EDIFY
Investment Partner

2022

Financial Report

Message from the Chairman of the Board of Directors

JEAN GUILLAUME DESPATURE
Chairman of the Board of Directors

I was delighted and honoured to be appointed Chairman of the Board of Directors of Edify in May 2022, and today I fully appreciate how far the Company has come since its creation in 2014 and its potential going forward.

Our primary asset, Pellenc, a specialist in portable power tools and machinery for wine-making, olive growing and green spaces, has experienced continued success and seen its sales grow by 90% since 2014. Gaviota, a producer of components for roller blinds and shutters, in which we have held a 46.5% stake since 2001, has achieved significant growth in its sector and seen its sales double since 2014.
From October 2014 to the end of 2021, the portfolio[1] has also been enhanced through the acquisition of shareholdings in companies operating within niche markets and occupying leading positions in their specialties, such as De Buyer, France's leading utensil brand for cookery and baking & patisserie, Ligier, the leading brand for light-duty vehicles with internal combustion engines and electric motors, and Thermo-Technologies, the global leader for high-tech wires and surface coatings.

The disposal in 2022 of Zurflüh-Feller, a longstanding shareholding born out of the history of Somfy Participations, illustrated Edify's ability to support companies in their development and transformation at key moments and over the long-term. The company, a manufacturer of accessories for roller blinds and metal shutters, transitioned from a small French family-run firm in 2008, the year of its acquisition, to an international medium-sized company, the European leader in its market, in 2022.

This disposal forms a key part of the renewal of our portfolio, completed in 2022, and enables us to specifically focus on our three main business lines – farming of the future, new forms of mobility and high-end cookery.

The acquisition in April 2022 of a 42.9% stake in Agromillora, a Spanish company operating in the high-growth area of propagation and high-density planting for arboriculture (fruit trees, vines, etc.), reflects Edify's interest in the farming of the future, by helping to improve agricultural yields.
Through our acquisition of a stake in the recently created French company K-Ryole, we are confirming our commitment to playing a role in the future mobility sector. With its unique technology, K-Ryole designs and manufactures smart electric trailers for bicycles and trolleys intended for last mile logistics and construction and public works.

1. Made up of Pellenc, Gaviota, Zurflüh-Feller, Les Usines Métallurgiques de Vallorbe, Sirem, La Buvette and Lacroix Emballages in October 2014

Building on De Buyer, we have continued our specialisation in the cookery sector, with the acquisition of N2J, better known under the eco-friendly brand name Pebbly.

2022 could also be described as unusual, even transitional, given the specific context in which it unfolded.

The turmoil caused by the war in Ukraine combined with the disruption that followed the Covid pandemic in 2020 has affected the various companies in the portfolio, to varying degrees, through the resulting sudden rise in the cost of raw materials, and through supply chain disruptions and the ensuing shortages in component inventories.

Despite three intense and difficult years, the companies in the portfolio maintained their levels of activity and profitability. 2022 consolidated sales posted growth of 12.3%, totalling €920.1 million. EBITDA, although it declined by 3.3%, remained steady at around €100 million.

Nevertheless, the increase in investment budgets and working capital requirements translated into a surge in net financial debt, which rose from €119.5 to €299.9 million.
As a result of the fall in EBITDA and the increase in financial debt, Net Asset Value decreased from €625 to €505 million.

In conclusion, I believe that the financial year just ended has underlined the strength of Edify's portfolio and model, and I would like to thank all the Group's employees for their commitment and contribution to these results. This year also highlighted the need to continually adapt, and even to reinvent, the strategies of our various shareholdings.

In addition, there are multiple challenges, stemming in particular from climate change and the depletion of natural resources, as well as numerous opportunities. With these in mind choices need to be made and priorities established.

I will strive to make environmental, social and corporate governance (ESG) a key focus of the organisation and development of the companies in the portfolio and, as a knock-on effect, a driver of growth and value creation for each of them.

I know that I can count on the commitment of the teams to progress along and succeed on this path.

EDIFY
Edify is an industrial holding company that invests in mid-caps in order to expand them and support them over the long-term.

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Shareholder relations

CAPITAL

Edify S.A.'s (hereinafter Edify) capital amounted to €4,860,000 at 31 December 2022, divided into 4,860,000 fully paid-up shares with a par value of €1 each, all in the same class.
At 31 December 2022, the Company had issued 510,525 profit units for a total amount of €5,504,465.28.
The Company has not issued any marketable securities granting access to the capital.

2023 FINANCIAL CALENDAR

23 May	Annual General Meeting
25 May	Publication of 2023 first quarter sales
28 September	Publication of 2023 half-year results
23 November	Publication of 2023 third quarter sales

Organisation

BOARD OF DIRECTORS

Chairman
JEAN GUILLAUME DESPATURE

Vice-Chairman
WILFRID LE NAOUR

Members of the Board of Directors
PAUL GEORGES DESPATURE
VICTOR DESPATURE
AGNÈS LARUELLE
LUIS MARINI-PORTUGAL
PATRICK TANGUY

Left to right:

WILFRID LE NAOUR, Vice-Chairman of the Board of Directors of Edify and former CEO of Somfy.

AGNÈS LARUELLE, Director responsible for day-to-day management, former member of the Executive Committee of MDO Management Company S.A. and former Managing Director of MDO Services S.A.

PAUL GEORGES DESPATURE, Former Chairman of the Board of Directors of Edify, Chairman of the Management Board of Somfy and Chairman of the Supervisory Board of Damartex.

VICTOR DESPATURE, Chairman of MCSA Group and former member of the Supervisory Board of Somfy.

LUIS MARINI-PORTUGAL, Former member of the Executive Board of Eurazeo.

PATRICK TANGUY, Former Associate Director of Wendel.

JEAN GUILLAUME DESPATURE, Chairman of the Board of Directors of Edify, Chairman of the Board of Directors of Somfy and Chairman of the Supervisory Board of Damartex.

AUDIT COMMITTEE

Chairman
VICTOR DESPATURE

Members
PAUL GEORGES DESPATURE
AGNÈS LARUELLE

REMUNERATION COMMITTEE

Chairman
JEAN GUILLAUME DESPATURE

Members
WILFRID LE NAOUR
LUIS MARINI-PORTUGAL

INVESTMENT COMMITTEE

Chairman
WILFRID LE NAOUR

Members
JEAN GUILLAUME DESPATURE
ANTHONY STAHL

APPROVED STATUTORY AUDITORS

ERNST & YOUNG S.A.

CONTACTS

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Overview of the consolidated financial statements

Overview of the consolidated financial statements

€ millions	FY 2022	FY 2021
Net asset value at 31 December	505.1	625.0
Consolidated sales	920.1	819.3
Consolidated EBITDA	100.2	103.4
Consolidated current operating profit	67.4	74.0
Consolidated operating profit*	90.7	72.9
Consolidated net profit*	66.0	59.9
Consolidated operating cash flow	80.6	77.5
Consolidated Net Financial Debt at 31 December**	295.6	119.5
Edify S.A. Net Financial Debt at 31 December	54.2	11.8
Edify S.A. confirmed credit facilities at 31 December	180.0	230.0

* Including goodwill amortisation charge of €24 million in 2022 (€13 million in 2021).
** Net Financial Debt including earn-out liability and deferred settlements.

Board of Directors' Management Report

Board of Directors' Management Report

TO THE ANNUAL GENERAL MEETING OF 23 MAY 2023

Ladies and Gentlemen,

In accordance with the legal and regulatory provisions in force, the Board of Directors has convened you here to report on the management of your Company and the companies in its portfolio and to submit for your approval the financial statements for the year ended 31 December 2022.

Edify is an industrial holding company that invests in mid-caps in order to expand them and support them over the long-term.
Its portfolio is comprised of majority and minority shareholdings in European industrial medium-sized businesses and SMEs, namely **Gaviota** (components and motors for awnings and roller shutters), **Pellenc** (portable power tools and machinery for winegrowing, olive growing and green spaces), **Usines Métallurgiques de Vallorbe** (precision files and tools for the jewellery, watchmaking, forestry, car and aeronautical industries), **De Buyer** (cookery and baking/patisserie utensils), **Ligier** (licence-free microcars), **Thermo-Technologies** (surface coating with precious metals using chemical or electrolytic processes and high-tech wires), **K-Ryole** (smart electric trailers for bicycles) and **Agromillora** (producer and distributor of plants for agriculture).

Highlights of the year

ACQUISITION OF A MINORITY INTEREST IN K-RYOLE

In early 2022, a 6.12% minority shareholding was acquired in the scale-up K-Ryole, a specialist in smart electric trailers designed for urban logistics and the construction and civil engineering sector.
A second tranche of shares was acquired in December, bringing the percentage shareholding to 10.06%.

COMMITMENT TO INVEST IN THE ARGOS MID-MARKET VIII FUND

Edify has committed to invest a maximum of €20 million in the Argos Wityu Mid-Market VIII fund over a period of five years. This investment will be made over a number of years (between 2022 and 2025). Argos Wityu has a targeted investment strategy of seeking out and supporting companies in complex situations and helping them grow and generate value.

ACQUISITION OF AN INVESTMENT IN AGROMILLORA

On 21 April 2022, Edify acquired a 42.9% minority interest in Agromillora alongside the latter's founding shareholders. Agromillora is a cutting-edge solutions provider specialising in plant propagation for agriculture (in particular vines and olive, stone fruit, almond, walnut, berry and citrus fruit trees).

DISPOSAL OF SHARES IN ZURFLÜH-FELLER

On 16 June 2022, Edify sold its entire shareholding in Zurflüh-Feller to a group of investors led by Geneo Capital Entrepreneur, in partnership with the company's leadership team.

ACQUISITION OF N2J BY FINANCIÈRE DÉVELOPPEMENT

In May 2022, Financière Développement, renamed La Brigade De Buyer with effect from 1 January 2023, acquired total ownership of N2J, which markets innovative designer brands in the kitchen and tableware sector, including the Pebbly brand.

NUMEROUS ACQUISITIONS BY GAVIOTA

Gaviota experienced strong external growth momentum in the second half of 2022, acquiring a number of companies specialising in particular in the manufacture and distribution of glass panels and windows.

DIRECT AND INDIRECT EXPOSURE TO CURRENT UNCERTAINTIES

Indirect risks arising from higher raw material, shipping and energy costs prompt caution, but do not for the moment point to any change in trend. Against this backdrop, we have stepped up our financial and operational oversight of our investees' businesses.

Net Asset Value of Edify's portfolio

METHODOLOGY

Edify's adjusted net asset value corresponds to the value of financial assets held by Edify, re-measured at fair value using the methods set out below, less the Edify holding company's net debt and financial liabilities.

1. BONDS RECEIVABLE

Financial assets defined as bond receivables are valued at their face value less any applicable impairment losses, plus capitalised interest.

2. NON-CONSOLIDATED EQUITY SECURITIES

Book value was used in the case of non-consolidated companies unless a reliable and recent valuation can be obtained.

3. CONSOLIDATED EQUITY SECURITIES

In the case of equity interests that are fully consolidated, or consolidated on a proportional basis or via the equity method, the valuation methods selected were as follows:

Shares in unlisted companies

The enterprise value for each equity interest is measured via the usual methods, namely:

- **The stock market comparable multiple method**
  A sample of comparable companies, which consists of listed companies in the same business sector as the companies to be valued, and for which analysts publish research and estimates on a regular basis, is determined for each company to be valued. This sample is stable over time, and is only adjusted in the event that a comparable is no longer relevant. The multiples for the companies in the sample are calculated based on (i) the average market capitalisation for the last 20 trading sessions prior to the valuation, (ii) net debt according to the last published financial statements, and (iii) the EBITDA and EBITA (Current Operating Profit before amortisation of the intangible assets allocated at the time of acquisitions) estimated at the valuation date by analysts for the current year and the next two years. A discount may be applied to some multiples, in order to take account of the smaller size of the company that is being valued compared with the companies in the sample. The average EBITDA and EBITA multiples for companies in the sample that display similar growth prospects to the ones for the company to be valued are applied to that company's recurring EBITDA and EBITA for the current year and the next two years. The enterprise value selected is calculated by determining an average for the valuations obtained by applying these multiples to the aggregate amount of the equity interests.

- **The discounted cash flow method (DCF)**
  This method involves determining the present value of the cash flows that a company will generate in the future. The cash flow forecasts, which are determined together with the management of the company concerned, include a critical analysis of these companies' business plans. The discount rate used corresponds to the weighted average cost of capital and reflects the expected return on invested capital (equity and liabilities necessary to finance operations) and taking account of comparables (sector, size, country exposure). The sample of comparables is similar to that used when calculating multiples. Where comparable companies are not considered sufficiently representative of the company being valued, this rate may be adjusted to reflect the operational and financial risks facing the company. Furthermore, the forecast cash flows correspond to those that are used for impairment tests.

- **The transaction multiples method**
  Transaction multiples are used when a transaction involves a company whose profile and activity are similar to those of the shareholding subject to the valuation.

Choice of method

Where the company being valued has reached maturity on its market, the enterprise value is calculated by averaging the value obtained using the comparable market capitalisation method and the value obtained via the discounted cash flow method, while ensuring the consistency of the values obtained via both methods.

For shareholdings operating in specific niches where a relevant list of comparable listed companies cannot be drawn up, i.e. when we do not have sufficient historical data (start-up or scale-up companies), and for those in turnaround situations, enterprise value is calculated solely using the DCF method.

This multi-criterion analysis enables Edify to take the intrinsic growth of its companies and its medium/long-term investment approach into account. The enterprise value calculated in this way is adjusted for:
- non-operating assets and liabilities, which are valued at their net book value or at their market value if that value can be determined on a reliable basis, and
- net financial debt, with financial liabilities valued at face value plus any accrued interest.

The percentage of direct and indirect ownership of Edify at the valuation date is applied to the resulting valuation. A minority discount may be applied in the case of some equity interests that do not provide control and/or in the case of reduced control.
When a disposal is being considered, the transaction multiples valuation method can be used when high quality information with sufficient detail on the transaction is avail-

able. Where applicable, enterprise value is calculated using the average of transaction value, the value calculated from the multiple of market comparables, and discounted cash flows.

Shares in listed companies
The shares are valued by using the average closing price for the last 20 trading sessions prior to the valuation.

New investments
New investments, whether listed or unlisted subsidiaries and shareholdings, are measured at cost for the first 12 months following acquisition, unless market conditions or any other factors intrinsic to the company being valued are likely to materially affect its value at the date of first measurement.

The methodology set out above complies with the "International Private Equity and Venture Capital Valuation Guidelines" ("IPEV"), which are approved by the main professional private equity organisations throughout the world.

VALUATION OF EDIFY'S PORTFOLIO

The Net Asset Value[1] (NAV) of Edify was €505 million at the end of December 2022 (€103.93 per share), a decline of 19.2% compared with 2021 but an increase of 13.6% on 2020. This fall was primarily due to a significant increase in Net Financial Debt and by a poorer outlook in light of an uncertain economic environment.

1. The published Net Asset Value does not take into account the holding company discount.

Overview of the consolidated financial statements

ACCOUNTING PERIOD

The financial year covers 12 calendar months.

PARENT COMPANY DATA

Edify generated net profit of €19 million in the year ended 31 December 2022. The operating loss amounted to €9.3 million and primarily consisted of operating expenses. Edify S.A. recognised net financial income of €28.3 million, mainly consisting of proceeds from the disposal of equity interests and dividends received, offset by borrowing costs (interest and fees) and provisions for impairment of equity interests.

CONSOLIDATED DATA

SALES
Edify's consolidated sales totalled €920.1 million for the financial year just ended, an increase of 12.3% compared with 2021 and of 13.2% on a constant portfolio basis. This increase is all the more noteworthy given that it followed strong growth the previous year and, for several of the companies in the portfolio, took place within a volatile environment.
Sales were steady at Ligier Group, Pellenc and Thermo-Technologies, which all recorded healthy growth despite supply problems for the first two and, as a knock on effect, production and delivery challenges.
The trend was also positive at Gaviota – due in particular to the contributions by the newly acquired subsidiaries – and at Agromillora.
Conversely De Buyer and Usines Métallurgiques de Vallorbe both recorded declines for primarily contextual reasons. They were impacted by unfavourable base effects as a result of the high levels of sales the previous year, and specifically in relation to De Buyer, by the downturn in consumer spending.

NET PROFIT
Consolidated EBITDA was €100.2 million for the financial year, a decline of 3.1% compared with 2021 and of 4.2% on a constant portfolio basis. This dip was due to both higher procurement costs – which were partially offset by the adjustment in sales prices – and the upturn in overhead costs as a result of organisations adapting to the increase in sales.
Gaviota and Thermo-Technologies' profits achieved year-on-year growth, thanks in particular to the healthy levels of sales.
Conversely, the contributions of Ligier Group and Pellenc declined. They were particularly impacted by breakdowns in supply that severely disrupted production and generated additional costs.
Profits also decreased at De Buyer and Usines Métallurgiques de Vallorbe following declines in their sales.
Consolidated net profit stood at €66.0 million including

recognition of the capital gain generated by the sale of the shareholding in Zurflüh-Feller and the impairment of Agromillora and Pellenc assets related to both results and an outlook that have fallen short of expectations.

FINANCIAL POSITION

Consolidated net financial debt stood at €295.6 million at 31 December 2022, up €176.1 million. This increase was due to three major elements: the balance of €94 million from acquisitions and sales, significant investments (approximately €60 million) and an increase in working capital requirements related to the increase in sales and a drive to safeguard inventories following supply disruption. Consolidated equity increased from €395.4 to €462.6 million and represented 1.6 times the net financial debt at the end 2022.

Post-balance sheet events

Nil.

Information on research and development activities

"Research and Development" is a major factor for growth and development through innovation. Most of the companies in Edify's portfolio have an active innovation policy.

Information about risks arising from Edify's activities

Edify operates in an environment subject to uncertainty where risk is inherent in the pursuit of opportunities and the desire to grow the business. Edify has carried out a review of the risks arising from its activities as an investment firm. These risks could have an adverse effect on its business, financial position, results or ability to achieve its objectives.

A summary of the most significant risks is set out below.

OPERATIONAL RISKS

• Risks associated with investments and divestments: The choice and relevance of investments directly affects Edify's valuation. The determination of a company's value, and thus of its purchase price, is heavily dependent on information obtained during the acquisition process.

The policy for managing these risks is based on undertaking high-quality due diligence and detailed in-house analysis. Strategic, financial, legal, tax and environmental due diligence is carried out by independent firms.

Risks are discussed with the Investment Committee at various stages of the acquisition process. The Committee examines projects selected by the investment team and submits recommendations to the Board of Directors, which makes the final decision as to whether to proceed with an acquisition.
Any risks identified may be covered by a seller's warranty.

Divestment decisions are made by the Board of Directors at the proposal of the investment team.

Edify endeavours to limit the amount and duration of any earn-out and seller's warranty clauses.

• Risks associated with dependence on key individuals: The departure of a key individual can affect an investee's operations.

To minimise the risk of key individuals leaving an investee, Edify regularly interacts with management to ensure that interests remain aligned over time, promoting both continuity of management personnel and value creation.
At the same time, incentive schemes are put in place to build staff loyalty.

• Risk associated with the methodology used to value investments:
Valuations of companies in the portfolio are based on methodologies that require the use of estimates, assumptions and choices which may, by definition, entail risks. Furthermore, use of the market comparables method means the adjusted net asset value may be affected by an equity market downturn.

Edify's investments consist of unlisted companies which are valued annually in accordance with the IPEV guidelines (see page 13). Enterprise value is determined using the market comparables and discounted cash flow methods. These methods require the preparation of a business plan, assumptions about the discount rate and the choice of a basket of comparable listed companies.

The procedures set out below have been put in place within Edify to limit risks associated with these estimates: (i) companies, the investment team and Edify's finance department work together to produce forecast financial information; (ii) adjusted net asset values are reviewed annually by the Audit Committee and signed off by the Board of Directors; and (iii) the auditors check that the methodology used to calculate adjusted net asset values complies with the IPEV guidelines.

Regardless of the degree of care and caution adopted when determining valuations, the latter may differ from selling prices. The ease with which investments can be disposed of may vary according to market conditions.
Given its long-term investment perspective, Edify is under no obligation to divest within a given time frame if it feels the price does not meet its expectations.

FINANCIAL RISKS

• Liquidity risk:
Cash flow difficulties could undermine the continued operation of Edify or any of its investees.

Edify must at all times have funds at its disposal and retain significant financial flexibility. It must be able to finance its day-to-day operations and investment commitments, help investees meet unanticipated needs and maintain its investment capacity. Edify has confirmed credit lines totalling €210 million with a banking syndicate and long-term private financing of €50 million (in the form of a Euro PP bond). The maturities of these sources of funding are staggered to limit the risk of hitting a debt wall.
Edify also has internal financial resources at its disposal consisting of dividend income from investees and proceeds from disposals.

As regards investees, loan agreements associated with acquisition debt include financial covenants which, if breached, may result in the lender demanding early repayment from the investee or, in some cases (where there is a cross-default clause), Edify. To limit this risk, Edify closely monitors investees' cash flow and ensures that investees have sufficient financial resources to meet their liabilities.

Edify also monitors its own and its investees' compliance with bank covenants and, where necessary, asks investees to request waivers ahead of time.

• Risk relating to the debt market:
Tensions in debt markets could make leveraged transactions impossible or unattractive.

The Ukraine crisis and rising interest rates have triggered tensions in debt markets. Some lenders are placing stricter requirements on credit quality and proving less willing to offer significant leverage.

Depending on how the market evolves (notably if liquidity tightens and interest rates continue to rise), Edify may need to adjust how it finances future acquisitions.

• Interest rate risk:
Adverse interest rate movements may negatively affect Edify's funding costs and thus its performance.

Edify and its investees are exposed to interest rate risk through floating-rate debt. Hedges have been put in place to limit this exposure.

Edify and its investees put in place additional hedges in 2022 in anticipation of rising interest rates.

Edify's €50 million Euro PP bond carries a fixed rate of interest. Meanwhile, 73% of the Group's other borrowings carry floating rates of interest, and 39% of these borrowings are covered by hedging instruments (caps, swaps, etc.).

• Foreign exchange risk:
Exchange rate fluctuations can affect the results of companies outside the eurozone.

Since Edify's investees conduct some of their business abroad, some of their earnings are in currencies other than the Euro. For their foreign subsidiaries, revenue and costs that are expressed in local currency must be translated into Euros. Currencies are converted using the average rate over the period in question. This means fluctuations in the value of the euro relative to other currencies can affect amounts stated in the relevant items of the consolidated financial statements. This foreign exchange risk is low for Edify. It only affects 17% of sales and arises on consolidation of the financial statements of entities with a functional currency other than the Euro:
– 7% of sales are derived from entities whose functional currency is the US dollar;
– 4% of sales are derived from entities whose functional currency is the Swiss franc.

• Counterparty risk and customer credit risk:
This risk relates to financial institutions and to investees' customers unable to honour their commitments.

As regards financial institutions, Edify pays particular attention when choosing which banks to use and invests its funds very safely.

Each investee has its own policy for monitoring customer credit risk. An impairment loss is recognised against any receivable at risk of non-recovery.
The risk on trade receivables at the balance sheet date was not material given the sound management of the customer credit risk by our shareholdings, customers' location (mainly France and Europe) and the Group's diversification by sector.

Information about the potential impacts of current crises

A succession of one-off factors (the public health crisis, the military conflict in Ukraine, inflation, the energy crisis, etc.) has caused global growth to slow, and many uncertainties remain (whether there will be a recession, how long inflation will remain high, etc.).

A significant portion of Edify's portfolio proved resilient to the public health crisis arising from the Covid-19 pandemic. Given the Group's very low exposure to Ukraine and Russia, the conflict has had very little direct impact on Edify's portfolio. However, companies' results are much more sensitive to indirect effects. Supply issues had an impact on customer delivery time scales and even caused certain items to go out of stock, resulting in revenue being deferred to 2023. In addition, in the face of rising production costs, the business models and positioning of the companies in the portfolio made it possible to pass on a portion of inflation-driven price increases, thus boosting revenue.

Information on the buyback of treasury shares

Further to the issuer bid for its shares effected in 2020 and the liquidity mechanism put in place since the delisting, Edify has acquired 140,895 shares, including 263 in 2022.
Edify held 140,895 of its own shares at the end of the financial year, representing 2.90% of its share capital and a total value of €9.8 million.

Existence of branches

Edify has a Swiss branch in Geneva called Edify S.A. Luxembourg, Grand-Saconnex branch.

Potential future development

Edify reaffirmed its desire to pursue its policy of investment as well as supporting portfolio companies in their transformation and development.

Allocation of net profit

The Board of Directors is proposing to carry forward the net profit for the financial year ended 31 December 2022, which amounted to €19,061,154.31, as retained earnings.

Consolidated financial statements

Consolidated financial statements

Consolidated Income Statement for the year ended 31 December 2022

(€K)	Notes	31/12/22	31/12/21
SALES	NOTE 3	**920,092**	**819,301**
Other operating income	NOTE 3	22,522	12,676
Cost of sales		-508,765	-430,649
Employee costs		-225,656	-206,568
External costs		-107,949	-91,400
EBITDA		**100,244**	**103,360**
Amortisation and depreciation charges	NOTE 4	-27,241	-26,274
Charges to current provisions		47	49
EBITA		**73,050**	**77,136**
Amortisation of allocated intangible assets	NOTE 4	-5,678	-3,162
CURRENT OPERATING PROFIT		**67,372**	**73,974**
Other non-current operating income and expenses	NOTE 3	46,865	11,868
Goodwill amortisation charge	NOTE 4	-23,517	-12,989
OPERATING PROFIT		**90,721**	**72,853**
Financial income from investments		*2,115*	*76*
Financial expenses related to borrowings		*-10,948*	*-8,819*
Cost of net financial debt		-8,833	-8,743
Gains and losses on disposal of financial assets		462	12,419
Other financial income and expenses		-4,315	1,480
NET FINANCIAL INCOME/(EXPENSE)	**NOTE 6**	**-12,686**	**5,156**
PROFIT BEFORE TAX		**78,034**	**78,009**
Income tax	NOTE 10	-12,226	-18,814
Share of profit/(loss) from associates	NOTE 12	200	704
CONSOLIDATED NET PROFIT		**66,008**	**59,899**
Attributable to Group		64,638	57,031
Non-controlling interests		1,370	2,868

Consolidated Balance Sheet – Assets at 31 December 2022

(€K)	Notes	31/12/22	31/12/21
Non-current assets			
Goodwill	NOTE 4	81,891	45,231
Net intangible assets	NOTE 4	131,122	81,241
Net property, plant and equipment	NOTE 4	179,946	167,377
Investments in associates	NOTE 12	13,145	8,052
Financial assets	NOTE 6	73,208	16,122
Other receivables		602	1,117
Deferred tax assets	NOTE 10	17,050	9,703
TOTAL NON-CURRENT ASSETS		**496,966**	**328,843**
Current assets			
Inventories	NOTE 3	304,867	226,168
Trade receivables	NOTE 3	134,946	123,827
Other receivables	NOTE 3	24,508	27,649
Current tax assets		16,902	8,908
Financial assets	NOTE 6	6,399	1,254
Cash and cash equivalents	NOTES 6 ET 7	197,964	176,665
TOTAL CURRENT ASSETS		**685,587**	**564,471**
TOTAL ASSETS		**1,182,552**	**893,314**

Consolidated Balance Sheet – Equity and Liabilities at 31 December 2022

(€K)	Notes	31/12/22	31/12/21
Shareholders' equity			
Share capital		4,860	4,860
Share premium		243,158	243,053
Other reserves		118,683	60,050
Net profit for the period		64,638	57,031
GROUP SHARE		**431,337**	**364,994**
Non-controlling interests		31,228	30,410
TOTAL SHAREHOLDERS' EQUITY	**NOTE 5**	**462,565**	**395,405**
Non-current liabilities			
Non-current provisions	NOTE 8	6,933	6,486
Other financial liabilities	NOTE 6	293,216	229,448
Other liabilities		464	9,544
Employee obligations	NOTE 9	8,192	12,383
Deferred tax liabilities	NOTE 10	35,061	21,242
TOTAL NON-CURRENT LIABILITIES		**343,867**	**279,104**
Current liabilities			
Current provisions	NOTE 8	2,396	1,532
Other financial liabilities	NOTE 6	205,042	67,262
Trade payables	NOTE 3	101,800	91,002
Other liabilities	NOTE 3	61,260	52,541
Tax liability		5,622	6,470
TOTAL CURRENT LIABILITIES		**376,120**	**218,806**
TOTAL EQUITY & LIABILITIES		**1,182,552**	**893,314**

Consolidated Cash Flow Statement

(€K)	Notes	31/12/22	31/12/21
Consolidated net profit		**66,008**	**59,899**
Amortisation and depreciation charges on assets (excluding current assets)		101,468	41,193
Charges to/reversals of provisions for liabilities		1,748	-471
Unrealised gains and losses related to fair value movements		-61	-
Unrealised foreign exchange gains and losses		431	-179
Expenses related to employee benefits		-551	1,407
Depreciation, amortisation, provisions and other non-cash items		**103,035**	**41,951**
Profit on disposal of assets and other		-83,236	-22,667
Share of profit/(loss) from associates		-215	-943
Deferred tax expense		-5,024	-694
Operating cash flow		**80,567**	**77,546**
Cost of net financial debt (excluding non-cash items)		8,915	8,743
Dividends from non-consolidated companies		-146	-48
Tax expense (excluding deferred tax)		16,981	19,985
Change in Working Capital Requirements	NOTE 7	-78,843	-43,972
Tax paid		-25,276	-13,836
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**2,197**	**48,418**
Acquisition-related disbursements:			
– intangible assets and property, plant and equipment		-62,578	-34,863
– non-current financial assets		-65,625	-10,079
Disposal-related proceeds:			
– intangible assets and property, plant and equipment		1,054	1,764
– non-current financial assets		758	38,962
Change in current financial assets		-874	7,765
Acquisition of companies, net of cash acquired	NOTE 7	-124,838	-43,129
Disposal of companies, net of cash disposed of		79,931	6,769
Dividends paid by associates		25	25
Dividends paid by non-consolidated companies		1,136	695
Interest received		2,070	81
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)		**-168,942**	**-32,011**
Increase in loans	NOTE 6	236,102	74,171
Reimbursement of loans	NOTE 6	-30,245	-156,981
Net increase in shareholders' equity of subsidiaries		-3,990	736
Dividends and interim dividends paid		-1,296	-922
Interest paid		-10,486	-8,887
NET CASH FLOW FROM FINANCING AND CAPITAL ACTIVITIES (C)		**190,086**	**-91,883**
Impact of changes in foreign exchange rates on cash and cash equivalents (D)		-225	1,230
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**23,117**	**-74,246**
Cash and cash equivalents at the start of the period	NOTE 7	**157,387**	**231,633**
Cash and cash equivalents at the end of the period	NOTE 7	**180,503**	**157,387**

General information

Edify S.A. (hereinafter Edify) is an industrial holding company, which was incorporated in the form of a Limited Company with an indefinite term in Luxembourg on 16 September 2014 pursuant to the laws of the Grand Duchy of Luxembourg. The Company has its registered office at 22, rue de l'Industrie, L-8399 Windhof, Luxembourg. It is registered on the Luxembourg Trade and Companies Register under No. B190500.

Its portfolio is comprised of majority and minority shareholdings in French, Spanish and Swiss industrial medium-sized businesses and SMEs. The scope is set out in Note 2.

Highlights of the year

ACQUISITION OF A MINORITY INTEREST IN K-RYOLE

In early 2022, a 6.12% minority shareholding was acquired in the scale-up K-Ryole, a specialist in smart electric trailers designed for urban logistics and the construction and civil engineering sector.
A second tranche of shares was acquired in December, bringing the percentage shareholding to 10.06%.

COMMITMENT TO INVEST IN THE ARGOS MID-MARKET VIII FUND

Edify has committed to invest a maximum of €20 million in the Argos Wityu Mid-Market VIII fund over a period of five years. This investment will be made over a number of years (between 2022 and 2025). Argos Wityu has a targeted investment strategy of seeking out and supporting companies in complex situations and helping them grow and generate value.

ACQUISITION OF AN INVESTMENT IN AGROMILLORA

On 21 April 2022, Edify acquired a 42.9% minority interest in Agromillora alongside the latter's founding shareholders. Agromillora is a cutting-edge solutions provider specialising in plant propagation for agriculture (in particular vines and olive, stone fruit, almond, walnut, berry and citrus fruit trees).

DISPOSAL OF SHARES IN ZURFLÜH-FELLER

On 16 June 2022, Edify sold its entire shareholding in Zurflüh-Feller to a group of investors led by Geneo Capital Entrepreneur, in partnership with the company's leadership team.

ACQUISITION OF N2J BY FINANCIÈRE DÉVELOPPEMENT

In May 2022, Financière Développement, renamed La Brigade De Buyer with effect from 1 January 2023, acquired total ownership of N2J, which markets innovative designer brands in the kitchen and tableware sector, including the Pebbly brand.

NUMEROUS ACQUISITIONS BY GAVIOTA

Gaviota experienced strong external growth momentum in the second half of 2022, acquiring a number of companies specialising in particular in the manufacture and distribution of glass panels and windows.

DIRECT AND INDIRECT EXPOSURE TO CURRENT UNCERTAINTIES

Indirect risks arising from higher raw material, shipping and energy costs prompt caution, but do not for the moment point to any change in trend. Against this backdrop, we have stepped up our financial and operational oversight of our investees' businesses.

Post-balance sheet events

Nil.

Notes to the consolidated financial statements

The accompanying notes form an integral part of the consolidated financial statements.

NOTE I — ACCOUNTING PRINCIPLES

1. CONSOLIDATED FINANCIAL STATEMENTS – BASIS FOR PREPARATION

The consolidated financial statements are presented in thousands of euros and all amounts are rounded to the nearest thousand of euros, unless otherwise specified.

The financial statements are prepared according to the historical cost principle. Consolidated financial statements include Edify's financial statements at 31 December of each year. The financial statements of subsidiaries are prepared for the same reference period as the parent company and on the basis of standard accounting methods.

The financial year-end of all companies is 31 December.

The Group's consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with the laws and regulations applicable in the Grand Duchy of Luxembourg at that date, namely the Luxembourg Accounting Standards. However, the presentation of the income statement and balance sheet does not strictly follow the provisions of the Law passed on 19 December 2015 amending the Law of 10 August 1915, effective from 1 January 2016. A definition of the main aggregates is provided in Note 1.8, while a reconciliation with the new law is provided in Note 14.

2. CONSOLIDATION METHODS

The consolidation methods depend on the type of control that the parent entity exercises over its subsidiary:

Exclusive control, where the parent company:
- holds the majority of the shareholders' or partners' voting rights in a company;
- has the right to appoint or dismiss the majority of the members of the administrative, management, or supervisory body of a company, and is also a shareholder or partner in that company; or
- is a shareholder or partner in a company, and has sole control of the majority of the voting rights of shareholders or partners in that company, pursuant to an agreement entered into with other shareholders or partners.

Joint control, where the parent company included in the consolidation scope jointly manages another company with one or several companies that are not included in the consolidation scope.

Material influence, where the parent company exercises a material influence over a subsidiary's management and financial policy. A parent company is assumed to have a material influence over another company when it holds at least 20% of that company's voting rights.

Companies under exclusive control are fully consolidated. Companies under joint control are consolidated on a proportional basis. Companies over which the Company exercises a material influence are consolidated using the equity method.

3. USE OF ESTIMATES AND JUDGEMENT

The preparation of consolidated financial statements requires Management to make a number of estimates and assumptions liable to affect certain asset, liability, income and expense items, and certain information provided in the notes to the financial statements. Due to the inherently uncertain nature of these assumptions, actual results may differ from these estimates. Management reviews its estimates and assessments on a regular basis to take past experience into account and incorporate factors considered relevant under current economic conditions.
The major items of the financial statements that may be subject to estimates are as follows:
- The impairment of goodwill and intangible assets and property, plant and equipment, whose measurement is specifically based on future cash flow, discount rate and net realisable value assumptions,
- Retirement commitments, whose measurement is based on a number of actuarial assumptions,
- Provisions for liabilities and charges,
- Deferred tax assets on losses.

As part of the preparation of these consolidated annual financial statements, the judgements made and the main assumptions used by Management have been updated with the latest indicators used for the closing of the accounts at 31 December 2022.
At 31 December, the Group reviews its performance indicators and, if necessary, carries out impairment tests if there is any indication that an asset may have been impaired.
Financial statements reflect the best estimates on the basis of available information at year-end close.

4. IMPAIRMENT TEST

The Group determines whether there is any evidence of permanent impairment of an asset at each period end and ensures that the net book value of the asset does not exceed its recoverable value. Its recoverable amount is measured at the higher of its fair value, after deduction of disposal costs, and its value in use.
If the recoverable amount exceeds the net book value of the asset at period end, no impairment is recognised.
However, if this amount is lower than the net book value, an impairment loss equal to the difference is recognised in the income statement.

Fair value after deduction of disposal costs is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting disposal costs.
The value in use is determined on the basis of cash flows estimated by plans and budgets for a maximum of five years. Cash flows beyond five years are extrapolated through the application of a constant or decreasing rate and discounted using long-term market rates after tax, which reflect market estimates of the time value of money and specific risks pertaining to these assets. In certain cases, cash flows are estimated over longer periods. Justification is provided in such cases.
For intangible assets (excluding goodwill) and PPE with a set useful life, a previously recognised impairment loss may be reversed if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognised.
The impact is recognised in the income statement. The impairment of goodwill cannot be reversed.

5. RECOGNITION OF FOREIGN CURRENCY DENOMINATED TRANSACTIONS IN THE INDIVIDUAL FINANCIAL STATEMENTS OF CONSOLIDATED COMPANIES

The consolidated financial statements at 31 December 2022 have been prepared in euros.
Transactions in foreign currencies are translated into euros at the exchange rate on the transaction date when they are initially recognised.

At each period-end in the individual financial statements:
- Non-monetary, foreign currency denominated amounts included in the balance sheet are retained at the historical rate,
- Monetary, foreign currency denominated amounts included in the balance sheet are converted at the year-end exchange rate.

Resulting translation differences are recorded in the income statement, except for unrealised exchange gains.

6. TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

The financial statements of Group companies which have a different currency to the parent company are translated into euros, as follows:
- Assets and liabilities, including goodwill, are translated into euros at the year-end exchange rate,
- Income and expenses are translated at the average exchange rate for the period, provided significant variations in the exchange rates do not call this method into question,
- Resulting translation differences are recorded directly in the consolidated financial statements under equity.

Unrealised exchange differences relating to monetary values that are an integral part of the net investment in foreign subsidiaries are recorded in translation adjustment in equity until the disposal of the investment, at which time they are recognised in the income statement.

7. CURRENT/NON-CURRENT DISTINCTION

The balance sheet is presented in a way that distinguishes between current items (short-term assets and liabilities) and non-current items (long-term assets and liabilities).
Operating profit consists of current and non-current items. Non-current items are of an extraordinary nature and are classified on a specific line in the income statement: "Other non-current operating income and expenses" after Current Operating Profit (see Note 3.2).

These items are reclassified in Note 14, in order to comply with the presentation required by the Law passed on 19 December 2015 amending the Law of 10 August 1915, effective from 1 January 2016.

8. DEFINITION OF THE MAIN AGGREGATES

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation – Current Operating Profit before Depreciation, Amortisation (including amortisation of the intangible assets allocated as part of acquisitions), and impairment charges, and provisions for current liabilities and charges.

EBITA: Earnings Before Interest, Taxes, Depreciation and Amortisation – Current Operating Profit before amortisation of intangible assets allocated as part of acquisitions.

NFD: Net Financial Debt. It corresponds to the difference between financial assets and financial liabilities. It notably takes into account accrued interest, derivative instruments attached to financial liabilities, unlisted bonds receivable issued by certain companies in which shares are held or by related entities, earnout on acquisitions, and deferred settlements of a financial nature (vendor loans). Not included are securities in non-controlling equity interests, convertible bonds and government grants (see Note 6.4).

9. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Changes in accounting policies or estimates are the subject of a note which includes the nature of the change and its impact on the annual financial statements.

NOTE 2 — CONSOLIDATION SCOPE

CONSOLIDATED COMPANIES AT 31 DECEMBER 2022

All companies have a 31 December year-end.

Company name	Registered office	% control 31/12/22	% interest 31/12/22	% interest 31/12/21
Edify S.A.	Luxembourg (Luxembourg)	(parent)	(parent)	(parent)
FULLY-CONSOLIDATED COMPANIES				
Financière Développement SAS	Ferney Voltaire (France)	100.00	94.16	92.58
De Buyer Industries	Val d'Ajol (France)	100.00	94.16	92.58
De Buyer.com	Val d'Ajol (France)	100.00	94.16	92.58
De Buyer Inc.	Los Angeles (USA)	100.00	94.16	92.58
De Buyer GmbH	Saarbrücken (Germany)	100.00	94.16	92.58
Rousselon Frères et Compagnie	Thiers (France)	100.00	94.16	92.58
Rousselon Dumas Sabatier	Thiers (France)	100.00	94.16	92.58
Roussimo	Thiers (France)	100.00	94.16	92.58
Scaritech	Belfort (France)	100.00	94.16	92.58
Scaritech Iberica	Barcelone (Spain)	100.00	94.16	92.58
N2J	Bordeaux (France)	100.00	94.16	-
Zoocolor	Bordeaux (France)	100.00	94.16	-
Parvosges	Ferney Voltaire (France)	100.00	86.48	54.70
Provence Nouveau Monde	Ferney Voltaire (France)	100.00	100.00	100.00
Parluberon	Ferney Voltaire (France)	100.00	98.79	-
Pellenc	Pertuis (France)	100.00	99.98	98.37
Pellenc America	Santa Rosa (USA)	100.00	99.98	98.37
Pellenc Australia	Adelaïde (Australia)	100.00	99.98	98.37
Pellenc China	Dongguan (China)	100.00	99.98	98.37
Pellenc Languedoc Roussillon	Lézignan (France)	100.00	64.99	63.94
Pellenc Maroc	Marrakech (Morocco)	100.00	99.98	98.37
Pellenc Slovensko	Nové Mesto (Slovakia)	100.00	99.98	98.37
Pellenc Sud America	Santiago (Chile)	100.00	99.98	98.37
Pellenc Ibérica	Jaen (Spain)	100.00	79.98	98.37
Pellenc Italia	Colle Val d'Elsa (Italy)	100.00	99.98	98.37
Pellenc Deutschland	Kappelrodeck (Germany)	100.00	99.98	98.37
Sofonlec	Perpignan (France)	100.00	65.34	63.94
Pellenc Bordeaux Charentes	Saint-Laurent-Médoc (France)	100.00	99.98	98.37
PERA - Pellenc SA	Florensac (France)	100.00	99.98	98.37
Pellenc Bâtiments	Pertuis (France)	100.00	99.98	98.37
Pellenc South Africa	Paarl (South Africa)	100.00	99.98	98.37
Pellenc HD SAS	Igé (France)	100.00	99.98	98.37
Pellenc Vignobles Champenois (merger 2022)	Magenta (France)	100.00	99.98	98.37
Pellenc Mossbach	Bar-sur-aube (France)	100.00	99.98	98.37
Pellenc Portugal	Mira (Portugal)	100.00	99,98	98.37
Postura Campestre	Lisbonne (Portugal)	100.00	79.98	78.70
Financière Développement Suisse SA	Vallorbe (Switzerland)	100.00	100.00	100.00
Usines Métallurgiques de Vallorbe SA	Vallorbe (Switzerland)	100.00	74.54	74.54
NMP SAS (disposal 2022)	Cluses (France)	-	-	99.38
Zurflüh-Feller Holding SAS (disposal 2022)	Autechaux Roide (France)	-	-	99.38
Zurflüh-Feller SAS (disposal 2022)	Autechaux Roide (France)	-	-	99.38
Eckermann (disposal 2022)	Schmitten (Germany)	-	-	99.38
CERF EURL (disposal 2022)	Autechaux Roide (France)	-	-	99.38
Profilmar (disposal 2022)	Marseille (France)	-	-	99.38
Profilinnov (disposal 2022)	Maracineni (Romania)	-	-	99.38
Parfontaine (disposal 2022)	Ferney Voltaire (France)	-	-	89.53
Financière du Jura	Ferney Voltaire (France)	100.00	100.00	100.00
Thermo-Technologies	Annecy (France)	100.00	87.36	87.36
Thermocompact	Annecy (France)	100.00	87.36	87.36
FSP-One SAS	Pont de Chéruy (France)	100.00	87.36	87.36
TSDM	Tournes (France)	100.00	87.36	87.36
HWA	Ho Chi Minh City (Vietnam)	100.00	87.36	87.36
IWT	Colorado Springs (USA)	100.00	87.36	87.36
Thermo-Technologies Inc	Wilmimgton (USA)	100.00	87.36	87.36
Advanced Casting Asia Ltd Liability Company	Vinh Tan (Vietnam)	100.00	87.36	87.36
STB Traitements Thermiques	Oyonnax (France)	100.00	69.89	-
Financière Bleu	Abrest (France)	100.00	86.70	86.70
Ligier développement (merger 2022)	Abrest (France)	-	-	86.70
Ligier Group	Abrest (France)	100.00	86.70	86.70
Ligier Group Italia	Piacenza (Italy)	100.00	86.70	86.70
Ligier Group Deutschland	Bad Rappenau (Germany)	100.00	86.70	86.70
Microcar Osterreich	St. Georgen am Ybbsfelde (Austria)	100.00	86.70	86.70
Driveplanet Espana	Terrassa (Spain)	100.00	86.70	86.70
Driveplanet Portugal	Aveiro (Portugal)	100.00	86.70	86.70
Parallier	Ferney Voltaire (France)	100.00	57.14	57.14

CONSOLIDATED COMPANIES AT 31 DECEMBER 2022

Company name	Registered office	% control 31/12/22	% interest 31/12/22	% interest 31/12/21
PROPORTIONALLY-CONSOLIDATED COMPANIES				
Gaviota Simbac, S.L.	Alicante (Spain)	46.50	46.50	46.50
Gaviota S.p.a.	Megazzo (Italy)	46.50	46.50	46.50
Gaviota Simbac, S.L. Sucursal Portugal	Sintra (Portugal)	46.50	46.50	46.50
Gaviota Simbac Middle East, S.A.L.	Zouk Mosbeh (Lebannon)	46.50	23,25	23,25
Gaviota Simbac Marruecos, SARL	Nador (Morocco)	46.50	46.50	46.50
Gaviota Simbac Eastern Europe, S.R.L.	Bucarest (Romania)	46.50	46.50	46.50
Huella Platina, S.A.	Montevideo (Uruguay)	46.50	46.50	46.50
Toldos y Persianas de Gaviota, S.A.	Barrio La Sonrisa (Uruguay)	46.50	46.50	46.50
Gaviota Brasil, S.A.	Sao Paulo (Brazil)	46.50	46.50	46.50
Gaviota Central Europe s.r.o.	Trnava (Slovakia)	46.50	46.50	46.50
Persianas y Toldos Europeos sa cv	Mexico (Mexico)	46.50	46.04	46.04
Gaco Aluminium Solution SAS	Bogota (Colombia)	46.50	46.50	46.50
Bandalux Uruguay S.A.	Rivera (Uruguay)	46.50	46.50	46.50
Vista Sublime	Montevideo (Uruguay)	46.50	46.50	46.50
Nordalur	Montevideo (Uruguay)	46.50	46.50	46.50
Gaviota France SAS	Perpignan (France)	46.50	46.50	46.50
Gaviota USA LLC	Wilmington (USA)	46.50	46.50	46.50
Bestende	Bellusco (Italy)	46.50	32.55	32.55
Eurolock Chile Limitada	Santiago (Chile)	46.50	23.25	23.25
GLP Cerramientos Europeos	Sinaloa (Mexico)	46.50	23.25	23.25
Gaviota Costa Rica	San José (Costa Rica)	46.50	46.50	41.85
Copen Fabrics	Alicante (Spain)	46.50	23.25	23.25
Ponti	Montevideo (Uruguay)	46.50	46.50	46.50
Vidrios Salinas	Alicante (Spain)	46.50	23.25	23.25
Commercial Awnings	Swindon (United Kingdom)	46.50	23.72	23.72
FilPel Bobinas	Barbastro (Spain)	50.00	49.99	49.19
Volentieri Pellenc	Poggibonsi (Italy)	50.00	49.99	49.19
E3 WINDOWS SYSTEMAS	Malaga (Spain)	46.50	23.25	-
MECANOTOLDO	Girona (Spain)	46.50	23.25	-
Global Glass Processing	Alicante (Spain)	46.50	32.55	-
Global Glass Distribution	Alicante (Spain)	46.50	32.55	-
SALPAGLASS	Madrid (Spain)	46.50	32.55	-
LIDASUR	Ciudad Del Plata (Uruguay)	46.50	23.25	-
Aluminguez S.L.	Alicante (Spain)	46.50	23.25	-
Fenestra S.L.	Lugo (Spain)	46.50	23.25	-
Aluit S.R.L.	Gropello Cairoli (Italy)	46.50	46.50	-
ALU y PVC Levante	Madrid (Spain)	46.50	23.25	-
Maitre Store	Uzès (France)	46.50	11.63	-
Tapiceria MasJoan	Palafrugell, Girona (Spain)	46.50	23.25	-
Namozul Spain, SL	Subirats (Spain)	42.87	42.87	-
Agromillora Catalana, S.A.U.	Subirats (Spain)	42.87	42.87	-
Agromillora Iberia, S.L.U.	Subirats (Spain)	42.87	42.87	-
Agromillora Sur, S.A.	Curicó (Chile)	42.87	42.78	-
Agromillora Produçao e Comercio de Mudas Vegetais, Ltda	Brotas (Brazil)	42.87	42.87	-
Agromillora Maroc, S.A.R.L.	Benslimane (Morocco)	42.87	39.44	-
Agromillora Fidan Üretim ve Pazarlama Ltd.	Torbali (Turkey)	42.87	42.44	-
Agromillora Australia Pty Ltd.	Waikerie (Australia)	42.87	38.58	-
Agromillora Perú, S.A.C.	Lima (Peru)	42.87	32.15	-
North American Plants, Inc.	Mc Minnville (USA)	42.87	39.44	-
Agromillora California, Inc.	Gridley (USA)	42.87	42.87	-
Agromillora Florida, Inc.	Wildwood (USA)	42.87	42.87	-
Agromillora USA, Inc.	Mc Minnville (USA)	42.87	42.87	-
Agromillora Quality Assurance Lab. LLC.	Mc Minnville (USA)	42.87	42.87	-
Agromillora Middle East, Co.	Amman (Jordan)	42.87	42.87	-
AgroMarket Italia, S.R.L.	Rome (Italy)	42.87	42.87	-
EQUITY-ACCOUNTED COMPANIES				
ACT Vinicole	Laverune (France)	48.99	48.99	48.20
Agreenculture	Toulouse (France)	37.99	37.99	32.90
Aceper SL	Ourense (Spain)	15.37	15.37	16.83
Masventava	Ourense (Spain)	15.35	15.35	16.20
Siparex Associés	Lyon (France)	5.80	5.80	4.63
K-Ryole	Paris (France)	10.06	10.06	-
Agromillora Mediterranée, S.A.	El Khadra (Tunisia)	21.41	21.41	-
Agromillora Mediterranée de Laboratoires, S.A.	El Khadra (Tunisia)	21.41	21.41	-
Agromillora Australia JV Pty Limited	Mildura (Australia)	19.29	19.29	-

NOTE 3 – PERFORMANCE-RELATED DATA

1. SALES

Sales include all income from ordinary activities of consolidated companies.
Income from ordinary activities is recognised when it is probable that future economic benefits will flow to the Group and that they can be measured reliably.
Income from ordinary activities is recognised at the fair value of the consideration received or to be received.

Sales of goods are recognised when delivered to final customers.

Group sales totalled €920.1 million for the year ended 31 December 2022 and can be broken down geographically as follows:

(€ millions)	31/12/22	%	31/12/21	%
Europe	**728.6**	79%	**666.5**	81%
of which France	*356.5*	*39%*	*344.1*	*42%*
of which Spain	*104.1*	*11%*	*81.0*	*10%*
of which Italy	*92.1*	*10%*	*79.0*	*10%*
of which Germany	*64.6*	*7%*	*65.5*	*8%*
Americas	**124.6**	14%	**91.9**	11%
Asia	**34.7**	4%	**33.9**	4%
Africa	**17.5**	2%	**13.9**	2%
Oceania	**14.7**	2%	**13.1**	2%
TOTAL	**920.1**	**100%**	**819.3**	**100%**

Other operating revenue amounted to €22.5 million for the year ended 31 December 2022, compared with €12.7 million for the year ended 31 December 2021.

2. OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

Note that Current Operating Profit represents Operating Profit excluding non-current operating income and expenses, gains and losses on the disposal of non-current assets and goodwill amortisation and impairment.
The amortisation charge of intangible assets allocated as part of business combinations is included in Current Operating Profit.
Other non-current operating income and expenses relate to factors that are exceptional, unusual, abnormal, infrequent and particularly significant, which could distort the interpretation of the Group's consolidated performance. These notably include capital gains and losses on disposals of property, plant and equipment and intangible assets, capital gains and losses on disposals of fully or proportionally consolidated equity securities, restructuring costs, impairment of goodwill or other assets, and provisions likely to affect the understanding of Current Operating Profit.

(€ K)	31/12/22	31/12/21
Negative goodwill	343	-
Charge to (-) reversal of (+) non-recurring provisions	-622	-396
Goodwill and fixed assets impairment	- 39,281	2,676
Gains and losses on disposal of non-current assets	83,105	10,663
Other non-recurring items	3,320	-1,075
Non-recurring income	*4,857*	*2,155*
Non-recurring expenses	*-1,537*	*-3,230*
Other non-current operating income and expenses	**46,865**	**11,868**

In 2022, some investees reported declining profitability, higher net financial debt and a poorer than expected outlook. Impairment losses totalling €39.3 million were recognised in the year on goodwill and fixed assets (Agromillora: €19.6 million; Pellenc: €14.2 million; UMV: €5.5 million).
The disposal of Zurflüh-Feller generated a consolidated net capital gain of €83.1 million for Edify. For reference, the disposal of Sirem generated a consolidated net capital gain of €11.4 million in financial year 2021.

3. INVENTORIES

Inventories are valued at their procurement cost, determined using the weighted average cost method. The value of inventories and work in progress is impaired when their net realisable value is lower than their book value. Net realisable value is the estimated selling price under normal business conditions, after deducting estimated completion costs and estimated selling expenses. As part of the consolidation process, the value of inventories on the balance sheet excludes the intercompany profit generated on the sale of goods between two Group companies if these goods are still held in inventory at a Group company at the period-end date.

(€ K)	31/12/22	31/12/21
Gross values		
Raw materials and other supplies	114,321	90,169
Finished goods and merchandise	213,147	156,273
TOTAL	**327,468**	**246,442**
Provisions	-22,602	-20,274
Net values	**304,867**	**226,168**

4. TRADE RECEIVABLES AND TRADE PAYABLES

Trade receivables and trade payables are recorded at their nominal value. A provision for impairment is recorded in the case of receivables that are unlikely to be recovered.

(€ K)	31/12/22	31/12/21
Gross trade receivables	140,485	129,692
Provisions	-5,539	-5,865
Net trade receivables	**134,946**	**123,827**

Trade payables amounted to €101,800 K for the year ended 31 December 2022, compared with €91,002 K for the year ended 31 December 2021.

5. OTHER CURRENT RECEIVABLES AND LIABILITIES

Other current receivables

(€ K)	31/12/22	31/12/21
Gross values		
Receivables from employees	606	787
Other taxes (including VAT)	18,990	11,891
Prepaid expenses	3,620	4,893
Other receivables	1,291	10,078
TOTAL	**24,508**	**27,649**

Other current liabilities

(€ K)	31/12/22	31/12/21
Social security liabilities	31,629	33,987
Tax liabilities	18,802	10,921
Deferred income	4,703	4,701
Non-current asset suppliers	1,345	1,509
Other	4,780	1,424
TOTAL	**61,260**	**52,541**

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

1. GOODWILL

When a company is incorporated in the consolidation scope, the identifiable assets, liabilities and contingent liabilities of the acquired entity are measured at fair value at the acquisition date.

Goodwill is measured as the difference between total identifiable assets, liabilities and contingent liabilities of the acquired entity, individually estimated at fair value, and the transferred consideration (total acquisition cost) measured at fair value of the assets received.

The goodwill resulting from the difference between the acquisition price and the value of the net asset re-estimated at the acquisition date is treated as follows:

• Goodwill is recognised as an amortisable intangible asset;

• Negative goodwill is expensed if it corresponds to the following at the acquisition date:

– a forecast adverse trend in the future results of the company concerned;
– the forecast expenses that the company will incur;
– a realised capital gain.

In other cases, negative goodwill is recognised under provisions for liabilities and charges.

Goodwill is not allocated to minority interests. However, adjustments to the fair value of identifiable assets and liabilities (valuation differences) are divided between the share attributable to the Group and the share attributable to minority interests.

Goodwill is usually amortised over five years. It may be amortised over a period longer than five years, although that period may not exceed the expected useful life of the asset. When this option is used, it is mentioned in the notes to the financial statements, together with the reasons. Amortisation of goodwill cannot be reversed.

Goodwill

(€ K)	Value
At 1st January 2022	**45,231**
Changes in scope of consolidation	79,983
Changes in foreign exchange rates	64
Amortisation charges	-23,517
Impairment loss	-19,871
At 31 December 2022	**81,891**

The main changes in scope in financial year 2022 related to the acquisition of Agromillora (€70.6 million) and N2J (€4.9 million) and the 12 companies acquired by Gaviota (€2.9 million).
Towards the end of the year, an impairment loss was recognised mainly on the investment in Agromillora (-€19.6 million) as a result of a poorer than expected growth outlook.
The item notably consists of the net goodwill on Agromillora (€41.6 million), Ligier (€21.7 million), Rousselon Frères (€4.8 million), Scaritech (€4.8 million) and N2J (€3.7 million).

2. INTANGIBLE ASSETS

Intangible assets acquired by the Group are recognised at acquisition cost or at cost price, after deduction of accumulated amortisation and potential writedown.

Each asset is tested for impairment when there is evidence of permanent impairment.
Incorporation costs are restated and considered as expenses for the financial year.

Intangible assets primarily comprise:

- Software, which is valued at acquisition cost and amortised on a straight-line basis over the expected useful life,

- Patents: only acquired patents and related filing expenses are capitalised. They are amortised on a straight-line basis over their legal protection period. Costs of renewal of patents are included in costs for the year.

- Development costs are capitalised under several conditions:
  – They must offer a reasonable chance of technical success and commercial profitability;
  – It is probable that the future economic benefits attributable to the software will flow to the entity, and;
  – Its cost or value can be measured reliably.

Development expenses incurred on behalf of a customer are not capitalised and are included in the expenses for the financial year.

Development costs are usually amortised over a period of five years from the date they are recognised under assets.

Subsequent expenditures are generally recognised as expenses for the financial year.

In the event that a project fails, the corresponding development costs must immediately be amortised in full.

Research costs are included in costs for the year.

- Brands are valued and recorded as assets on the balance sheet as part of acquisitions.

These intangible assets have an indefinite life and are subject to impairment tests when events or changes in circumstances indicate that they have been impaired (indication of impairment).

- The relationship with customers, which is valued as an intangible asset, represents the value of the customer portfolio at the acquisition date. This value is determined based on the future profitability of the company's main customers who are currently in the portfolio, taking into account a customer loss rate based on the company's historical data.

The profitability generated by these customers is measured based on the expected financial performance in terms of its EBITA margin, less tax, the financing of other assets (property, plant and equipment and trademarks), and working capital requirements.

These intangible assets have a limited life and are generally amortised over 10 years.

Intangible assets

(€ K)	Allocated intangible assets	Develop-ment costs	Patents and brands	Software	Other	In-progress and advance payments	Total 2022
Gross value at 1st January 2022	80,412	30,498	7,124	14,230	4,590	4,610	141,464
Acquisitions	4	625	227	712	485	7,355	9,408
Disposals	-	-42	-437	-396	-22	-	-897
Changes in foreign exchange rates	-	23	41	104	-	-1	168
Changes in scope of consolidation	46,831	-3,203	19	-3,718	5,185	76	45,191
Other movements	-1,200	1,234	1,387	296	205	-1,860	62
At 31 December 2022	**126,047**	**29,135**	**8,361**	**11,229**	**10,444**	**10,181**	**195,397**
Accumulated amortisation 1st January 2022	-14,355	-27,773	-4,919	-10,231	-2,948	-	-60,225
Amortisation charge and value restatements for the period	-5,678	-1,223	-297	-1,385	-592	-	-9,175
Disposals	-	18	334	394	22	-	768
Changes in foreign exchange rates	-	-14	-13	-101	-	-	-128
Changes in scope of consolidation	-	2,032	83	2,380	-3	-	4,492
Other movements	-	-	-1	-25	20	-	-6
At 31 December 2022	**-20,033**	**-26,961**	**-4,813**	**-8,968**	**-3,501**	**-**	**-64,275**
NET VALUE AT 31 DECEMBER 2022	**106,015**	**2,174**	**3,548**	**2,261**	**6,943**	**10,181**	**131,122**

							Total 2021
Gross value at 1st January 2021	43,224	4,564	7,944	11,318	3,568	918	71,537
Acquisitions	-	743	44	1,029	342	3,279	5,437
Disposals	-	-8	-4	-1,371	-27	-	-1,410
Changes in foreign exchange rates	-	24	132	116	1	-	273
Changes in scope of consolidation	35,928	24,780	2,904	-359	707	1,527	65,487
Other movements	1,260	395	-3,896	3,497	-1	-1,114	141
At 31 December 2021	**80,412**	**30,498**	**7,124**	**14,230**	**4,590**	**4,610**	**141,464**
Accumulated amortisation 1st January 2021	-11,193	-3,329	-4,302	-8,289	-2,318	-	-29,431
Amortisation charge and value restatements for the period	-3,162	-1,224	-394	-1,583	-381	-	-6,744
Disposals	-	8	4	1,370	27	-	1,409
Changes in foreign exchange rates	-	-12	-31	-101	-1	-	-145
Changes in scope of consolidation	-	-23,216	-100	-1,628	-372	-	-25,316
Other movements	-	-	-96	-	97	-	1
At 31 December 2021	**-14,355**	**-27,773**	**-4,919**	**-10,231**	**-2,948**	**-**	**-60,225**
NET VALUE AT 31 DECEMBER 2021	**66,057**	**2,725**	**2,205**	**3,999**	**1,642**	**4,610**	**81,241**

3. PROPERTY, PLANT AND EQUIPMENT

Except for business combinations, property, plant and equipment are recorded at their acquisition cost or at their procurement cost. Property, plant and equipment acquired as part of a business combination are recognised at their fair value independently of goodwill. Current maintenance costs are recognised as expenses for the financial year.
The value of a fixed asset where the use is limited in time is depreciated over its useful life. The depreciation is calculated based on the book value of the asset and does not take its residual value into account.

Straight-line depreciation is used based on the following average useful lives:
– Buildings: 20 to 40 years,
– Fittings and fixtures: 10 to 20 years,
– Machinery and tools: 5 to 10 years,
– Motor vehicles: 3 to 5 years,
– Furniture: 4 to 10 years.
An adjustment for impairment is recorded when the value of a non-current asset is less than the balance sheet value and the reduction in value will be permanent.

Property, plant and equipment

(€ K)	Land	Buildings	Plant, machinery and tools	Other	In progress and advance payments	Total 2022
Gross value at 1st January 2022	22,865	147,606	268,647	34,143	19,085	492,347
Acquisitions	4,446	8,190	8,775	5,171	30,410	56,992
Disposals	-12	-2,094	-7,370	-2,185	-	-11,661
Changes in foreign exchange rates	5	1,100	2,148	171	133	3,557
Changes in scope of consolidation	-3,852	-8,418	-57,369	-3,050	-1,110	-73,799
Other movements	30	8,881	7,032	819	-17,225	-463
At 31 December 2022	**23,482**	**155,265**	**221,863**	**35,069**	**31,293**	**466,973**
Accumulated amortisation 1st January 2022	-4,395	-78,056	-217,453	-25,067	-	-324,971
Amortisation charge and value restatements for the period*	-461	-22,930	-16,324	-3,953	-	-43,668
Disposals	-	1,104	7,126	1,517	-	9,747
Changes in foreign exchange rates	-	-719	-1,835	-123	-	-2,677
Changes in scope of consolidation	2,004	5,535	64,077	2,491	-	74,107
Other movements	-	-148	121	460	-	433
At 31 December 2022	**-2,852**	**-95,214**	**-164,288**	**-24,675**	**-**	**-287,028**
NET VALUE AT 31 DECEMBER 2022	**20,630**	**60,051**	**57,575**	**10,394**	**31,293**	**179,946**
						Total 2021
Gross value at 1st January 2021	15,418	130,390	220,296	27,231	9,590	402,926
Acquisitions	596	1,957	7,711	3,005	16,089	29,358
Disposals	-6	-867	-2,395	-2,475	-	-5,743
Changes in foreign exchange rates	-19	1,302	3,288	297	191	5,059
Changes in scope of consolidation	6,768	15,964	35,920	2,082	191	60,925
Other movements	108	-1,140	3,827	4,003	-6,976	-178
At 31 December 2021	**22,865**	**147,606**	**268,647**	**34,143**	**19,085**	**492,347**
Accumulated amortisation 1st January 2021	-3,351	-61,915	-174,924	-20,394	-	-260,584
Amortisation charge and value restatements for the period	-536	-6,113	-11,538	-3,654	-	-21,841
Disposals	-	371	2,032	1,536	-	3,939
Changes in foreign exchange rates	-1	-727	-2,565	-210	-	-3,503
Changes in scope of consolidation	-10	-10,302	-30,548	-2,079	-	-42,939
Other movements	-497	630	90	-266	-	-43
At 31 December 2021	**-4,395**	**-78,056**	**-217,453**	**-25,067**	**-**	**-324,971**
NET VALUE AT 31 DECEMBER 2021	**18,470**	**69,550**	**51,194**	**9,076**	**19,085**	**167,377**

* Including €19.2 million in impairment losses on the assets of Pellenc and UMV.

4. LEASES

Agreements are classified as lease-finance agreements where the lease agreement includes a purchase option. They are recorded, from inception of the agreement, in property, plant and equipment at the lower of the fair value of leased assets and the present value of minimum payments in respect of the lease.

PPE acquired through finance leases are depreciated over the same periods as described above where the Group expects to gain ownership of the asset at the expiry of the agreement. If not, the asset is depreciated on the basis of the shorter period of the asset's useful life and the duration of the lease. Agreements are classified as operating leases where the lease does not include a purchase option. Conversely, additional services such as the maintenance of the leased assets are often included in an operating lease agreement. The amounts paid under the terms of operating leases are expensed over the period, from the effective date of the agreement (and not from the date when the asset is first used).

Terminated leases are excluded from the table.

Leases

(€ K)	Land	Buildings	Plant, machinery and tools	Capitalized machinery	Software	Total 2022
Gross value at 1st January 2022	281	6,059	19,080	2,290	465	28,175
Acquisitions	-	-	662	1,202	-	1,865
Disposals	-	-	-2,709	-964	-	-3,673
Changes in foreign exchange rates	-	-	229	-17	-	212
Changes in scope of consolidation	-281	-5,652	-2,277		-	-8,210
Other movements	-	-	-372	-227	-	-599
At 31 December 2022	**-**	**407**	**14,613**	**2,284**	**465**	**17,769**
Accumulated amortisation 1st January 2022	-281	-496	-13,749	-976	-249	-15,751
Amortisation charge and value restatements for the period	-14	-113	-1,410	-618	-111	-2,266
Disposals	-	-	2,709	416	-	3,125
Changes in foreign exchange rates	-	4	-202	12	-	-186
Changes in scope of consolidation	295	349	1,964		-	2,608
Other movements	-	-149	476	49	-	377
At 31 December 2022	**-**	**-405**	**-10,211**	**-1,117**	**-360**	**-12,093**
NET VALUE AT 31 DECEMBER 2022	**-**	**2**	**4,401**	**1,168**	**105**	**5,677**
						Total 2021
Gross value at 1st January 2021	681	8,959	18,954	-	431	29,024
Acquisitions	-	-	388	459	34	880
Disposals	-	-	-64	-1,456	-	-1,520
Changes in foreign exchange rates	-	-	292	3	-	295
Changes in scope of consolidation	-400	-2,900	-550	-	-	-3,850
Other movements	-	-	60	3,284	-	3,344
At 31 December 2021	**281**	**6,059**	**19,080**	**2,290**	**465**	**28,175**
Accumulated amortisation 1st January 2021	467	-2,908	-12,927	-	-141	-15,509
Amortisation charge and value restatements for the period	-28	-182	-925	-774	-108	-2,016
Disposals	-	-	28	617	-	646
Changes in foreign exchange rates	-	1	-229	-2	-	-229
Changes in scope of consolidation	-	1,873	424	-	-	2,297
Other movements	-720	720	-121	-818	-	-939
At 31 December 2021	**-281**	**-496**	**-13,749**	**-976**	**-249**	**-15,751**
NET VALUE AT 31 DECEMBER 2021	**-**	**5,563**	**5,331**	**1,314**	**216**	**12,424**

NOTE 5 – EQUITY

1. MAIN CHANGES IN EQUITY

(€ K)	FY 2022	FY 2021
Edify S.A. Equity - opening balance	**364,994**	**304,796**
Net profit for the year	64,638	57,031
Profit units (see Note 11)	-	250
Changes in foreign exchange rates	1,708	2,815
Miscellaneous	-2	102
Total equity (Group share)	**431,337**	**364,994**
Non-controlling interests	31,228	30,410
TOTAL SHAREHOLDER'S EQUITY	**462,565**	**395,405**

Edify's subscribed capital amounted to €4.86 million at both 31 December 2022 and 2021 and was represented by 4,860,000 fully paid-up shares with a par value of €1 each.

In accordance with Luxembourg standards, goodwill is amortised over a period of five years (see Note 4.1).
Consolidated equity was impacted by goodwill amortisation of €23.5 million over the 2022 financial year (see Note 4.1), resulting in a cumulative amount of €65.1 million. It should be noted that the goodwill of €34.2 million in the opening balance sheet determined on the equity interests resulting from the contribution made on 29 October 2014 was immediately deducted from the Group's reserves.

2. OWN SHARES

Following the issuer bid launched by the Company prior to its delisting in 2020 and the liquidity mechanism put in place since, Edify owns 140,895 shares, 263 of them purchased in 2022. These 140,895 shares represent 2.90% of the share capital and are valued at €9.8 million, unchanged from 2021. These own shares are recognised as non-current financial assets. There are no plans to sell them in the short term. Edify has established an unavailable reserve for the same amount, in accordance with Luxembourg law regarding commercial companies.

NOTE 6 – FINANCIAL ITEMS

1. NET FINANCIAL INCOME/(EXPENSE)

Net financial income/(expense) comprises the following items:

- the cost of net financial debt includes all income/expense from net financial debt or cash surplus constituents over the period, including income/loss on interest rate hedges,
- actuarial differences relating to financial items (including changes in discount rates and rates of return, etc.) (see Note 9),
- capital gains or losses on the disposal of equity securities consolidated using the equity method, and on the sale of securities to minority shareholders,
- other financial income and expenses include income and expenses of a financial nature but neither of an operational nature nor a constituent of the cost of net financial debt.

(€ K)	31/12/22	31/12/21
Gains on disposal of financial assets	462	12,419
Cost of net financial debt	-8,833	-8,743
Financial income from investments	*2,115*	*76*
Financial expenses related to borrowings	*-10,948*	*-8,819*
Effect of foreign currency translation	-1,393	1,043
Actuarial gains and losses	2,151	106
Other financial income and expenses	-5,073	331
Net financial income/(expense)	**-12,686**	**5,156**

In 2021, disposal of the Company's shares in Lacroix Emballages generated a net capital gain of €10.7 million. The increase in debt-related finance costs was mainly a result of debt taken on to acquire Ligier, which was fully consolidated in 2021.
The increase in discount rates had a positive impact on pension liabilities (see Note 9.2).
Other finance costs mainly consist of a €4.3 million impairment loss on the loan granted to the founding family of Agromillora (see Note 6.2 below).

2. FINANCIAL ASSETS

Financial assets are initially recognised at their acquisition cost or procurement cost. They are valued at their carrying value at the balance-sheet date. The book value and the carrying value are compared, and an adjustment for impairment is recorded where the carrying value is less than the value of the financial asset.

(€ K)	31/12/22	31/12/21
Non-controlling equity investments	10,284	3,006
Own shares	9,784	9,757
Borrowings	51,190	512
Other	8,349	4,100
Current and non-current financial assets	**79,607**	**17,376**
Due within one year	6,399	1,254
Non-current financial assets	**73,208**	**16,122**

Investments in non-controlled investees were mainly affected by a €5.3 million investment in the Argos Wityu Mid-Market VIII fund and the €2.9 million purchase of Pargrund and Paravranche shares.

A €52.5 million loan (in the form of a mandatory convertible bond) was granted to the founders of Agromillora. Towards the end of the year, a €4.3 million impairment loss was recognised on this loan as a result of the company's outlook falling short of business plan forecasts.

Ligier also made a €1.5 million advance to its battery supplier E4V. This loan is secured by a legal charge over movable property.
The “Other” item mainly consists of guarantees and deposits, advances to factors, and shares in Aceper in the process of being disposed of by Gaviota (€2.6 million) (see Note 12).

3. FINANCIAL LIABILITIES

Upon initial recognition, loans and other interest-bearing debts are measured at their face value. They are subsequently measured at their redemption value.

Financial liabilities

(€ K)	Borrowings from credit institutions	Lease commitments	EURO PP private bond loan	Other borrowings and financial liabilities	Total
At 1st january 2022	230,347	6,682	50,000	9,681	296,710
New borrowings and financial debt	233,280	-	-	2,822	236,102
Repayment of borrowings and financial debt	-23,195	-1,866	-	-5,183	-30,245
Changes in scope of consolidation	-4,595	-2,771	-	1,611	-5,755
Decrease in overdraft facilities	-2,070	-	-	-	-2,070
New leases	-	3,906	-	-	3,906
Leaseback	-	-780	-	-	-780
Miscellaneous (including accrued interest)	-	-	-	479	479
Changes in foreign exchange rates	57	49	-	-195	-89
At 31 december 2022	**433,824**	**5,220**	**50,000**	**9,214**	**498,258**
Current financial liabilities (due within one year)	197,839	1,430	-	5,733	205,042
Non-current financial liabilities	235,985	3,791	50,000	3,441	293,216

The increase in borrowings and financial liabilities in financial year 2022 was driven by an increase in investees’ working capital requirement (see Note 7), particularly high planned investments in portfolio companies and an €80 million drawdown by Edify to finance acquisitions.
It should be noted that on 16 May 2018 Edify subscribed to its first private bond placement of €50 million, maturing over seven years and bearing a fixed rate of 3.75%.

Maturity schedule of financial liabilities

(€ K)	31/12/22	31/12/21
1 year or less	205,042	67,262
Between 1 and 5 years	206,378	158,360
5 years or more	86,839	71,088
TOTAL	**498,258**	**296,710**

Financial debt guaranteed by pledges, mortgages, or liens totalled €63 million at 31 December 2022.

Covenants

The provision of credit lines totalling €210 million and the €50 million Euro PP issue placed with credit institutions and private investors are subject to the commitment given by Edify to comply with three financial covenants (net parent company financial debt/Net Asset Value, expanded net financial debt/expanded Net Asset Value and cash & cash equivalents). Edify was in compliance with all of its covenants at 31 December 2022.
At 31 December 2022, all investees were in compliance with covenants on their LBO debt.

4. ANALYSIS OF NET FINANCIAL DEBT

Net Financial Debt corresponds to the difference between financial assets and financial liabilities. It notably takes into account accrued interest, derivative instruments attached to financial liabilities, earnout or deferred payments on acquisitions, and deferred settlements of a financial nature. Not included are securities in non-controlling equity interests, convertible bonds, own shares, deposits & guarantees related to operations, and government grants.

Cash includes bank balances (bank assets and overdrafts) and cash in hand. Cash equivalents are short term, very liquid, easily convertible into a known amount of cash and subject to a negligible risk of unfavourable change in value.

(€ K)	31/12/22	31/12/21
Financial liabilities included in Net Financial Debt calculation	494,966	290,829
Financial assets included in Net Financial Debt calculation	4,600	521
Cash and cash equivalents	197,964	176,665
Net Financial Debt (excluding earn-out liability and deferred settlements)	**292,401**	**113,643**
Earn-out liability and deferred settlements on acquisitions	3,156	5,844
Total Net Financial Debt	**295,557**	**119,487**

5. HEDGING INSTRUMENTS

Derivatives are recognised in off-balance sheet items, except:

- Where they present an unrealised capital loss, in which case a provision must be recorded,
- Where they are hedging instruments that then offset the underlying asset.

Hedging instruments whose underlying is a financial liability are classed as "Other financial liabilities" and included in net financial debt.
At 31 December 2022, they stood at less than €0.1 million.

NOTE 7 – DETAIL OF THE CASH FLOW STATEMENT

1. CASH AND CASH EQUIVALENTS

(€ K)	FY 2022
Cash at the start of the period	**157,387**
Cash and cash equivalents - opening balance	176,665
Bank overdrafts	-19,278
Cash at the end of the period	**180,503**
Cash and cash equivalents - closing balance	197,964
Bank overdrafts	-17,461

2. CHANGE IN WORKING CAPITAL REQUIREMENTS

(€ K)	31/12/22	31/12/21
Net change in inventories	-69,913	-37,503
Net change in trade receivables	-19,289	-12,439
Net change in trade payables	7,385	19,295
Change in other receivables and payables	2,974	-13,325
Change in working capital requirements	**-78,843**	**-43,972**

NOTE 8 – PROVISIONS

A provision is established when the Group has a current obligation (legal or constructive) resulting from a past event and when future cash outflows can be measured reliably. A loss that has been the subject of a provision must relate to a fully identified risk. As risk is inherent to the concept of a business, no provision can be recorded in order to cover general risks. The amount of the provision must then be adjusted depending on changes in the foreseeable amount of the loss.

1. NON-CURRENT PROVISIONS

(€ K)	Provisions for guarantees	Provisions for litigation	Provisions for liabilities and charges	Total
At 1st January 2022	4,713	922	850	6,486
Charges	-	233	449	682
Used reversals	-	-375	-20	-395
Unused reversals	-12	-60	-44	-116
Impact of foreign exchange rates	4	-	-	4
Change in consolidation scope	-20	-	293	273
Other movements	-	-	-	-
At 31 December 2022	**4,685**	**720**	**1,528**	**6,933**
				Total
At 1st January 2021	2,371	541	381	3,293
Charges	126	434	245	805
Used reversals	-	-321	-139	-460
Unused reversals	-	-	-	-
Impact of foreign exchange rates	7	-	-	7
Change in consolidation scope	2,209	268	363	2,840
Other movements	-	-	-	-
At 31 December 2021	**4,713**	**922**	**850**	**6,486**

2. CURRENT PROVISIONS

(€ K)	Provisions for guarantees	Provisions for litigation	Provisions for liabilities and charges	Total
At 1st January 2022	929	523	79	1,532
Charges	466	-19	146	593
Used reversals	-	-100	-109	-209
Unused reversals	-	-120	-	-120
Impact of foreign exchange rates	1	235	375	611
Change in consolidation scope	-	-10	-1	-11
Other movements	-	-63	64	1
At 31 December 2022	**1,395**	**446**	**554**	**2,396**
				Total
At 1st January 2021	1,611	896	92	2,598
Charges	-	51	6	57
Used reversals	-682	-129	-20	-831
Unused reversals	-	-122	-	-122
Impact of foreign exchange rates	-	-	-	-
Change in consolidation scope	-	-173	1	-172
Other movements	-	-	-	-
At 31 December 2021	**929**	**523**	**79**	**1,532**

NOTE 9 – EMPLOYEE INFORMATION

1. HEADCOUNT

The headcount at 31 December 2022 was 5,793 employees (including 100% of the headcount of the entities consolidated on a proportional basis or acquired during the year), compared with 4,580 at 31 December 2021.

2. EMPLOYEE BENEFITS

In respect of pension plan commitments, the Group contributes to pension plans or grants benefits to employees on retirement in compliance with the rules and regulations in place in each country. These benefits have been measured.

In the limited number of cases where these expenses cannot be considered as remuneration for future services, a provision is established in the financial statements for the financial year in respect of the resulting short-term commitment, provided that the obligation toward the employee is probable or certain.

Contributions paid in respect of plans analysed as defined contribution plans, for which the Group has no other obligation than paying contributions, are recognised as expenses for the financial year.

For defined benefit plans relating to post-employment benefits, the cost of benefits is measured using the projected unit credit method.

According to this method, the rights to benefits are allocated to periods of service depending on the plan's formula for acquisition of rights, by taking account of a straight-line effect where the rate of acquisition of rights is not uniform over periods of subsequent service.

The amounts of future payments corresponding to benefits granted to employees are measured on the basis of salary increase, retirement age and death rate assumptions, and then discounted to their present value on the basis of long term bond interest rates of prime issuers.

These plans are either financed – their assets being managed separately and independently from the Group – or not, with their commitments being recognised in the balance sheet under "Employee benefits".

The different defined benefit plans are the following:

• Retirement benefit plans (IFC) for all French companies, in compliance with applicable collective agreements,

• Other defined benefit pension plans.

All actuarial differences are immediately recognised, net of deferred tax, in the income statement. Actuarial differences relating to financial items (including changes in discount rates and rates of return, etc.) are recognised under net financial income.
The past service cost resulting from a plan amendment or curtailment of an existing plan is immediately expensed.
Expenses relating to this type of plan are recognised under employee costs and, in relation to the accretion expense, under net financial expense.
The provision recognised in the balance sheet corresponds to the present value of the obligations calculated as described above, less the fair value of plan assets.
Long-service awards are treated as long-term benefits granted to employees and provided for on the basis of an actuarial evaluation at every year-end.

(€ K)	31/12/22	31/12/21
Retirement and similar obligations	8,192	12,383
Plan assets (funds)	-	-
Net obligation	**8,192**	**12,383**

The decrease in pension liabilities is mainly a result of the increase in discount rates.

3. GROSS REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The gross remuneration allocated to the members of the Board of Directors amounted to €309 K for 2022, compared with €299 K for 2021.

NOTE 10 – CURRENT AND DEFERRED TAX

1. CURRENT TAX

Tax consolidation agreements are in place covering the Group's French subgroups.

2. DEFERRED TAX

Deferred tax assets and liabilities are measured at the income tax rate expected to apply to the financial year when the asset will be realised or the liability settled, on the basis of income tax rates (and tax regulations) adopted or virtually adopted at year end.

Deferred tax is recognised for the temporary differences between the book value of assets and liabilities and its tax value and restatements made on consolidation to conform to Group accounting standards (extended concept of deferred tax calculation).
Deferred tax assets are only recognised if their recovery is probable, i.e. if their recovery does not depend on future results, or it is probable that the company will be able to recover them due to the existence of an expected taxable profit during this period.
Deferred tax relating to companies' tax losses is recognised when the following conditions are fulfilled:

• The entity has sufficient taxable temporary differences with a single tax authority and for the same taxable entity, which will generate taxable amounts against which unused tax losses and tax credits can be offset before they expire,

• It is likely that the entity will generate taxable profits before unused tax losses and tax credits expire,

• Unused tax losses result from identifiable causes, which will probably not reoccur,

• Opportunities related to the entity's tax management will generate taxable profits for the financial year during which unused tax losses and tax credits can be allocated.

If it is unlikely that the entity will make sufficient profits to allocate unused tax losses or tax credits, deferred tax assets are not recognised.
The income tax charge is analysed as follows:

(€ K)	31/12/22	31/12/21
Current tax	-16,981	-19,985
Deferred tax	4,755	1,171
Income tax	**-12,226**	**-18,814**

Deferred tax is analysed as follows:

(€ K)	31/12/22	31/12/21	Impact 2022 income statement
Deferred tax assets related to internal margins	9,151	5,013	4,068
Deferred tax assets related to employee benefits	1,553	2,599	-360
Deferred tax assets related to provision methods	261	250	10
Deferred tax assets related to tax and social security liabilities	1,309	2,097	-536
Deferred tax assets related to fair value	56	922	-10
Deferred tax liabilities related to customer relations	-22,830	-16,486	835
Deferred tax liabilities related to the fair value of non-current assets	-2,809	-2,921	112
Deferred tax liabilities related to leases	-186	-1,147	-181
Deferred tax liabilities related to changes in amortisation and depreciation	-2,851	-2,769	548
Deferred tax liabilities related to the capitalisation of development costs	-1,018	-175	-1,022
Miscellaneous	-646	1,079	1,291
TOTAL	**-18,011**	**-11,539**	**4,755**
Deferred tax assets	17,050	9,703	-
Deferred tax liabilities	-35,061	-21,242	-

NOTE 11 – OFF-BALANCE SHEET COMMITMENTS

The Group's commitments comprise the following:

(€ K)	31/12/22	31/12/21
Payments outstanding on operating leases	7,784	11,174
Commitments to purchase operating assets	3,008	9,441
Commitments to purchase equity interests	93,781	68,586
Commitments given	**104,574**	**89,201**
Asset and liability guarantees	3,125	2,185
Unused credit lines	173,993	281,899
Commitments received	**177,118**	**284,084**

Commitments to acquire equity interests include, in particular, the following:

- a €25.0 million obligation to buy back minority shares between 2023 and 2027,
- €33.0 million in commitments to funds between now and 2025 (Argos and Siparex Associés),
- €28.3 million in put options on minority interests (primarily Agromillora put option exercisable between 2024 and 2026 – see below),
- a €7.4 million commitment to buy back 510,525 founder's shares issued by Edify since 2016 for a total nominal amount of €5.5 million.

Edify also has an estimated €3.6 million in call options over assets including the De Buyer production facility, as well as a call option over K-Ryole shares valued at €60 million exercisable before 31 December 2025, which would result in Edify owning 90% of the company.

Commitments as part of the acquisition of Agromillora:
In connection with the acquisition of Agromillora, Edify and its founding co-shareholders entered into contractual undertakings in 2022 that could enable Edify to take control of Agromillora between now and 2027.

NOTE 12 – INVESTMENTS IN ASSOCIATES AND RELATED PARTY DISCLOSURES

1. INVESTMENTS IN ASSOCIATES

Investments in associates at 31 December 2022 include the companies consolidated using the equity method, primarily Siparex Associés (€9.7 million), acquired in financial years 2021 and 2022 and K-Ryole (€2.4 million) acquired in 2022. Shares in Aceper, in the process of being disposed of, were reclassified as financial assets (see Note 6).

(€ K)	31/12/22	31/12/21
Investments in associates at the beginning of the year	8,052	16,307
Change in consolidation scope	7,251	-8,941
Share of profit/(loss) from associates	200	704
Dividends paid	-25	-25
Other movements	-2,332	7
Investments in associates at year-end	**13,145**	**8,052**

2. RELATED-PARTY DISCLOSURES

A related party is a person or entity that is related to the entity that prepares its financial statements. Related parties are:
- The parent company,
- Subsidiaries,
- Associates,
- Joint ventures,
- Members of the Board of Directors.

Related-party transactions

Apart from transactions between Edify and its subsidiaries, which are restated in the consolidated financial statements, and gross remuneration allocated to members of the Board of Directors (see Note 9.3), three of Edify's directors received compensation for services rendered totalling €185 K.

NOTE 13 – STATUTORY AUDITORS' FEES

The fees paid to the main Statutory Auditor amounted to €357 K, of which €353 K was for services relating to the audit of the financial statements for 2022.

(€ K)	31/12/22	31/12/21
Total fees directly related to the audit of Edify Group's financial statements	353	333
Edify S.A.	*121*	*111*
Fully-consolidated subsidiaries	*232*	*222*
Other services provided by the networks to fully-consolidated subsidiaries (legal, tax, corporate)	4	3
TOTAL	**357**	**336**

NOTE 14 – FINANCIAL STATEMENTS IN THE FORMAT REQUIRED BY LUXEMBOURG LAW

The financial statements below adopt a presentation that is compliant with the amendment to the Law of 10 August 1915, which was passed on 19 December 2016 and effective from 1 January 2016.

CONSOLIDATED INCOME STATEMENT

(€ K)	2022	2021	Cross-reference with the financial statements
1. Net sales	**920,092**	**819,301**	Sales
2. Changes in inventories of finished and semi-finished goods	**64,453**	**37,309**	Cost of sales
3. Own work capitalised	**-**	**-**	
4. Other operating revenues	**22,522**	**12,676**	Other operating income
5. a) Consumption of merchandise, raw materials and consumables	**-550,051**	**-450,500**	Cost of sales
5. b) Other external charges	**-20,276**	**-16,789**	Cost of sales
6. Staff costs	**-225,656**	**-206,568**	Employee costs
a. Wages and salaries	*-173,703*	*-157,146*	
b. Social security charges accruing by reference to wages and salaries	*-47,290*	*-45,926*	
c. Supplementary pensions	*-1,600*	*-1,513*	
d. Other staff costs	*-3,062*	*-1,982*	
7. Value adjustments in respect of:	**-79,585**	**-43,712**	
a. Establishment costs and property, plant and equipment, and intangible assets	*-27,241*	*-26,274*	Amortisation and depreciation charges
b. Current provisions	*47*	*49*	Charges to current provisions
c. Non-current provisions	*-303*	*-208*	Other non-current operating income and expenses
d. Goodwill	*-43,388*	*-12,989*	Goodwill impairment + Earn Out
e. Allocated intangible assets	*-5,678*	*-3,162*	Amortisation of allocated intangible assets
f. Inventories	*-2,891*	*-670*	Cost of sales
g. Operating asset items	*-131*	*-458*	External costs
8. Other operating expenses	**-40,779**	**-78,866**	External charges + Other non-recurring operating income and expenses
OPERATING PROFIT	**90,720**	**72,852**	**OPERATING PROFIT**
9. Income from equity investments	**-695**	**-24,886**	Other financial income and expenses
10. Income from financial items of current assets	**4,240**	**2,312**	Other financial income and expenses
11. Other interest and similar income	**2,115**	**76**	Investment income
12. Value adjustments in respect of financial assets and marketable securities included in current assets	-	-	
13. Interest and similar expenses	**-18,346**	**27,654**	
a. In respect of related entities	*1,157*	*37,305*	Other financial income and expenses
b. Debt-related financial charges	*-10,948*	*-8,819*	Financial expenses related to borrowings
c. Other interest and charges	*-8,556*	*-832*	Other financial income and expenses
NET FINANCIAL INCOME/(EXPENSE)	**-12,686**	**5,156**	**NET FINANCIAL INCOME/(EXPENSE)**
14. Income tax	**-12,226**	**-18,814**	Income tax
15. Share of profit of equity-accounted entities	**200**	**704**	Share of profit/(loss) from associates
16. Profit after income tax	**66,008**	**59,899**	
17. Other taxes	-	-	
18. Net profit for the year	**66,008**	**59,899**	**CONSOLIDATED NET PROFIT**

ASSETS

(€ K)	31/12/22 Net	31/12/21 Net	Cross-reference with the financial statements
A. Fixed assets	**473,469**	**309,513**	
I. Intangible fixed assets	**131,122**	**81,241**	Net intangible assets
1. Research and Development costs	2,174	2,725	
2. Concessions, patents, licences, trademarks, as well as similar rights and securities	70,696	50,048	
3. Business goodwill, to the extent that it was acquired for valuable consideration	48,071	23,857	
4. Payments on account and intangible fixed assets in progress	10,182	4,611	
II. Goodwill	**81,891**	**45,231**	Goodwill
III. Property, plant and equipment	**179,946**	**167,377**	Net property, plant and equipment
1. Land and buildings	80,682	88,020	
2. Plant and machinery	59,032	52,510	
3. Other equipment, tools and furniture	8,939	7,761	
4. Payments on account and tangible fixed assets in progress	31,294	19,085	
IV. Investments	**82,946**	**15,664**	
1. Shares held in related companies	13,145	8,052	Investments in associates
2. Equity interests and securities held for the long-term	10,468	3,508	Current and non-current financial assets
3. Other loans	59,333	4,111	Current and non-current financial assets
V. Deferred tax assets	**17,050**	**9,703**	Deferred tax assets
B. Current assets	**686,516**	**569,199**	
I. Inventories	**304,867**	**226,168**	Inventories
1. Raw materials and consumables	110,604	82,748	
2. Finished goods and merchandise	194,262	143,421	
II. Debtors	**173,901**	**156,608**	
1. Receivables resulting from the sale of goods or the provision of services	134,946	123,827	Trade receivables
2. Receivables from related entities	114	-	Other receivables
3. Receivables from employees	-	-	Employee benefits
4. Other receivables	38,841	32,781	Other receivables + Current tax assets
III. Marketable securities	**9,784**	**9,757**	
1. Shares in affiliated undertakings and undertakings in which the company has a participating interest	-	-	
2. Own shares or equity	9,784	9,757	Financial assets
3. Other securities	-	-	
IV. Bank accounts, post office account, cheques and cash in hand	**197,964**	**176,665**	Cash and cash equivalents
C. Prepayments	**3,082**	**4,893**	**Other receivables**
TOTAL BALANCE SHEET ASSETS	**1,182,552**	**893,314**	

EQUITY & LIABILITIES

(€ K)	31/12/22 Net	31/12/21 Net	Cross-reference with the financial statements
A. Shareholders' equity	**462,565**	**395,405**	
I. Subscribed capital	**4,860**	**4,860**	Share capital
II. Issue and similar premiums	**243,158**	**243,053**	Share premium
III. Revaluation reserves	**-**	**-**	
IV. Reserves	**118,683**	**60,050**	Other reserves
V. Retained earnings	**-**	**-**	
VI. Net profit for the year (Group share)	**64,638**	**57,031**	Net profit for the period
Minority interests	**31,228**	**30,410**	Non-controlling interests
B. Provisions	**17,521**	**20,401**	
1. Provisions for pension and similar obligations	8,192	12,383	Employee benefits
2. Other provisions	9,329	8,017	Non-current and current provisions
C. Deferred tax liabilities	**35,061**	**21,242**	**Deferred tax liabilities**
D. Unsubordinated debt	**662,699**	**451,565**	
1. Bonds issued by entities with which the Company has an equity relationship	-	-	
2. Financial debt owed to credit institutions and other	498,257	290,809	
a. Outstanding amount due within 1 year	*205,042*	*61,758*	Other current financial liabilities
b. Outstanding amount due after more than 1 year	*293,216*	*229,052*	Other non-current financial liabilities
3. Prepayments on order	-	-	
4. Liabilities on purchases of goods and provision of services	101,800	91,002	Trade payables
a. Outstanding amount due within 1 year	*101,800*	*91,002*	
b. Outstanding amount due after more than 1 year	-	-	
5. Liabilities related to fixed assets	1,345	2,433	Other current liabilities
6. Trade payables evidenced by commercial paper	-	-	
7. Liabilities owed to related entities	1	-14	
a. Outstanding amount due within 1 year	*1*	*-14*	Other current liabilities
b. Outstanding amount due after more than 1 year	-	-	
8. Liabilities owed to entities with which the Company has an equity relationship	-	-	
9. Tax and social security liabilities	56,054	51,378	
a. Outstanding amount due within 1 year	*56,054*	*51,378*	Other current liabilities
b. Outstanding amount due after more than 1 year	-	-	
10. Other liabilities	5,242	15,958	
a. Outstanding amount due within 1 year	*4,776*	*1,445*	Other current liabilities + Tax liabilities
b. Outstanding amount due after more than 1 year	*465*	*14,513*	Other non-current liabilities
E. Deferred income	**4,703**	**4,701**	
TOTAL BALANCE SHEET LIABILITIES	**1,182,552**	**893,314**	

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of
Edify S.A.
22, rue de l'Industrie
8399 Windhof – Luxembourg

Report on the audit of the consolidated financial statements

OPINION

We have audited the consolidated financial statements of Edify S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated profit and loss account for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE "REVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Gabriel de Maigret

Luxembourg, 12 May 2023

Edify May 2023

Layout: Explorations

Photos:
P.2 and P.3 - Philippe Lévy

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