2022

ANNUAL FINANCIAL REPORT

PRECIA S.A.

PRECIA MOLEN™ WORLDWIDE WEIGHING

Message from the Chairman
of the Supervisory Board

For Precia, 2022 proved to be a year marked by evolution and significant renewal.

By reorganising and strengthening our management team, we ensured we had the resources necessary to support our growth and confirm our position as a major player in the weighing industry.

In keeping with our core values of innovation and entrepreneurship, I am fully confident that this new team, working together with all our employees and drawing on the invaluable expertise and experience of those who have been with us for many years, will add a truly significant chapter to our collective adventure.

The 2022 results were a confirmation of the Group's excellent fundamentals.

Once again, they demonstrated the strength of our service business in France and of Precia Molen Service, as well as the vitality of our business units in India, West Africa, and Morocco. I would particularly like to commend them on their excellent results. Congratulations are also extended to the Brazilian and American teams who, after years of hard work, are proving their ability to generate profits.

Despite these efforts, the erosion of Precia SA's profitability requires us to take corrective action, particularly in terms of cost control and the introduction of continuous improvement measures. This remains one of our top priorities for the years ahead.

Our corporate strategy is built on a number of pillars:

- Expanding our international presence in order to better serve our clients regardless of their location, and enhancing our service activities to support them throughout the lifecycle of our products.
- Developing our catalogue of integrated solutions, in particular by integrating the latest digital technologies designed to further enhance our customers' performance.
- Establishing a foothold in the local industrial fabric, wherever we operate, to ensure that our business growth benefits all concerned.

And finally, I would very much like to thank all of you, the Group's employees, for your hard work, your commitment, and your continued loyalty. I would like to reaffirm my confidence in Frédéric Mey as he opens this new chapter full of challenges and innovations. I know I can be sure of counting on your enthusiasm as we embark on this new phase.

Lastly, I would like to thank you, our shareholders, partners, and clients, for the vote of confidence you have placed in us.

Anne-Marie ESCHARAVIL
Chairman of the Supervisory Board

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Morgan, Boilermaker welder (Boilermaking workshop)

©Eric Moroni

1-GENERAL

OVERVIEW OF THE GROUP

1.1 - GROUP FINANCIAL SITUATION IN 2022

2022 signalled the gradual end of the Covid-19 crisis around the world, with travel levels gradually picking up again. Nevertheless, supply chains remained under strain throughout the year, notably due to the continued restrictive health policies in China. This in turn exerted downward pressure on a number of factors, including shortages of electronic components. To cover these shortages, the Group built up contingency inventories, negatively impacting its working capital requirements.

Russia's incursion into Ukraine was a second major factor for the Group, with the gradual tightening of European sanctions having a severe impact on sales in Russia and on the revenues of Precia SA and its Lithuanian subsidiary Milviteka. This knock-on effect will be even more significant in 2023.

The third significant factor has been the resurgence of inflation across every country in the world, which has led to a sharp contraction in gross margins. Strong rises in invoice costs have created a disparity with the resulting repercussions on selling prices.

Despite delayed deliveries amounting to approximately €2M, **revenue growth in France** stood at 5.5%, compared with GDP expansion of 2.6%. In 2022, Precia Molen Group also recorded a bumper order intake, with the backlog at the end of the year 29% higher than at the end of 2021.

As regards **Europe**, the 2.4% growth in revenue is the reflection of a number of contrasting trends:

- The United Kingdom and Ireland reported renewed growth of 8.2% and 15.9% respectively;
- The Netherlands experienced a decline in revenue compared with 2021, which was a year marked by an exceptional event. 2022 needs to be viewed as a return to a normative growth curve;
- Milviteka was adversely affected by the conflict in Ukraine, which impacted its two main markets, Ukraine and Russia.

Revenue recorded by the **rest of the world** rose by 15.3% (+8.2% on a like-for-like basis), driven in particular by growth in India (+29.5%), Morocco (+87.7%), the United States (+282.4%), and Brazil (+20%) On the other hand, revenue from PM Australia and PM South Australia fell by 30.2% and 17.8% respectively.

Negatively affected by a number of non-recurring items, which will be discussed in more detail below, as well as a decline in gross margin due to the lag in passing on cost increases through pricing, **Operating Income** was €9.7M, down 33% compared with 2021. Adjusted for non-recurring costs, Operating Income should be close to €12.4M, corresponding to 7.8% of revenue, compared with €14.5M in 2021, representing 9.6% of revenue.

A number of non-recurring items negatively impacted Operating Income in 2022:

- During the first half of the year, there was a problem with the quality of sensors, arising from a defect in an electronic component, which led to an abnormally high failure rate. This resulted in non-recurring costs of €249K;
- The transfer of VS700 weighbridge production to Poland, starting in 2021, was poorly handled, both in terms of the plans that were transferred and in terms of the quality control of the concrete purchased locally. As a result of these shortcomings, we will be replacing some of the weighbridge slabs installed primarily in Belgium and the Netherlands. A provision of €602K has been made to cover this;
- A Jordanian agent, who has been in dispute with the Group since 2001 and whose case was dismissed by a ruling in the Netherlands in 2013, managed to obtain a protective seizure of Precia SA's shares in PM Morocco. Although we are disputing the merits of this claim, we nevertheless set aside a provision of €484K, including legal fees, to cover the full amount of the claim.
- Liquidation proceedings for the Australian and Norwegian subsidiaries were opened.

Additionally, the gross margin suffered due to a delay in passing on cost increases in the form of higher prices.

Post balance sheet events:

On 15 February 2023, the Precia Molen Group finalised the acquisition of the entire share capital of CAPI SA in Côte d'Ivoire and its subsidiary CAPI BF in Burkina Faso by acquiring the 20% of the capital hitherto held by its minority shareholder.

On 27 March 2023, the Precia Molen Group signed an agreement to acquire 90% of the shares of Test Assured, a major independent inspection specialist for weighbridges, hoppers, and high-capacity loaders in New Zealand. In 2022, this company generated revenue of €350K.

1.2 - OUR BUSINESS MODEL

Precia SA was founded in 1951 by Jean Escharavil. From the initial design phase through to maintenance, the Precia Molen Group provides solutions for all the weighing needs of professionals.

Working through Precia SA, the Precia Molen Group designs, manufactures, and sells instruments for industrial and commercial static weighing, continuous weighing and dosing, along with discontinuous weighing. Via Precia Molen Service, the company manages the installation, maintenance, and verification of these products.

The Precia Group also operates an international division bringing together these two main types of activity, as well as an IT division offering production improvement solutions through the supply of Manufacturing Execution System (MES) software.

These weighing solutions are aimed at both heavy industry, such as mining, quarrying, steelmaking, energy, the environment, and others, and light industry, including food processing, chemicals, transport and logistics, as well as public authorities, such as post offices, local authorities, and so on, and the food trade, including supermarkets and specialist retailers.

In 2022, the Precia Molen Group will have generated sales of €158.4M, employ over 1,350 people, and operate 23 subsidiaries.

Our history

1887 - Installation and maintenance of a weighing workshop created by Jean ESCHARAVIL's grandfather.

1951 - Jean ESCHARAVIL and his brother Emile decide to produce weighing equipment, launching the PRECIA brand.

1960 - First optical weighing display indicator.

1968 - Precia Molen switches from mechanical to electronic equipment.

1979 - Creation of ATEX, a company specialising in manufacturing sensors.

1985 - PRECIA is listed on the Second Marché of the Lyon Stock Exchange.

1993 - Acquisition of MOLEN, a Dutch weighing company founded in 1867, and YERNAUX, a French company specialising in bulk weighing.

1996 - Launch of a single brand, PRECIA-MOLEN, enjoying international renown.

1997 - Merger of the Group's service subsidiaries into Precia Molen Service (PMS).

1998 - Reorganisation of the Group into three divisions: industrial, international, and service.

2000-2006 - Strong growth at PMS, reaching 42 sites by the end of 2008.

- Creation of a new range of PRECIA indicators from i 100 to i 700.
- PRECIA and PMS are certified.

2006 - OSEO Innovation grants PRECIA the "innovative company" qualification in order to qualify for the 60% quota for innovation investment funds (FCPI)

2007 - PRECIA expands its international presence: creation of PRECIA-MOLEN MOROCCO, acquisition of 100% of NOVA WEIGH UK and 40% of NOVA WEIGH INDIA.

2009 - PRECIA acquires Nordic Bulk Weighing of Norway, renamed PRECIA MOLEN SCANDINAVIA, as well as increasing its stake in PRECIA MOLEN INDIA from 40% to 60%.

2010 - OSEO Innovation grants PRECIA the "innovative company" qualification in order to qualify for the 60% quota for innovation investment funds (FCPI).

2011 - Creation of a Brazilian subsidiary, Precia Molen do Brazil.

2012-2013 - Creation of a subsidiary each in Romania and Australia, and launch of the "i" range of indicators.

2014 - Acquisition of **Antignac** (FR) and **Shering** (UK).

2015 - Acquisition of **Le Barbier** (FR).

2016 - Creation of a Malaysian subsidiary for the Asia-Pacific region in addition to the acquisitions of **Epona** (FR), **Kaspo Lab** (PL), **Weighpack** (NZ), **Rowecon** (USA), and **J&S Scales** (USA).

2017 - Acquisition of **CAPI** in the Côte d'Ivoire and Burkina Faso, as well as **3P, Salbreux** and **Jac Pesage** in France.

2019 - Establishment of a Precia Molen subsidiary in the Middle East.

2020 - 2021 - Acquisitions of **Milviteka** (LT) and **Creative IT** (FR).

2022 - Acquisition of **CAPI Sénégal,** as part of the merger-acquisition of **Vaucelle Nouvelles Technologies**.

Business Model & Strategy

PRECIA MOLEN
VALUE CREATION MODEL

OUR MISSION

Improve our clients' production processes through Innovative, customised weighing solutions.

PRECIA SA
Design, manufacture, and sale of weighing equipment.
- REV: €62.3M, capital expenditure: €1.8M, staff: 349
- Manufacturing sites in Europe, Asia, Africa, and America
- France: 6 sales offices / 50+ technical sales staff

PRECIA MOLEN SERVICE
Installation of new material, servicing, and maintenance of weighing equipment.
- REV: €55.9M, capital expenditure: €0.9M, staff: 406
- France: + than 350 technicians / + than 55 sites

PRECIA INTERNATIONAL
Industrial, commercial, and service subsidiaries worldwide.
Presence in Belgium, Brazil, Burkina Faso, China, Côte d'Ivoire, United Arab Emirates, United States, United Kingdom, India, Ireland, Lithuania, Malaysia, Morocco, New Zealand, United Kingdom, Netherlands, Poland, Czech Republic, Scandinavia, Senegal, and Ukraine.

CREATIVE IT
Publisher of industrial performance software (MES).
- REV: €3.5M, investment: €0.4M, workforce: 43
- Head office in Lyon

OUR VISION

Our DNA
To offer the widest range of industrial weighing products, across the full spectrum of weighing segments.

Our objective
Promote the Group's transition towards an Industry 4.0, today, to meet your needs tomorrow.

OUR CSR COMMITMENTS

- Satisfy our clients, both in terms of products and ancillary services.
- Working towards sustainable development.
- Guide the company towards digitalisation in all its forms.
- Comply with all applicable regulations, regardless of where we are in the world.

OUR VALUE SHARING

REVENUE 2022: €158.4M
EQUITY: €91.6M
CASH NET OF LIABILITIES: €16M
STAFF COSTS: €70.8M
SPONSORSHIP / DONATION VALUE: €46K
SHAREHOLDERS' STAKE IN THE COMPANY: 55%
SHARE PRICE PERFORMANCE: €28.8

OUR ACHIEVEMENTS

HUMAN RESOURCES
- + more than 1,350 employees
- Locally-based shareholders in the Ardèche region

FINANCIAL INFORMATION
- REV: €158.4M
- Investments: €5.5M
- Corporation tax: €3.2M

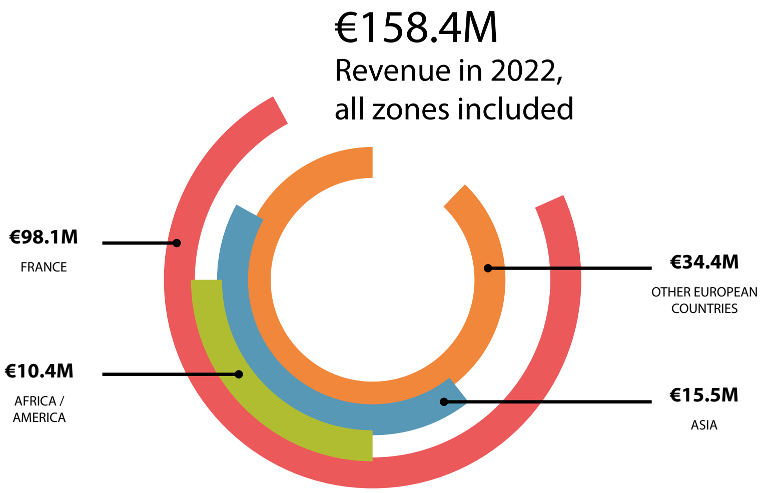
INDUSTRIAL
- ISO 9001 quality certification
- Certified non-automatic weighing instrument (NAWI) manufacturer
- (2012/31/EU Module D) Certified weighing instrument module manufacturer (WELMEC 8.8, 8.4, and 8.6)

SOCIAL & CORPORATE
- Sponsorship initiatives in the Ardèche region, with support for the Ardèche Sport Attitude and "Emerveillés par l'Ardèche" associations.
- Support for technical colleges and post-baccalaureate schools.

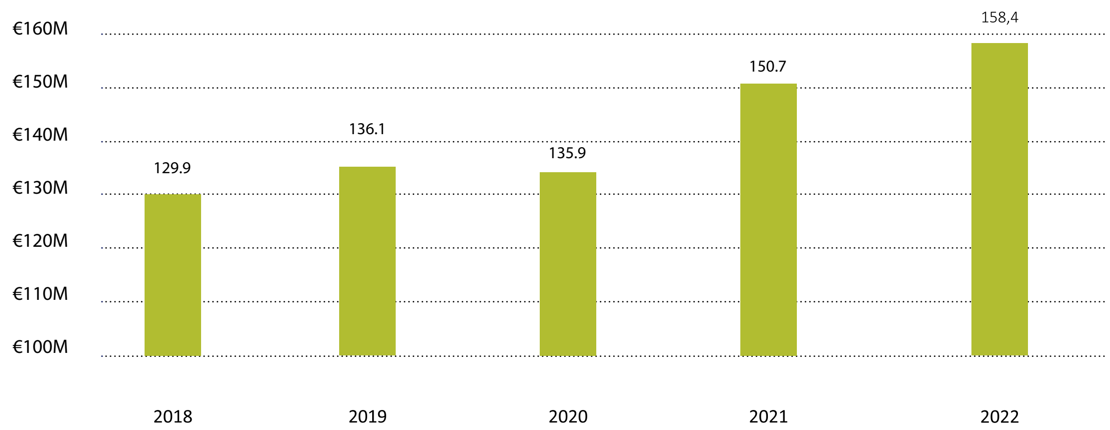
INNOVATIONS
- New PSL sensors
- Creation of an innovation unit
- R&D expenditure: €1M
- Creation of innovative applications such as Weigh2Flow, Weigh2Control, and Performance.

Key figures

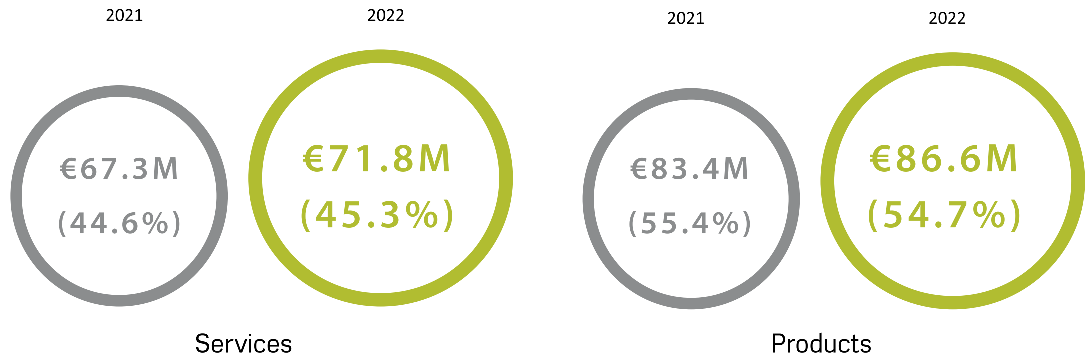
Revenue by zone



Revenue over the last 5 years



Revenue by category



1.3 - KEY FIGURES

1.3.1 The Precia Molen Group

Increase in the order book and in revenue to €158M, 38% of which was generated internationally.
The Precia Molen Group posted revenue of €158.4M for 2022. This figure is 5.1% higher than in 2021, although it will be adversely affected in France by delivery delays of approximately €2M in 2023. Excluding a consolidation scope effect of €1.6M, growth was mainly achieved in France and India.

Excluding the effect of changes in the scope of consolidation, revenue in France rose by 4%: +3% for Precia SA, +5% for PMS, representing the services business, and +19% for Creative IT. In Europe, sales edged slightly lower by 2%, with very good performances from PM Ireland (+16%) and PM UK (+8%), although the Milviteka subsidiary in Lithuania contracted by 13% as a result of the conflict in Ukraine.

Revenue for the "Rest of the World" zone rose by 13% across all continents. This was thanks to the particularly strong momentum of PM USA and PM Brazil (+282% and +21% respectively), PM Morocco (+88%), and PM India (+29%), offsetting the downturn in PM Malaysia and PM China (-65% and -50% respectively).

In 2022, the Precia Molen Group experienced a record level of new orders, with a year-end backlog 29% higher than at the end of 2021.

1.3.2 Precia S.A., parent company

In 2022, Presia SA's revenue came in at €62.3M, compared with €60.1M in 2021, an increase of 3.71%.

1.4 - FUTURE OUTLOOK

The level of incoming orders remains extremely high at the start of the year, with the order book continuing to grow at a brisk pace. The Group can therefore count on a solid order book to achieve its 2023 revenue, which will however be adversely affected by the discontinuation of sales to Russia.

In terms of Operating Income, the 2023 fiscal year should reap the benefits of the restructuring carried out in Australia and Norway, putting an end to operating losses in excess of a million euros.

Precia SA's profitability has been slipping for several years. Restoring this profitability remains a high priority.

A number of measures have been implemented to this end, including the introduction of a management control system during the final quarter of 2022 and the recruitment of a Head of Operations and Industrial Excellence in April 2023, whose role will be to introduce planning and continuous improvement tools.

As for the balance sheet, normalising inventory levels together with tighter management of working capital requirements should enable a return to an historical level of our cash position.

1.5 - OUR STRATEGY

Our strategy is built on four pillars:

- **International**: Strengthening our international presence in order to serve our clients wherever they might be;
- **Service**: Pursuing the development of our service offer to support our clients' operations;
- **Digitalisation**: Providing data processing software to analyse and improve the performance of our clients' operations;
- **Research & Development**: Thanks to an innovation unit, developing innovative equipment and services for our clients. This strategy remains sustainable on the one hand, thanks to the Group's sound financial position and strong investment capacity:

A family-owned company listed on the Paris stock exchange since 1985, with a 45% free-float;	Long-term financial sustainability encouraged by the payment of ≈ 25% of earnings in dividends;
Recurring M&A activity underpinned by financial partners;	C3++ rating assigned by the Banque Nationale de France

The International pillar also draws on a strong presence in each geographical region:

- Head office is located in Privas.
- Two manufacturing sites in Privas, France: electronic load cells and weighing structures with static, dynamic, continuous, and discontinuous weighing & custom software development for specific client applications.
- 1 plant in Dunfermline, Scotland
- 1 plant in Barneveld, Netherlands
- 1 plant in Casablanca, Morocco
- 3 plants in Chennai, India
- 1 plant in Gargzdai, Lithuania
- 1 plant in Czestochowa, Poland
- 1 assembly facility in Sabetha, United States
- 1 assembly facility in Sao Paulo, Brazil
- 1 assembly facility in Kuala Lumpur, Malaysia

In summary, the Precia Group worldwide consists of:

23
SUBSIDIARIES

2
REPRESENTATIVE OFFICES

40
AGENTS

1350+
EMPLOYEES

10
FACTORIES

3
ASSEMBLY FACILITIES

1.6 - RELATIONS WITH OUR STAKEHOLDERS

A French family-owned Group, firmly rooted in its local territory and resolutely turned towards the international arena, the Precia Molen Group remains attached to its founding and regional values, as demonstrated in particular by its commitment to philanthropic activities.

The Precia Molen Group builds its success on a relationship of trust with its stakeholders, taking into account their expectations and concerns through ongoing and open dialogue. In this way, constructive communication with internal stakeholders enables employees to express their views regularly about their working conditions and terms of employment, in particular through meetings with staff representative bodies (IRP), professional and annual interviews, among other means. They are also kept informed of the Group's strategy and priorities through a wide range of internal communications, newsletters, management bulletins, discussions with management, and so on.

As regards shareholders and directors, the main forums for dialogue take the form of Annual General Meetings, the various management reports or Extra-Financial Performance Reports (EFRs), Supervisory Boards, and other governance committees.

Given the nature of its business, the Group maintains close contact with its clients by means of its technicians, who regularly visit their sites to perform various tasks. When combined with traditional communication channels such as email, telephone, and the like, these relationships become seamless and effective.

Subcontractors and suppliers also play an integral part in their business model. Most of them are sourced locally whenever possible, so that the social and environmental requirements they have to meet are at least equivalent to those of production sites based in France.

From time to time, Precia SA calls on specialist and at times capacity subcontractors intended to complete the production resources available or the locations where services are provided.

1.7 - HIGHLIGHTS OF 2022

The year 2022 was an eventful one, with a change in management brought about by the arrival of Mr Frédéric Mey, the new Chairman of the Management Board since May 2022.

A new subsidiary was acquired in Senegal: CAPI Sénégal, 80% owned by the Precia Molen Group.

Precia SA expanded its presence on Reunion Island by merging the activities of Vaucelles, a company acquired in 2022.

Meanwhile, Precia Molen New Zealand increased its activity by acquiring the business assets of Scaletec.

The two Australian subsidiaries underwent an amicable winding-up process via an independent administrator, resulting in the loss of control and their deconsolidation.

The Norwegian subsidiary is in the midst of an amicable liquidation process managed by our teams.

Our metrology laboratory was granted certification by the National Testing Laboratory (LNE) to carry out certification checks on weighing equipment.

Our Technical & Product Training division was awarded Qualiopi certification.

We also officially opened a new 1,400 m² office building at our Veyras site.

During 2022, our subsidiary Milviteka in Lithuania was severely affected by the war in Ukraine. Indeed, this subsidiary was generating a significant flow of revenue to both Ukraine and Russia, and is now having to redirect its activities to other geographical areas.

Jonathan, Machinist in the Boilermaking workshop

2 - GOVERNANCE

OF THE PRECIA MOLEN GROUP

Supervisory Board's report on corporate governance

The Company refers to the MIDDLENEXT Code on Corporate Governance. This code can be consulted directly on the Internet at: https://middlenext.com/spip.php?article1021/.

To date, the Supervisory Board did not decide to disregard any of the provisions of this code, which it felt was more in line with the size of the company and the way in which its governance operates.

CODE NO. 2021	RECOMMENDATIONS	FOLLOWED OR NOT FOLLOWED	COMMENTS
R1	Ethical standards of the Board members	Followed	
R2	Conflicts of interest	Followed	
R3	Make-up of the Board, presence of independent directors	Followed	A second independent director will be appointed at the 2023 AGM.
R4	Information on Board members	Followed	
R5	Training for members of the Board	Followed	CSR training planned for 6 June 2023: A training plan is currently being drawn up by the Company. The implementation of this plan will be reported on in the corporate governance report for the 2023 fiscal year.
R6	Organisation of Board and Committee meetings	Followed	
R7	Establishment of committees	Followed	
R8	Creation of a specialised committee on Corporate Social Responsibility (CSR)	Not followed	Consideration is being given to setting up a CSR committee.
R9	Establishment of internal rules for the Board	Followed	
R10	Selection of each Board member	Followed	
R11	Term of office of the Board members	Followed	
R12	Remuneration of Board members for their terms of office	Followed	
R13	Assessment of the Board's performance	Followed	
R14	Shareholder relations	Followed	
R15	Diversity and equity policy within the company	Followed	
R16	Definition and transparency of corporate officers' remuneration	Followed	
R17	Preparing managerial succession	Not followed	Appointment of the Chairman of the Management Board in April 2022
R18	Combining an employment agreement with a corporate mandate	Followed	
R19	Severance pay	Followed	
R20	Supplementary pension plans	Followed	
R21	Stock options and bonus shares	Followed	
R22	Review of compliance issues	Followed	

2.1 - TERMS OF OFFICE OF SENIOR EXECUTIVES

In accordance with the provisions of Article L.225-102-1 paragraph 3 of the French Commercial Code, the following discloses a list of all the offices and positions held in every company by each of the Company's directors and officers:

2.1.1 Members of the Supervisory Board

Five members representing the majority shareholder:
Mrs Anne-Marie ESCHARAVIL
Mrs Alice ESCHARAVIL
Mrs Marie-Christine ESCHARAVIL
Mr Luc ESCHARAVIL
Mr Jean-Etienne PÉRIN.

One independent member:
Mr Frédéric HAFFNER 46, graduate of HEC Paris. After serving as a general manager at Rothschild & Cie between 1999 and 2010, as a shareholder at Dealbydeal invest in 2011-2014, as director of mergers and acquisitions and then as executive director of strategy and M&A, and as a member of the Executive Committee of the Carrefour Group between 2014 and 2019, he now heads up his own consultancy business for mid-sized companies and family offices. In 2020, he joined the Supervisory Board of Precia. He is also Chairman of the company's Audit Committee.

Four members representing employees:
Mrs Mylène DECHAMBRE,
Mr Christophe GIRAUD,
Mrs Anais MOULIN-VIDIL,
Mrs Nathalie RIGOTTAZ.

MANDATE	AGE	INDEPENDENCE	1st APPOINTMENT	YEARS OF SERVICE	EXPIRATION OF TERM OF OFFICE	AUDIT COMMITTEE
Anne-Marie ESCHARAVIL Chairman of the Board of Directors	61	No	<2000	>22	12/2022	
LUC ESCHARAVIL Vice-Chairman of the Board	68	No	<2000	>22	12/2022	
Alice ESCHARAVIL Member of the Board	96	No	<2000	>22	12/2026	
Marie-Christine ESCHARAVIL Member of the Board	69	No	12/2001	21	12/2022	
Jean-Etienne PÉRIN Member of the Board	33	No	06/2022	0.5	12/2027	
Frédéric HAFFNER Member of the Board	46	Yes	07/2020	2.5	12/2022	Chairman
Mylène DECHAMBRE Member of the Board	33	Staff representative	11/2022	0.2	11/2026	
Christophe GIRAUD Member of the Board	56	Staff representative	11/2022	0.2	11/2026	
Anaïs MOULIN-VIDIL Member of the Board	28	Staff representative	11/2022	0.2	11/2026	
Nathalie RIGOTTAZ Member of the Board	57	Staff representative	11/2022	0.2	11/2026	

2.1.2 Composition of the Management Board

Mr Frédéric MEY: 53, a graduate of the École Polytechnique and the Corps des Ponts et Chaussées. He began his career at the Ministry of the Economy and Finance. In 1999, he joined the Inspectorate General of BNP Paribas, prior to moving to the Pechiney Group in 2001 as Director of Strategy and Development for the Rolled Products Division. In 2003, he was appointed Chief Administrative and Industrial Officer of the same division, before being promoted to General Manager of Pechiney d'Alcan Aviatube in 2007. As part of the divestment of Alcan Engineered Products (Constellium), Frédéric Mey was appointed Chairman and General Manager of ECL, a world leader in the design, manufacture, and commissioning of critical equipment used in aluminium production. In 2015, he joined Eurotradia International, a consultancy firm providing international business solutions. In 2017, he assumed leadership of the Titanobel Group, specialising in the production, distribution, and use of explosives intended for civil use. He was appointed Chairman of the Precia Molen Group Management Board in May 2022.

Mr Gilles FAURIE: 51, holds a master's degree in science and technology (M2 IA). In 1994, he embarked on his career with Precia Molen before joining a Lyon-based company for three years. He then moved to a service company where he worked in particular with France Télécom. In 2001, he rejoined Precia as a project manager and developer. In 2012, he was given responsibility for commissioning the i20, i30, i35, i40, and d20 products. In 2015, he became Head of R&D and then, the following year, Chief Technical Officer, a role that also includes the client service project. He was appointed a member of the Management Board in 2021. Since 2023, he has also been in charge of product managers and documentation.

MANDATE	AGE	1st APPOINTMENT	SENIORITY ON THE BOARD	EXPIRATION OF TERM OF OFFICE
Frédéric MEY Chairman of the Management Board	53	02/05/2022	0.7	14/05/2026
Gilles FAURIE Member of the Management Board	51	01/07/2021	1.5	01/07/2027

On 7 April 2022, the Supervisory Board appointed Frédéric MEY as an additional member of the Management Board and as Chairman of the Management Board, replacing René COLOMBEL, who stepped down as Chairman of the Management Board, with effect from 2 May 2022.
At its meeting on 17 June 2022, the Supervisory Board duly noted the resignation of René COLOMBEL from his office as member of the Management Board effective the same day.
On 17 June 2022, the Supervisory Board duly noted the resignation of Mr Sébastien Longelin from his office as member of the Management Board with effect from 1 August 2022.
At its meeting on 19 December 2022, the Supervisory Board duly noted the resignation of Mr Eric MEYNARD from his duties as a member of the Management Board effective as of 30 November 2022.

2.1.3 Diversity policy

It should be recalled here that the Action Plan for the Growth and Transformation of Companies (PACTE) includes several measures aimed at reinforcing gender equality and promoting the advancement of women in senior positions. Among the main themes addressed by the PACTE is gender parity within corporate governance bodies.
PRECIA SA's Executive Management is committed to respecting professional equality between men and women and has always worked to ensure that actions are taken to combat prejudice and differences in treatment based on gender, and that corrective action is taken in the event of any inequalities being observed. It should be noted, however, that there is a slight structural imbalance between men and women, linked to the Metallurgy sector, more specifically to our industrial weighing activity.
Thus, the Company's policy on professional and salary equality between men and women continued during the past fiscal year. This was particularly the case in the significant areas of recruitment, promotion, and the balance between professional activity and personal and family life.

2.2- APPOINTMENTS AND POSITIONS HELD BY CORPORATE OFFICERS DURING THE 2022 FISCAL YEAR

SUPERVISORY BOARD	OTHER OFFICES
Mrs Anne-Marie ESCHARAVIL Chairman of the Supervisory Board	Chairman of S.A.S. BERGEROUX and LA FINANCIERE DE BENAT Chairman of the Management Board of S.A. Groupe ESCHARAVIL Director of S.A. LUC ESCHARAVIL
Mr Luc ESCHARAVIL Member and Vice-Chairman of the Supervisory Board	Director - Chairman and General Manager of S.A. LUC ESCHARAVIL Member of the Management Board and General Manager of S.A. Groupe ESCHARAVIL Chairman of S.A.S. RAFFIN
Mrs Alice ESCHARAVIL Member of the Supervisory Board	Member and Chairman of the Supervisory Board of S.A. Groupe ESCHARAVIL Director of S.A. LUC ESCHARAVIL
Mrs Marie-Christine ESCHARAVIL Member of the Supervisory Board	
Mr Jean-Etienne PÉRIN Member of the Supervisory Board	Member of the Supervisory Board of S.A. Groupe ESCHARAVIL
Mr Frédéric HAFFNER Member of the Supervisory Board	Head of the Audit Committee Independent Director

MANAGEMENT BOARD	OTHER APPOINTMENTS
Mr Frédéric MEY Chairman of the Management Board	Chairman of S.A.S. Precia Molen Service Member of the Board of Directors of PRECIA MOLEN UK Ltd, PRECIA MOLEN (IRL) Ltd and PRECIA MOLEN INDIA Ltd Co-manager of PRECIA MOLEN MOROCCO SARL Director of CAPI S.A. Chairman of the Board of Directors of MILVITEKA UAB
Mr Gilles FAURIE Member of the Management Board	

2.3 - REMUNERATION POLICY FOR CORPORATE OFFICERS FOR THE YEAR 2022

Remuneration policy for corporate officers This section sets out the remuneration policy for corporate officers for fiscal year 2022 as well as the remuneration packages for corporate officers paid or granted during fiscal 2022.

In accordance with Article L.22-10-26 of the French Commercial Code, the General Meeting of 26 June 2023 will be requested to approve the corporate officer remuneration policy for the fiscal year 2022. To this end, four resolutions will be presented for, respectively, the members of the Supervisory Board, the Chairman of the Supervisory Board, the members of the Management Board, and the Chairman of the Management Board.

2.3.1 General principles for determining, reviewing, and implementing the remuneration policy

This policy describes all the various aspects of the remuneration awarded to the Company's directors and officers by virtue of their office. It explains the process followed for its determination, allocation, review, and implementation.

The remuneration policy approved in year N shall apply to any person holding a corporate office in year N. Furthermore, in the event of departure, or if a corporate officer is appointed between two General Meetings, their remuneration is defined pro rata temporis in application of the remuneration policy approved by the last General Meeting.

It is specified that if a new member of the Management Board, a new Chairman of the Management Board, a new member of the Supervisory Board, or a new Chairman of the Supervisory Board is appointed, the principles, criteria, and elements of remuneration laid down in the remuneration policy for members of the Management Board, the Chairman of the Management Board, members of the Supervisory Board, or the Chairman of the Supervisory Board, respectively, shall be applied.

Should a new executive officer be recruited from outside the company, the Supervisory Board may decide to grant an amount, in cash or in shares, to compensate the new executive officer for the loss of remuneration linked to the departure from their previous position, possibly subject to a repayment clause, particularly in the event of early departure. In any event, the payment of such remuneration will be subject to the approval of the General Assembly pursuant to Article L.22-10-34 of the Commercial Code.

The remuneration policy for corporate officers must be approved by the General Meeting in accordance with Article L.22-10-26 of the French Commercial Code.

The Company refers to the Middlenext corporate governance code to determine the compensation and benefits granted to executive officers.

2.3.1.1 Process for determining and implementing the remuneration policy

The corporate officers' remuneration policy is determined by the Company's Supervisory Board.

In particular, remuneration should aim to promote the Company's performance and competitiveness. It should ensure its growth, sustainability, and the creation of sustainable value for its shareholders, employees, and all its stakeholders.

The Supervisory Board members, based on the specificities of the Company, regularly benchmark the remuneration levels of the Company's executive officers to ensure they are competitive and consistent with other companies in the sector.

Additionally, the other members of the Board regularly discuss and study the financial, accounting, and tax impacts of the proposed remuneration policy.

The remuneration policy is not subject to regular review. The most recent re-evaluation of the remuneration policy for executive officers was carried out in February and March 2022 within the framework of appointing a new Chairman of the Management Board.

Moreover, some of the terms for implementing the policy are defined by the Supervisory Board on an annual basis. This is the case, for example, with the performance criteria applied to the annual variable remuneration of the Chairman of the Management Board.

In this respect, the successful achievement of the performance criteria is examined by the Supervisory Board in order to decide whether or not the previously set performance criteria were met.

2.3.1.2 Derogation from the remuneration policy

In accordance with the provisions of Article L.22-10-26 of the Commercial Code, under exceptional circumstances, the Supervisory Board may depart from the remuneration policy. This will occur if such a deviation is temporary, in line with the company's interest, and necessary to ensure the company's continuity or viability.

Exceptional circumstances may result in particular from a development or even a substantial change in the economy, the Group's market conditions or the competitive environment. It may arise from a significant alteration in the Group's consolidation scope, such as a transforming operation like a merger, disposal, for example, the acquisition or creation of a significant new business, the discontinuation of a particular operation, or a change in accounting method or standard.

In this context, the Supervisory Board may adjust the performance criteria and conditions for variable and multi-year remuneration in shares. Under no circumstances may the ceilings of such remuneration be modified.

These adjustments shall be duly justified and strictly implemented. This remuneration will be submitted to the vote of the General Meeting. They may only be paid in the event of a positive vote of approval by the latter. These changes will necessarily require maintaining the alignment of the interests of shareholders and beneficiaries.

2.3.1.3 General principles and objectives

The Company's remuneration policy was established on the basis of the following general principles:

- Completeness - The remuneration policy details all the elements allocated or paid to the corporate officers;
- Balance - Each element of the remuneration policy is justified with regard to the profiles of the corporate officers. Officers must demonstrate the skills required to perform their duties and their willingness to make a long-term commitment to Precia in the interests of the company.
  This remuneration is assessed globally, i.e. by taking into account all the elements that contribute to the overall compensation;
- Benchmark - The Supervisory Board regularly assesses the relevance and competitiveness of the corporate officers' remuneration while ensuring it remains proportionate to the company's situation and its sector of activity;
- Consistency - The Supervisory Committee, being informed annually of the Group's human resource policy, ensures that the medium-term trend in the remuneration of corporate officers is not out of line with that of the remuneration of all Group employees;
- Clarity - The Supervisory Board agreed to a formal overhaul of the remuneration policy for corporate officers in 2022 with the aim of achieving greater clarity and simplified comprehensibility;
- Measure - The Supervisory Board set the remuneration policy applicable to executive officers in order to achieve a fair balance between respect for the Company's interests, the sustainability and long-term development of the Company while taking into consideration the social and environmental challenges of its business. The Supervisory Board ensures that the company's interest, the challenge of achieving the company's strategy, and the stakeholders' expectations are taken into account;
- Transparency - The remuneration policy details all remuneration elements allocated or paid to corporate officers. As mentioned above, the Supervisory Board resolved to formally revise the remuneration policy for corporate officers in order to improve its transparency.

2.3.1.4 Managing conflicts of interest

The prevention of conflicts of interest is ensured in accordance with the regulations in force. Each member of the Supervisory Board must, in the event of an actual or potential conflict of interest, inform the Supervisory Board of such a situation and draw the consequences thereof. In particular, they must refrain from taking part in voting on deliberations concerned or from attending Supervisory Board meetings during which they would be in a situation of conflict of interest.

2.3.2 For the Chairman and members of the Supervisory Board

2.3.2.1 Remuneration policy for the Chairman

The remuneration policy for the Supervisory Board Chairman is based on the principles common to all corporate officers presented above, the elements applicable to Supervisory Board members, and the specific elements developed below.

In accordance with Article 22 of the articles of association, the Chairman may receive remuneration for this function. The amount of this remuneration shall be determined by the Supervisory Board, taking into account the tasks assigned.

The allocated remuneration, if any, shall be a fixed amount. It may not include any variable component, additional benefits, or share-based compensation.

Fixed remuneration

In view of the assignments performed by the Chairman of the Supervisory Board, the Board resolved to remunerate the Chairman as of 2022.

Subject to shareholder approval at the Annual General Meeting to be held on 26 June 2023, the annual remuneration of the Chairman of the Supervisory Board will be maintained at €60,000 for the 2023 fiscal year and for subsequent fiscal years until a new decision is taken by the General Meeting.

Other compensation details

The Supervisory Board Chairman does not receive any other remuneration for their mandate, in particular no variable remuneration and no remuneration in securities or shares.

The Chairman is reimbursed for expenses incurred in connection with their mandate, in particular travel and accommodation expenses.

The table below summarises the other positions and offices held by the members of the Company's Supervisory Board.

2.3.2.2 Remuneration policy for Board members

Total remuneration

The total annual remuneration of the members of the Supervisory Board is determined by a vote of the Company's General Meeting.

Subject to approval by the Annual General Meeting on 26 June 2023, the annual remuneration package for members of the Supervisory Board will be increased to €36,000 for the fiscal year 2023 and for subsequent fiscal years until further decision by the General Meeting. Given the family nature of the Group and the Company, it was decided that the terms of office of the members of the Supervisory Board, including the Vice-Chairman, would not be remunerated, with the exception of the independent directors.

Other remuneration details

The members of the Supervisory Board do not receive any other remuneration for their Company mandate, in particular no variable remuneration.

They are reimbursed for expenses incurred in connection with their mandate, in particular travel and accommodation expenses.

Furthermore, the table above summarises the other offices held by members of the Company's Supervisory Board.

2.3.3 For the Chairman and members of the Management Board

2.3.3.1 Remuneration policy for the Chairman

The remuneration policy for the Chairman of the Management Board is based on the principles common to all corporate officers presented above, including the specific elements detailed below.

Mr René Colombel, as Chairman of the Company's Management Board until 1 May 2022, received compensation in line with the remuneration policy applicable in 2022, i.e. a gross fixed annual salary of €16,800. He did not receive any other form of remuneration in respect of this corporate office. As from 2 May 2022 and until 17 June 2022, René COLOMBEL remained a member of the Company's Management Board.

Upon the appointment of Mr Frédéric Mey as the new Chairman of the Management Board, the Supervisory Board decided to amend the remuneration policy approved by the General Meeting of 17 June 2022.

The remuneration policy for the Chairman of the Management Board set out below applies to the new Chairman of the Management Board, as well as to any subsequent Chairman of the Management Board.

General principles and mandate of the Chairman of the Management Board

The Chairman of the Management Board will not be bound by any employment agreement with the Company or any other Group company.

The aim of the Chairman's remuneration policy as a whole is to support the Company's strategy and align its interests with those of its shareholders:

- Providing a transparent, competitive, and motivating remuneration package in line with market practices;
- Establishing a close link between performance and remuneration in the short and long term.

The Company seeks to establish and maintain a balanced remuneration structure between fixed remuneration, benefits in kind, and short-term variable remuneration in cash.

Thus, the overall remuneration of the Management Board Chairman is mainly composed of a cash component, including a fixed part, a variable part, and benefits in kind. The Chairman will also receive a loss of employment benefit due to the absence of an employment contract within the Group.

In setting the target structure of the total remuneration and the level of its components, the Supervisory Board relies on market positioning studies of similar positions in companies of the same size. They also take into account the practices of the Group's main competitors in France and abroad.

Fixed remuneration

The annual fixed remuneration, intended to recognise the importance and complexity of the responsibilities, is also correlated to the experience and career path of the Chairman of the Management Board.

The Supervisory Board decided to set the fixed remuneration of the Chairman of the Management Board for 2023 at €260,000 gross per annum, to be paid in 12 monthly instalments.

Variable compensation

Variable annual compensation is designed to incentivise the Chairman of the Management Board to achieve the annual financial and non-financial performance targets set for him by the Supervisory Board, in close alignment with the Group's ambitions as regularly presented to shareholders. It is structured around clear and demanding operational performance criteria of a quantitative and qualitative nature.

The target level is expressed as a percentage of the fixed remuneration. In order to monitor the company's performance as closely as possible and proactively support it in following its ambition and strategy, the selection and weighting of performance criteria may be reviewed each year as part of the annual remuneration policy review and approval. The Supervisory Board's setting of the objectives for each of these criteria and the resulting review are carried out on an annual basis.

The gross variable annual compensation target, calculated on the basis of achieving 100% of the objectives, was set at 60% of the gross fixed annual compensation determined by the Supervisory Board.

Moreover, the Supervisory Board adopted the following criteria for determining the variable compensation of the Chairman of the Management Board, both:

- Quantitative criteria, such as the Operating Income rate and cash flow, representing 65% of the total variable compensation of the Chairman of the Management Board, and
- Qualitative criteria, including CSR, particularly relating to the appointment of the new Chairman of the Management Board in 2022, representing 35% of the total variable compensation of the Chairman of the Management Board.

Benefits in kind

The Management Board Chairman is provided with a company car. In addition, the executive officers benefit from the collective pension and health insurance schemes in force in the company under the same conditions as those covering employees.

Lastly, in the absence of coverage by the national employment agency (Pôle Emploi), the Chairman of the Management Board will be covered by the unemployment insurance policy taken out by the Company.

Other compensation details

The Chairman of the Management Board is not compensated in any other capacity within the Company or any other Group company. He is not subject to any employment contract within the Company or any Group company and does not benefit from a supplementary pension scheme.

2.3.3.2 Compensation policy for Board members

The compensation policy for Management Board members is based on those principles common to all corporate officers presented above and includes the specific elements described below. In accordance with Article 18 of the Company's articles of association, the remuneration of the Management Board members is set by the Supervisory Board. It is reviewed regularly by the Supervisory Board.

Fixed remuneration

In light of the practices of comparable companies in the sector in which the Company operates, the members of the Management Board receive compensation for their corporate office consisting solely of a fixed component. It is determined by taking into account:

- The scope of responsibility and complexity of the tasks;
-The background and experience of the individual holding the position;
- Consistency with other positions in the Group;
- Market practices for the same or similar positions.

As a matter of principle, the remuneration of the Management Board members is only re-evaluated after a relatively long period of time and if it is justified. For example, this is based on changes in the scope of responsibility of the function or on the positioning of the remuneration in relation to market and internal practices.

Accordingly, each member of the Management Board, with the exception of its Chairman, receives a gross fixed monthly remuneration of €800.

Other compensation details

The members of the Management Board do not receive any other compensation for their mandate.

They are also bound to the Company or a Group company by employment contracts:

- René Colombel, Sébastien Longelin, and Gilles Faurie were bound by an employment agreement with Precia SA; whereas
- Mr Eric Meynard had an employment agreement with SA Groupe Escharavil.

The Management Board member's employment agreement was continued insofar as the member's technical skills are essential to the smooth running of the Company and the Group.

2.4 - REMUNERATION OF CORPORATE OFFICERS IN RESPECT OF THE FISCAL YEAR 2022

The tables below provide details of the compensation paid during the 2022 fiscal year to each of the corporate officers, before social security contributions and on a pre-tax basis.

2.4.1 For members of the Supervisory Board

COMPENSATION PAID IN 2022						
	FIXED	VARIABLE	EXCEPTIONAL	BENEFITS IN KIND	DIRECTORS' FEES	TOTAL
Anne-Marie Escharavil [1]	0	0	0	0	60,000	60,000
Luc ESCHARAVIL	0	0	0	0	0	0
Alice ESCHARAVIL	0	0	0	0	0	0
Marie-Christine ESCHARAVIL	0	0	0	0	0	0
Jean-Etienne PERIN [2]	0	0	0	0	0	0
Frédéric HAFFNER	0	0	0	0	18,000	18,000
Mylène DECHAMBRE [3]	0	0	0	0	0	0
Christophe GIRAUD [3]	0	0	0	0	0	0
Anaïs MOULIN-VIDIL [3]	0	0	0	0	0	0
Nathalie RIGOTTAZ [3]	0	0	0	0	0	0

[1] Mrs Anne-Marie Escharavil was awarded €75,485 in directors' fees in her capacity as Chairman of the Management Board of SA Groupe Escharavil. She also received €3,225 in exceptional compensation and €2,592 in benefits in kind.

[2] Mr Jean-Etienne Perin, a member of the Supervisory Board, holds an employment contract with SA Groupe Escharavil. Under this contract, he received fixed compensation of €42,969, exceptional compensation of €1,500, and benefits in kind of €5,400.

[3] Salaried members have an employment contract with Precia SA.

2.4.2 For members of the Management Board

COMPENSATION PAID IN 2022 [2]						
	FIXED	VARIABLE	EXCEPTIONAL	BENEFITS IN KIND	DIRECTORS' FEES	TOTAL
Frédéric MEY	0	0	8,509	1,591	173,336	183,436
Gilles FAURIE [1]	0	0	0	0	9,600	9,600

[1] Mr Gilles Faurie, a member of the Management Board, holds an employment contract with Precia Molen. Under the terms of this contract, he received fixed remuneration of €93,036, exceptional remuneration of €500, and €3,216 in benefits in kind.

[2] Mr René Colombel, former Chairman of the Management Board and then member of the Management Board, held an employment contract with Precia SA, under which he received remuneration of €417,983, including his final pay.

Mr Eric Meynard, a former member of the Management Board, held an employment contract with SA Groupe Escharavil, under which he received remuneration of €126,794.

Mr Sebastien Longelin, former member of the Management Board, held an employment contract with Precia SA, under which he received remuneration of €92,772, including his final pay.

2.4.3 Comparing corporate officers' remuneration with the average compensation paid to employees

2022	
Average employee compensation	41,868
Gross annual minimum wage on 31/12/2022	20,147
Total remuneration paid to the Chairman of the Management Board	
Frédéric MEY	183,436
Ratio to the average employee compensation	*4.4*
Ratio to the minimum wage	*9.1*
Total remuneration of the Management Board member	
Gilles FAURIE	106,352
Ratio to the average employee compensation	*2.5*
Ratio to the minimum wage	*5.3*

2.5 - SUPERVISORY BOARD RESPONSIBILITIES

2.5.1 Work of the Supervisory Board

The Supervisory Board met six times during the fiscal year to discuss the following agendas:

- Organising corporate governance,
- Reviewing the annual financial statements for the fiscal year ending 31 December 2021,
- Reviewing the Management Board's report;
- Deliberating the Company's policy on professional and salary equality;
- Reviewing the regulated agreements;
- Preparing the Corporate Governance Report containing the Board's observations on the Management Board's report and on the financial statements for the fiscal year;
- Borrowings and other investments, presentations and authorisations to be issued;
- Updates on current acquisitions;
- Breaking down the compensation paid to the Supervisory Board;
- Current position of Supervisory Board and Management Board members;
- Increasing the capital of a subsidiary;
- Appointing a joint general manager to replace the resigning joint general manager of the Precia Molen Morocco subsidiary;
- Proposed closure of international facilities;
- Other business.

2.5.2 Remarks concerning the management report and the annual financial statements

In accordance with Article L.225-68 of the Commercial Code, the Supervisory Board shall present to the Annual General Meeting its observations on the Management Board's report and on the financial statements for the fiscal year.

The Management Board submitted the annual financial statements, the consolidated financial statements, and the management report to the Supervisory Board within four months of the end of the fiscal year.

The financial statements for the fiscal year ended 31 December 2022 disclose the following main items:

Total balance sheet: €99,424,598.46

Revenue: €62,281,203.43

Loss for the year: -€3,911,698.33

Precia SA's revenue increased by 3.71% year-on-year.

Furthermore, the Supervisory Board acknowledges having been informed of the consolidated accounts.

In view of the above, the Supervisory Board issued no specific comments on the Management Board's report and the financial statements for the fiscal year ended 31 December 2022.

The Supervisory Board reviewed the proposed agenda for the General Meeting, as well as the draft resolutions submitted by the Management Board. No comment is required on these resolutions. Accordingly, the Supervisory Board recommends that shareholders approve the proposed resolutions.

2.5.3 Items likely to have a bearing in the event of a public offering

In order to ensure a greater transparency of measures liable to have an influence on the price or outcome of public offers, our report must set out and, where appropriate, explain the factors likely to be relevant in the event of a public offer (C. com. Art. L.225-37-5 pursuant to Ord. 2017-1162 of 12-7-2017 and Art. L.225-68, al. 6 amended by Ord. 2017-1162).

To the best of the knowledge of the members of the Supervisory Board, apart from the provisions of the Company's articles of association and all the regulations and laws relating to the Company in its current form, taking into account the structure of the shareholding and voting rights, there are currently no factors that are likely to have an impact in the event of a public offer.

2.6 - INFORMATION REGARDING REGULATED AGREEMENTS

2.6.1 Regulated agreements

Pursuant to the statutory provisions, we hereby inform you of the agreements entered into, directly or through an intermediary, between a corporate officer or a significant shareholder of the company and a subsidiary (c. com. Art. L.225-37-4, 2º from Ord.2017-1162 of 12-7-2017 and Art. L.225-68, al. 6

amended by Ord. 2017-1162 and Art. L.22-10-20 from Ord. 2020-1142 of 16-9-2020), between:

- On the one hand, one of the members of the Management Board or Supervisory Board, the Managing Director, one of the Deputy Managing Directors, one of the directors, or one of the shareholders holding more than 10% of the voting rights of a public limited company;
- And on the other hand, another company in which Precia SA owns, directly or indirectly, more than half of the share capital.

However, agreements relating to current operations, concluded under normal conditions, are excluded.

This obligation applies to agreements entered into between either a director or a significant shareholder of the parent company with a subsidiary. Such agreements are not regulated agreements subject to prior authorisation by the board of directors or supervisory board, since the parent company is not a party to the agreement.

2.6.2 List of agreements concluded during the fiscal year

None

2.6.3 List of current agreements

The list of regulated agreements in progress is as follows:

- Financial and technical support provided within the framework of a contract consisting of a guarantee of €800K in favour of Precia Molen Morocco SARL.
- Animation and management agreement with Groupe Escharavil SA resulting in €510K in services.

ANSA believes that the report should only mention agreements entered into during the fiscal year in question and not those entered into during previous fiscal years (Communication Ansa, Legal Committee No. 14-063 of 3-12-2014).

2.6.4 Agreements from previous periods not submitted for approval at a prior General Meeting

Regulated agreement covering the loan of €920K to the minority shareholders and directors of Creative IT. In respect of the 2022 fiscal year, repayments made amounted to €99 and interest paid was €2K. At the end of December 2022, the outstanding principal amounted to €821K.

2.6.5 Procedure enabling the evaluation of agreements

The procedures enabling a periodic assessment of whether agreements relating to current transactions entered into under normal conditions actually meet these criteria are at the Audit Committee's discretion.

2.7 - HOW SHAREHOLDERS CAN TAKE PART IN THE GENERAL MEETING

Pursuant to Article L.22-10-10, 5º of the Commercial Code, Articles 29 to 36 of the Company's articles of association set out the specific terms & conditions relating to the participation of shareholders in the General Meeting. The articles of association are available at the Company's registered office and at the Commercial Court Registry.

2.8 -DISCLOSURE OF INFORMATION

In accordance with the provisions of Article L.621-18-3 of the Monetary and Financial Code (amended by Ord. 2017-1162 of 12-7-2017 and AMF Gen. AMF Art. 222-9 amended on 3-1-2018), **this report on corporate governance is made available to the public**.

Sebastien , Boilermaker welder (Boilermaking workshop)

©Eric Moroni

3-DECLARATION OF NON-FINANCIAL PERFORMANCE

3.1- ANALYSIS OF NON-FINANCIAL RISKS

Reporting category	Topic	Significant risk (yes/no)	Description of the risk	Potential repercussions	Policy and resources implemented	Results and performance indicators
Employee-related information	Workplace health and safety	Yes	Accidents, occupational illnesses	Cost of accidents and occupational illnesses Reputation, liability Disruption	Occupational risk prevention policy HSE training programme Discussions with staff representatives	Frequency rate; Severity rate Number of hours of safety training
	Employment and skills	Yes	Unavailability of appropriate skills	Disruption	Human resource management policy Training programmes Working time organisation and planning	Absenteeism rates Workforce monitoring (age, gender, region) and trends Monitoring the training plan Monitoring salary trends
	Social dialogue	Yes	Impact on labour relations	Social tensions	Human resource management policy Management rules	Collective agreements Consultations with staff and representatives
	Equal treatment	Yes	Liability	Reputation Loss of business	Human resource management policy Ethical commitment, combating discrimination Gender equality Initiatives in support of people with disabilities	Collective agreements "Ethics and Compliance" initiative
Societal information	Local impact in terms of employment and community development	Yes	Reputation		Human resource management policy	Local recruitment ratio Local supplier ratio
	Impact on people living nearby	Yes	Reputation		Handling of requests from local residents	Handling of requests
	Relations with stakeholders such as associations, schools, and others.	Yes	Reputation		Handling requests from stakeholders. Partnership initiatives, sponsorship	Handling of requests
	Sub-contracting and suppliers	Yes	Customer/supplier dissatisfaction and interdependence	Reputation	Supplier and subcontractor management policy Purchasing policy	Supplier and subcontractor evaluation Taking account of CSR considerations when dealing with suppliers and subcontractors
	User health and safety	Yes	Impact on user safety	Reputation, liability	Consideration of safety requirements linked to product design including Restriction of Hazardous Substances (ROHS), Electromagnetic Compatibility (EMC), Low Voltage, Machine Directive, and ATEX (explosive atmospheres)	EU product compliance
Environmental information	Environmental impact	Yes	Waste emissions		Waste collection and recovery policy	Waste emission assessment Recovery rate
			Activities that pollute the air, soil, and water	Pollution	Measures to control pollutant emissions	Collecting pollutants at source Monitoring polluting installations
			Noise pollution	Neighbourhood annoyance	Organisation of working hours Maintenance of the means of production	Noise measurements
	Impact on climate change	Yes	CO2 emissions	Pollution	HSE policy - Mobility plan Initiatives to reduce energy consumption	Carbon footprint
	Impact on natural resources	Yes	Water consumption Raw material consumption Energy consumption		Monitoring resource consumption Steps taken to reduce material and energy consumption	Consumption assessment - Carbon assessment Energy efficiency audit - Energy improvement measures
	Impact on biodiversity and land use	No				
	Food wastage	No				
Anti-corruption	Ethics and corruption	Yes	Financial/criminal sanctions	Reputation	Ethical commitment signed by all subsidiaries	Ethical commitment Ethics Charter Internal whistleblower system Gifts and hospitality policy
Human rights	Ethics International law	Yes	Financial/criminal sanctions	Reputation	Respect for the ILO's fundamental conventions Ethical commitment signed by all subsidiaries	Freedom of association and collective bargaining rights Anti-discrimination policy Abolition of forced labour Abolition of child labour

3.2 - EMPLOYEE-RELATED INFORMATION

3.2.1 Employment

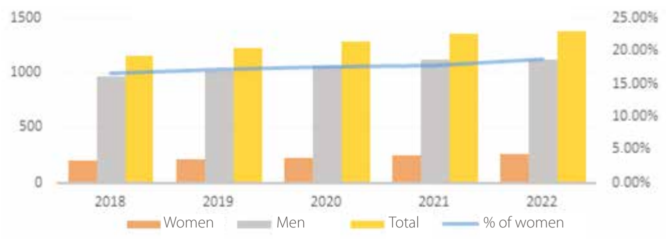
The Precia Molen Group's employees are mainly based in Europe for 79.3% and more particularly in France at 58.1%. Employees based outside Europe account for 20.7% of the workforce.

Breakdown by gender:
The Precia Molen Group is made up of 18.7% women and 81.3% men. The proportion of women employed has increased over the last three years.

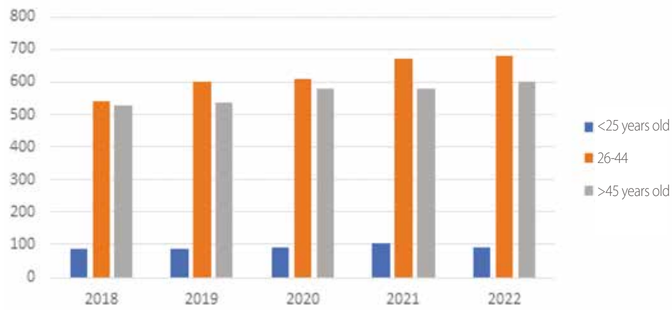
Staff turnover:
At the Precia Molen Group level, 223 people were hired over the period, mainly in France at Precia SA and Precia Molen Service: 92

See the full definition of indicators in section 3.6.3.

CHANGE IN NUMBER OF EMPLOYEES



CHANGE IN THE AGE OF EMPLOYEES



BREAKDOWN OF WORKFORCE BY GENDER

ENTITY	WOMEN	MEN	TOTAL AS OF 31/12/2022
PRECIA SA	84	266	350
PRECIA MOLEN SERVICE	68	338	406
PRECIA MOLEN INDIA	4	117	121
PRECIA MOLEN LITUANIE	8	64	72
PRECIA MOLEN NEDERLAND BV	6	46	52
PRECIA MOLEN UK	16	34	50
CAPI CI	7	37	44
CREATIVE IT	11	32	43
PRECIA MOLEN MAROC	4	52	56
PRECIA MOLEN BELGIUM	5	23	28
PRECIA MOLEN IRELAND	9	25	34
PRECIA POLSKA	8	19	27
KASPO LAB	10	11	21
PRECIA MOLEN NEW ZEALAND	4	15	19
PRECIA MOLEN ASIA PACIFIC	3	7	10
PRECIA CZ	1	5	6
CAPI BF	1	6	7
PRECIA MOLEN BRAZIL	1	7	8
J&S WEIGHING SOLUTIONS	1	4	5
PRECIA MOLEN SCANDINAVIA	0	0	0
CAPI SENEGAL	5	6	11
PRECIA MOLEN NINGBO	1	3	4
TOTAL	257	1 117	1 374

BREAKDOWN BY AGE GROUP

ENTITÉ	< 26 ANS	26 À 44 ANS	> 44 ANS
PRECIA SA	29	145	176
PRECIA MOLEN SERVICE	21	183	202
PRECIA MOLEN INDIA	18	90	13
PRECIA MOLEN LITUANIE	1	39	32
PRECIA MOLEN NEDERLAND BV	1	17	34
PRECIA MOLEN UK	4	16	30
CAPI CI	1	22	21
PRECIA MOLEN MAROC	1	54	1
PRECIA MOLEN BELGIUM	1	9	18
PRECIA MOLEN IRELAND	4	18	12
KASPO LAB	0	14	7
PRECIA POLSKA	1	16	10
PRECIA MOLEN NEW ZEALAND	2	7	10
PRECIA MOLEN ASIA PACIFIC	1	5	4
PRECIA CZ	0	1	5
CAPI BF	0	5	2
PRECIA MOLEN BRAZIL	0	6	2
J&S WEIGHING SOLUTIONS	0	0	5
PRECIA MOLEN SCANDINAVIA	0	0	0
PRECIA MOLEN NINGBO	0	4	0
CREATIVE IT	8	24	11
CAPI SENEGAL	0	5	6
TOTAL	93	680	601

3.2.2 Organisation of working hours

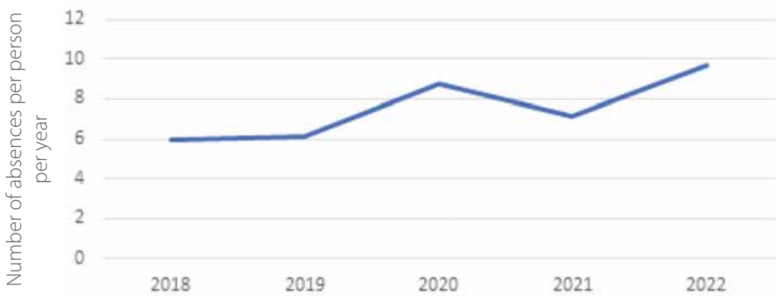
The organisation of work in the Precia Molen Group is designed to set up an efficient, competitive, and reactive industrial and commercial organisation while respecting the expectations of the personnel and the regulations in force.

The year 2022, like 2021 because of the Covid-19 pandemic, was marked by the implementation of a specific work organisation enabling the health of the company's employees to be protected while at the same time working towards the sustainability of the business.

Under normal circumstances, the working time organisation can therefore be modified according to production and market constraints, as well as adapted to local regulatory requirements.

Absenteeism remains a critical issue for the Precia Molen Group in that it can lead to the disruption of production and service schedules and thus the quality of service provided to our clients. Absenteeism at the Precia Molen Group level stands at 9.66 days per person per year.

CHANGE IN THE ABSENTEEISM RATE



3.2.3 Labour Relations

The Precia Molen Group companies are committed to maintaining relations with employees and their representative bodies, where they exist, in accordance with local requirements. They also undertake to comply with all mandatory procedures for informing staff and their representatives.

The various areas of discussion and negotiation over the past year have focused on collective and individual remuneration, and the drafting of a teleworking charter.

Collective agreements or action plans may be reached locally. The currently accepted collective agreements or action plans relate to the length of working hours, gender equality, profit-sharing, incentive schemes, company savings plans (PEE PERCO), the mileage allowance for employees commuting to work by bicycle, and the health insurance plan.

For 2022, five main agreements were signed between the stakeholders.

Precia SA agreements:

DATE	SUBJECT	COMMENTS
06/04/2022	Telework Charter	This charter, negotiated between staff representatives and management, sets out the terms & conditions of teleworking, including a definition, scope and eligibility, terms & conditions for approval by the employee, regulations, specific provisions in the event of exceptional circumstances or force majeure, equipment, reimbursement, confidentiality obligation, and data protection.
27/06/2022	Profit-sharing agreement	Profit-sharing agreement linked to the company's results and performance. This agreement is concluded for the year 2022, defining the beneficiaries, characteristics of the profit-sharing, calculation methods, capping, payment, employee information, disputes, revision, and filing.
29/09/2022	Pre-electoral agreement	Agreement in view of the elections for the renewal of the staff representatives including the number of staff, make-up of the electoral colleges, electorate and eligible staff, credit for hours, list of candidates, balanced representation between men and women, electoral propaganda, organisational aspects of the elections, conduct, and duration of the agreement.
12/10/2022	Value-sharing premium (VSP)	Agreement to pay a value-sharing bonus designed to support employees' purchasing power. Application scope, amount of the premium, no-substitution principle, payment date, social and tax regime, duration and entry into force.
12/10/2022	Agreement on early compulsory annual negotiations (NAO)	In order to provide a rapid response to the adverse effects of inflation, the parties agree to immediately apply an initial partial collective increase. Application scope, salary package, duration and effective date.

For the PMS subsidiaries:

In 2022, unilateral decrees relating to salaries and the "Macron premium" were proposed.

Within the African subsidiaries operating in Burkina Faso, Senegal, and Côte d'Ivoire:

Measures are being implemented on a case-by-case basis. The workforce at these subsidiaries falls below the thresholds for appointing staff representatives. At the same time, a number of initiatives are in place to meet employees' needs and take into consideration local realities, such as frequent coverage of out-of-pocket expenses following illness, contributions towards funeral costs, coverage of certain everyday accidents, and so forth.

- CAPI - CI: a company mutual insurance scheme in which the company pays 75% of the contribution, enabling employees to pay for medical treatment at university hospitals or private clinics, as well as a retirement insurance policy. The company's contribution depends on the employee's revenue and the amount they wish to save. There are also private and public health insurance arrangements.
- CAPI – SN: Revaluation of the transport premium following the relocation.

3.2.4 Health and safety

In terms of workplace health and safety, the Precia Molen Group implements the necessary organisation and resources enabling it to offer its employees suitable working and safety conditions. The Precia Molen Group companies are committed to complying with local requirements and to respecting all mandatory procedures. For Precia SA and Precia Molen Service, there is a Health – Safety – Working Conditions Commission that meets on a quarterly basis.

Special organisations and resources are available at sites where the risks are most significant, such as production sites and client sites requiring the company safety improvement manual (MASE,) certification.

In this respect, high-risk situations are identified, then the means enabling them to be mitigated are implemented, including material resources, training, and work instructions.

The frequency and severity rates of occupational accidents resulting in time off work are calculated at the Precia Molen Group level. These figures take into account all accidents occurring within the Precia Molen Group, all days lost from work, and all hours worked. These figures were consolidated at the Precia Molen Group level.

The organisation put in place in terms of workplace safety does not distinguish between the various types of agreements between people. Temporary workers are therefore treated in exactly the same way as the company's direct employees (reception, training, etc.) The statistics below therefore include elements relating to the employment of temporary workers.

Frequency rate

$$\frac{\text{Number of lost-time accidents x 1000}}{\text{Number of hours worked}}$$

Severity rate:

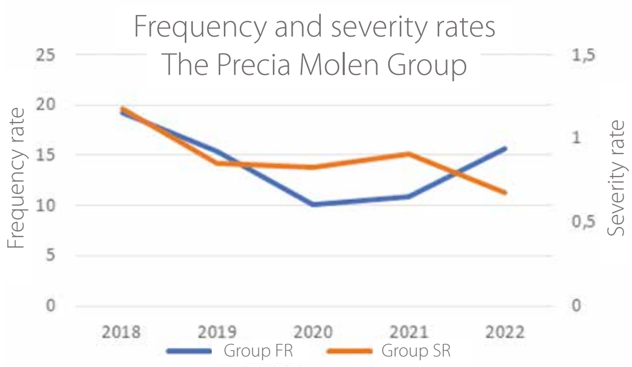
$$\frac{\text{Number of days of absence x 1000}}{\text{Number of hours worked}}$$

Occupational illnesses: only those recognised by the French social security system (or other official body for international subsidiaries) during the year are shown.

See the full definition of indicators in section 3.6.3.

Precia Molen Group safety results:

Severity rate 2022	0.68
Frequency rate 2022	15.68
Number of occupational illnesses 2022	3



We regret that the number of accidents is higher, however the time off work is shorter. A wide-ranging action plan is being implemented by the Group companies most affected.

3.2.5 Training

The training initiatives implemented mainly concern knowledge of Precia Molen products, mastery of English, industrial production techniques, as well as health and safety at work.

At the Group level, 13,146 training hours were provided in 2022, 38% of which were devoted to safety and environmental issues.

In 2021, the Precia Molen Group launched its "PM Academy". The objective is to provide support for all employees as they move towards digitalisation, and to make a variety of training courses available to one and all. The goal is to build a long-term knowledge database while harmonising the Group's training processes. E-learning training sessions were created, filmed, and tested within the Group and then put online so that everyone can complete them according to their needs and activity. To this end, all employees, including workers, are provided with a professional e-mail address and computer workstations are made available in the workshops.

Deployment began in 2021 for the Precia SA and PMS employees, with further roll-out in 2022 for the international subsidiaries.

E-learning:

TRAINING	2021		2022	
	Participants	Hours	Participants	Hours
Fighting corruption	19	14	264	131
Combating sexual harassment	23	11	269	127
Understanding the rules governing ethics at Precia Molen	20	10	218	101
Preventing psychological bullying	18	18	240	126
Introduction to Health, Safety, and the Environment	37	28	203	141

3.2.6 Equal treatment

For Precia SA, following negotiations with employee representatives, which resulted in an agreement on 14 October 2019, notably on the subject of gender equality, a number of concrete measures were implemented relating to:

- Recruitment: the Group's aim is to attract female applicants from both inside and outside the company and to ensure there is no discrimination in the recruitment process.
- Equal pay and in-house promotion: the company strives to ensure employees progress in line with their skills and opportunities for advancement on an equal basis for men and women.
- The balance between work and family responsibilities. Precia SA ensures employees of both sexes can take advantage of the various schemes available to help them achieve a balance between their professional, personal, and family lives. This applies to days off for sick children, the possibility of working part-time, back-to-school arrangements, and so on.
- Training: Precia SA is keeping track of any discrepancies in access to training for men and women.

Precia SA and Precia Molen Service disclose their gender equality indicators:

See full definitions of these indicators in §3.6.

The index takes into account various indicators. These include the pay gap between men and women, the difference in the rate of individual pay rises, and the number of employees of the under-represented sex among the 10 employees with the highest salaries.

Each indicator is calculated using a method defined by decree, resulting in a number of points that together provide the company's overall performance.

	2020 2019 data	2021 2020 data	2022 2021 data	2023 2022 data
Precia SA	75	75	83	85
Precia Molen Service	79	79	84	83

3.2.7 Pensions other than basic pension schemes and compulsory supplementary pension schemes

The Company has no pension obligations other than basic pension plans and mandatory supplementary pension plans. Nor does it have any lifetime benefits for its corporate officers.

3.2.8 Promotion of and respect for the provisions of the core International Labour Organisation agreements

Key aspects of workers' rights are based on the most demanding international standards such as those of the International Labour Organisation (ILO) that serve as a basis for local human resource management policies.

Each Precia Molen Group entity conducts its business autonomously on these issues.

Nevertheless, a common Ethics Charter for the Precia Molen Group entities is in place. It includes an Anti-Corruption Code, a Gift Policy, and an Internal Whistleblower System. This Ethics Charter was signed by all subsidiaries of the Precia Molen Group.

3.3 - ENVIRONMENTAL INFORMATION

3.3.1 General environmental policy

Production sites account for most of the environmental footprint. The parent company, Precia SA, houses the largest production facilities in the Precia Molen Group. Precia SA adopted a voluntary approach towards environmental protection. Implementing the necessary resources enables us to meet the legal requirements and applicable standards. Setting up control procedures and improving performance through targeted actions are part of the measures taken to reduce the company's environmental impact.

Measures enabling the prevention of environmental risks and pollution have been implemented. These are of the following types:

- Technical – use of safety equipment, integrating risk control measures into the design of equipment and facilities, managing a waste collection and security area,
- Organisational – field visits, audits, and improvement actions,
- Human – safety and environmental training, awareness of waste sorting, and communication of best practices.

The environmental risks arising from the Precia Molen Group's operations are concentrated in its production activities. To defray the cost of these risks, the Precia SA production site, which is the Group's main production facility, has specific insurance coverage taking into account all of its activities.

3.3.2 Pollution and waste management

In order to prevent and reduce emissions into the air, water, and soil, particular attention is paid to pollutant collection systems through the choice of equipment, maintenance planning, machine tool maintenance, and the implementation of more environmentally friendly equipment.

Waste emissions are mainly produced by Precia SA's activities, where product manufacturing operations are carried out. Precia SA generates almost all (94%) of the non-hazardous waste produced by the companies whose waste emissions are consolidated, i.e. PM, PMS, India, Lithuania, Morocco, the Netherlands, Scotland, and Poland. Similarly, Precia SA produces 70% of the hazardous waste from this same group of consolidated subsidiaries.

In the case of Precia SA, waste emissions and the proportion recovered by weight are measured annually. Significant efforts have been made over the past few years to ensure a high and stable level of recovery for all waste from Precia SA's activities. The waste recovery rate for this entity in 2022, at 89%, is slightly higher than the previous year.

Once sorted, non-hazardous waste is recovered by recycling scrap metal, paper and cardboard, wood, and concrete. Hazardous waste such as used oil, chemical waste, and the like, is sent to an energy recovery centre.

In order to limit the environmental impact of the material consumed and the waste generated by its business, Precia SA focuses its efforts on the best practices to be implemented for storing and using chemical products, as well as for sorting and recovering waste.

To help raise awareness among its employees, Precia SA offers them a "Battery Recycling" challenge each year during European Battery Recycling Week, enabling them to return their batteries.

Precia SA also seeks to work with local service providers for collecting, treating, and recovering certain types of waste in order to reduce the environmental impact associated with transport.

The main environmental nuisances, such as noise and visual pollution, are encountered at Precia SA's production sites. In this respect, particular attention is paid to limiting the impact of the industrial operations on the local population and stakeholders around the company's premises. Technical soundproofing solutions and organisational measures, such as operating hours, are in place to achieve this objective.

The Precia Molen Group does not provide a company cafeteria service. It is therefore not directly concerned by the fight against food waste.

3.3.3 Sustainable use of resources

Implementing programmes designed to enable the sustainable use of resources is one of the Precia Molen Group's main priorities. It enables reconciling a range of varied and important objectives such as respect for the environment, both globally and locally, cost reduction, and the rallying of teams around structuring projects that may involve raw material and energy.

At the production sites, particular attention is given, for example, to reducing the amount of scrap material and the quantity of waste recycled.

Resource consumption 2022		Consolidated entities
Water (m^3)	6,080	PRECIA S.A., PRECIA MOLEN Service, PRECIA MOLEN MOROCCO, PRECIA MOLEN NL, PRECIA MOLEN UK; PRECIA POLSKA; PRECIA MOLEN INDIA
Electricity (Kwh)	2,552,936	PRECIA S.A.; PRECIA MOLEN Service, PRECIA MOLEN INDIA; PRECIA MOLEN LITUANIA; PRECIA MOLEN MOROCCO; PRECIA MOLEN NL; PRECIA MOLEN UK; PRECIA POLSKA
Petrol and heating oil (litres)	2,217,934	PRECIA S.A.; PRECIA MOLEN Service, PRECIA MOLEN INDIA; PRECIA MOLEN LITUANIA; PRECIA MOLEN MOROCCO; PRECIA MOLEN NL; PRECIA MOLEN UK; PRECIA POLSKA
Combustible fuels (kWh PCI)	1,391,576	PRECIA S.A.; PRECIA MOLEN Service; PRECIA MOLEN NL; PRECIA MOLEN UK
Coal (kWh PCI)	307,868	PRECIA MOLEN LITUANIA

Consolidation scope: See Chapter 3.6.3 Methodology details.

NB: In the above table, only the environmental data of the listed consolidated entities were taken into account. Data from other entities was either not available or not sufficiently reliable.

For the Precia Molen Service entity, water consumption is consolidated for the branches for which data is available through invoices, representing 29 branches out of 49. Electricity consumption is consolidated for all branches. The consolidated invoices are those received during the period under review.

Energy consumption is mainly incurred by the activities of Precia S.A. and Precia Molen Service, which represent for the consolidated scope:

- 80.6% of consolidated electricity consumption,
- 82% of consolidated fuel consumption,
- 64.6% of consolidated combustible gas consumption.
- 70.1% of consolidated water consumption.

The Precia Molen Group's operations do not involve the use of land, except for those areas necessary for establishing administrative or production buildings. In this case, urban planning and environmental protection rules are part of the constitution and framework of the construction projects.

Some of the products designed within the Precia Molen Group have applications enabling them to reduce the client's environmental impact. One example is the Electro-Generator for belt scales that is able to create its own source of electrical energy by using the energy generated by the running of the conveyor belt on which it is installed.

3.3.4 Climate change

The Precia Molen Group is mindful of its greenhouse gas emissions. These are mainly related to temperature control in the buildings through heating, air conditioning, and ventilation, through the operation of industrial equipment, and the use of the Precia S.A. and Precia Molen Service car fleet. Emission sources are maintained and periodically checked.

A CO_2 emissions balance sheet was drawn up for the Precia Molen Group's activities consolidated at the environmental level only (see chapter 3.6). This applies to the operations carried out in France by Precia SA and Precia Molen Service, as well as in the Netherlands, the United Kingdom, India, Morocco, Poland, and Lithuania. The energy sources concerned by this balance sheet are the electricity consumed by the process, lighting, heating, and air-conditioning, by the fuel for vehicles and machinery, and by the gas for heating and the process.

	SCOPE	SCOPE 1 Fuel oil, off-road diesel, gas, coal, diesel and petrol used for business travel	SCOPE 2 Electricity	SCOPE 3 Diesel and petrol used for business travel	TOTAL Tonnes of CO2 equivalent
2020	PM- PMS- NL- UK- IN- AU-MA- LT	5,288	398	1,400	7,086
2021	PM- PMS- NL- UK- IN -AU-MA- LT	5,894	113	1,536	7,543
2022	PM- PMS- NL- UK- IN- MA-LT- PL	5,740	97	1,418	7,255

Consolidation scope: See Chapter 4.2 Organisation of the Group
See full definitions of indicators in §3.6.3

This Carbon Footprint assessment covers the CO_2 emissions of the Group's industrial entities for each calendar year.

Emissions are calculated using the Bilan Carbone® v8.7 method.

Scope 1 covers **direct emissions** from fixed or mobile installations. This includes emissions from sources owned or controlled by the company, such as fuel sources, combustibles, and so on.

Scope 2 encompasses **indirect emissions** arising from the consumption of energy required to manufacture our products. These are primarily emissions connected with electricity consumption.

Scope 3 covers all **other emissions** not directly linked to manufacturing processes but to other stages in the product's life cycle, such as supply, transport, use, end of life, and so forth. For example, waste management or the local sourcing of raw material suppliers.

In the interests of continuous improvement, the Precia Molen Group undertook to draw up a more detailed carbon footprint. For the first year of this process, scopes 1, 2, and 3 were calculated for Precia SA alone.

	SCOPE	SCOPE 1 Fuel oil, off-road diesel, gas, diesel and petrol used for business travel	SCOPE 2 Electricity	SCOPE 3 Diesel and petrol used for business travel	TOTAL Tonnes of CO2 equivalent
	Data added, See §3.6.3			• Waste • Fixed assets (buildings + IT material) • Inputs (concrete)	
2022	Precia SA	695	49	1,566	2,310

In order to meet its targets in terms of environmental efficiency, with a 20% reduction in CO_2 emissions by 2026 compared with 2021, Precia SA made a commitment to reduce its energy consumption.

The action plan introduced involves a combination of several types of measures:

- Technological: replacing energy-guzzling equipment, adjusting machine settings, investing in photovoltaic panels, and insulating older buildings.
- Organisational: setting up a metering plan, appointing an energy manager, and more.
- Human: training employees in eco-actions, taking the subject into account when planning projects, and so on.

See Health, Safety and Environment Policy 2023 in Annex 4 (3.6.4).

3.3.5 Other issues

The Group's activities, the energy and materials used in its processes and its products have no impact on animal welfare. No specific action is taken in this respect.

In terms of protecting biodiversity, no specific action has been taken on this issue.

3.4 - EU GREEN TAXONOMY

3.4.1 Contextualising factors

In order to contribute towards achieving carbon neutrality in 2050, the European Commission adopted on 4 June 2021, pursuant to Regulation 2020/852 of 18 June 2020 (known as the "Taxonomy Regulation"), the delegated act designed to determine the conditions under which economic activities may be considered as making a substantial contribution to the six environmental objectives specified in Article 9:

1- Mitigation of climate change
2- Adaptation to climate change
3- Sustainable use and protection of aquatic and marine environments
4- Transition to a circular economy
5- Prevention and reduction of pollution
6- Protection and restoration of biodiversity and ecosystems

On 6 July 2021, the Commission published Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council. This delegated act specifies the arrangements for producing and publishing the information to be communicated in "Article 8" of the Regulation which stated that: "Every company subject to disclosure of non-financial information must include in its non-financial statement, or consolidated non-financial statement, details of how and to what extent the company's activities are involved in economic activities that can be considered environmentally sustainable under Articles 3 and 9 of this Regulation." The purpose of these regulations would be to determine which economic activities are considered environmentally sustainable, with the aim of directing capital flows towards them.

From this perspective, an economic activity is considered sustainable if it:

- Contributes substantially to one or more of the environmental objectives set out in Article 9, in compliance with the technical review criteria established by the Commission;
- Does not cause significant harm to any of the other environmental objectives (DNSH - Do No Significant Harm) set out in Article 9;
- Is carried out in compliance with the minimum safeguards stipulated in Article 18 of the Regulation.

An activity is deemed eligible if, and only if, it is included within the scope of the taxonomy. This implies that the activity can be identified and described in Annexes I and II relating to the first two environmental objectives. An activity will be considered compliant if it is eligible and meets the three sustainability criteria listed above.

In accordance with the Taxonomy regulation and the procedures outlined in the delegated act specifying the methods for producing and presenting the information required by Article

8 of the Taxonomy regulation, the Precia Molen Group must publish three ratios based on the Group's consolidated accounts. These include the proportion of revenue, capital expenditure ("CapEx") and operating expenditure ("OpEx") eligible/not eligible for the Taxonomy, and aligned/not aligned with the Taxonomy. The Group must also present the procedures used to produce this information, together with the methodology and assumptions used to derive these indicators.

3.4.2 Explanatory information for the Precia Molen Group

For the first year in which these provisions are applied, non-financial companies are required to publish only:

- The proportion of their eligible and ineligible operations under the taxonomy for the three above-mentioned ratios, without publishing information relating to alignment;
- The ratios concerning data for the 2021 fiscal year, without comparative information.

At the time of the Extra-Financial Performance Reports (EFRs) 2022, covering the 2021 fiscal year, the Precia Molen Group reported that it was not eligible for the Green Taxonomy for the three ratios to be reported.

For the second year in which these provisions apply, non-financial companies must publish:

- The proportion of their eligible and ineligible operations under the taxonomy for the three above-mentioned ratios;
- An analysis of the methodology used to define the alignment or non-alignment of operations;
- The proportion of their activities aligned and non-aligned with the taxonomy for the three ratios mentioned above;
- The ratios concerning data for the 2022 fiscal year, without comparative information.

3.4.2.1 Revenue

Precia SA specialises in the manufacture of packaging, wrapping, and weighing equipment. According to its NACE code 2829A, and after reviewing the literal definitions of the various activities of the industrial sector in Annexes I (climate change mitigation objective) and II (climate change adaptation objective), it is ineligible for the taxonomy due to the fact that it does not appear in the descriptions of the activities in Annexes I and II.

Precia Molen Service is specialised in the repair of machinery and mechanical equipment. According to its NACE code 3312Z, and after reviewing the literal definitions of the various activities of its sector in Annexes I (climate change mitigation objective) and II (climate change adaptation objective), it is ineligible for the taxonomy due to the fact that it does not appear in the descriptions of the activities in Annexes I and II.

Similarly, the Creative IT subsidiary, which produces and sells the QUBES software and whose business activity is therefore application software publishing, is not eligible for the green taxonomy under its NACE code 5829C. After reviewing the literal definitions of the various activities in the Information & Communication sector in Annexes I (climate change mitigation objective) and II (climate change adaptation objective), it does not figure in the descriptions of the activities in Annexes I and II.

Consequently, the Precia Molen Group is not eligible for the green taxonomy, as its activities are not directly consistent with the taxonomy.

Details of the calculation are provided in Annex 1.

3.4.2.2 CapEx

The Precia Molen Group also conducted an eligibility analysis as regards its CapEx. This indicator only includes additions to tangible and intangible assets during the fiscal year in question, as it corresponds to new additions to the balance sheet. Definition corresponding to annex I of REGULATION (EU) 2021/2178 of 6 July 2021. Denominator: The denominator includes additions to tangible and intangible assets for the reporting period in, prior to depreciation and before any restatements, including restatements resulting from revaluations and impairments, for the reporting period concerned, excluding changes in fair value. It also comprises additions to tangible and intangible assets resulting from business combinations.

The identified items refer to the construction of a new facility - Building 9B, a new office building into which employees have been relocating since the end of 2022. The building's construction falls under Chapter 7 of Annex I of the Climate Change Adaptation Objective: Construction and real estate activities, and sub-chapter 7.1: Construction of new buildings. This building is therefore eligible under the description of the business: "property development involving the construction of residential and non-residential buildings with the financial, technical, and human resources required to carry out real estate development projects intended for subsequent sale, as well as the construction of complete residential or non-residential buildings for its own account with a view to subsequent sale, or for the account of third parties". This building's objective is to reduce its carbon footprint, and ultimately to demolish old, poorly insulated offices. The building covers a surface area of 1406m². Only criterion 1 of making a substantial contribution to mitigating climate change needs to be considered. However, for the moment this building does not carry an energy performance diagnosis or an energy performance certificate. Thus, in light of these elements, step 2 of the analysis of the substantial contribution to climate change mitigation is not met.

This CapEx, relating to the construction of building 9B, is therefore eligible for the taxonomy but it is not aligned.

Details of the calculation are provided in Annex 2.

3.4.2.3 OpEx

The Precia Molen Group also carried out an eligibility analysis looking at its OpEx. According to Annex I of REGULATION (EU) 2021/2178 of 6 July 2021, point 1.1.3.1, this indicator refers to "uncapitalised direct costs relating to research and development, renovation of buildings, short-term rental agreements, maintenance and repair, and any other direct expenditure relating to the day-to-day maintenance of tangible assets by the company or by the third party to whom these activities are outsourced, which is necessary to maintain these assets in good working order".

According to this definition, OpEx involving investment in the construction of a new building may also be eligible. Thus, after an analysis of the Precia Molen Group's OpEx, in light of the above definition, one item was identified in the context of the investment associated with the construction of building 9B referred to in section b.CapEx. This item relates to the hours worked by the new works team (in-house), which amounted to 556 hours of actual work, representing a financial outlay of €20,113.

Defined as such, these hours of work are OpEx eligible under the taxonomy because they relate to the construction of building 9B. It was defined above that such CapEx, i.e. investment in the construction of a new building, was eligible. However, the construction of building 9B is not aligned with the taxonomy. Consequently, the working hours involved in the construction of building 9B are not aligned, only eligible.

Details of the calculation are provided in Annex 3.

3.5 - EMPLOYEE-RELATED INFORMATION

3.5.1 Territorial, economic, and social impact of the business

Within the Precia Molen Group, Precia SA promotes the values of sport such as team spirit and solidarity as well as effort and reward.

This support is reflected in the company's involvement with a number of sporting associations, for example in 2022:

- The Ardèche International Women's Cycling Tour
- Women's handball 07
- Triathlon 07

Precia SA is also involved in local life by supporting cultural initiatives, such as the Labeaume en Musique festival.

Education in the field of weighing is very important for Precia S.A., which is one of the world leaders in this industry and the leading French manufacturer of weighing instruments. Precia SA therefore supports numerous technical high schools and post-baccalaureate schools through the payment of the apprenticeship tax and through sponsorship actions.

Precia SA also opens its doors to trainees and apprentices thus enabling them to integrate into the professional world and to carry out projects in line with their school curriculum. Hence, in 2022, 8 work-study students and 15 trainees joined the Precia SA teams and 1 work-study student and 5 trainees joined the Precia Molen Service teams.

Precia SA also decided to favour short supply routes for both its subcontractors as well as its raw material and supplies. As a result, since the 2012 fiscal year, the company internalised the production of certain electronic weighing indicators previously manufactured in Asia. This internalisation was made possible by streamlining the product range and a thorough value analysis.

Precia SA is a major player in its original economic area, to which it is deeply attached, and intends to remain so in the long term, particularly by investing in production resources. It is also committed to local associations through the provision of computers to the most disadvantaged.

In 2022, a blood donation campaign was once again organised for employees based in Privas. A large proportion of the workforce voluntarily participated in the campaign.

3.5.2 Subcontractors and suppliers

Precia SA calls upon subcontractors for partial or complete mechanical parts, or for certain machine installations. In the majority of cases, it is a question of specialty and sometimes capacity subcontracting aimed at completing the available means of production or the locations where the services are performed. This mainly applies to the production sites.

The relative size of Precia S.A. among these subcontractors remains limited. Well-balanced business partner relationships have been established with the subcontractors.

Most subcontractors are sourced locally where possible, ensuring that the social and environmental requirements they must meet are at least equivalent to those of the French-based production sites.

3.5.3 Fair practices / Combating corruption

The Precia Molen Group intends to act in strict compliance with the law and regulations. In this respect, the fight against corruption and tax evasion, as well as the promotion of fair practices, are invariably integrated into its commercial practices, particularly with regard to its international markets.

These commitments are formalised within a code of conduct and an ethics charter:
In 2019, the Precia Molen Group adopted the Middlenext anti-corruption code of conduct. This is based on the United Nations Convention

against Corruption, which aims to combat all forms of organised corruption. This Code forms an integral component of the internal regulations of each Precia Group company.

This Code addresses all the risks of corruption that employees may face, defining its commitments, rules, and sanctions with regard to gifts and invitations, donations to charitable or political organisations, sponsorship, facilitation payments, monitoring of third parties (suppliers, service providers, clients), conflicts of interest, and internal controls.

An Ethics Charter outlines the principles to be respected when dealing with all stakeholders, as well as the guidelines to be followed within the Precia Molen Group. This charter was signed in January 2022 by the directors of the Group's 23 subsidiaries. It is updated regularly, with an amendment in progress, hence the 2022 charter is still valid.

The monitoring procedures in place are quite robust:

- The Precia Molen Group maintains an exclusive internal whistleblower system. This system enables corruption reports to be collected, in compliance with the legal provisions governing the protection of whistleblowers and the recommendations of the French Anti-Corruption Agency (AFA). It also serves as a means of combating discrimination and harassment.
- An Ethics Committee, made up of three members subject to an obligation of enhanced confidentiality, is responsible for investigating any reports submitted. This committee will carry out the appropriate investigations. If the report establishes that there has been a breach of the code of conduct or a breach of the law, the committee forwards its conclusions to General Management and Human Resources, who will take the appropriate corrective measures and/or impose sanctions.
- A reporting system is in place, enabling the number of alerts to be monitored. In 2022, no alerts were reported at the Group level.
- In addition, the Group carries out thorough due diligence procedures to ensure the loyalty of its partners before selecting any new agents. These agents must also sign an anti-corruption clause.
- Mandatory e-learning training courses on the Code of Conduct, harassment, and corruption are provided for new recruits in the French subsidiaries.

Finally, as part of a continuous improvement approach, in 2022 the Group undertook an audit of the Precia SA entities, Precia Molen India and Precia Molen Asia-Pacific in Malaysia to ensure compliance with the "Sapin II" Act on transparency, the fight against corruption, and the modernisation of economic life. In the coming fiscal year, a training course is planned for the Group's in-house lawyer, so that these actions can be rolled out to all subsidiaries.

3.5.4 Other initiatives in support of human rights

The Precia Molen Group has not undertaken any additional actions on behalf of Human Rights.

3.5.5 Other actions that are having an impact

The Precia Molen Group is developing tools capable of meeting the expectations of civil society. For example, a new product enables its clients to reduce food waste by selectively weighing waste from collective catering (Optigaspi).

3.6 - METHODOLOGY DETAILS

3.6.1 Legal framework

In accordance with the provisions of article L.225-102-1 of the French Commercial Code, the Precia Molen Group is required to publish a consolidated Extra-Financial Performance Report (EFR) presenting information on the way in which the Group takes into account the social and environmental consequences of its operations.

Our EFR includes all the information required by Article L.225-102-1 paragraph III, with the exception of the following topics:

- Commitments to respect animal welfare;
- Commitments to responsible, fair, and sustainable food;
- Commitments in favour of the fight against food waste;
- Commitments to combat food insecurity.

These issues were not addressed in the declaration in view of the Precia Molen Group's activities.

3.6.2 Consolidation scope and reporting scope

The information presented in this report is consolidated at the level of the Precia Molen Group for all companies. This applies if Precia SA, the parent company, has a holding of at least 50%, or if the Group has the power to appoint or dismiss the majority of the members of the management or supervisory bodies.

For companies acquired during the course of the year, consolidation may or may not be carried out depending on the period of the year in which the acquisition takes place and the extent to which it is easy to collect data. In 2022, Groupe Precia Molen acquired a Senegalese subsidiary: CAPI Sénégal, which is 80% owned by Groupe Precia Molen, and the two Australian subsidiaries, entered into an amicable liquidation process by way of an outside administrator.

The organisation introduced by the Group makes it possible to collect and consolidate some of the information relating to the Group's activity since 01/01/2015.

The social, environmental, and societal indicators included in this declaration relate to the period from 1 January 2022 to 31 December 2022.

All the available data is subject to verification by an approved independent body, Bureau Veritas Exploitation, in accordance with the applicable decrees governing corporate transparency.

The data taken into account in this report was calculated in accordance with locally applicable regulations.

The information presented in this report is restricted to reliable data. Any exclusions are specified in this report.

The environmental indicators only apply to companies engaged in industrial activity. Companies whose only activity involves commercial transactions are therefore not included in the calculation of environmental indicators. The breakdown is as shown in the table below:

ENTITY	LOCATION	TYPE	SHAREHOLDING	CONSOLIDATION OF SOCIAL ISSUES	CONSOLIDATION OF ENVIRONMENTAL CONCERNS	CONSOLIDATION OF SOCIETAL CONSIDERATIONS
PRECIA SA	France	Industrial	Parent company	Yes	Yes	Yes
PRECIA MOLEN SERVICE	France	Technical Service	99.99%	Yes	Yes	Yes
PRECIA MOLEN NEDERLAND	Netherlands	Industrial	100%	Yes	Yes	Yes
PRECIA MOLEN UK	United Kingdom	Industrial	100%	Yes	Yes	Yes
PRECIA MOLEN MOROCCO	Morocco	Industrial	60%	Yes	Yes	Yes
PRECIA MOLEN INDIA	India	Industrial	73.94%	Yes	Yes	Yes
MILVITEKA	Lithuania	Industrial	100%	Yes	Yes	Yes
PRECIA POLSKA	Poland	Commercial Service Industrial	100%	Yes	Yes	Yes
MOLEN BELGIUM	Belgium	Commercial Service	100%	Yes	No	Yes
PRECIA MOLEN SCANDINAVIA	Norway	Commercial Service	98%	Yes	No	Yes
PRECIA MOLEN DO BRAZIL	Brazil	Commercial Service	100%	Yes	No	Yes
PRECIA MOLEN IRELAND	Ireland	Commercial Service	40%	Yes	No	Yes
PRECIA CZ	Czech Republic	Commercial Service	100%	Yes	No	Yes
KASPO LAB	Poland	Metrological services	100%	Yes	No	Yes
PRECIA MOLEN ASIA-PACIFIC	Malaysia	Commercial Service	100%	Yes	No	Yes
J&S WEIGHING SOLUTIONS	United States	Commercial Service	85%	Yes	No	Yes
PRECIA MOLEN NEW ZEALAND	New Zealand	Commercial Service	90%	Yes	No	Yes
CAPI SA	Côte D'Ivoire	Commercial Service	80%	Yes	No	Yes
CAPI BF	Burkina Faso	Commercial Service	80%	Yes	No	Yes
PRECIA MOLEN NINGBO	China	Commercial Service	90%	Yes	No	Yes
PRECIA MOLEN INC	United States	Administration	100%	Yes	No	Yes
CREATIVE IT	France	Administration	81%	Yes	No	Yes
CAPI SN	Senegal	Administration	80%	Yes	No	Yes

The figures for the Australian subsidiaries were not consolidated this year due to the fact that these subsidiaries entered into an amicable liquidation process this year.

3.6.3 Defining and calculating the key performance indicators

Social indicators

ISSUES/RISKS	PERFORMANCE INDICATOR	DEFINITION	UNIT	SCOPE	2020 DATA	2021 DATA	2022 DATA
WORKPLACE HEALTH AND SAFETY	Frequency rate	The frequency rate is calculated as follows: (no. of lost-time accidents / no. of hours worked) x 1,000,000	Rate	Group	10.06	10.82	15.68
	Severity rate	The severity rate is calculated as follows: (no. of days off / no. of hours worked) x 1,000	Rate	Group	0.83	0.91	0.68
	Number of hours of safety training	Number of training hours provided in year N.	Hours	Group	12,029.5	15,448	15,159
	Number of occupational illnesses	Number of occupational illnesses validated by Social Security in year N	No.	Group	4	0	3
EMPLOYMENT AND SKILLS	Absenteeism rates	Number of days absent due to illness, not including maternity and paternity leave. Only the first 90 days of an absence due to illness are counted. Any days > 90 for a given absence are not counted.	Days	Group	8.8	7.14	9.66
	Workforce analysis by age, gender, and region	Open-ended and fixed-term contracts only, present at 31/12/N.	No.	Group	1,282	1,358	1,374
	- percentage of employees in France		%	Group	57.6	58.5	58.1
	- percentage of employees in Europe		%	Group	80.5	80.6	79.3
	- percentage of employees outside Europe		%	Group	19.5	19.4	20.7
	- percentage of men		%	Group	82.4	82.3	81.3
	- percentage of women		%	Group	17.6	17.7	18.7
EMPLOYMENT AND SKILLS	Number of new hires	Number of recruitments recorded in year N	No.	Group	181	260	223
	Number of departures	Number of people leaving the Group in year N. Departures include redundancies, resignations, and other terminations.	No.	Group	192	222	189
LABOUR RELATIONS	Number of collective agreements	Number of collective agreements signed in year N Agreements signed between management and employee representative bodies	No.	Precia SA	N/A	N/A	5
	Number of consultative meetings with employees and representatives	Number of consultations with staff and representatives in year N Compulsory social and health & safety consultations in France Number of ordinary and extraordinary meetings held	No.	Precia SA	N/A	N/A	6 ESC 4 Health, safety and working conditions committee (CSSCT)
EQUAL TREATMENT	M/F equality index	For companies employing more than 250 people, the index is calculated annually in accordance with the following criteria: - The gender pay gap, scored out of 40 - Difference in the distribution of individual pay rises, scored out of 20 - Difference in the allocation of promotions, scored out of 15 - Number of female employees receiving a pay rise on return from maternity leave, scored out of 15 - Parity among the 10 highest earners, scored out of 10 The calculation results in a score out of 100.	Score/ 100	Precia SA Precia Molen Service	75 79	83 84	85 83

Societal indicators

	CONSUMPTION ASSESSMENT						
IMPACT ON NATURAL RESOURCES	Water	Total water consumption	m3	Precia SA, PMS, PM Morocco, PM NL, PM UK	4,957	5,154	6,080 (PM India and PM Poland added)
	Electricity	Total electricity consumption	kWh	Precia SA, PMS, PM India, PM Lithuania, PM Morocco, PM NL, PM UK	2,623,679	2,779,614	2,552,936 (PM Poland added)
	Fuel and heating oil	Total fuel consumption	L	Precia SA, PMS, PM India, PM Lithuania, PM Morocco, PM NL, PM UK	2,182,698 (no data for PM Morocco however data from PM South Australia)	2,157,207	2,217,934 (PM Poland added)
	Combustible fuels (1)	Total combustible fuel consumption	kWh (PCI)	Precia SA, PMS, PM NL, PM UK	1,480,329	1,479,052	1,391,576
	Coal	Total coal consumption	kWh (PCI)	PM Lithuania	N/A	588,046	307,868
ENVIRONMENTAL IMPACT	Non-hazardous waste	Amount of non-hazardous waste produced in year N.	t	Precia SA, PMS, PM NL, PM UK, PM India, PM Morocco, PM Lithuania, PM PL	311.3 (2) Precia SA only	363.2 (2) Precia SA only	436.34
	Hazardous waste	Amount of hazardous waste produced in year N.	t	Precia SA, PMS, PM NL, PM UK, PM India, PM Morocco, PM Lithuania, PM PL	16,89 (2) Precia SA only	12,55 (2) Precia SA only	19.47
	Recovery rate	Quantity of waste recovered (material or energy recovery)	%	Precia SA	83	87	89
	Carbon footprint	CO2e emissions from the Group's industrial entities over the calendar year in question. These emissions are calculated according to the Bilan Carbone ® v8 method. (8.1 in 2020 and 2021, 8.7 in 2022)	t CO2	Precia SA, PMS, PM NL, PM UK, PM India, PM Morocco, PM Lithuania, PM PL	7,086	7,543	7,255
	Scope 1 CO2 emissions	Scope 1 CO2e emissions of the Group's industrial entities. Fuel oil, off-road diesel, gas, coal, diesel, and petrol for business travel.	t CO2	Precia SA, PMS, PM NL, PM UK, PM India, PM Australia, PM Morocco, PM Lithuania	5,288	5,841	5,740
	Scope 2 CO2 emissions	Scope 2 CO2e emissions of the Group's industrial entities. Electricity	t CO2	Precia SA, PMS, PM NL, PM UK, PM India, PM Australia, PM Morocco, PM Lithuania	398	113	97
	Scope 3 CO2 emissions	Scope 3 CO2e emissions of the Group's industrial entities. Diesel and petrol for business travel.	t CO2	Precia SA, PMS, PM NL, PM UK, PM India, PM, PM Morocco, PM Lithuania	1,400	1,536	1,418
(2) Consolidated data for 2020 and 2021 were only available for Precia SA.	Scope 1 CO2 emissions	Scope 1 CO2e emissions of PRECIA SA, emitted from 01/01/2022 to 31/12/2022. Data taken into account: Fuel oil, off-road diesel, gas, diesel and petrol for business travel.	t CO2	Precia SA	N/A	N/A	695
	Scope 2 CO2 emissions	Scope 2 CO2e emissions of PRECIA SA, emitted from 01/01/2022 to 31/12/2022. Data taken into account: Electricity	t CO2	Precia SA	N/A	N/A	49
	Scope 3 CO2 emissions	Scope 3 CO2e emissions of PRECIA SA, emitted from 01/01/2022 to 31/12/2022. Data taken into account: Diesel and petrol for business travel Fixed assets (buildings + IT material) Waste and inputs (concrete for weighbridges)	t CO2	Precia SA	N/A	N/A	1,566

(1) For data relating to gas and coal consumption, only the entities consolidated using this method are included.

• Emissions are calculated using the Bilan Carbone® v8.7 method.

• Waste tonnage details considered for Precia SA

WOOD	PAPER CARDBOARD	WEEE	BATTERIES	METALS	SPECIAL INDUSTRIAL WASTE	HOUSEHOLD WASTE	CONCRETE
24.5	15.02	1.41	0.135	79.7	13.7	46.4	245

• Inputs: Concrete for manufacturing the weighbridges:
4593 m3, density = 2.3, i.e. 10,564 tonnes of concrete.

• Fixed assets

RESOURCES	MANUFACTURED IN 2022?	UNIT	2022 DATA	DEPRECIATION PERIOD (YEARS)
Industrial building, metallic structure	Yes	m2	650	20
Industrial building, metallic structure	No		14,873	20
Office building	Yes		650	25
Office building	No		6,149	25

• Other indicators

Anti-corruption	Ethics and corruption	Internal whistleblower system	Number of internal whistleblowing incidents in year N	No.	Group	N/A	0
		Ethical commitment	Number of ethical charter signatures obtained by Group subsidiaries in year N	No.	Group	N/A	22

3.6.4 Annexes

Annex 1: Taxonomy 2022 - Revenue

Economic activity (1)	Code(s) (2)	Total revenue (3) in €K	Percentage of revenue (4)	SIGNIFICANT CONTRIBUTION CRITERIA						DO NO SIGNIFICANT HARM CRITERIA (DNSH)										
				Climate change mitigation (5)	Adapting to climate change (6)	Aquatic and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Percentage of revenue in line with taxonomy for year N (18)	Percentage of revenue in line with taxonomy for year N-1 (19)	"Enabling activity" category (20)	"Transitory activity" category (21)
		Currency	%	%	%	%	%	%	%	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	H	T
A. Taxonomy-eligible activities	N/A	€0K	0%																	
B. Taxonomy ineligible activities																				
Revenue from taxonomy ineligible activities (B)	NACE A2829 Z3312 C5829	€158,313	100%																	
Total A + B		€158,313	100%																	

Annex 2: Taxonomy 2022 - CapEx

				SIGNIFICANT CONTRIBUTION CRITERIA						DO NO SIGNIFICANT HARM CRITERIA (DNSH)										
Economic activity (1)	Code(s) (2)	Total CapEx (3)	Percentage of CapEx (4)	Climate change mitigation (5)	Adapting to climate change (6)	Aquatic and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Percentage of revenue in line with taxonomy for year N (18)	Percentage of revenue in line with taxonomy for year N-1 (19)	"Enabling activity" category (20)	"Transitory activity" category (21)
		Currency	%	%	%	%	%	%	%	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	H	T
A. Taxonomy-eligible activities																				
A.1.1 Environmentally sustainable activities consistent with the taxonomy	N/A	€0K	0%																	
Environmentally sustainable CapEx activities aligned with the taxonomy (A.1)	N/A	€0K	0%																	
A.2 Taxonomy eligible activities that are not sustainable and not aligned with the taxonomy																				
7.1 Construction of new buildings	F41	€1,987,263	52%																	
CapEx of taxonomy eligible activities that are not environmentally sustainable and not aligned with the taxonomy (A.2)	F41	€1,987,263	52%																	
Total A1 + A2		€1,987,263	52%																	
B. Taxonomy ineligible activities																				
CapEx of taxonomy ineligible activities (B)	N/A	€1,775,762	48%																	
Total A + B		€3,763,024	100%																	

Annex 3: Taxonomy 2022 - OpEX

Economic activity (1)	Code(s) (2)	Total OpEx (3)	Percentage of OpEx (4)	SIGNIFICANT CONTRIBUTION CRITERIA: Climate change mitigation (5)	Adapting to climate change (6)	Aquatic and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DO NO SIGNIFICANT HARM CRITERIA (DNSH): Climate change mitigation (11)	Adapting to climate change (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Percentage of revenue in line with taxonomy for year N (18)	Percentage of revenue in line with taxonomy for year N-1 (19)	"Enabling activity" category (20)	"Transitory activity" category (21)
		Currency	%	%	%	%	%	%	%	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	H	T
A. Taxonomy-eligible activities																				
A.1.1 Environmentally sustainable activities consistent with the taxonomy	N/A	€0K	0%																	
Environmentally sustainable OpEx activities aligned with the taxonomy (A.1)	N/A	€0K	0%																	
A.2 Taxonomy eligible activities that are not sustainable and not aligned with the taxonomy																				
7.1 Construction of new buildings	F41	€20,113	0.67%																	
OpEx of taxonomy eligible activities that are not environmentally sustainable and not aligned with the taxonomy (A.2)	F41	€20,113	0.67%																	
Total A1 + A2		€20,113	0.67%																	
B. Taxonomy ineligible activities																				
OpEx of taxonomy ineligible activities (B)	N/A	€2,996,738	99.33%																	
Total A + B		€3,016,851	100%																	

Annex 4: Health, Safety, and Environment Policy 2022

Ranging from the design to sales through to maintenance, the PRECIA Group caters to 100% of the weighing needs of professionals. Our wide range of products is tailored to meet the individual specifications required in every sector of activity.

In an age of constant technical and technological advances, it is essential to ensure that our solutions are constantly renewed, modernised, and reinvented, in order to offer new features tailored to the needs of our clients.

Precia Molen places its commitment towards Quality-Safety-Environment at the heart of its development strategy. Our employees' wellbeing and the preservation of our environment also represent key commitments for our Group, which is working to promote economic and sustainable development.

Precia Molen takes seriously the need to prevent risks, improve working conditions, and protect the environment, from the very outset of the project design phase.

RELIABILITY ——— COOPERATION ——— COMMITMENT

Workplace health and safety

Precia Molen pays particular attention to the health and safety of its employees. Preventive and protective measures are adopted with the aim of providing suitable working conditions for all our employees.

Innovations are also introduced to further develop the organisation and workstations, taking into account the needs of employees and the company, while complying with all relevant regulations.

Thanks to the commitment of management and all employees, Precia Molen is aiming to achieve 0 accidents by raising safety awareness at all levels of the organisation.

Environment and sustainable development

Protecting the environment also forms an integral part of the company's commitments. Precia Molen plays an active role in reducing the consumption of energy and natural resources, as well as minimising waste production and maximising waste recovery.

OUR OBJECTIVES:

Implementation of HSE indicators reported regularly to the Management Committee and in the workshops

1) STRIVING FOR 0 WORKPLACE ACCIDENTS

Our objective remains reducing the number and severity of accidents to employees and temporary workers, by introducing a new safety culture and ensuring that everyone is involved.

To achieve this, Precia Molen plans to:

Training field managers to lead safety sessions by:

- *Training workshop and department managers*
- *Organising Health, Safety, and Environment field audits in collaboration with workshop and department managers*

Improving safety induction for temporary workers by:

- *Drawing up a safety questionnaire one week following the arrival of a temporary worker*

Addressing the risks involving hands and the appropriate gloves, by:

- *Making sure that the gloves used are those defined according to the risks at each workstation*
- *Reviewing the rules in each workshop*
- *Stressing the importance of this risk during safety briefings*

Creating a pedestrian and vehicle traffic plan by:

- *Defining a traffic plan for the workshops and the Veyras site*
- *Communicating and applying this traffic plan*
- *Optimising the flow of material and finished products as well as storage areas.*

Expected results: Reduce by 30% the frequency and severity rate in 2023.

2) REDUCING OUR ENVIRONMENTAL IMPACT

Our aim remains to keep the environmental impact of our activities and products to a minimum. To achieve this, we rely on sourcing local products whenever possible. As early as the design stage of our products, considerable thought is given to waste and our carbon impact.

To achieve this, Precia Molen plans to:

Implement detailed monitoring of our energy consumption

- *Boilermaking objective: pilot workshop for this approach.*
- *Metering plan implemented throughout the site*
- *Integrate energy data into all new industrial projects*

Optimise waste sorting by:

- *Adopting environmental guidelines and raising employee awareness*
- *Optimising workflows so as to generate less waste*

Expected results:
- Achieve 0 non-conformities in sorting during field audits
- Achieve a waste recovery rate of >85%.
- Reduce by 20% our Carbon Footprint between now and 2026.

BUREAU VERITAS EXPLOITATION
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92800 Puteaux, France
Simplified joint stock company
Nanterre Companies Register - 790 184 675

Verification report on the non-financial performance declaration

The non-financial performance declaration reviewed covers the fiscal year ending 31 December 2022.

Request, Responsibility, and Independence

At the request of Précia SA and in accordance with the provisions of Article L.225-102-1 of the French Commercial Code, we performed a verification of the Extra-Financial Performance Report (EFR) for the year ended 31/12/2022 published in Précia SA's 2022 management report, as an independent third-party body accredited by Cofrac under No. 3-1341 (list of locations and scope available at www.cofrac.fr).

Precia SA is responsible for preparing and publishing the extra-financial performance report (EFR) in accordance with Articles L.225-102-1, R.225-105, and R.225-105-1 of the French Commercial Code. The EFR was prepared in coordination with the safety, environment, and health officer in charge of reporting within Precia SA in accordance with the tool for collecting, processing, and aggregating societal responsibility information, hereinafter referred to as the "reporting procedures". The EFR will be available on the company's website.

It is our responsibility to verify the extra-financial performance report (EFR), enabling us to issue a reasoned opinion as to:

- ✓ The compliance of the EFR with the provisions of Article R.225-105 of the French Commercial Code;
- ✓ The fair presentation of the information provided in accordance with Article R.225-105(I)(3) and (II);

We conducted our audit of the EFR in an impartial and independent manner, in accordance with the professional practices of an independent third party and in compliance with the Code of Ethics applied by all Bureau Veritas staff.

Nature and scope of the assessment

For the purposes of issuing a reasoned opinion on the fairness of the disclosures made and a reasoned opinion on the accuracy of the information provided, we conducted our review in accordance with Articles A.225-1 to A.225-4 of the French Commercial Code and our internal methodology for verifying the disclosures made. In particular:

- ✓ We examined the consolidated scope of the company to be considered for the purpose of preparing the EFR, as specified in Article L.233-16 of the French Commercial Code. We are satisfied that the EFR applies to all the companies included in the consolidated scope specified in the report;
- ✓ We gathered information about the company's activities, the context in which it operates, and the social and environmental consequences of its activities. We assessed the impact of these activities in terms of respect for human rights and the fight against corruption and tax evasion;
- ✓ We familiarised ourselves with the content of the EFR and verified whether it includes the information required by Article R.225-105 of the French Commercial Code:
    - Presentation of the company's business model;
    - A description of the main risks associated with the company's business for each category of information mentioned in III of Article L.225-102-1. Including, where relevant and proportionate, a description of the risks created by its business relationships, products or services, and the policies applied by the company, where applicable. A description of the due diligence procedures implemented to prevent, identify, and mitigate the occurrence of the identified risks;
    - The results of these policies, together with key performance indicators;

- ✓ We examined the company's system for reviewing the consequences of its activities as listed in III of Article L.225-102-1, and for identifying and ranking the related risks;
- ✓ We identified any missing information and any information omitted without explanation;
- ✓ We verified whether the omitted information relating to the main risks identified is clearly explained in the extra-financial performance report (EFR), together with the reasons for the omission;
- ✓ We ascertained whether the company put in place procedures to ensure the completeness and consistency of the information disclosed in the EFR. We examined the "reporting procedures" in the light of their relevance, reliability, comprehensibility, completeness, and neutrality, and where appropriate, taking into account best professional practices derived from an industry benchmark;
- ✓ We identified those people within the company who are responsible for all or part of the reporting process. We conducted interviews with a number of these people;
- ✓ We enquired as to the existence of internal control and risk management procedures implemented by the company;
- ✓ We assessed, on a sample basis, the implementation of "reporting procedures", in particular the procedures for collecting, compiling, processing, and verifying information;
- ✓ For the quantitative data[1] we deemed to be the most important, we:
  - Carried out an analytical analysis of the data and verified, on a test basis, the calculations and compilation of this information at the level of the head office and the audited entities;
  - Selected a sample of reporting entities[2] within the consolidation scope, based on their business activity, their contribution to the company's consolidated data, their location, and the results of work carried out in previous years;
  - Carried out in-depth tests on a sample basis, consisting of verifying the proper application of the "reporting procedures", reconciling the data with the supporting documents, and verifying the calculations and the consistency of the results;
  - The sample selected provides coverage of between 29% and 77% of the workforce and between 65% and 82% of the figures reported for the environmental information tested;
- ✓ For the qualitative information we deemed most important, we consulted documentary sources and conducted interviews with those responsible for drafting the information.
- ✓ We examined the consistency of the information provided in the EFR.
- ✓ Our work was carried out between 10/02/2023 and 10/03/2023 with the signing of our report by an auditor over a period of approximately one week. We interviewed 8 people in charge of reporting during this assignment.

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[1] **Employee-related information:** total headcount, number of employees by gender, headcount by age; number of new hires; redundancies; average number of days of absenteeism per person; frequency and severity of workplace accidents; total number of occupational illnesses; number of hours of training; as well as the following qualitative information: industrial relations; organisation; health and safety conditions at work; equal treatment; and so on.
Environmental information: Précia SA's waste volume and waste recovery rate; water consumption; electricity consumption; fuel and heating oil consumption; combustible gas consumption; coal consumption; greenhouse gas emissions; as well as the following qualitative information: general environmental policies; pollution and waste management; sustainable use of resources; and climate change.
Corporate information qualitative information on the regional, economic and social impact of the business; subcontractors and suppliers; fair practices.

[2] Social information: Précia Molen Service and Précia SA_ Environmental data: Précia SA, Précia Molen Service, and random off-site verification of the reporting and consistency of a number of indicators for Précia Molen UK, Précia Molen Netherlands, Précia Molen India, Précia Lithuania, Précia Poland, and Précia Molen Morocco.

Remarks on the reporting procedures or the content of certain information

Without calling into question the conclusions below, we would like to make the following observations:

- ✓ The business model needs to be developed further, for example by presenting the main resources, operational processes and the development of new weighing systems with research into energy-saving solutions. Guarantees of maintainability and repairability, and the possibility of dismantling for recycling at the end of its life.

Reasoned opinion

Based on our review, nothing has come to our attention to suggest that the declaration does not comply with the requirements of Article R.225-105 nor that the information provided is not fairly stated.

Puteaux, 28 March 2023

For Bureau Veritas

Laurent Mallet,
Branch Manager

Signed
Numerically by
MALLET Laurent,
Date: 30-Mar-23

Florent, fitter and adjuster in the Large Material workshop

©Eric Moroni

4 - INFORMATION

FINANCIAL AND ACCOUNTING

4.1 RESULTS

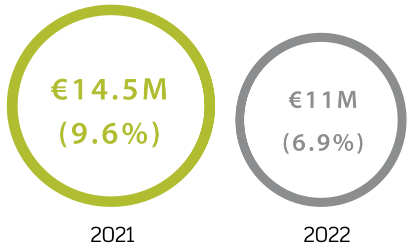
4.1.1 The Precia Molen Group

The Precia Molen Group's share of the consolidated result amounted to €5,617K compared to €9,250K in 2021.

This result can be broken down as follows:

In €K	2022	2021
Current operating result	10,980	14,458
Operating result	9,661	14,458
Financial result	187	119
Income tax expense	(3,189)	(4,593)
Minority interests	1042	734
CONSOLIDATED INCOME (Group share)	**5,617**	**9,250**
EARNINGS PER SHARE (in euros)	**1.04**	**1.71**

Current operating income



The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Operating income stood at €9,661K, compared with €14,458K in 2021. This was 33.2% lower than in the previous year and represented 6.1% of revenue, compared with 9.6 % in 2021.

The Group's share of consolidated profit was €5,617K compared to €9,250K in 2021, on a consistent basis. It was down 39.3% over the previous year representing 3.5% of revenue versus 6.1% in 2021.

Earnings per share fell to €1.04 from €1.71 in 2021.

Long-term debt stood at €13M down from €17.1M at the end of 2021. This includes the capitalisation of lease costs of €5.7M.

In the short term, the cash position net of overdraft on 31 December 2022 was €28.9M compared with €36.8M at the end of 2021.

The cash position, net of debt and excluding financial liabilities linked to usage rights, came to €16M, compared with 20.7M at the end of 2021. This enabled the company to finance its various acquisitions and pay dividends of €2.6M.

4.1.2 Precia SA

In 2022, Precia SA recorded the following results:

In €K	2022	2021
Revenue	62,281	60,054
Operating Income	(753)	1,948
Financial result	3,489	1,363
Exceptional result	(473)	87
Income tax	(803)	199
NET INCOME	**(3,912)**	**3,199**

Precia SA's operating profit was down compared to the previous year by. This represents -1.2% of revenue, compared to +3.2% the year before in 2021.

Net income was -€3,912K compared to €3,199K in 2021, representing a decline of 222.3%. This accounts for -6.3% of revenue compared to 5.3% last year. This net income figure again includes a high level of dividends distributed by Precia Molen Service, Creative IT, CAPI SA, Precia Molen Morocco, Milviteka, and Precia Molen India. It also reflects impairment losses and non-recurring costs.

Medium-term debt stood at €12.4M, down from €13.8M at the end of 2021. The debt/equity ratio was 25.6 % compared to 25.2 % at the end of 2021. Two loans totalling €3.0M were taken out in 2022.

4.1.3 Allocation of the results

It is our proposal to allocate the Company's results for the year ended 31 December 2022, showing a loss of €3,912K, to other reserves, and to deduct €1,892K from distributable reserves in the form of dividends, i.e. €0.35 per share.

In accordance with the statutory provisions, we would like to draw your attention to the dividends paid for the last three financial years:

In respect of 2021:	€0.40 per share	€2,163K
In respect of 2020:	€2.70 per share	€1,460K
In respect of 2019:	€1.20 per share	€649K

For information, the Ordinary General Meeting of shareholders held on 17 June 2021 decided to split the nominal value of the Company's shares by 10, with effect as of 9 July 2021. On that date, the number of shares was multiplied by 10. Each shareholder received 10 new shares for 1 old share.

4.1.4 Client payment terms

As of 31/12/2022, the breakdown by maturity of Precia SA's trade receivables was as follows:

In €K	31/12/2022	31/12/2021
Due in 61 days or more	136	674
Due in 31 to 60 days	6,329	3,926
Due in 1 to 30 days	4,133	4,442
1 to 30 days past due	1,570	2,036
31 to 60 days past due	1,306	1,201
61 to 90 days past due	982	527
> 90 days past due	7,373	6,788
TOTAL	**21,831**	**19,595**

Total overdue invoices amounted to €11,232K incl. tax, i.e. 18.03% of pretax revenue, representing a total of 5,366 invoices, including:

- 647 invoices corresponding to delays of between 0 and 30 days;
- 377 invoices corresponding to delays of between 31 and 60 days;
- 309 invoices corresponding to delays of between 61 and 89 days;
- 4,033 invoices corresponding to delays of over 90 days;

The payment deadline used is the one indicated on the invoices.

4.1.5 Suppliers payment terms

As of 31/12/2022, the breakdown of Precia SA's trade payables by maturity was as follows:

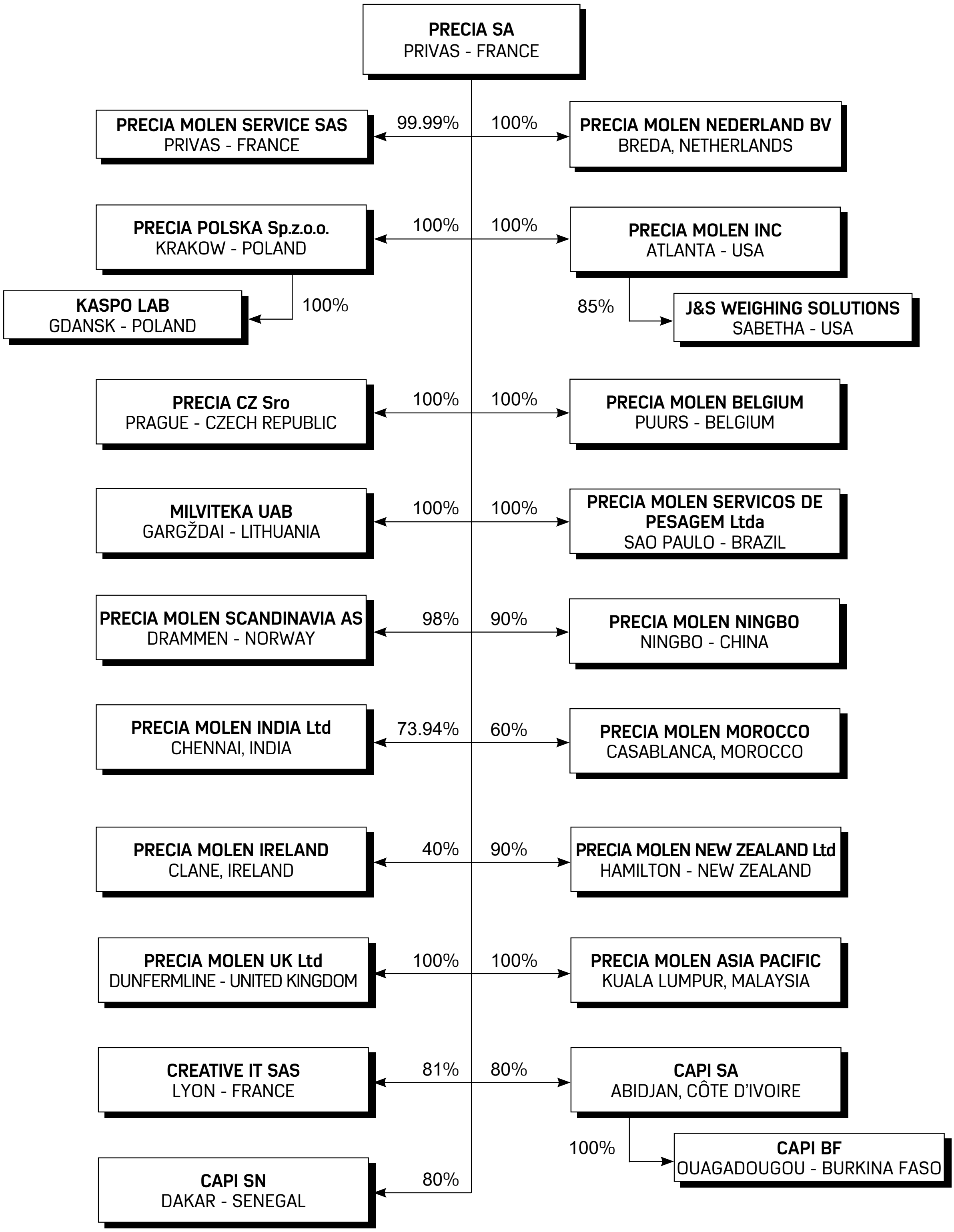
In €K	31/12/2022	31/12/2021
Due for 91 days or more	754	424
Due for between 61 to 90 days	60	66
Due for between 31 to 60 days	109	50
Due for between 1 to 30 days	379	511
Due on 31/12/2021	161	178
Due in 1 to 30 days	3,751	2,993
Due in 31 to 60 days	3,254	3,300
Due in 61 to 90 days	12	233
Due in 91 days or more	50	71
TOTAL	**8,530**	**7,827**

Total due dates amount to €1,463K incl. tax, i.e. 2.96% of purchases incl. tax, and represent a total of 579 invoices, including:

- 386 invoices corresponding to due dates of 91 days or more;
- 19 invoices corresponding to due dates of between 61 and 90 days;
- 64 invoices corresponding to due dates of between 31 and 60 days;
- 110 invoices corresponding to due dates of between 1 and 30 days;

The payment deadline used is the one indicated on the invoices.

4.2 - GROUP STRUCTURE



4.2.1 Changes in the Group's consolidation scope

- Precia SA acquired Vaucelle Nouvelles Technologies on 1 April 2022. This company merged into Precia SA on 31/12/2022.
- On 1 May 2022, Precia SA acquired 80% of CAPI Sénégal.
- As a result of the winding-up of the Australian entities Precia Molen Australia Pty Ltd and Precia Molen South Australia Pty Ltd on 30/12/2022, Precia SA ceased to control them. In accordance with IFRS 10, they were therefore removed from the consolidation scope as of that date.

4.2.2 Unconsolidated companies

BACSA SA................................ 5.9%
PRECIA MOLEN NEDERLAND BV is indirectly 100% owned via MOLEN NL BV.

4.3 - INVESTMENTS AND RESEARCH AND DEVELOPMENT

4.3.1 Investments

The Precia Molen Group made the following investments in 2022:

In €K	31/12/2022	31/12/2021
Intangible assets	893	446
Tangible assets	4,604	4,085
TOTAL	**5,497**	**4,638**

Precia SA carried out the following investments:

In €K	31/12/2022	31/12/2021
Intangible assets	461	63
Tangible assets	1,791	1,686
TOTAL	**2,252**	**1,760**

4.3.2 Research & Development

Research and development expenses amounted to 0.6% of consolidated revenue and 1.4% of Precia SA revenue.

The R&D programmes were mainly devoted to:

- The creation of new sensors (PSL) and indicators that are connected and autonomous in terms of consumption;
- Integrating mechanical, electronic, or software innovations into various products, and
- Developing and improving business solutions.

For 2022, Creative IT capitalised R&D expenditure of €439K.

4.4 - CONSOLIDATED FINANCIAL STATEMENTS

4.4.1 Consolidated income statement

In €K	Notes	2022	2021
REVENUE	4.4.6.3 a	**158,435**	**150,711**
Cost of goods sold		(38,712)	(34,976)
Staff costs	4.4.6.3 b	(70,849)	(66,431)
External expenses		(31,403)	(27,011)
Taxes and duties		(1,906)	(1,788)
Depreciation		(7,694)	(7,496)
Changes in work in progress and finished goods		3,247	(227)
Other operating income		68	1,251
Other operating expenses		(205)	(29)
CURRENT OPERATING RESULT		**10,980**	**14,458**
Other operating income and expenses		(1,319)	0
OPERATING RESULT		**9,661**	**14,458**
Income from cash and equivalents		395	289
Cost of gross financial debt		(428)	(316)
NET FINANCIAL DEBT COST	4.4.6.3 c	(33)	(27)
Currency exchange gains and losses		220	146
Income tax expense	4.4.6.3 d	(3,189)	(4,593)
CONSOLIDATED NET INCOME		**6,659**	**9,984**
Non-controlling interests		1,042	734
Group share		5,617	9,250
BASIC AND DILUTED EARNINGS PER SHARE (IN EUROS)[1]	4.4.6.2 i	**1.04**	**1.71**

[1] As was the case on 31/12/2021, earnings per share as of 31/12/2022 were calculated on the basis of 5,733,040 shares.

4.4.2 Comprehensive consolidated income statement

In K	31/12/2022	31/12/2021
Net result of the consolidated group	6,659	9,984
Exchange rate conversion differences	(650)	588
Actuarial gains and losses, Group share	1,697	483
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY, GROUP SHARE	**1,047**	**(1,070)**
Net income and gains and losses recorded directly in equity with share of non-controlling interests	(166)	147
Actuarial gains and losses, share of non-controlling interests		292
NET INCOME AND GAINS AND LOSSES RECORDED DIRECTLY IN EQUITY	**910**	**1,219**
TOTAL INCOME AND EXPENSES FOR THE PERIOD	**7,569**	**11,203**

4.4.3 Consolidated balance sheet

ASSETS (In €K)	Notes	31/12/2022	31/12/2021
Goodwill	4.4.6.2 a	26 613	26,680
Other intangible assets	4.4.6.2 b	2,591	2,400
Usage rights	4.4.6.2 b	7,768	9,153
Tangible assets	4.4.6.2 b	23,505	22,942
Financial assets	4.4.6.2 c	1,385	1,891
Deferred tax assets	4.4.6.2 h	1,723	1,312
NON-CURRENT ASSETS		**63,586**	**64,378**
Inventories and work-in-progress	4.4.6.2 d	28,100	21,596
Trade and other receivables	4.4.6.2 e	36,369	33,895
Current tax receivable		1,878	300
Other receivables	4.4.6.2 f	4,202	2,655
Cash and equivalents	4.4.6.2 g	31,728	37,070
CURRENT ASSETS		**102,277**	**95,517**
TOTAL		**165,863**	**159,895**

LIABILITIES (In €K)	Notes	31/12/2022	31/12/2021
Capital	4.4.6.2 i	2,867	2,867
Premiums from share issues, mergers, and contributions		4,487	4,487
Consolidated reserves		75,173	67,330
Treasury shares		(3,154)	(3,154)
Group's share of consolidated income		5,617	9,250
SUB-TOTAL OF EQUITY ATTRIBUTABLE TO THE GROUP		**84,988**	**80,779**
Non-controlling interests in reserves		5,534	4,856
Non-controlling interests in the results		1,042	734
TOTAL EQUITY		**91,564**	**86,369**
Long-term provisions	4.4.6.2 k	4,370	4,793
Long-term financial borrowings	4.4.6.2 j	7,328	10,238
Long-term lease liabilities	4.4.6.2 j	5,696	6,882
NON-CURRENT LIABILITIES		**17,394**	**21,912**
Short-term financial liabilities excluding financial leases	4.4.6.2 j	8,421	6,182
Short-term lease liabilities	4.4.6.2 j	2,359	2,501
Trade and other payables		12,195	11,815
Current tax liability		895	519
Other current liabilities	4.4.6.2 l	33,035	30,597
CURRENT LIABILITIES		**56,905**	**51,613**
TOTAL		**165,863**	**159,895**

4.4.4 Consolidated statement of changes in equity

In €K	Share capital	Issue premiums	Treasury shares	Consolidated reserves	Results for the period	Non-controlling interests	TOTAL
SHAREHOLDERS' EQUITY AS OF 31/12/2020	**2,200**	**4,487**	**(3,154)**	**61,340**	**7,061**	**3,752**	**75,685**
Dividends paid					(1,460)	(423)	(1,883)
Allocation of previous year's results				5,601	(5,601)		
Actuarial gains and losses				483		2	484
Exchange rate conversion differences				588		147	735
Capital increase	667			(667)			
Change in scope				(235)		1,614	1,380
Other changes				220		(235)	(15)
Profit or loss for the period					9,250	734	9,984
SHAREHOLDERS' EQUITY AS OF 31/12/2021	**2,867**	**4,487**	**(3,154)**	**67,330**	**9,250**	**5,590**	**86,369**
Dividends paid					(2,163)	(423)	(2,586)
Allocation of previous year's results				7,088	(7,088)		
Actuarial gains and losses				1,697		29	1,726
Exchange rate conversion differences				(650)		(166)	(816)
Other changes				220		(293)	(41)
Change in scope						170	170
Profit or loss for the period					5,617	1,042	6,659
SHAREHOLDERS' EQUITY AS OF 31/12/2022	**2,867**	**4,487**	**(3,154)**	**75,613**	**5,617**	**6,576**	**91,564**

4.4.5 Consolidated cash flow statement

In €K	31/12/2022	31/12/2021
Operating activities		
Earnings before taxes, dividends, interest, depreciation, amortisation, impairment, and disposal of assets(*)	21,797	22,404
Change in working capital requirements - inventories	(7,339)	(1,032)
Change in working capital requirements - receivables	(4,578)	(507)
Change in working capital requirements - operating liabilities	3,882	4,060
Interest paid	(374)	(192)
Income tax paid	(5,242)	(4,149)
NET CASH FLOW FROM OPERATING ACTIVITIES	**8,146**	**20,584**
Investment transactions		
Acquisition of intangible assets	(893)	(446)
Acquisition of tangible assets	(4,604)	(4,085)
Acquisition of financial assets	-	(107)
Proceeds from disposals of tangible assets	182	463
Proceeds from the disposal of equity securities	250	1
Acquisition of subsidiaries, net of cash acquired	(1,390)	(5,586)
NET CASH FLOW FROM INVESTING ACTIVITIES	**(6,455)**	**(9,761)**
Financing transactions		
Cash receipts from new loans	3,123	7,000
Repayment of rental debts	(3,261)	(3,108)
Loan repayments	(6,687)	(7,545)
Dividends paid	(2,542)	(1,883)
NET CASH FLOW FROM INVESTING ACTIVITIES	**(9,367)**	**(5,536)**
Impact of currency exchange rate fluctuations	(199)	250
TOTAL INCREASE (DECREASE) IN THE CASH POSITION	**(7,876)**	5,538
Cash and equivalents at the beginning of the fiscal year	36,767	31,229
Cash and equivalents at the close of the fiscal year	28,891	36,767
TOTAL INCREASE (DECREASE) IN CASH AND EQUIVALENTS	**7,876**	**5,538**

(*) Details are presented in note 4.6.6.4

4.4.6 Notes to the consolidated financial statements

The financial statements were approved by the Management Board on 19 April 2023 and presented to the Supervisory Board on 24 April 2022.

Key events of the period

In April 2022, the Precia Molen Group acquired the business of ScaleTec Ltd.

In May 2022, the Precia Molen Group acquired 80% of CAPI Sénégal, a company located in Dakar. This company generated revenue of €522K in 2021, generating net income of €56K.

In June 2022, the Precia Molen Group acquired 100% of the capital of Vaucelle Nouvelles Technologies, based on the Reunion Island. This entity was merged into Precia SA during the course of the period. This company generated revenue of €571K in 2021, resulting in a net loss of €182K.

On 30 December 2022, the two Australian entities Precia Molen Australia Pty Ltd and Precia Molen South Australia Pvt Ltd entered into liquidation via an external receiver, resulting in the company losing control. The loss for the year recorded under current income amounted to €1,494K. In addition, the liquidation effect on the assets of these companies represented an expense of €1,319K, recorded under other operating income and expenses.

Furthermore, the process of winding up the Norwegian subsidiary was launched. This subsidiary incurred operating losses of €313K over the period. The other consequences of this liquidation were not material.

During 2022, our subsidiary Milviteka in Lithuania was severely affected by the war in Ukraine. Indeed, this subsidiary was generating a significant flow of revenue to both Ukraine and Russia, and is now having to redirect its activities to other geographical areas.

Post balance sheet events

In February 2023, the Precia Molen Group finalised the acquisition of the entire share capital of CAPI SA in Côte d'Ivoire and its subsidiary CAPI BF in Burkina Faso by acquiring the 20% of the capital hitherto held by its minority shareholder.

In March 2023, the Precia Molen Group signed an agreement to acquire 90% of the shares of Test Assured, a major independent inspection specialist for weighbridges, hoppers, and high-capacity loaders in New Zealand. In 2022, this company generated revenue of €350K.

4.4.6.1 Consolidation principles and accounting policies

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The financial statements are presented in accordance with IAS

a) Consolidation scope

I. Changes in the consolidation scope

- Precia SA acquired Vaucelle Nouvelles Technologies on 1 April 2022. This company merged into Precia SA on 31/12/2022.
- On 1 May 2022, Precia SA acquired 80% of CAPI Sénégal.
- As a result of the winding-up of the Australian entities Precia Molen Australia Pty Ltd and Precia Molen South Australia Pty Ltd on 30/12/2022, Precia SA ceased to control them. In accordance with IFRS 10, they were therefore removed from the consolidation scope as of that date.

ii. Consolidation scope

Identification	COUNTRIES	% held
PRECIA S.A. Privas	FRANCE	Parent company
PRECIA MOLEN Service S.A.S Privas	FRANCE	99.99
CREATIVE IT S.A.S Lyon	FRANCE	81.00
MOLEN BV Breda	NETHERLANDS	100.00
PRECIA MOLEN NEDERLAND BV Breda	NETHERLANDS	100.00
MOLEN BELGIUM NV Puurs	BELGIUM	100.00
PRECIA MOLEN UK Ltd Dunfermline	UNITED KINGDOM	100.00
PRECIA POLSKA Sp.z.o.o. Krakow	POLAND	100.00
Kaspo Lab Gdansk	POLAND	100,00
PRECIA MOLEN CZ S.r.o. Prague	CZECH REPUBLIC	100.00
PRECIA MOLEN MAROC S.A.R.L Casablanca	MOROCCO	60.00
PRECIA MOLEN SCANDINAVIA A.S. Drammen	NORWAY	98.00
PRECIA MOLEN INDIA Ltd Chennai	INDIA	73.94
MILVITEKA UAB Gargždai	LITHUANIA	100.00
PRECIA MOLEN Asia Pacific Kuala Lumpur	MALAYSIA	100.00
Weighpac Hamilton	NEW ZEALAND	90.00
PRECIA MOLEN Ningbo Ningbo	CHINA	90.00
PRECIA MOLEN Serviços De Pesagem Ltda. Sao Paolo	BRAZIL	100.00
PRECIA MOLEN Inc Atlanta	UNITED STATES	100.00
J&S Weighing Solutions Sabetha	UNITED STATES	100.00
CAPI SA Abidjan	CÔTE D'IVOIRE	80.00
CAPI-BF SA Ouagadougou	BURKINA FASO	80.00
PRECIA MOLEN (IRL) Ltd Clane	IRELAND	40.00
Companies entering the consolidation scope in 2022		
CAPI SN Dakar	SENEGAL	80.00
Vaucelle	FRANCE	100.00
Companies deconsolidated in 2022		
Vaucelle(*)	FRANCE	
PRECIA MOLEN Australia Pty Ltd. Sydney	AUSTRALIA	
PRECIA MOLEN South Australia Pty Ltd. Adelaide	AUSTRALIA	

(*) Merged into Precia SA on 31/12/22

All companies are fully consolidated based on the financial statements for the year ended 31 December 2022.

Precia SA is fully consolidated in the consolidated accounts of the Precia Group as parent company, and in the consolidated accounts of the Escharavil Group.

B) Accounting policies

The consolidated financial statements for the year ended 31 December 2022 are presented in euros, which is the Group's reporting currency in accordance with IFRS 1. The statements are presented in euro thousands.

The consolidated financial statements relate to the twelve-month periods ended 31 December 2022 and 31 December 2021.

In accordance with Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 applying international accounting standards, the Precia Molen Group submits its consolidated financial statements in accordance with the framework published by the IASB and the IFRS framework adopted by the European Union as of 31 December 2022. This framework incorporates the IAS and IFRS international accounting standards, and the relevant interpretations issued by the SIC and IFRIC Interpretations Committee, which are mandatory for accounting periods ending on 31 December 2022. They are available in the IAS/IFRS Standards and Interpretations section of the following website: https://www.efrag.org/Endorsement.

No standards or amendments requiring mandatory application as of the fiscal year beginning January 1, 2022 had an impact on the company's results or financial position.

i. Business combinations and goodwill

Business combinations are recorded using the acquisition method, in accordance with IFRS 3 (Business Combinations). The identifiable assets, liabilities, and contingent liabilities of the acquired entity are recorded at their fair value on the acquisition date, after an assessment period of up to 12 months from the acquisition date.

For business combinations completed on or after 1 January 2010, the revised IFRS 3 applies. Under this standard, goodwill is now calculated as the difference between the fair value of the consideration paid and the sum of the acquiree's existing assets and liabilities, if any, measured individually at fair value. Costs directly attributable to the takeover are recorded as an expense. On the date of the takeover and for each business combination, the Group has the option to elect either partial goodwill limited to the Group's share of the acquisition or full goodwill. Where the full goodwill method is elected, non-controlling interests are measured at fair value and the Group recognises goodwill on all identifiable assets and liabilities. Business combinations prior to 1 January 2010 were accounted for under the partial goodwill method, which was the only applicable method.

For business combinations prior to 1 January 2010, goodwill on the acquisition date represents the excess of the cost of the acquisition over the acquirer's interest in the fair value of the identifiable assets, liabilities, and contingent liabilities.

For acquisitions prior to 1 January 2004, goodwill was maintained at its deemed cost representing the amount recorded under the previous GAAP. The classification and accounting treatment of business combinations occurring prior to 1 January 2004 was not changed for the preparation of the Group's opening IFRS balance sheet on 1 January 2004.

In all instances, negative goodwill from an acquisition is recognised immediately in profit or loss.

As of the acquisition date, goodwill is allocated to each of the cash-generating units (CGUs) likely to benefit from the business combination. Subsequently, goodwill is valued at its cost less any accumulated depreciation representing impairment losses. Goodwill is not amortised however it is tested for impairment at each year-end. This is done more frequently if there are any indications of impairment. Any depreciation of goodwill is irreversible. In the event of a write-down, the impairment is recorded under "Other current management expenses" or under "Restructuring expenses" if the depreciation is the result of a restructuring.

ii. Conversion of foreign subsidiaries' financial statements

The financial statements of Group companies whose functional currency differs from that of the parent company are converted using the closing rate method.

Monetary and non-monetary assets and liabilities were converted into euros at the exchange rates prevailing on 31 December 2022. Income and expenses were converted at the average exchange rates for the period.

Currency conversion differences arising from the conversion of financial statements denominated in foreign currencies are recorded directly in shareholders'aequity.

The consolidated financial statements have been prepared in euros, which is Precia Molen's functional and reporting currency.

iii. Conversion of foreign currency transactions

Transactions in currencies other than the euro are recorded at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in such other currencies are converted at the rates prevailing on the balance sheet date. Gains and losses arising from currency conversions are recorded in the income statement for the period.

However, for financial assets and liabilities that are not monetary items, any changes in their fair value, including movements in exchange rates, are accounted for in accordance with the principles applying to the categories of financial assets to which they relate.

To account for foreign exchange gains and losses, monetary financial assets are recorded at their amortised cost in their original currency. Currency exchange differences arising from changes in amortised cost are recognised in the income statement, other changes are recognised directly to equity.

Goodwill and fair value adjustments resulting from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity. As of 31 December 2022, none of the Group's subsidiaries are considered to be operating in a hyperinflationary economy as defined in IAS 29.

iv. Intercompany transactions

Adjustments are made to all intra-group transactions. Intercompany transactions are cancelled as well as intercompany payables and receivables.

Any mark-up included in inventories relating to intra-group purchases and gains on intra-group disposals of fixed assets are eliminated.

v. Transactions with affiliated parties

Related party transactions are identified by direct enquiry and validated by direct confirmation.

These transactions are recorded at market value.

vi. Lease contracts

Upon entering into an agreement, the Group assesses whether the agreement is or contains a lease. The Group recognises an asset for its right of use and a corresponding lease obligation for all leases in which it is the lessee. This is the case except for short-term leases, defined as leases having a duration of 12 months or less, and leases in which the underlying asset has a low value of less than €5000. For these types of leases, the Group recognises lease payments as operating expenses on a straight-line basis over the life of the lease. The lease obligation is initially measured at the present value of the outstanding lease payments at the inception of the lease. They are calculated using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group applies its incremental borrowing rate that stands at 2.5%.

The cost of the rights of use assets includes the initial amount of the related lease obligation, the lease payments made on or before the commencement date, as well as the initial direct costs, if any. Rights of use assets are subsequently valued at cost less accumulated depreciation and accumulated impairment losses.

The term of a lease contract, used to assess the usage right and the lease liability, is equal to at least its non-cancellable period and at most its operative period. In order to determine the enforceable period of a contract, the termination rights of each of the parties to the agreement (lessee and lessor) and the penalty levels incurred by them in the event of termination are analysed.

For building leases, the Group opted for the term of the agreement, depending on the period for which it was in force, to enable it to approximate a duration in line with the expected use of the asset.

In respect of precarious commercial leases that the lessor may terminate at any time, the Group estimated that the remaining duration of the precarious leases outstanding at the balance sheet date was six months in respect of the penalties taken as a whole.

If the Group incurs a liability for the costs of dismantling and removing a leased asset, restoring the site on which it is located, or returning the underlying asset to the condition required under the lease terms, a provision is recorded and valued in accordance with IAS 37. These costs are included in the cost of the asset as part of the related right of use, unless they are incurred to produce inventory.

Rights of use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If the lease agreement transfers ownership of the underlying asset or if the cost of the right-of-use asset takes into account the expected exercise of a purchase option by the Group, the related right-of-use asset should be depreciated over the useful life of the underlying asset. Depreciation begins at the start of the lease. Rights of use assets are reported as a separate line item in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is depreciated. It recognises any impairment loss as described in the method for tangible assets not included in these notes.

Variable rents, that are not based on an index or rate, are not included in the assessment of the lease obligation and the right-of-use asset. The related payments are recorded as expenses for the period in which the event or circumstance giving rise to the payments occurs. They are included in "External expenses" in the income statement (see note 3.2.2).

By way of simplification, IFRS 16 provides the lessee with the option of not separating the lease components from the non-lease components, instead accounting for each lease component and the related non-lease components as a single lease component. The Group elected not to apply this simplification measure.

vii. Income tax

Income tax expense corresponds to the current tax of each consolidated tax entity, adjusted for deferred taxes. The liability method is used on all existing differences between the book value and the tax value of assets and liabilities reported in the balance sheet.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will allow their allocation.

Deferred tax assets and liabilities are assessed at the tax rate that is expected to apply in the year in which the asset is realised or the liability is settled, based on tax rates that were adopted or virtually adopted by the balance sheet date.

Tax is reported in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also accounted for in equity.

C) Reliance on estimates

Preparing the financial information in accordance with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities as well as disclosures of contingent assets and liabilities as of the date of the financial information and the reported amounts of income and expenses during the reporting period.

Management reviews its estimates and assessments on an ongoing basis, taking into account past experience and various other factors that are considered reasonable. These form the basis for its assessments of the book value of assets and liabilities. The main estimates made by the Group when preparing the financial statements relate in particular to the assumptions used to calculate provisions. This concerns in particular pension commitments as well as the valuation of non-current assets, including the fair value measurement of goodwill. If the estimates and assumptions involve significant amounts or if there is a high probability that the amounts will be revised, information is provided in the notes to the financial statements. The main methods used are described below.

d) Valuation principles and methods applied

i. Fixed assets

Tangible and intangible assets are valued at their cost, less any accumulated depreciation and any recognised impairment losses.

Depreciation is calculated on a straight-line basis, according to the effective useful service life. The main useful service lives used are as follows:

Type	Service life
Software	3 to 5 years
Industrial buildings	30 years
Fixtures and fittings	15 years
Technical installations	10 to 15 years
Equipment and tools	6 years
Transport equipment	5 years
Computer hardware	3 years
Furniture, office equipment	10 to 15 years

If events or changes in the market place or internal indicators suggest that intangible and tangible assets may be impaired, they are subject to a detailed review. This is undertaken to determine whether their net carrying amount is less than their recoverable amount, which is defined as the higher of fair value less costs to sell and value in use. The value in use is calculated by discounting the future cash flows expected from the use of the asset and its disposal. During the reporting period, no indications of impairment were noted.

ii. Goodwill and intangible assets with indefinite useful life

Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each year-end. This is also applied whenever there is any indication that they may be impaired. Other non-current assets are also tested for impairment whenever events or changes in circumstances indicate that their book value may not be recoverable.

The impairment test consists of comparing the net book value of the asset with its recoverable amount. This is the higher of its fair value less costs to sell and its value in use.

The recoverable amount is determined for each asset unless the asset does not generate any cash inflows that are largely independent of the cash inflows generated by other assets. In this case, particularly for goodwill, the recoverable amount is determined at the level of the cash-generating units (CGUs).

Goodwill is tested at the level of two corresponding CGU groups:

- The first covers all subsidiaries that market and operate in weighing-related activities;
- The second concerns a CGU involved in data software.

The CGU groups were defined in accordance with the Group's senior management's view of its internal reporting. A CGU group was formed whenever synergies from the business combination are expected at the level of that CGU group.

The applied approach consists essentially in collecting realistic key assumptions on the future operating conditions of the CGU groups and determining the future cash generation on the following basis:

- Determining a 5-year business plan;
- Determining the normative free cash flow, the sum of net income excluding depreciation and financial income, the change in working capital requirements and renewal investments;
- Average perpetual growth rate of:
    - 1.6% for the weighing CGU group
    - 1.4% for the data software CGU.

Value in use is calculated by totalling the present value of the expected cash flow from the use of the asset or group of CGUs. Cash flow forecasts reflect the latest budget forecasts approved by Group Management. The pre-tax discount rate used reflects current market assessments of the time value of money and the risks specific to the asset or CGU group.

If the recoverable amount is less than the net book value of the CGU Group, the impairment loss is recorded in the income statement and is primarily allocated to goodwill.

An impairment loss recognised in respect of goodwill cannot be reversed. An impairment loss recognised for another asset is reversed if there is any indication that the impairment loss no longer exists or has decreased and if there has been a change in the estimates used to determine the recoverable amount. The book value of an asset, increased following the reversal of an impairment loss, shall not be higher than the book value that would have been determined, net of depreciation, if no impairment loss had been recognised.

As of 31 December 2022, the tests performed on the various groups of CGUs concerned by goodwill to confirm the value of goodwill showed that there was no need for impairment.

The weighted average cost of capital (WACC) used is:

- 9.5% for the weighing CGU group vs. 9.0% as of 31/12/2021;
- 10.1% for the data software CGU, compared with 8.0% as of 31/12/2021.

These tests, carried out with a WACC that is 0.5 points higher and slightly lower long-term growth (-0.5 points), would not necessitate any depreciation of the non-current assets of the various CGUs.

iii. Development costs

According to IAS 38, development costs must be capitalised if the technical and commercial feasibility of the product can be demonstrated.

However, due to the time required for regulatory metrology approval, the marketing phase of new products can be significantly extended. This increases the difficulty in forecasting future economic returns, as well as the cannibalisation effect between sales of new and existing products.

In the event of uncertainties arising from these approval times, the Group records the development costs incurred.

Only the independent CGU, involved in data software, recognises its development costs as a fixed asset, for an amount of €439K in 2022 vs. €371K in 2021.

iv. Financial instruments

Instruments used for hedging:
In accordance with its corporate policies, the Group does not hold or use financial instruments for speculative purposes. Nevertheless, due to the lack of documentation and the absence of monitoring of fair value revaluation at each usage date of the hedging instruments, these instruments do not qualify for hedge accounting and changes in fair value are recorded directly in the income statement.

v. Inventory

Inventories of raw material and supplies are valued at their weighted average cost.

The gross value of goods and supplies includes the purchase price and incidental costs.

Work in progress and finished goods are valued at their production cost. Including:

- Consumption of raw material and supplies;
- Direct labour costs;
- Depreciation of assets involved in production; and
- Indirect production costs.

Financial expenses are always omitted from the valuation of inventories.

Inventories are valued at the lower of cost and net realisable value. The latter corresponds to the estimated selling price in the normal course of business, less foreseeable costs incurred to complete or make the sale, taking into account inventory rotation, as well as obsolescence and technical developments.

vi. Current receivables and payables

Current receivables and payables are initially measured at their historical value.

Depreciation is recorded to cover the risk of expected credit losses upon revenue recognition. Expected credit losses represent a probability weighted estimate of credit losses. These losses were not material within the Group. Consequently, the application of IFRS 9 has no impact on the valuation of trade receivables.

Current receivables and payables denominated in foreign currencies are valued at the year-end exchange rate.

vii. Interest-bearing debt

Interest-bearing borrowings are initially accounted for at fair value less attributable transaction costs. Subsequent to initial recognition, they are measured at their depreciated cost. The difference between cost and redemption value is recorded in the income statement over the term of the borrowings using the effective interest method.

viii. Treasury shares

Treasury shares are deducted from equity based on their acquisition value. Gains and losses arising on the sale of treasury shares are recognised in equity.

ix. Provisions

A provision is recorded on the balance sheet if the Group has a present legal or constructive liability as a result of a past event and it is probable that an outflow of economic resources will be required to settle the liability. If the effect of time value is material, the amount of the provision should be determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

x. Employee benefits

The Group carried out an inventory of the long-term benefits granted to employees. In France, the Group has retirement benefit commitments defined by collective agreements. The Group uses the projected unit credit method to determine the present value of its defined benefit obligations.

xi. Revenue recognition

Revenue recognition reflects the transfer of control over goods and services to clients in an amount corresponding to the consideration that the entity expects to receive in exchange for those goods and services. In accordance with IFRS 15, the general approach to revenue recognition involves five steps:

- Identifying contracts with clients;
- Identifying distinct performance obligations or elements to be accounted for separately from each other;
- Determining the price of the transaction as a whole;
- Allocating the transaction price to the various separate performance obligations;
- Recognising revenue if the performance obligations are met.

The latter identified by the Group are:

- The delivery of manufactured products;
- Maintenance services.

Revenue is recognised when products are put into service and when maintenance is performed for the second revenue stream. It should be noted that the revenue components are only at fixed and not variable prices.

xii. Other operating income and expenses

This section records the impact of significant events that may distort the Group's ongoing performance.

4.4.6.2 Description of the balance sheet items

a) Goodwill

In €K	Beginning of year	Increases	Decreases	Exchange differences	Year-end
Goodwill	26,680	921	(878)	(110)	26,613

	31/12/2022	31/12/2021
Weighing-related CGU	21,508	21,575
Data software related CGU	5,105	5,105
PRODUCTION AND MARKETING UNITS	**26,016**	**26,680**

The increase in goodwill is attributable to the consolidation of CAPI Sénégal (+€317K) and the acquisition of the Scaletec business (+€608K), the deconsolidation without disposal of the Australian entities (-€878K), and exchange rate differences (-€110K).

Impairment of goodwill amounted to €564K as of 31/12/22 vs. €572K as of 31/12/2021. The change over the period was solely a result of currency conversion differences.

CAPI Senegal: the total purchase price, net of cash, paid for the acquisition of the company was €529K. The net assets acquired, excluding the cash position, were €382K and the fair value of minority interests was €170K, representing total goodwill of €317K. The acquisition was financed by a loan maturing in 2022.

The net assets acquired correspond to non-current assets excluding goodwill of €70K, current assets of €9542K, current liabilities of €162K, and long-term liabilities of €68K.

The goodwill is made up primarily of synergies on our products, new markets, and additional industrial and commercial capacities. This was definitively determined as of 31 December 2022. It was assigned to the CGU responsible for weighing.

b) Intangible and tangible fixed assets

Gross amount in €K	Beginning of year	Entry into the consolidation scope	Increases	Decreases	Exchange differences	Year-end
Other intangible assets	4,232	-	922	(27)	(2)	5,125
Property usage rights	24,883	-	1,254	(794)	(383)	24,960
Other property rights	2,773	-	822	(954)	(34)	2,608
Tangible assets	50,713	201	4,604	(1,401)	(356)	53,761
TOTAL	**82,600**	**201**	**7,602**	**(3,175)**	**(774)**	**86,454**

Depreciation and amortisation in €K	Beginning of year	Entry into the consolidation scope	Increases	Decreases	Exchange differences	Year-end
Other intangible assets	(1,832)	-	(712)	6	4	(2,534)
Usage rights for property	(16,806)	-	(2,545)	794	244	(18,313)
Other property rights	(1,697)	-	(756)	954	13	(1,486)
Tangible assets	(27,770)	(97)	(3,684)	828	466	(30,256)
TOTAL	**(48,105)**	**(97)**	**(7,697)**	**2,581**	**728**	**(52,590)**

Increases in intangible assets over the year relate to research costs incurred during the period along investments in software.

The most significant acquisitions of tangible fixed assets were new buildings at Privas and in the Netherlands, together with industrial equipment and rolling stock.

The increase in usage rights across all assets is mainly due to the extension of existing leases and the replacement of company vehicles.

c) Financial assets

In €K	31/12/2022	31/12/2021
Unconsolidated companies	48	298
Other financial assets	1,337	1,593
TOTAL	**1,385**	**1,891**

Other financial assets consist mainly of advances, long-term deposits, and guarantees.

d) Inventory

In €K	31/12/2022	31/12/2021
Raw material and supplies	13,171	9,687
In process goods	3,425	2,968
Intermediate and finished goods	6,600	4,106
Goods	4,905	4,835
INVENTORY	**28,100**	**21,596**

E) Trade receivables

Trade receivables amounted to €36,369k on 31/12/2022 compared with €33,895k on 31/12/2021.

In €K	31/12/2022	31/12/2021
Overdue trade receivables	15,458	12,471
Due in 1- 30 days	11,234	13,831
In 61- 90 days	7,206	6,112
In 61- 90 days	1,247	1,009
At 90 days and over	1,224	472
TOTAL TRADE RECEIVABLES	**36,369**	**33,895**

	31/12/2022	31/12/2021
Gross receivables	37,256	34,505
Depreciation	(887)	(609)
TOTAL TRADE RECEIVABLES	**36,369**	**33,895**

F) Breakdown of sundry debtors

In €K	31/12/2022	Within 1 year	More than 1 year
Sales taxes (VAT)	1,067	1,067	-
Advance payments to suppliers	768	768	-
Prepaid expenses	1,701	1,701	-
Miscellaneous debtors	666	666	-
MISCELLANEOUS DEBTORS	**4,202**	**4,202**	**-**

g) Cash and cash equivalents

In €K	31/12/2022	31/12/2021
Certificates of deposit [1]	15,045	18,542
Available funds	16,683	18,528
TOTAL	**31,728**	**37,070**

[1] Certificates of deposit bear interest at market rates and can be withdrawn at any time.

H) Deferred taxes

In €K	31/12/2022	31/12/2021
Deferred tax on margin on inventories	509	508
Deferred taxes on retirement benefits	414	924
Deferred taxes on employee profit-sharing	256	254
Deferred tax on losses carried forward (1)		
Deferred tax on accelerated depreciation	(293)	(319)
Other deferred taxes	(697)	(54)
NET DEFERRED TAX ASSETS	**1,723**	**1,312**

(1) Tax loss carryforwards are utilised when the company is profitable over the long term.

Deferred tax assets are mainly recorded on Precia S.A. and Precia Molen Service, both of which are profitable companies.

i) Equity

The capital of €2,866,520 is made up of 5,733,040 shares.
Treasury shares: 326,630 shares, i.e. 5.7% of the capital with an acquisition value of €3,154K.
Earnings per share is calculated by dividing the earnings by the average number of shares in circulation during the year, i.e. 5,406,410, excluding treasury shares.
The main shareholder of Precia S.A. is Groupe Escharavil SA, the holding company of the Precia Group.

j) Loans and financial debts

In K€	TOTAL	within 1 year	1 to 5 years	more than 5 years
Credit institutions (1)	7,328	-	7,328	-
Leasing liabilities	5,696	-	3,718	1,978
Sub-total long-term financial debts	13,024	-	11,046	1,978
Credit institutions, short-term,	8,421	8,421	-	-
Short-term lease liabilities	2,359	2,359	-	-
Sub-total short-term financial debt	10,780	10,780	-	-
TOTAL	**23,804**	**10,780**	**12,062**	**1,978**

(1) of which 100% at fixed rates. The vast majority of bank debt is made up of loans taken out for five years, repayable by equal instalments, from French banks, at an average rate of between 0.15% and 0.50%.

COMPARATIVE YEAR 2021	TOTAL	within 1 year	1 to 5 years	more than 5 years
Credit institutions (2)	10,238	-	10,202	36
Leasing liabilities	6,882	-	4,355	2,527
Sub-total long-term financial debts	17,120	-	14,557	2,563
Credit institutions, short-term,	6,182	6,182	-	-
Short-term lease liabilities	2,501	2,501	-	-
Sub-total short-term financial debt	8,682	8,682	-	-
TOTAL	**25,802**	**8,682**	**14,557**	**2,563**

(2) of which 100% at fixed rates. The vast majority of bank debt is made up of loans taken out for five years, repayable by equal instalments, from French banks, at an average rate of between 0.2% and 1.0%.

In €K	Opening	Cash Flow	Non-cash movements: New rental debt	Repayment of rental debt	Acquisitions.	Currency conversion	Close
Credit institutions	10,238	(2,960)	-	-	59	(10)	7,328
Lease liabilities	6,882	-	2,076	(3,366)	-	105	5,696
Sub-total long-term financial debts	17,120	(2960)	2,076	(3,366)	59	95	13,024
Short-term financial liabilities (3)	6,182	2,246	-	-	17	(24)	8,421
Short-term rental debts	2,501	(3,403)	3,245	-	-	16	2,359
Sub-total short-term financial debts	8,682	(1,157)	3,245	-	17	8	10,780
TOTAL	**25,802**	**(4,116)**	**5,320**	**(3,366)**	**77**	**87**	**23,804**

(3) Of which €2,837K in bank overdrafts.

k) Provisions in detail

FISCAL 2022 (In €K)	Beginning of the period	Acquisition	Increases	Allocated reversals	Unallocated reversals	Currency conversion	End of period
Foreign exchange risk	1,014	-	1,725	(312)	(12)	-	2,417
Retirement benefits (1)	3,778	58	739	(296)	-	(2,326)	1,953
Long-term provisions	**4,793**	**58**	**2,464**	**(607)**	**(12)**	**2,326**	**4,370**

FISCAL 2022 (In €K)	Beginning of the period	Acquisition	Increases	Allocated reversals	Unallocated reversals	Currency conversion	End of period
Foreign exchange risk	891	-	340	(138)	(80)	3	1,014
Retirement benefits (1)	3,953	320	529	(1,011)	(253)	240	3,778
Long-term provisions	**4,843**	**320**	**869**	**(1,149)**	**(334)**	**243**	**4,793**

(1) In France, upon retirement, Group employees receive a retirement package, the amount of which varies according to seniority and other elements of the applicable collective agreement. The Group evaluates its commitments using an actuarial method based on projected credit units. The calculation is based on the following assumptions: discount rate: 3.75% (0.98% in 2021), revaluation rate: 3.0% (2.8% in 2021), retirement age: 60/67 years, employer's contribution rate: 42%. Employee turnover forecasts were updated in 2022.

The value of the asset plans subtracted from the total commitment is €4,023K vs. €4020K in 2021.

Sensitivity analyses were carried out on the discount rate. If this rate were to be reduced by 0.5%, the Group's total commitment, before taking into account the fair value of external funds, would increase by approximately 7.8%.

The probable average time frame for paying retirement benefits is 10.4 years.

In the normal course of its business, the Group is exposed to various types of litigation. Provisions for litigation are calculated on a case-by-case basis at the end of the fiscal year. Their amounts represent the best estimate of the financial risk involved, weighted by the most probable factor of occurrence.

As of 31 December 2022, provisions for litigation were recorded to cover non-quality costs and a dispute with a former agent.

If the Group is involved in legal proceedings with claims from opposing parties that are considered unfounded, the risk is not proven, then the Group does not consider it necessary to record a provision.

Future retirement costs are partly externalised through specific insurance contracts. The fair value of the funds as of 31 December 2022 was €4,023K (2021: €4,020K). The amount of the residual commitment, after taking into account the coverage, was €3,778K.

The Group is without any contingent liabilities.

l) Details of other current liabilities

In €K	31/12/2022	31/12/2021
Tax and social security liabilities	19,843	18,818
Advance payments received on current orders	3,451	4,687
Other liabilities	884	1,455
Deferred income	8,857	5,638
TOTAL OTHER CURRENT LIABILITIES	**33,035**	**30,597**

m) Off balance sheet commitments

i. Export bank guarantees

The Group benefits from commitments received by its banks in connection with export commercial contracts. These are mainly in favour of its customers as part of advance payment guarantees or performance guarantees. As of 31 December 2022, these commitments totalled €2,584K, compared with €1,747K on 31/12/2021.

n) Financial risk management

The Group is exposed to credit, liquidity, and market risks, albeit in limited proportions. The Group therefore makes little use of financial instruments to reduce this exposure.

Like any commercial company, the Group is confronted with client risks that mainly relate to the ever-present risk of non-payment, and to a more cyclical risk of client concentration. The company has a base of large accounts for which the risk of non-payment is low. The largest client accounted for less than 2% of revenue in 2022. The top ten clients accounted for approximately 5% of revenue. In addition, sales of material are subject to retention of title clauses. The history of losses on trade receivables does not indicate any significant impact.

Liquidity risk refers to the Group's financial ability to cover its liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure, to the extent possible, that it will always hold sufficient liquidity to settle its liabilities when due, under normal or stressed conditions, without incurring unacceptable losses or causing reputational damage to the Group. Market risk corresponds to fluctuations in interest rates and currency exchange rates.

With regard to interest rates, the Group's policy generally gives preference to fixed-rate loans.

In addition, the Group's exposure to currency risks is relatively low.

Liquidity and cash management risks:
The risk of the company being unable to meet its financial commitments remains very low, due to the Group's solid financial position.

Capital management:
The Group's policy is to maintain a strong capital structure in order to preserve investor, creditor, and market confidence as well as to support the business's future development. The Management Board pays attention to the return on equity defined as operating income divided by total equity. It also monitors the amount of dividends paid to shareholders.

4.4.6.3 Analysis of income statement items and breakdown of activities

a) Geographical breakdown of activities

The Group's organisation and financial reporting is single business in nature, based on a geographical organisation, with no level of disaggregation.

BREAKDOWN OF REVENUE (In €K):	31/12/2022		31/12/2021	
France	98,092	62%	92,956	62%
Outside France	60,344	38%	57,755	38%
TOTAL	**158,436**		**150,711**	
BREAKDOWN OF OPERATING INCOME (In €K):	**31/12/2022**		**31/12/2021**	
France	4,423	40%	8,466	59%
Outside France	6,558	60%	5,992	41%
TOTAL	**10,981**		**14,458**	
AVERAGE WORKFORCE INCLUDING TEMPORARY STAFF:	**31/12/2022**		**31/12/2021**	
France		625		795
Outside France		589		573
TOTAL		**1,214**		**1,369**

b) Staff costs, external charges, and depreciation

i. Staff costs

In €K	31/12/2022	31/12/2021
Salaries	51,085	48,415
Net social charges	15,777	15,024
Incentives and profit-sharing	1,066	1,039
Temporary staff	2,502	1,795
Retirement allowance provision (RAP) and asset plan	419	158
PERSONNEL EXPENSES	**70,849**	**66,431**

ii. Impact on operating income resulting from IFRS 16

In €K	31/12/2022	31/12/2021
Cancellation of rolling stock leasing	887	863
Cancellation of industrial and commercial premise leases	2,598	2,431
IMPACT OF EXTERNAL COSTS	**3,484**	**3,294**
Depreciation of rolling stock	(727)	(733)
Depreciation of industrial and commercial premises	(2,574)	(2,342)
DEPRECIATION IMPACT	**(3,301)**	**(3,076)**
IMPACT OF OPERATING INCOME	**183**	**219**

c) Cost of net financial debt

In €K	31/12/2022	31/12/2021
Interest	118	124
Provision reversals	82	4
Investment income	113	95
Miscellaneous financial income	82	66
Income from cash and equivalents	**395**	289

In €K	31/12/2022	31/12/2021
Interest on lease liabilities	226	227
Other interest	63	87
Provisions	100	-
Miscellaneous financial expenses	39	2
COST OF GROSS FINANCIAL DEBT	**428**	**316**

d) Income tax

i. Tax expense

In €K	31/12/2022	31/12/2021
Mandatory	2,366	4,654
Deferred	(823)	(61)
NET (CHARGE)	**3,189**	**4,593**

ii. Reconciliation between the recorded and the theoretical tax expense

In €K	31/12/2022	31/12/2021
Result	6,659	9,984
Pretax result	9,846	14,577
Recorded tax expense	(3,189) (1)	(4,593) (2)
Theoretical tax expense	(2,542)	(3,990)
DIFFERENCE	**(647)**	**(603)**

(1) effective rate 2022: 32.40%
(2) effective rate 2021: 31.51%

In €K	31/12/2022	31/12/2021
Tax on permanent differences	233	29
Tax losses not previously capitalised	132	8
Tax losses not capitalised (3)	(593)	(384)
Company value added contribution (CVAE) reclassified as tax	(351)	(334)
Spread on the rates and other	(99)	78
TOTAL	**647**	603

(3) The amount of uncapitalised losses due to the probability of non-recovery was €11,133K on 31 December 2022 (€10,672K on 31/12/2021), including €4,428K for the Australian and Norwegian subsidiaries.

iii. Tax consolidation (France)

Precia SA is the head company of the Group within the framework of the tax consolidation with Precia Molen Service S.A.S.

e) Statutory auditors' fees recorded

Audit fees	BM&A	Implid	Auditors of subsidiaries
Auditing, certification, review of individual and consolidated accounts			
Issuer	36	36	-
Fully integrated subsidiaries	17	11	58
Services other than certifying the accounts			
Other audit-related services	-	-	-
Other non-audit related services (1)	-	-	-
TOTAL	**53**	**47**	**58**

(1) Audit related to acquisitions and proposed acquisitions during the fiscal year.

4.4.6.4 Information concerning the consolidated cash flow statement

The cash flow statement is presented according to the indirect method, based on the net income of consolidated companies. It is calculated as follows:

In €K	31/12/2022	31/12/2021
Net result of the consolidated group share	6,659	9,984
Deduction of corporate tax	3,618	4,859
Deduction of interest income and expenses	110	191
Depreciation deduction	7,694	7,496
Deduction of allocations and reversals of provisions for depreciation of fixed assets	65	(1)
Deduction of allocations and reversals of provisions for depreciation of current assets	744	(12)
Deduction of allocations and reversals of provisions for risks and charges	1,271	120
Deduction of gains and losses on disposal of assets	1,614	111
Deduction of foreign exchange gains and losses on intra-group debts and receivables and quasi-equity	23	(344)
NET RESULT OF THE CASH FLOW STATEMENT	**21,797**	**22,404**

Cash and equivalents consist of cash on hand less bank overdrafts.

In €K	31/12/2022	31/12/2021
Cash and equivalents	31,728	37,070
Bank credit balances	(2,837)	(304)
CASH POSITION	**28,891**	**36,767**

4.4.6.5 Other financial aggregates

The aggregate cash position net of debt, excluding financial liabilities arising from usage rights, is defined as follows:

In €K	31/12/2022	31/12/2021
Cash and equivalents	31,728	37,070
Credit institutions	(7,328)	(10,238)
Short-term debt	(5,584)	(304)
CASH POSITION NET OF DEBT	**15,979**	**20,650**

4.4.7 Statutory auditors report on the consolidated financial statements

PRECIA S.A.

Head Office 104 Route du Pesage – 07000 Veyras
Share capital: €2,866,520

Statutory auditors report on the consolidated financial statements

For the year ended 31 December 2022
To the General Meeting of PRECIA S.A.:

1. Opinion

In accordance with the assignment entrusted to us by your General Meeting, we audited the accompanying consolidated financial statements of Precia S.A. for the year ended 31 December 2022.

We certify that, according to International Financial Reporting Standards (IFRS) criteria as adopted in the European Union, the consolidated financial statements consisting of all entities included in the consolidation are sincerely and fairly presented, providing a true and faithful view of the results of the company's operations over the past financial year as well as its financial position and assets at the end of the year.

The opinion expressed above is consistent with our report to the Audit Committee.

2. Basis of our opinion

Audit standards

We carried out our audit in accordance with the professional standards applicable in France. We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Auditors' Responsibilities for Auditing the Consolidated Financial Statements" section of this report.

Independence

In accordance with the rules of independence set out in the French Commercial Code and the Code of Ethics for Statutory Auditors we conducted our audit for the period from 1 January 2022 to the issuance date of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) no. 537/2014.

3. Justification of our assessments - Key points of the audit

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement. In our professional opinion, these were the points the most significant for the audit of the consolidated financial statements for the year, as well as the responses we provided to these risks.

The assessments thus made fall within the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on any elements of these consolidated financial statements taken in isolation.

We determined that there were no key audit issues to report.

4. Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required by law of the information provided in the Management Board's report on the Group.

We have no comments to make as to their fairness and consistency with the consolidated financial statements.

We hereby certify that the consolidated statement of non-financial performance provided for in Article L.225-102- 1 of the Commercial Code is included in the information relating to the Group contained in the management report. It is specified that, in accordance with the provisions of Article L.823-10 of this code, the information contained in this statement has not been verified by us as to its fairness or consistency with the consolidated financial statements. They must be the subject of a report by an independent third party.

5. Other verifications or information required by law and the regulations

Format of the consolidated financial statements intended to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the single European electronic information format, we also performed the verification of compliance with this format defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 when presenting the consolidated financial statements included in the annual financial report referred to in Article L.451- 1- 2 of the Monetary and Financial Code that are prepared under the responsibility of the Chairman of the Management Board. As these are consolidated financial statements, our work includes verifying whether the presentation of these accounts complies with the format defined by the above-mentioned regulation.

Based on our work, we concluded that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements in accordance with the Single European Electronic Reporting Format, the content of certain tags in the notes to the financial statements may not be rendered identically to the consolidated financial statements attached to this report.

Appointment of the statutory auditors

The firms implid audit and BM&A were appointed as statutory auditors of Precia S.A. by the General Meeting of 22 July 2020.

On 31 December 2022, implid audit and BM&A were in the third year of their uninterrupted assignment.

6. Responsibilities of management and corporate governance officers vis-à-vis the consolidated financial statements

It is the responsibility of management to prepare consolidated accounts that present a true and fair view in accordance with IFRS as adopted by the European Union. Management must implement the internal controls it deems necessary for preparing consolidated accounts that do not contain any material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, Management must evaluate the company's ability to continue as a going concern. Management shall present in these accounts, as the case may be, the necessary information relating to the continuity of operations, and apply the going concern accounting policy unless it intends to wind up the company or cease its activity.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems. If necessary, the audit committee must monitor the internal audit, as regards the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were prepared by Management.

7. Statutory auditors' responsibilities with regard to the audit of the consolidated financial statements

The audit's objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that, taken as a whole, the consolidated financial statements do not contain any material misstatements. Although reasonable assurance is a high level of assurance, it does not guarantee that an audit performed in accordance with professional standards will systematically detect all material misstatements. The anomalies may stem from fraud or be due to errors. They are considered significant if it can be reasonably expected that, individually or cumulatively, they can influence the economic decisions account users make based on them.

As specified by Article L.823-10-1 of the French Commercial Code, our account certification mission is not to guarantee the viability or the quality of your company's management.

As part of an audit conducted in accordance with the professional standards applied in France, the statutory auditor exercises their professional judgement throughout the audit. In addition:

- They identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error. They define and implement audit procedures to confront these risks. They collect elements they consider sufficient and appropriate on which to base their opinion. The risk of not detecting a significant anomaly due to fraud is higher than missing a significant misstatement resulting from an error. This is because fraud can involve collusion, falsification, wilful omission, misrepresentation, or the circumvention of internal controls.

- They take note of the internal control relevant to the audit in order to define appropriate audit procedures, and not for the purpose of expressing an opinion on the effectiveness of the internal control.

- They assess the appropriateness of the accounting policies used and the suitability of management's estimates, as well as the information related thereto provided in the consolidated accounts;

- They assess the appropriateness of management's application of the going concern accounting policy. According to the information collected, they determine the existence or not of a significant uncertainty related to events or circumstances that could jeopardize the company's ability to continue as a going concern. This assessment is based on the information collected up to the date of their report. However, it is recalled that subsequent circumstances or events could jeopardize the continuity of operations. If they conclude there is significant uncertainty, they draw the attention of the readers of the report to the information provided in the annual financial statements related to this uncertainty. If this information is not provided or is not relevant, they formulate a qualified certification or a refusal to certify.

- They assess the overall presentation of the financial statements, determining whether the annual accounts reflect the underlying transactions and events, thereby providing a true and fair picture;

- With regard to the financial information of the individuals or entities included in the scope of consolidation, they collect information deemed sufficient and appropriate to express an opinion on the consolidated financial statements. They are in charge of managing, supervising, and auditing the consolidated financial statements as well as the opinion expressed on these accounts.

Report to the Audit Committee

We submit to the Audit Committee a report that outlines, among other things, the scope of the audit, program implemented, and the conclusions arising from our work. We also inform on, where appropriate, any significant internal control weaknesses identified with respect to the procedures relating to the preparation and processing of the accounting and financial information.

Among the items disclosed in the report to the Audit Committee are the risks of material misstatement that we consider the most significant for the audit of the consolidated financial statements for the year. As such, they constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration under Article 6 of EU Regulation no. 537- 2014 confirming our independence within the meaning of the rules applicable in France pursuant to Articles L.822 -10 to L.822-14 of the Commercial Code and the code of ethics of the statutory auditor profession. If necessary, we discuss with the Audit Committee the risks to our independence and the safeguard measures applied.

Lyon and Paris, 28 April 2023

The statutory auditors

BM&A	implid Audit
Alexis Thura	**Anne-Béatrice Montoya-Truchi**
Partner	Partner
Signé par Alexis Thura Le 28/04/2023 à 15:15:42	Signé par Anne-Béatrice Montoya-Truchi Le 28/04/2023 à 15:12:16
Signed with universign	Signed with universign

4.4.8 Declaration pursuant to Article 222-3 of the General Regulations of the French Financial Markets Authority

I hereby certify that, to the best of my knowledge, the financial statements were prepared in accordance with the applicable accounting standards, providing a true and fair view of the assets and liabilities, financial position and results of the company, and of all the companies included in the consolidation. I certify that the management report presents a true and fair view of the development of the business, the results, the financial situation of the company, and of all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face.

Veyras, on 28 April 2022

The Chairman of the Management Board
Frédéric MEY

Roland, Workshop Manager, Heavy Equipment

©Eric Moroni

5 - INTERNAL CONTROL
AND RISK MANAGEMENT PROCEDURES

Internal control is a process initiated by management designed to provide reasonable assurance regarding the achievement of the following objectives:
- Compliance with applicable laws and regulations;
- Implementation of Management Board decisions; and
- The reliability of financial information.

The internal control organisation within our Group is based on:
- A clear definition of objectives;
- Documentary control;
- A coherent organisation; and
- A monitoring and improvement process.

We also supplemented this system with an analysis of the risks associated with our business. Thus, we determined six main types of risks:
- Industrial risk
- Technological risk
- Supplier risk
- Raw material risk
- Client risk
- IT risk

5.1 - INTERNAL CONTROL AND FINANCIAL REPORTING

Financial information is released under the supervision of the Chairman of the Management Board, whether it is press releases, the management report, the annual and interim financial statements, or the annual financial report.

5.1.1 The Group's accounting structure

The Administrative and Financial Department is responsible for preparing and controlling the Group's accounting and financial data.
- It ensures that the Group's consolidated financial statements and Precia SA's parent company financial statements are produced within the timeframes required by law;
- It steers the budgetary and forecasting process.
- It generates the monthly management reporting, ensuring the coordination of the various entities; and
- It is in charge of the accounting processes and information systems.

Each subsidiary has its own accounting structure, adapted to its organisation. The main subsidiaries use an integrated information system. The consolidated accounts are drawn up internally using dedicated software under the supervision of the Finance Department.

5.1.2 Accounting reports

All Group entities are engaged in the annual budget process. The reporting frequency is on a monthly basis. All subsidiaries are subject to regular operational reviews.

The company accounts of the main subsidiaries and the information notes presented in the interim and annual consolidations are certified by the local external auditors. In addition, the heads of each subsidiary sign a semi-annual declaration to the auditors, if any, committing them to full transparency.

5.1.3 The Group's accounting standards and policies

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

Any change in accounting principles is pre-approved by the statutory auditors.

5.1.4 Planning of interim closing procedures

In order to coordinate the interim financial statements as well as possible, the Group issues audit instructions. These include the Group consolidation procedure and the schedule for escalating the required information.

Within the framework of their legal mandate, the statutory auditors carry out a limited review every six months at the end of June and a full audit of the accounts at year-end. In this way, they provide an external evaluation reference complementing the internal control process. The implementation of their recommendations is monitored by the Administrative and Finance Department.

5.2 - RISKS ASSOCIATED WITH COMMERCIAL ACTIVITY

5.2.1 Market risks

Identified risks

The Precia Molen Group operates in a highly competitive market, in which its relative positioning varies according to geographical area and economic sector.

In France, Precia SA is the acknowledged market leader across all segments of the industrial weighing market, including services. Under these circumstances, the main risks arising from market conditions would be:

- A loss of competitiveness compared with our competitors, both in terms of price and in terms of the technical performance of the solutions offered to the market;
- A slowdown in capital expenditure by our clients, leading to a reduction in demand for new equipment and an increase in the need for services, particularly maintenance.

In India, Precia Molen ranks among the leading players in process weighing. Given the country's rapid growth, a large number of investments are being planned, all of which represent significant opportunities for the Group. Nevertheless, these opportunities systematically involve invitations to tender in which global competitors are also taking part.

As of 2022, Milviteka in Lithuania saw most of its natural market vanish as a result of the European Union's embargoes on Russia and the situation in Ukraine. This subsidiary now needs to successfully redeploy itself into other markets.

The West African subsidiaries are likely to be adversely affected by the geopolitical context. The Burkina Faso subsidiary has already seen its activity decline in 2022, while the future outlook remains worrying.

On a more fundamental level, the ability to deliver quality products to customers on time and at market prices continues to be the key to our business.

Monitoring and managing risk

For the near future, a CRM tool has been rolled out to all Group entities, the data from which is reviewed on a monthly basis.

Using the number of quotations requested by clients, we are able to monitor the dynamics of the various markets according to geographical zones and economic sectors. By measuring the rate at which offers are being converted into orders, we are able to assess the competitive position of our offers. These two pieces of information enable us to adapt our offer. They can also be used to define targeted sales promotion campaigns.

Looking further ahead, we carry out reviews of our product sales trends and their life cycle. These are one of the key factors in defining our strategy when developing new products.

5.2.2 Supplier risk

Identified risks

Risk of component delivery problems.

Monitoring and managing risk

We have a sufficient number of suppliers handled by the purchasing department. Our arrangements enable us to quickly replace a defaulting supplier.

All suppliers are assessed twice a year in terms of their ability to provide the requested service or product. This evaluation is formalised within a procedure.

Some items are developed by suppliers according to our specifications. We have a complete file on these items. This enables us to switch suppliers quickly, should it become necessary.

5.2.3 Client risk

Identified risks

Risk of a significant impact on revenue in the event of the loss of a client.

Monitoring and managing risk

Client risk is also fairly low, given the wide dispersion of our clients, none of whom account for more than 5% of our revenue.

Like any commercial company, the Group is confronted with client risks that mainly relate to the ever-present risk of non-payment, and to a more cyclical risk of client concentration. The company has a base of large accounts for which the risk of non-payment is low. The largest client represents less than 2.0% of revenue in 2022 vs. the same figure in 2021. The top ten clients accounted for approximately 5.0% of sales in 2022 compared to 8.6% in 2021. In addition, sales of material are subject to retention of title clauses. The history of losses on trade receivables does not indicate any significant impact.

5.3 - LIQUIDITY AND CASH MANAGEMENT RISKS

Identified risks

Exposure to credit and market liquidity risks

Exposure to financial risks from the effects of climate change in the short to medium term is negligible.

Monitoring and managing risk

The Precia Molen Group enjoys a positive net debt position, making little use of financial instruments and therefore limiting its exposure.

5.4 - INSURANCE

Identified risks

The company insures its activities, with the assistance of a specialised insurance broker, in accordance with industry standards.

5.5 - INDUSTRIAL RISK

The Director and the Quality, Safety, and Environment Manager are responsible for analysing these risks along with defining and implementing the most appropriate prevention measures.

Our prevention approach, reflected in a controlled documentary system, involves all staff members.

5.5.1 Fire risk

Identified risks

The nature of our activities and the specifications of the premises are not such as to constitute a risk of fire. To begin with, our commercial agencies are small structures, and the industrial sites in Privas and Veyras are made up of several widely spread out buildings. By its very nature, this dispersal has fire protection value.

Monitoring and managing risk

Preventive measures are taken:

For the industrial sites of Veyras and Privas:

- The storage of flammable products is carried out on the Veyras site in an independent, adapted building. This building is equipped with a ventilation system, a temperature control unit, a large-capacity retention tank, and a locking system.
- Special Industrial Waste, including flammable waste, is stored in a covered area reserved for this purpose, with a protected retention system.
- Sensitive premises are equipped with an automatic detection and warning system. An on-call service is organised to respond to the triggering of this system.
- The quantity of flammable products present in the workshops is kept to the minimum level consistent with production requirements.
- The fire extinguishing system is certified Q4 on 29 March 2012 by the French Association of Damage Insurance Companies (APSAD). The fire extinguishers comprising this installation are checked periodically by internal means and annually by an approved body.
- A fire permit is required for all relevant work.

- Training in the use of fire extinguishers is provided.

For all sites:
- The fire extinguisher installations are in compliance with the Labour Code and are periodically checked by an approved body.
- The electrical installations are subject to an annual check. Actions that may arise from these checks are programmed and monitored.

5.5.2 Environmental risks and impacts

Identified risks

In terms of the environment, Precia is subject to the reporting regime. The environmental impact of our industrial operations remains minimal.

Monitoring and managing risk

Hazardous products and waste are stored in a specially designed area. It is fitted with retention equipment. Waste is evacuated by a service provider meeting the regulatory requirements for its transport and disposal.

Precia takes steps to limit its energy consumption, in particular hydrocarbon consumption. The Veyras industrial site is equipped with a centralised management system for its heating and air conditioning. The system's use enables reducing the consumption of electricity and heating oil.

The development of manufacturing processes takes into account environmental issues, in particular the equipment's energy consumption. The consumption of natural resources, in particular water, is also a focus of attention. Technical measures to reduce water consumption were taken in recent years.

5.5.3 Employee health and safety risks

Identified risks

The risks to employee health and safety are all too common.

In the workshops, these include risks of burns, cuts, knocks, falls, and so on.

Moreover, as a result of both its commercial and service activities, a large number of employees frequently travel many kilometres by car. This risk is the subject of a specific monitoring action.

Monitoring and managing risk

Our policy on health and safety at work leads us to:

- Analysis of the risks:

Risk analysis, recorded in a single document for each establishment, is carried out at least once a year or whenever there is a significant change in working and safety conditions.

- Raising awareness and training:

Awareness-raising initiatives are carried out according to changes in regulations, implementing new working methods, situations encountered in the workshops, and on the basis of the annual risk prevention programme.
Mandatory safety training is conducted. Thus, forklift drivers, mobile elevating platform users, and personnel working on electrical installations receive appropriate training. We also provide training in the use of fire extinguishers and internal technical safety checks. We have trained first aiders at work. Additional training can be provided as needed.

- Give priority to the principle of collective protection:

Atmospheric pollutant extraction systems are checked on a regular basis. These cover welding and painting activities in particular.

- Substituting hazardous products with less risky ones:

Although our company uses very few hazardous products, we nevertheless analyse the chemical risk. As a result of this analysis, we substituted products in order to reduce employee exposure.

- Put in place the most appropriate Personal Protective Equipment:

Workplaces require the use of personal protective equipment, such as work clothes, safety shoes, gloves, helmets, face and respiratory equipment, and hearing protection.

- Ensuring that work equipment is appropriate and maintained:

On our Privas and Veyras sites, preventive maintenance is carried out on equipment and installations. Electrical installations, lifting and handling equipment and accessories are checked periodically.

- Communicating rules and regulations:
Our production sites display internal regulations, instructions concerning work accidents, smoking bans, and the use of personal protective equipment.

- Specific training courses on driving and road risks are also provided for long-distance frequent drivers.

5.6 - TECHNOLOGICAL RISKS

Identified risks

A specificity of our business is its regulatory constraint, whether it be Legal Metrology or the regulations relating to products installed in explosive atmospheres (ATEX), to which we comply by implementing our Quality System. This is subject to regular audits and certification by authorised bodies.

"Regulatory" risk is inherent to our activity:
Precia's products are subject to two specific regulations: those relating to Legal Metrology (LM) and those concerning products installed in explosive areas (ATEX).

Monitoring and managing risk

In order to prevent the risks covered by these regulations, Precia has taken the following measures:

- Implementation of the Quality Management System, certified by an accredited body, as well as by the two organisms designated by the State, namely the LNE for Legal Metrology and the LCIE for Explosive Atmospheres (ATEX).
- Appointment of two Experts, one in each field, whose mission is to maintain the required level of knowledge in these fields in order to design, manufacture, sell, check, or repair, as the case may be, products that comply with these regulations.
- The qualification of specialised personnel, as well as the monitoring of their qualification, in certain tasks related to these regulations. These qualifications are the subject of formalised procedures:

• Authorised verifiers - Legal Metrology (LM);
• Authorised repairers (LM) via Precia Molen Service; and its ATEX (explosive atmospheres) operators.

- The verification or calibration of measuring, control, and testing equipment concerned by the regulations is ensured. Thus, test weights, electrical measuring instruments, length measuring instruments, etc. are periodically calibrated in laboratories certified by the COFRAC.
- Documents relating to products subject to these regulations are backed up.

5.7 - RISKS RELATING TO RAW MATERIAL

Identified risks

The weighing instruments we manufacture and sell are constructed of steel, plastic, and electronic components. These various components are subject to cost fluctuations.

Monitoring and managing risk

In order to control raw material risk, cost monitoring and availability are carried out under the responsibility of the Production and Purchasing Manager. The latter may decide to take preventive stockpiling action, as was done in 2022 for electronic components.

5.8 - IT RISKS

Identified risks

This risk has a material component in the form of faulty equipment, software, and a cyber risk component.

Monitoring and managing risk

Computer equipment risk is reduced by two factors:

• The computer equipment is selected from among certified professional equipment;
• The computer equipment is covered by appropriate maintenance contracts.

Software risk is controlled by the fact that only the IT Department is authorised to purchase, test, put into service, and upgrade software.

The "sources" of the software and their operating licences are kept securely by the IT Department.

Data risk:
All IT resources are networked.

Data is centralised and secured. Backups are made in line with our "computer data control procedure". "Intrusion" tests are carried out.

The organisation and technical means deployed ensure a high level of security for our IT system.

Identifying our main risks is complemented by an analysis of the potential consequences and actions taken to reduce our exposure.

Risk management and monitoring are built into our Quality Management System.

Awareness-raising, training, and even qualification actions, as well as regulatory monitoring are carried out on a regular basis.

The operational importance of IT data management prompted the company to be particularly vigilant with regard to the security of its systems.

However, we are mindful that internal control does not provide an absolute guarantee against all malfunctions.

Sebastien , Boilermaker welder (Boilermaking workshop)

©Eric Moroni

6 - CAPITAL AND SHARE OWNERSHIP

6.1 - MAIN SHAREHOLDERS

The company's main shareholders are as follows:

	Shareholding	Voting rights
ESCHARAVIL Group S.A.	41.0%	55.6%
Bearer shareholders	48.6%	30.0%
Escharavil family	8.3%	11.6%
Other shareholders	2.1%	2.8%
TOTAL NUMBER OF VOTING RIGHTS	5,733,040	8,242,760

There were no significant changes in share ownership during the year.

In addition, management did not carry out any transactions involving the Company's shares during the year.

6.2 - PRECIA SA TREASURY SHARES

As of 31/12/2022, Precia SA held 326,630 of its own shares, representing 5.7% of the share capital. The acquisition cost of these shares was €3,154K. Based on the share price on 31 December 2022, the market value at the end of the fiscal year was €10.4M. In accordance with Article R.233-19 paragraph 2 of the French Commercial Code, we confirm that Precia SA did not change the number of treasury shares held during the 2022 fiscal year.

6.3 - THE COMPANY'S STOCK MARKET LISTING

In addition, 162,600 shares of the Company were traded during the 2022 fiscal year, at an average price of €31.75. The trading costs related to these exchanges are not known.

6.4 - EMPLOYEE SHAREHOLDING

As of 31/12/2022, the percentage of capital held by employees in the form of collective management was 1.89%.

6.5 - INFORMATION ON COMPANY SHARE TRANSACTIONS CARRIED OUT BY SENIOR MANAGERS AND THEIR RELATIVES DURING THE PAST YEAR

During the past financial year, senior managers and their relatives did not carry out any of the following transactions on the company's securities: acquisitions, disposals, subscriptions, exchanges of securities, or transactions in securities by means of forward financial instruments.

6.6 - INVENTORY OF MARKETABLE SECURITIES

As of 31/12/2022, Precia and Precia Molen Service did not hold any marketable securities. Short-term liquidity is held in the form of Term Deposits and Term Accounts with major French banking institutions and also in the form of interest-bearing current accounts.

6.7 - SUMPTUARY EXPENSES

In 2022, the amount of non-tax-deductible sumptuary expenses was €149K. Given the negative tax charge, the tax payable on these sumptuary expenses amounts to zero.

Paul, fitter and adjuster in the Large Material workshop
©Eric Moroni

7 - FURTHER INFORMATION

7.1 - TEXT OF THE RESOLUTIONS PROPOSED TO THE ANNUAL GENERAL MEETING OF 26 JUNE 2023

FIRST RESOLUTION

Having reviewed the Management Board's report, the Supervisory Board's report provided for in Article L.225-68 of the French Commercial Code, and the Statutory Auditors' reports, the Shareholders' General Meeting approves the annual financial statements for the year ended 31 December 2022, as presented, as well as the transactions reflected in these financial statements and summarised in these reports.

Pursuant to Article 223 quater of the French General Tax Code, it specifically approves the expenses and charges referred to in Article 39-4 of said Code, which totalled €149,857.88 and gave rise to a tax charge of €0 as a result of Precia SA's tax loss for the year.

Consequently, the General Meeting gives the members of the Management Board discharge from their duties for the said fiscal year.

SECOND RESOLUTION

Having reviewed the Group's management report and the statutory auditors' report, the General Meeting approves the consolidated financial statements for the year ended 31 December 2022, as presented.

THIRD RESOLUTION

The General Meeting approves the Management Board's proposal to allocate the Company's net profit for the year ended 31 December 2022, which showed a loss of €3,911,698.33, as follows:

Loss for the year	€3,911,698.33
Charged in full to the profit of the "Other reserves" account	
Transferred from profit "Other reserves" account	€1,892,244.00
Profit available for distribution	€1,892,244.00
Dividends to shareholders	€1,892,244.00 i.e. €0.35 per share

The dividend payment terms will be determined by the Management Board.
It is specified that this allocation takes into account the shares held by the Company on the date of the dividend payment that are not entitled to the dividend, the corresponding amounts being allocated to the "other reserves" account.

The General Meeting notes that the shareholders were informed that:

- Since 1 January 2018, distributed income has been subject to a single flat-rate tax (PFU or "flat tax") of 30%, i.e. 12.8% for income tax and 17.2% for social security contributions;
- Individuals who belong to a tax household whose reference tax income for the penultimate year is less than €50,000 (single, divorced, or widowed taxpayers) or €75,000 (taxpayers subject to joint taxation) may apply for exemption from this levy. The request for exemption must be made, under the responsibility of the shareholder, no later than 30 November of the year preceding the dividend payment;
- It is still possible to opt for taxation of the dividend on the progressive scale. This is indicated on the tax return; in this case, the flat-rate deduction of 12.8% will be deducted from the tax owed. The 40% deduction will be maintained however social security contributions will be based on the amount prior to the deduction.

It is specified that the amount of income distributed in respect of the fiscal year ended 31 December 2022 eligible for the 40% deduction provided for in Article 158, 3-2 of the General Tax Code amounts to €1,892,244.00, i.e. all the dividends distributed.

Shareholders were also reminded that, in accordance with the provisions of Article L.136-7 of the Social Security Code, social security levies on dividends paid to individuals domiciled in France for tax purposes are subject to the same rules as the levy mentioned in Article 117 quatar of the General Tax Code. That is, they are withheld at source by the paying institution, if the latter is established in France, and paid to the Treasury within the first fifteen days of the month following the month of payment of the dividends.

In accordance with the law, the General Meeting notes that the dividends distributed in respect of the previous three fiscal years were as follows:

FISCAL YEAR	DISTRIBUTION		40% TAX ALLOWANCE	
	GLOBAL	PER SHARE	ELIGIBLE DIVIDENDS	INELIGIBLE DIVIDENDS
31/12/2019	€648,938.40	€1.20	€648,938.40	/
31/12/2020	€1,459,730.70	€2.70	€1,459,730.70	/
31/12/2021	€2,162,564.00	€0.40	€2,162,564.00	/

FOURTH RESOLUTION

After having taken note of the statutory auditors' special report on the agreements referred to in Article L.225-86 of the French Commercial Code and ruling on this report, the General Meeting notes that the agreements concluded and authorised previously were continued and that no agreement referred to in Article L.225-86 of the said Code was concluded during the year.

FIFTH RESOLUTION

Noting that the term of office as member of the Supervisory Board of Mrs Anne-Marie Escharavil expires on the date hereof, the General Meeting resolves to renew her appointment for a further term of six years, expiring at the close of the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2028.

SIXTH RESOLUTION

Noting that Mr Luc Escharavil's term of office as a member of the Supervisory Board expires on the date hereof, the General Meeting resolves to renew his appointment for a further term of six years, expiring at the close of the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2028.

SEVENTH RESOLUTION

Noting that the term of office as member of the Supervisory Board of Mr Frédéric HAFFNER expires on the date hereof, the General Meeting resolves to renew her appointment for a further term of six years, expiring at the close of the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2028.

EIGHTH RESOLUTION

The Annual General Meeting resolves to appoint Mrs Ingrid Escharavil, a French citizen born in Montpellier on 7 September 1977, residing at 26 Rue de l'Esperanto, Privas, Ardèche, as a new member of the Supervisory Board, in addition to the members currently in office, for a term of six years ending at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2028.

NINTH RESOLUTION

The General Meeting resolves to appoint Mr Jean-Philippe DEMAËL, born in Lyon on 30 May 1967, a French citizen, residing in Duingt 74410, 1004 Route de Fergy, as a new member of the Supervisory Board, in addition to the members currently in office, for a period of six years ending at the close of the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2028.

TENTH RESOLUTION

The General Meeting sets the total annual amount of remuneration to be allocated to the members of the Supervisory Board at €96,000. This decision shall apply for the current fiscal year and for subsequent fiscal years until a new decision is taken by the General Meeting.

ELEVENTH RESOLUTION

Pursuant to Article L.22-10-34 I of the French Commercial Code, after having reviewed the Supervisory Board's report on corporate governance that includes, in particular, the information relating to the compensation paid during the fiscal year 2022 or awarded during the same fiscal year to the Company's corporate officers in respect of their office, the Shareholders' General Meeting hereby approves the information referred to in I of Article L.22-10-9 of the French Commercial Code, as presented to the Shareholders' General Meeting in the above-mentioned report.

TWELFTH RESOLUTION

The General Meeting, pursuant to Article L.22-10-34 II of the French Commercial Code, having considered the Supervisory Board's report on corporate governance, approves the terms of said report, and authorises the principles and criteria for determining, allocating, and granting the fixed, variable, and exceptional items making up the total remuneration and benefits of any kind paid during the 2022 fiscal year or granted in respect of the same fiscal year to Mr Frédéric MEY in his capacity as Chairman of the Management Board.

THIRTEENTH RESOLUTION

The General Meeting, pursuant to Article L.22-10-34 II of the French Commercial Code, having considered the Supervisory Board's report on corporate governance, approves the terms of said report, and resolves to approve the principles and criteria for determining, allocating, and granting the fixed, variable, and exceptional items making up the total remuneration and benefits of any kind paid during the 2022 fiscal year or granted in respect of the same fiscal year to the members of the Management Board.

FOURTEENTH RESOLUTION

Pursuant to Article L.22-10-26 II of the French Commercial Code, the General Meeting, having considered the Supervisory Board's report on corporate governance, approves the terms of said report and the remuneration policy for members of the Management Board.

FIFTEENTH RESOLUTION

The General Meeting, pursuant to Article L.22-10-34 II of the French Commercial Code, having considered the Supervisory Board's report on corporate governance, approves the terms of said report, and authorises the principles and criteria for determining, allocating, and granting the fixed, variable, and exceptional items making up the total remuneration and benefits of any kind paid during the 2022 fiscal year or awarded in respect of the same fiscal year to Mrs Anne-Marie ESCHARAVIL in her capacity as Chairman of the Supervisory Board.

SIXTEENTH RESOLUTION

The General Meeting, pursuant to Article L.22-10-34 II of the French Commercial Code, having considered the Supervisory Board's report on corporate governance, approves the terms of said report, and resolves to approve the principles and criteria for determining, allocating, and granting the fixed, variable, and exceptional items making up the total remuneration and benefits of any kind paid during the 2022 fiscal year or granted in respect of the same fiscal year to the members of the Supervisory Board.

SEVENTEENTH RESOLUTION

Pursuant to Article L.22-10-26 II of the French Commercial Code, the General Meeting, having considered the Supervisory Board's report on corporate governance, approves the terms of said report and the remuneration policy for members of the Supervisory Board.

EIGHTEENTH RESOLUTION

On the recommendation of the Management Board, in accordance with Articles L.225-10-62 et seq. and L.225-210 et seq. of the French Commercial Code, the General Meeting authorises the Management Board to acquire shares in the Company for a maximum amount of €10 million, up to a limit of 10% of the share capital, i.e. 573,304 shares, under the following terms & conditions:

Maximum purchase price per share: €35.

These shares may be acquired on one or more occasions, by any means, including during a public offering, in compliance with the regulations in force in decreasing order of priority:

- Promotion of the share price by an investment service provider, subject to the implementation of a liquidity contract compliant with the AMAFI code of conduct, recognised by the French Financial Markets Authority;
- Their retention or transfer, by any means, in particular by exchange or sale of shares.

The implementation of this share buyback programme is subject to the prior distribution of the programme description in accordance with the regulations of the Financial Markets Authority.

If the shares are purchased to promote liquidity under the conditions defined by the general regulations of the Financial Markets Authority, the number of shares taken into account for calculating the 10% limit provided for above corresponds to the number of shares purchased, less the number of shares resold during the period of the authorisation.

This authorisation is granted for a period of eighteen (18) months as from this day. For the unexpired period, it cancels and replaces the authorisation granted by the General Meeting of 17 June 2022.

NINETEENTH RESOLUTION

The General Meeting, having taken note of the Management Board's report:

- Authorises the transfer of the listing of the Company's financial instruments from the regulated market of Euronext Paris to Euronext Growth, in accordance with Article L.421-14 of the French Monetary and Financial Code;
- Authorises the applications to delist the Company from the regulated market of Euronext Paris and to list it on Euronext Growth, granting full powers to the Management Board to carry out the transfer and to take any measures required to complete the transfer, within 12 months of the date of this General Meeting.

TWENTIETH RESOLUTION

The General Meeting gives full powers to the bearer of copies or extracts of these minutes to fulfil all legal formalities.

7.2 - SHARE PRICE PERFORMANCE

Average closing price and volume from January to December 2022

CROSS-REFERENCE TABLES

This cross-reference table sets out the headings provided for in Annexes 1 and 2 of EU Commission Delegated Regulation 2019/980 of 14 March 2019 supplementing EU Regulation 2017/1129 of the European Parliament and of the Council and repealing EC Commission Regulation 809/2004, and refers to the pages of this Uniform Registration Document which contain the information relating to each of these headings:

ANNUAL FINANCIAL REPORT

Information required under Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the Financial Markets Authority's General Regulations	Paragraphs of the full report	Page
Consolidated financial statements	4.4	62 to 87
Management report See the section on the main aspects of the management report.	N/A	N/A
Statement by the individuals responsible for preparing the annual financial report	4.4.8	87
Statutory auditors' reports on the consolidated and annual financial statements	4.4.7	83 to 86
Supervisory Board's report on corporate governance (Article L.225-68 paragraph 6 of the Commercial Code)	2	16 to 27

MANAGEMENT REPORT

Main points of the Management Board's report required by the Commercial Code	Reference text	Paragraphs of the full report	Page
Activity report			
Analysis of business trends, results, and financial position during the past financial year	L.225-100-1, I 1 of the Commercial Code	1.3 4.1.1 4.1.2	11 58 58
Financial and non-financial key performance indicators	L.225-100-1, I 2 of the French Commercial Code	3.6.3	45 to 47
Main risks and contingencies	L.225-100-1, I 3 of the French Commercial Code	5	90 to 95
Financial risks connected with the impact of climate change and measures taken by the company	L.22-10-35, 1 of the French Commercial Code	3.3.4	37 to 39
Internal control and risk management procedures	L.22-10-35, 2 of the French Commercial Code	5.1 5.2 to 5.8	90 to 91 91 to 95
Objectives, hedging policy and exposure to price, credit, liquidity, and cash position risks	L.225-100-1, I 4 of the Commercial Code	5.3	92
Research and development initiatives	L.232-1 II & L.233-26 of the Commercial Code	4.3.2	61
Significant events occurring since the end of the fiscal year	L.232-1 II & L.233-26 of the Commercial Code	1.1	6 to 7
Foreseeable developments and outlook	L.232-1 II & L.233-26 of the Commercial Code	1.4	11
Acquisitions of significant equity interests or controlling stakes in companies headquartered in France	L.233-6 al.1 of the Commercial Code	4.2.1	61
Operations and results of subsidiaries	L.233-6 al.1 of the Commercial Code	1.3.1 4.1.1	11 58

Information on payment terms of the company's suppliers and clients	L.441-6-1 and D.441-4 of the French Commercial Code	4.1.4 4.1.5	59 59
Corporate, social, and environmental responsibility			
Non-financial performance statement	L.22-10-36, L.225-102-1 II, R.225-105 to R.225-105-2 of the Commercial Code	3	30 to 55
Business model	R.225-105 I of the French Commercial Code	1.2	7
Labour information relating to employment, work organisation, health and safety, industrial relations, training, and equal treatment	R.225-105 II 1 & R.225-105 I 1,2,3 of the Commercial Code	3.2	31 to 36
Environmental information concerning the company's general policy, as well as information on pollution, the circular economy, waste prevention and management, the sustainable use of resources, climate change, and protecting diversity.	R.225-105 II 2 & R.225-105 I 1,2,3 of the Commercial Code	3.3 and 3.4	36 to 41
Corporate information on sustainable development	R.225-105 II 3 a) & R.225-105 I 1,2,3 of the Commercial Code	3.3.3	37
Corporate information on subcontracting and suppliers	R.225-105 II 3 b) & R.225-105 I 1,2,3 of the Commercial Code	3.5.2	42
Corporate information on fair practices, the fight against corruption, and actions to promote human rights	R.225-105 II 3 c) & R.225-105 I 1,2,3 of the Commercial Code	3.5.3 3.5.4	42 43
Notice of compliance and fairness of the non-financial performance declaration	L.225-102-1 V & R.225-105-2 of the Commercial Code		53 to 55
Main aspects of the Supervisory Board's report on corporate governance required by the French Commercial Code			
Supervisory Board's report on corporate governance	L.225-68 al.6, L.22-10-20, L.22-10-8 to L.22-10-10 of the Commercial Code	2	16 to 27
List of appointments and positions held during the past fiscal year by each company officer	L.225-68 al.6, L.225-37-4 of the Commercial Code	2.2	19
Executive directors' remuneration policy and related resolutions	L.22-10-26, L.22-10-18 of the French Commercial Code	2.3	19 to 23
Remuneration and benefits of any kind paid to each company officer for the previous fiscal year	L.22-10-34 of the French Commercial Code	2.4	24 to 25
Summary of transactions in the Company's shares by directors and related parties	L.223-6 of the AMF General Regulations, L.621-18-2 of the Monetary and Financial Code	6.5	98
Comments by the Supervisory Board on the Management Board's report and on the financial statements for the year then ended	L.225-68 al. 6 of the Commercial Code	2.5.2	26
Share ownership and share capital			
Breakdown of the share capital	L.233-13 of the French Commercial Code	6.1	98
Financial information likely to have a material impact on a public offer	L.233-13 of the French Commercial Code	2.5.3	26
Employee share ownership as of the last day of the fiscal year	L.225-102 of the French Commercial Code	6.4	98
Transactions carried out by the Company involving treasury shares	L.225-211 of the Commercial Code	6.2	98

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