**2.4.4**	**(11,811)**	**(9,507)**
Net financial income	**2.4.4**	**19,744**	**22,723**
Income before tax		**26,189**	**24,271**
Non-recurring income from operating transactions		-	-
Non-recurring income from capital transactions		44	180
Provision reversals and expense transfers		-	374
Non-recurring income	**2.4.5**	**44**	**554**
Non-recurring expenses related to operating transactions		(5)	(358)
Non-recurring expenses related to capital transactions		(128)	(145)
Depreciation, amortization and provisions		-	(1,037)
Non-recurring expenses	**2.4.5**	**(133)**	**(1,540)**
Net non-recurring loss	**2.4.5**	**(89)**	**(986)**
Employee profit-sharing		-	-
Corporate income tax	2.4.6, 2.4.7, 2.4.8	361	1,232
Net income		**26,461**	**24,517**

Balance sheet as of December 31

€k				31.12.22	31.12.21
Assets	**Notes**	**Gross**	**Amort. Impairment**	**Net**	**Net**
Intangible assets	2.5.1	13,411	13,222	189	309
Property, plant and equipment	2.5.1	11,692	5,809	5,883	5,615
Financial assets	2.5.1, 2.5.2	184,173	12,300	171,873	162,829
Non-current assets		**209,276**	**31,331**	**177,945**	**168,752**
Advances and deposits paid	2.5.3	7	-	7	-
Operating receivables	2.5.3	11,212	434	10,778	12,398
Miscellaneous receivables	2.5.3	281,119	-	281,119	258,264
Cash and cash equivalents	2.5.4	177,365	-	177,365	167,516
Current assets		**469,704**	**434**	**469,270**	**438,178**
Accrued income and prepaid expenses	2.5.5	2,617	-	2,617	1,964
Total assets		**681,597**	**31,765**	**649,832**	**608,894**
Equity and liabilities					
Shareholders' equity	**2.6.1, 2.6.3**			**214,529**	**211,061**
Provisions for contingencies and charges	**2.6.4**			**4,669**	**4,239**
Borrowings from credit institutions	2.6.5			349,451	310,466
Bank overdrafts	2.5.4, 2.6.5			16,215	15,018
Other borrowings	2.6.5			30,964	38,399
Total financial debt				**396,630**	**363,883**
Trade payables and related accounts	2.6.5			11,499	9,716
Tax and social security liabilities	2.6.5			7,397	6,502
Operating liabilities				**18,896**	**16,218**
Liabilities relating to non-current assets and related accounts	2.6.5			28	26
Other payables	2.6.5			12,769	12,406
Miscellaneous payables				**12,797**	**12,432**
Total liabilities				**428,322**	**392,533**
Accrued expenses and deferred income	2.6.6			2,311	1,061
Total equity and liabilities				**649,832**	**608,894**

The notes to the financial statements form an integral part of the financial statements.

— Notes to the financial statements of JACQUET METALS SA

2.1 Headlines

None.

2.2 Accounting rules and policies

General principles applied

The Company's summary financial statements were prepared in accordance with the standards, principles and policies set out in ANC Regulation No. 2014-03 relating to the French General Accounting Charter, as amended by ANC Regulation 2020-09.

The basic method used to value items recorded in the accounts is the historical cost method.

The notes and tables provided in addition to the income statement and statement of financial position comprise the notes to the Company's financial statements and therefore form an integral part of those statements.

The financial year ended December 31, 2022 covered a period of 12 months.

Estimates

The preparation of financial statements requires management to take into account assumptions and estimates that have an impact on the amounts of the assets and liabilities shown in the statement of financial position, as well as on the amounts shown as income and expenses for the financial year. Management reviews its estimates and assessments on a regular basis. Actual results may differ significantly from these estimates.

The main estimates made by management when preparing the financial statements primarily involve:

- the impairment tests on equity investments;
- liabilities relating to employee benefit obligations;
- provisions for contingencies and charges.

Intangible assets and property, plant & equipment

Intangible assets and property, plant and equipment are valued at their historical purchase cost, which consists of:

- the purchase price, including customs duties and other non-recoverable levies;
- any directly related expenses incurred to put the asset in working order for the purpose of its planned use;
- any trade rebates and discounts deducted when calculating the purchase cost.

Depreciation is calculated according to the straight-line method, based on the likely useful life. The main depreciation methods and periods are as follows:

- software: straight-line, 1 to 10 years;
- fixtures and equipment: straight-line, 3 to 20 years;
- vehicles, office and IT equipment, and furniture: straight-line, 1 to 10 years.

Furthermore, the Company has chosen to use an accelerated depreciation method where possible. This tax arrangement, which is reserved for certain categories of assets, enables a significant increase in the amount of tax deductions made during the initial years of an asset's use. From an accounting standpoint, the portion of the depreciation charges that exceeds the straight-line depreciation charge is recorded in an accelerated depreciation provision account in shareholders' equity under "regulated provisions".

Impairment testing on depreciable / amortizable assets

Where events or new circumstances indicate that the book value of specific property, plant and equipment or intangible assets is not likely to be recoverable, this value is compared to the estimated recoverable value based on the value-in-use. If the recoverable value of these assets is lower than their net book value, that value is written down to the recoverable value.

Financial assets

The gross value of equity investments corresponds to the historical purchase cost of the securities plus purchase expenses, i.e. all the costs that are directly attributable to the purchase of the securities except for borrowing costs.

At the balance sheet date, the value of the securities is compared to their carrying amount, which corresponds to their value-in-use for the company. A provision for impairment is recognized, if necessary. Value-in-use is primarily determined on the basis of the share in the subsidiary's shareholders' equity and of the value determined on the basis of discounted future cash flows.

Future cash flows are determined on the basis of forecasts drawn up by management, based on an assessment of all the economic conditions that will apply during the assets' useful life. The methodology is based on five-year business plans.

Other financial assets

Other financial assets primarily correspond to unallocated treasury shares and guarantee deposits paid. A provision is recorded for these deposits if the debtor's financial position indicates that their repayment is highly unlikely.

Treasury shares are recognized at their purchase cost. An impairment charge is recorded when the inventory value, as determined by the average stock market price during the last month before the balance sheet date, is lower than the book value. Disposals are valued at the weighted average unit cost.

Receivables and payables

Trade receivables are valued at their nominal value. Trade receivables may be impaired, where applicable. An impairment charge is recognized as soon as there is a risk of non-recovery. The book value of each receivable is assessed in accordance with this risk.

Marketable investment securities

Marketable investment securities are recognized at their purchase cost, and a provision for impairment is recorded if their market value is lower than their book value.

Foreign currency transactions

Foreign currency transactions during the financial year are recorded at their equivalent value in euro at the transaction date. Foreign currency payables, receivables, and cash and cash equivalents outside the euro zone are translated on the balance sheet at the closing exchange rate. Differences arising from the adjustment of payables and receivables outside the euro zone in accordance with the closing rate are shown under "translation differences".

A provision for contingencies is charged on the amount of unrealized foreign exchange losses.

Provisions for employee benefit obligations

The Company records a provision for end-of-career benefits, employees' supplemental pensions and long-service awards. Provision charges and reversals are recognized in operating income.
Retirement benefit entitlements are defined by the collective bargaining agreement applicable to the French metal industry.
The provision is assessed by independent actuaries.

Employee benefit obligations are valued on an annual basis using specific Company and external trend indicators, as shown in the following table:

	2022	2021
Demographic assumptions		
Life expectancy table	INSEE 2012-2016	INSEE 2012-2016
Minimum age at beginning of career	22 for executives and 20 for non-executives	22 for executives and 20 for non-executives
Retirement age	62	62
Conditions of departure	Voluntary departure at the employee's initiative	Voluntary departure at the employee's initiative
Financial assumptions		
Discount rate		
"Umbrella" retirement packages	3.50%	1.00%
Other schemes	3.50%	1.00%
Inflation rate	2.00%	1.70%
Wage inflation rates	From 0.70% to 4.69% depending on SPC, pay schemes and age	From 0.39% to 4.69% depending on SPC, pay schemes and age
Payroll tax rates	47%	47%
Rate of return on financial assets	1.00%	0.60%

[1] SPC: socio-professional categories.

Other provisions for contingencies and charges

Provisions are assessed so as to reflect the best estimate of the risks.

Derivatives

The Company primarily uses caps and swaps to manage interest rate risk relating to its financial position. The nominal amounts of the financial derivatives are not recognized, in accordance with French accounting principles.

The impact of financial hedging instruments is assessed in a symmetrical manner through profit or loss compared to the cash flows of the underlying asset hedged.

2.3 Post balance sheet events

None.

2.4 Notes to the income statement

2.4.1 Sales

€k		2022		2021
France	4,720	11%	3,635	11%
Other countries	36,624	89%	28,037	89%
Total	**41,344**	**100%**	**31,672**	**100%**

Sales correspond to services invoiced to the subsidiaries, which are mainly management and IT services. Changes in sales are partly linked to Group's activity and development.

2.4.2 Other income and transfer of charges

€k	2022	2021
Other income	2,707	2,957
Transfer of charges	2,741	3,147
Total	**5,448**	**6,104**

These income primarily correspond to the re-invoicing of expenses paid by the Company on behalf of subsidiaries, notably rent on buildings leased.

2.4.3 Operating expenses and operating income

€k	2022	2021
Operating expenses	(40,705)	(37,504)
Operating income	6,445	1,548

Operating expenses amounted to €40.7 million compared to €37.5 million in 2021. This increase is mainly due to additional hiring in IT and Digital functions and to investments dedicated to development projects.

Operating income amounted to €6.4 million compared to €1.5 million in 2021.

2.4.4 Net financial items

Net financial income amounted to €19.7 million, compared to €22.7 million in 2021. This variation is mainly due to the decrease in dividends received from subsidiaries.

€k	2022	2021
Dividends received from subsidiaries	17,903	23,820
Investment income	8,677	4,870
Income from loans *	8,677	4,870
Provision reversals	29	1,763
Reversals of provisions for impairment of equity investments	-	-
Reversals of provisions for financial contingencies and charges	28	1,676
Reversals of provisions for impairment of treasury shares	1	87
Other	4,946	1,777
Other financial income	1,078	353
Foreign exchange gains	3,868	1,424
Financial income	**31,555**	**32,230**
Interest and related expenses	(6,707)	(6,481)
Foreign exchange losses	(4,328)	(2,997)
Additions to provisions for financial contingencies and charges	(776)	(29)
Additions to provisions for impairment of treasury shares	-	(1)
Additions to provisions for financial contingencies and charges	(776)	(27)
Financial expenses	**(11,811)**	**(9,507)**
Net financial income	**19,744**	**22,723**

* Loans to subsidiaries and cash pooling interest.

2.4.5 Net non-recurring items

€k	2022	2021
Disposals of non-current assets	-	5
Disposals of securities	-	-
Other non-recurring income	44	549
Non-recurring income	**44**	**554**
Net book value of assets sold	-	(127)
Net book value of securities sold	-	-
Other non-recurring expenses	(133)	(1,413)
Non-recurring expenses	**(133)**	**(1,540)**
Net non-recurring loss	**(89)**	**(986)**

Non-recurring income and expenses mainly comprise gains / losses on sale of treasury shares under the liquidity contract.

2.4.6 Corporate income tax

The Company has opted for a corporate tax consolidation regime. This consolidation scope included all of the Group's eligible French companies as of December 31, 2022. The tax consolidation regime was extended for a period of five years as from the 2020 financial year.

The Company is the only company liable for the corporate income tax payable by all the French companies to the French tax authorities. The provisions set out below have been adopted for the accounting treatment of taxes that fall under this specific regime:

- even though it is not required to pay tax to the French Treasury, every consolidated subsidiary nonetheless recognizes the tax that it would owe under the statutory tax regime as an expense, and pays the amount to the Company;
- any tax credits recorded at the level of the Group tax return, and resulting from deducting the losses of a loss-making subsidiary, represent a profit that belongs to the subsidiary to which the amount accrues;
- any tax savings made by the Group that do not relate to losses (corrections and tax assets of loss-making companies) are retained by the parent company and recorded under income or expenses.

In the event that a consolidated subsidiary is deconsolidated from the tax group, the Company may be required to pay the subsidiary compensation for the loss of certain tax benefits conferred by its membership of the tax consolidation group, after taking into account the subsidiary's tax position, potential changes and the nature of the event that triggered its deconsolidation.

Tax loss carryforwards remain accrued to the Company, which may compensate the subsidiary that is being deconsolidated, where applicable.

Breakdown of corporate income tax

€k				2022	2021
Type of income	**Income before tax**	**Corporate income tax before tax consolidation**	**Net gain/ (loss) from tax consolidation**	**Income after tax**	**Income after tax**
Net income from ordinary activities	26,189	(2,572)	175	23,791	24,047
Net non-recurring income / (expense)	(89)	22	-	(67)	(964)
Adjustment of previous tax liability	-	-	-	-	(51)
Tax carryback	-	1,400	-	1,400	202
Social contribution 3.3% of CIT >€763k	-	(13)	-	(13)	-
Tax credits	-	86	-	86	300
Impact of corporate income tax on subsidiaries	-	-	1,263	1,263	983
Total	**26,100**	**(1,077)**	**1,438**	**26,461**	**24,517**

2.4.7 Deferred or unrealized tax position

	Base amount	Amount of future tax receivable	
€k	**2022**	**2022**	**2021**
Accruals of deferred taxes (liability)			
Timing differences with tax liability at the statutory rate	-	-	-
Accelerated depreciation	32	8	8
Deferred tax liability (future liability)	**32**	**8**	**8**
Deferred tax relief (asset)			
Timing differences with tax liability at the statutory rate	5,296	1,324	1,308
Tax loss carryforwards *	1,858	464	2,810
Deferred tax asset (future receivable)	**7,154**	**1,788**	**4,118**
Net balance of future tax relief / (accruals)	**7,122**	**1,780**	**4,110**

* In 2022, tax loss carryforwards decreased by €9,383,000.

Unrealized tax accruals and relief have been calculated at a tax rate of 25%. These deferred taxes were not recognized in the Company's financial statements.

2.4.8 Impact of accelerated tax assessments

€k	2022	2021
Net income for the year	26,461	24,517
Corporate income tax	361	1,232
Income before tax	26,100	23,285
Change in accelerated depreciation	-	-
Pre-tax profit excluding accelerated tax assessments	**26,100**	**23,285**

2.5 Notes to the balance sheet - assets

2.5.1 Change in non-current assets

€k	31.12.21	Increase	Decrease	31.12.22
Gross value				
Intangible assets	**13,387**	**24**	**-**	**13,411**
Property, plant and equipment	**10,816**	**877**	**-**	**11,692**
Equity investments	151,849	-	-	151,849
Loans and advances to subsidiaries	21,375	8,138	(130)	29,383
Treasury shares	214	5,151	(4,579)	786
Loans and other financial assets	1,693	462	-	2,155
Financial assets	**175,131**	**13,751**	**(4,709)**	**184,173**
Total gross value	**199,333**	**14,652**	**(4,709)**	**209,276**
Amortization and impairment				
Intangible assets	**13,078**	**144**	**-**	**13,222**
Property, plant and equipment	**5,201**	**608**	**-**	**5,809**
Equity investments	12,300	-	-	12,300
Loans and advances to subsidiaries	-	-	-	-
Treasury shares	1	-	(1)	-
Loans and other financial assets	-	-	-	-
Financial assets	**12,301**	**-**	**(1)**	**12,300**
Total amortization and impairment	**30,581**	**751**	**(1)**	**31,331**
Net value of non-current assets	**168,752**			**177,945**

2.5.2 Financial assets

Equity investments

The net book value of equity investments totaled €140 million.
Information on the main directly-held equity investments is set out below:

€k	Country	Share capital	Sharehol-ders' equity excl. share capital	% of share capital held	Gross value of share capital held	Net value of share capital held	Dividends paid to the company during the financial year	Sales excl. VAT for the last financial year	Profit or loss for the last financial year
JACQUET Holding SARL	France	14,337	31,429	100%	19,695	19,695	-	-	330
STAPPERT Deutschland GmbH	Germany	8,871	95,828	100%	6,517	6,517	17,500	439,210	43,032
IMS group Holding SAS	France	10,854	87,409	100%	108,581	108,581	-	-	4,800

The shareholders' equity and results presented in this table are taken from the companies' financial statements (local GAAP) and do not include accounting restatements performed at Group level for the purpose of the consolidated financial statements.

Loans and advances to subsidiaries

Loans and advances to subsidiaries amounted to €29.4 million and corresponded to loans and advances granted by the Company to its subsidiaries.

Treasury shares

The year-on-year change in treasury shares is presented in §2.6.2 of this section.

2.5.3 Receivables payment schedule

€k	Gross amount at 31.12.22	Net amount at 31.12.22	Maturity <1 year	1-5 years	>5 years
Non-current assets					
Loans and advances to subsidiaries	29,383	29,383	29,383	-	-
Loans	1	1	-	1	-
Other financial assets	2,155	2,155	-	1,540	615
Current assets					
Advances and deposits paid	7	7	7	-	-
Operating receivables	11,212	10,778	10,778	-	-
Miscellaneous receivables	281,119	281,119	125,659	155,456	5
Prepaid expenses	1,683	1,683	1,670	13	-
Total	**325,561**	**325,126**	**167,497**	**157,010**	**619**

Loans and advances to subsidiaries mainly include advances to subsidiaries.
Miscellaneous receivables primarily include the cash pooling accounts, which amounted to €273 million, including €155 million with a maturity of over one year.

2.5.4 Cash and cash equivalents

Cash pooling agreements have been implemented between the Company and certain subsidiaries. The (debtor and creditor) balancing process takes place in pivot accounts held by the Company, and enables Group cash management to be optimized accordingly.

As of December 31, 2022, cash and cash equivalents broke down as follows:

€k	Gross value as of 31.12.22	Net value as of 31.12.22	Net value as of 31.12.21
Treasury shares allocated to free share awards	104	104	178
Cash	177,261	177,261	167,338
Cash and cash equivalents	**177,365**	**177,365**	**167,516**

2.5.5 Accrued income and prepaid expenses - assets

€k	31.12.22	31.12.21
Prepaid expenses	1,683	1,496
Deferred charges	158	441
Unrealized foreign currency losses	776	27
Accrued income and prepaid expenses - assets	**2,617**	**1,964**

2.6 Notes to the balance sheet - liabilities

2.6.1 Information on shareholders' equity

Share capital

As of December 31, 2022, the share capital comprised 23,022,739 shares with a par value of €1.52, representing a total of €35,097,947.56.

Detailed information on changes in share capital is presented in §2.6.2 of this section.

Change in shareholders' equity

€k	Number of shares outstanding	Share capital	Additional paid-in capital	Statutory reserve	Other reserves and retained earnings	Net income	Regulated provisions	Shareholders' equity
31.12.21	**23,022,739**	**35,098**	**58,142**	**3,663**	**89,609**	**24,517**	**32**	**211,061**
Appropriation of earnings	-	-	-	-	24,517	(24,517)	-	-
Distributions	-	-	-	-	(22,992)	-	-	(22,992)
Capital reduction	-	-	-	-	-	-	-	-
Change in provisions for pensions	-	-	-	-	-	-	-	-
2022 net income	-	-	-	-	-	26,461	-	26,461
31.12.22	**23,022,739**	**35,098**	**58,142**	**3,663**	**91,134**	**26,461**	**32**	**214,530**

Other reserves and retained earnings

The "Other reserves and retained earnings" item includes €6.2 million in undistributable reserves allocated in consideration for treasury shares and a €0.9 million deduction relating to the application of ANC Recommendation 2013-R02 on employee benefit obligations in 2014.

Regulated provisions

Regulated provisions are recorded in accordance with the legislation in effect and include accelerated depreciation. The movements over the period are set out in §2.6.3 of this section.

2.6.2 Transactions in the Company's securities

Liquidity agreement

As of December 31, 2022, the liquidity agreement comprised €0.5 million of cash and 12,690 shares with a market value of €0.2 million.

Share buyback program

In its twenty-fourth resolution, the General Meeting of June 24, 2022 authorized the Board of Directors to implement a share buyback program (the "Buyback Program").
During 2022, the Company implemented this Share Buyback Program. In this context, a purchase mandate was signed on September 19, 2022 with ODDO BHF SCA, under which ODDO BHF SCA is acquiring the Company's shares for cancellation on behalf of the Company. The purchase mandate complies with the requirements of the market practice accepted by the AMF.

During the year 2022, the Company purchased on the market 45,257 JACQUET METALS shares, i.e. 0.2% of the capital as of December 31, 2022, shares held for cancellation.

As of December 31, 2022, the number of treasury shares was 65,447, representing 0.3% of the capital, with a net book value of €0.9 million:

- 7,500 treasury shares were held for the purpose of allocation to corporate officers or employees and are recognized under cash at a net book value of €0.1 million;
- 12,690 treasury shares were held under the liquidity agreement and were recognized under “Financial assets” at a net book value of €0.2 million;
- 45,257 shares purchased in 2022 under the Share Buyback Program authorized by the General Shareholders' Meeting of June 24, 2022 in its twenty-fourth resolution are recorded under "long-term investments" for a net book value of €0.6 million.

	Number of shares				€k		
	31.12.21	Increase	Decrease / Attribution	31.12.22	Purchase cost	Provision as of 31.12.22	Net value as of 31.12.22
Shares allocated to the buyback program	-	45,257	-	45,257	579	-	579
Shares allocated to free share plans	12,500	-	5,000	7,500	104	-	104
Allocated shares	**12,500**	**45,257**	**5,000**	**52,757**	**683**	**-**	**683**
Shares intended for the liquidity agreement	10,100	252,441	249,851	12,690	206	-	206
Non-allocated shares	**10,100**	**252,441**	**249,851**	**12,690**	**206**	**-**	**206**
Total	**22,600**	**297,698**	**254,851**	**65,447**	**889**	**-**	**889**

Authorized capital securities granting access to the share capital

The Company has not granted any stock options.

2.6.3 Regulated provisions

€k	31.12.21	Charge	Reversal	31.12.22
Accelerated depreciation	-	-	-	-
Amortization of share acquisition expenses	32	-	-	32
Total	**32**	**-**	**-**	**32**

2.6.4 Provisions for contingencies and charges

€k	31.12.21	Charges	Provision reversals (used)	Provision reversals (unused)	31.12.22
Provision for foreign exchange losses	27	776	27	-	776
Provisions for contingencies	**27**	**776**	**27**	**-**	**776**
Provisions for litigation	-	-	-	-	-
Provisions for pensions and similar commitments*	3,579	38	317	-	3,300
Other provisions for charges	633	-	40	-	593
Provisions for charges	**4,212**	**38**	**357**	**-**	**3,893**
Total	**4,239**	**814**	**384**	**-**	**4,669**
Of which operating provisions		38	357	-	
Of which financial provisions		776	27	-	
Of which non-recurring provisions		-	-	-	

* As of December 31, 2022, provisions for employee benefit obligations amounted to €3,300,000, including €3,015,000 relating to supplementary pensions, €277,000 relating to retirement benefits, and €7,000 relating to long-service awards.

2.6.5 Debt payment schedule

		Maturity		
€k	Amount as of 31.12.22	<1 year	1-5 years	>5 years
Borrowings from credit institutions	349,451	46,300	300,994	2,157
Bank overdrafts	16,215	16,215	-	-
Other borrowings	30,964	30,571	-	393
Trade payables and related accounts	11,499	11,499	-	-
Tax and social security liabilities	7,397	7,397	-	-
Liabilities relating to non-current assets and related accounts	28	28	-	-
Other payables	12,769	12,769	-	-
Total	**428,323**	**124,779**	**300,994**	**2,550**

2.6.6 Accrued expenses and deferred income - liabilities

€k	31.12.22	31.12.21
Deferred income	541	521
Unrealized foreign currency gains	1,770	540
Accrued expenses and deferred income - liabilities	**2,311**	**1,061**

2.7 Other information

2.7.1 Year-end headcount

FTE at year-end	31.12.22	31.12.21
Executive staff	12	13
Technical staff	-	-
Clerical staff	-	-
Total	**12**	**13**

2.7.2 Compensation paid to corporate officers

The Company has two executive officers, to whom the compensation and direct and indirect benefits of all kinds paid in 2022 amounted to €2,138,000 compared to €1,066,000 in 2021.

Net compensation paid to non-executive directors of JACQUET METALS SA amounted to €116,000 in 2022 compared to €99,000 in 2021.

Transactions between JACQUET METALS SA and companies controlled by its executive officers

€k	Sites	2022 rent (excl. VAT)	2021 rent (excl. VAT)
JERIC SARL	Saint Priest - France	660	647
	Villepinte - France	213	209
SCI Cité 44	Lyon - France	608	546
SCI de Migennes	Migennes - France	240	225

Loans and guarantees granted to executive officers

None.

2.7.3 Financial commitments

Commitments given by the Company to banks financing the subsidiaries

The commitments given by the Company and set out below are presented on the basis of the principal amount outstanding on the liabilities to which they are attached.

€k	2022	2021
Guarantees given to banks, sureties and comfort letters	76,553	61,656
Total commitments given	**76,553**	**61,656**

Commitments given in relation to the subsidiaries' procurement process

€k	2022	2021
Stand-alone guarantees	26,040	28,188
Total commitments given	**26,040**	**28,188**
Maturing in less than 1 year	26,040	28,188
Maturing within 1 to 5 years	-	-
Maturing in over 5 years	-	-

Financial commitments received in relation to financing transactions

	2022			2021		
€k	Amount granted	Amount used	Amount available	Amount granted	Amount used	Amount available
Schuldscheindarlehen	220,000	220,000	-	220,000	220,000	-
Syndicated revolving loan	125,000	17,500	107,500	125,000	-	125,000
Other borrowings	218,309	126,600	91,709	176,792	104,701	72,091
Accrued interest	1,566	1,566	-	783	783	-
Total commitments received	**564,875**	**365,666**	**199,209**	**522,575**	**325,484**	**197,091**

Commitments entered into to hedge currency risk

The company is primarily exposed to currency risk when it grants cash advances in local currencies to subsidiaries outside the euro zone. To hedge this risk, the Company takes out loans in local currency.

In addition, as of December 31, 2022 the Company entered into USD purchase agreements totaling €0.1 million and GBP sale agreements totaling €0.9 million.

Commitments received in relation to interest rate hedging transactions

In 2022, the Company did not enter into any new interest rate hedging contracts.

As of December 31, 2022 floating rate borrowings were hedged by:

- swaps amounting to €90 million with a five-year term (Eur3M floored at 0% against a fixed rate of 0.187% on average and expiring between 2023 and 2024);
- caps covering €40 million (Eur3M capped at 0% against payment of a 0.15% premium, expiring in 2024).

2.7.4 Information regarding affiliates

€k	31.12.22
Equity investments	151,849
Loans and advances to subsidiaries	29,383
Total non-current assets	**181,232**
Operating receivables	10,484
Miscellaneous receivables	277,999
Total receivables	**288,483**
Other borrowings	30,876
Trade payables	5,580
Miscellaneous payables	585
Total payables	**37,041**
Net financial income	**26,736**
Income from equity investments	17,903
Other interest and related income	8,947
Provision for equity investments	-
Interest and related expenses	(114)

2.7.5 Main borrowing covenants

As of December 31, 2022, all financing 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 (of which €17.5 million used as of December 31, 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%	

Statutory auditors' report on the financial statements

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JACQUET METALS • Year ended December 31, 2022

This is a free translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of JACQUET METALS,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of JACQUET METALS for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.
These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity holdings

Risk identified

As at December 31 2022, the net value of equity holdings amounts to M€139.5 and represents 22% of the Company's total balance sheet.

As stated in the "Financial Assets" section of Note 5.2 to the financial statements, impairment testing consists in comparing the value of the equity holdings with the value in use which is determined by reference to the subsidiary's share of shareholders' equity or on the basis of discounted future cash flows. The future cash flows are determined based on Management's forecasts, taking into account an assessment of the overall economic conditions expected to prevail over the useful life of the assets. The methodology relies on five-year business plans.

We considered the valuation of the equity holdings to be a key audit matter given their materiality in the Company's accounts and the judgment required to assess their value in use.

Our response

As part of our audit of the financial statements, our work notably consisted in:

- examining the methods of implementation of the impairment tests;
- corroborating, in particular through interviews with Management, the main data and assumptions on which the estimates used are based, in particular the future cash-flows, long-term growth rates and discount rates;
- assessing the consistency of cash-flow projections with the business plan prepared by Management, with historical performance, and in light of the overall economic environment in which the Group is operating;
- assessing, with the support of our valuation specialists, the consistency of the valuation model, the indefinite growth rates and the discount rates in comparison with market standards.

In addition, we assessed the appropriateness of the information disclosed in Note 5.2 "Financial Assets" to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December, 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des Marchés Financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of JACQUET METALS by your the Annual General Meeting held on June 26, 2014 for GRANT THORNTON and June 30, 2011 for ERNST & YOUNG et Autres.

As at December 31, 2022, GRANT THORNTON and ERNST & YOUNG et Autres we were in the nineth year and twelfth year of total uninterrupted engagement.

Previously, ERNST & YOUNG Audit had been statutory auditor since 2005.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.
As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.
As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Lyon, March 29, 2023

The Statutory Auditors
French original signed by:

GRANT THORNTON
French member of Grant Thornton International
Robert Dambo

ERNST & YOUNG et Autres
Lionel Denjean

Statutory auditors' report on related party agreements

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JACQUET METALS
Annual General Meeting held to approve the financial statements for the year ended December 31, 2022

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of JACQUET METALS,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2022, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized and concluded during the year ended December 31, 2022 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce).*

Agreements previously approved by the Annual General Meeting

Agreements approved in prior years

a • Whose implementation continued during the year ended December 31, 2022

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2022.

- With S.C.I. Cité 44, JERIC and S.C.I. de Migennes

Person Concerned

Mr. Éric Jacquet, Chairman and Chief Executive Officer of your Company, President of JERIC, Manager of S.C.I. de Migennes and the S.C.I. Cité 44.

Nature, purpose and conditions

Agreements relating to lease contracts with your Company and the companies mentioned below. For the 2022 financial year, the total amount paid amounted to €1,721,159 excl. VAT and the amount paid relating to property taxes amounted to €144,089.

Lessors	Tenants	Effective date	Premises	Rent and rental charges (€)	Property tax (€)
JERIC	JACQUET METALS SA	March 5, 2015	Real estate property with offices and industrial warehouses located 7 rue Michel Jacquet in Saint-Priest (69)	646,415	48,001
JERIC	JACQUET METALS SA	March 5, 2015	Industrial property located in Villepinte (93)	213,295	13,218
S.C.I. de Migennes	JACQUET METALS SA	January 1, 2003	Industrial property located in Migennes (89)	240,194	37,620
JERIC (bail 8)	JACQUET METALS SA	January 1, 2004	Appartment named "Flexovit" located rue du Mâconnais in Saint-Priest (69)	6,250	0
JERIC (bail 9)	JACQUET METALS SA	January 1, 2004	Archive premises of 95 sqm located rue du Mâconnais in Saint-Priest (69)	909	0
JERIC (bail 11)	JACQUET METALS SA	March 23, 2004	House named "Torres" located rue du Lyonnais	6,177	0
S.C.I. Cité 44	JACQUET METALS SA	July 22, 2016	Offices	607,919	45,249
Total				**1,721,159**	**144,089**

b • which were not implemented during the year ended December 31, 2022

In addition, we have been notified that the following agreements, which were approved by the Annual General Meeting in prior years, were not implemented during the year ended December 31, 2022.

- With Mr. Philippe Goczol, Managing Director of your Company

Nature, purpose and conditions

The Board of Directors, at its meeting held on November 15, 2010, approved an indemnity for Mr. Philippe Goczol in the event of dismissal or non-renewal of his function as Managing Director of your Company, and defined the payment conditions and the amount of said indemnity. This agreement was not applied during the year ended December 31, 2022.

Lyon, March 29, 2023

The Statutory Auditors
French original signed by:

GRANT THORNTON
French member of Grant Thornton International
Robert Dambo

ERNST & YOUNG et Autres
Lionel Denjean

7 Shareholders and Company information

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

1 Information about the Company and bylaws main information

Company name	JACQUET METALS No trade name has been filed.
Legal form and governing law	JACQUET METALS is a French corporation ("*société anonyme*") with a Board of Directors subject to the French Commercial Code and all the applicable legislation and regulations governing trading companies in France.
Registration	311 361 489, RCS Lyon
Registered office	7 rue Michel Jacquet 69800 Saint-Priest - FRANCE
Date and term of incorporation	The Company was incorporated on September 23, 1977. The term of the Company is 99 years except in the event of early dissolution or extension as decided by the Extraordinary General Meeting. The term of the Company is due to expire on December 31, 2075.
Financial year	Each financial year begins on January 1 and ends on December 31.
APE code	7010Z
Stock market identification	Code: JCQ ISIN: FR 0000033904 LEI: 969500V8OL3NGL0GKZ37
Telephone number	+33 4 72 23 23 50
Website	jacquetmetals.com

1.1 Corporate purpose (article 2 of the Company's bylaws)

The purpose of the Company is, in any country:

- the acquisition and sale of all metallurgical products, all industrial products and goods and all other substitute products;
- the representation, brokerage and distribution of these products, for its own account or for the account of others;
- all operations for the completion and presentation of these products;
- obtaining, acquiring, selling, exploiting all processes and industrial property rights and know-how, and obtaining or granting all licenses;
- the listing of products and / or services, for its own account or for the account of others;
- the acquisition, sale or management of any goods and / or rights necessary or useful for the operation of activities or assets of the Company or companies belonging to its group;
- the acquisition of shares or interests in any company, the administration, management and disposal of such shares or interests;
- the participation in transactions relating to the financing of companies in which the Company directly or indirectly holds a participation or interest, by granting any assistance, loans, advances, guarantees or securities;
- the animation, coordination, control and development of the companies of its group;
- all services related to the organization and the development of industrial activities as well as the assistance and support, notably in the administrative, financial, commercial, IT and / or technical fields, for the account of companies belonging to its group;
- the exercise and the assumption of any corporate offices in any company and / or legal entity.

And, in general, undertake all commercial, industrial, financial, movable or real estate transactions that may be directly or indirectly related to its corporate purpose or that may facilitate the achievement and development thereof, both for its own account or for the account of others.

1.2 Rights and privileges attached to the shares

Determination and appropriation of earnings (article 34 of the Company's bylaws)

The income statement that presents the income and expenses for the financial year indicates, as a separate item, the profit for the year after deduction of depreciation, amortization and provisions.

A deduction of at least 5% is made from the profit for the year, less any retained losses brought forward, in order to establish the statutory reserve. This deduction shall no longer be mandatory when the amount of the reserve equals at least one tenth of the share capital.

Distributable profit equals the profit for the year plus retained earnings brought forward, less retained losses brought forward and amounts transferred to reserves, in application of the law and the Company's bylaws.

This profit is distributed to the shareholders in proportion to the number of shares held by each one. The General Meeting may decide to distribute amounts deducted from available reserves, provided that it expressly specifies the reserves from which such amounts are taken.

However, as a matter of priority, dividends are deducted from the profit for the year. Except in the case of a capital reduction, no distribution may be made to the shareholders where the amount of shareholders' equity is, or would be following such distribution, less than the amount of share capital plus reserves which the law or the Company's bylaws prohibit from being distributed. Distribution of the revaluation surplus is prohibited. All or part of the revaluation surplus may be incorporated into the share capital.

However, after deducting the amounts transferred to reserves, in accordance with the law, the General Meeting may then deduct any amounts it considers appropriate and allocate them to any optional, ordinary or extraordinary reserves or to retained earnings carried forward.

Payment of final and interim dividends (article 35 of the Company's bylaws)

1. The General Meeting may grant shareholders the option of receiving all or part of the dividend distributed either in the form of shares, subject to statutory conditions, or in cash;

2. The terms and conditions regarding the payment of dividends in cash are defined by the General Meeting, or otherwise by the Board of Directors.

Cash dividends shall be paid out within a maximum period of nine months following the balance sheet date, unless this period is extended by court authorization.

Notwithstanding, if financial statements drawn up during the course of or at the end of a financial year and certified by a statutory auditor indicate that, after allocating the required amounts to depreciation, amortization and provisions and after deducting any retained losses brought forward and any amounts to be transferred to reserves in accordance with the law or the Company bylaws, and plus any retained earnings brought forward, the Company has made a profit since the end of the previous financial year, interim dividends may be distributed before the full-year financial statements have been approved. The amount of such interim dividends shall not exceed the amount of the profit as defined above.

No reimbursement of dividends may be required of the shareholders, unless the distribution was made in breach of statutory provisions and the Company is able to prove that the beneficiaries were aware or, given the circumstances, could not be unaware of the unlawfulness of the distribution at the time it was made. Any claim for reimbursement of dividends shall be barred by the statute of limitations three years after the payment of the dividends in question.

Dividends not claimed within five years of their payment date shall lapse.

Voting rights (article 11 of the Company's bylaws)

Each share carries entitlement, in proportion to the percentage of the share capital that it represents, to a share of the profits distributed and a share in the ownership of the corporate assets or liquidation surplus.

Each share carries entitlement to be represented and to vote in General Meetings, without restriction, subject to statutory and regulatory conditions.

Pursuant to Article L. 225-123 of the French Commercial Code, a double voting right, compared to the voting right conferred on other shares in light of the proportion of the share capital they represent, is assigned to all fully paid up shares held in registered form by the same shareholder and registered with the issuer or its representative for at least two years.

In the event of a capital increase by capitalization of reserves, profits or issue premiums, the double voting right may be conferred, as of issuance, on registered free shares allocated to a shareholder by virtue of their existing double voting shares.

If the Company undergoes a merger or demerger, this shall not affect double voting rights, which may be exercised within the beneficiary company if permitted by such company's bylaws.

Double voting rights shall automatically lapse in the event of conversion to bearer form or transfer of ownership. Nevertheless, the period defined above shall not be suspended and the acquired right shall be preserved in the event of a transfer resulting from a succession, the sharing out of matrimonial property or an inter vivos gift to a spouse or a relative close enough to inherit an estate. The same shall apply in the event of a transfer following the merger or demerger of a shareholder company.

All shareholders are entitled to be informed of the Company's affairs and receive specific corporate documents at the time and under the conditions provided for by law and the Articles of Association.

Shareholders' liability for the Company's debts is limited to the par value of the shares they hold.

The right and obligations attached to a share shall be transferred upon transfer of ownership.

Ownership of a share automatically entails adherence to the Company's bylaws and the resolutions of the General Meeting.

The heirs, creditors, assigns, trustees or other representatives of a shareholder may under no circumstances cause the Company's assets and securities to be placed under seal, request the distribution or sale by auction thereof or interfere in any way whatsoever in the Company's administration; in order to exercise their rights, they shall rely on the Company's balance sheet and on the decisions of the General Meeting.

Whenever ownership of a specific number of shares is required in order to exercise a right, it is up to the shareholders who do not meet this requirement to arrange for the grouping of the required number of shares.

Form of shares (article 9 of the Company's bylaws)

Fully paid-up Company shares may, at the shareholder's discretion, be in either registered or identifiable bearer form, pursuant to the applicable statutory and regulatory provisions, in particular Article L.228-2 of the French Commercial Code.

In order to identify bearer shareholders, the Company is entitled at any time whatsoever to request the following information from the central custodian of financial instruments: the name or Company name, nationality, year of birth or year of incorporation and address of the holders of shares granting (immediately or in the future) the right to vote at its shareholders' meetings, as well as the number of shares held by each of them and any restrictions that may exist.

Furthermore, the Company is entitled to request all the information provided for under Articles L. 228-2 et seq. of the French Commercial Code.

The conditions for using such information are governed by the provisions of the aforementioned Article L. 228-2 of the French Commercial Code.

1.3 Crossing of thresholds (article 10 of the Company's bylaws)

In addition to the mandatory disclosures required by the applicable statutory and regulatory provisions, all individuals or legal entities, acting alone or in concert, whose shareholding exceeds or falls below 1% of the share capital or voting rights, or any multiple of this percentage up to one third of the share capital, are required to notify the Company thereof, within five (5) trading days following the crossing of the shareholding threshold, by registered letter with acknowledgment of receipt sent to the Company's registered office, specifying the number of shares and voting rights held.

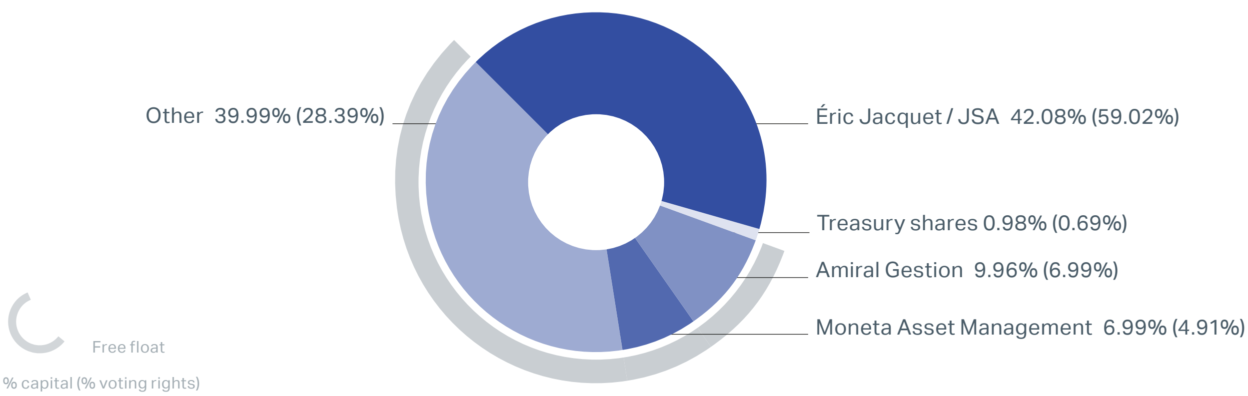
If a shareholder fails to disclose the crossing of a threshold under the aforementioned conditions, the shares exceeding the fraction that should have been disclosed shall be stripped of voting rights, subject to statutory conditions, for all shareholders' meetings until the expiry of a period of two (2) years following the rectification of the situation. Except in the case of the thresholds provided for by Article L. 233-7 of the French Commercial Code, shares will be stripped of their voting rights only following a request to that effect, recorded in the minutes of the General Meeting, on the part of one or more shareholders holding 2.5% of the Company's share capital or voting rights.

2 Information on the share capital

2.1 Share capital

As of December 31, 2022, share capital amounts to €35,097,947.56 divided into 23,022,739 fully paid-up shares.

2.2 Shareholder structure as of March 31, 2023



As of March 31, 2023, Éric Jacquet and JSA (which is controlled by Éric Jacquet) held 42.08% of the share capital and 59.02% of the voting rights in the Company.

As of March 31, 2023, and on the basis of statutory threshold crossing disclosures received by the Company, the breakdown of the Company's share capital and voting rights and shareholders holding more than 5% of its capital or voting rights were as follows:

	Number of shares	% of share capital	theoretical voting rights	% theoretical voting rights	exercisable voting rights in GM	% exercisable voting rights in GM
JSA / Éric Jacquet	9,688,471	42.08%	19,350,441	59.02%	19,350,441	59.43%
Amiral Gestion [1]	2,292,674	9.96%	2,292,674	6.99%	2,292,674	7.04%
Moneta Asset Management [2]	1,610,000	6.99%	1,610,000	4.91%	1,610,000	4.94%
Other shareholders	9,205,981	39.99%	9,305,216	28.39%	9,305,216	28.59%
Treasury shares	225,613	0.98%	225,613	0.69%	0	0.00%
Total	**23,022,739**	**100.00%**	**32,783,944**	**100.00%**	**32,558,331**	**100.00%**

[1] Information dated January 19, 2023. The Company has not received any additional information since that date.
[2] Information dated July 25, 2022. The Company has not received any additional information since that date.

The Company was not able to obtain a confirmation from Concert R.W. Colburn that this latter holds more than 5% of the share capital. In 2014, the Concert confirmed an ownership of 6.26% of the share capital.

2.3 Evolution of the breakdown of share capital and voting rights

The breakdown of the share capital and voting rights over the past three financial years was as follows:

	31.12.22				31.12.21				31.12.20			
	Number of shares	% of share capital	Number of theoretical voting rights	% voting rights	Number of shares	% of share capital	Number of theoretical voting rights	% voting rights	Number of shares	% of share capital	Number of theoretical voting rights	% voting rights
JSA / Éric Jacquet	9,688,471	42.08%	19,350,441	59.02%	9,688,471	42.08%	19,350,441	59.03%	9,688,471	41.30%	19,350,441	58.26%
Free float	13,268,821	57.64%	13,367,636	40.78%	13,311,668	57.82%	13,408,833	40.90%	13,294,268	56.66%	13,383,682	40.30%
Treasury shares	65,447	0.28%	65,447	0.20%	22,600	0.10%	22,600	0.07%	478,574	2.04%	478,574	1.44%
Total	**23,022,739**	**100.00%**	**32,783,524**	**100.00%**	**23,022,739**	**100.00%**	**32,781,874**	**100.00%**	**23,461,313**	**100.00%**	**33,212,697**	**100.00%**

2.4 Double voting rights

Pursuant to Article L. 225-123 of the French Commercial Code, double voting rights are granted to shares held in registered form for more than two years. The number of shares with double voting rights is 9,760,785 as of December 31, 2022 and 9,761,205 as of March 31, 2023.

The voting right percentages are calculated in accordance with the provisions of Article 223-11 of the AMF General Regulation (concerning all shares with voting rights, including treasury shares stripped of voting rights).

2.5 Control of the issuer

In accordance with the provisions of Article L. 233-3 I of the French Commercial Code, Éric Jacquet and JSA acting in concert have *de jure* control of JACQUET METALS SA.

Given the measures adopted within the governance structures, the Company considers that there is no risk of abusive control, namely:

- the Board of Directors comprised 10 members, 5 of whom are considered to be independent;
- the operation of the Board of Directors is governed by internal regulations that set down rules concerning disclosure in the event of a conflict of interest involving a director;
- the Board of Directors is consulted to give its prior consent to material investments and divestments;
- the Company is also represented by a Deputy Chief Executive Officer.

2.6 Shareholders' agreements and declared concert

To the Company's knowledge:

- there are no shareholders' agreements;
- in a letter dated March 12, 2014 sent to the Company, Mr. Richard W. Colburn and Metal Companies Multi Employer Pension Plan declared that they act in concert. The Company has received no further information since this date.

2.7 Convertible, exchangeable or equity-warrant bonds

None.

2.8 Securities not representing capital

None.

3 Securities transactions

3.1 Crossing of thresholds

During fiscal year 2022, the following shareholders declared the crossing of legal thresholds:

Shareholder	Declaration date	Description of change
Moneta Asset Management	June 23, 2022	Exceeding the legal threshold of 5% of voting rights
	July 25, 2022	Dropping below the legal threshold of 5% of voting rights
Amiral Gestion	October 19, 2022	Exceeding the legal threshold of 10% of the share capital

Up to the date of publication of the Universal Registration Document, one legal threshold crossing has been declared, in 2023:

Shareholder	Declaration date	Description of change
Amiral Gestion	January 19, 2023	Dropping below the legal threshold of 10% of the share capital

3.2 Share Buyback Program - Treasury shares

disclosures pursuant to Article L. 225-211, para 2 of the French Commercial Code

The General Meetings held on June 25, 2021 and June 24, 2022 authorized, in their twenty-eighth and twenty-fourth resolutions respectively, the Board of Directors to implement a Share Buyback Program (the "Buyback Program"). By decision of the General Meeting of June 24, 2022, the Buyback Program is authorized in order to:

- boost the liquidity of transactions and the regular listing of the Company’s shares, or avoid any share price discrepancies not justified by market trends, as part of a liquidity agreement entered into with an investment service provider acting on a fully independent basis, under the conditions and in accordance with the procedures determined by the regulations and recognized market practices, in compliance with a code of conduct recognized by the French market regulator (*Autorité des Marchés Financiers* or "AMF");
- grant shares to officers or employees of the Company and / or Group companies under the terms and conditions established by the applicable statutory and regulatory provisions, in relation to (I) sharing the benefits of the Company’s expansion, (II) the stock option system provided for by Articles L. 225-179 et seq. of the French Commercial Code, (III) the free share system provided for by Articles L. 225-197-1 et seq. of the French Commercial Code, and (IV) a company savings plan, as well as to execute all hedging transactions related to these operations, under the conditions established by market regulators and at such times as the Board of Directors or the person acting as its representative so decides;
- deliver shares upon the exercise of rights attached to transferable securities granting immediate or subsequent entitlement to the award of shares in the Company, via redemption, conversion, exchange, presentation of a warrant or any other means, as well as to perform any hedging transactions relating to the issuance of such securities, under the conditions provided for by the market regulatory authorities and at such times as the Board of Directors or the person acting on its authority so decides;
- retain shares and allocate them subsequently in payment or exchange in connection with potential acquisitions, mergers, demergers or contributions;
- cancel all or some of the shares by means of a capital reduction (particularly in order to optimize cash management, return on equity or earnings per share);
- and in view of any other practice that may be recognized by the law or by the AMF in the future, or for any other purpose that would enable the Company to benefit from the assumption of irrevocable legitimacy as provided for by Regulation No. 596 / 2014 issued by the European Parliament and Council on April 16, 2014.

The terms and conditions of the Buyback Program are as follows:

- the maximum price at which the Company may buy back its own shares was set at €50;
- the number of shares purchased by the Company during the term of the Share Buyback Program may not exceed 10% of the shares that make up the Company’s share capital (this percentage shall apply at all times to the share capital as adjusted in accordance with transactions affecting it), on the understanding that (I) in the case of shares purchased under a liquidity agreement, the number of shares taken into consideration for the calculation of the aforementioned cap of 10% of the share capital shall be equal to the number of shares purchased less the number of shares resold during the term of this authorization, and (II) the number of shares purchased in order to be subsequently tendered as part of a merger, demerger or contribution may not exceed 5% of the Company’s share capital at the time of purchase and (III) the number of shares held by the Company at any time may not exceed 10% of the shares comprising the Company's share capital;
- the duration of the 18-month Buyback Program has replaced that authorized by the General Meeting of June 25, 2021.

As of December 31, 2022, the Group held 65,447 treasury shares representing 0.3% of the share capital with a net book value of €0.9 million:

- 7,500 treasury shares were held for the purpose of allocation to corporate officers or employees and are recognized under cash at a net book value of €0.1 million;
- 12,690 treasury shares were held under the liquidity agreement and were recognized under "Financial assets" at a net book value of €0.2 million ;
- 45,257 shares bought back in 2022 at an average price of €12.77 per share with a view to their cancellation, which are recorded under "financial assets" for a net book value of €0.6 million. Related negotiation costs amounted to €1,000.

Movements in treasury shares during the year are detailed in §2.6.2 of 6-2022 Results - JACQUET METALS SA.

3.3 Free share awards (FSA)

Disclosures pursuant to Article L. 225-197-4 of the French Commercial Code

The fortieth resolution of the June 24, 2022 General Meeting authorized the Board of Directors to award existing or future free shares to the beneficiaries that it shall determine among the salaried employees and executive corporate officers of the Company or related entities, within the meaning of Article L. 225-197-2 of the French Commercial Code, subject to a cap of 3% of the Company's share capital as of the date of the Board's decision to award the free shares, on the understanding that the cap on the shares awarded to the Company’s executive corporate officers is equal to 1% of the Company’s share capital.
The duration of this authorization is thirty-eight months from June 24, 2022.

During the financial year ended December 31, 2022, the Board of Directors did not use this authorization.

Valuation of free share plan

As of December 31, 2022, the Company’s commitment regarding treasury shares allocated to free share plans was valued at €102,000. This commitment is determined based on the share price on the allotment date and the probability of the shares being granted on the closing date. This commitment is recorded as a €91,000 provision, after amortization over 24 to 46 months from the share allotment date, recognized under "Personnel expenses".

The Company did not grant any stock options or free share during the year.

3.4 Transactions performed in relation to stock options reserved for the Company’s employees

None.

3.5 Share transactions by corporate officers and directors

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-23 of the AMF General Regulation, transactions involving the Company’s financial instruments performed by each member of the Board of Directors and any "related parties" must be disclosed where the total amount of the transactions performed by each director exceeds €20,000 per calendar year.
The Company was not informed of any other transaction referred to in Article L. 621-18-2 of the French Monetary and Financial Code during the period.

4 Stock market information and dividends

4.1 JACQUET METALS stock market and stock price evolution

Stock market

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

Evolution of the share price

		2022	2021	2020	2019	2018
Number of shares at end of period	shares	23,022,739	23,022,739	23,461,313	24,028,438	24,028,438
Market capitalization at end of period	**€k**	**384,940**	**483,478**	**326,112**	**370,519**	**372,921**
High	€	25.60	25.30	15.86	18.46	32.90
Low	€	12.40	13.44	7.60	13.76	13.56
Price at end of period	**€**	**16.72**	**21.00**	**13.90**	**15.42**	**15.52**
Average daily trading volume	shares	21,251	23,249	20,891	34,833	27,351
Average daily traded capital	€	396,163	472,972	233,870	562,702	634,980

As of December 31, 2022 the JACQUET METALS ("JCQ") share price was €16.72. As of March 13, 2023 the share price was €17.82.

JACQUET METALS' shares are followed by:

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

4.2 Dividends paid in respect of the last three financial years

	2021	2020	2019
Payment date	July 2022	July 2021	July 2020
Net dividend per share	€1.00	€0.40	€0.20
Distributed earnings eligible for the allowance (reduction provided for in Article 158-3 of the French Tax Code)	**€1.00**	**€0.40**	**€0.20**

5 Financial communication schedule

Results as of March 31, 2023	May 10, 2023
General Meeting	June 30, 2023
Results as of June 30, 2023	September 13, 2023
Results as of September 30, 2023	November 8, 2023
2023 full-year results	March 2024

The Company reserves the right to change this schedule at any time.

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

6 Person responsible for financial information and investor relations

Person responsible for financial information

Thierry Philippe - Chief Financial Officer
JACQUET METALS
7 rue Michel Jacquet
69800 Saint-Priest
FRANCE
comfi@jacquetmetals.com

Investor relations

JACQUET METALS: Thierry Philippe - Chief Financial Officer - comfi@jacquetmetals.com
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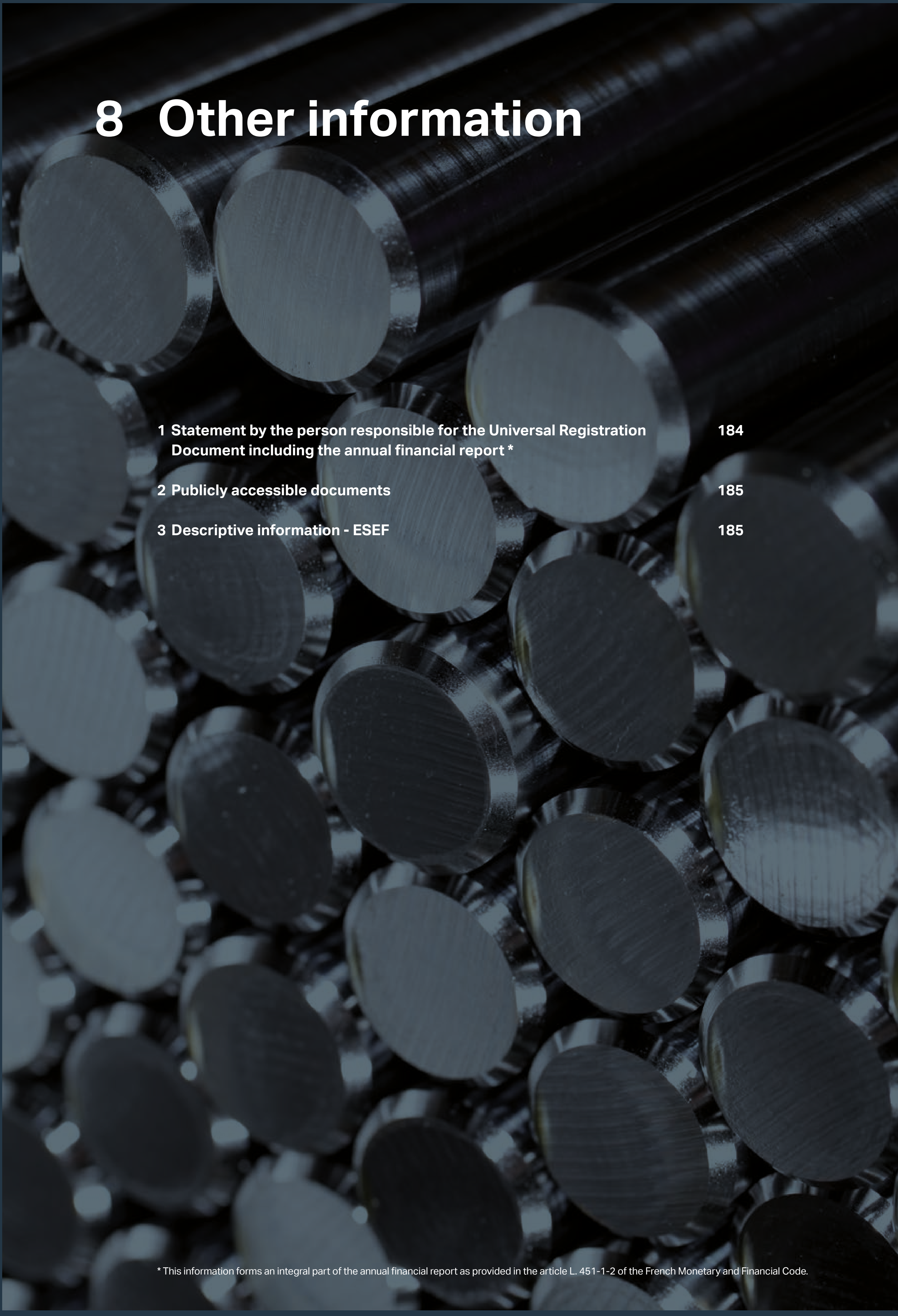

8 Other information

* This information forms an integral part of the annual financial report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

1 Statement by the person responsible for the Universal Registration Document including the annual financial report

I hereby certify that the information contained in this Universal Registration Document, to the best of my knowledge, truly reflects the existing situation and contains no omissions which could impair its full meaning.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair picture of the assets and liabilities, financial position and earnings of the Company and all of the companies included in the consolidation scope, and that the management report included in the Universal Registration Document and which is referenced in the cross reference table on page 189 gives a fair view of the course of business, performance and financial position of the Company and all of the companies included in the consolidation scope and includes a description of the main risks and uncertainties with which they are faced.

Saint-Priest, April 11, 2023

Éric Jacquet • Chairman & Chief Executive Officer

2 Publicly accessible documents

Pursuant to Article 19 of regulation (UE) 2017 / 1129 issued by the European Parliament and Council on June 14, 2017, the following information are included herein by reference in this Universal Registration Document:

Fiscal year 2021
The Management Report, the consolidated and Company financial statements, the statutory auditors' reports on the consolidated and Company financial statements for the year ended December 31, 2021 and the special report on regulated agreements pertaining to the same year, included in the Universal Registration Document filed with the AMF on April 14, 2022 under number D.22-0295.

Fiscal year 2020
The Management Report, the consolidated and Company financial statements, the statutory auditors' reports on the consolidated and Company financial statements for the year ended December 31, 2020 and the special report on regulated agreements pertaining to the same year, included in the Universal Registration Document filed with the AMF on April 19, 2021 under number D.21-0326.

The information on the website mentioned by the hypertext link jacquetmetals.com does not form part of this Universal Registration Document. As such, this information has not been reviewed or approved by the AMF.

3 Descriptive information - ESEF

Corporate name	JACQUET METALS
Name change	No name change in 2022
Country of registered office	France
Legal status	Société anonyme
Country of registration	France
Registered office	Saint-Priest (69800), 7 rue Michel Jacquet
Main place of business	Saint-Priest (69800), 7 rue Michel Jacquet
Activity (bylaws or more commercial text)	Article 2 of the Company's bylaws
Parent company	JACQUET METALS SA
Group umbrella company	JSA / Éric Jacquet

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n.a.: Not applicable.

n.a.: Not applicable.

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n.a.: Not applicable.

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n.a.: Not applicable.

This Universal Registration Document was filed with the *Autorité des Marchés Financiers* (AMF - French market regulator) on April 13, 2023, pursuant to the regulation (UE) 2017 / 1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for an offer of securities to the public or the admission of securities for trading on a regulated exchange if it is supplemented by an operation memorandum and, where appropriate, a summary note and all amendments of the Universal Registration Document.

All these documents are then approved by the *Autorité des Marchés Financiers* pursuant to the regulation (EU) 2017 / 1129.

This Universal Registration Document, including the annual financial report, is a translation of the official version which has been prepared in French, in ESEF format (European Single Electronic Format) and which is available on the Company's website jacquetmetals.com and on the AMF's website.

JACQUET METALS is a European leader in the distribution of special metals.
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 3,060 employees, JACQUET METALS has a network of
108 distribution centers in 24 countries in Europe, Asia and North America.

JACQUET METALS: Thierry Philippe - Chief Financial Officer - comfi@jacquetmetals.com
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