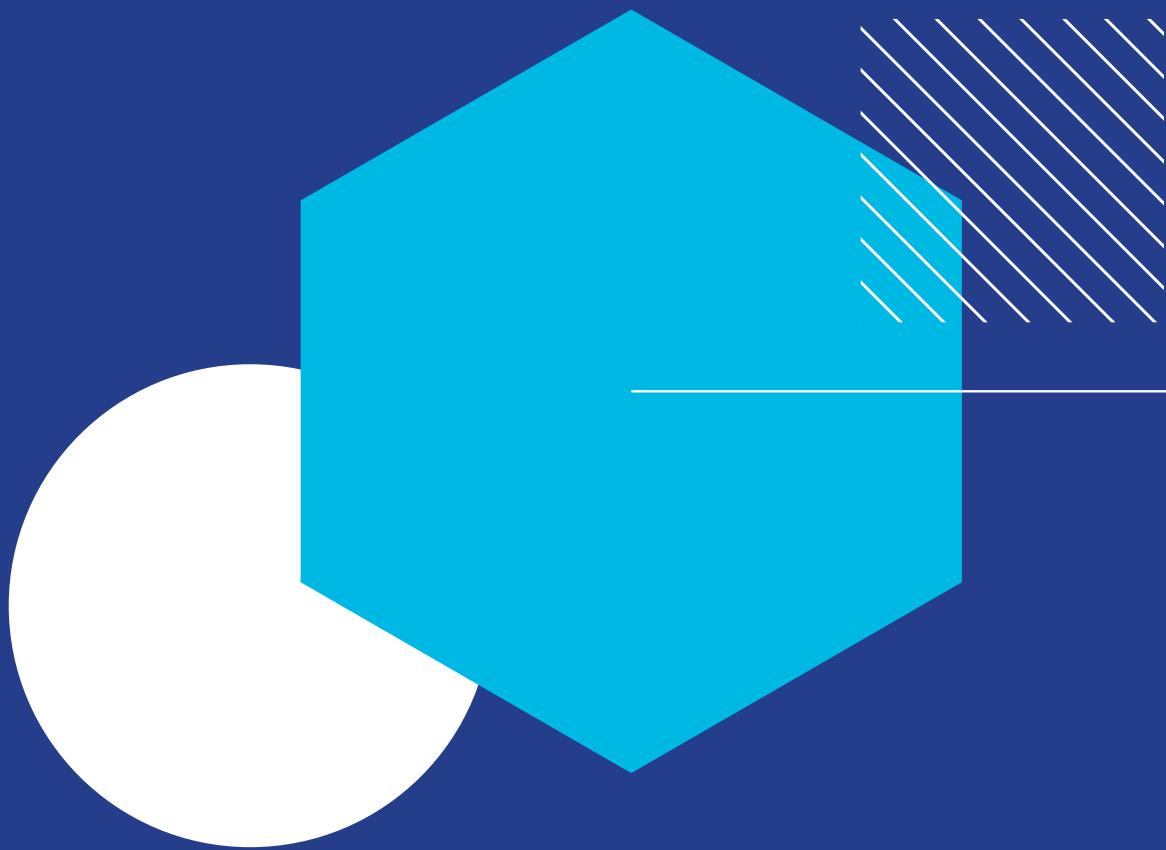


2023 Annual Report



2023 Annual Report



Contents

Chairman's message	2
Overview of Sfpi Group	3
Key figures	8
Governance	10

MANAGEMENT REPORT

Parent company financial statements	12
Consolidated financial statements	24
Results for the last five financial years	28
Corporate governance report	29
Statement of non-financial performance	43

PARENT COMPANY FINANCIAL STATEMENTS - FY 2023

Balance sheet	58
Income statement	59
Notes	60
List of subsidiaries and affiliates	68

CONSOLIDATED FINANCIAL STATEMENTS - FY 2023

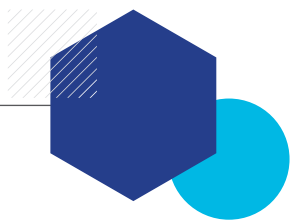
Balance sheet	69
Income statement	70
Statement of net income and gains and losses recognised directly in equity	71
Statement of cash flows	72
Statement of changes in shareholders' equity	73
Notes	74

STATUTORY AUDITORS' REPORTS

Parent company financial statements	100
Regulated agreements	105
Consolidated financial statements	110
Share capital reduction	115
Authorisation for allocation of existing or future bonus shares	116

INDEPENDENT THIRD-PARTY BODY REPORT ON THE STATEMENT OF NON-FINANCIAL PERFORMANCE	118
--	-----

DRAFT RESOLUTIONS TO BE SUBMITTED TO THE 18 JUNE 2024 COMBINED GENERAL MEETING	122
---	-----



Starting a new cycle.



2023 marked the start of a new period for Sfpi Group, based on solid fundamentals.

Firstly, robust financial health, as confirmed by strong growth in net cash flow and revenues, as well as a stable gross margin despite an inflationary environment.

Secondly, the acquisition of Jean-Bertrand Prot's shares by three of our long-standing shareholders, Crédit Mutuel Equity, BNP Paribas Développement and Arc Management, a powerful signal of their confidence in the Group's strategy. This reorganisation of the share capital also has enabled us to sustain an adventure that has been a family affair from the outset.

Moreover, we are continuing the deployment of Time to Go Forward, our transformation plan launched in 2020, across the Group and all its companies, which has already produced compelling results both in terms of commercial and environmental performance and from a managerial and financial standpoint. The long-term actions taken in this direction have enabled us to move closer, year after year, to our goal of becoming the leader in industrial responsibility.

Furthermore, the 2023 financial year also saw the continued expansion of the Group with the acquisition of the Italian company Viro, bringing our total number of employees to 4,068. We have taken steps to formally define the Group's values in order to unite this growing pool of talent.

Consistency, integrity and loyalty can now be found at every level of the Group and permeate all our actions and decision-making. They are set out, among other things, in the Code of Conduct drawn up and distributed to all our companies.

It is thanks to these solid fundamentals and the strengthening of the MAC250 plan that we have been able to withstand the exceptional setback encountered in 2023 in the MAC division, resulting from a number of economic factors.

It is also thanks to these same fundamentals, buoyant markets and informed decision-making that the other three divisions delivered dynamic and impressive performances.

With this in mind, Sfpi Group is embarking on a promising new cycle with a sense of calm determination.

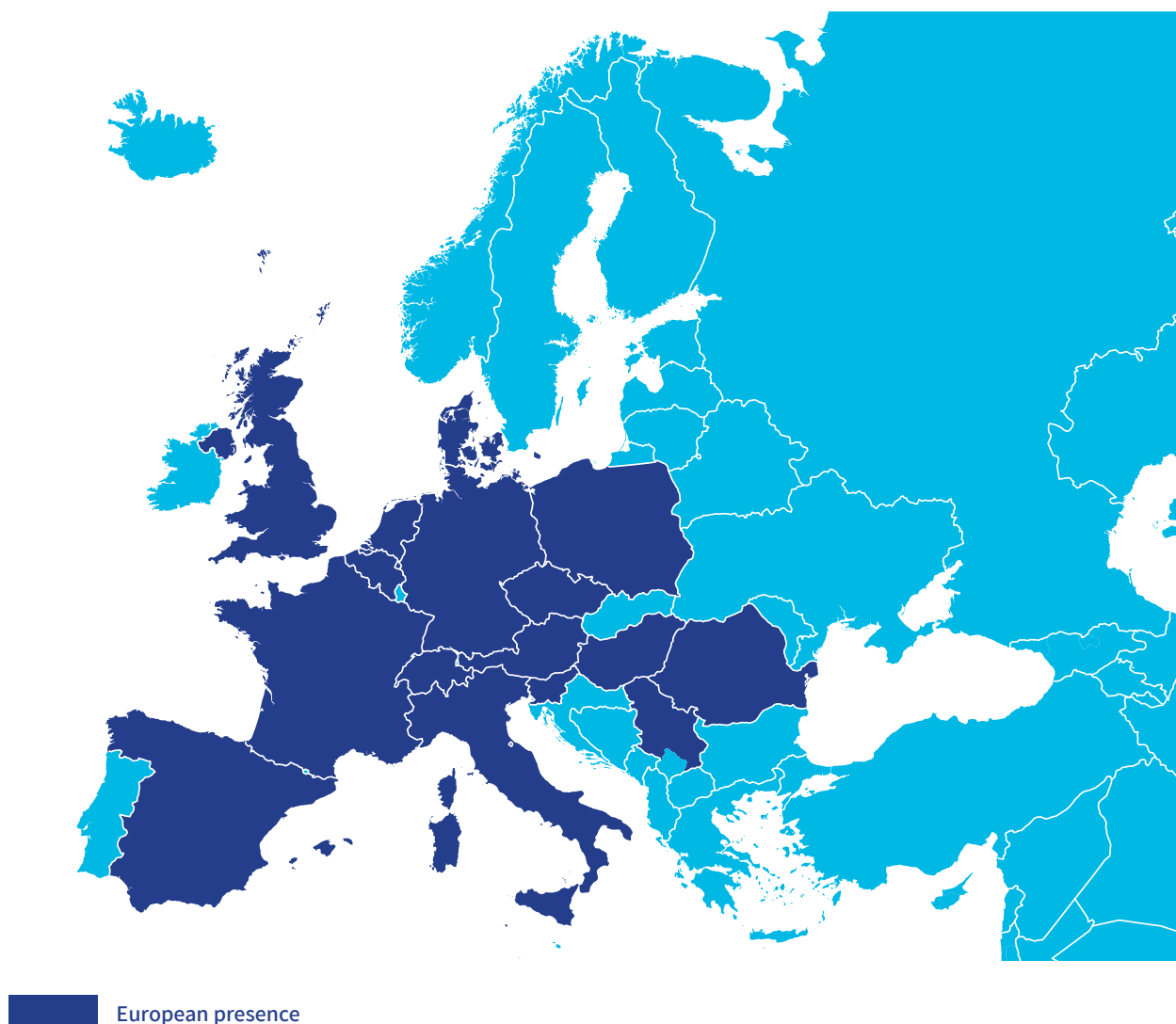
Henri MOREL
Chairman and Chief Executive Officer

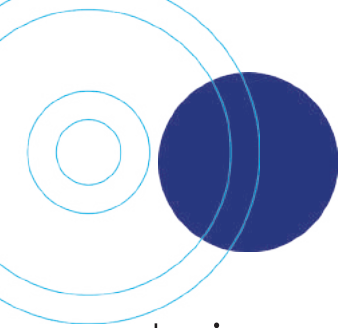
Independent, industrial, international

GROUPE SFPI was created in France in 1985 by a group of entrepreneurs led by Henri Morel committed to taking over and developing industrial companies.

In 2023, GROUPE SFPI generated €689 million in revenues in the safety industry.
45.2% of these revenues were generated outside France.

GROUPE SFPI has 4,068 employees, 44.3% of whom are based outside France.





Joinery, shutters, awnings and blinds for housing and stores

MAC

The companies in the MAC division design, produce and sell door and window fittings (windows and joinery, blinds and shutters, awnings, front and garage doors, industrial doors) for housing and industrial buildings on the B2B and B2C markets.

Organised around strong brands such as France Fermetures, Franciflex, Faber France and SIPA Menuiseries, the MAC division is based in France. Sfp Group has been present in Austria since 2022 via the Wo&Wo group, which specialises in solar protection. The MAC companies generate around €250 million in annual revenues and employ around 1,402 people.

Much like DOM Security, the MAC companies are currently involved in an ambitious innovation plan to completely digitise the value chain, from ordering to customer delivery.



Access and locking solutions for buildings

DOM Security

European leader on the security market, DOM Security designs, manufactures and markets mechanical and electronic access and locking solutions for homeowners and corporate clients. DOM Security has also acquired specialist expertise in integrated locking solutions for industrial groups, providing turnkey solutions developed in coordination with engineering departments. DOM Security spans over 20 companies in Europe and

boasts more than 100 million users who use the Group's products and brands on a daily basis. The DOM Security companies generate around €232 million in annual revenues and employ 1,693 people.

The Group is continuing to focus its innovation drive on developing connected locking solutions (connected locks, unlocking via smartphone or badge) and access control solutions designed for smart building management. Actively involved in the digital transformation of production and distribution methods, DOM Security's marketing teams are Sfp Group's go-to for expertise.



Thermal processing and sterilisation solutions for industries

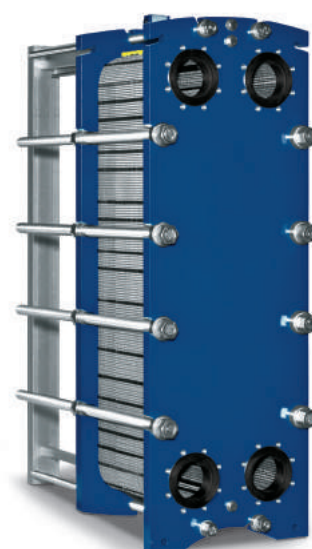
MMD



The MMD companies deliver industry solutions (food industry, chemicals, heavy industry, etc.) in thermal processing and sterilisation. Backed by leading brands on their markets such as Barriquand, Steriflow and Cipriani (Italy), the division's companies design, manufacture and distribute solutions that allow their industry customers to fulfil strict health standard requirements while controlling their energy consumption. The MMD companies generate €70 million in annual revenues and employ 282 people. On a market experiencing sustained growth, interest in the division's

products is growing due to the increasing complexity and tightening of standards and increasingly demanding requirements to reduce energy consumption.

Firmly established in Europe and distributed worldwide, the division's thermal processing and sterilisation products are regularly recognised for their excellence and innovative nature.



Air treatment in industrial settings

NEU-JKF



The NEU-JKF division specialises in improving air quality in industrial environments.

The division's companies design, produce and market systems for dust extraction, air filtration and conditioning, pneumatic conveying and industrial ventilation for a wide range of sectors (agrifood, milling, woodworking, chemicals, metalworking and minerals, cardboard and paper, nuclear, aviation, etc.).

Aligned with Sfp Group's international ambitions, the NEU-JKF division generates over half of its revenues outside France.

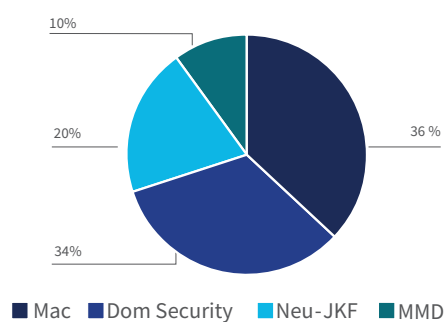
The NEU-JKF companies generate annual revenues of €137 million and employ 682 people.

The systems and products distributed by the division meet the strictest regulatory standards and requirements and contribute to protecting the environment, industrial equipment and employee health. They help to improve productivity and performance in industrial facilities.

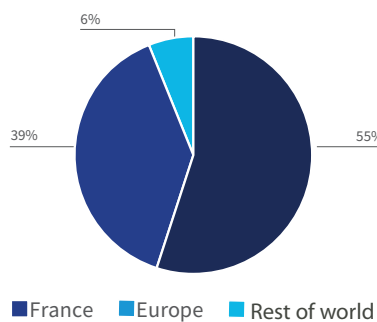


2023 key figures

2023 revenues
breakdown by division

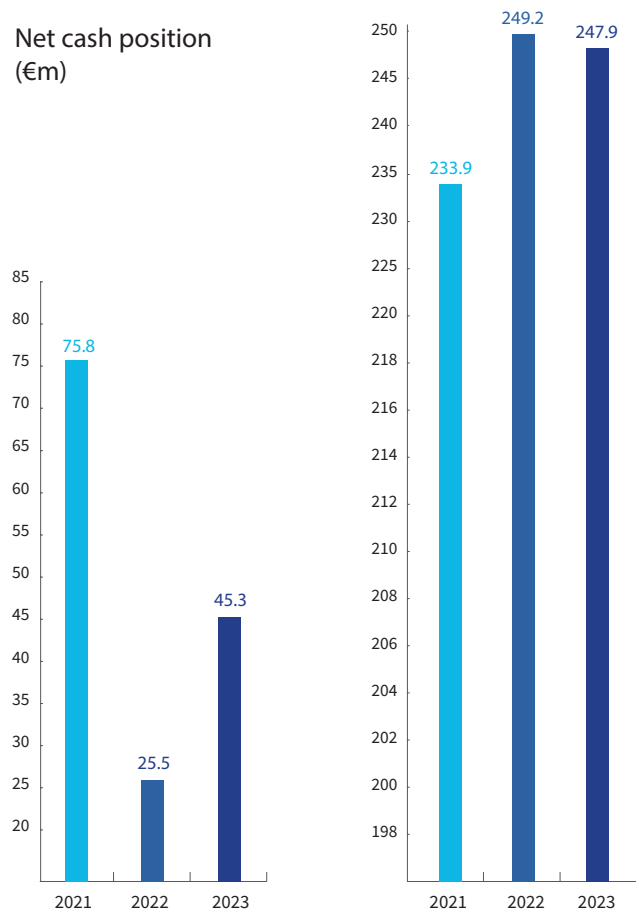


2023 revenues
breakdown by region

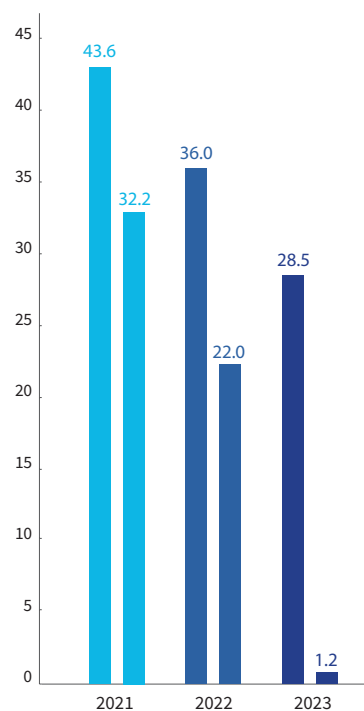


Shareholders' equity
(€m)

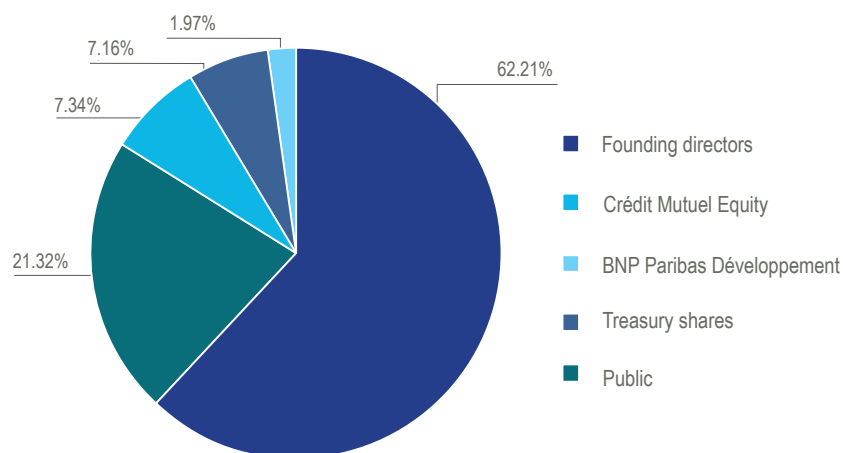
Net cash position
(€m)



Recurring operating income
and net income
Group share
(€m)



Capital structure - December 2023



Data per share

In euros	2021	2022	2023	Number of shares: 99,317,902 ISIN: FR00041455000 Listing market: Euronext Paris Compartment: B
Net earnings per share				
Group share	�0.34	�0.24	�0.01	
Net dividend	�0.08	�0.05	�0.03	
Number of shares (excl. treasury shares)	at 31/12/2021 92,739,430	at 31/12/2022 92,205,431	at 31/12/2023 92,205,431	

Price at 29/12/2023:  1.954

Market capitalisation at 31/12/2023:  194m

Share price movements



Governance

Board of Directors

Henri Morel, Chairman and Chief Executive Officer

Damien Chauveinc, Deputy Managing Director

Spring Management SAS, represented by Jean-Bertrand Prot

Arc Management SAS, represented by Sophie Morel

Crédit-Mutuel Equity SCR, represented by Franck Chevreux

Hervé Houdart (independent director)

Valentine Laude

Marie-Cécile Matar (independent director)

Hélène Laplante (employee representative director)

Audit Committee

Hervé Houdart (Chairman)

Spring Management SAS, represented by Jean-Bertrand Prot

Arc Management SAS, represented by Sophie Morel

Crédit-Mutuel Equity SCR, represented by Franck Chevreux

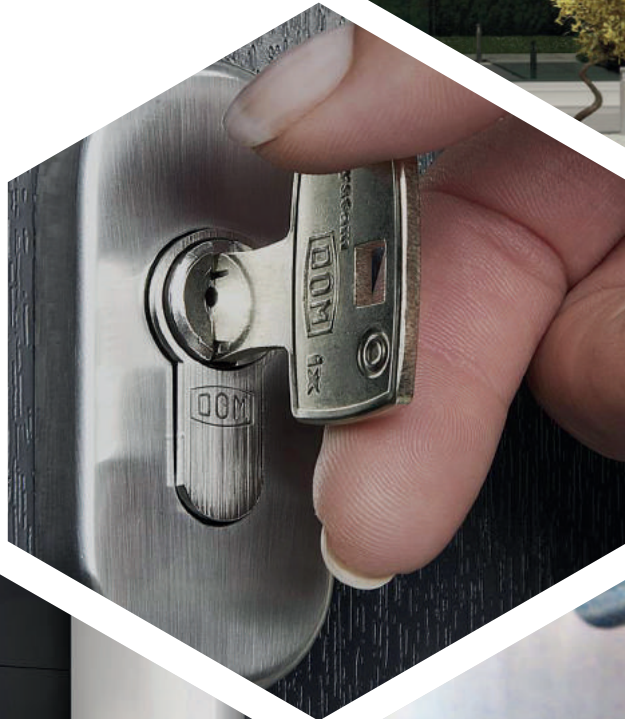
Valentine Laude

Marie-Cécile Matar

Hélène Laplante

Board adviser (censeur)

BNP Paribas Développement, represented by Patrice Vandenbossche





MANAGEMENT REPORT

Parent company financial statements

Dear Shareholders,

We have convened you to a Combined General Meeting pursuant to the articles of association and provisions of the French Commercial Code to:

- (1) **Ordinary General Meeting:** (i) provide you with an account of the Company's operations during the financial year ended 31 December 2023, the results of said operations and the outlook for the future, and to submit the balance sheet and parent company financial statements for said financial year for your approval, and request that you (ii) renew the terms of office of directors and the adviser, (iii) approve the information on remuneration for all corporate officers, (iv) set the annual remuneration to be paid to members of the Board of Directors, (v) approve the fixed, variable and exceptional components of the total remuneration and benefits in kind paid or awarded to the Chairman and Chief Executive Officer and the Deputy Managing Director, (vi) approve the remuneration policy for the Chairman and Chief Executive Officer and the Deputy Managing Director for the 2024 financial year, (vii) authorise the Board of Directors to carry out transactions in the Company's shares, (viii) grant the Board full powers to carry out transactions in the Company's shares, (ix) appoint PKF as the independent third-party body responsible for certifying sustainability information;
- (2) **Extraordinary General Meeting:** request that you (x) authorise the Board of Directors to reduce the share capital through cancellation of treasury shares, (xi) cancel the authorisation granted to the Board of Directors on 17 June 2022 relating to the allocation of bonus shares, (xii) grant the Board of Directors a new authorisation to allocate existing or future bonus shares to certain categories of employees and/or corporate officers of the Company and its subsidiaries, with waiver of shareholders' preferential subscription rights in respect of the shares to be issued.

The notices of meeting required by law have been duly sent to you and the documentation required under applicable regulations has been placed at your disposal within the statutory timeframe.

Ordinary General Meeting

APPROVAL OF THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The financial statements for the year ended 31 December 2023 which we are submitting for your approval were prepared in accordance with the rules of presentation and valuation methods provided for by applicable regulations.

The income statement shows net loss of €10,171,836 after deduction of amortisation, depreciation and regulated and justified provisions, which we recommend be distributed pursuant to the provisions of the articles of association, as set out below.

COMPANY FINANCIAL RESULTS AND BUSINESS SUMMARY FOR THE YEAR

Company financial results

Company revenues are mainly generated from services provided to Group companies.

The Company posted a net operating loss of €629,000 compared to a €336,000 loss the previous year.

It posted a net financial expense of €10,559,000, down from net financial income of €6,234,000 the previous year. This result is due to the impairment of receivables from equity interests and M.A.A. shares for €17,355,000.

Net non-recurring income amounted to a €258,000 loss compared to profit of €222,000 the previous year.

The main income and expense accounts for the year ended yielded the results shown below as compared to 2022:

	2023	2022
Revenues	7,741,478	6,907,975
Operating income	8,091,221	7,086,851
Operating expenses	8,720,111	7,422,554
NET OPERATING INCOME/(LOSS)	(628,890)	(335,703)
Financial income	11,130,301	9,930,035
Financial expenses	21,689,507	3,696,442
NET FINANCIAL INCOME	(10,559,206)	6,233,593
EARNINGS BEFORE NON-RECURRING ITEMS	(10,622,948)	6,414,207
Non-recurring income	6,253,582	234,421
Non-recurring expenses	6,512,000	12,112
NET NON-RECURRING INCOME	(258,417)	222,308
Employee profit-sharing	0	0
Income taxes	(709,530)	(897,272)
NET INCOME/(LOSS) FOR THE YEAR	(10,171,836)	7,533,788

LEGAL MEASURES

Approval of the 2022 financial statements

At your General Meeting on 16 June 2023, you approved the financial statements for the year ended 31 December 2022 showing net income of €7,533,788, which you decided to appropriate as follows:

Source:

- Net income for the year: €7,533,788.

Appropriation:

- 5% to the legal reserve: €376,689.
- Dividends: €4,965,895.10, i.e. €0.05 per share.
- Balance of the year's profit, i.e. €2,191,203.90, to 'Other reserves', for which the balance was raised from €51,243,050 to €53,434,253.90.

Agreements

We have provided our statutory auditors with all the required information to enable them to draw up their special report on the agreements listed under Articles L. 225-38 et seq. of the French Commercial Code.

Appropriation of earnings for the 2023 financial year

We recommend that you appropriate earnings for the year in the following manner:

Source:

- Net loss for the year: €10,171,836.

Appropriation:

- The €10,171,836 net loss for the year is allocated to retained earnings, for which the credit balance of €1,210,593 is reduced to a debit balance of €8,961,243.

Clearance of retained earnings account

We propose that you clear the retained earnings account, which shows a negative balance of €8,961,243 after appropriation of earnings for the year, by deducting this amount from 'Other reserves'.

Accordingly, the balance of the retained earnings account is reduced to zero and that of 'Other reserves' is reduced from €53,434,253 to €44,473,010.

Dividend distribution

We propose that you distribute a dividend of €2,979,537.06 amounting to €0.03 per share. This amount is to be deducted from 'Other reserves', for which the balance of €44,473,010 after clearance of the retained earnings account will be reduced to €41,493,472.94.

We hereby inform you that, since 1 January 2018, dividends received by an individual taxpayer have been automatically subject to a single 30% flat-rate withholding tax (prélèvement forfaitaire unique or PFU) comprising 12.80% income tax and 17.20% social security contributions. However, taxpayers may expressly request that their dividends be taxed according to the income tax sliding scale.

The cash dividend will be paid on 25 June 2024.

Company dividends and treasury share holdings

If the Company holds treasury shares at the time the dividend is paid, the distributable profit corresponding to the unpaid dividends attached to such shares shall be allocated to the retained earnings account.

Dividends distributed during previous financial years

In accordance with Article 243 bis of the French General Tax Code, we remind you that the amounts distributed as dividends for the three previous financial years were as follows:

Year	Dividend distributed	Dividend per share
2020	€5,959,074.12	€0.06
2021	€7,945,432.16	€0.08
2022	€4,965,895.10	€0.05

Non-tax deductible expenditure on luxuries

In accordance with the provisions of Articles 223 quater and 223 quinquies of the French Tax Code, we inform you that the financial statements for the year ended do not include any expenses or costs that are not deductible from taxable income under Article 39-4 of said code.

Authorisation for sureties, endorsements and guarantees

In accordance with the provisions of Articles L. 225-35 and R. 225-28 of the French Commercial Code, on 18 April 2024 the Board of Directors authorised the Chairman to grant sureties, endorsements and guarantees in the Company's name, subject to an overall cap of €150,000.

This authorisation was granted for a term of one year, irrespective of the duration of the surety, endorsement or guarantee commitments.

Research and development

The Company has decided not to capitalise any research and development expenses for 2023 under the balance sheet line item 'Research and development costs'.

Results of the Company over the last five financial years

A table setting out the Company's results over the last five financial years is attached in the notes to this report pursuant to Article R. 225-102 of the French Commercial Code¹.

¹ Table of results for the past five financial years

Information on outstanding trade payables and receivables

Pursuant to the provisions of Articles L. 441-6-1 and D. 441-6 (I) of the French Commercial Code, the ageing balance of outstanding trade payables and receivables at the last balance sheet date is shown below:

TRADE PAYABLES						
€000	Article D. 441-4 I-1°: Unpaid invoices RECEIVED and overdue at year-end					
	0 days (account 401)	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	TOTAL (≥ 1 day overdue)
(A) LATE PAYMENTS BY PERIOD OVERDUE						
Number of invoices concerned	76					53
Total amount of invoices concerned (incl. tax)	806,122	265,259	20,512	9,212	10,439	306,422
% of total purchases for the year (incl. tax) (French corporate tax return: <i>FS+FU+FW</i>)	10.60	3.49	0.27	0.12	0.14	14.62
(B) INVOICES EXCLUDED FROM (A) RELATING TO INTERCOMPANY PAYABLES						
Number of invoices excluded	0					
Total amount of invoices excluded (incl. tax)	0					
(C) BENCHMARK PAYMENT TERMS APPLIED (STATUTORY OR CONTRACTUAL - ARTICLE L. 441-6 or L. 443-1, FRENCH COMMERCIAL CODE)						
Payment terms used to calculate late payments	<input type="checkbox"/> Contractual terms: (to be specified) <input checked="" type="checkbox"/> Statutory terms: Application of the French Modernisation of the Economy Act (LME)					

TRADE RECEIVABLES						
€000	Article D. 441-4 I-2°: Unpaid invoices ISSUED and overdue at year-end					
	0 days (account 411)	1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	TOTAL (≥ 1 day overdue)
(A) LATE PAYMENTS BY PERIOD OVERDUE (MAINLY INTERCOMPANY RECEIVABLES)						
Number of invoices concerned	83					54
Total amount of invoices concerned (incl. tax)	3,062,241	413,098	439,172	0	501,621	1,353,891
% of revenues for the financial year (incl. tax) (French corporate tax return: <i>FL</i>)	35.06	4.73	5.03	0	5.74	15.50
(B) INVOICES EXCLUDED FROM (A) RELATING TO DOUBTFUL OR CONTESTED TRADE RECEIVABLES						
Number of invoices excluded	2					
Total amount of invoices excluded (incl. tax)	14,950					
(C) BENCHMARK PAYMENT TERMS APPLIED (STATUTORY OR CONTRACTUAL - ARTICLE L. 441-6 or L. 443-1, FRENCH COMMERCIAL CODE)						
Payment terms used to calculate late payments	<input type="checkbox"/> Contractual terms: (to be specified) <input checked="" type="checkbox"/> Statutory terms: Application of the French Modernisation of the Economy Act (LME), 30 days end of month on the 15th					

ACQUISITION AND SALE OF EQUITY OR CONTROLLING INTERESTS IN OTHER COMPANIES REGISTERED IN FRANCE

Equity and controlling interests acquired during the year

We remind you that the table of subsidiaries and affiliates is included in the notes to the parent company financial statements. Our Company acquired no control or interest in other companies registered in France during the year ended.

Equity interests sold during the year

We inform you that on 20 September 2023, as part of the reorganisation of the MAC division, GROUPE SFPI SA sold to its subsidiary MAC SAS 100% of the share capital (i.e. 650,200 shares) of M.A.A. SAS, the parent company of the Wo&Wo Group.

Capital structure and breakdown of voting rights at 31 December 2023

We hereby state the identities of the individuals or legal entities below, pursuant to the provisions of Article L. 233-13 of the French Commercial Code and in light of the information received under Articles L. 233-7 and L. 233-12 of said code:

Identity of individuals and legal entities holding the share capital	% of share capital
Individuals	
Henri Morel 20 rue de l'Arc de Triomphe - 75017 Paris	4.61
Legal entities	
ARC MANAGEMENT SAS 20 rue de l'Arc de Triomphe - 75017 Paris	46.26
SPRING MANAGEMENT SAS 29 rue Bassano - 75008 Paris	11.34
CREDIT MUTUEL EQUITY SCR 28 avenue de l'Opéra - 75002 Paris	7.34
BNP PARIBAS DEVELOPPEMENT SA 20 rue Chauchat - 75009 Paris	1.97

Shares registered in the name of the Company

At 31 December 2023, GROUPE SFPI held 7,112,471 treasury shares (7.16% of the share capital excluding shares assigned to the liquidity contract), including:

- 748,252 shares (0.75% of the share capital) resulting from the merger of S.F.P.I. and EMME,
- 2,290,411 shares (2.31% of the share capital) resulting from the share buyback programme carried out in 2020,
- 3,539,809 shares (3.56% of the share capital) resulting from the share buyback programme carried out in 2021, and
- 533,999 shares (0.54% of the share capital) resulting from the share buyback programme carried out in 2022.

92,317 shares (0.09% of the share capital) were held under the liquidity contract at 31 December 2023.

Company shares held by employees

Pursuant to the provisions of Article L. 225-102 of the French Commercial Code, we hereby inform you that, as at 31 December 2023, no employee held shares in the Company.

Setting of remuneration awarded to the directors

We propose that you set the annual fixed amount to be divided among directors that are legal entities or non-executive individuals who are not employees of the Group, in consideration for the performance of their duties, at €48,000 in respect of the 2023 financial year and that you grant full powers to the Board of Directors to set the conditions for dividing said remuneration among the directors.

DIRECTOR REAPPOINTMENTS

We propose renewing the terms of office of Henri Morel, Hervé Houdart, Valentine Laude, Marie-Cécile Matar and CREDIT MUTUEL EQUITY SCR as directors, which expire at the close of this Annual General Meeting, for a further period of three (3) years expiring at the close of the General Meeting called in 2027 to approve the 2026 financial statements.

The directors told us that they agreed to renew their terms of office and had not incurred any measures or incapacity liable to prevent them from exercising their duties.

BOARD ADVISER (CENSEUR) REAPPOINTMENT

We propose renewing the term of office of BNP PARIBAS Développement as adviser, which expires at the close of this General Meeting, for a further period of three (3) years expiring at the close of the General Meeting called in 2027 to approve the 2026 financial statements.

The Board adviser told us that it agreed to renew its duties and had not incurred any measures or incapacity liable to prevent it from exercising its duties.

APPOINTMENT OF AN APPROVED INDEPENDENT THIRD-PARTY BODY RESPONSIBLE FOR CERTIFYING SUSTAINABILITY INFORMATION AND ENVIRONMENTAL OBLIGATIONS

Pursuant to the European CSRD (Corporate Sustainability Reporting Directive), transposed into national law by the order of 8 December 2023 and the decree of 30 December 2023, we hereby inform you that sustainability information must be verified by a statutory auditor or an independent third-party body, and be the subject of a certification report submitted to the Ordinary General Meeting.

On the recommendation of our Audit Committee, we propose that you appoint PKF as an independent third-party body for a period of three (3) financial years.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IMPLEMENTED BY THE COMPANY

We hereby remind you that GROUPE SFPI has opted to refer to the Middlednext Corporate Governance Code for Small and Mid Caps, a new edition of which was published on 13 September 2021.

The Company subscribes to the following recommendations:

RECOMMENDATION		APPLIED		COMMENTS
		YES	NO	
R 1	Code of Ethics for Board members	X		The Code of Ethics is an essential component of the Board rules of procedure. In this respect, the latest changes will be incorporated into it, in particular the final point which states that each “Board member” must fulfil applicable statutory and regulatory requirements regarding transaction disclosures and closed periods for trading in the Company’s securities.
R 2	Conflicts of interest	X		<p>The Board ensures that procedures are in place to identify and manage any conflicts of interest. It carries out all reasonable investigations in order to assess the proportionate measures to be taken (clear explanation of the reasons, persons concerned must leave the room, etc.) to ensure that a decision is taken in accordance with the company’s interests.</p> <p>“Board members” undertake to disclose, prior to each Board meeting depending on the agenda, any conflicts of interest and to abstain from discussions and voting on any subject that involves a conflict of interest for them.</p> <p>With regard to the statutory auditors, it is recommended that, apart from the statements and services provided pursuant to statutory or regulatory provisions, companies entrust services other than the certification of the financial statements to a firm other than that of the company’s statutory auditor.</p> <p>All of these procedures are set out in the corporate governance report.</p>
R 3	Board membership Presence of independent members	X		The Board comprises eight members, including two independent members and one employee representative.
R 4	Information for Board members	X		Before each meeting, the directors receive the necessary information and documentation in sufficient time to prepare for Board meetings.

R 5	Training of Board members	X		<p>A three-year training plan (e.g. equivalent to four to six days of training per Board member over this period) tailored to the specific features of the Company is offered to Board members, whether or not they are under an employment contract.</p> <p>The plan will take into account equivalent competencies acquired through experience.</p> <p>Since 2022, the Board has reviewed progress with the training plan and reported on this progress in the corporate governance report.</p>
R 6	Organisation of Board and committee meetings	X		<p>The Board and the Audit Committee meet whenever the financial statements are due to be approved and whenever necessary otherwise.</p> <p>The Executive Committee meets monthly.</p>
R 7	Establishment of committees	X		<p>There are no other committees apart from:</p> <ul style="list-style-type: none"> - the Audit Committee, chaired by an independent Board member, whose duties are carried out by the directors under the conditions provided for by law and regulations. The committee also assesses agreements entered into in the ordinary course of business and on arm's length terms, at the recommendation of the Group Chief Financial Officer and the Head of Legal Affairs; - the Executive Committee, whose composition is indicated in the corporate governance report and whose duties are to review investment decisions above €1 million, the GROUPE SFPI budget, the Group monthly results, any matters relating to strategy, acquisitions, disposals, development policies etc. and hiring of key personnel.
R 8	Creation of a special committee on Corporate Social Responsibility (CSR Committee)	X		<p>In light of the structure of the Group and its Board of Directors, on 18 April 2023 the Board of Directors decided that the Board would meet for CSR training as often as necessary.</p>
R 9	Implementation of Board rules of procedure	X		<p>The rules of procedure were approved and implemented by the Board at its meeting on 13 March 2018.</p> <p>They were amended by the Board on 27 April 2021 and 22 September 2022.</p>
R 10	Selection of Board members	X		<p>Each director is appointed under a separate resolution; directors are selected according to their skills and expertise.</p>
R 11	Board members' term of office	X		<p>The term of office for Board members is three years.</p>
R 12	Board member remuneration in respect of their office	X		<p>The Board allocates an annual fixed amount to be awarded to directors that are legal entities or non-executive individuals who are not employees of the Group, in consideration for the performance of their duties.</p>
R 13	Introduction of a system for assessing the work of the Board		X	<p>The Chairman believes that it is not necessary to carry out an assessment of the work of the Board.</p>

R 14	“Shareholder” relations	X		The Chairman meets shareholders so requesting at the end of each General Meeting.
R 15	Company diversity and equity policy	X		The transformation plan launched by the Group covering four pillars of responsibility (sales, management, environment and finance) incorporates Recommendation 15. For this purpose, the Board will verify that the gender balance and equity policy is implemented at each level of the Company’s hierarchy. In the corporate governance report, the Board will specify the policy implemented and the results obtained during the year.
R 16	Definition and transparency of executive officer remuneration	X		See tables included in the corporate governance report. This report also includes the additional equity ratio: comparison with the French minimum wage (SMIC).
R 17	Preparation of “executive officer” succession plans	X		This topic is under review.
R 18	Simultaneous employment contract and corporate office	X		Deputy Managing Director.
R 19	Severance benefits		X	Not applicable.
R 20	Supplementary retirement schemes	X		The information relating to retirement schemes established for the Chairman is disclosed in the corporate governance report.
R 21	Stock options and bonus shares	X		The 17 June 2022 General Meeting, in its 14 th resolution, authorised the Board to allocate bonus shares and stock options to Group executive officers and employees. This authorisation was granted for a term of 38 months, i.e. until 17 August 2025.
R 22	Review of watchpoints	X		Each year the Board takes note of and reviews the watchpoints set out in the Middenext Code.

Internal control: definition and objective

Internal control comprises all the control systems established by senior management, the management team and other members of staff to provide reasonable assurance regarding:

- the reality and efficiency of transactions,
- the reliability of reporting,
- compliance with laws and regulations in force,
- protection of assets.

An internal control system designed to meet the various objectives described above does not, however, provide any certainty that the objectives will be achieved, due to the inherent limitations of any procedure.

General organisation of internal control

Internal control is coordinated by the GROUPE SFPI financial control and legal affairs departments.

In order to ensure, as far as possible, rigorous financial management and risk control, and to prepare the information provided to shareholders on the financial position and statements, the GROUPE SFPI financial control department audits each subsidiary’s financial statements before they are audited by the statutory auditors.

This department also supervises and checks the financial reporting sent each month by each subsidiary. It coordinates any changes made to accounting and budgeting procedures as well as the pooling of financial information. It consolidates the division's reporting and manages insurance policies.

The Chief Financial Controller reports to the Chairman and Chief Executive Officer on the results of the department's work and puts forward recommendations, where applicable.

A code of ethics for controlling financial risks has been signed by all subsidiary managers and key executives. This code has been replaced by a code of conduct that is currently being signed by all Group executive officers.

The recognition of Group cash transactions and bank reconciliations are also managed by the GROUPE SFPI finance and financial control department.

The cash management and financing departments report to the treasurer.

Their principal duties are:

- monitoring financial flows and the distribution of funds,
- monitoring investment transactions and borrowings,
- managing credit facilities and commitments.

As part of legal risk control, the GROUPE SFPI legal affairs department handles the drafting of deeds, besides assisting and advising the subsidiaries on legal matters. It manages and monitors disputes in consultation with the Group's lawyers.

Other internal control procedures

With regard to operating processes, the main controls are as follows:

- in the subsidiaries' sales departments, monitoring and controlling sales invoiced, order placements, margins, etc. in order to compare actual performance per business sector with budgeted targets on the basis of monthly dashboards,
- in the subsidiaries' technical departments, monitoring and controlling progress and business volumes in terms of customer service, technical support, product testing and cataloguing and the search for solutions.

With regard to the preparation and processing of financial and accounting information:

- The process falls within the remit of the finance and financial control department.
- The accounting and management system relies on an integrated information system that facilitates verification of the completeness and correct valuation of transactions and the preparation of accounting and financial information in accordance with the accounting methods and rules in force, as applied by the Company for both parent company and consolidated financial statements.
- The senior management team is responsible for the accuracy of the accounting and financial information produced by the finance and financial control department. This information is audited by the statutory auditors, who carry out verifications in accordance with standards in force.

Shareholder information and communication

Information is communicated to shareholders mainly via the Company's **website** (www.sfpi-group.com) under the oversight and control of the Chairman and Chief Executive Officer and the GROUPE SFPI Investor Relations Manager.

Main risks facing the Group and management procedures

The main risk factors are as follows:

Customer risk

The risk of non-recovery of receivables is managed in advance through sound knowledge of the market and customers. In the case of some new customers, outstanding debt is calculated on the basis of specific financial analyses.

Interest rate and exchange risk

At 31 December 2023, the Group no longer had any instruments (interest rate cap and swap agreements), apart from a tunnel for a €5.5 million loan framing the 3-month EURIBOR between 2.5% and 6%. Floating-rate loans totalled €19.9 million, well below the €101.2 million in interest-bearing cash and cash equivalents.

GROUPE SFPI foreign exchange risk exposure is low.

Insurance

The Group has taken out insurance policies that duly cover the risks incurred by its business operations.

Country risk

No business activity has been developed in a country identified as at-risk.

SHARE BUYBACK PROGRAMME

Transactions carried out by the Company in its own shares in 2023

Presentation of the authorisation granted to the Board of Directors

At the Combined General Meeting on 16 June 2023, you authorised the Board of Directors to purchase Company shares over a term of 18 months under a share buyback programme. The maximum purchase price was set at €5.00 per share, provided that the number of shares acquired did not exceed 10% of the share capital and that the number of shares held by the Company at any given time did not exceed 9,931,790.

The authorisation granted by the General Meeting on 16 June 2023, currently in effect, is due to expire on 16 December 2024. In order to allow an investment services provider to ensure the continued liquidity of the Company's share on the market, you are requested to authorise the Board of Directors to execute transactions in the Company's shares through a new share buyback programme, the terms of which are set out below in the paragraph entitled "**Description of the new share buyback programme submitted for approval by the Ordinary General Meeting of shareholders**".

Summary table at 2023 balance sheet date

Financial position as at 31 December 2023

% of capital held directly or indirectly as treasury shares	7.16
Number of treasury shares	7,112,471
Number of shares cancelled over the past 24 months	0

Description of the new share buyback programme submitted for approval by the Ordinary General Meeting of shareholders

The description of this programme presented below, drawn up in accordance with Article 241-3 of the AMF General Regulation, will not be the subject of a separate publication.

Given that the authorisation granted to the Board of Directors by the 16 June 2023 General Meeting to carry out transactions in Company shares expires on 16 December 2024, it is requested that you again authorise the Board of Directors to carry out transactions in Company shares at a maximum purchase price of €5.00 per share excluding acquisition expenses.

This authorisation will enable the Board of Directors to acquire Company shares representing no more than 10% of the Company's share capital. In accordance with law, the Company may at no time hold shares representing more than 10% of its share capital.

Given that the Company may not hold more than 10% of its share capital and in view of the number of shares already held at 18 April 2024, amounting to 2,146,576 shares or 2.2% of the capital following the capital reduction described below, the maximum

number of shares that may be purchased stands at 7,359,457 shares or 7.8% of the share capital, unless existing treasury shares are transferred or cancelled.

This buyback programme will enable the Company to purchase or arrange the purchase of Company shares for the purpose of:

- (i.) ensuring the Company share's market liquidity by means of an investment services provider acting independently pursuant to a liquidity contract in accordance with the AMAFI code of ethics and best market practices as recognised by the French Financial Markets Authority (AMF); or
- (ii.) holding the shares for subsequent tendering as consideration or in exchange in respect of a potential acquisition, in accordance with market practices admitted by the French Financial Markets Authority (AMF); or
- (iii.) allocating or selling the shares to employees and/or executive officers of the Company and/or related companies or companies that will be related under the terms and conditions provided for by law, in particular via allocation of stock options or under an employee profit-sharing scheme; or
- (iv.) allocating bonus shares to employees and/or executive officers of the Company and/or related companies or companies that will be related to it in the future in accordance with the provisions of Article L. 22-10-59 of the French Commercial Code, on the understanding that the shares may be assigned to an employee savings scheme pursuant to the provisions of Article L. 3332-14 of the French Employment Code; or
- (v.) cancelling the shares purchased via a capital reduction, in particular in order to increase earnings per share or improve return on equity; or
- (vi.) implementing all current and future market practices recognised by the AMF and, more generally, for any other purpose authorised by applicable legal and regulatory provisions.

This programme is also designed to allow the Company to carry out transactions in Company shares for all other current or future purposes authorised by law and regulations in effect.

The Company may purchase treasury shares subject to the following limits:

- the number of shares purchased by the Company during the term of the buyback programme may not exceed 10% of the shares comprising the Company's share capital, at any time, this percentage applying to the share capital as adjusted for any transactions impacting it after this General Meeting; in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, when the shares are repurchased to promote share liquidity under the conditions defined by the regulations in force, the number of shares taken into account for the calculation of the 10% cap corresponds to the number of shares purchased less the number of shares sold during the term of the authorisation; and
- the number of shares held by the Company at any given time may not exceed 10% of the Company's total share capital.

The purchase, sale, transfer, tendering or exchange of these shares may be carried out on one or more occasions and by any means whatsoever that are authorised by current or future regulations in force. Such means include over-the-counter transactions, block trading, repurchase agreements and the use of any derivative financial instrument, traded on a regulated market or over-the-counter and the implementation of option strategies (purchase and sale of put and call options and any combination thereof in compliance with applicable regulations). The portion of the buyback programme that may be implemented via block trades is equivalent to the entire share repurchase programme.

These transactions may be carried out at such times as the Board of Directors shall determine; however, during a public tender offer, the shares may only be repurchased if such buybacks:

- allow the Company to comply with commitments it has undertaken prior to the opening of the offer period;
- are carried out in continuation of a buyback programme already underway;
- fall under the objectives listed above under points (i) to (v); and
- are not liable to thwart the public tender offer.

The Board of Directors may also reallocate previously repurchased shares (including under a previous authorisation) to another objective, in compliance with applicable statutory and regulatory provisions, or sell them on or off the market.

This authorisation is granted for a term of 18 months from the date of this General Meeting and, when exercised by the Board of Directors, will cancel the unused part of the authorisation granted to the Board of Directors by the 18 June 2023 Combined General Meeting, in its 10th resolution, to carry out transactions in Company shares.

MATERIAL EVENTS OCCURRING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF THE MANAGEMENT REPORT

Capital reduction through the cancellation of treasury shares

By virtue of the authorisation granted by the 11th resolution of the Extraordinary General Meeting held on 16 June 2023, the Board of Directors decided on 18 April 2024 to reduce the Company's share capital by cancelling a portion of the treasury shares. As part of this operation, the Board of Directors decided to reduce the Company's share capital by €4,469,305.50 from €89,386,111.80 to €84,916,806.30 through the cancellation of 4,965,895 treasury shares (representing 5% of the share capital) with a par value of €0.90 each.

Following this reduction, the Company's share capital now stands at €84,916,806.30 divided into 94,352,007 fully paid-up shares of the same class, each with a par value of €0.90.

We inform you that, in accordance with the aforementioned authorisation, we have amended Article 6 - SHARE CAPITAL of your Company's articles of association accordingly.

COMPANY OUTLOOK

As a holding company, most of our Company's earnings come from dividends paid by subsidiaries, amounts received for services provided to Group companies and any securities disposal transactions.

Consolidated financial statements

At 31 December 2023, the Group consolidation scope covered the companies listed in the notes to the consolidated financial statements.

We hereby request, in accordance with Articles L. 225-100 and L. 233-16 of the French Commercial Code, that you approve the consolidated financial statements as presented to you herein.

Article R. 225-102 of the French Commercial Code provides that all of the information listed by said article regarding the content of the management report also applies to the Group management report, which may be included in the Company management report.

CONSOLIDATION SCOPE

Configuration of consolidation scope:

- GROUPE SFPI
- NEU-JKF division (air treatment)
- DOM Security division (locking systems)
- MMD division (heat exchangers)
- MAC division (industrial doors)
- Other: DATAGROUPE, INACTIV' SAS, FRANCE INVESTISSEMENT, SCI AVENUE GEORGES NUTTIN, SCI ALU DES DEUX VALLEES, SCI VR DES DEUX VALLEES, SCI STERIMMO, SCI NEU, SCI LA CHAPELLE D'ARMENTIERES, SCI MANCHESTER, SCI LUZECH, SCI IMMOBILIERE DUBOIS, SCI CIPRIANI, SCI DOM.

ELZETT SOPRON, TITAN ZAGREB and SPRINGCARD (DOM Security division), as well as NEU RAILWAYS and NEU INC, and are consolidated under the equity method. SPRINGCARD, NEU RAILWAYS and NEU INC were sold during the 2023 financial year.

The total workforce of these companies at 31 December 2023 was 4,068 employees.

The financial statements presented below have been prepared in accordance with IFRS.

The main income and expense accounts for the year ended yielded the results shown below as compared to the previous year (€000):

INCOME STATEMENT	2023	% revenue s	2022 (*)	% 2023 vs 2022
Revenues	688,833	N/A	629,083	+9.5%
RECURRING OPERATING INCOME	28,497	4.1%	35,879	-20.6%
NET OPERATING INCOME	8,855	1.3%	32,001	<i>N/A</i>
Net financial income/(expense)	276	N/A	(203)	<i>N/A</i>
Corporate income tax	(8,551)	N/A	(10,174)	<i>N/A</i>
NET INCOME OF CONSOLIDATED COMPANIES	868	0.1%	21,734	<i>N/A</i>
Parent company share	1,178	N/A	21,895	<i>N/A</i>
Minority interests	(310)	N/A	(161)	<i>N/A</i>
Consolidated basic and diluted EPS, excluding treasury shares (€)	0.01	N/A	0.24	<i>N/A</i>

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the WO&WO Group on 1 August 2022. Consequently, the statements at 31 December 2022 were adjusted.

OPERATIONS AND EARNINGS OF MAIN DIVISIONS

We hereby state that the companies of the following divisions are consolidated at GROUPE SFPI level: NEU-JKF, MMD, MAC and DOM Security. The consolidated financial statements of these divisions, included below for information purposes, are not subject to a statutory publication requirement.

The main consolidated income and expense statements for the year ended yielded the following results for the divisions (€000):

NEU-JKF	2023	2022
Revenues	136,645	129,174
Recurring operating income/(loss)	7,573	7,974
Net operating income/(loss)	7,851	7,974
Net income	6,129	5,807
Net cash surplus	3,572	(5,436)
Consolidated net assets	27,009	20,361

On 31 December 2023, the total workforce of the NEU-JKF division comprised 682 employees.

DOM SECURITY	2023	2022
Revenues	231,972	207,629
Recurring operating income/(loss)	16,428	17,172
Net operating income/(loss)	15,779	13,382
Net income	11,413	9,035
Net cash surplus	22,109	14,474
Consolidated net assets	126,789	113,204

On 31 December 2023, the total workforce of the DOM Security division comprised 1,693 employees.

MMD	2023	2022
Revenues	70,281	60,201
Recurring operating income/(loss)	12,040	6,668
Net operating income/(loss)	12,040	6,425
Net income	9,405	4,675
Net cash surplus	25,191	17,447
Consolidated net assets	41,746	35,919

On 31 December 2023, the total workforce of the MMD division comprised 282 employees.

- Revenues from the design and manufacture of heat exchangers operated by BARRIQUAND SHELL AND TUBES (formerly Aset), BARRIQUAND PLATE EXCHANGERS (formerly Barriquand Échangeurs) and BARRIQUAND HEAT EXCHANGERS (formerly Barriquand Technologies Thermiques) amounted to €30,806,000 (€46,185,000 including CIPRIANI).
- Revenues from the manufacture of sterilisation autoclaves by STERIFLOW amounted to €24,136,000.

MAC	2023	2022 (*)
Revenues	250,214	232,348
Recurring operating income/(loss)	(7,246)	3,918
Net operating income/(loss)	(26,517)	4,073
Net income	(26,632)	2,414
Net cash surplus	11,661	13,233
Consolidated net assets	36,236	69,143

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the WO&WO Group on 1 August 2022. Consequently, the statements at 31 December 2022 were adjusted.

On 31 December 2023, the total workforce of the MAC division comprised 1,402 employees.

Revenues from the production and sale of indoor and outdoor blinds, PVC joinery and door and window fittings by FRANCIAFLEX and its subsidiaries FABER FRANCE, SIPOSE and SIPA MENUISERIES amounted to €141,593,000.

Revenues from the manufacture and sale of garage doors, domestic shutters and door and window fittings by FRANCE FERMETURES amounted to €64,745,000.

Revenues from the WO&WO Group amounted to €43,876,000.

LONG AND MEDIUM-TERM BORROWINGS

(excluding restated finance leases and consolidated operating leases) (€000)

Companies with no short, medium or long-term borrowings have not been taken into account.

Division	Payables due in < 1 year	Payables due in 1-5 years	Payables due in > 5 years
DOM Security	5,707	17,303	2,737
NEU-JKF	6,264	10,034	1,419
MAC	6,706	10,428	528
MMD	1,730	2,490	103
GROUPE SFPI & OTHER	9,985	17,631	5,418
TOTAL	30,392	57,886	10,205

The Group has a net cash surplus of €45,327,000.

INTEREST RATE AND EXCHANGE RISK ANALYSIS

GROUPE SFPI has a surplus cash position. The Group uses no interest rate hedging instruments except where required under the loan agreement.

OUTLOOK

The Group forecasts annual revenues of around €690 million for the 2024 financial year.

Resolutions to be submitted to the Extraordinary General Meeting

AUTHORISATION FOR THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLING SHARES

If you approve the share buyback programme, we request that you authorise the Board of Directors to cancel, at its sole discretion, on one or more occasions, within the limit of 10% of the share capital as calculated on the day of the decision to cancel, less any shares cancelled during the previous 24 months, shares that the Company holds or subsequently purchases as a result of buybacks carried out pursuant to Article L. 22-10-62 of the French Commercial Code, as well as to reduce the share capital in accordance with applicable statutory and regulatory provisions.

To set the period during which the Board of Directors may exercise this authorisation at 26 months and accordingly resolve that this authorisation cancels any previous authorisation having the same purpose.

It will also be necessary to grant full powers to the Board of Directors to perform the transactions required for such cancellations and corresponding capital reductions, amend the Company's articles of association accordingly and complete all required formalities.

ALLOCATION OF BONUS SHARES

In accordance with the provisions of Articles L. 225-197-1 to L. 225-197-5, L. 22-10-59 and L. 22-10-60 of the French Commercial Code, in order to foster loyalty and allow certain employees and executive officers to share the benefits of the Group's performance, we wish to allocate them shares in the Company.

For this purpose, the Company may allocate existing or future bonus shares.

We remind you that the General Meeting of 17 June 2022 authorised the Board of Directors to allocate bonus shares. We hereby inform you that the Board of Directors has not made use of the authorisations granted by the aforementioned General Meeting.

Due to timing reasons, we request that you cancel these authorisations and grant the Board of Directors a new authorisation, relating exclusively to the allocation of bonus shares.

To this end, we request that, in accordance with legal and regulatory provisions, you authorise the Board of Directors, for a period of 38 months as of the date of the decision of the General Meeting, to allocate bonus shares in the Company to certain executive officers and employees of the Company and its subsidiaries.

To this end, it is proposed that the total number of bonus shares that may be allocated be capped at 15% of the share capital at the date of allocation.

The General Meeting will be asked to set the vesting period for the bonus shares, which may not be less than one year. The General Meeting will also be asked to decide that in the event of the disability of the beneficiary corresponding to classification in the second and third categories provided for in Article L. 341-4 of the French Social Security Code, the bonus shares may vest before the end of the vesting period.

The General Meeting may decide to set a minimum retention period for the shares, it being specified that, in accordance with the law, the combined length of the vesting period and the retention period, if any, may not be less than two years.

The final vesting of the shares would also be subject to performance conditions defined by the Board of Directors.

Accordingly, the General Meeting is asked to confer full powers on the Board of Directors, at its sole discretion, and in particular in accordance with the terms and conditions it shall determine, to grant existing or future bonus shares to certain Group employees and executive officers.

We remind you that if the allocation relates to future shares, the decision of the General Meeting will automatically entail the waiver by shareholders of their preferential subscription right in favour of the beneficiaries of the bonus shares allocated.

In accordance with Article L. 225-197-4 of the French Commercial Code, should the Board of Directors make use of the authorisation you grant it, it will inform the Annual Ordinary General Meeting each year of the transactions carried out under this authorisation.

The statutory auditors' special report on this transaction is also provided to you.

Results of the Company over the last five financial years

Item	2023	2022	2021	2020	2019
1 - Closing share capital	12 months	12 months	12 months	12 months	12 months
Share capital	89,386,112	89,386,112	89,386,112	89,386,112	89,386,112
Number of outstanding ordinary shares	99,317,902	99,317,902	99,317,902	99,317,902	99,317,902
Number of outstanding (non-voting) preference shares	-	-	-	-	-
Maximum number of shares to be issued in the future:					
▪ by bond conversion	-	-	-	-	-
▪ through the exercise of subscription rights	-	-	-	-	-
2 - Revenues and earnings					
Revenues	7,741 479	6,907,975	6,056,319	5,255,211	6,696,684
Income before tax, employee profit-sharing and depreciation, amortisation and provisions	10,203 238	10,168,114	14,186,161	(45,537)	11,591,571
Income after tax, employee profit-sharing, depreciation, amortisation and provisions	(10,171,836)	7,533,788	14,918,467	(681,128)	9,710,758
Corporate income tax	(709,530)	(897,272)	1,354,637	1,040,735	667,261
Distributed earnings	-	4,965,895	7,945,432	5,959,074	-
3 - Earnings per share (EPS)					
Earnings after tax and employee profit-sharing but before depreciation, amortisation and provisions	0.11	0.19	0.13	(0.01)	0.11
Earnings after tax, employee profit-sharing and depreciation, amortisation and provisions	(0.1)	0.17	0.15	(0.01)	0.10
Dividend per share	-	0.05	0.08	0.06	-
4 - Staff					
Average employee headcount	9	9	8	9	11
Total payroll for the financial year	1,230 816	1,218,242	1,203,337	1,004,560	1,002,499
Total amount paid for social contributions and benefits	493,075	485,617	485,676	414,094	390,619

Corporate governance report

Pursuant to the requirements of Article L. 225-37 of the French Commercial Code, this report is designed to provide you with an account of:

- membership of the Board of Directors (the “Board”) and application of the gender balance principle;
- the conditions for the preparation and organisation of the Board’s work;
- any limits imposed on the powers of the Chief Executive Officer;
- the procedure whereby the Audit Committee assesses agreements entered into in the ordinary course of business and on arm’s length terms;
- the internal control and risk management procedures in place at the Company;
- update on the progress of the Board member training plan.

It also is designed to present you with:

- the principles and rules for determining remuneration and any benefits granted to Company corporate officers;
- factors liable to have an impact in the event of a public tender offer (Article L. 225-10-3, French Commercial Code) and the procedures for shareholder participation in the General Meeting.

This report has been drawn up following discussions and interviews with the heads of the Company’s finance, financial control and legal affairs departments.

This report covers the following matters:

- (1) Corporate governance procedures.
- (2) Board of Directors.
- (3) Conditions for the preparation and organisation of the Board’s work.
- (4) Corporate officer remuneration.
- (5) Factors liable to have an impact in the event of a public tender offer.
- (6) Delegations of power and authorisations granted to the Board of Directors.
- (7) Regulated agreements.
- (8) Any other information.

(1) CORPORATE GOVERNANCE PROCEDURES

In 2010, the Company decided to adopt the Middenext Code (the “Code”) published in December 2009 as its reference code for corporate governance, judging that it was the code most suited to the size and structure of its shareholder base. The Code was revised in September 2016 and September 2021. GROUPE SFPI has committed to complying with its recommendations.

The Code may be consulted on the Middenext website (www.middenext.com) or GROUPE SFPI website (www.sfpi-group.com).

Furthermore, over the past few years, the Board has conducted an initiative designed to gradually achieve compliance with the Middenext Code recommendations. Following the revision of the Code, the Company decided to continue the process in order to comply with the new recommendations.

In accordance with Recommendation 22, the Board has taken note of the watchpoints listed by the Code and has committed to reviewing them regularly.

Senior management model

We inform you that your Board has chosen one of the two models of senior management provided for under Article L. 225-51-1 of the French Commercial Code.

The Board opted for the duties of Chairman of the Board of Directors and Chief Executive Officer to be performed by the same person.

Accordingly, Henri Morel is responsible for general management of the Company.

The Chief Executive Officer exercises his powers in accordance with the law and the Company’s articles of association.

The Board's rules of procedure stipulate that it must deal with any issues concerning the smooth running of the Company, including:

- appointing executive officers,
- approving the annual and half-yearly financial statements,
- convening and setting the agenda of General Meetings of shareholders,
- carrying out the checks and verifications that it considers appropriate,
- reviewing major operations and transactions envisaged by the Company,
- keeping abreast of any significant events concerning the Sfpi Group.

(2) BOARD MEMBERSHIP AT 31 DECEMBER 2023

(2.1) The Board is made up of eight directors of whom two are independent and one is an employee representative, namely:

- Henri Morel
Chairman and Chief Executive Officer
Born 27 May 1957 in Saverne (67 - Bas-Rhin)
Date of first appointment: 31 March 2015
End of current term of office: 2024
Number of Company shares held: 4,576,260
- SPRING MANAGEMENT SAS
Director
Represented by Jean-Bertrand Prot
Date of first appointment: 13 November 2018
End of current term of office: 2024
Number of Company shares held: 11,259,136
- Hervé Houdart
Independent director
Born 28 July 1951 in Paris 17th (75 - Paris)
Date of first appointment: 31 March 2015
End of current term of office: 2024
Number of Company shares held: 54
- Valentine Laude
Director
Born 1 June 1978 in Paris 14th (75 - Paris)
Date of first appointment: 31 March 2015
End of term of office: 2024
Number of Company shares held: 21
- ARC MANAGEMENT SAS
Director
Represented by Sophie Morel
Date of first appointment: 07 June 2019
End of current term of office: 2025
Number of Company shares held: 45,947,349
- CREDIT MUTUEL EQUITY SCR
Director
Represented by Franck Chevreux
Date of first appointment: 10 November 2015
End of term of office: 2024
Number of Company shares held: 7,292,518

- Marie-Cécile Matar
Independent director
Born 21 March 1959 in Paris 9th (75 - Paris)
Date of first appointment: 14 June 2018
End of term of office: 2024
Number of Company shares held: 1
- Hélène Laplante
Employee representative director
Born 8 October 1962 in Hazebrouck (59 - Nord)
Date of first appointment: 08 January 2019
End of term of office: three years, renewable
Number of Company shares held: 0

(2.2) Composition of the Board and Audit Committee

Name, title or role of Board members	Independent Board member	Year of first appointment	End of term of office	Audit Committee	Executive Committee
Henri Morel Chairman and Chief Executive Officer	No	2015	2024	No	Member
SPRING MANAGEMENT SAS Board member Represented by Jean-Bertrand Prot	No	2018	2024	Member	Chairman
Hervé Houdart Board member	Yes	2015	2024	Chairman	No
CREDIT MUTUEL EQUITY SCR Board member Permanent representative: Franck Chevreux	No	2015	2024	Member	No
Valentine Laude Board member	No	2015	2024	Member	No
ARC MANAGEMENT SAS Board member Permanent representative: Sophie Morel	No	2019	2025	Member	Member
Marie-Cécile Matar Board member	Yes	2018	2024	Member	No
Hélène Laplante Board member Employee representative	No	2019	2025	Member	No

(2.3) List of corporate mandates

In accordance with the provisions of Article L. 22-10-10 of the French Commercial Code, we hereby present you with a list of all positions held in other companies by each of the Company's corporate officers:

Corporate officer / Company	Position
Henri Morel:	
NEU-JKF SA - MAC SAS - SOREMEC SA	Director
NEU-JKF SA - SOREMEC SA	Chairman and Chief Executive Officer
ARC MANAGEMENT SAS – MAC SAS - AUBERGE HAZEMANN SAS	Chairman
DOM SECURITY SAS - PICARD-SERRURES SAS - DOM RONIS SAS – DOM TSS SAS	
DOM-METALUX SAS - DENY SECURITY SAS - OMNITECH SECURITY SAS	Chairman
NEU-JFK Delta NEU SAS - NEU-JFK Process SAS - LA FONCIERE NEU SAS	of ARC MANAGEMENT SAS, a
FABER FRANCE SAS - FRANCE FERMETURE SAS - FRANCIAPLEX SAS	Company acting as Chairman
SIPA MENUISERIES SAS	
MP ASSOCIES SARL - SCI B.G.M. - SCI NEU - SCI DOM - SCI CIPRIANI	
SCI AVENUE GEORGES NUTTIN - SCI LA CHAPELLE D'ARMENTIERES	Manager

Jean-Bertrand Prot	
NEU-JKF SA - MAC SAS	Director
MMD SAS	Chairman of SPRING MANAGEMENT SAS, a Company acting as Chairman
BARRIQUAND PLATE EXCHANGERS SAS (formerly Barriquand Échangeurs) - SPRING MANAGEMENT SAS – LB SAS	Chairman
STORISTES DE FRANCE SA	Permanent representative on the Board of Directors
SCI ALU DES DEUX VALLEES - SCI STERIMMO - SCI LUZECH	Manager
Hervé Houdart	
DATAGROUPE SA	Director
H2 CONSULTANT SAS	Chairman
Valentine Laude	
SPRING MANAGEMENT SAS	Chief Executive Officer
Sophie Morel	
MAC SAS - SOREMEC SA	Director
ARC MANAGEMENT SAS	Chief Executive Officer
DATAGROUPE SA	Permanent representative on the Board of Directors
Marie-Cécile Matar	
E4V	Director
Hélène Laplante	
	None
Franck Chevreux	
CERES (SOGefa)	Permanent representative CREDIT MUTUEL EQUITY SCR Member of the Supervisory Committee
TYPHIS SAS (CAMILLE FOURNET)	Permanent representative CREDIT MUTUEL EQUITY SCR Member of the Strategy Committee
HORIZON 12 SAS (GROUPE PAUL MARGUET)	Permanent representative CREDIT MUTUEL EQUITY SCR Advisory member of the Strategy Committee
IMI (CHEVAL FRÈRES) SA, French limited company with Executive Board and Supervisory Board	Permanent representative CREDIT MUTUEL EQUITY SCR Member of the Supervisory Board
FCPR ALSACE CROISSANCE	Permanent representative CREDIT MUTUEL EQUITY SCR Member of the Consultation Committee
MP GESTION (GROUPE MAISONS PIERRE)	Permanent representative CREDIT MUTUEL EQUITY SCR Member of the Monitoring Committee
Damien Chauveinc	
NEU-JKF SA	Deputy Managing Director
NEU-JKF INTERNATIONAL SAS - NEU-JKF Automation SAS - NEU-JKF Févi SAS	Chairman
MAC SAS	Director and Chief Executive Officer

(2.4) Application of the gender balance principle

The Board of Directors has four female members out of eight in total.

(2.5) Independent directors

A director is considered as independent when they satisfy the following criteria, in application of Recommendation 3 of the Code:

- during the past five years, has not been, and currently is not, an employee or executive officer of the Company or a company belonging to its Group;

- is not a reference shareholder of the Company and does not hold a significant percentage of voting rights;
- does not have a close relation or family tie with a corporate officer or reference shareholder;
- has not, during the past six years, been an official auditor of the Company.

With regard to the independence criteria, two Board members are classified as independent directors: Marie-Cécile Matar and Hervé Houdart.

(2.6) Term of office

Directors are appointed for a term of three years. This duration is in accordance with Code Recommendation 9. Furthermore, the Company believes that, given its size and the composition of its Board of Directors, the three-year term favours directors' experience over their knowledge of the Company, its markets and its business in their decision-making, without diminishing the quality of their supervisory role.

(2.7) Code of Ethics

In compliance with Recommendation 1 of the Code, each Board member is made aware of the responsibilities they assume upon appointment and is encouraged to respect the Code of Ethics relating to their appointment. At the beginning of their term of office, each director signs the Board's rules of procedure and commits to complying with the statutory provisions relating to the holding of multiple offices, informing the Board of any conflicts of interest arising after taking office, regularly attending Board and shareholder meetings, ensuring that they have all the required information to make fully informed decisions at Board meetings and observing professional secrecy.

(2.8) Selection of Board members

Whenever a Board member is appointed or reappointed, a description of their experience and skills and a list of other offices held are published in the annual report. This information is also posted on the Company website. Each Board member is appointed under a separate resolution in accordance with Code Recommendation 10.

(2.9) Director training

Almost all directors took part in a half-day training session organised by Middenext focusing on "Fundamental information for directors of a listed company in 2023".

(3) CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

(3.1) Rules of procedure

In accordance with Code Recommendation 9, the Board has adopted a set of rules of procedure which may be consulted on the Company website.

These rules of procedure outline:

- the role of the Board and, where applicable, the transactions submitted for prior approval by the Board;
- the composition of the Board and the independence criteria for members;
- members' duties (ethics: loyalty, non-competition, disclosure of and procedure for monitoring conflicts of interest, abstention obligation, ethics, confidentiality, etc.);
- the functioning of the Board (frequency, notice of meetings, self-assessment, use of videoconference and telecommunication technology, etc.) and the specific roles of any committees;
- the means of protection for corporate officers: D&O liability insurance;
- rules for determining Board member remuneration.

The rules of procedure also include the following provisions:

- The Board may only deliberate validly if at least half of its members are present or represented. Any clause to the contrary shall be deemed inapplicable.
- Unless the Board has met for any of the operations referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code, members who take part in the meeting by videoconference or conference call will be deemed present for the calculation of quorum and majority.
- The Chairman of the meeting has the casting vote in the event of a tied vote.

(3.2) Information for Board members

In accordance with the rules of procedure, the directors receive all the documents and information required to ensure they are fully prepared for meetings. The Chairman seeks to communicate all of these items at least five (5) days before the date of the meeting. Furthermore, the Chairman follows up members' requests for additional information. The Board members assess whether they receive sufficient information to duly perform their duties.

In addition, Board members are regularly notified of developments in the Company's affairs between meetings, in accordance with Code Recommendation 4.

(3.3) Establishment of committees

In accordance with new Code Recommendation 7, we hereby notify you of the Company's choices regarding specialised committees.

A strategy committee was set up by the Board of Directors on 27 July 2018. This committee was primarily composed of directors and its main purpose was to provide an opinion on external growth opportunities, including acquisitions.

After deliberation, it seemed judicious to set up an executive and strategic committee to replace the existing strategy committee, under the Group's new organisational structure.

The Executive and Strategic Committee was formally established by the Board of Directors on 26 March 2019. It is chaired by SPRING MANAGEMENT SAS, director represented by Jean-Bertrand Prot. The other members are Sophie Morel (Group Corporate Secretary), Henri Morel (Chairman and Chief Executive Officer), Damien Chauveinc (Deputy Managing Director), Nicolas Loyau (Group Chief Financial Officer) and Pierre-Paul Fini (Group Head of Legal Affairs). Stéphanie Poncelet, Group Human Resources Director, joined the Executive and Strategic Committee in January 2021.

The purpose of the committee is to review investment decisions over €1 million, the GROUPE SFPI budget, Group monthly results, any matters regarding strategy, acquisitions, sales, development policies etc., and the hiring of key personnel.

An inter-divisional working committee (G10) was also set up in early 2019. The G10 committee is composed of the Executive and Strategic Committee members and the heads of the main subsidiaries. It meets quarterly to discuss Group strategy, the sharing of best practices and issues related to all subsidiaries.

In accordance with Article L. 823-19 of the French Commercial Code, on 12 January 2016 the Board of Directors decided not to create a separate audit unit but to perform the duties of the Audit Committee itself in plenary session.

Hervé Houdart, independent director under the Code's criteria, has specific expertise in corporate management. He chairs the Board of Directors when it meets as the Audit Committee.

Given that the Chairman and Chief Executive Officer performs executive duties, he does not attend meetings of the Board in its capacity as the Audit Committee. However, the Chairman & CEO and the CFO may be invited to attend part of the meeting, depending on the topic under discussion, if they are able to fuel the debate with useful additional information and explanations.

An Audit Committee charter was adopted by the Board of Directors on 13 March 2018. This charter specifies the composition and duties of the Audit Committee.

Under this charter, and in accordance with the law, the Audit Committee is responsible for monitoring:

- the financial reporting preparation process;
- the effectiveness of the internal control and risk management systems;
- the auditors' statutory review of the parent company and, where applicable, consolidated financial statements;
- the independence of the statutory auditors.

In light of the structure of the Group and its Board of Directors, on 18 April 2023 the Board of Directors decided that the Board would meet for CSR training as often as necessary.

(3.4) Procedure for assessing agreements entered into in the ordinary course of business and on arm's length terms

On 22 April 2020, in accordance with Article L. 225-39 of the French Commercial Code, the Board of Directors approved an internal procedure for identifying agreements entered into in the ordinary course of business and on arm's length terms. The procedure is designed to distinguish between (i) unrestricted agreements referred to as "agreements entered into in the ordinary course of business and on arm's length terms", which must be periodically assessed in accordance with the provisions of the French PACTE Act, and (ii) agreements subject to the regulated agreements procedure.

The procedure is applied prior to the execution of any agreement that could be classified as a regulated agreement and whenever any agreement is amended, renewed or terminated. It is used to identify agreements entered into in the ordinary course of business and on arm's length terms.

The legal affairs and finance departments review prospective agreements individually to assess whether the agreement is subject to the regulated agreements procedure, is an agreement signed with a wholly owned subsidiary or meets the criteria applicable to agreements entered into in the ordinary course of business and on arm's length terms.

If the aforementioned departments consider that the agreement at issue is a regulated agreement, they notify the Audit Committee, depending on the type of agreement at issue, for review and approval by the Board of Directors.

Every year, before the financial statements for the year ended are approved, the legal affairs department forwards the Audit Committee a list of agreements entered into in the ordinary course of business and on arm's length terms between GROUPE SFPI SA and non-wholly owned subsidiaries, together with any comments it wishes to share.

During this annual review, if the Audit Committee considers that an agreement previously regarded as an agreement entered into in the ordinary course of business and on arm's length terms no longer meets the requisite criteria, it refers the matter to the Board of Directors. Thereupon, the Board reclassifies the agreement, where applicable, as a regulated agreement, approves it and submits it for ratification by the next General Meeting on the basis of the statutory auditors' special report, in accordance with Article L. 225-42 of the French Commercial Code.

Persons having a direct or indirect interest in a given agreement do not take part in its assessment. Furthermore, where applicable, they are required to abstain from discussion and voting on the authorisation of such agreements under the following circumstances:

- self-referral by the Board of Directors regarding the classification of an agreement; or
- reclassification, by the Board of Directors, of an agreement previously regarded as an agreement entered into in the ordinary course of business and on arm's length terms as a regulated agreement.

(3.5) Board meetings

The functioning of the Board (notice of meetings, meetings, quorum, director information) complies with statutory provisions and the Company's articles of association and is specified in its rules of procedure.

The Board determines the strategic orientation of the Company, sees that it is properly implemented and deals with any issues concerning the smooth running of the Company and any important management or investment operations. It also approves the Company financial statements, the consolidated financial statements and management forecasts, convenes the shareholders to the General Meeting and draws up the agenda and draft resolutions. In addition, it carries out a detailed review of the Group's business operations: sales, financial results, borrowings and cash position. Furthermore, the Board conducts the controls and verifications it deems necessary and authorises the agreements listed under Article L. 225-38 of the French Commercial Code.

In addition to the meetings scheduled annually, a Board meeting may be convened on any other topic of significance. The Board is regularly informed on progress in these matters.

The Board held six physical meetings and/or videoconferences in 2023 to ensure a maximum attendance rate in light of the last-minute planning of certain meetings. The attendance rate was 96%.

These Board meetings addressed the following matters:

5 January	Planned acquisition of VIRO Group.
14 April	Presentation and development of the Group's CSR policy. Governance. Authorisation to take out a loan with LCL.
18 April	Review and approval of the parent company financial statements for the year ended 31 December 2022. Appropriation of earnings for the financial year. Review and approval of the consolidated financial statements for the year ended 31 December 2022. Regulated agreements and commitments. Agreements entered into in the ordinary course of business and on arm's length terms. Determination of the amount of remuneration allocated to the directors. Renewal of the share buyback programme; Decisions to be made for the preparation and convening of the Annual General Meeting called to approve the annual financial statements; Preparation of the management and activity report on the parent company and consolidated financial statements for the year ended 31 December 2022. Preparation of the corporate governance report. Sureties, endorsements and guarantees. Presentation and approval of management forecasts. Establishment of a CSR Committee. Authorisation to take out a loan with LCL.
16 June	Breakdown of total amount of annual remuneration to be allocated to the members of the Board of Directors. Implementation of the share buyback programme. Proposed sale by GROUPE SFPI to MAC of its subsidiary M.A.A.
29 September	Approval and signing of the minutes. Presentation of the first half 2023 consolidated financial statements. Statutory financial publication. Review of regulated agreements.
20 December	CSR developments. Development of the transformation plan. Status of director appointments.

Documents were sent prior to each meeting to give directors time to prepare for the topics to be covered. In addition, the directors receive a report on the activity of Group companies at each meeting.

(4) CORPORATE OFFICER REMUNERATION POLICY

(4.1) Remuneration awarded to non-executive corporate officers

Only non-executive legal entities and individuals who are not Group employees receive remuneration (directors' fees). This remuneration is allocated by the General Meeting and distributed by the Board of Directors, in equal parts, on a flat-rate basis.

Remuneration paid to non-executive corporate officers:

Hervé Houdart	2023	2022
Independent director	Amount paid	Amount paid
Remuneration related to the office of director	12,000	12,000
TOTAL	12,000	12,000
Valentine Laude	2023	2022
Director	Amount paid	Amount paid
Remuneration related to the office of director	12,000	12,000
TOTAL	12,000	12,000
Marie-Cécile Matar	2023	2022
Independent director	Amount paid	Amount paid
Remuneration related to the office of director	12,000	12,000
TOTAL	12,000	12,000
CREDIT MUTUEL EQUITY SCR	2023	2022
Represented by Franck Chevreux		

Director	Amount paid	Amount paid
Remuneration related to the office of director	12,000	12,000
TOTAL	12,000	12,000

The total remuneration awarded to the Company's directors for the 2023 financial year was €48,000.

For the 2024 financial year, and for subsequent financial years, a proposal will be made to the General Meeting to set the total remuneration for the directors at €48,000, to be allocated by the Board of Directors among the non-executive directors.

(4.2) Remuneration awarded to executive officers

We hereby state that the principles and rules applied for calculating the remuneration and benefits of all kind granted to Company corporate officers are the subject of prior approval by the Board.

The Board establishes all of the rules relating to determining the fixed and variable (where applicable) components of remuneration and benefits granted to corporate officers.

The remuneration policy drawn up by the Board of Directors respects the Company's corporate interests and is in line with the Company's strategy and objectives. It aims to ensure that the overall remuneration policy for executive officers and employees across the Group is consistent and aligned with the interests of shareholders.

It also takes account of market practices, the performance of corporate officers and is designed to build their loyalty.

Executive officer remuneration includes the following components: fixed remuneration, variable remuneration and benefits in kind.

The fixed component reflects the executive officer's responsibilities, level of experience and skills.

The variable component reflects and encourages the achievement of short, medium and long-term objectives.

The remuneration of the Chairman and Chief Executive Officer comprises only a fixed component, the amount of which is disclosed in this report (see table below).

The remuneration of the Deputy Managing Director comprises a fixed component, a variable component and benefits in kind (see table below).

The fixed component represents 70% of the Deputy Managing Director's remuneration, while the variable component represents 30% and is set according to the following criteria:

- 60% based on the financial objectives of the MAC and NEU-JKF divisions during the reference year, and
- 40% based on qualitative targets set each year and corresponding to the achievement of specific projects and objectives, which must be completed in line with defined milestones (results to be achieved, timeframe for completion).

This remuneration may include the allocation of bonus shares or stock options where the Company has implemented such a programme.

Executive officers receive no remuneration in respect of their office as directors of the Company.

Corporate officers do not benefit from any deferred compensation, severance payments or retirement commitments, as referred to in Middlednext Code Recommendations 19 and 20.

In accordance with Middlednext Code Recommendation 21, the Company plans to set up a programme for allocating bonus shares to certain of its corporate officers and employees of its subsidiaries and divisional subsidiaries. To this end, the Board has asked the Extraordinary General Meeting to authorise the implementation of this programme under the terms described above (see 'Allocation of bonus shares').

The breakdown of remuneration and benefits granted to corporate officers is included in this corporate governance report presented to the General Meeting, in the form of three tables drawn up in accordance with Middlednext recommendations.

Pursuant to Article L. 22-10-8 of the French Commercial Code and in accordance with the principle of prospective voting, the General Meeting of 18 June 2024 is called upon to approve the corporate officer remuneration policy on the basis of the Corporate Governance Report.

The remuneration paid in respect of directorships is subject to the prior approval of the General Meeting.

In addition, in accordance with the principle of ex-post voting, and in compliance with the provisions of Article L. 22-10-9 of the French Commercial Code, the principles and criteria for the calculation, breakdown and allocation of fixed, variable and exceptional elements comprising the total remuneration and benefits of any kind attributable to the Company's Chairman and Chief Executive Officer and Deputy Managing Director for the year ended 31 December 2023 are submitted for approval by the General Meeting of shareholders.

1. Remuneration paid and benefits granted to executive officers in respect of the 2023 financial year

Set out below is the remuneration paid and benefits granted to the Company's executive officers in respect of the financial year ended 31 December 2023 and, as a reminder, those granted in respect of the financial year ended 31 December 2022.

Henri Morel	2023	2022
Chairman and Chief Executive Officer of GROUPE SFPI SA	Amount paid	Amount paid
Fixed remuneration ⁽¹⁾	300,000.00	300,000.00
Annual variable remuneration	-	-
Exceptional remuneration	-	-
Remuneration related to the office of director	-	-
Benefits in kind ⁽²⁾	11,784.36	11,440.63
TOTAL 1	311,784.36	311,440.63

Chairman of ARC MANAGEMENT SAS

Fixed remuneration ⁽¹⁾	186,408.00	186,408.00
Annual variable remuneration	-	-
Exceptional remuneration	-	-
Benefits in kind ⁽³⁾	39,800.66	40,693.80
TOTAL 2	226,208.66	227,101.80

(1) On a gross basis.

(2) Premiums paid under the executive unemployment insurance policy (GSC).

(3) Premiums paid under the executive officer unemployment insurance policy (GSC) - Housing

Damien Chauveinc	2023	2022
Deputy Managing Director of GROUPE SFPI SA	Amount paid	Amount paid
Fixed remuneration ⁽¹⁾	261,455.96	262,307.21
Annual variable remuneration	62,000.00	72,000.00
Exceptional remuneration	-	-
Benefits in kind	1,580.04	2,238.34
TOTAL	325,036.00	336,545.55

(1) On a gross basis.

2. Remuneration and benefits of any kind to be paid to corporate officers in respect of the 2024 financial year

In accordance with Article L. 22-10-8 of the French Commercial Code, we present below the remuneration policy for the Chairman and Chief Executive Officer and that of the Deputy Managing Director as determined by the Board of Directors for the 2024 financial year, which will be submitted for approval at the next General Meeting.

2.1 Remuneration policy for the Chairman and Chief Executive Officer

No changes have been made to the remuneration policy previously approved by the General Meeting of 16 June 2023; the remuneration of the Chairman and Chief Executive Officer for the 2024 financial year will consist solely of a fixed component.

Henri Morel	2024
Chairman and Chief Executive Officer of GROUPE SFPI SA	
Fixed remuneration (on a gross basis)	300,000.00

2.2 Remuneration policy for the Deputy Managing Director

The remuneration policy for the Deputy Managing Director for the 2024 financial year comprises a fixed component, a variable component and benefits in kind (see table below).

As under the previously approved remuneration policy, the fixed component represents 70% of the Deputy Managing Director's remuneration and the variable component represents 30%.

The variable component is set according to the following criteria:

- 60% based on the financial objectives of the MAC and NEU-JKF divisions during the reference year, and
- 40% based on qualitative targets set each year and corresponding to the achievement of specific projects and objectives, which must be completed in line with defined milestones (results to be achieved, timeframe for completion).

Damien Chauveinc	2024
Deputy Managing Director	
Fixed remuneration (<i>on a gross basis</i>)	250,000.00
Variable annual remuneration (<i>based on 100% of the objectives and criteria set out in paragraph 4.2</i>)	100,000.00
Benefits in kind (<i>company vehicle</i>)	1,580.04

In addition, and subject to approval by the next General Meeting of a new authorisation for the Board of Directors to allocate bonus shares, the Company's Deputy Managing Director may be allocated bonus shares on terms to be decided by the Board of Directors (including the number of shares to be allocated and the length of the vesting period).

The final vesting of the shares will be subject to a condition of presence within the Group for the Deputy Managing Director on the final vesting date and to compliance with the performance conditions defined by the Board of Directors in accordance with the authorisation granted by the General Meeting.

Furthermore, pursuant to the provisions of Article L. 225-197-1 II of the French Commercial Code, specific to corporate officers, it will be stipulated that a percentage of the total number of bonus shares vested must be retained by the Deputy Managing Director until he ceases to hold office.

The remuneration of the Deputy Managing Director in the form of bonus shares forms part of the Company's salary incentive policy and contributes to the objectives set out in the remuneration policy for corporate officers, which are to:

- provide the Company with a competitive remuneration policy to ensure the long-term commitment and loyalty of the Deputy Managing Director;
- take account of the growing importance of ESG issues and the way in which these should be reflected in the remuneration structure for executive officers;
- enable the Deputy Managing Director to be rewarded pending the achievement of performance targets set by the Company.

In the event that the General Meeting of Shareholders of 18 June 2024 does not approve the revised remuneration policy, the remuneration policy previously approved by the General Meeting of 16 June 2023 will continue to apply and the Board of Directors will be responsible for submitting, for approval at the next General Meeting, a draft resolution setting out a new revised remuneration policy and indicating how the vote of the shareholders and, where applicable, the opinions expressed at the General Meeting have been taken into account.

3. Equity ratios

Pursuant to Article L. 225-37-3 of the French Commercial Code, the following tables show the ratios between the remuneration due or awarded to each executive officer in respect of each of the past five years and the average and median remuneration due or awarded to the Company's employees, excluding corporate officers, on a full-time equivalent (FTE) basis over the same years.

The first table covers employees of GROUPE SFPI SA, while the second table covers employees of head office companies including GROUPE SFPI SA and DATAGROUPE SA.

Remuneration has been restated on a full-time equivalent (FTE) basis. Remuneration paid to employees not present for a complete year is excluded from the calculation.

Table covering only employees of GROUPE SFPI SA

RATIO VERSUS	2019		2020		2021		2022		2023	
	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median
CHAIRMAN & CEO	4.88	5.35	4.65	5.01	5.10	6.27	4.57	5.76	4.30	6.05
DEPUTY MANAGING DIRECTOR	3.43	3.76	3.84	4.13	5.02	6.17	4.94	6.22	4.48	6.31

Table covering head office employees

RATIO VERSUS		2019		2020		2021		2022		2023	
		Average	Median	Average	Median	Average	Median	Average	Median	Average	Median
CHAIRMAN & CEO		3.32	4.50	3.15	4.53	53.54	4.81	3.02	5.03	2.78	5.05
DEPUTY MANAGING DIRECTOR		2.33	3.17	2.59	3.74	3.49	4.73	3.27	5.44	2.89	5.26

Table of comparison with French minimum wage (SMIC) applicable at period-end

RATIO VERSUS		2019		2020		2021		2022		2023	
CHAIRMAN & CEO		17.57		16.24		16.27		15.46		14.87	
DEPUTY MANAGING DIRECTOR		12.35		13.39		16.00		16.70		15.50	

(5) FACTORS LIABLE TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TENDER OFFER

(5.1) The Company's share capital structure

The share capital ownership structure at 31 December 2023 broke down as follows:

	% voting rights	% voting rights
ARC MANAGEMENT	46.26	55.97
Henri Morel	4.61	5.58
SPRING MANAGEMENT	11.34	13.72
CREDIT MUTUEL EQUITY	7.34	8.80
BNP PARIBAS DEVELOPPEMENT	1.97	2.39
Public	21.32	13.54
Treasury shares	7.16	N/A
Total	100.00	100.00

(5.2) Restrictions pursuant to the articles of association

- (i) The voting right attaching to shares is proportional to the share capital they represent. Each equity or dividend share has the same par value and carries one voting right.

However, a double voting right compared to other shares representing the same proportion of the share capital is granted to all fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least the last two consecutive years.

- (ii) The Company has provided for threshold crossing disclosures in the articles of association. Accordingly, any individual or legal entity, acting alone or in concert, that holds or ceases to hold at least 2% of the Company's share capital or voting rights or any multiple of this percentage must notify the Company, within 15 days of the threshold being crossed, by registered letter with acknowledgement of receipt sent to the Company's registered office and specifying the number of shares and voting rights held.

Failing disclosure according to the conditions stated above, the shares exceeding the fraction that should have been declared shall be stripped of voting rights, pursuant to statutory provisions.

(5.3) Rules applying to the appointment and replacement of members of the Board of Directors and to amendments to the Company's articles of association:

Rules applicable to the appointment and replacement of members of the Board of Directors are defined under Article 11 "Board of Directors" of the Company's articles of association. However, the Board also has its own rules of procedure which define the operating rules and procedures applicable to the Board and any related committees, in addition to statutory provisions and the Company's articles of association and by reference to the Middlesnext Code.

To amend the articles of association, resolutions may be adopted by an Extraordinary General Meeting if a two-thirds majority is present or represented. The Extraordinary General Meeting exercises its powers in accordance with the conditions laid down by law.

(5.4) The powers of the Board of Directors, particularly in relation to share issues and buybacks

Delegations or authorisations granted by the General Meeting:

Purpose of resolution	Maximum amount	Term	Exercise of authorisation in 2023
Authorisation for the buyback of Company shares	10% of the share capital corresponding to 9,931,790 shares. Maximum buyback price: €5.00 euros per share with par value of €0.90.	18 months from 16 June 2023 (10 th resolution), i.e. until 16 December 2024.	Authorisation is exercised via an investment services provider.
Authorisation to reduce the share capital by cancelling treasury shares	10% of the share capital over 24 months	26 months from 16 June 2023 (11 th resolution), i.e. until 16 August 2025.	None

(6) DELEGATIONS OF POWER AND AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

At the date of this report, the Board of Directors holds the following delegations, powers and authorisations pursuant to the resolutions adopted by the General Meeting of shareholders:

Purpose of resolution	Maximum amount	Term	Exercise of authorisation in 2023
Powers to allow the Board of Directors to make the necessary amendments to the articles of association if the Company is required to comply with new statutory and regulatory provisions, subject to these amendments being ratified by the next Extraordinary General Meeting	Not applicable	Indefinite	None
Authorisation to grant existing or future bonus shares to employees and corporate officers of the Company and its subsidiaries	10% of share capital	38 months from 17 June 2022 (14 th resolution), i.e. until 17 August 2025	None
Authorisation to grant existing or future stock options to employees and corporate officers of the Company and its subsidiaries	10% of share capital	38 months from 17 June 2022 (15 th resolution), i.e. until 17 August 2025	None

(7) REGULATED AGREEMENTS

It is specified that existing regulated agreements have been previously authorised in accordance with the law and are described in the statutory auditors' special report on regulated agreements. In accordance with Article L. 225-40-1 of the French Commercial Code, agreements entered into and authorised in previous years which continued to operate in 2023 were reviewed at the Board of Directors meeting of 29 September 2023. The directors made no comments regarding these agreements, particularly with regard to their purpose or financial conditions.

(8) ANY OTHER INFORMATION

None.



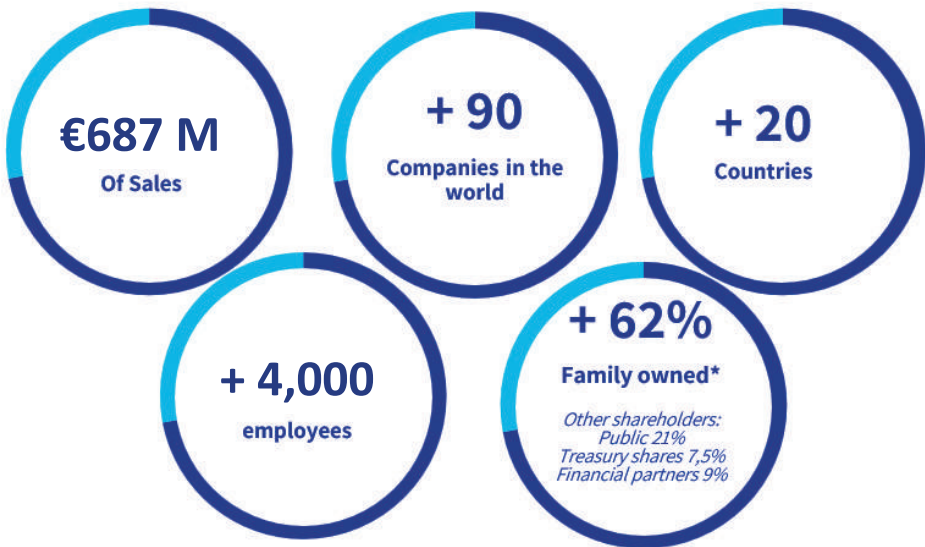
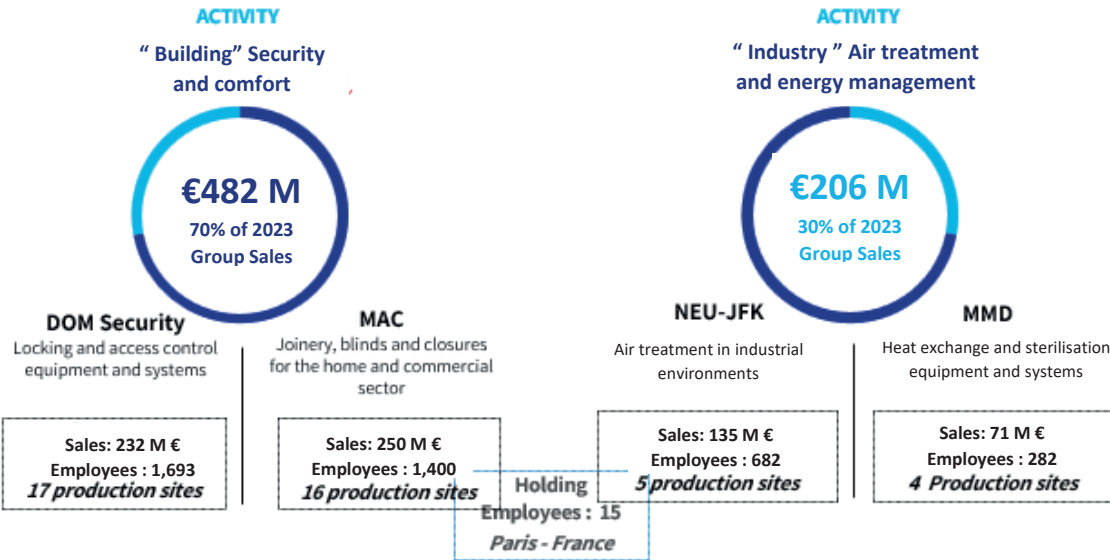
Statement of non-financial performance

Contents

I.	GROUP KEY FIGURES	44
II.	BUSINESS MODEL	45
III.	ANALYSIS OF RISKS AND CHALLENGES	47
IV.	RISK MANAGEMENT	48
V.	TAXONOMY	53
VI.	NOTE ON METHODOLOGY	56

I. GROUP KEY FIGURES

Specialised in the property, personal and environmental protection industry



II. BUSINESS MODEL

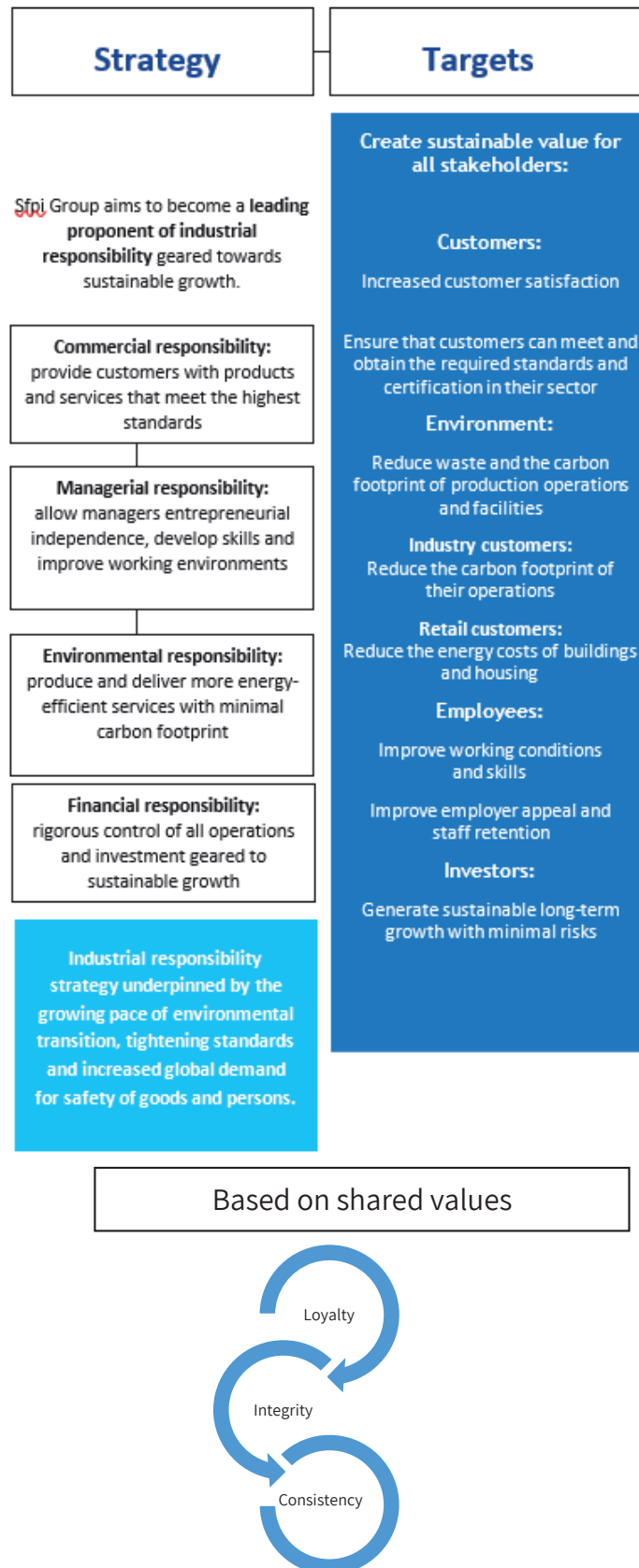
Industrial responsibility: creating sustainable value for all Group stakeholders

Since 2017, the Group has coordinated relations with its stakeholders in accordance with the principle of industrial responsibility, which is broken down into four components: commercial, managerial, environmental and financial.

Industrial responsibility is the **behaviour that enables a company and its employees to achieve performance while guaranteeing the protection of people, property and the environment.**

The principle of industrial responsibility combines a set of management practices strongly anchored across the Group for many years (financial control and reporting culture, entrepreneurial independence, product compliance with the highest standards) with a determination to step up the environmental transition of the Group and its business.

This approach is aimed at creating sustainable value for all of the Group's stakeholders, i.e. customers, employees, investors and the environment.



I. ANALYSIS OF RISKS AND CHALLENGES

The list of risks was drawn up in 2018 and 2019 in accordance with ISO 26000. These risks are based on the data collected the previous year and the topics covered in working meetings (Group Works Council, Group and subsidiary executive committees, steering committee, analyst meetings, etc.).

In 2019 and early 2020, all Group managers were faced with these challenges, which were identified during various meetings in which they had the opportunity to share their own experiences. The work was summarised internally and the main risks identified are shown on the spider graph below.



Aware of the importance of a detailed and transparent assessment of our impact and performance in terms of sustainability, Sfpj Group has taken all the necessary steps to comply with the CSRD:

- Support from a specialist agency to draw up our double materiality matrix: This approach enables us to identify and prioritise the most significant sustainability issues for our stakeholders and our business, thereby guaranteeing a targeted and effective approach in our sustainability strategy.
- Structuring of the CSR team.
- Launch of a call for tenders to appoint our future sustainability auditor, in line with the practices described in our Code of Conduct.

These initiatives form part of our drive to increase transparency and accountability in our business practices, in line with the growing expectations of our customers, investors and society in general with regard to sustainable development.

In line with our CSR risk assessment, a transformation plan was launched in 2020 focusing on industrial responsibility as defined above.

This plan is based on four pillars corresponding to our risk management strategy. The entire process is set out below.

IV. RISK MANAGEMENT

1. Governance risks:

RISKS	<p>Sfpi Group has defined three major governance risks, namely:</p> <ul style="list-style-type: none"> - inappropriate company and Group management at current scope and through any acquisitions carried out; - mismanagement on the part of executive officers; - risk to the Group's image or reputation through disregard of ethical, corruption or societal issues.
--------------	---

<p>The management of this risk has resulted in the structuring and coordination of operational management bodies, within which high-quality information is regularly shared and discussed.</p> <p>The financial pillar of the transformation plan also aims to establish shared standards, tools and reference frameworks.</p> <p>As such, in addition to monthly Management Board meetings within the largest contributing subsidiaries or in three out of four divisions, the Group has structured strategic committees, known as "G10", aimed at discussing strategic topics at least three times a year.</p> <p>During these meetings, financial results, objectives and strategic and regulatory topics are shared. The material and logistical organisation of these meetings enables widespread and fluid communication between executive officers.</p> <p>Furthermore, in 2022, other documents on Group structuring or functioning were completed and circulated, including the guide to Sfpi Group values, the Group toolbox and the whistleblowing platform.</p>	TANGIBLE POLICIES AND INITIATIVES
---	--

KPIS AND TARGETS

Policy effectiveness requires maintaining the frequency of these meetings, along with a high attendance rate and the sharing of quality content.

- Number of G10 and Executive and Strategic Committee (EXCOS) meetings per year and attendance rate:

	2020	2021	2022	2023	2024 target	
Number of EXCOS meetings	11	11	11	11	11/yr	😊
Attendance rate	100%	98.7%	95.5%	95.5%	95%	😊
Number of G10 meetings	2	3	3	3	3/yr	😊
Attendance rate	94%	94.4%	100%	97	95%	😊

- Starting in 2023, processing 95% of alerts via the platform within 8 weeks.






The 2023 action plan to manage this risk was based on a number of areas, which are listed below, along with their follow-up:		2023 ACTION PLAN
2023 actions announced	Action plan follow-up	
Widespread sharing of non-financial matters (CSR, transformation plan, etc.) at all levels of the Company, including shareholders, employees, directors, managers and customers. This will mainly involve two annual Board meetings dedicated to these issues.	2 Board meetings devoted exclusively to CSR issues were held. Systematic sharing of CSR issues at G10, Group Committee and financial meetings.	
Creation of the position of non-financial controller; Drafting of the new Code of Conduct for Sfp Group executive officers and managers, reaffirming our values and rules and leading to the roll-out of Group practices and tools.	Position filled since 1 September 2023. Code signed by 285 people. Introduction of a whistleblowing platform.	

2024 ACTION PLAN	<p>The action plan for 2024 is as follows:</p> <ul style="list-style-type: none"> - Training of 140 employees with high exposure to the risk of corruption; - Increasing the CSR knowledge and expertise of our managers and directors; - Further structuring of operating rules.
-------------------------	--

2. Managerial risks:

RISKS	<p>Sfp Group has defined three major human resources risks, namely:</p> <ul style="list-style-type: none"> - Skills drain; - Hiring difficulties; - Employee health and safety issues.
--------------	---

<p>The action plan aimed at attracting and retaining employees has resulted in the establishment of a central human resources department.</p> <p>In addition to daily initiatives, the human resources department is in charge of the transformation plan's managerial pillar, which aims to strengthen managers' roles in order to improve talent retention and anticipate staff turnover.</p> <p>In 2022, the Group circulated a document outlining the four fundamentals for an Sfp manager, defining the role and associated assignments. This document was accompanied by team training initiatives, with a particular focus on managing team motivation, spreading enthusiasm and providing support for self-assessment.</p> <p>Furthermore, a recruitment officer position was created to improve hiring efficiency and limit the costs incurred by engaging external service providers.</p>	TANGIBLE POLICIES AND INITIATIVES
---	--

KPIs AND TARGETS	Policy effectiveness is measured by monitoring voluntary departure rates, turnover rates, frequency rates (FR1 and FR2) and severity rates (SR)						
		2019	2020	2021	2022	2023	2024 target
	Voluntary departure rate	NM	28.1%	32.8%	50.8%	43.08%	20% 
	Staff turnover rate	14.2%	9.5%	14.6%	15%	16%	12% 
	FR1	22.5	21.4	22.4	20.1	19.52	16 
	FR2	37.5	33.4	33.9	27.5	29.05	28 
	SR	0.76	0.64	0.62	0.74	0.42	0.5 

The 2023 action plan to manage this risk was based on a number of areas, which are listed below, along with their follow-up:		2023 ACTION PLAN
2023 actions announced	Action plan follow-up	
Ongoing training and support for managers.	Evaluation of managers and their skills through self-assessment the roll-out of several training modules, including a conference on the culture of well-being and performance by Malene Rydahl, which was attended by 327 people.	
Development of internal mobility with greater potential for promotions for all our employees.	Reintegration of recruitment management since 2022. In 2023, 171 positions were opened in France, including more than 150 on permanent contracts. Of these 171 positions, 66.66% were filled, 80% of them through our internal resources.	
Selection and initial roll-out of a Human Resources Information System (HRIS).	Continuation of service provider qualification interviews. Decision on choice of service provider postponed until 2024.	

2024 ACTION PLAN	<p>In addition to pursuing the projects launched in 2023, 2024 will see the implementation of new projects:</p> <ul style="list-style-type: none"> - Work on analysing absenteeism with a view to reducing it; - Work on the organisation of safety workshops; - Selection of software and initial roll-out of a Human Resources Information System (HRIS).
-------------------------	--

3. Business risks:

RISKS	<p>Sfpi Group has defined two major risks in terms of sales policy, namely:</p> <ul style="list-style-type: none"> - Our ability to measure up to the competition; - Our ability to anticipate market expectations and meet customer demand.
--------------	--

<p>This risk management is reflected in the implementation of a plan based on commercial responsibility aimed at enhancing customer knowledge and culture at all levels of our companies in order to improve customer satisfaction.</p> <p>In 2022, the Group implemented satisfaction indicators - Net Promoter Score (NPS) and On Time In Full (OTIF) - to assess customer satisfaction and compliance with quality requirements and deadlines. These indicators are used at over 90% of subsidiaries.</p> <p>The introduction of these indicators required a release of funds to conduct surveys and at least one employee per subsidiary to monitor the subject.</p>	TANGIBLE POLICIES AND INITIATIVES
--	--

KPIS AND TARGETS

Policy effectiveness is measured in terms of NPS and OTIF indicators.

	2022	2023	2024 target	
NPS	35.5	28.3	40	⊗
OTIF	78.2	83.1	90%	⊗

<p>The 2023 action plan to manage this risk was based on a number of areas, which are listed below, along with their follow-up:</p> <table border="1"> <thead> <tr> <th>2023 actions announced</th><th>Action plan follow-up</th></tr> </thead> <tbody> <tr> <td>Organisation of meetings and training sessions to raise awareness of the customer culture.</td><td> <ul style="list-style-type: none"> - Organisation of a Customer Day in June 2023 in Lille, attended by 54 people representing 40 different companies. - Systematic inclusion of NPS and OTIF indicators in performance management meetings. </td></tr> <tr> <td>Local initiatives to step up NPS to the next level (reaching 30 or 50 points).</td><td>The NPS deteriorated overall during the year to 28.</td></tr> <tr> <td>OTIF reliability and achievement of a score of 90%.</td><td>Improvement in OTIF of almost 5 points to 83.</td></tr> </tbody> </table>	2023 actions announced	Action plan follow-up	Organisation of meetings and training sessions to raise awareness of the customer culture.	<ul style="list-style-type: none"> - Organisation of a Customer Day in June 2023 in Lille, attended by 54 people representing 40 different companies. - Systematic inclusion of NPS and OTIF indicators in performance management meetings. 	Local initiatives to step up NPS to the next level (reaching 30 or 50 points).	The NPS deteriorated overall during the year to 28.	OTIF reliability and achievement of a score of 90%.	Improvement in OTIF of almost 5 points to 83.	2023 ACTION PLAN
2023 actions announced	Action plan follow-up								
Organisation of meetings and training sessions to raise awareness of the customer culture.	<ul style="list-style-type: none"> - Organisation of a Customer Day in June 2023 in Lille, attended by 54 people representing 40 different companies. - Systematic inclusion of NPS and OTIF indicators in performance management meetings. 								
Local initiatives to step up NPS to the next level (reaching 30 or 50 points).	The NPS deteriorated overall during the year to 28.								
OTIF reliability and achievement of a score of 90%.	Improvement in OTIF of almost 5 points to 83.								

2024 ACTION PLAN	<p>Managing sales performance remains a priority for the Group, which in 2024 will focus on:</p> <ul style="list-style-type: none"> - Identifying, for each company, the actions needed to improve the NPS (customer response analysis, increasing the number of contacts, etc.); - Training its teams in customer culture, with the deployment of a serious game currently being tested; - Continuing its efforts to further improve the service rate by delivering the right order on time to as many customers as possible.
-----------------------------	---

4. Environmental risks:

RISKS	<p>Sfpi Group has defined three major environmental risks, namely:</p> <ul style="list-style-type: none"> - Control of energy costs and availability; - Management of raw material supply and waste disposal; - Measurement of the environmental impact of our activities.
--------------	---

<p>This risk management involves implementing a plan based on environmental responsibility aimed at improving performance.</p> <p>In 2022, the Group carried out an initial carbon assessment at each facility and consolidated the results. This initial assessment covered Scopes 1, 2 and 3 across all entities. Emission calculations will be made more reliable in 2023.</p> <p>In addition, several initiatives to improve energy performance have been rolled out at company and country level, including relamping, insulation work and the installation of measurement tools.</p> <p>Finally, we have started an inventory of our supplies and waste.</p> <p>These initiatives have resulted in the release of funds for diagnostic purposes, investments and the appointment of ambassadors.</p>	TANGIBLE POLICIES AND INITIATIVES
--	--

KPIS AND TARGETS

Environmental policy effectiveness is measured through the following indicators:

	2020	2021	2022	2023	2024 target	
Electricity consumption <i>KWh/€m revenues</i>	49,468	48,004	42,962	34,273	42,048	😊
Gas consumption <i>KWh/€m revenues</i>	46,909	51,913	47,212	35,627	39,872	😊
Quantity of recyclable waste	n/a	n/a	71.27%	72.13%	90%	😞

-

Carbon emissions: tCO₂e 2023: 286,319 T- uncertainty <25% which includes 24,805 tCo₂e of emissions linked to upstream and downstream transport.

<p>The 2023 action plan to manage this risk was based on a number of areas, which are listed below, along with their follow-up:</p> <table border="1"> <thead> <tr> <th>2023 actions announced</th><th>Action plan follow-up</th></tr> </thead> <tbody> <tr> <td>Further actions to improve energy efficiency.</td><td> <ul style="list-style-type: none"> - Installation of solar panels and photovoltaic panels at several sites (JKF PL, DOM SCHWEIZ, etc.) and feasibility studies launched. - Investment in more efficient equipment. </td></tr> <tr> <td>Implementation of a Group decarbonisation strategic plan.</td><td> <p>Development of a medium- and long-term decarbonisation strategy with CETIM.</p> <p>35% reduction in greenhouse gases by 2030, including transport. Achieve carbon neutrality by 2050.</p> </td></tr> </tbody> </table>	2023 actions announced	Action plan follow-up	Further actions to improve energy efficiency.	<ul style="list-style-type: none"> - Installation of solar panels and photovoltaic panels at several sites (JKF PL, DOM SCHWEIZ, etc.) and feasibility studies launched. - Investment in more efficient equipment. 	Implementation of a Group decarbonisation strategic plan.	<p>Development of a medium- and long-term decarbonisation strategy with CETIM.</p> <p>35% reduction in greenhouse gases by 2030, including transport. Achieve carbon neutrality by 2050.</p>	2023 ACTION PLAN
2023 actions announced	Action plan follow-up						
Further actions to improve energy efficiency.	<ul style="list-style-type: none"> - Installation of solar panels and photovoltaic panels at several sites (JKF PL, DOM SCHWEIZ, etc.) and feasibility studies launched. - Investment in more efficient equipment. 						
Implementation of a Group decarbonisation strategic plan.	<p>Development of a medium- and long-term decarbonisation strategy with CETIM.</p> <p>35% reduction in greenhouse gases by 2030, including transport. Achieve carbon neutrality by 2050.</p>						

<ul style="list-style-type: none"> - Continue initiatives to reduce the Group's environmental footprint; - Communication and implementation of the decarbonisation strategy at all levels of the organisation; - Stepping up efforts to improve the accuracy of the Group's carbon assessment. 	2024 ACTION PLAN
---	-------------------------

2024 ACTION PLAN	<p>From 2024, the Group wants environmental considerations to be integrated into all decision-making processes and initiatives taken by each of its subsidiaries. This involves:</p> <ul style="list-style-type: none"> - Finalising, communicating and implementing the Group's strategy; - Targeting the main sources of tCo2e emissions in each entity and implementing the initial reduction measures; - Establishing partnerships for waste recovery and recycling.
-------------------------	---

V. TAXONOMY

In accordance with the European Taxonomy Regulation, the statement of non-financial performance incorporates below the indicators for the 2023 financial year relating to the proportion of revenues and capital expenditure (CapEx) that is associated with environmentally sustainable economic activities.

The portion relating to operating expenses (OpEx) is now recognised under 'Other purchases and external expenses', which are currently deemed non-material (<5%).

Brief summary

Revenues:

- The proportion of revenues ("turnover") eligible for environmentally sustainable activities is 27.6%.
- The proportion of revenues aligned with environmentally sustainable activities is 10%.

CapEx:

- The capital expenditure (CapEx) incurred on aligned and eligible activities amounted to 16% and 12% of total Group capital expenditure respectively.
- Capital expenditure presenting sustainable environmental characteristics among our non-eligible activities is not significant.

Therefore, nearly 28% of Group capital expenditure involved eligible activities or were "green" in nature at the very least.

REVENUES

				Substantial contribution criteria		Do no significant harm criteria											
	Activity code	Total revenues	% of revenues	Climate change mitigation	Climate change adaptation	Climate change adaptation	Climate change mitigation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum safeguards	Share of revenues aligned with 2022 Taxonomy	Share of 2021 revenues aligned with 2022 Taxonomy	Enabling activity category	Transitional activity category	
		€000	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	m	T
Economic activities																	
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)																	
Manufacture of energy-efficient equipment for building construction	3.5	190,200	27.6%	100 %	100 %	YES	N/A	N/A	N/A	YES	YES	N/A	YES				
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	7.5	0	0.0%	100 %	100 %	YES	N/A	N/A	N/A	YES	YES	N/A	YES				
Revenues from environmentally sustainable activities (i.e. Taxonomy-aligned) (A.1)		190,200	27.6%														
A.2 Activities eligible under the Taxonomy but not environmentally sustainable (not Taxonomy-aligned)																	
Manufacture of energy-efficient equipment for building construction	3.5	21,600	3.1%														
Installation, maintenance and repair of energy efficiency equipment	7.3	47,500	6.9%														
Revenues from activities eligible for the Taxonomy but not environmentally sustainable (not Taxonomy-aligned) (A.2)		69,100	10.0%														
TOTAL (A.1 + A.2)		259,300															
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																	
Revenues from activities not eligible for the Taxonomy (B)		429,500	62.4%														
TOTAL (A + B)		688,800															

CapEx

				Substantial contribution criteria		Do no significant harm criteria												
	Activity code	Total CapEx	% of CapEx	Climate change mitigation	Climate change adaptation	Climate change adaptation	Climate change mitigation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum safeguards	Share of CapEx aligned with the 2022 Taxonomy	Share of 2021 CapEx aligned	Enabling activity category	Transitional activity category		
	€000	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T		
Economic activities																		
A. ACTIVITIES ELIGIBLE UNDER THE TAXONOMY																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
Manufacture of energy-efficient equipment for building construction	3.5	4,200	15.6	100 %	100 %	YES	N/A	N/A	N/A	YES	YES	YES	N/A					
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	7.5	0	0	100 %	100 %	YES	N/A	N/A	N/A	YES	YES	YES	N/A					
CapEx from environmentally sustainable activities (i.e. Taxonomy-aligned) (A.1)		4,200	16	100 %	100 %	YES	N/A	N/A	N/A	YES	YES	YES	N/A					
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not Taxonomy-aligned)																		
Manufacture of energy-efficient equipment for building construction		0																
Installation, maintenance and repair of energy efficiency equipment		3,200	11.9															
CapEx from activities eligible for the Taxonomy but not environmentally sustainable (not Taxonomy-aligned) (A.2)		3,200	11.9															
TOTAL (A.1 + A.2)		7,400	28%															
B. ACTIVITIES NOT ELIGIBLE UNDER THE TAXONOMY																		
CapEx from activities not eligible under the Taxonomy (B)		19,400	72															
TOTAL (A + B)		26,800	100															

VI. NOTE ON METHODOLOGY

Since its listing at the end of 2015, the Company has been required to measure its social and environmental responsibility, which since 2018 has been set out in a statement of non-financial performance.

In line with previous years, the Company has decided to prepare its report covering the entire Group consolidation scope, which comprised 56 companies with at least one employee at 31 December 2022. The consolidation scope covers over 4,150 employees. Only Tapkey (contributing revenues of €250,000 in 2022 and comprising 10 employees) was excluded from the 2022 report.

Since 2019, the Group has been using TOOVALU software for data collection and reporting purposes. TOOVALU processes both qualitative and quantitative data.

As in previous years, the collection documents were accompanied by a form explaining the procedure and methodology. It specifies the definitions and is available in French and English.

All data presented in this report covers the consolidation scope.

Furthermore, the analysis conducted by GROUPE SFPI did not identify any material risks regarding:

- prevention of food waste,
- prevention of food insecurity,
- defence of animal well-being,
- a responsible, fair and sustainable food system,
- promotion of physical exercise and sport,
- the link between the nation and the armed forces.

With regard to the management of industrial relations, anti-discrimination, the promotion of diversity, particularly in terms of disability, and collective agreements and their impact on economic performance and employee working conditions, the Group ensures that these issues are tackled at each subsidiary in accordance with their specific characteristics.

List and calculation of KPIs included in the statement of non-financial performance:

- **Executive and Strategic Committee (EXCOS) and G10 attendance rate:** (number of people present / number of theoretical persons) x 100.
- **Voluntary departure rate:** (number of voluntary departures (termination of probation period at employee's initiative + voluntary retirement + resignation) / total no. of departures) x 100.
- **Staff turnover rate:** (number of new hires + number of departures) / 2 / workforce at 31 December year N).
- **Frequency rate 1 (FR1):** (no. of lost-time accidents / hours worked) x 1,000,000.
- **Frequency rate 2 (FR2):** (total no. of accidents / hours worked) x 1,000,000.
- **Severity rate (SR):** (no. of days lost / hours worked) x 1,000.
- **Consolidated OTIF (On Time In Full):** OTIF of each subsidiary weighted by subsidiary's revenues.
- **NPS (Net Promoter Score):** NPS score of each subsidiary weighted by subsidiary's revenues.
- **Electricity or gas consumption:** (kWh consumed over the year / consolidated revenues in €m) x 100.
- **Quantity of recyclable waste:** (tonnes of recyclable waste / tonnes of waste generated) x 100.

We hope that the foregoing proposals will meet with your approval and that you will duly adopt the resolutions submitted to you.

The Board of Directors



PARENT COMPANY FINANCIAL STATEMENTS - FY 2023

Balance sheet

ASSETS

€000	Net	Net
	31-12-2023 12 months	31-12-2022 12 months
Intangible assets	26	59
Property, plant and equipment, IT	151	159
Long-term investments	150,380	172,137
Total non-current assets	150,557	172,355
Inventories and work in progress	-	-
Trade receivables	4,558	2,673
Other receivables	25,624	12,293
Cash and cash equivalents	15,068	14,148
Prepaid expenses	453	461
Total current assets	45 703	29,575
Total ASSETS	196,260	201,930

EQUITY & LIABILITIES

€000	31-12-2023 12 months	31-12-2022 12 months
Share capital	89,386	89,386
Additional paid-in capital	5,593	5,593
Reserves and retained earnings	59,549	56,621
Net income	(10,172)	7,534
Shareholders' equity	144,356	159,134
Provisions for contingencies and charges	-	-
Borrowings	33,034	29,284
Trade payables	1,370	812
Other payables	17,500	12,700
Payables	51,904	42,796
Total EQUITY & LIABILITIES	196,260	201,930



Income statement

€000	31-12-2023 12 months	31-12-2022 12 months
Net revenues	7,741	6,908
Other operating income	139	110
Provision reversals and expense reclassification	211	69
Operating income	8,091	7,087
Purchases of goods and raw materials	(2)	-
Change in inventory	-	-
External charges	(6,405)	(5,332)
Taxes and duties	(77)	(113)
Staff costs	(1,724)	(1,704)
Depreciation, amortisation and provisions	(144)	(224)
Other expenses	(367)	(50)
Operating expenses	(8,720)	(7,423)
NET OPERATING INCOME/(LOSS)	(629)	(336)
Joint operations	565	517
NET FINANCIAL INCOME	(10,559)	6,234
EARNINGS BEFORE TAX AND NON-RECURRING ITEMS	(10,623)	6,414
NET NON-RECURRING INCOME	(258)	222
Corporate income tax	709	897
NET INCOME	(10,172)	7,534

Notes

Notes to the balance sheet before appropriation of earnings for the year ended 31 December 2023, showing a total of €196,260,000, and the income statement presented in list format and showing a net loss of €10,172.

The reporting period is a 12-month financial year running from 1 January to 31 December 2023.

The notes and tables presented below form an integral part of the company financial statements for the year ended 31 December 2023.

ACCOUNTING PRINCIPLES and POLICIES

Generally accepted accounting principles have been applied, in accordance with the principle of prudence and the following overriding concepts:

- going concern,
- consistency of presentation,
- accrual basis of accounting,

and in accordance with the accounting rules governing the preparation and presentation of annual financial statements drawn up in accordance with the accounting principles and policies set out in the French chart of accounts as presented in Regulation no. 2016-07 of 4 November 2016 issued by the French accounting standards board (ANC).

Accounting entries are measured at historical cost.

Unless otherwise stated, amounts are expressed in euro thousands.

- **Intangible assets**

Acquired patent rights and licences are included under this item. Assets are amortised over the period of legal protection. Trademark registration fees are also included but are not amortised.

Except under exceptional circumstances, research and development costs are expensed as incurred. If capitalised, including patent registration fees where applicable, they are amortised over three years from the beginning of commercial exploitation or use. Provisions are recorded if the criteria for capitalising these amounts are no longer met.

- **Property, plant and equipment**

Property, plant and equipment is carried at acquisition cost (purchase price plus ancillary expenses, excluding broker fees and commissions) or at production cost.

Depreciation charges are calculated in accordance with the expected useful life.

The most commonly applied periods are as follows:

<i>ITEM</i>	<i>Term (years)</i>	<i>Tax depreciation</i>
Buildings	20 to 25	Straight-line
Building fixtures and fittings	10	Straight-line
Other fixtures and fittings	10	Straight-line
Vehicles (new)	3 to 5	Straight-line
IT equipment (new)	3 to 5	Straight-line
IT equipment (used)	3	Straight-line
Office equipment	3 to 5	Straight-line
Office furniture	10	Straight-line

- **Leasing, long-term rental and finance leases**

The Company does not use these methods of financing.

- **Long-term investments**

The gross value is the historical purchase cost. Where the value in use of securities falls below the book value, a provision for impairment is recorded for the difference. Value in use is estimated on the basis of multiple criteria, taking into account the portion of shareholders' equity held and profit history and projections.

- **Trade receivables**

Receivables are recognised at face value. A provision for impairment is recorded when the recoverable amount is lower than the book value.

Trade receivables are earmarked for provisions on the basis of their age. Impairment provisions are calculated as follows:

- Provisions are recorded for the full amount of receivables more than a year overdue that are not covered by credit insurance;
- Provisions are recorded for at least 50% of the amount of receivables more than 6 months overdue that are not covered by credit insurance;
- Provisions are recorded for at least 25% of the amount of receivables more than 3 months overdue that are not covered by credit insurance;
- Provisions are recorded for the full amount of receivables not covered by credit insurance as soon as the deadline for submission to the insurance company expires.

- **Other receivables and payables**

Other receivables and payables are recognised at face value. A provision for impairment is recorded when the recoverable amount is lower than the book value.

Foreign currency receivables and payables are adjusted in accordance with the closing exchange rate, with a matching entry under accruals (assets or liabilities).

A provision for contingencies is recorded in respect of unrealised foreign currency losses that cannot be offset.

- **Valuation of short-term investment securities**

All short-term investment securities are subject to a sale and buyback transaction at year-end. Accordingly, they are measured at the closing price at year-end.

- **Regulated provisions**

Regulated provisions carried on the balance sheet are itemised in the statement of provisions and form part of shareholders' equity.

- **Provisions for contingencies and charges**

Provisions for contingencies and charges are recognised in respect of contingencies and charges corresponding to a precisely defined purpose, the occurrence of which is uncertain but likely in view of past or current events.

- **Prepaid expenses and deferred income**

These items result from the application of the accrual basis of accounting, which involves deducting recognised expenses and income for which the consideration (provision of goods or services) has not yet been received or provided by the Company.

- **Retirement benefits**

The valuation method used is the prospective method with a discount rate of 3.30%, an inflation rate of 2.00% and wage growth of 1.00%. The standard rate of social security contributions is 43.55% for executives and 42.14% for non-executives. Lump-sum retirement payments have been measured in accordance with a percentage of life expectancy and presence at the Company on retirement, as well as probable end-of-career salary. The main assumptions are based on voluntary retirement at the age of 64.

These obligations are not recorded under provisions but are included under off-balance sheet commitments.

- **Change in measurement method**

No change in measurement method was made during the year.

- **Change in presentation method**

No change in presentation method was made during the year.

- **Tax group**

The Company is the head entity of the tax consolidation group. As provided for in the tax consolidation agreement, each subsidiary calculates its own tax charge, disregarding its membership of the tax group.

Only tax loss carryforwards generated by each individual company's prior losses are recognised. Tax savings arising from prior losses of subsidiaries are recognised as future tax liabilities and are reduced as and when the subsidiaries begin to post taxable profits.

The amount corresponding to the tax savings achieved thanks to the tax losses of consolidated subsidiaries is currently €2,512,000, which is treated as a theoretical future tax liability under balance sheet liabilities.

The following companies are included in the tax consolidation group headed by GROUPE SFPI: NEU PROCESS, NEU-JKF SA, NEU AUTOMATION, DELTA NEU, NEU JKF WOOD INDUSTRY, LA FONCIÈRE NEU, NEU FEVI, MMD, BARRIQUAND SAS, FINANCIÈRE BARRIQUAND, ASET, STÉRIFLOW, BATT, BARRIQUAND ECHANGEURS, DATAGROUPE, DÉNY SECURITY, PICARD SERRURES, DOM METALUX, DOM RONIS, DOM TSS, OMNITECH SECURITY, DOM SECURITY SAS, FRANCE FERMETURES, FRANCIAFLEX, SIPA MENUISERIES, SIPOSE, FABER, BAIE OUEST, SMVO, MAC AND MAA.

- **Consolidation**

The Company presents consolidated financial statements in its capacity as the parent company of SfpI Group.

NOTES TO THE FINANCIAL STATEMENTS

I - Highlights of the year

On 9 March 2023, the Company purchased the entire share capital of VIRO TRONIC, which owns the real estate complex in Bologna that houses the operations of VIRO, an Italian company acquired by the DOM Security division.

On 20 September 2023, GROUPE SFPI sold 100% of its shares in M.A.A. to its subsidiary MAC. The sale was not the subject of a payment but of a current account entry. In line with the idea of not reducing MAC's resources, GROUPE SFPI has retained in its assets the balance of the loans and current account advances made to M.A.A. to acquire the Austrian group Wo Und Wo, representing €17,336,000 and €9,505,000 respectively. Given the future outlook for these assets, they were written down €17,336,000 and €1,905,000 respectively during the year.

II - Intangible assets - property, plant and equipment - long-term investments

Intangible assets and property, plant & equipment

Gross	31-12-2022	Increase	Decrease	31-12-2023
Intangible assets	1,406	0	201	1,205
Property, plant and equipment	2,146	82	0	2,228
Total	3,553	82	201	3,433
Depreciation, amortisation and impairment	3,334	123	201	3,256
Net	218			177

Long-term investments

Gross	31-12-2022	Increase	Decrease through Disposals	Decrease through Transfers	31-12-2023
Equity investments	134,803	6,922	6,502	1,038	136,262
Receivables related to equity interests	20,266	0	2,930	0	17,336
Other long-term securities	1,080	0	0	(1,038)	42
Loans and other long-term investments	244	0	1	0	243
Treasury shares	19,172	0	0	0	19,172
Total	175,565	6,922	9,433	0	173,055

Provisions for equity investments	1	19	0	(1)	19
Provisions for receivables from equity investments	0	17,336	0	0	17,336
Provisions Loans and other	45	0	0	1	46
Provisions for treasury shares	3,381	1,893	0	0	5,274
Total	3,427	19,248	0	0	22,675
Net	172,138				150,380

The increase in equity investments corresponds to the acquisition of shares in VIRO TRONIC.

In view of the GROUPE SFPI share price of €1.954 at 31 December 2023, below the average purchase price of €2.70, the Company booked a €1,893,000 impairment provision for treasury shares. M.A.A's receivables from equity investments, which totalled €17,336,000, were written down in full. The unchanged €45,000 provision relates to impairment on a construction-related loan. The charges were recorded under net financial income/(expense).

III - Shareholders' equity

Share capital amounts to €89,386,111.80 divided into 99,317,902 fully paid-up shares with a par value of €0.90.

At 31 December 2023, the Company held 7,112,471 treasury shares.

	31-12-2022	Movements	Appropriation of earnings	Dividend distribution	31-12-2023
Share capital	89,386				89,386
Merger premium	5,593				5,593
Legal reserve	4,507		377		4,884
Regulated reserves	20				20
Other reserves	51,243		2,191		53,434
Retained earnings	851			360	1,211
Prior year earnings	7,534		(2,568)	(4,966)	0
Net income for the year		(10,172)			(10,172)
Shareholders' equity	159,134	(10,172)	0	(4,606)	144,356

IV - Loans and borrowings

Loans and borrowings break down as follows:

Credit institutions	31-12-2023	< 1 year	1-5 years	> 5 years
Bank loans	29,412	6,363	17,631	5,418

GROUPE SFPI took out a new loan in 2023 to acquire VIRO TRONIC for €6 million, repayable over ten years, the balance of which amounted to €5.7 million at the balance sheet date.

Borrowings include four other loans:

- An €18.3 million loan contracted in 2018 for the purposes of the public tender offer, the balance of which amounted to €5.72 million at the closing date,
- Two loans taken out in 2022 to finance the purchase of WO&WO shares, with balances of €8.62 million and €8.63 million at the balance sheet date,
- The €0.6 million balance of the €1 million loan contracted in 2021 to finance the acquisition of SCI Dubois, the company that owns the industrial building occupied by MAC subsidiary Faber.

At 31 December 2023, borrowings included a one-off overdraft of €3.6 million relating to a transaction with a value date that was delayed by one day.

At 31 December 2023, the Company had net cash and cash equivalents of €11,447,000, net of this overdraft (see paragraph IX).

V - Receivables and payables

The values shown above are gross values.

Receivables	31-12-2023	< 1 year	> 1 year
Trade receivables	4,570	4,547	23
Staff and related payables	0	0	0
Government – Income tax	342	342	0
Government – VAT	575	575	0
Other taxes	0	0	0
Group and shareholders	26,265	26,265	0
Other receivables	354	354	0
Prepaid expenses	453	453	0
Total	32,559	32,536	23

GROUPE SFPI made a €6,086,000 current account advance to MAC for the purposes of the M.A.A. share acquisition.

Under ‘Group and shareholders’, GROUPE SFPI:

- holds receivables against subsidiaries totalling €2,543,000 under the tax consolidation scheme, and
- holds current account receivables of €9,505,000 against its subsidiaries, mainly M.A.A. This receivable was written down in the amount of €1,905,000 at year-end,
- holds receivables of €7,931,000 against its real estate holding companies.

The values shown above are gross values.

Payables	31-12-2023	< 1 year	> 1 year
Trade payables	1,370	1,370	
Staff and related payables	194	194	
Social security payables	166	166	
Government – Income tax	15,305	3,504	11,801
Government – VAT	474	474	
Government – Other	41	41	
Group and shareholders	1,296	1,296	
Other payables	24	24	
Total	18,870	7,069	11,801

‘Government – Income tax’ includes the Group’s tax liabilities under the tax consolidation scheme. They consist of the tax liability owed to the French government, which amounts to €3,465,000, and the tax savings recognised on tax loss carryforwards of companies included in the tax consolidation group, which are treated as a theoretical future tax liability to be paid by GROUPE SFPI as and when the companies in the tax consolidation group generate taxable profits.

The tax consolidation scheme provides for a neutral effect on the subsidiaries compared to separate taxation. As such, the savings generated by the parent company’s use of tax losses do not give rise to the recognition of a profit or expense. In accordance with earnings forecasts for companies reporting tax losses, the Company estimates that the portion to be returned to them after more than one year amounts to €11,801,000.

Under the heading of Group and shareholders’ payables above, GROUPE SFPI:

- is liable for €1,054,000 in respect of advance payments under the tax consolidation scheme, which the French Treasury will reimburse at the time of tax settlement, and
- owes its direct subsidiaries €242,000 under the cash management agreement.

Receivables and payables with Group companies break down as follows:

Trade receivables	4,549	
Other receivables	26,265	Including €2,543,000 under the tax consolidation scheme
Trade payables	643	
Other payables	1,301	Including €1,054,000 under the tax consolidation scheme

VI - Provisions for impairment of receivables

Changes in this item are as follows:

Trade receivables	(117)
Other receivables	1,831
Total	1,714

Most of the provision for receivables relates to M.A.A current account receivables.

VII - Breakdown of balance sheet accrued expenses

Borrowings – Banks	125
Trade payables	277
Tax and social security payables	285
Other payables	5

VIII - Prepaid expenses and deferred income

Changes in prepaid expenses over the year were non-material.

IX - Short-term investments

Opening value	Change	Gain/(loss)	Closing value
11,085	3,949	190	15,034

The Company signed a liquidity contract with Gilbert Dupont on 1 July 2017. The Company holds €180,000 in shares assigned to the liquidity contract.

X - Revenues

Breakdown by region:

France	5,334
EU	2,327
Non-EU	80
Total	7,741

Breakdown by business line:

	Total	Group share
Provision of services	7,741	7,730
Total	7,741	7,730

Revenues are only generated internally within the Group. The Company earns revenues from services provided to its subsidiaries. In 2021, a new agreement was signed with the French subsidiaries providing for the following arrangements:

- Fees are calculated on the basis of a declining scale applied to monthly revenues, excluding tax and intercompany sales, generated outside the scope of the commission agreement;
- At year-end, an additional fee amount is charged to the French companies if the contractual fee fails to cover all GROUPE SFPI cross-chargeable operating expenses;
- If GROUPE SFPI SA's operating earnings are positive, it refunds the French divisional subsidiaries the portion of fees paid exceeding €50,000 by means of a credit note. This refund is distributed among the divisional subsidiaries in proportion to the amount of annual fees they have paid to GROUPE SFPI;
- GROUPE SFPI invoices the division holding companies, which in turn invoice their own subsidiaries.

In 2023, GROUPE SFPI invoiced a total of €6,584,000 under this new agreement. Furthermore, GROUPE SFPI invoiced the French subsidiaries €363,000 under the car fleet insurance policy, for which the balance corresponds to expenses incurred on behalf of the subsidiaries.

XI - Net financial income

Dividends	10,203
Income from investments	927
Capital loss on securities	(16)
Interest expense	(520)
Impairment of other current account receivables	(1,905)
Impairment of receivables related to equity investments and securities	(17,355)
Impairment of treasury shares	(1,892)
Total	(10,559)

The highlights explain the financial loss, despite dividends of €10,203,000.

The share price of €1.954 on the last trading day resulted in an impairment charge of €1,892,000 on treasury shares and a capital loss of €16,000 on shares held under the liquidity contract.

XII - Net non-recurring income/(expenses)

	Expenses	Charges	Income	Reversals	Net
Equity investments	(6,502)	-	6,087	-	(415)
Treasury shares	-	-	-	-	-
Merger expenses	-	-	-	-	-
Sale of non-current assets	-	-	-	-	-
Social security and tax disputes	-	-	-	-	-
Other items	(10)	-	167	-	157
Total	(6,512)	-	6,254	-	(258)

GROUPE SFPI has reclassified the M.A.A shares representing ownership of the solar protection business of the Austrian group WO&WO within the MAC holding company. The sale price corresponds to the gross value of the shares less accrued interest.

The €167,000 in other exceptional income corresponds to the reversal of a provision for liability guarantees.

XIII - Other information

Transactions with related companies recognised in the income statement involved the following amounts:

Provision of services	6,584
Cross-charging of expenses	1,146
Rent	112
Operating income	7,842
External charges	(1,644)
Operating expenses	(1,644)
SCI earnings	565
Dividends	10,194
Financial income	737
Financial expenses	(19,573)
Non-recurring income	6,086
Non-recurring expenses	(6,502)

XIV - Calculation of income tax

	Gross	Adjustment	Total	Base at +25%	Income tax
Net operating income/(loss)	(629)	-	(629)	(629)	157
Joint operations	565	(50)	515	515	(129)
Net financial income/(expense)	(10,559)	9,168	(1,391)	(1,391)	348
Net non-recurring income/(expenses)	(258)	-	(258)	(258)	65
Additional tax	-	-	-	-	-
Tax credits	-	-	-	-	-
Dom GmbH tax					332
Tax group	-	-	-	-	(64)
Total income tax	-	-	-	-	709

The tax consolidation scheme gave rise to an additional tax charge related to the 3.3% additional contribution.

Increases and reductions in future tax liability

No permanently non-deductible expenses were recorded.

XVI - Off-balance sheet commitments

The retirement benefit obligation amounted to €110,000 at 31 December 2023.

XVII - Advances and compensation awarded to directors

Pursuant to Article L. 225-43 of the French Commercial Code, no advance or loan has been awarded to the Company's directors.

XVIII - Statutory auditors' fees

Statutory auditors' fees amounted to €297,000.

XIX - Average headcount

	Employees	External personnel	Secondment	TOTAL
Managers	5.4	-	-	5.4
Employees	3.8	-	-	3.8
Total	9.2	-	-	9.2

At 31 December 2023, the Company had nine employees.

Parent company financial statements

TABLE OF SUBSIDIARIES AND AFFILIATES - ARTICLE L. 233-1 OF THE FRENCH COMMERCIAL CODE (€000)

Company	Share capital <i>Number of shares</i>	Equity excluding share capital	Portion of capital held (%) <i>Number of shares</i>	Gross book value of shareholding	O/w non paid-up capital	Provisions	Loans and advances granted and not repaid	Loans and advances received and not repaid	Net dividends received in 2023	Net income/(loss) for last FY ended	Revenues from last FY ended
Consolidated equity investments											
NEU-JKF SA	6,285 419,036	21,840	99.97% 418,940	20,652		-	-	-	-	6,173	927
DOM SECURITY SAS	73,127 7,312,748	17,081	100.00% 7,312,748	76,727		-	200	-	6,581	8,844	4,749
INACTIV SAS	188 12,500	45	99.99% 12,497	253		-	-	-	-	(19)	-
MMD SAS	1,798 119,853	12,785	100.00% 119,847	6,256		-	-	-	3,476	4,249	701
MAC SAS	4,109 4,325	32,026	99.88% 4,320	24,282		-	6,086	-	-	(7,745)	2,641
VIRO TRONIC	1,500 1,500	5,041	100% 1,500	6,923						(14)	-
DATAGROUPE SA	45 3,000	619	95.37% 2,861	42		-	-	234	137	182	1,370
SCI NEU	10 500	-	99.80% 499	10		-	-	4	-	-	-
SCI LA CHAPELLE D'ARMENTIERES	10 500	69	99.80% 499	10		-	1,417	-	-	69	296
SCI GEORGE NUTTIN	10 500	156	99.80% 499	10		-	887	-	-	156	275
SCI VR des 2 VALLEES	10 500	69	99.80% 499	10		-	915	-	-	69	206
SCI ALU des 2 VALLEES	10 500	-	99.80% 499	10		-	-	4	-	-	-
SCI STERIMMO	10 500	12	99.80% 499	10		-	462	-	-	12	150
SCI LUZECH	10 500	76	99.80% 499	10		-	607			76	159
SCI MANCHESTER	10 500	14	99.80% 499	10			184			14	67
SCI CIPRIANI	10 500	6	99.80% 499	10			246			6	60
SCI DUBOIS	1 1,000	129	99.90% 999	1,028			1,471			129	281
SCI DOM	1 1,000	230	99.90% 999	10			1,741			230	540
<u>Other investments</u>											
Miscellaneous		NM	NM	41			-	1	-	NM	NM

NM: non-material

CONSOLIDATED FINANCIAL STATEMENTS - FY 2023

Balance sheet

€000	Note	31/12/2023	31/12/2022 (*)
Goodwill	1	50,644	69,597
Intangible assets	2	2,664	2,591
Property, plant and equipment	3	101,506	87,639
Right-of-use assets	4	20,605	24,293
Investments in associates	5	442	3,093
Other non-current financial assets	6	6,743	6,378
Deferred tax assets	7	17,812	16,445
Total non-current assets		200,416	210,036
Inventories and work in progress	8	127,830	139,426
Trade receivables	9	106,678	106,207
Other current assets	10	21,507	23,566
Cash and cash equivalents	11	143,810	126,490
Assets held for sale		1,827	0
Total current assets		401,652	395,689
Total assets		602,068	605,725

€000	Note	31/12/2023	31/12/2022 (*)
Share capital		89,386	89,386
Consolidated reserves / Group share		158,030	137,649
Net income / Group share		1,178	21,895
Shareholders' equity / Group share	12	248,594	248,930
Minority interests		(675)	140
Total consolidated shareholders' equity	12	247,919	249,070
Non-current provisions	13-14	55,280	55,004
Non-current borrowings	15	68,090	66,641
Non-current lease liabilities	4	13,608	15,415
Deferred tax liabilities	7	9,074	6,768
Total non-current liabilities		146,052	143,828
Current provisions	13	11,456	13,248
Current borrowings	15	30,392	34,375
Current lease liabilities	4	5,348	5,483
Trade payables	16	61,024	67,649
Current tax liabilities	16	5,351	2,554
Other current liabilities	16	94,526	89,518
Total current liabilities		208,097	212,827
Total equity and liabilities		602,068	605,725

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

Income statement

€000	Note	2023	2022 (*)
Net revenues	18	688,833	629,083
Change in inventories		(2,160)	7,129
Purchases consumed including subcontracting		(293,513)	(274,845)
Gross margin	18	393,160	361,367
as % of production		57.3%	56.8%
as % of revenues		57.1%	57.4%
Other operating income and grants		4,449	3,910
Net provision (charges)/reversals		(3,310)	(2,834)
External charges		(108,812)	(96,626)
Taxes and duties		(4,618)	(4,610)
Staff costs		(223,844)	(201,328)
Depreciation		(23,865)	(21,482)
Other expenses		(4,663)	(2,518)
RECURRING OPERATING INCOME	18	28,497	35,879
as % of revenues		4.1%	5.7%
Restructuring costs		0	234
Other non-recurring income and expenses		588	(108)
Change in impairment of goodwill and non-current assets		(20,230)	(4,004)
NET OPERATING INCOME		8,855	32,001
as % of revenues		1.3%	5.1%
Cash and cash equivalents		2,165	385
Gross cost of debt		(1,485)	(1,060)
Net cost of debt	19	680	-675
Other financial income and expenses	19	(404)	472
EARNINGS BEFORE TAX		9,131	31,798
Income tax	20	(8,551)	-10,174
Share of earnings of associates		288	110
NET INCOME OF CONSOLIDATED COMPANIES		868	21,734
as % of revenues		0.1%	3.5%
- Group share		1,178	21,895
- Minority interests		(310)	(161)
Basic and diluted net earnings per share (excl. treasury shares) - consolidation scope (€)	21	0.01	0.24

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.



Statement of net income and gains and losses recognised directly in equity

€000	Note	2023	2022 (*)
Net income for the year		868	21,734
Items subsequently reclassified to profit or loss:			
Translation differences arising from foreign subsidiaries' financial statements		885	(573)
Financial instruments, revaluation surplus		0	0
Related tax		0	0
Items not subsequently reclassified to profit or loss:			
Financial instruments		185	(3,232)
Actuarial gains and losses on retirement benefit obligations	14	2,410	10,764
Related tax	20	(749)	(3,288)
Share of earnings of associates recognised directly in equity		0	0
Total gains and losses recognised directly in equity		2,731	3,671
Net income and gains and losses recognised directly in equity		3,599	25,405
Group share		3,887	25,549
Minority interests		(288)	(144)

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

Statement of cash flows

€000	Note	2023	2022 (*)
Consolidated net income		868	21,734
Elimination of non-cash items:			
- Depreciation and amortisation of operational assets		17,176	16,208
- Depreciation and amortisation of operating and finance leases		6,689	5,273
- Change in operating, financial and non-current provisions		1,228	2,130
- Change in provisions for goodwill impairment		20,230	3,925
- Gains or losses on asset disposals		(479)	(97)
+/- Share of earnings of associates		(288)	(109)
<i>Gross operating cash flow after net cost of debt and tax</i>		<i>45,424</i>	<i>49,064</i>
+ Net cost of debt		-680	675
+/- Tax charge	20	8,551	10,174
<i>Gross operating cash flow before net cost of debt and tax</i>		<i>53,295</i>	<i>59,913</i>
Change in working capital:			
- Change in inventories and work in progress	8	17,787	(25,142)
- Change in trade receivables, advances and down payments and deferred		7,772	5,703
- Change in trade payables and prepaid expenses		(9,047)	(3,984)
- Change in tax receivables and payables		2,563	(669)
- Change in other receivables and payables		1,201	672
- Taxes paid		(10,142)	(10,099)
Net cash flow from operating activities		63,429	26,394
Disposal of non-current assets		323	317
Disposal of consolidated securities		2,298	0
Purchase of consolidated securities, net of cash acquired		(7,016)	(33,801)
Purchase of intangible assets and PP&E	2-3	(26,900)	(22,672)
Purchase of financial assets		(396)	(237)
Net cash flow from investing activities		(31,691)	(56,393)
Increase in borrowings from credit institutions		15,128	31,186
Increase in other borrowings		283	87
Operating and finance lease payments		(6,485)	(5,124)
Repayment of borrowings from credit institutions	15	(22,267)	(17,362)
Repayment of other borrowings		(489)	(392)
Net cost of debt		680	(675)
Purchase of GROUPE SFPI SA shares		0	(1,620)
Dividends paid by GROUPE SFPI SA		(4,606)	(7,370)
Dividends paid to minority shareholders of subsidiaries		(134)	(162)
Net cash flow from financing activities		(17,890)	(1,432)
Impact of changes in exchange rates		345	-240
Recorded change in cash and cash equivalents since the previous balance sheet date		14,193	(31,671)
Closing cash and cash equivalents consists of the following:			
Cash and cash equivalents	11	143,810	126,490
Overdrafts and short-term loans	15	(6,641)	(3,514)
<i>Net cash and cash equivalents</i>		<i>137,169</i>	<i>122,976</i>

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

Statement of changes in shareholders' equity

€000	Share capital	Treasury shares	Consolidated reserves and earnings	Gains and losses recognised directly in equity	Shareholders' equity - Group share	Shareholders' equity - minority interests	Total shareholders' equity
Balance at 01-01-2022	89,386	(17,552)	174,936	(14,232)	232,538	1,352	233,890
Dividends paid	0	0	(7,370)	0	(7,370)	(162)	(7,532)
Capital transactions	0	0	0	0	0	0	0
Treasury share transactions	0	(1,620)	0	0	(1,620)	0	(1,620)
Change in consolidation scope	0	0	(167)	0	(167)	(906)	(1,073)
Net income for the year (*)	0	0	21,895	0	21,895	(161)	21,734
Gains and losses recognised directly in equity	0	0	0	3,654	3,654	17	3,671
<i>Net income and gains and losses recognised directly in equity (*)</i>	<i>0</i>	<i>0</i>	<i>21,895</i>	<i>3,654</i>	<i>25,549</i>	<i>-144</i>	<i>25,405</i>
Balance at 31-12-2022 (*)	89,386	(19,172)	189,294	(10,578)	248,930	140	249,070
Dividends paid	0	0	(4,606)	0	(4,606)	(134)	(4,740)
Capital transactions	0	0	0	0	0	0	0
Treasury share transactions	0	0	0	0	0	0	0
Change in consolidation scope	0	0	383	0	383	(393)	(10)
Net income for the year	0	0	1,178	0	1,178	(310)	868
Gains and losses recognised directly in equity	0	0	0	2,709	2,709	22	2,731
<i>Net income and gains and losses recognised directly in equity</i>	<i>0</i>	<i>0</i>	<i>1,178</i>	<i>2,709</i>	<i>3,887</i>	<i>(288)</i>	<i>3,599</i>
Balance at 31-12-2023	89,386	(19,172)	186,249	(7,869)	248,594	(675)	247,919

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

Notes

INTRODUCTION

On 18 April 2024, the Board of Directors of the public limited company (“société anonyme”) GROUPE SFPI approved the accounts and authorised the publication of the GROUPE SFPI consolidated financial statements for the year ended 31 December 2023. The consolidated financial statements are drawn up in euros. Unless otherwise specified, amounts are stated in thousands of euros.

HIGHLIGHTS

The 2023 financial year closed with contrasting results, as the DOM Security, Neu-JKF and MMD divisions contributed recurring operating income of €35.9 million, identical to that of the entire Group in 2022, which the MAC Group reduced by one-fifth, with a loss of €7.2 million.

This loss is equally attributable to Franciافlex and Wo Und Wo. For Franciافlex, the loss had no indirect impact, while for Wo Und Wo it led to the full impairment of goodwill amounting to €18.9 million.

On 9 March 2023, the DOM Security division acquired the Italian company VIRO for €7.2 million. At the same time, GROUPE SFPI purchased VIRO TRONIC, which owns the real estate complex in Bologna that houses the operations of VIRO, for €6.9 million.

On 20 September 2023, GROUPE SFPI reclassified the M.A.A. shares representing ownership of Wo Und Wo within the MAC division.

LIST OF CONSOLIDATED COMPANIES

F.C. - FULL CONSOLIDATION; E.M. - EQUITY METHOD

Name	Country	% interest		Siren no.	Activity	Conso. method
		31/12/2023	31/12/2022			
GROUPE SFPI	France	Parent company		393 588 595	Holding	F.C.
DOM Security (former DOM Participations)	France	100.00	100.00	485 054 860	Division holding company	F.C.
Dény Security	France	99.76	99.73	552 105 603	Locking systems	F.C.
Dom-Metalux	France	99.96	99.96	572 020 394	Locking systems	F.C.
Picard-Serrures	France	99.99	99.99	341 148 823	Locking systems	F.C.
Dom Ronis	France	99.99	99.99	345 004 147	Locking systems	F.C.
Dom-UK Ltd	UK	100.00	100.00	/	Locking systems	F.C.
Dom-CR Spa	Italy	100.00	100.00	5988590013	Locking systems	F.C.
Elzett-Sopron	Hungary	50.00	50.00	/	Galvanisation	E.M.
Dom Elzett	Hungary	100.00	100.00	11404006	Locking systems	F.C.
Dom Polska	Poland	100.00	100.00	5730003798	Locking systems	F.C.
Dom Czech Spol	Czech Rep.	100.00	100.00	/	Locking systems	F.C.
Dom-Titan	Slovenia	99.43	99.43	34816712	Locking systems	F.C.
Titan Zagreb	Croatia	30.00	30.00	/	Locking systems	E.M.
Titan-Okovi Doo	Serbia	100.00	100.00	/	Locking systems	F.C.
Dom TSS	France	100.00	100.00	348 541 798	Locking systems	F.C.
Dom Suisse	Switzerland	100.00	100.00	/	Locking systems	F.C.
Dom GmbH & Co KG	Germany	100.00	100.00	/	Locking systems	F.C.
Secu Beteiligungs GmbH	Germany	100.00	100.00	/	Locking systems	F.C.
Dom Romania	Romania	100.00	100.00	/	Locking systems	F.C.
Dom MCM	Spain	100.00	100.00		Locking systems	F.C.
Omnitech Security	France	100.00	100.00	482 646 015	Security systems	F.C.
Springcard (former Proactive)	France	0.00	33.90	429 665 482	Security systems	E.M.
Invisys	France	95.00	95.00	802 367 458	Security systems	F.C.
DIS	Austria	66.7	66.7		Locking systems	F.C.
Eliot et Cie	France	100.00	100.00	629 027 899	Locking systems	F.C.
Antipanic Srl	Italy	100.00	76.58		Locking systems	F.C.
Hoberg	Belgium	100.00	100.00		Locking systems	F.C.
Tapkey	Austria	60.00	60.00		Locking systems	F.C.
Viro Spa	Italy	100.00			Locking systems	F.C.
Viro Tronic	Italy	100.00			Real estate	F.C.
Nuova Ario SA	Romania	98.93			Locking systems	F.C.
Euro Locks	South Africa	30.10			Locking systems	E.M.

Name	Country	% interest		Siren no.	Activity	Conso. method
		31/12/2023	31/12/2022			
NEU-JKF SA (former NEU SA)	France	99.98	99.98	454 500 315	Division holding company	F.C.
Neu Railways	France	0	45.00	351 221 361	Air treatment	E.M.
Neu Inc.	USA	0	50.00		Air treatment	E.M.
Delta Neu	France	99.99	99.99	301 468 146	Air treatment	F.C.
Delta Neu Pays-Bas	Netherlands	100.00	100.00		Air treatment	F.C.
Neu JKF Woods Industry (former NEU RLS)	France	99.96	99.96		Air treatment	F.C.
Delta Neu GB	UK	100.00	100.00		Air treatment	F.C.
Neu Automation	France	99,88	99.85	329 529 614	Air treatment	F.C.
Delta Neu Benelux	Belgium	100.00	100.00		Air treatment	F.C.
Foncière Neu	France	100.00	100.00	433 336 138	Real estate	F.C.
Neu Process	France	100.00	100.00	479 988 453	Air treatment	F.C.
Fevi SAS	France	100.00	100.00	410 582 134	Air treatment	F.C.
Fevi GmbH	Germany	100.00	100.00		Air treatment	F.C.
Lcat Trading	HK	100.00	100.00		Air treatment	F.C.
Delta Neu Shanghai	China	100.00	100.00		Air treatment	F.C.
JKF Industri A/S	Denmark	98,16	98,16		Air treatment	F.C.
JKF Polska Sp Zoo	Poland	100.00	100.00		Air treatment	F.C.
JKF Industri Sdn Bhd	Malaysia	100.00	100.00		Air treatment	F.C.
NEU-JKF International	France	100.00	100.00	834 040 537	Air treatment	F.C.
NEU-JKF Indonesia	Indonesia	67.00	67.00		Air treatment	F.C.
MMD	France	99.99	99.99	379 575 434	Division holding company	F.C.
Financière Barriquand	France	97.84	97.84	349 967 836	Holding	F.C.
Barriquand SAS	France	99.84	99.84	405 782 590	Holding	F.C.
Steriflow	France	100.00	100.00	352 960 702	Sterilisers	F.C.
Barriquand Plate Exchangers (formerly Barriquand)	France	99.99	99.99	352 960 777	Exchangers	F.C.
Barriquand Shell and Tubes (formerly Aset)	France	98.98	98.98	969 508 217	Exchangers	F.C.
Barriquand Heat Exchangers (formerly Barriquand Technologies Thermiques)	France	100.00	100.00	479 868 853	Sales	F.C.
Steriflow Service Maroc	Morocco	75.00	75.00		Sterilisers	F.C.
Flopam Do Brasil	Brazil	99.50	99.50		Sales	F.C.

Name	Country	% interest		Siren no.	Activity	Conso. metho
		31/12/2023	31/12/2022			
MAC	France	99.88	99.88	327 997 714	Division holding company	F.C.
France Fermetures	France	100.00	100.00	329 403 422	Doors	F.C.
Franciaflex	France	100.00	100.00	433 802 147	Doors	F.C.
SMVO	France	100.00	100.00	712 004 076	Foundry	F.C.
Baie Ouest	France	100.00	100.00	383 336 260	Doors	F.C.
Storistes de France	France	96.00	96.00	352 122 675	Network operator	F.C.
Boflex	Belgium	100.00	100.00	436 158 718	Doors	F.C.
Faber	France	100.00	100.00	662 025 345	Doors	F.C.
WELLCOM	France	100.00	100.00	749 811 220	Doors	F.C.
SIPA	France	100.00	100.00	402 295 174	Doors	F.C.
SIPOSE	France	100.00	100.00	423 015 270	Doors	F.C.
BOSTORE (*)	Belgium	0	99.46		Doors	F.C.
VETTENBURG (*)	Belgium	0	100.00		Doors	F.C.
M.A.A.	France	100.00	100.00		Holding	F.C.
WO&WO Sonnenlichtdesign GmbH & Co KG	Austria	100.00	100.00		Doors	F.C.
WO&WO Swiss GmbH	Switzerland	100.00	100.00		Doors	F.C.
WO&WO Stinici Technika	Czech Republic	100.00	100.00		Doors	F.C.
WO&WO Sonnenlichtdesign GmbH	Germany	100.00	100.00		Doors	F.C.
WO&WO France	France	100.00	100.00		Doors	F.C.
WO&WO Holding GmbH	Germany	100.00	100.00		Holding	F.C.
WO&WO Sonnenlichtdesign GmbH	Austria	100.00	100.00		Doors	F.C.
Other companies						
Inactiv' SAS (former Point Est)	France	99.97	99.97	382 591 949	Partnership Eastern Europe	F.C.
Datagroupe	France	95.33	95.33	347 812 752	Services	F.C.
France Investissement	Bulgaria	94.68	94.68		Trade consulting Eastern Europe	F.C.
SCI DOM	France	100.00	100.00	817 484 405	Real estate	F.C.
SCI NEU	France	100.00	100.00	789 092 145	Real estate	F.C.
SCI La Chapelle d'Armentières	France	100.00	100.00	789 092 384	Real estate	F.C.
SCI STERIMMO	France	100.00	100.00	752 215 001	Real estate	F.C.
SCI Georges Nuttin	France	100.00	100.00	751 978 172	Real estate	F.C.
SCI VR des 2 Vallées	France	100.00	100.00	752 031 914	Real estate	F.C.
SCI ALU des 2 Vallées	France	100.00	100.00	752 053 595	Real estate	F.C.
SCI Luzech	France	100.00	100.00	812 465 805	Real estate	F.C.
SCI Manchester	France	100.00	100.00	817 464 340	Real estate	F.C.
SC Dubois	France	100.00	100.00	520 477 613	Real estate	F.C.
SCI Cipriani	France	100.00	100.00	815 307 360	Real estate	F.C.

(*) The Belgian companies Bostore and Vettenburg have merged into the company Boflex.

ACCOUNTING POLICIES, VALUATION METHODS AND IFRS OPTIONS ADOPTED

1. ACCOUNTING STANDARDS

The consolidated financial statements cover the 12-month periods ended 31 December 2023 and 2022.

The Sfp Group consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted within the European Union as at 31 December 2023.

These include IAS and IFRS international accounting standards and SIC and IFRIC interpretations of mandatory application as at 31 December 2023.

The IFRS adopted by the European Union as at 31 December 2023 may be consulted in the section entitled "IAS/IFRS Standards and Interpretations" on the following website:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements.

The accounting principles applied in the preparation of the 2023 consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2022, except for new standards, amendments and interpretations applicable from 1 January 2023.

IFRS amendments published by the IASB and applicable from 1 January 2023 had no impact on the financial statements.

Following the vote on pension reform in France, the Group has adopted the assumption that, in its French companies, employees will be able to retire at their own initiative at the age of 64. The impact of this change is not material.

The Group did not apply in advance any standards, amendments or interpretations published by the IASB which were not mandatory as of 1 January 2023.

Accounting policies, errors and estimates

Accounting policies are changed only if required by a standard or interpretation or if the change leads to more reliable and appropriate reporting. Changes in accounting policies are recognised retrospectively, unless a given standard or interpretation provides for transitional measures. The financial statements impacted by a change of accounting policy are restated in respect of all financial years presented, as if the new policy had been applied to all of these years. Errors identified are also corrected retrospectively.

The inherent uncertainty regarding business operations requires the use of estimates in the preparation of the financial statements. Estimates are based on judgements designed to provide a reasonable assessment of the latest available reliable information. Estimates are revised in light of changes in circumstances, new information available and experience. Changes in estimates are recognised prospectively: they impact the year in which they are made and subsequent years.

The preparation of the financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, income and expenses for the period and to take into account any contingencies existing at the balance sheet date.

Depending on changes in the assumptions in question or in economic conditions compared to those prevailing at the balance sheet date, the amounts that appear in the Group's future financial statements may differ significantly from current estimates.

2. CONSOLIDATION SCOPE AND METHODS

The Group consolidates all controlled companies and uses the equity method to account for companies over which it exercises significant influence. The balance sheet date for all companies is 31 December.

3. CHANGE OF METHOD

No change of method was applied to the year ended, except as explained above in the section entitled "Accounting Standards".

4. CHANGE OF PRESENTATION

No change of presentation was applied to the year ended.

5. TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

Balance sheet items are translated by applying the exchange rate prevailing on the balance sheet date.

Income and expenses shown in the income statement are translated at the average exchange rate for the year.

Differences arising from this translation method are recognised directly in the statement of comprehensive income and are shown under "Translation differences" on the balance sheet.

The following exchange rates were applied:

	2023 closing rate	2023 average rate	2022 closing rate	2022 average rate
CHF (Switzerland)	0.93	0.97	0.98	1.00
GBP (UK)	0.87	0.87	0.89	0.85
HUF (Hungary)	382.80	382.14	400.87	391.27
PLN (Poland)	4.34	4.54	4.68	4.68
RON (Romania)	4.98	4.95	4.95	4.94
RSD (Serbia)	117.27	117.33	117.33	117.43
CZK (Czech Republic)	24.72	23.98	24.12	24.56
HRK (Croatia)	7.54	7.54	7.54	7.54
BRL (Brazil)	5.36	5.41	5.64	5.47
MAD (Morocco)	10.91	10.98	11.16	10.69
CNY (China)	7.85	7.66	7.36	7.08
HKD (Hong Kong)	8.63	8.47	8.32	8.27
USD (USA)	1.11	1.08	1.07	1.06
DKK (Denmark)	7.45	7.45	7.44	7.44
SGD (Singapore)	1.46	1.45	1.43	1.45
IDR (Indonesia)	17,079.71	16,485.40	16,519.82	15,674.50
ZAR (South Africa)	20.35	19.89		
MYR (Malaysia)	5.08	4.92	4.70	4.63

6. INTANGIBLE ASSETS

Intangible assets mainly consist of measured development costs, patents and software. They are recognised at acquisition or production cost less accumulated amortisation and impairment.

The main amortisation periods are as follows:

- Software 1-3 years
- Patents duration of legal protection
- Development costs 3 years from market launch
- Other intangible assets 1-5 years

Development costs are only capitalised if they represent a material investment. The main criteria for capitalisation are whether the project is technically feasible, the market has been identified and profitability can be calculated with reasonable reliability. Prior year development costs are never capitalised in subsequent years.

7. GOODWILL

Business combinations are recognised in accordance with IFRS 3:

- Acquisition costs are expensed;
- IFRS 3 allows an accounting policy choice, available on a transaction by transaction basis, to measure non-controlling interests (minority interests) at fair value, including the proportionate share of goodwill;
- Changes in the percentage of interest in subsidiaries that do not result in a change of control are recognised directly in shareholders' equity, without giving rise to additional goodwill;
- In the case of business combinations achieved in stages (step acquisitions), the acquirer remeasures any previously held interest at fair value on the date control is obtained and recognises the resulting gain or loss, not in shareholders' equity, but directly in profit or loss for the year.

Goodwill is allocated to the acquiree's identifiable assets, liabilities and contingent liabilities at fair value within 12 months following the acquisition date. Costs to sell are deducted from the value of assets held for sale.

Goodwill is measured as the difference between the cost of the business combination and the proportionate share of shareholders' equity received by the acquirer after appropriation of earnings.

Goodwill is not amortised. It is tested for impairment at least once a year and whenever there is an indication of impairment and, where appropriate, an irreversible impairment loss is recognised.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised at acquisition or production cost less accumulated depreciation and impairment, according to the standard method.

The amount to be depreciated is calculated after deduction of a residual value, which is generally zero as the amount in question is non-material.

Generally speaking, depreciation is calculated on a straight-line basis over the useful life of the asset. Generally applied depreciation periods are as follows:

•	Buildings	20-25 years
•	Furniture, office fittings and equipment	3-10 years
•	Production plant and equipment	3-8 years
•	Used items	2-3 years

Surface treatment facilities do not carry a legal obligation to dismantle requiring recognition of a depreciable asset.

9. RIGHT-OF-USE ASSETS - IFRS 16

The Group recognises a lease where the economic benefits attached to the use of an identified asset are substantially transferred to the Group and where the Group has the right to use the asset.

The Group applies both exemptions provided for by the standard, namely in respect of leases with a residual term of no more than 12 months and leases of underlying assets with a value of \$5,000 or less when new. Lease payments under these leases continue to be recognised on the income statement under external expenses under operating income.

In the case of Sfpi Group, most leases falling within the scope of IFRS 16 concern buildings, office premises and vehicles.

The value of the asset and corresponding lease liability equals the present value of future lease payments. Lease payments make allowance for fixed rent, or variable rent pegged to an index or rate, where this is known at the lease commencement date.

The lease term is defined individually for each lease and corresponds to the non-cancellable period of the lease, including periods covered by extension and termination options that the Group is reasonably certain to exercise or not. The Group takes all economic aspects of the lease into account, including economic incentives for the lessor or lessee not to terminate the lease.

Discount rates correspond to the weighted average interest rate applicable to borrowings contracted during the same year, adjusted by a country risk coefficient.

Right-of-use assets pertaining to leases are depreciated straight line over the term used to calculate lease liabilities. Depreciation is calculated on a straight-line basis. Deferred taxes are recognised under the impact of these entries in the income statement.

Assets acquired under finance leases are capitalised with a matching entry under financial liabilities calculated on the basis of the lease interest rates. These assets are depreciated over the following periods:

•	Buildings	20 years
•	Production equipment	3-8 years

Presentation:

On the balance sheet, lease liabilities are separated into non-current (due in over 1 year) and current (due in less than 1 year).

On the income statement, depreciation charges are recognised under depreciation, amortisation and provisions under recurring operating income. Interest payments on leases are included under financial expense.

10. IMPAIRMENT LOSSES

Goodwill, indefinite life intangible assets and property, plant and equipment are tested for impairment whenever there is an indication of impairment and, in the case of goodwill and indefinite life intangible assets, at least once a year. Impairment testing is conducted on each cash-generating unit (CGU). CGUs correspond to Sfpi Group subsidiaries.

The carrying amount of an asset or CGU is compared to the recoverable amount, which is the higher of an asset's fair value less costs of disposal (net selling price or market value) and its value in use.

Value in use is measured using the discounted cash flow (DCF) method.

The discount rate equals the weighted average cost of permanent capital based on the following assumptions:

- 40% fixed debt bearing interest at the French TEC 10-year Treasury constant maturity rate plus one percentage point, less amounts deductible for tax purposes;
- 60% equity generating interest at the risk-free rate (10-year TEC) plus a published average risk premium augmented by a company beta risk coefficient ranging from 1.3 to 2.5.

Future cash flows are calculated on the basis of the following year's budget multiplied by a probability coefficient based on the ratio between actual and budgeted operating earnings for the previous years. In line with this principle, a so-called "historic" risk premium is applied as opposed to a "prospective" risk premium.

In the absence of specific forecasts, these cash flows are multiplied by inflation (1.1%) for each of the following four years. The terminal value for the fifth year is obtained by dividing cash flow by the weighted average cost of permanent capital without deduction for inflation to reflect the fact that earnings will be reduced by inflation each year.

Calculated in this manner, value in use should cover the amount of non-current assets including goodwill.

If this is not the case, an irreversible impairment loss is first recognised against goodwill. Thereafter, except for land and buildings whose fair market value is higher than the carrying amount, a reversible impairment loss not exceeding the carrying amount is recognised against the other non-current assets.

11. FINANCIAL ASSETS AND LIABILITIES

The measurement and recognition of financial assets and liabilities are defined by IAS 9 "Financial Instruments: Recognition and Measurement".

Financial assets

Financial assets are initially measured at fair value plus transaction costs. In the case of financial assets measured at fair value through profit or loss, transactions costs are excluded from the balance sheet entry value.

The IFRS 9 approach to classifying and measuring financial assets reflects the economic model according to which they are managed, as well as the related contractual cash flows.

Trade receivables, receivables from non-fully consolidated equity investments, financial advances and security deposits are recognised at amortised cost (financial assets where the related cash flows solely represent principal and interest payments). Income and expenses related to loans and receivables consist of interest income and impairment losses (see section 14 below).

Financial liabilities

IFRS 9 distinguishes between various categories of financial liabilities subject to specific accounting treatment:

- Financial liabilities measured at fair value through other comprehensive income (see Note 15);
- Other financial liabilities not held for trading, which are measured at amortised cost. Borrowings are initially measured at the fair value of the amounts received less transaction costs; they are subsequently measured at amortised cost at the effective interest rate.

Income and expenses related to financial liabilities mainly consist of interest payments.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at hand, cash in bank and cash equivalents. Cash equivalents are highly liquid investments with terms not exceeding three months, indexed to money-market rates and whose amounts are either known or subject to minimal risk of change in value. In the statement of cash flows, cash and cash equivalents include the “Current bank overdrafts” item shown under liabilities.

13. INVENTORIES

Goods and raw materials are measured using the first-in first-out (FIFO) method or, otherwise, at the last purchase cost which, given the fast rotation of these inventories, gives a value close to the FIFO value.

Finished goods and work in progress are measured at production cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Furthermore, probable use of inventories is calculated on the basis of the rotation rate of items created since more than one year ago.

If the probable net realisable value is lower than cost, a provision for impairment is recorded.

Impairment is calculated depending on the rate of rotation, as follows:

- Rotation exceeding 4 years of consumption: full write-off;
- Rotation exceeding 3 years of consumption: 75% write-down;
- Rotation exceeding 2 years of consumption: 50% write-down;
- Rotation exceeding 1 year of consumption: 25% write-down;
- No write-downs are recorded for new products less than 12 months old.

The provision amount calculated accordingly is adjusted depending on the probable use of the product in order to arrive at the net realisable value.

14. RECEIVABLES

Receivables are recognised at amortised cost (financial assets where the related cash flows solely represent principal and interest payments). An impairment loss is recorded where the recoverable value falls below the carrying amount, in accordance with the expected loss model prescribed by IFRS 9. Analysis of credit risk is supplemented by a statistical provision calculation method covering all receivables, including non-overdue and 30 days overdue receivables.

Trade receivables are earmarked for provisions on the basis of their age, as follows:

- Provisions are recorded for the full amount of receivables more than a year overdue that are not covered by credit insurance;
- Provisions are recorded for at least 50% of the amount of receivables more than 6 months overdue that are not covered by credit insurance;
- Provisions are recorded for at least 25% of the amount of receivables more than 3 months overdue that are not covered by credit insurance;
- Provisions are recorded for the full amount of receivables covered by credit insurance as soon as the deadline for submission to the insurance company expires;
- Provisions are recorded for the non-insured amount in the case of receivables covered by credit insurance for which a claim has been filed with the insurer.

The provision amount calculated accordingly is adjusted depending on the probability of collecting the outstanding customer debt per individual line.

15. CURRENT AND NON-CURRENT PROVISIONS

A provision is recorded where a legal or constructive obligation towards a third party exists at the balance sheet date, where it is probable that this will result in an outflow of resources to such third party without consideration at least equivalent in terms of economic benefits and where the amount of the obligation can be reliably estimated.

Provisions for guarantees are calculated on the statistical basis of the costs of guarantees assumed during the year, multiplied by the remaining amount of revenues to be guaranteed and divided by the amount of revenues for which the guarantees have expired.

Where there is an obligation to replace a product, the provision is calculated on a statistical basis according to specific estimates for the related product category.

16. RETIREMENT BENEFITS AND LONG-SERVICE AWARDS

Retirement benefits and long-service awards are qualified as defined benefit plans. They are recognised under non-current provisions, except for the portion to be paid within 12 months following the balance sheet date, which is recorded under current provisions. They are measured using a prospective actuarial method that allocates benefits in proportion to years of service (projected unit credit method).

In 2022, the main assumptions are based on voluntary retirement in the French subsidiaries at the age of 63 for executives and 61 for non-executives.

In 2023, following the vote on pension reform in France, the Group adopted the assumption that, in its French companies, employees will be able to retire at their own initiative at the age of 64

Top-up pensions for DOM Germany staff are measured by an independent actuary using the same method. Similarly, in Austria, retirement bonuses and long-service awards are valued by an external actuary.

The provision makes allowance for life expectancy and presence in the company on the dates of payment-related triggering events.

IAS 19 prescribes application of the yield on AA-class corporate bonds over periods reflecting the payment schedule as the discount rate. Accordingly, the discount rate applied in 2023 ranged from 3.1% to 3.3% for eurozone companies (3.1% to 4.1% in 2022) and from 4.7% to 5.7% for other companies (5.5% to 7.1% in 2022). Likewise, allowance was made for inflation ranging from 2.0% in the eurozone in 2023 (2.5% in 2022) to 7% elsewhere and a country-specific wage growth rate due to promotion excluding inflation ranging from 0.5% to 1% in the eurozone and from 2.8% to 5.4% elsewhere (0.5%-1% in the eurozone and 5%-9% elsewhere in 2022).

Actuarial gains and losses arising from changes in assumptions regarding retirement benefit obligations and experience adjustments are recognised directly in comprehensive income and presented under balance sheet reserves.

17. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Income and expenses denominated in foreign currencies are recognised at their equivalent euro value on the transaction date. Foreign currency receivables and payables are stated on the balance sheet at their equivalent euro value at the year-end closing rate.

Goodwill generated on initial recognition of a business combination is recognised in the foreign currency and subsequently translated at the closing rate.

18. CORPORATE INCOME TAX

The amount of tax effectively owed at the balance sheet date is adjusted for deferred tax calculated using the balance sheet method, i.e. based on temporary differences between the carrying amounts derived from the consolidated financial statements and the corresponding tax bases.

Net deferred tax assets, including tax loss carryforwards, after deduction of deferred tax liabilities are recognised where it is probable that the relevant tax entity will generate future profits.

French CVAE business value added tax, which meets the IAS 12.2 definition of an income tax ("taxes based on taxable profits"), is included under "Income tax".

19. REVENUES

Group revenues are recognised upon transfer of control over the goods and services promised to customers, which generally corresponds to delivery. This fundamental principle is presented in IFRS 15 in the form of a five-step model. The five steps are: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; (v) recognise revenue when (or as) the Group satisfies a performance obligation.

20. DISTINCTION BETWEEN RECURRING AND NET OPERATING INCOME

Recurring operating income is generated by the operations in which the Company is involved as part of its business affairs, as well as by activities that it performs on an ancillary basis as an extension of its normal business activities.

Restructuring costs are shown on a separate line, as are other material non-recurring income and expenses and asset disposals. Likewise, the result of comparing the net book values of companies' assets to their recoverable value is recognised separately under "Change in impairment of goodwill and non-current assets", which includes irreversible impairment of goodwill and changes in impairment losses recorded on other non-current assets.

21. OPERATING SEGMENTS

The Group's business activities are divided into a number of divisions:

- DOM Security: locking solutions, security cylinders, access solutions
- NEU-JKF: air-based ventilation systems and solutions, dust extraction and pneumatic conveying
- MMD: heat exchangers and sterilisers
- MAC/WO&WO: shutters, windows, blinds, doors, garage doors, industrial doors
- Other businesses: holding companies

The real estate holding companies (SCI) owned by GROUPE SFPI SA are presented under the operating segments whose property they hold.

The Viro Spa Group, acquired during the year, is included in the DOM division.

The chief operating decision maker analyses operating segment reporting in order to prepare an analysis of Group performance and allocate resources to operations.

22. STATEMENT OF CASH FLOWS

The cash flow statement shows cash flows from operating, investing and financing activities restated for all internal Group transactions.

23. CHANGES IN CONSOLIDATION

The main impacts of the Viro Group acquisition on the income statement are as follows (€000):

Contributory income statement (€000)	Included in SFPI consolidation scope (9 months)	2023 full-year (standalone)
Net revenues	11,032	14,821
Gross margin	5,789	7,484
as % of revenues	52.5%	50.5%
External charges	(3,007)	(3,891)
Staff costs	(2,429)	(3,190)
Depreciation	(721)	(415)
Recurring operating income/(loss)	(162)	(71)
Net operating income/(loss)	(162)	(71)
Net income	(275)	(240)

However, the 2023 changes in scope include the Wo&Wo group for a full year, whereas it was only consolidated for the last five months of the 2022 financial year (see 2022 notes to the consolidated financial statements).

NOTE 1 - GOODWILL

The following amounts of goodwill were assigned to each cash-generating unit (CGU) at 31 December 2023:

	Gross value 31-12-2023	Impairment 31-12-2023	Net value 31-12-2023	Net value 31-12-2022 (*)
DOM SECURITY	96,561	(50,751)	45,810	45,810
- <i>DENY Security</i>	27,814	(10,796)	17,018	17,018
<i>DOM + TAPKEY Group</i>	11,418	(333)	11,085	11,085
<i>HOBERG</i>	5,605	0	5,605	5,605
<i>PICARD-SERRURES</i>	7,525	(2,588)	4,937	4,937
<i>ANTIPANIC SRL</i>	5,081	(1,859)	3,222	3,222
<i>OMNITECH Security</i>	2,696	0	2,696	2,696
<i>Dom Participations - Beugnot</i>	1,248	0	1,248	1,248
<i>ELIOT et Cie</i>	103	(103)	0	0
MMD	4,834	0	4,834	4,834
<i>Cipriani Phe</i>	4,834		4,834	4,834
NEU-JKF	11,559	(11,559)	0	0
MAC	18,923	(18,923)	0	18,923
<i>WO&WO</i>	18,923	(18,923)	0	18,923
Goodwill	131,877	(81,233)	50,644	69,567

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group. Accordingly, the goodwill initially recognised for the Wo&Wo group at the time of its acquisition on 1 August 2022 has been partially reallocated to the assets of the Austrian company. Plant and equipment has been revalued at a total of €2.5 million.

In addition, during the 2023 financial year, following the acquisition of the Viro Group, the Group did not recognise any goodwill. Goodwill on first consolidation was allocated to property, plant and equipment.

As a result of impairment testing prompted by indications of impairment, the Group's CGUs were further written down by €18.9 million in the MAC division.

The following discount rates were used for the main CGUs:

Weighted average cost of capital (WACC before tax) used to calculate impairment			
		2023	2022
DOM			
	<i>Dény Security</i>	8.01%	8.44%
	<i>Dom GmbH</i>	7.94%	8.37%
	<i>Dom Security - Beugnot</i>	8.42%	8.86%
	<i>Picard Serrures</i>	8.24%	8.67%
	<i>OMNITECH Security</i>	8.42%	8.86%
	<i>Dom UK</i>	8.30%	8.74%
	<i>Dom Titan</i>	10.39%	10.86%
	<i>Antipanic</i>	9.22%	9.64%
	<i>Hoberg</i>	8.01%	8.44%
NEU-JKF			
	<i>Fevi SAS / Neu Fevi</i>	13.00%	13.24%
MAC			
	<i>WO&WO Group</i>	10.24%	
MMD			
	<i>Cipriani</i>	8.84%	9.23%

2023 discount rates were impacted by the decrease in the risk-free interest rate.

Sensitivity to assumptions:

	Impact on the value of asset impairment	
€000	Goodwill	Other non-current assets
5% EBIT increase over the entire plan term	0	(225)
5% EBIT decrease over the entire plan term	210	977
0.5 pp increase in discount rate	230	986
0.5 pp reduction in discount rate	0	(255)

NOTE 2 - INTANGIBLE ASSETS

Intangible assets break down as follows:

	31-12-2023			31-12-2022		
	Gross	Depreciation & impairment	Net	Gross	Depreciation & impairment	Net
Research and development expenditure	1,307	(1,293)	14	1,306	(1,236)	70
Patents, licences & trademarks	35,141	(32,991)	2,150	31,836	(29,362)	2,474
Other non-current assets	6,295	(5,966)	329	6,306	(6,305)	1
Advances and WIP	171		171	46		46
Intangible assets	42,914	(40,250)	2,664	39,494	(36,903)	2,591

Changes in net intangible assets are as follows:

	R&D expenditure	Patents, licences & trademarks	Other items	Advances and WIP	Total
1 January 2022	92	2,724	1,249	139	4,204
Change in consolidation		398			398
Capital expenditure	18	613	85		716
Disposals during the year	3		(115)		(112)
Depreciation	(43)	(1,068)	(473)		(1,584)
Impairment (charges)/reversals		(230)	(800)		(1,030)
Foreign exchange gains/(losses)		(1)			(1)
Reclassification		38	55	(93)	0
31 December 2022	70	2,474	1	46	2,591
Change in consolidation		69		135	204
Capital expenditure		755	57	90	902
Disposals during the year		(46)	(98)		(144)
Depreciation	(56)	(1,124)	219		(961)
Impairment (charges)/reversals		42	129		171
Foreign exchange gains/(losses)			1		1
Reclassification		(20)	20	(100)	(100)
31 December 2023	14	2,150	329	171	2,664

€9.2 million of research costs and €3.6 million of development costs were recognised under expenses for 2023.

Capital expenditure was mainly incurred in the DOM Security division (€303,000) and MMD division (€165,000).

Net property, plant and equipment per division breaks down as follows:

	31-12-2023	31-12-2022
DOM Security	1,198	468
NEU-JKF	53	63
MMD	1,170	1,291
MAC	217	710
Other businesses	26	59
Net intangible assets	2,664	2,591
<i>Viro Group</i>	<i>96</i>	

Net property, plant and equipment per region breaks down as follows:

	31-12-2023	31-12-2022
France	1,682	2,002
Overseas	982	589
Net intangible assets	2,664	2,591

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment breaks down as follows:

	31-12-2023			31-12-2022 (*)		
	Gross	Depreciation & impairment	Net	Gross	Depreciation & impairment	Net
Land and development	19,482	(2,084)	17,398	17,604	(2,062)	15,542
Buildings	133,312	(93,280)	40,032	117,548	(85,041)	32,507
Plant and equipment	271,428	(243,618)	27,810	247,016	(222,203)	24,813
Other non-current assets	46,717	(39,337)	7,380	43,015	(35,918)	7,097
Advances and WIP	10,128	(1,242)	8,886	8,745	(1,065)	7,680
Property, plant and equipment	481,067	(379,561)	101,506	433,928	(346,289)	87,639

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

	Land and development	Buildings	Plant and equipment	Other items	Advances and WIP	Total
1 January 2022	15,117	35,488	20,191	6,346	1,968	79,110
Change in consolidation (*)	40	71	3,139	340	727	4,317
Capital expenditure	394	1,262	9,118	3,247	7,938	21,959
Disposals during the year	7	(9)	(88)	(103)		(193)
Depreciation	(14)	(4,503)	(7,510)	(2,475)	5	(14,497)
Impairment (charges)/reversals			(1,643)	(315)	(913)	(2,871)
Foreign exchange gains/(losses)	(2)	(108)	(29)	(16)	(31)	(186)
Reclassification		306	1,635	73	(2,014)	0
31 December 2022 (*)	15,542	32,507	24,813	7,097	7,680	87,639
Change in consolidation		1,496	3,639	85	15	5,235
Capital expenditure	2,453	4,967	8,213	3,313	7,052	25,998
Disposals during the year	(1)		(298)	(67)	(14)	(380)
Depreciation	(3)	(3,935)	(9,203)	(2,969)	-16	(16,126)
Impairment (charges)/reversals			(1,078)	(255)	(144)	(1,477)
Foreign exchange gains/(losses)	(26)	121	21	54	(2)	168
IFRS 5 reclassification	(566)	(583)				(1,149)
Reclassification (including IFRS 5)	(1)	5,459	1,703	122	(5,685)	1,598
31 December 2023	17,398	40,032	27,810	7,380	8,886	101,506

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

In 2023, the changes in impairment recognised in the income statement relate to the DOM Security division (-€850,000), the NEU division (+€27,000) and the MAC division (-€485,000).

Net property, plant and equipment per division breaks down as follows:

	31-12-2023	31-12-2022 (*)
DOM Security	42,588	34,050
NEU-JKF	18,773	18,774
MMD	8,532	8,586
MAC	31,463	26,070
Other businesses	150	159
Net property, plant and equipment	101,506	87,639
<i>Viro Group</i>	<i>9,603</i>	

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

Capital expenditure breaks down as follows:

	31-12-2023	31-12-2022
DOM Security	12,447	6,426
NEU-JKF	2,628	2,986
MMD	1,817	2,376
MAC	9,024	10,132
Other businesses	81	39
Purchase of property, plant and equipment	25,997	21,959

Net property, plant and equipment per region breaks down as follows:

	31-12-2023	31-12-2022 (*)
France	48,441	44,614
Overseas	53,065	43,025
Net property, plant and equipment	101,506	87,639

(*) During the first half of 2023, in accordance with IFRS 3 the Group finalised the assessment of the acquisition price, assets acquired and liabilities assumed from the Wo&Wo Group on 01/08/2022. Consequently, the statements at 31 December 2022 were adjusted.

NOTE 4 - RIGHT-OF-USE ASSETS

Right-of-use assets break down as follows:

	Real estate lease	Plant and equipment	Office equipment and hardware	Vehicles and transport equipment	Total
Right-of-use assets at 31-12-2022	19,277	389	427	4,200	24,293
<i>o/w finance leases</i>	<i>3,334</i>	<i>19</i>	<i>10</i>	<i>0</i>	<i>3,363</i>
First-time consolidation		101	109		210
New leases signed during the period	155	0	278	1,802	2,235
<i>o/w finance leases</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Lease amendments and termination	(485)	(209)	65	1,185	556
<i>o/w finance leases</i>	<i>(1,500)</i>				<i>(1,500)</i>
Depreciation for the period	(3,222)	(157)	(320)	(2,990)	(6,689)
<i>o/w finance leases</i>	<i>(215)</i>	<i>(19)</i>	<i>(10)</i>		<i>-244</i>
Right-of-use assets at 31-12-2023	15,725	124	559	4,197	20,605
<i>o/w finance leases</i>	<i>1,619</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,619</i>

In application of IFRS 16, finance lease liabilities have been reclassified as lease liabilities.

	Liabilities 01-01-2023	New liabilities	Repayment	Change in consolidation	Total 31-12-2023	o/w due in <1yr
Lease liabilities	20,898	4,291	(6,443)	210	18,956	5,348
<i>o/w finance leases</i>	0				0	0

	DOM Security	NEU-JKF	MAC	MMD	SFPI & Others	Total 31-12-2023
Due in < 1yr - operating leases	1,202	844	2,538	58	706	5,348
Due in > 1yr - operating leases	1,588	840	9,031	83	2,066	13,608
Total	2,790	1,684	11,569	141	2,772	18,956
Restated rent	1,512	1,209	2,939	99	675	6,434
Depreciation recognised	(1,518)	(1,188)	(3,093)	(175)	(715)	(6,689)
Interest	(16)	(16)	46	(2)	39	51

NOTE 5 - INVESTMENTS IN ASSOCIATES

At 31 December 2023, these consisted of TITAN ZAGREB (€160,000) and Euro Locks (€282,000) in the DOM division.

ELZETT-FEK (€677,000) has been classified as an asset held for sale.

Neu Railways and Neu Inc were sold outside the Group during the year.

These companies' key financial figures are as follows, after consolidation adjustments allowing for a 100% equity interest:

	TITAN ZAGREB		EURO LOCKS	
	2023	2022	2023	
Total assets	1,413	1,485	1,182	
Shareholders' equity	535	613	935	
Revenues	1,792	1,645	1,303	
Net income	110	96	141	

NOTE 6 - NON-CURRENT FINANCIAL ASSETS

<i>Assets maturing in over 1 year</i>	31-12-2023	31-12-2022
Other financial investments	58	39
Loans, deposits and other long-term investments	6,685	6,339
Non-current financial assets	6,743	6,378

NOTE 7 - DEFERRED TAX

Deferred tax assets arise from:

	31-12-2023	31-12-2022
- temporarily non-deductible expenses	3,979	2,991
- provisions related to asset impairment testing	1,978	1,756
- tax loss carryforwards	1,442	984
- the following consolidation adjustments:		
Finance leases	(199)	(188)
Internal margins	908	928
Pensions and retirement benefits	8,492	8,860
Adjustment of foreign company depreciation/amortisation rates and provision policies to Group standards	1,203	1,058
Other items	9	56
Deferred tax assets	17,812	16,445
<i>Viro Group</i>	<i>385</i>	

Deferred tax liabilities mainly relate to the revaluation of intangible assets and property, plant and equipment and book depreciation in the various divisions: DOM Security for €4,214,000, Neu-JKF for €2,483,000, MMD for €546,000 and MAC for €512,000.

Deferred tax liabilities also include €1,318,000 for the impact of the social security provision for GROUPE SFPI SA on treasury shares.

Deferred tax related to tax loss carryforwards not recognised due to the uncertainty of profitability or subject to a recovery period of over ten years amounted to €4.0 million at 31 December 2023.

NOTE 8 - INVENTORIES

Inventories break down as follows:

	31-12-2023			31-12-2022		
	Gross	Impairment	Net	Gross	Impairment	Net
Raw materials	86,879	(19,255)	67,624	94,393	(16,596)	77,797
Work in progress (goods and services)	31,326	(4,247)	27,079	30,214	(3,266)	26,948
Semi-finished and finished goods	20,254	(2,480)	17,774	21,939	(2,800)	19,139
Trade goods	20,097	(4,744)	15,353	18,739	(3,197)	15,542
Inventories	158,556	(30,726)	127,830	165,285	(25,859)	139,426
<i>Viro Group</i>	<i>6,831</i>	<i>(1,260)</i>	<i>5,571</i>			

NOTE 9 - TRADE RECEIVABLES

Trade receivables:

	31-12-2023	31-12-2022
Gross	113,108	112,136
Impairment	(6,430)	(5,929)
Net	106,678	106,207
<i>Viro Group</i>	<i>3,678</i>	

WO&WO is the only CGU to use factoring. The amount financed totalled €769,000 at year-end.

Reversals of impairment provisions on trade receivables were offset by impairment charges on bad debt totalling €942,000.

	<1 month overdue	1-3 months overdue	3-6 months overdue	6-12 months overdue	>12 months overdue	Total
Overdue, not covered by provisions	16,867	6,235	1,060	193	0	24,355
Overdue, covered by provisions	235	108	722	439	5,445	6,949
Total	17,102	6,343	1,782	632	5,445	31,304

NOTE 10 - OTHER CURRENT ASSETS

	31-12-2023	31-12-2022
Tax receivables	3,714	3,685
Other operating receivables	13,539	15,971
Prepaid expenses	4,254	3,910
Other current assets	21,507	23,566
<i>Viro Group</i>	<i>884</i>	

Other operating receivables mainly include VAT receivables totalling €10.5 million.

NOTE 11 - CASH AND CASH EQUIVALENTS

Net cash and cash equivalents break down as follows:

	31-12-2023	31-12-2022
Cash equivalents	96,245	58,060
Cash	47,565	68,430
Cash and cash equivalents	143,810	126,490
<i>Viro Group</i>	<i>2,614</i>	

Cash equivalents almost entirely consist of time deposits issued by top-tier banks repayable at any time. Taking into account the effect of sales and purchase transactions and interest-bearing bank accounts, 70% of the €143,810,000 cash position is invested.

NOTE 12 - SHAREHOLDERS' EQUITY AND MINORITY INTERESTS

As at 31 December 2023, the share capital consisted of 99,317,902 shares with a par value of €0.90 each. The Company holds 7,112,471 treasury shares representing 7.2% of the share capital. No treasury shares were acquired in 2023.

NOTE 13 - NON-CURRENT AND CURRENT PROVISIONS

Non-current provisions break down as follows:

	31-12-2023	31-12-2022
Retirement benefits and long-service awards - Non-current portion	53,740	53,139
Representatives' entitlements in Germany	1,540	1,512
Provision for subsidiary risk	0	353
Non-current provisions	55,280	55,004
<i>Viro Group</i>	<i>825</i>	

Current provisions break down as follows:

	31-12-2022	Change in consolidation	Charges	Reversals (not used)	Reversals (used)	31-12-2023
Trade litigation	2 636		1 169	(827)	(1 042)	1 936
Tax litigation	297		35		(180)	152
Social security litigation	1 317		390	(349)	(668)	690
Other contingencies and charges	302		952	(19)	(113)	1 122
Litigation and provisions for other third parties	735		94	(63)	(525)	241
Provisions for restructuring	166		234		(64)	336
Provisions for guarantees	5 001		4 386		(5 001)	4 386
Retirement benefits and long-service awards - Current portion	2 794		1 870		(2 071)	2 593
Current provisions	13 248	0	9 130	(1 258)	(9 664)	11 456

Note 14 - Provisions for retirement benefits and long-service awards (IAS 19)

Changes in provisions for retirement benefits and long-service awards break down as follows:

	31-12-2023	31-12-2022
Retirement benefits and long-service awards b/fwd	55,936	62,976
Items recognised in the income statement	1,934	1,042
Cost of services provided during the year	2,134	2,522
Financial costs	1,823	591
Benefits paid/provision reversals	(2,032)	(2,071)
Cost of past services	9	0
Items recognised in other comprehensive income	(2,410)	(10,764)
Actuarial gains and losses before tax	(2,410)	(10,764)
Changes in consolidation	872	2,682
Retirement benefits and long-service awards c/fwd	56,332	55,936

The benefits break down as follows: €3,355,000 in long-service awards, €20,522,000 in retirement benefits and €32,455,000 of retirement benefits for Germany alone.

Actuarial gains and losses break down as follows:

	31-12-2023	31-12-2022
Gains and losses on actuarial assumptions	(1,826)	(13,456)
Gains and losses arising from experience adjustments	(584)	2,692
Actuarial gains/(losses)	(2,410)	(10,764)

Sensitivity to actuarial assumptions:

	Impact of retirement benefits and long-service awards	
	Gross	Net
0.3 pp increase in discount rate	(2,028)	(1,440)
0.3 pp reduction in discount rate	1,927	1,348
0.3 pp increase in inflation or promotion rate	1,727	1,204
0.3 pp reduction in inflation or promotion rate	(1,559)	(1,104)

These amounts would have been recorded in other comprehensive income in accordance with Group accounting policies.

NOTE 15 - LOANS AND BORROWINGS

Loans and borrowings are liabilities recognised at amortised cost.

As at 31 December 2023, they break down as follows by maturity and category:

Loans and borrowings	Total at 31-12-2023				Total 31-12-2022
	< 1 year	1-5 years	> 5 years	Total	
Loans and borrowings	23,409	52,545	10,205	86,159	89,731
Short-term bank loans and overdrafts	6,641			6,641	3,510
Due to credit institutions	30,050	52,545	10,205	92,800	93,241
Other financial liabilities	149	4,888		5,037	7,056
Employee profit-sharing	193	452		645	719
Due to other organisations	342	5,340	0	5,682	7,775
Loans and borrowings	30,392	57,885	10,205	98,482	101,016
Current and non-current	30,392	68,090			

Other financial liabilities mainly consist of call options on minority interests.

Liquidity risk:

The foregoing loans and borrowings should be compared against cash and cash equivalents, which amounted to €143,810,000 at 31 December 2023 versus €126,490,000 at 31 December 2022.

Net cash and cash equivalents changed as follows:

	31-12-2023	31-12-2022
Cash and cash equivalents	143,810	126,490
Borrowings from credit institutions	(92,801)	(93,241)
Net cash and cash equivalents held at credit institutions	51,009	33,249
Borrowings from other third parties	(5,682)	(7,775)
Net cash surplus	45,327	25,474
<i>Viro Group</i>	<i>(622)</i>	

There are no loans and borrowings denominated in non-EU currencies.

	DOM Security	NEU-JKF	MAC	MMD	SFPI & Others	Total 31-12-2023
Borrowings due in < 1 yr	5,707	6,264	6,706	1,730	9,985	30,392
Borrowings due in 1-5 yrs	17,303	10,034	10,428	2,490	17,631	57,886
Borrowings due in > 5 yrs	2,737	1,419	528	103	5,418	10,205
Loans and borrowings	25,747	17,717	17,662	4,323	33,034	98,483
Cash and cash equivalents	47,856	21,289	29,323	29,514	15,828	143,810
2023 net cash surplus	22,109	3,572	11,661	25,191	-17,206	45,327
2022 net cash surplus	14,474	-5,436	13,233	17,447	-14,244	25,474

Interest rate risk:

Sfpi Group only uses interest rate hedging instruments where required pursuant to the loan agreement. At 31 December 2023, the Group no longer had any instruments (interest rate cap and swap agreements), apart from a tunnel for a €5.5 million loan framing the 3-month EURIBOR between 2.5% and 6%. Floating-rate loans totalled €19.9 million, well below the €101.2 million in interest-bearing cash and cash equivalents.

The average loan interest rate in 2023 was 1.36% versus 0.84% in 2022. With a few exceptions, borrowings are contracted at fixed rates.

Security interests:

The following amounts of loans and borrowings are secured by pledges:

	31-12-2023	31-12-2022
Borrowings secured by pledges - current portion	11,056	12,110
Borrowings secured by pledges - non-current portion	4,992	8,897

All mortgage charge commitments are considered as pledges.

NOTE 16 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Trade payables and other current liabilities are liabilities recognised at amortised cost.

They break down as follows by type:

	31-12-2023	31-12-2022
Trade payables	61,024	67,649
Current tax liabilities	5,351	2,554
Social security and tax payables	49,953	45,708
Other payables	9,114	10,445
Advances and down payments received on orders	33,396	31,326
Deferred income	2,063	2,039
Other current liabilities	94,526	89,518

Other current liabilities mature in less than a year, including advances and down payments received on orders and deferred income, where maturities may vary depending on contractual terms.

NOTE 17 - OFF-BALANCE SHEET COMMITMENTS

	DOM Security	NEU-JKF	MAC	MMD	SFPI & Others	Total 31-12-2023	Total 31-12-2022
Guarantees given		2,919		6,662		9,581	8,172
Guarantees received	612		620			1,232	1,212

The Company has received a number of liability guarantees in connection with acquisitions.

NOTE 18 - REVENUES, GROSS MARGIN, OPERATING INCOME

Revenues by operating segment break down as follows:

	2023		2022		Change	
	€000	%	€000	%	€000	%
DOM Security	231,917	33.67%	207,577	33.00%	24,340	11.73%
NEU-JKF	136,379	19.80%	129,013	20.51%	7,366	5.71%
MMD	70,281	10.20%	60,145	9.56%	10,136	16.85%
MAC	250,199	36.32%	232,342	36.93%	17,857	7.69%
Other businesses	57	0.01%	6	0.00%	51	850.00%
Net revenues	688,833	100.00%	629,083	100.00%	59,750	9.50%

Revenues by region break down as follows:

	2023		2022	
	France	Overseas	France	Overseas
DOM Security	88,557	143,360	76,295	131,282
NEU-JKF	55,605	80,774	52,562	76,451
MMD	26,938	43,343	26,301	33,844
MAC	205,995	44,204	207,587	24,755
Other businesses	57		6	0
Net revenues	377,152	311,681	362,751	266,332

Income statements per division:

2023	DOM Security	NEU-JKF	MMD	MAC	Others & adjustments (2)	Total
Revenues	231,972	136,645	70,281	250,214	-279	688,833
Gross margin	156,634	67,422	40,884	128,384	(164)	393,160
as % of production (1)	68.1%	49.7%	56.0%	51.7%		57.3%
as % of revenues	67.5%	49.3%	58.2%	51.3%		57.1%
EBIT	16,428	7,573	12,040	(7,246)	(298)	28,497
Net operating income	15,779	7,851	12,040	(26,517)	(298)	8,855
Net financial income/(expense)	306	(360)	507	(671)	494	276
Income tax	(4,732)	(1,589)	(3,141)	557	354	-8,551
Net income of consolidated companies	11,413	6,129	9,405	(26,632)	553	868

(1) Percentage of production = Gross margin / (Net revenues + Change in inventories)

(2) 'Others & adjustments' include:

- Group holding operations;
- inter-segment eliminations.

2022 (*)	DOM Security	NEU-JKF	MMD	MAC	Others & adjustments (2)	Total
Revenues	207,629	129,174	60,201	232,348	(269)	629,083
Gross margin	143,291	63,779	32,562	121,865	(130)	361,367
as % of production	68.2%	48.2%	52.0%	52.7%		56.8%
as % of revenues	69.0%	49.4%	54.1%	52.4%		57.4%
EBIT	17,172	7,974	6,668	3,918	147	35,879
Net operating income	13,382	7,974	6,425	4,073	147	32,001
Net financial income/(expense)	704	(96)	68	(604)	(274)	(202)
Income tax	(5,088)	(2,145)	(1,818)	(1,056)	(68)	(10,175)
Net income of consolidated companies	9,035	5,807	4,675	2,414	(197)	21,734

(1) Percentage of production = Gross margin / (Net revenues + Change in inventories)

(2) 'Others & adjustments' include:

- Group holding operations;
- inter-segment eliminations.

Breakdown of assets and liabilities

The following table shows a breakdown of total assets (net value) and liabilities by division:

	Total assets (net value)		Total non-current liabilities		Total current liabilities	
	2023	2022 (*)	2023	2022 (*)	2023	2022
DOM Security	258,931	230,554	66,349	60,561	62,096	54,470
NEU-JKF	98,717	101,955	17,588	15,411	51,567	64,259
MMD	79,692	70,655	5,955	7,351	30,101	26,516
MAC	152,616	189,653	29,405	33,333	48,130	58,662
Other businesses	12,112	12,908	26,755	27,173	16,203	8,920
Total	602,068	605,725	146,052	143,829	208,097	212,827
<i>Viro Group</i>	<i>24,392</i>		<i>5,974</i>		<i>4,252</i>	

NOTE 19 - NET FINANCIAL INCOME/(EXPENSE)

Net financial income/(expense) breaks down as follows:

	2023	2022
Cash and cash equivalents	2,165	385
Interest and similar expenses	(1,485)	(1,060)
Net cost of debt	680	(675)
Currency gains	826	879
Other financial income	650	1,331
Interest on operating & finance leases	51	58
Currency losses	(1,011)	(874)
Other financial expenses	(920)	(922)
Net financial income/(expense)	276	(203)

NOTE 20 - Tax

Income tax breaks down as follows:

	2023	2022 (*)
CVAE	(657)	(1,254)
Income tax - France	(4,203)	(2,671)
Income tax - overseas	(5,282)	(6,174)
Net deferred tax	1,591	(76)
Income tax	(8,551)	(10,175)

Changes in the deferred tax account are analysed as follows:

	Assets	Liabilities	Balance
Deferred taxes at 31-12-2022 (*)	16,445	6,768	9,677
Change over the period			
<i>change in income statement</i>	<i>1,519</i>	<i>(72)</i>	<i>1,591</i>
<i>change in items of other comprehensive income</i>	<i>(749)</i>	<i>9</i>	<i>(758)</i>
<i>change in consolidation</i>	<i>597</i>	<i>2,369</i>	<i>(1,772)</i>
Deferred tax at 31-12-2023	17,812	9,074	8,738

Corporate income tax breaks down as follows:

	2023	2022
Earnings before tax	9,419	32,038
CVAE (included in income tax)	(657)	(1,255)
Tax credit (included under grants)	(632)	(706)
Goodwill impairment	18,922	103
Taxable income	27,052	30,180
Theoretical tax charge (25% rate applicable to consolidating parent company)	6,763	7,545
CVAE	657	1,255
Tax rate differences	122	(20)
Impact of unrecognised tax losses	1,725	498
Impact of permanent differences	(79)	1
Impact of changes in tax rates		
Impact of prior year adjustments	(567)	885
Other (tax presented net under 'Non-recurring income')	(70)	43
Effective tax charge	8,551	10,207
%	31.61%	33.82%

All overseas tax rates are lower than the French rate and range between 9% (Hungary) and 25.8% (Netherlands), except for Italy (27.9%) and Germany (31.93%).

NOTE 21 - EARNINGS PER SHARE

	2023	2022 (*)
Number of shares outstanding	99,317,902	99,317,902
Treasury shares	7,112,471	7,112,471
Number of shares outstanding	92,205,431	92,205,431
Earnings per share (basic and diluted) (€)	0.01	0.24

Earnings per share is calculated by dividing net income Group share by the weighted average number of ordinary shares outstanding, excluding treasury shares.

The Company has not issued any dilutive securities. While the General Meeting of 17 June 2022 authorised the allocation of bonus shares or stock options, this authorisation has not been exercised to date.

NOTE 22 - HEADCOUNT

Year-end headcount breaks down as follows:

	France		Overseas		Total	
	31-12-2023	31-12-2022	31-12-2023	31-12-2022	31-12-2023	31-12-2022
DOM Security	574	575	1,119	1,072	1,693	1,647
NEU-JKF	317	311	365	375	682	686
MMD	235	237	47	45	282	282
MAC	1,132	1,136	270	398	1,402	1,534
Other businesses	9	15			9	15
Headcount	2,267	2,274	1,801	1,890	4,068	4,164
<i>Viro Group</i>			68			

Average Sfpi Group headcount for the year amounted to 3,981 FTE employees compared to 3,767 the previous year.

NOTE 23 - INFORMATION ON RELATED PARTIES

A list of the Group's main subsidiaries and associates is given before the section entitled "*Accounting policies, valuation methods and IFRS options adopted*".

Transactions between parent and subsidiaries and among subsidiaries are eliminated in the consolidated financial statements and are not presented in these notes.

Transactions and balances with related parties and associates are shown below:

	Income		Expenses		Receivables		Payables	
	2023	2022	2023	2022	2023	2022	2023	2022
Controlling related parties	35	33	650	508	19	13	75	3
Associates (equity accounted)	1 139	1 059	233	368	298	306	14	48
Other related parties	0		1 538	1 465			280	113
Total	1 174	1 092	2 421	2 341	317	319	369	164

Key management personnel as defined by IAS 24 receive short-term compensation in the following amounts:

	2023	2022
Short-term compensation excluding employer social security charges	649	650
Employer social security charges	271	289

NOTE 24 - PROPOSED DIVIDENDS

A dividend of €0.03 per share will be proposed for approval by the General Meeting of shareholders on 18 June 2024.

NOTE 25 - STATUTORY AUDITORS' FEES

2023	EY	Grant Thornton
Financial statement certification	220	260
Other services	9	

NOTE 26 - CONTINGENT LIABILITIES

An obligation constitutes a contingent liability if the amount cannot be measured reliably or if payment is not probable. Contingent liabilities are commitments on the part of the Group and are not recognised on the balance sheet unless they have been identified in relation to an acquisition. In such case, they are included among recognised identifiable items.

There were no material contingent liabilities as at 31 December 2023.

NOTE 27 - POST BALANCE SHEET EVENTS

On 1 February 2024, ARC Management, Crédit Mutuel Equity and BNP Paribas Développement acquired 6.65%, 2.66% and 2.03% respectively of the share capital from SPRING Management at a price of €2.50 per share.

On 22 March 2024, M.A.A. initiated arbitration proceedings against the seller of the Wo Und Wo group for damages estimated at €11.6 million.





STATUTORY AUDITORS' REPORT

on the parent company financial statements for the year ended
31 December 2023

GRANT THORNTON

French member of Grant Thornton International

29 rue du Pont,
92200 Neuilly-sur-Seine
S.A.S. with share capital of €2,297,184
632 013 843 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

ERNST & YOUNG Audit

Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. with variable capital
344 366 315 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

To the General Meeting of GROUPE SFPI,

Opinion

In accordance with the engagement entrusted to us by your General Meeting, we have audited the company financial statements of GROUPE SFPI for the year ended 31 December 2023, which are appended to this report.

We hereby certify that, in accordance with French accounting rules and principles, the parent company financial statements give a true and fair view of the results of the Company's operations for the financial year ended and the Company's financial position, assets and liabilities at the end of said financial year.

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

Bases of opinion

■ Terms of reference

We conducted our audit in accordance with professional standards applicable in France. We consider that the evidence that we have gathered is sufficient and appropriate to form the basis for our opinion.

Our responsibilities in accordance with these standards are set out in the section of this report entitled "Statutory auditors' responsibilities regarding the audit of the company financial statements".

■ Independence

We have performed our audit in compliance with the rules of independence provided for by the French Commercial Code and the French Code of Ethics for statutory auditors for the period running from 1 January 2023 to the date of issue of our report. In particular, we have not provided services prohibited under Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of our assessments - Key audit matters

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code on the justification of our assessments, we draw your attention to the key audit matters relating to the risk of material misstatements which, in our professional judgement, have been the most significant for the audit of the parent company financial statements and to our responses with regard to these risks.

These assessments were made as part of our audit of the company financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed herein.- We express no opinion on individual items comprising these company financial statements taken in isolation.

■ Valuation of equity investments

(Paragraph entitled “Long-term investments” in the section entitled “Accounting principles and policies”, Note II - “Intangible assets - property, plant and equipment - long-term investments” and the table of subsidiaries and affiliates)

Risk identified	Our response
<p>As at 31 December 2023, equity investments are carried on the balance sheet at a net value of €136.2 million compared to a balance sheet total of €196.3 million.</p> <p>They are initially recognised at cost and subsequently written down to their value in use, as calculated at each balance sheet date, where this is lower than the carrying amount.</p> <p>Value in use is estimated by management on the basis of historical data (proportionate share of shareholders' equity at the balance sheet date) or forward-looking information, as appropriate.</p> <p>Estimating value in use requires management to exercise judgement in selecting the information to be taken into account for each equity investment.</p> <p>Given the materiality of equity investments in the company financial statements and the judgements and assumptions required to estimate their value in use, we consider the valuation of equity investments to be a key audit matter.</p>	<p>In order to assess the reasonableness of the estimate of the value in use of equity investments, based on the information provided to us, our work assisted by our valuation experts consisted mainly in:</p> <ul style="list-style-type: none">▶ for valuations based on share of net assets, comparing the accounting information with the financial statements of the entities concerned;▶ for valuations based on forecast data:<ul style="list-style-type: none">▶ obtaining an understanding of the valuation method adopted by management;▶ assessing the integrity of the impairment test model used and the appropriateness of any changes made to the previous year's model;▶ conducting interviews with management to identify the main judgements, estimates and assumptions used in the impairment test model and obtaining explanations to corroborate these judgements, estimates and assumptions;▶ corroborating key data in the impairment test model with historical data and the data presented by the Chairman to the Board of Directors;▶ assessing the appropriateness of the information presented in the notes to the company financial statements.

Specific testing

In accordance with professional standards applicable in France, we also carried out the specific testing required by statutory and regulatory provisions.

■ Information provided in the management report and in the other documents sent to shareholders regarding the Company's financial position and financial statements

We have no matters to report regarding the fair presentation of the information provided in the Board of Directors' management report and in the other documents sent to shareholders regarding the Company's financial position and financial statements or on the consistency of this information with the company financial statements.

We hereby certify the fair presentation of the information regarding outstanding payments referred to in Article D. 441-6 of the French Commercial Code and the consistency of such information with the company financial statements.

■ Information on corporate governance

We hereby certify that the corporate governance section of the Board of Directors' management report contains the information required under Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

We have checked the consistency of the information provided, in accordance with Article L. 22-10-9 of the French Commercial Code, on the remuneration and benefits paid or awarded to corporate officers and on the commitments granted in their favour with the financial statements or with the underlying data used to prepare the financial statements and, where appropriate, with the information gathered by your Company from companies controlled by it which are included in the consolidation scope. We hereby certify the accuracy and fair presentation of this information on the basis of this work.

Regarding information concerning factors that your Company has considered liable to have an impact in the event of a public tender or exchange offer, which is provided in application of Article L. 22-10-11 of the French Commercial Code, we have verified the consistency of such information with the documents from which it was derived and which were forwarded to us. On the basis of our work, we have no matters to report regarding this information.

■ Other information

As required by law, we verified that the management report sent to you contains the requisite disclosures on the acquisition of equity and controlling interests and the identity of holders of equity interests and voting rights.

Other verifications and disclosures required by statutory and regulatory provisions

■ Presentation format of the company financial statements to be included in the annual financial report

In accordance with the professional standards applicable to the statutory auditor's work relating to the parent company and consolidated financial statements presented in accordance with the European single electronic reporting format, we have also verified compliance with this format as defined by European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the company financial statements to be included in the annual financial report referred to in Article L. 451-1-2 (I) of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer.

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

It is not our responsibility to verify that the financial statements actually included by your Company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

■ Appointment of statutory auditors

We were appointed statutory auditors of GROUPE SFPI by your General Meeting on 18 June 2021.

As at 31 December 2023, our firms were in the third consecutive year of their engagement.

Responsibilities of management and persons involved in corporate governance with regard to the company financial statements

It is management's responsibility to prepare company financial statements presenting a true and fair view in accordance with French accounting rules and principles and to establish the internal control procedures it deems necessary for the preparation of company financial statements that are free of material misstatements, whether due to fraud or error.

In preparing the company financial statements, management is required to assess the Company's ability to continue its operations, to present, in these statements, where applicable, the requisite information with regard to continuity of business and to apply the going concern principle, unless there is the intention to liquidate the Company or discontinue its operations.

It is the responsibility of the Audit Committee to monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and, where applicable, of the internal audit system, as regards the procedures relating to the preparation and processing of accounting and financial information.

The company financial statements have been approved by the Board of Directors.

Statutory auditors' responsibilities regarding the audit of the company financial statements

■ Audit objective and approach

It is our responsibility to prepare a report on the company financial statements. Our goal is to obtain reasonable assurance that these company financial statements, taken as a whole, are free of material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, the guarantee that an audit performed in accordance with professional standards enables systematic detection of all material misstatements. Misstatements may result from fraud or error and are deemed material when they may reasonably be expected, when taken either individually or together, to influence economic decisions taken by users of the financial statements on the basis thereof.-

As specified in Article L. 821-55 of the French Commercial Code, our engagement to certify the financial statements does not consist in guaranteeing the viability or quality of your Company's management.

Within the scope of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises his or her professional judgement throughout the duration of this audit. Furthermore:

- ▶ the auditor identifies and assesses the risks that the company financial statements contain material misstatements, whether resulting from fraud or error, defines and implements audit procedures to address these risks, and gathers the elements the auditor deems necessary and appropriate upon which to base the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is more serious than the risk of not detecting a material misstatement resulting from error, since fraud may involve collusion, falsification, deliberate omission, false representations or the circumvention of internal control;
- ▶ the auditor examines the aspects of the internal control system that are relevant to the audit, in order to define the audit procedures appropriate in the circumstances but not for the purpose of expressing an opinion on the efficacy of the internal control system;
- ▶ the auditor assesses the appropriateness of the accounting methods adopted and the reasonableness of the accounting estimates made by management, as well as the related information provided in the company financial statements;
- ▶ the auditor assesses the appropriateness of management's application of the going concern principle and, according to the information gathered, the existence or absence of material uncertainty regarding events or circumstances liable to jeopardise the Company's ability to continue its operations. This assessment is based on information gathered up until the date of the auditor's report, provided, however, that any subsequent circumstances or events could jeopardise business continuity. If the auditor finds that material uncertainty exists, the auditor draws the attention of the readers of the auditor's report to the information provided in the company financial statements regarding this uncertainty or, if such information is not provided or is irrelevant, issues certification with reservations or refuses to certify;
- ▶ the auditor assesses the presentation of the company financial statements, taken as a whole, and assesses whether they reflect the underlying transactions and events in such a way as to give a true and fair view thereof.-

■ Report to the Audit Committee

We submit a report to the Audit Committee defining the scope of the audit work and the audit programme implemented, as well as the findings based on our work. We also draw the Committee's attention to any material internal control deficiencies we have identified, as regards procedures relating to the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee also contains information on the risks of material misstatements that we deemed to have been the most significant for the audit of the company financial statements and which therefore constitute key audit matters, which we are required to set out herein.

We also submit to the Audit Committee the declaration set out in Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France as defined in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and the French Code of Ethics for statutory auditors. If necessary, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Leuilly-sur-Seine and Paris-La Défense, 26 April 2024

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International

Arnaud Dekeister

ERNST & YOUNG Audit

Marie Le Treut

STATUTORY AUDITORS' REPORT

on regulated agreements

GRANT THORNTON

French member of Grant Thornton International
29 rue du Pont,
92200 Neuilly-sur-Seine
S.A.S. with share capital of €2,297,184
632 013 843 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

ERNST & YOUNG Audit

Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. with variable capital
344 366 315 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

To the General Meeting of GROUPE SFPI,

In our capacity as statutory auditors of your Company, we hereby submit our report on regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the essential terms and conditions of the agreements of which we have been informed or which we have discovered during the course of our audit, as well as the reasons justifying the Company's interest in said agreements and commitments, without having to express an opinion on their usefulness or appropriateness or to seek out the existence of other agreements. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to evaluate the interest in entering into these agreements, in order to approve them.

It is also our responsibility to report to you any information specified under Article R. 225-31 of the French Commercial Code relating to the operation, during the year ended, of agreements previously approved by the General Meeting.

We carried out the work we considered necessary pursuant to professional standards of the French National Auditors Association relating to this engagement. This work consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

Agreements submitted for approval by the General Meeting

We have not been informed of any agreement authorised and entered into during the year ended and requiring to be submitted to the General Meeting for approval pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements previously authorised by the General Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we have been notified of the following agreements approved by the General Meeting in prior years that continued to operate during the year ended.

► With divisional subsidiaries of your Company

Persons concerned

Henri Morel, Chairman and CEO of your Company and of NEU-JKF SA, a subsidiary of your Company, director of NEU FEVI SA and Chairman of Arc Management, which is a director of your Company and Chairman of Déný Security SAS and Dom-Metalux SAS, divisional subsidiaries of your Company.

Damien Chauveinc, Deputy Managing Director of your Company, Chairman of NEU-JKF SA, a subsidiary of your Company, and Chairman of the Board of Directors of NEU-JKF FEVI SA, a divisional subsidiary of your Company.

Jean-Bertrand Prot, Chairman of Spring Management, itself a director of your Company until 1 February 2024, and Chairman of ASET S.A.S., a divisional subsidiary of your Company, until 1 February 2024.

Nature, purpose and terms

On 15 November 2019 your Company signed an agreement with its direct and indirect subsidiaries, for an indefinite term with effect from 1 January 2019, for the provision of assistance in the following areas: definition, implementation and control of

strategy, operational management, administration, finance, accounting and taxation, legal affairs, information technology, corporate policy and CSR, human resources, and management and accounting treatment of dividends.

Fees are calculated on the basis of a declining scale applied to monthly revenues, excluding tax and intercompany sales, generated outside the scope of the commission agreement.

Accordingly, on the 5th of each month, the divisional subsidiaries forward their respective division holding company a statement of their revenues, excluding tax and intercompany sales, generated during the previous month outside the scope of the commission agreement.

The division holding companies such as NEU-JKF SA calculate the amounts owed to your Company, setting out on their statement the amounts they have invoiced the divisional subsidiaries in respect of the services, adding 1.50% of their revenues as defined above and subtracting any amounts directly invoiced to them by Arc Management SAS or Spring Management for the same services.

At year-end, an additional fee amount may be paid if the contractual fee fails to cover all of your Company's operating expenses.

If your Company's operating earnings are positive, it refunds the divisional subsidiaries the portion of remuneration paid exceeding €50,000 by means of a credit note. This refund is distributed among the divisional subsidiaries in proportion to the amount of annual fees they have paid to your Company.

The income recognised by your Company in respect of this agreement with the divisional subsidiaries for the year ended 31 December 2023 breaks down as follows:

Divisional subsidiaries concerned	Amount excl. tax (€)
Dény Security SAS	130,245.50
Dom-Metalux SAS	192,891.50
NEU-JKF SA	638,997.098
NEU-JKF FEVI SA	174,996
ASET SAS	76,238
Total	1,213,368.10

► **With Eliot et Cie, a divisional subsidiary of your Company**

Person concerned

Arc Management, represented by Henri Morel, the former being Chairman of Picard Serrures SAS, sole shareholder of Eliot et Cie.

Nature, purpose and terms

Service agreement whereby your Company undertakes to provide its divisional subsidiary Eliot et Cie with assistance and advice in the following areas: definition, implementation and control of strategy, operational management, administration, finance, accounting and taxation, legal affairs, information technology, corporate and CSR policy, human resources, and management and accounting treatment of dividends.

The agreement was signed on 15 October 2018 for an indefinite term with effect from 1 June 2018 and amended via amendment no. 1 dated 15 November 2019 with effect from 1 January 2019. This amendment modified the services provided by your Company. Fee terms remained unchanged.

Fees amount to 1% of Eliot et Cie's annual revenues excluding tax.

The income recognised by your Company in respect of this agreement for the year ended 31 December 2023 was €23,460 excluding tax.

► **With JKF Industri A/S, a divisional subsidiary of your Company**

Persons concerned

Henri Morel, Chairman and CEO of your Company and Chairman of JKF Industri A/S.

Damien Chauveinc, Deputy Managing Director of your Company and Member of the Board of Directors of JKF Industri A/S.

Nature, purpose and terms

Service agreement whereby your Company undertakes to provide its divisional subsidiary JKF Industri A/S with assistance and advice in the following areas: definition, implementation and control of strategy, operational management, administration, finance, accounting and taxation, legal affairs, information technology, corporate and CSR policy, human resources, and management and accounting treatment of dividends.

The agreement was signed on 14 December 2017 for an indefinite term with effect from 1 October 2017 and amended via amendment no. 1 dated 15 November 2019 with effect from 1 January 2019. This amendment modified the services provided by your Company. Fee terms remained unchanged.

Fees amount to 1% of JKF Industri A/S's annual revenues excluding tax, after deduction of sales of products and services within the NEU-JKF division and to other NEU-JKF division companies.

The income recognised by your Company in respect of this agreement for the year ended 31 December 2023 was €271,453.80 excluding tax.

► **With Antipanic SpA, a divisional subsidiary of your Company**

Persons concerned

Henri Morel, Chairman and CEO of your Company and director of Antipanic SpA.

Sophie Morel, director of Antipanic SpA and permanent representative of Arc Management, which is a director of your Company.

Nature, purpose and terms

Service agreement whereby your Company undertakes to provide its divisional subsidiary Antipanic SpA with assistance and advice in the following areas: marketing strategy, administration, finance, accounting, legal affairs and information technology.

The agreement was entered into on 14 December 2018 for an indefinite term with effect from 1 October 2018.

Fees amount to 1% of Antipanic SpA's annual revenues excluding tax, after deduction of sales of products and services within the DOM Security division and to other DOM Security division companies.

The income recognised by your Company in respect of this agreement for the year ended 31 December 2023 was €80,970 excluding tax.

► **With Datagroupe, a subsidiary of your Company**

Person concerned

Sophie Morel, permanent representative of your Company, which is a director of Datagroupe, and permanent representative of Arc Management, a director of your Company.

Nature, purpose and terms

Service agreement for an indefinite term dated 31 October 2000 and its amendments no. 1 dated 4 April 2001, no. 2 dated 12 March 2002, no. 3 dated 26 June 2005, no. 4 dated 4 July 2007, no. 5 dated 15 February 2008, no. 6 dated 26 July 2016 and no. 7 dated 26 March 2019, whereby Datagroupe undertook to provide your Company with advice and assistance in the following areas: finance and accounting, sales, HR, management and information technology.

Amendment no. 7 dated 26 March 2019 amended the annual fees paid under the agreement, which were increased to €1,170,000 excluding tax, i.e. €97,500 excluding tax per month, and the annual flat-rate amount of success fees paid, which increased to €80,000 excluding tax.

The expense recognised by your Company in respect of this agreement for the year ended 31 December 2023 was €1,370,000 excluding tax.

► **With Arc Management**

Persons concerned

Henri Morel, director, Chairman and CEO of your Company and Chairman of Arc Management.

Sophie Morel, permanent representative and CEO of Arc Management, which is a director of your Company.

a) Nature, purpose and terms

On 2 April 2019, your Company entered into an agreement with Arc Management for the provision of assistance, services and advice in the following areas: administration, organisation and chairmanship of the G10, corporate and CSR policy, human resources and specific services (finance and contract negotiation). This agreement was entered into for an indefinite term beginning on 1 April 2019.

Subsequently, on 31 October 2019 your Company signed amendment no. 1 to this agreement, with effect from 1 September 2019, which extended the scope of services provided by your Company and increased the annual fees from €221,000 to €241,000.

The expense recognised by your Company in respect of this agreement and its amendment for the year ended 31 December 2023 was €240,000 excluding tax.

b) Nature, purpose and terms

Sublease by your Company to Arc Management of a 55 m² office on the first floor of its premises at 20 rue de l'Arc de Triomphe, Paris (75017).

The sublease agreement was signed on 25 October 2019 with effect from 1 October 2019. The term of this sublease is equal to the term of the commercial lease entered into between your Company and SCI BGM, i.e. until 31 December 2027.

The annual flat-rate rent amounts to €35,418.86 including charges and excluding tax, payable quarterly in arrears.

The income recognised by your Company in respect of this agreement for the year ended 31 December 2023 was €30,956.26 excluding tax.

► **With Spring Management**

Person concerned

Jean-Bertrand Prot, permanent representative of Spring Management and director of your Company until 1 February 2024 and Chairman of Spring Management.

Nature, purpose and terms

The agreement governs the assistance provided by Spring Management to your Company, through the Executive Committee, in establishing the acquisitions policy and steering the Group's national and international growth, in order to develop future industrial and commercial synergies, in the organisation and management of the Executive Committee in the role of coordinator, and via active involvement in strategic and financial functions and participation in periodic G10 meetings.

This agreement cancels and supersedes the consultancy agreement entered into on 15 June 1999 including all amendments thereto.

The compensation awarded to Spring Management amounts to a fixed monthly sum of €40,000 excluding tax, payable from 17 April 2019, identical to the previous consultancy agreement.

The expense recognised by your Company in respect of this agreement for the year ended 31 December 2023 was €480,000 excluding tax.

► **With SCI BGM**

Person concerned

Henri Morel, Manager of SCI BGM and Chairman and CEO of your Company.

Nature, purpose and terms

Commercial lease agreement for an office building located at 20 rue de l'Arc de Triomphe, Paris (75017).

Commercial lease signed on 30 January 2019 cancelling and superseding the commercial lease dated 29 June 2007, as amended by amendments no. 1 dated 19 December 2012 and no. 2 dated 30 December 2015, the term of which had been rendered indefinite following the 30 June 2016 contractual expiry date.

The new agreement was entered into for a term of nine full and consecutive years ending 31 December 2027.

The expense recognised for your Company in respect of this commercial lease agreement for the year ended 31 December 2023 was €706,015.99 excluding tax (annual rent excluding taxes and charges).

Neuilly-sur-Seine and Paris-La Défense, 26 April 2024

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International

Arnaud Dekeister

ERNST & YOUNG Audit

Marie Le Treut

STATUTORY AUDITORS' REPORT

on the consolidated financial statements for the year ended 31 December 2023

GRANT THORNTON

French member of Grant Thornton International

29 rue du Pont,
92200 Neuilly-sur-Seine
S.A.S. with share capital of €2,297,184
632 013 843 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

ERNST & YOUNG Audit

Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. with variable capital
344 366 315 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

To the General Meeting of GROUPE SFPI,

Opinion

In accordance with the engagement entrusted to us by your General Meeting, we have audited the consolidated financial statements of GROUPE SFPI for the year ended 31 December 2023, which are appended to this report.

We hereby certify that, with regard to IFRS as adopted within the European Union, the consolidated financial statements give a true and fair view of the results of the operations of the group comprising the persons and entities included in the consolidation scope during the year ended and the financial position, assets and liabilities of said group at the end of the year.

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

Bases of opinion

■ Terms of reference

We conducted our audit in accordance with professional standards applicable in France. We consider that the evidence that we have gathered is sufficient and appropriate to form the basis for our opinion.

Our responsibilities in accordance with these standards are set out in the section of this report entitled "Statutory auditors' responsibilities regarding the audit of the consolidated financial statements".

■ Independence

We have performed our audit in compliance with the rules of independence provided for by the French Commercial Code and the French Code of Ethics for statutory auditors for the period running from 1 January 2023 to the date of issue of our report. In particular, we have not provided services prohibited under Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of our assessments - Key audit matters

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code on the justification of our assessments, we draw your attention to the key audit matters relating to the risk of material misstatements which, in our professional judgement, have been the most significant for the audit of the consolidated financial statements and to our responses with regard to these risks.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed herein.- We express no opinion on individual items comprising these consolidated financial statements taken in isolation.

■ Valuation of goodwill and property, plant and equipment

(Paragraphs 7 - “Goodwill”, 8 - “Property, plant and equipment” and 10 - “Impairment” of the section entitled “Accounting policies, valuation methods and IFRS options adopted”, as well as Note 1 - “Goodwill” and Note 3 - “Property, plant and equipment”).

Risk identified	Our response
<p>As at 31 December 2023, goodwill and property, plant and equipment are stated on the balance sheet at a total amount of €152 million and represent 25% of consolidated total assets.</p> <p>These assets are tested for impairment whenever there is an indication of impairment and, in the case of goodwill, at least once a year. For the purposes of impairment testing, these assets are allocated to cash-generating units which correspond to the subsidiaries of your Group.</p> <p>An impairment loss is recorded where the recoverable amount of these assets is less than the carrying amount.</p> <p>Recoverable amount equals the higher of fair value less costs to sell and value in use. Value in use is measured using the discounted cash flow (DCF) method.</p> <p>The calculation of the recoverable amount depends on judgements made by management, particularly with regard to cash flow forecasts and the discount rates applied to them. Accordingly and in view of their materiality in the consolidated financial statements, we consider the measurement of goodwill and property, plant and equipment to be a key audit matter.</p>	<p>In order to assess the determination of recoverable amounts, our work assisted by our valuation experts consisted mainly in:</p> <ul style="list-style-type: none"> ➤ obtaining an understanding of the impairment test model used and the process established by management in order to perform these tests; ➤ assessing the integrity of the impairment test model used and the appropriateness of any changes made to the previous year’s model; ➤ conducting interviews with management to identify the main judgements, estimates and assumptions used in the impairment test model, thereby obtaining explanations to corroborate these judgements, estimates and assumptions; ➤ corroborating key data in the impairment test model with historical data and the data presented by the Chairman to the Board of Directors; ➤ analysing the calculation methods or documents justifying the parameters used, in particular the discount rates, comparing these parameters with market data or external sources and recalculating these rates using our own data sources; ➤ assessing the appropriateness of the information presented in the notes to the consolidated financial statements. We specifically examined the sensitivity analyses presented in the notes to the consolidated financial statements and verified their arithmetic accuracy.

■ Valuation of retirement benefits and long-service awards

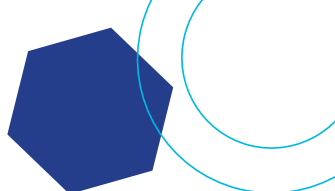
(Paragraph 16 - "Retirement benefits and long-service awards" of the section entitled "Accounting policies, valuation methods and IFRS options adopted", as well as Note 13 - "Non-current and current provisions" and Note 14 - "Provisions for retirement benefits and long-service awards (IAS 19)")

Risk identified	Our response
<p>As at 31 December 2023, retirement benefits and long-service awards, which are recognised under non-current and current provisions, are stated on the balance sheet at a value of €56 million compared to a balance sheet total of €602 million.</p> <p>Retirement benefits and long-service awards are measured using the projected unit credit method. Your Group management enlists the services of an independent actuary to measure the obligations of the German subsidiary Dom GmbH. Meanwhile, the value of other subsidiaries' obligations is measured by the Group.</p> <p>The procedures for carrying out these measurements therefore largely involve estimates and assumptions focusing on:</p> <ul style="list-style-type: none"> • wage growth projections excluding inflation; • the long-term inflation rate; • life expectancy, as well as the probability of employees' presence at the subsidiary upon retirement and at the date on which termination benefits and pensions are paid; • the discount rate applied. <p>A change in these assumptions would be liable to have a material impact on the value of recognised liabilities as well as on your Group's consolidated earnings and shareholders' equity.</p> <p>Given the materiality of retirement benefits and long-service awards in the consolidated financial statements, the judgements and assumptions required to estimate their amounts and the corresponding sensitivity, we consider the valuation of retirement benefits and long-service awards to be a key audit matter.</p>	<p>We ascertained the process whereby your Group measure retirement benefits and long-service awards and define actuarial and demographic assumptions.</p> <p>We also analysed the compliance of the methods used with applicable accounting standards, assessed the competency and independence of the independent actuary enlisted to estimate the value of Dom GmbH pensions and assessed the work performed by this person.</p> <p>Furthermore, we carried out sample testing to assess the completeness and validity of the individual databases used for the purposes of this valuation.</p> <p>Drawing on the expertise of our actuarial specialists, we:</p> <ul style="list-style-type: none"> ➤ assessed the consistency between the discount rates applied and the corresponding periods as estimated for each subsidiary with regard to the calendar of payments, as well as the reasonableness of these rates in view of market conditions; ➤ compared the inflation rate and mortality table applied with market benchmark indices; ➤ assessed the consistency between (i) the assumptions regarding wage growth and probability of presence and (ii) specific conditions applicable to the main subsidiaries; ➤ analysed the compliance of entitlement calculations with the stipulations of the applicable collective bargaining agreements; ➤ carried out sample testing on the mathematical accuracy of your Group's calculations. <p>Lastly, we reviewed management's analyses of sensitivity to changes in the main assumptions applied.</p>

Specific testing

In accordance with the professional standards applicable in France, we also performed the specific testing required by statutory and regulatory provisions regarding information on the Group contained in the Board of Directors' management report.

We have no matters to report regarding the fair presentation of said information and its consistency with the consolidated financial statements.



We certify that the consolidated statement of non-financial performance required under Article L. 225-102-1 of the French Commercial Code is included in the information on the Group provided in the management report, on the understanding that, in accordance with Article L. 823-10 of the same code, we have not verified the fair presentation of the information set out in this statement or its consistency with the consolidated financial statements, which must be covered by a report issued by an independent third-party body.

Other verifications and disclosures required by statutory and regulatory provisions

■ Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standards applicable to the statutory auditor's work relating to the parent company and consolidated financial statements presented in accordance with the European single electronic reporting format, we have also verified compliance with this format as defined by European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements to be included in the annual financial report referred to in Article L. 451-1-2 (I) of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer. In the case of consolidated financial statements, our work includes verifying that the marking of these financial statements complies with the format defined by the aforementioned regulation.

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

Due to the technical limitations inherent in the block-tagging of consolidated financial statements under the European Single Electronic Format, it is possible that the contents of certain tags in the notes may not be reproduced in the same way as in the consolidated financial statements attached to this report.

Furthermore, it is not our responsibility to verify that the consolidated financial statements actually included by your Company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

■ Appointment of statutory auditors

We were appointed statutory auditors of GROUPE SFPI by your General Meeting on 18 June 2021.

As at 31 December 2023, our firms were in the third consecutive year of their engagement.

Responsibilities of management and persons involved in corporate governance with regard to the consolidated financial statements

It is management's responsibility to prepare consolidated financial statements that present a true and fair view, in accordance with IFRS as adopted in the European Union, and to implement the internal control system it deems necessary to ensure the preparation of consolidated financial statements that are free of material misstatements, whether the result of fraud or error.-

In preparing the consolidated financial statements, management is required to assess the Company's ability to continue its operations, to present, in these statements, where applicable, the requisite information with regard to continuity of business and to apply the going concern principle, unless there is the intention to liquidate the Company or discontinue its operations.

It is the responsibility of the Audit Committee to monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and, where applicable, of the internal audit system, as regards the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Statutory auditors' responsibilities regarding the audit of the consolidated financial statements

■ Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our goal is to obtain reasonable assurance that these consolidated financial statements, taken as a whole, are free of material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, the guarantee that an audit performed in accordance with professional standards enables systematic detection of all material misstatements. Misstatements may result from fraud or error and are deemed material when they may reasonably be expected, when taken either individually or together, to influence economic decisions taken by users of the financial statements on the basis thereof.

As specified in Article L. 821-55 of the French Commercial Code, our engagement to certify the financial statements does not consist in guaranteeing the viability or quality of your Company's management.

Within the scope of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises his or her professional judgement throughout the duration of this audit. Furthermore:

- ▶ the auditor identifies and assesses the risks that the consolidated financial statements contain material misstatements, whether resulting from fraud or error, defines and implements audit procedures to address these risks, and gathers the elements the auditor deems necessary and appropriate upon which to base the auditor's opinion.- The risk of not detecting a material misstatement resulting from fraud is more serious than the risk of not detecting a material misstatement resulting from error, since fraud may involve collusion, falsification, deliberate omission, false representations or the circumvention of internal control;
- ▶ the auditor examines the aspects of the internal control system that are relevant to the audit, in order to define the audit procedures appropriate in the circumstances but not for the purpose of expressing an opinion on the efficacy of the internal control system;
- ▶ the auditor assesses the appropriateness of the accounting methods adopted and the reasonableness of the accounting estimates made by management, as well as the related information provided in the consolidated financial statements;
- ▶ the auditor assesses the appropriateness of management's application of the going concern principle and, according to the information gathered, the existence or absence of material uncertainty regarding events or circumstances liable to jeopardise the Company's ability to continue its operations. This assessment is based on information gathered up until the date of the auditor's report, provided, however, that any subsequent circumstances or events could jeopardise business continuity. If the auditor finds that material uncertainty exists, the auditor draws the attention of the readers of the auditor's report to the information provided in the consolidated financial statements regarding this uncertainty or, if such information is not provided or is irrelevant, issues certification with reservations or refuses to certify;
- ▶ the auditor assesses the presentation of the consolidated financial statements, taken as a whole, and assesses whether they reflect the underlying transactions and events in such a way as to give a true and fair view thereof;-
- ▶ concerning financial information regarding the businesses or entities included in the consolidation scope, the auditor gathers the information the auditor deems sufficient and appropriate in order to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on said financial statements.

■ Report to the Audit Committee

We submit a report to the Audit Committee defining the scope of the audit work and the audit programme implemented, as well as the findings based on our work. We also draw the Committee's attention to any material internal control deficiencies we have identified, as regards procedures relating to the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee also contains information on the risks of material misstatements that we deemed to have been the most significant for the audit of the consolidated financial statements and which therefore constitute key audit matters, which we are required to set out herein.

We also submit to the Audit Committee the declaration set out in Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France as defined in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and the French Code of Ethics for statutory auditors. If necessary, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Paris-La Défense, 26 April 2024

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International

Arnaud Dekeister

ERNST & YOUNG Audit

Marie Le Treut

STATUTORY AUDITORS' REPORT

on the share capital reduction (Resolution 23)

GRANT THORNTON

French member of Grant Thornton International

29 rue du Pont,
92200 Neuilly-sur-Seine
S.A.S. with share capital of €2,297,184
632 013 843 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

ERNST & YOUNG Audit

Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. with variable capital
344 366 315 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

To the General Meeting of GROUPE SFPI,

In our capacity as statutory auditors of your Company and in execution of the engagement provided for in Article L. 22-10-62 of the French Commercial Code in the event of a capital reduction by cancellation of shares purchased, we have drawn up this report in order to provide you with our assessment of the causes and conditions of the planned capital reduction.

Your Board of Directors proposes that you grant it full powers, for a 26-month term, to cancel shares purchased pursuant to the authorisation for your Company to buy back its own shares in accordance with the aforementioned article, subject to a limit of 10% of the share capital per 24-month period.

We carried out the work we considered necessary pursuant to professional standards of the French National Auditors Association relating to this engagement. This work involved reviewing the validity of the causes and conditions of the planned capital reduction, which is not liable to compromise shareholder equality.

We have no matters to report regarding the causes and conditions of the planned capital reduction.

Neuilly-sur-Seine and Paris-La Défense, 03 May 2024

The Statutory Auditors

GRANT THORNTON

French member of Grant Thornton International

Arnaud Dekeister

ERNST & YOUNG Audit

Marie Le Treut

STATUTORY AUDITORS' REPORT

on the authorisation for allocation of existing or future bonus shares (Resolution 25)

GRANT THORNTON

French member of Grant Thornton International

29 rue du Pont,
92200 Neuilly-sur-Seine
S.A.S. with share capital of €2,297,184
632 013 843 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

ERNST & YOUNG Audit

Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. with variable capital
344 366 315 Nanterre Trade & Companies Register

Statutory auditors
Member of the
Versailles and Centre Institute of Statutory Auditors

To the General Meeting of GROUPE SFPI,

In our capacity as your Company's statutory auditors and pursuant to the engagement provided for in Article L. 225-197-1 of the French Commercial Code, we hereby present to you our report on the proposed authorisation for allocation of existing or future bonus shares to your Company's salaried employees and/or corporate officers and/or those of affiliated companies, a transaction on which you are called to vote. The total number of shares that may be allocated under this authorisation may not represent more than 15% of the Company's share capital.

On the basis of its report, your Board of Directors proposes that you authorise it, for a period of 38 months, to allocate existing or future bonus shares.

It is the Board of Directors' responsibility to prepare a report on this transaction that it wishes to carry out. It is our responsibility to inform you, where applicable, of our observations on the information thus provided to you on the proposed transaction.

We carried out the work we considered necessary pursuant to professional standards of the French National Auditors Association relating to this engagement. This work consisted mainly in verifying that the proposed terms and conditions set out in the report of the Board of Directors are in compliance with statutory provisions.

We have no observations to report on the information provided in the report of the Board of Directors on the proposed authorisation to allocate bonus shares.

Neuilly-sur-Seine and Paris-La Défense, 26 April 2024

The Statutory Auditors

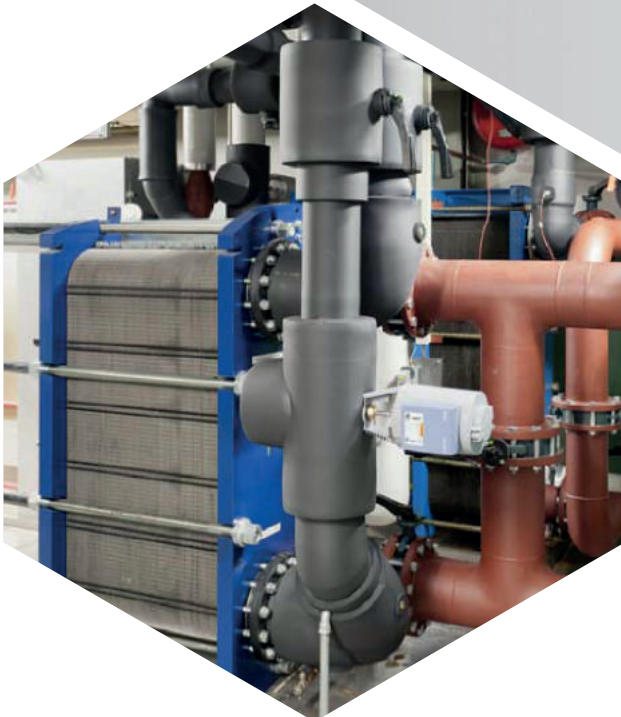
GRANT THORNTON

French member of Grant Thornton International

Arnaud Dekeister

ERNST & YOUNG Audit

Marie Le Treut



INDEPENDENT THIRD-PARTY BODY REPORT ON THE STATEMENT OF NON-FINANCIAL PERFORMANCE

Financial year ended 31 December 2023

SAS CABINET DE SAINT FRONT

3 rue de Brindejonc des Moulinais,
31500 Toulouse

To the Shareholders,

In our capacity as an independent third-party body authorised by Cofrac Vérification under number 3-1860 (the list of locations and scope of this authorisation may be consulted on www.cofrac.fr), we hereby submit to you our report on the statement of non-financial performance for the above-mentioned financial year (the “Statement”), as presented in the management report in accordance with the statutory and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

The Company’s responsibility

It is the responsibility of the Board of Directors or the Executive Board to prepare a Statement in accordance with statutory and regulatory provisions, including presentation of the business model, a description of the principal non-financial risks, presentation of the policies applied in respect of these risks and the effects of these policies, including key performance indicators.

The Statement has been drawn up by applying internal procedures.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code. In addition, we have introduced a quality control system including documented policies and procedures and a programme available on request designed to ensure compliance with applicable statutory and regulatory provisions.

Responsibility of the independent third-party body

It is our responsibility, on the basis of our work, to establish a substantiated opinion expressing a conclusion of limited assurance regarding:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fair presentation of the information provided in application of Article R. 225-105 (1)(2) and (3) of the French Commercial Code, namely the results of the policies, including key performance indicators, and the measures taken in response to the main risks (the “Information”).

It is not our responsibility, however, to issue an opinion on the entity’s compliance with other applicable statutory and regulatory provisions, including those regarding the vigilance plan and the prevention of corruption and tax evasion, or on whether products and services comply with applicable regulations.

Nature and scope of the work

Our diligences as set out below were conducted in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code:

- We set out a provisional plan for our engagement and held kick-off meetings both internally and with the client in order to take note of the Statement, its scope and risks of inaccuracies and adjust planning accordingly;

- We conducted a critical review to assess the overall consistency of the statement of non-financial performance;
- We verified compliance by verifying that the Statement covers each category of information provided for in Article L. 225-102-1 (III) with regard to social and environmental issues and, where applicable, respect for human rights and the fight against corruption and tax evasion. We also verified that the Statement presents the information required under Article R. 225-105 (I) of the French Commercial Code and, where relevant, Article R. 225-105 (II) of the same code, with regard to the main risks and we verified that the Statement includes an explanation of the reasons justifying the absence of any information required under the second paragraph of Article L. 225-102-1 (III) of the same code;
- We presented our interim conclusions and reviewed the corrections made;
- We verified that the Statement covers the consolidation scope, i.e. all the companies included in the scope of consolidation pursuant to Article L. 233-16 of the French Commercial Code, where applicable, subject to the limits set out in the Statement;
- We identified the persons in charge of the collection processes and reviewed the procedures for data collection, compilation, processing and controlling with a view to the thoroughness and fair presentation of the Information;
- We reviewed the consistency of changes in results and key performance indicators;
- We identified the sample tests required and listed the evidence to be collected;
- We consulted documentary sources and conducted interviews to corroborate the qualitative information that we deemed most significant.
- We verified the fair presentation of a selection of key performance indicators and quantitative results (historical data) that we considered to be the most important* via sample tests (verifying the correct application of definitions and procedures, verification of the consolidation, reconciliation of data with supporting documents). This work was carried out on a selection of contributing entities and covers between 18% and 30% of the data selected for these tests;
- The Group has published its green sales, investments and expenditure indicators in accordance with Regulation (EU) No. 2020/852. We have not verified the fair presentation of this information in accordance with the provisions of said regulation.

Means and resources

Our review was conducted by five people over a total period of six weeks between March and April 2024. We conducted four interviews with the persons responsible for preparing the Statement.

*The most significant indicators and entities tested (DOM ELZETT, FRANCIAFLEX, NEU-JKF FEVI, WO&WO Austria):

- Voluntary departure rate
- Staff turnover rate
- Frequency rate 1
- Frequency rate 2
- Severity rate
- Net Promoter Score (NPS)
- On Time In Full (OTIF)
- Electricity consumption
- Gas consumption

Conclusion

Based on our work, we identified no material misstatements liable to call into question the fact that the statement of non-financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented.

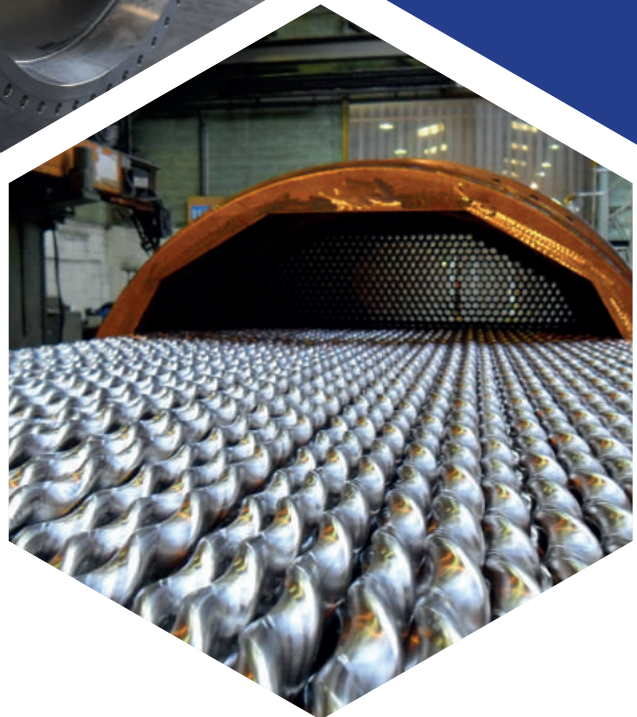
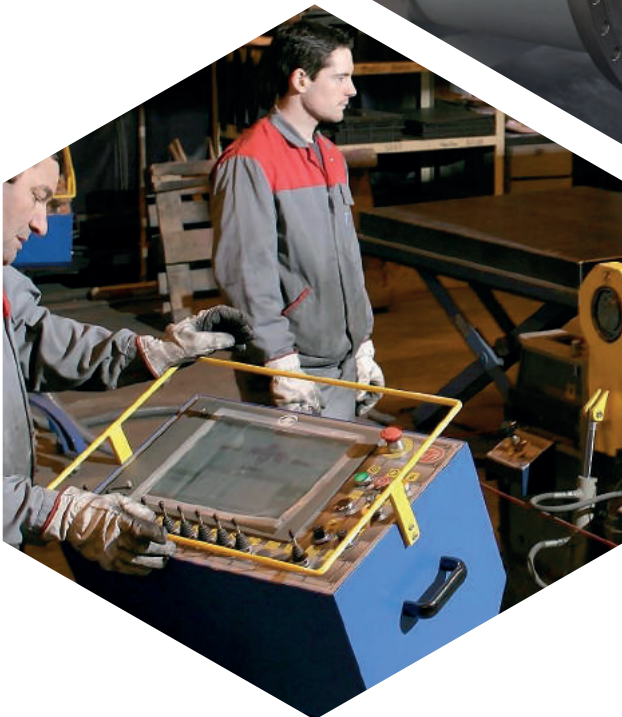
Toulouse, 18 April 2024

THE INDEPENDENT THIRD-PARTY BODY

SAS CABINET DE SAINT FRONT

Pauline de Saint Front

Chairman



COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 18 JUNE 2024

Draft resolutions

RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING

First resolution

Approval of the full-year company financial statements

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the Board of Directors' management and business report and the statutory auditors' report on the parent company financial statements for the year ended 31 December 2023, hereby approves said financial statements as presented to it, showing a net loss of €10,171,836, as well as the transactions recorded in said financial statements or summarised in said reports.

The General Meeting duly notes that the financial statements for the year ended do not include any expenses not deductible from taxable earnings with regard to Article 39-4 of the French General Tax Code.

Second resolution

Appropriation of earnings for the financial year

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, hereby approves the proposed appropriation of earnings that was presented to it by the Board of Directors.

As a result, the loss for the year amounting to €10,171,836 is appropriated as follows:

Source:

— Net loss: €10,171,836.

Appropriation:

— The €10,171,836 net loss for the year is allocated to retained earnings, for which the credit balance of €1,210,593 is reduced to a debit balance of €8,961,243.

Dividends distributed in respect of the last three financial years

The General Meeting duly notes that the dividend paid out in respect of the past three financial years was as follows:

Year	Dividend distributed	Dividend per share
2020	€5,959,074.12	€0.06
2021	€7,945,432.16	€0.08
2022	€4,965,895.10	€0.05

Third resolution

Clearance of retained earnings account

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, hereby resolves to clear the retained earnings account, which shows a negative balance of €8,961,243 after appropriation of earnings for the year, by deducting this amount from 'Other reserves'.

Following this operation, the balance of the retained earnings account will be reduced to zero, while the 'Other reserves' account will be reduced from €53,434,253 to €44,473,010.

Fourth resolution

Dividend distribution

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, hereby resolves to distribute a dividend of €2,979,537.06 corresponding to €0.03 per share. This amount is deducted from 'Other reserves', for which the balance of €44,473,010 after clearance of the retained earnings account approved in the third resolution will be reduced to €41,493,472.94.

The General Meeting duly notes that, since the 2018 French Finance Act came into force, dividends received by an individual taxpayer have been automatically subject to a single 30% flat-rate withholding tax (*prélèvement forfaitaire unique* or PFU) comprising 12.80% income tax and 17.20% social security contributions. However, taxpayers may expressly request that their dividends be taxed according to the income tax sliding scale.

The cash dividend will be paid on 25 June 2024.

The General Meeting hereby specifies that, if the Company holds treasury shares at the time the dividend is paid, the distributable profit corresponding to the unpaid dividends attached to such shares shall be allocated to the retained earnings account.

Fifth resolution

Approval of agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, authorised during past years, which continued to operate during the year ended

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having heard the statutory auditors' special report on agreements governed by Articles L. 225-38 et seq. of the French Commercial Code which continued to operate during the year ended, hereby approves the findings of said report and the agreements referred to therein.

The shareholders concerned are not entitled to vote for this resolution and their shares will be excluded from calculation of quorum and majority.

Sixth resolution

Approval of the agreements governed by Articles L. 225-38 et seq. of the French Commercial Code and entered into during the year ended

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having heard the statutory auditors' special report on agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, hereby approves the findings of said report witnessing the absence of agreements entered into during the year ended.

Seventh resolution

Approval of the full-year consolidated financial statements

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having heard the Board of Directors' management and business report and the statutory auditors' report on the consolidated financial statements for the financial year ended 31 December 2023, hereby approves the consolidated financial statements for the financial year ended 31 December 2023 as presented, showing net income of consolidated companies of €868,000, as well as the transactions recorded in the said financial statements or summarised in the management and business report.

Net income Group share after minority interests amounted to €1,178,000.

Eighth resolution

Renewal of the term of office of Henri Morel as director

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the report of the Board of Directors, reappoints Henri Morel as a director to serve for a term of three years, until the close of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the 2026 financial year.

Ninth resolution

Renewal of the term of office of Hervé Houdart as director

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the report of the Board of Directors, reappoints Hervé Houdart as a director to serve for a term of three years, until the close of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the 2026 financial year.

Tenth resolution

Renewal of the term of office of Valentine Laude as director

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the report of the Board of Directors, reappoints Valentine Laude as a director to serve for a term of three years, until the close of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the 2026 financial year.

Eleventh resolution

Renewal of the term of office of Marie-Cécile Matar as director

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the report of the Board of Directors, reappoints Marie-Cécile Matar as a director to serve for a term of three years, until the close of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the 2026 financial year.

Twelfth resolution

Renewal of the term of office of CREDIT MUTUEL EQUITY SCR, represented by Franck Chevreux, as director

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the report of the Board of Directors, reappoints CREDIT MUTUEL EQUITY SCR, represented by Franck Chevreux, as a director to serve for a term of three years, until the close of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the 2026 financial year.

Thirteenth resolution

Renewal of the term of office of BNP PARIBAS Développement, represented by Patrice Vandenbossche, as adviser

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the report of the Board of Directors, reappoints BNP PARIBAS Développement, represented by Patrice Vandenbossche, as an adviser to serve for a term of three years, until the close of the Ordinary General Meeting to be called in 2027 to approve the financial statements for the 2026 financial year.

Fourteenth resolution

Approval of the information on corporate officer remuneration referred to in Article L. 22-10-9 (I) of the French Commercial Code

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the corporate governance report, and pursuant to Article L. 22-10-34 (I) of the French Commercial Code, hereby approves the information referred to in Article L. 22-10-9 (I) of the French Commercial Code as presented in section 4 of the corporate governance report included in the Board of Directors' management and business report.

Fifteenth resolution

Determination of total amount of annual remuneration to be allocated to the members of the Board of Directors

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the report of the Board of Directors and the corporate governance report, hereby resolves to set the total amount of annual remuneration to be distributed among the members of the Board of Directors, in consideration for the performance of their duties during the 2024 financial year and until such time as a different decision is taken, at €48,000.00.

The General Meeting grants full powers to the Board of Directors to allocate this remuneration among the members of the Board of Directors in accordance with the procedures described in the corporate governance report.

Sixteenth resolution

Approval of fixed, variable and exceptional items comprising the total remuneration and benefits of all kind paid or awarded to the Company's Chairman and Chief Executive Officer for the 2023 financial year

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the corporate governance report, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed components of the total remuneration and benefits of all kind paid or awarded to Henri Morel, Chairman and Chief Executive Officer of the Company, in respect of the 2023 financial year, as described in the corporate governance report (section 4.3) in accordance with Article L. 22-10-9 of the French Commercial Code.

Seventeenth resolution

Approval of fixed, variable and exceptional items comprising the total remuneration and benefits of all kind paid or awarded to the Company's Deputy Managing Director for the 2023 financial year

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the corporate governance report, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the fixed and variable components of the total remuneration and benefits of all kind paid or awarded to Damien Chauveinc, Deputy Managing Director of the Company, in respect of the 2023 financial year, as described in the corporate governance report (section 4.3) in accordance with Article L. 22-10-9 of the French Commercial Code.



Eighteenth resolution

Approval of the Chairman and Chief Executive Officer remuneration policy in respect of the 2024 financial year - prospective voting procedure

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, taking note of the corporate governance report referred to in Article L. 225-37 of the French Commercial Code describing the components of the corporate officer remuneration policy, approves, pursuant to Article L. 22-10-8 (II) of the same code, the remuneration policy for the Chairman and Chief Executive Officer for the 2024 financial year as set out in paragraph (4.2) of the corporate governance report.

Nineteenth resolution

Approval of the Deputy Managing Director remuneration policy in respect of the 2024 financial year - prospective voting procedure

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, taking note of the corporate governance report referred to in Article L. 225-37 of the French Commercial Code describing the components of the corporate officer remuneration policy, approves, pursuant to Article L. 22-10-8 (II) of the same code, the remuneration policy for the Deputy Managing Director for the 2024 financial year as set out in paragraph (4.2) of the corporate governance report.

Twentieth resolution

Approval of the remuneration policy for all corporate officers in respect of the 2024 financial year.

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the corporate governance report, hereby approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the remuneration policy for 2024 for the Company's corporate officers as presented in section 4 of the corporate governance report included in the Board of Directors' management and business report.

Twenty-first resolution

Authorisation to be granted to the Board of Directors to carry out transactions in the Company's shares

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the Board of Directors' report, hereby authorises the Board of Directors, with the option of further delegation, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, Articles L. 241-2 et seq. of the General Regulation of the French Financial Markets Authority (**AMF**) and European Parliament Regulation no. 596/2014 of 16 April 2014 on market abuse, to purchase or arrange the purchase of Company shares for the purpose of:

- (vii.) ensuring the Company share's market liquidity by means of an investment services provider acting independently pursuant to a liquidity contract in accordance with the AMAFI code of ethics and best market practices as recognised by the French Financial Markets Authority (AMF); or
- (viii.) holding the shares for subsequent tendering as consideration or in exchange in respect of a potential acquisition, in accordance with market practices admitted by the French Financial Markets Authority (AMF); or
- (ix.) allocating or selling the shares to employees and/or executive officers of the Company and/or related companies or companies that will be related under the terms and conditions provided for by law, in particular via allocation of stock options or under an employee profit-sharing scheme; or
- (x.) allocating bonus shares to employees and/or executive officers of the Company and/or related companies or companies that will be related to it in the future in accordance with the provisions of Article L. 22-10-59 of the French Commercial Code, on the understanding that the shares may be assigned to an employee savings scheme pursuant to the provisions of Article L. 3332-14 of the French Employment Code; or
- (xi.) cancelling the shares purchased via a capital reduction, in particular in order to increase earnings per share or improve return on equity; or
- (xii.) implementing all current and future market practices recognised by the AMF and, more generally, for any other purpose authorised by applicable legal and regulatory provisions.

This programme is also designed to allow the Company to carry out transactions in Company shares for all other current or future purposes authorised by law and regulations in effect.

The Company may purchase treasury shares subject to the following limits:

- > the number of shares purchased by the Company during the term of the buyback programme may not exceed 10% of the shares comprising the Company's share capital, at any time, this percentage applying to the share capital as adjusted for any transactions impacting it after this General Meeting; in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, when the shares are repurchased to promote share liquidity under the conditions defined by the regulations in force, the number of shares taken into account for the calculation of the 10% cap corresponds to the number of shares purchased less the number of shares sold during the term of the authorisation; and
- > the number of shares held by the Company at any given time may not exceed 10% of the Company's total share capital.

The purchase, sale, transfer, tendering or exchange of these shares may be carried out on one or more occasions and by any means whatsoever that are authorised by current or future regulations in force. Such means include over-the-counter transactions, block trading, repurchase agreements and the use of any derivative financial instrument, traded on a regulated market or over-the-counter and the implementation of option strategies (purchase and sale of put and call options and any combination thereof in compliance with applicable regulations). The portion of the buyback programme that may be implemented via block trades is equivalent to the entire share repurchase programme.

These transactions may be carried out at such times as the Board of Directors shall determine; however, during a public tender offer, the shares may only be repurchased if such buybacks:

- > allow the Company to comply with commitments it has undertaken prior to the opening of the offer period;
- > are carried out in continuation of a buyback programme already underway;
- > fall under the objectives listed above under points (i) to (v); and
- > are not liable to thwart the public tender offer.

The Board of Directors may also reallocate previously repurchased shares (including under a previous authorisation) to another objective, in compliance with applicable statutory and regulatory provisions, or sell them on or off the market.

The General Meeting hereby sets the maximum purchase price per share at €5.00 excluding acquisition costs.

The General Meeting grants the Board of Directors, with the option of further delegation in compliance with applicable statutory provisions, in the event of transactions in the Company's share capital, including in the event of a change in the share par value, a capital increase by capitalisation of reserves, an allocation of bonus shares, a share split or reverse share split, the power to adjust the aforementioned maximum purchase price in order to take into account the impact of these transactions on the value of the share.

The General Meeting grants the Board of Directors full powers, with the option of further delegation in accordance with applicable statutory provisions, to decide upon and exercise this authorisation, to set the terms and conditions thereof, where necessary, with the option of further delegating the execution of the buyback programme in accordance with applicable statutory provisions, and in particular to place all trading orders and enter into all agreements for the purpose of keeping registers of share purchases and sales, to make all declarations, in particular to the AMF and any other authority substituted in its place, to complete all formalities and, in general, to do whatever is necessary.

This authorisation is granted for a term of 18 months from the date of this General Meeting, i.e. until 18 December 2025, and, from the time the Board of Directors decides to exercise it, shall cancel the unused part of the authorisation granted to the Board of Directors to carry out transactions in Company shares by the General Meeting of 16 June 2023 under its 10th resolution.

Twenty-second resolution

Appointment of PKF Arsilon as independent third-party body responsible for certifying information on sustainability and environmental obligations

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, having reviewed the report of the Board of Directors, resolves, pursuant to Articles L. 821-40 et seq. of the French Commercial Code to appoint PKF Arsilon Commissariat aux Comptes, a French simplified joint stock company specialising in chartered accounting and statutory audits, with share capital of €7,905,826, whose registered office is at 3 rue d'Héliopolis, 75017 Paris, registered in the Paris Trade and Companies Register under number 811 599 406, as statutory auditor responsible for certifying sustainability information for a term of three (3) financial years, expiring at the close of the Annual Ordinary General Meeting called in 2027 to approve the financial statements for the year ended 31 December 2026.

RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING

Twenty-third resolution

Authorisation to be granted to the Board of Directors to reduce the share capital through cancellation of treasury shares within the limit of 10% of the Company's share capital

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report:

- hereby authorises the Board of Directors to cancel, at its sole discretion, on one or more occasions, within the limit of 10% of the share capital as calculated at the date of the decision to cancel, less any shares cancelled during the previous 24 months, shares that the Company holds or subsequently purchases as a result of buybacks carried out pursuant to Article L. 22-10-62 of the French Commercial Code, as well as to reduce the share capital in accordance with applicable statutory and regulatory provisions;
- hereby sets the term of this authorisation to perform the transactions required for such cancellations and corresponding capital reductions, amend the Company's articles of association accordingly and complete all required formalities at 26 months from the date of this General Meeting;
- hereby resolves that the difference between the buyback value of the cancelled shares and the par value shall be appropriated to 'Additional paid-in capital' or any available reserve account, including the legal reserve, subject to a cap of 10% of the share capital reduction carried out;
- hereby grants the Board of Directors, with the option of further delegation within the limits set by law and the articles of association, full powers to perform the transactions required for such cancellations and corresponding capital reductions, amend the Company's articles of association accordingly and complete all required formalities.

Twenty-fourth resolution

Cancellation of the authorisation granted to the Board of Directors on 17 June 2022 to allocate bonus shares

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings, having reviewed the report of the Board of Directors, and noting that the Board of Directors has not made use of the authorisation granted to it under the fourteenth resolution of its meeting of 17 June 2022 for a period of 38 months, i.e. until 17 August 2025, resolves to cancel the said authorisation.

Twenty-fifth resolution

Authorisation to be granted to the Board of Directors, for a period of 38 months, to allocate existing or future bonus shares to certain categories of employees and/or corporate officers of the Company and its subsidiaries, with waiver of shareholders' preferential subscription rights in respect of the shares to be issued

The General Meeting, deliberating in accordance with the quorum and majority requirements applicable to Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report and deliberating in accordance with the provisions of Articles L. 225-129 et seq. and L. 225-197-1 et seq. of the French Commercial Code:

- hereby authorises the Board of Directors, with the option of further delegation to any person authorised in accordance with statutory and regulatory provisions, to allocate, on one or more occasions, existing and/or future bonus shares of the Company to certain salaried employees and/or corporate officers of the Group that are directly or indirectly related to it as provided by Article L. 225-197-2 of the French Commercial Code, or to certain categories of them;
- resolves that the vesting period for the bonus shares, which must be set by the Board of Directors, may not be less than one (1) year; as an exception to the above, the bonus shares may be allocated before the end of the vesting period in the event of the disability of the beneficiary falling under the second and third categories provided for in Article L. 341-4 of the French Social Security Code;
- resolves that the Board of Directors may stipulate a lock-in period for the beneficiaries of the bonus shares allocated, which may not be less than one (1) year from the vesting date of the shares, except in the event of disability of the beneficiaries falling under the second and third categories provided for in Article L.341-4 of the French Social Security Code;
- however, provided that the vesting period for all or part of one or more allocations is at least two years, the General Meeting authorises the Board of Directors not to impose a lock-in period for the shares in question;
- resolves (i) that the cumulative vesting and lock-in periods, if any, may not be less than two (2) years and (ii) that the Board of Directors may provide for longer vesting and lock-in periods than the minimum periods set out above;
- hereby resolves that the Board of Directors shall determine the identity of the beneficiaries of the allocations, the number of shares allocated to each of them, the terms and conditions of allocation and the criteria for allocating the shares;

- the Board of Directors shall make the allocation of all of the shares subject to a condition of presence and performance criteria for corporate officers;
- hereby resolves that the number of bonus shares that may be granted under this authorisation shall not exceed 15% of the Company's share capital as determined on the date of the Board of Directors' decision to allocate the shares, on the understanding that this cap does not take into account any statutory, regulatory or contractual adjustments required to preserve the rights of beneficiaries;
- hereby authorises the Board of Directors, during the vesting period, to make any required adjustments to the number of shares allocated in accordance with any transactions involving the Company's share capital, in order to preserve the rights of the beneficiaries;
- hereby authorises the Board of Directors, in the event of the allocation of new shares, to carry out one or more capital increases by capitalisation of reserves, profits or additional paid-in capital in favour of the beneficiaries of said shares and duly notes that this authorisation automatically entails the corresponding waiver by the shareholders, in favour of the beneficiaries, of their preferential subscription rights to said shares and to the portion of reserves, profits and premiums thus capitalised, a transaction for which authority has been delegated to the Board of Directors pursuant to Article L. 225-129-2 of the French Commercial Code;
- hereby delegates full powers to the Board of Directors, with the option of further delegation in accordance with statutory and regulatory provisions, to exercise this authorisation, in particular for the purpose of:
 - (i) determining whether the shares allocated shall be new or existing shares;
 - (ii) determining the identity of the beneficiaries and the number of shares allocated to each of them;
 - (iii) setting, in accordance with statutory conditions and limits, the dates on which the shares shall be allocated;
 - (iv) setting the other terms and conditions applicable to the allocation of the shares, including the vesting period and lock-in period, in the bonus share plan rules;
 - (v) deciding on the conditions under which the number of performance shares allocated shall be adjusted, in accordance with statutory and regulatory provisions and any applicable contractual terms;
 - (vi) more generally, entering into all agreements, preparing all documents, recording the capital increases resulting from the vesting of the shares, amending the articles of association accordingly, completing all formalities and making all declarations to all bodies;
- hereby resolves that this authorisation shall be granted for a period of 38 months from the date of this General Meeting, i.e. until 18 August 2027.

Twenty-sixth resolution

Powers for formalities

The General Meeting hereby grants full powers to the bearer of an original, copy or certified true extract of the minutes of this meeting to complete all statutory and administrative formalities and carry out all filings and publications required by applicable legislation.

**LET'S
CREATE
SHARED
VALUE.**



sfpi-group.com

Sfpi GROUP
Safety for
people &
industry