# FINANCIAL REPORT

Roquette Group
Year ended 31 December 2023

ROQUETTE
Offering the best of nature™

# FINANCIAL REPORT
# Year ended 31 December 2023

## TABLE OF CONTENTS



ROQUETTE RESTRICTED

1

# MANAGEMENT REPORT

## ROQUETTE GROUP AND ROQUETTE FRÈRES

## TABLE OF CONTENTS



ROQUETTE RESTRICTED

# Roquette Frères S.A

## Limited liability company with a capital of 8,812,908 euros
## Headquarters: 1 rue de la Haute Loge - 62136 Lestrem
## Arras Trade and Companies Register 357 200 054

### *Board of Directors' reports*
### *to the Annual General Shareholders' Meeting on April 5, 2024*

To the Shareholders,

We have called this ordinary General Shareholders' Meeting, in accordance with legal and statutory requirements, to report to you on the company's situation and operations during the past financial year, to submit for your approval the annual financial statements for the year and the resulting allocation of earnings, to renew the terms of office of board members, to appoint new directors, to set the directors' remuneration for the year, to approve non-deductible expenses, to amend the annual stock market mechanism stipulated in paragraph V of the internal regulations entitled “Ownership of Shares”, appended to the Company's bylaws, and to grant full powers to carry out all formalities relating to this meeting.

You will also be presented with the reports drawn up by the statutory auditors as part of their duties.

These reports, that of your Board, the annual financial statements, and any other documents or information relating thereto have been made available to you within the timeframe provided for by law and regulatory provisions.

# NOTE 1

# HIGHLIGHTS, ACTIVITY, AND FINANCIAL SITUATION OF THE GROUP

## 1. Highlights

### 1.1 Group Highlights

By transforming and using plant-based resources, the Group collaborates with our customers and partners to design and offer ingredients to better feed and cure people. As a global leader in plant-based ingredients, a pioneer in new plant proteins and a major supplier of pharmaceutical excipients, the Group addresses current and future societal challenges by unlocking the potential of nature to provide the best ingredients for food, nutrition, and health markets.

2023 was marked by a significant downturn in economic activity worldwide, mainly due to persistent inflation and the impact of the energy crisis. Although inflation has shown signs of easing, it remains at high levels and has led to a decline in activity in the food, animal nutrition, and industrial sectors. Europe was hit particularly hard by this difficult economic situation, which resulted in a decline in exports and under-utilization of production capacity in the starch industry.

Despite these macroeconomic pressures, the Group capitalized on the strength of its business model and the responsiveness and commitment of its teams to continue developing its strategic objectives through its key segments:

***Core Ingredients***

- Early 2023 saw the beginnings of a decline in volumes shipped. This trend gradually increased throughout the period, resulting in a historic decline in volumes during the year, mainly in Europe. At the same time, this shift was largely offset by implementing an adjusted, effective pricing policy that the Group introduced during the negotiations at the end of 2022. However, unfavorable market dynamics put pressure on sales prices towards the end of 2023.

- The Group places great importance on innovation and close collaboration with its customers. To meet consumer demand for healthier, more sustainable food, Roquette opened a Food Innovation Center in Lestrem, France in June 2023. This 5 million euros investment highlights the group's capacity for innovation and its extensive know-how and expertise. It's also an important step in positioning Roquette as a trusted partner in the food industry.

- In addition, a new Customer Experience Center was also opened in Singapore in July 2023 as a collaborative hub with the region's food companies to leverage innovations with Asian cooking methods. Asia is now the world's largest consumer food market and this facility will enable the Group to consolidate its leadership as a strategic partner by promoting the co-creation and development of products tailored to this region's consumer preferences.

***Plant-based Proteins***

- Growth in the protein market has slowed, especially in the meat substitutes segment. The main reason for this trend is the impact of persistent inflation on customers' consumption habits, who tend to shun new plant-based alternatives due to their high prices. Given this context, the protein development strategy was readjusted to consolidate, diversify, and target the most value-creating segments.

- The plant-based protein market is extremely competitive, with a significant increase in the number of stakeholders and available capacity, resulting in strong pressure on sales prices. In order to keep the Group's strong position, it is essential to develop specialties and innovate. A number of new ingredients were added to the Group's range in 2023 and a partnership was formed with DAIZ Inc, a Japanese FoodTech start-up developing technology to improve the texture, flavor, and nutritional profile of plant-based foods.

***Pharmaceutical Solutions***

- After a remarkable recovery in 2022, linked to the resurgence of post-Covid-19 seasonal illnesses, demand for ingredients in the traditional pharmaceutical solutions market (prescription drugs, over-the-counter drugs, and injectable solutions) continues to grow stronger in 2023. This rebound offsets the halt in sales of excipients for Covid-19 vaccines and reflects the diversity and balance of the Group's ingredients portfolio.

- In April 2023, a pharmaceutical innovation center was opened in Pennsylvania in the heart of the US pharmaceutical corridor. This strategic 25 million euros investment reinforces the Group's industry-leading position in pharmaceutical markets and will advance research into oral prescription drug delivery systems and nutraceutical active pharmaceutical ingredients.

- In October 2023, the Group strengthened its global position in the pharmaceutical industry by finalizing the acquisition of Qualicaps, a global supplier of capsules and pharmaceutical equipment, also the world's third-largest supplier of oral pharmaceutical solutions. The company was part of the Mitsubishi Chemical Group and employs more than 1,400 permanent employees based in various locations in Asia, Europe, and America. With this acquisition, Roquette aims to increase its ability to serve customers and the market with high-quality solutions and a broader choice. The new combined entity will offer more diverse solutions with a full range of hard and soft capsules, fillers, diluents and binders, disintegrants, and other solutions.

From an operational point of view, the Group initiated an ambitious competitiveness program for the entire Group. In addition, the Group's operations were affected at the beginning of the year by strikes against pension reform in France and by the implementation of the last key stage of the SAP “Symphony” ERP, which took place as scheduled in January 2023 at the Group's largest site in Lestrem, France. The “Symphony” project is an essential tool for implementing the Group's strategy to meet customer expectations, by fundamentally transforming business processes, standardizing practices worldwide, formalizing know-how, and improving the IT system.

### 1.2 Changes in accounting rules

There were no changes in the accounting policy for the year 2023.

### 1.3 Changes in estimates

There were no changes in estimates for the year 2023.

### 1.4 Main changes in scope

During the financial year, the Group acquired Qualicaps. As part of this transaction, seven new companies joined the Roquette Group, all 100% owned. These companies were included in the consolidated financial statements as of October 1, 2023.

In addition, the group sold Planttec Medical and Roquette Klötze.

## 2. Activity

### 2.1 Income statement

Income statement – key figures

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| **Turnover** | **5,125,975** | **4,992,146** |
| Current operating income | 390,950 | 344,656 |
| Operating income | 113,809 | 340,605 |
| Financial result | (43,867) | (30,725) |
| Income from companies accounted for under the equity method | (3,478) | (5,821) |
| Income tax | (66,147) | (100,316) |
| **Net income** | **317** | **203,744** |
| **Group share** | **(9,431)** | **194,336** |
| **Minority share** | **9,748** | **9,408** |
| **Profit or loss (Group share) per share** | **(3.21)** | **66.15** |

The Group's business model, which operates in the food, nutrition, and health markets, is presented in the non-financial performance statement (Note 8). It describes how the Group creates and maintains value over the long term, presenting its overall business and operations in interaction with the broader business environment.

***Turnover***
Turnover amounted to 4.99 billion euros in 2023, down 2.6% compared to 2022. This decline is due to lower sales volumes (as shown by the drop in tons of crushed raw materials described below). This trend was offset by increases in sales prices on all products, particularly specialty products and certain commodity products such as liquid sugars.

***Current operating income***
Current operating income stands at 345 million euros, down 11.8% compared to 2022. It represents 6.9% of turnover in 2023, compared to 7.6% in 2022. Operating profitability was hampered by rising fixed costs against a backdrop of declining turnover.

***Operating income***
Operating income is comprised of current operating income and non-recurring items.

For the 2023 financial year, non-recurring items amounted to -4 million euros. They mainly include the capital gains on the sale of Planttec Medical (6 million euros), costs related to the acquisition and integration of Qualicaps (-10 million euros), as well as a reversal of the provision for the French transformation plan and a capital loss on the sale of Roquette Klötze.

For the 2022 financial year, non-recurring items amounted to -277 million euros and included the impairment of Canadian assets for -287 million euros, the reversal of provisions under the Roquette Frères transformation plan for +10 million euros and the costs related to the closure of the offices of the Roquette CH offices announced in January 2022 for -2 million euros.

***Financial result***
The financial result is primarily comprised of the cost of net financial debt for -33 million euros, other financial income, and expenses for -1 million euros and the foreign exchange results and financial instruments for +4 million euros.

The financial result rose over the financial year with two key effects: firstly, a 17 million euro increase in the cost of debt (general rise in interest rates, effect of the new USPP loan and effect of the loan linked to the Qualicaps acquisition) and, secondly, the effect of positive changes in non-qualified hedging instruments on commodities and energy during the 2023 financial year (the global markets context at the end of 2022 was bearish, leading to negative values on hedges).

***Income from companies accounted for by the equity method***
In 2023, the results of companies accounted for using the equity method amounted to -6 million euros which is down 2 million euros compared to 2022.

***Income tax***
The increase in the tax expense compared to 2022 is mainly due to two effects: firstly, the non-recognition of deferred tax assets on losses incurred by Roquette Canada over the financial year due to a lack of sufficient prospects, and, secondly, the effects of the tax audit in France on Roquette Frères.

## Activity by geographical locations of the Group entities (Year 2023)

| (in thousands of euros) | European Entities | American Entities | Chinese Entities | Greater Asia Entities | Eliminations | Group |
|---|---|---|---|---|---|---|
| **Turnover** | **3,510,621** | **875,950** | **380,061** | **710,506** | **(484,991)** | **4,992,146** |
| Current operating income | 331,674 | (24,023) | 16,129 | 20,877 | - | 344,656 |
| Non-recurring items | (3,857) | (201) | - | 7 | - | (4,051) |
| Operating income | 327,817 | (24,224) | 16,129 | 20,883 | - | 340,605 |
| Financial result | (5,166) | (28,454) | (3,390) | 6,285 | - | (30,725) |
| Income from companies accounted for by the equity method | (5,827) | - | - | 7 | - | (5,821) |
| **Pre-tax profit** | **316,823** | **(52,678)** | **12,739** | **27,175** | **-** | **304,060** |
| Income tax | (77,429) | (9,818) | (3,737) | (9,331) | - | (100,316) |
| **Net income / (loss)** | **239,394** | **(62,496)** | **9,001** | **17,843** | **-** | **203,744** |

***European Entities***

The European entities generated sales of 3.51 billion euros in 2023 compared to 3.63 billion euros in 2022. Price negotiations at the end of 2022, conducted in a favorable market, enabled us to implement an effective sales strategy and offset rising costs and the sharp drop in volumes with significant price increases. However, this momentum slowed down at the end of the year under unfavorable market pressure.

Pharmaceuticals sales were up on seasonal illness products, offsetting the discontinuation of sales of excipients for Covid-19 vaccines. When it comes to plant-based proteins, while volumes with new customers are increasing, the fiercely competitive market environment is weighing on sales prices, and does not make it possible to offset the impact of rising costs, especially energy.

As a result, sales price increases, which gradually subsided, helped to cope with the still high variable costs (raw materials, energy, chemicals, transport, and logistics) and the effects of inflation on operating expenses (personnel expenses, digital costs, maintenance, etc.). The current operating margin rate therefore reached 9.4% of turnover compared to 10.4% in 2022. The European entities still contribute the most to the Group's net profit.

***American Entities***

The turnover for the American entities amounted to 876 million euros, down 3.3% compared to 2022. The decrease in turnover is the result of more moderate market demand, an unfavorable product mix, and operational problems at our factories. Despite these challenges, a strict trade discipline effectively offset the rising raw materials costs and other adverse factors, resulting in improved margins compared to 2022. Despite a slowdown in sales, the Pharmaceutical Solutions and Food segments reported higher margins.

The region has prioritized optimizing the need for working capital to preserve its liquidity. It successfully executed a recovery strategy for the Itacel entity in Brazil, with significant improvements in production volume and a restoration of margins.

The downturn in demand for pea proteins led to a reduction in production at the Canadian plant and a significant loss in current operating income. The plant is now focusing on preserving its operational integrity and adjusting its operating costs to its expected level of business in order to be ready for a potential market rebound.

***Chinese Entities***

Price increases have offset variable costs, especially for waxy maize. While turnover in foreign currencies is up, turnover in euros is impacted by an unfavorable exchange rate effect, amounting to 380 million euros compared to 396 million euros in 2022. Thus, the activities of the Chinese entities benefited from a significant improvement in profitability in 2023.

The Chinese teams are working on innovation projects in close collaboration with local strategic customers to strengthen their market position and accelerate product launches on the local market.

***Greater Asia Entities***

The Greater Asia zone covers Asia excluding China.

The contribution to the Group’s turnover from Greater Asia entities amounted to 711 million euros, compared to 746 million euros in 2022. The decrease in revenue was largely due to lower volumes, coupled with the effects of currency volatility and higher variable costs. The region experienced volume and price constraints, in a highly competitive environment, while many customers continue to have high inventory levels. The increase in variable costs, stemming largely from raw materials, transport, and energy costs, was seen across all product lines, strongly impacting Roquette India's performance.

Growth in specialty products, coupled with new contracts, projects, and partnerships are key to the India and Singapore teams' continued growth in the Greater Asia region.

### Raw material consumption

The table below shows raw material consumption per country:

| (in thousands of tons) | 2022 | 2023 | Change |
|---|---|---|---|
| Corn crushing Europe | 2,409 | 1,813 | (24.7%) |
| Roquette Frères | 1,283 | 965 | (24.8%) |
| Roquette Italia | 663 | 462 | (30.4%) |
| Roquette Laisa | 463 | 386 | (16.5%) |
| Corn crushing North America | 726 | 658 | (9.3%) |
| Corn crushing India | 809 | 823 | 1.8% |
| Corn crushing China | 359 | 335 | (6.8%) |
| **Corn crushing** | **4,303** | **3,629** | **(15.7%)** |
| Roquette Frères | 1,354 | 1,133 | (16.3%) |
| Roquette Amilina | 526 | 437 | (17.0%) |
| **Wheat crushing** | **1,880** | **1,570** | **(16.5%)** |
| Roquette Frères | 627 | 393 | (37.3%) |
| **Potato grating** | **627** | **393** | **(37.3%)** |
| Roquette Frères | 77 | 53 | (30.7%) |
| Roquette Canada | 35 | 38 | 9.4% |
| **Peas** | **112** | **92** | **(18.2%)** |
| **Total** | **6,922** | **5,684** | **(17.9%)** |

At the end of December 2023, crushing was down sharply compared to the previous year and amounted to 5.68 million tons. Corn remains the Group's main raw material and represents 64% of the raw material crushed.

Wheat crushing in France and Lithuania is also down 16%.

Peas are down 18% compared to 2022 and account for 2% of the Group's total crushing.

Potato grating, in France alone, is down compared to last year, accounting for 7% of raw materials compared to 9% the previous year.

The starting and ending potato campaign dates for the last three years are:

- 2021 – 2022: September 14, 2021 to February 3, 2022.
- 2022 – 2023: September 20, 2022 to December 30, 2022.
- 2023 – 2024: September 26, 2023 to January 6, 2024.

## 2.2 Balance Sheet – main items with figures

| (in million euros) | 2022 | 2023 |
|---|---|---|
| Net fixed assets | 2,653 | 2,983 |
| Working capital requirement | 708 | 859 |
| **Total** | **3,360** | **3,843** |
| Equity | 2,600 | 2,720 |
| Provisions and employee benefits | 71 | 90 |
| Net debt | 689 | 1,033 |
| **Total** | **3,360** | **3,843** |

### Net fixed assets

The change in net fixed assets is primarily linked:

- To physical investments for 241 million euros (including usage rights of assets taken as rentals).
- To provisions for depreciation for 256 million euros.
- To the currency translation effect for 32 million euros.
- to changes in scope for 383 million euros, linked to Qualicaps' goodwill and the integration of tangible and intangible fixed assets (see “Highlights”).

ROQUETTE RESTRICTED

Physical investments on intangible fixed assets (9 million euros) and tangible fixed assets (232 million euros) can be broken down as follows:

| (in million euros) | 2022 | 2023 | Change |
|---|---|---|---|
| Roquette Frères | 123.8 | 114.8 | (9.0) |
| Roquette Italia | 10.8 | 12.5 | 1.6 |
| Roquette Laisa | 6.0 | 8.0 | 2.0 |
| Amilina | 6.3 | 11.4 | 5.2 |
| Other European companies | 21.1 | 11.4 | (9.6) |
| **Europe** | **168.0** | **158.1** | **(9.9)** |
| Americas | 46.0 | 49.2 | 3.2 |
| China | 17.6 | 15.7 | (1.9) |
| Greater Asia | 11.0 | 17.5 | 6.5 |
| **Physical investments** | **242.6** | **240.6** | **(2.0)** |

Physical investments (including right of use of assets taken as rentals) stand at 241 million euros, which is an increase of 2 million euros compared to 2022. The majority of physical investments are made in Europe, accounting for 66% of the Group's total.

Physical investments in **Europe** represented 158 million euros:

- The main business investment projects in 2023 concern the installation of packaging equipment in Lestrem, France, for the pharmaceutical industry, the completion of the second textured plant-based protein production line in Horst, Netherlands, and a project to increase modified starch capacity in Benifaio, Spain.

- In addition, investments related to operations focused on reliability and energy performance projects, such as the continued deployment of the mechanical steam recompression project and the energy supply continuity plan at Lestrem, France; maintenance of the cogeneration unit at Benifaio, Spain, or projects such as improving the dehydration process in Panevezys, Lithuania; making production more reliable and complying with quality requirements for BetaCycloDextrin in Lestrem, France; as well as smaller maintenance investments managed by local technical teams.

- Digital investments, representing 13 million euros in 2023, primarily relate to finalizing the “Symphony” project and stabilizing the SAP solution, as well as preparing for deployment in the United States, Japan, and Mexico.

- Capitalized rental agreements (IFRS16) mainly include supply chain agreements (raw materials transport wagons and storage warehouses).

Investments in the **Americas** accounted for 20% of the Group's investments in 2023 (49 million euros). In Canada, since the plant was commissioned, investments have been limited, and in 2023 focused on water treatment and the temporary solution installed on the boilers. In the United States, investments focused on commissioning new starch milk tanks to boost production, the Keokuk coal phase-out project, and equipping the Philadelphia Center for Applied Science in the pharmaceutical industry. Investments in Brazil focused on automating a microcrystalline cellulose packaging line and implementing a compliance and quality improvement plan. Finally, 15 million euros were invested in operations to maintain facilities, improve safety, and enhance productivity.

In **China**, investments primarily related to completing the investment to increase food starch production capacity in Lianyungang which began in 2020, investments in productivity and site upgrades, especially at the Nanning (including a new quality laboratory) and Lianyungang sites, and the renewal of capitalized rental agreements for sales offices.

In **Greater Asia**, investments are mainly focused on maintaining facilities, ensuring safety, and continuing the upgrading of Indian sites that began several years ago, including wastewater recycling projects. The plant in Sethness, India has also benefited from an expansion project.

### Working capital requirements (WCR)

The working capital requirement represents 17.2% of sales in 2023 compared to 13.8% in 2022. Over the financial year, turnover fell slightly while working capital requirements rose due to an increase in the value of inventories (+61 million euros), linked to higher input costs (raw materials, energy, and fixed costs), and a decrease in accounts payable at the end of the year (linked to the more marked downturn in business at the end of the year). Given this context, the Group focused in particular on monitoring its working capital requirements to ensure that its investment capacity was not compromised.

### Net debt

The Group has a net debt situation of 1.03 billion euros compared to 689 million euros as of December 31, 2022. This increase in net debt was mainly due to the acquisition of Qualicaps in October. Excluding this acquisition, operational performance led to a reduction in net debt.

## 3. Financial performance indicators

The company's financial performance is analyzed based on the following indicators:

### Operating profitability indicator (current operating income relative to sales)

Current operating income stands at 345 million euros, representing 6.9% of turnover in 2023 compared to 7.6% in 2022. This ratio is decreasing compared to 2022 in line with the decline in operational performance. A decline in volumes was observed from the outset of the year and was particularly marked in the final quarter. This decrease in volume has impacted the absorption of fixed costs, resulting in significant under-activity impacts on the financial statements.

### Financial structure indicator (equity and provisions less fixed assets)

This indicator stands at -174 million euros in 2023 compared to +19 million euros in 2022. This indicator was particularly impacted by the acquisition of Qualicaps which increased fixed assets by 383 million euros. Equity increased thanks to net income, net of dividends and the negative impact of exchange rates on equity.

### Return on equity indicator (net profit relative to average equity)

In order to best reflect the Group's structural performance, this indicator is calculated by restating the impact (in net income and in average equity) of the isolated "unusual" items on the "Non-recurring items" line on the income statement, or included in other lines, in particular "Income tax".

This indicator stands at 7.7% in 2023 compared to 10.0% in 2022. The change in this indicator is explained by a very high net income excluding non-recurring items in 2022.

### Financial debt indicator (net financial debt relative to equity)

The Group has a financial debt ratio of 38.0% as of December 31, 2023 compared to 26.5% as of December 31, 2022. The 2023 financial year was marked by the acquisition of Qualicaps which significantly impacted net debt. After this acquisition, net debt would have decreased thanks to the good operational performance for the year. The Group's strategy is to finance operations and investments in a balanced and prudent manner.

## 4. Outlook

### Activity

In 2024, the Group will pay particular attention to developing its specialty markets, especially with the integration of the Qualicaps product range, and to its market positions in commodity segments. Building on 2023, the Group will continue to accelerate its sustainable development initiatives and competitiveness program.

### Events after the closing

No significant other event after the closing has been identified.

# NOTE 2

# ACTIVITY, RESULTS, AND FINANCIAL SITUATION OF ROQUETTE FRÈRES

## 1. Activity

Building on 2022, 2023 was marked by high inflation in both variable and operating costs as a result of a tense geopolitical climate.

Against this backdrop, turnover rose very slightly by 0.4% to 2.92 million euros, thanks in particular to a relevant sales policy despite a sharp drop in volumes sold (-22%).

The commodities market in Europe (paper-cardboard and food markets) is the one that has benefited most from significant price increases (starches, sugars, etc.).

The pharmaceutical solutions market continues to see stronger demand for the traditional market (prescription drugs, over-the-counter drugs, and injectable solutions), largely offsetting the discontinuation of sales of excipients for Covid-19 vaccines.

The plant-based protein market suffered from rising costs and falling demand.

Nevertheless, and despite high sales prices, operating income is down 17.7% at 166 million euros compared to 202 million euros in 2022.

The financial result stands at -11 million euros compared to -289 million euros in 2022. This result can be explained primarily by the following elements:

- In accordance with the accounting rules and methods, securities undergo an impairment test every year by comparing their gross value and their use value. The latter is measured based on the subsidiaries' equity (used for the Group's financial consolidation under IFRS) converted into euros, which may include, where appropriate, asset write-downs following impairment tests carried out at consolidated level. Over the financial year, this method resulted in a net provision and impairment charge of 82 million euros, mainly explained by the depreciation of the shares of the Roquette Canada subsidiary for 82 million euros. It should be noted that the Roquette Klötze and BPS GmbH shares were sold in April 2023 resulting in a capital loss of 5 million euros. Over the past financial years, these shares had been subject to depreciation, which was reversed at the time of this sale in the financial result.

- As a reminder, the 2022 financial year was impacted by a net provision and impairment charge of 310 million euros, mainly due to the depreciation of shares in the Roquette Canada subsidiary for 355 million euros.

- The dividends received from subsidiaries are increasing (33 million euros in 2023 compared to 10 million euros in 2022). Amilina (11 million euros) and Roquette Italy (10 million euros) paid dividends in 2023, whereas they did not in 2022.

The exceptional result amounted to -0.1 million euros compared to -35 million euros in 2022. Over the financial year, the main components of this result are regulated provisions, whose net expense improved by 30 million euros compared to 2022. Exceptional income was also recognized in 2023 as a result of an increase in the remuneration of Roquette Frères intangible assets granted to the Singaporean company RAPAC, as a result of the conclusions of the tax audit covering the financial years 2019 to 2021.

In 2023, the corporate tax rate was 25.83% like in 2022.

The net result of the company thus stands at 103 million euros in 2023, compared to -181 million euros in 2022.

## 2. Results

The company's activity resulted in turnover of 2.92 billion euros and by a net income of 103 million euros:

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Turnover | 2,913,330 | 2,924,819 |
| Operating income | 3,081,545 | 3,113,448 |
| Operating expenses | (2,879,559) | (2,947,213) |
| **Operating income** | **201,986** | **166,236** |
| *Operating income/turnover %* | *6.9%* | *5.7%* |
| Investment income | 456,221 | 159,555 |
| Financial expenses | (744,852) | (170,277) |
| **Financial result** | **(288,631)** | **(10,721)** |
| Exceptional income | 53,668 | 73,995 |
| Exceptional expenses | (88,794) | (74,122) |
| **Exceptional result** | **(35,126)** | **(127)** |
| Profit-sharing and incentive agreements | (31,863) | (26,896) |
| Income tax | (27,429) | (25,732) |
| **Net income** | **(181,063)** | **102,759** |

## 3. Key performance indicators of a financial nature

The company's financial performance is analyzed based on the following indicators:

### Operating profitability indicator (operating income relative to turnover)

This indicator was 5.7% in 2023 compared to 6.9% in 2022. The decrease in performance is explained in the paragraph concerning the activity.

### Return on profitability indicator (pre-tax profit relative to equity)

This indicator stands at 6.3% in 2023 compared to -7.7% in 2022. The change in this indicator is primarily explained by the significant decline in financial income in 2022, a highly volatile aggregate, as explained in the paragraph relating to activity.

### Financial structure indicator (equity and provisions for risks and charges less fixed assets)

This indicator stands at -1.02 billion euros in 2023 compared to -787 million euros in 2022. The increase in fixed assets is mainly due to the acquisition of Qualicaps in October 2023 for 297 million euros (gross value of securities).

### Financial debt indicator (gross financial debt to third parties divided by equity)

The financial debt indicator is 53% as of December 31, 2023 compared to 44% as of December 31, 2022. Over the financial year, the increase in financial debt (particularly linked to the new Qualicaps loan used to finance this acquisition) was limited by the increase in Group companies' deposits in the company (acting as a cash center) and the sale of long-term investments.

## 4. Activity and results of the company's main subsidiaries

The activity indicators and the results commented on below come from financial statements drawn up for the 2023 financial year in accordance with the IFRS (International Financial Reporting Standards) reference standard.

***Europe***

The turnover of **Roquette Italia** in 2023 stands at 555 million euros, down 7% compared to 2022. The company's variable cost margin decreased due to the combined effect of several factors. Following the sharp increase in gas costs and the limited availability of waxy corn on the market, the entity had to increase its sales prices, resulting in a decrease in the quantities sold, which was also penalized by the downturn in the markets finished products. At the end of 2023, the financial performance of native starch products fell very sharply compared to 2022, as did dextrose and fermentation products. Very strict control of fixed costs and the support received from the Italian government through the energy tax credit facility helped to limit the negative impact on the current operating income, which reached 13 million euros in 2023 compared to 58 million euros in 2022.

In 2023, even though the plant in Benifaio, Spain posted a low level of business, profitability was only slightly down compared to 2022. It was a mixed year in terms of results, notably due to the gradual decline in sales prices (particularly on native starch products and sugars) during the second half of the year. Against this backdrop, **Roquette Laisa's** turnover stood at 387 million euros, down 6% compared to 2022 due to lower prices and volumes. In fact, the company's operating income stands at 39 million euros in 2023, compared to 43 million euros in 2022.

The turnover of **Roquette Amilina** stands at 300 million euros in 2023. This year, the entity faced a significant drop in demand due to inflation which led to an economic slowdown. Specifically, European customers experienced reduced competitiveness on the export market, which led to low contract performance rates for its products. Despite these difficulties, performance was robust in 2023, buoyed by high price levels that offset declines in volumes shipped. Current operating result amounted to 45 million euros compared to 55 million in 2022 and the net results for both financial years are identical.

*Americas*
**Roquette America's** turnover amounted to 765 million dollars, down 2% compared to 2022. Keokuk's production was down due to operational difficulties and issues. However, lower volumes and higher costs were effectively offset by the sales strategy, enabling improved margins and overall performance by 2023. As a result, current operating income is 10 million dollars compared to -11 million dollars in 2022.

*China*
**Roquette China's** turnover stands at 2.28 billion RMB, up by 3% compared to 2022 mainly due to the increase in sales prices as a result of higher costs. Raw materials and energy costs are a major issue for the company, which has seen prices stabilize since September 2023. The company's performance is improving, thanks to the business strategy which helped offset part of the rise in costs and to the continuous improvement generating productivity. The current operating income stood at 58 million RMB compared to -27 million RMB in 2022.

*India*
In the wake of lower margins in the second half of 2022, 2023 saw a significant reduction in **Roquette India's** operating income. Lower prices for raw materials and weak demand for premium products were not conducive to price increases. As a result, most of the increase in variable costs was not reflected in sales prices and resulted in lower profitability. Yields were adversely affected by the El Niño meteorological phenomenon and its negative impact on corn quality. The company's fixed costs remain under control.

Thus, in 2023, the company's sales amounted to 27.9 billion Indian rupees, down 3% compared to 2022. Current operating income stood at 370 million Indian rupees, compared with 1.65 billion Indian rupees in 2022.

# NOTE 3

# NON-FINANCIAL INFORMATION

## 1. Main risks and uncertainties

The Group operates in a constantly changing world. The current environment and its potential changes in the regulatory, technological, and competitive fields lead to risks which, if they materialize, could have a negative impact on its activities, its financial health, or its reputation.

The Group has a prudent approach to the risks it may encounter due to its structure and governance.

This chapter includes the main risks identified on the date of this document. However, the Group may be exposed to other non-specific risks or risks whose potential consequences it may underestimate. In particular, it could be exposed to systemic risks such as major disruptions (Covid-19 pandemic, security, monetary or cyber), leading to large-scale impacts with economic implications.

The risk management system is based on a uniform methodology for identifying, prioritizing and processing risks. This methodology is adapted to the Group's business line requirements, and is associated with a common digital risk management solution (IRMS).

In 2023, the Group continued its "Group TOP risks" program, analyzing and mitigating group risks. This program makes it possible to manage and anticipate Roquette's main risks in relation to its strategy and activities while taking into account factors outside the Group. These risks and their management were respectively presented to the Risk Committee, the Executive Committee, and then to the Audit Committee. For each major risk, global action plans have been established and monitored throughout the year. Since 2021, the Group has been upgrading its crisis management processes to ensure alignment with the risk map and to be as well prepared as possible to handle exceptional situations.

In addition, business risk mapping is carried out every year in direct collaboration with operations personnel.

**Business drivers**

The table below shows the main risks identified on the date of this document:

| Risk | Description | Risk management |
|---|---|---|
| Risks linked to the Group's growth strategy | The growth strategy is driven by the development of strategic projects that make it possible to transform and develop the Group, and by acquisitions aimed at reinforcing its assets.<br>The "Symphony" project aims to align and standardize processes and practices within the Group through the new ERP (Enterprise Resource Planning). In 2023, the Group successfully continued to roll out the solution in France at the Lestrem site on January 1, 2023. Not carrying out growth operations or signing external strategic partnerships could reduce the Group's ability to achieve the expected growth in its target markets.<br>In the case of a post-acquisition integration, the return on investment for the Group could be lower than anticipated.<br>In 2023, the Group acquired the Qualicaps group, the world's third largest supplier of capsules. This strategic investment strengthens Roquette's position as a major player in pharmaceutical solutions and contributes to its growth plan in the health and nutrition markets. | The proper unfolding of these projects and the correct integration of the companies acquired are the subject of particular monitoring in order to allow the group to ensure the realization of its ambitions in the short, medium and long terms.<br>In order to successfully implement the "Symphony" project at the French sites, a specific methodology and project management system were set up to capitalize on previous launches and anticipate risks during the various launch phases. This project management will be useful for the rest of the rollouts as well as for other projects of this size.<br>A specific risk analysis was conducted by the project team and led to an action plan to secure the preparation and launch phases.<br>Roquette has set up a well structured process for selecting and validating external growth opportunities or strategic partnerships in line with its strategy and surrounds itself with professionals specialized in this type of operation. This process must ensure the quality of the targets and their value for the Group.<br>Post-acquisition integration is prepared well in advance and is carried out according to a predefined operating procedure aimed at controlling the identified risks.<br>A dedicated organization and governance structure has been set up for the recent acquisition of Qualicaps. The priority is to protect Qualicaps' business in order to continue to creating value for the various stakeholders (customers, Roquette).<br>Following the Qualicaps acquisition, the Group added a "Group TOP risk" map at the end of 2023 to strengthen coordination and mitigation of post-integration risks. |
| Risk of a change in applicable regulationsor risk of non-conformities | As a player in the Nutrition and Health markets, the Group operates in a complex, constantly changing regulatory environment with increasingly stringent standards.<br>There are numerous regulations which the Group is subject to. The main ones are related to the manufacture and sale of food and pharmaceutical ingredients, environmental protection, transparency, competition, prevention of corruption (mainly in compliance with the Sapin II law), and data protection.<br>Laws and regulations in the countries where the Group operates or sells products may lead to more stringent changes and could limit the development prospects of some of our activities, result in additional costs or investments, or interrupt certain activities.<br>These changes could then influence the margin and the Group's financial performance. | For several years, Roquette has had a global organization in place for ensuring compliance with and changes in laws and regulations applicable to the Group through its Legal, Compliance and Regulatory Affairs Department with the support of the Group Executive Committee and the Audit Committee.<br>These practices are disseminated as part of a global compliance program based on documents and tools that are broadly shared with our employees, customers and suppliers, such as:<br>• A Group code of conduct.<br>• A supplier and distributor code of conduct.<br>• A guide to good practices in data management and privacy.<br>• An internal control manual.<br>Awareness-raising and training courses are offered on these subjects and tools are made available.<br>A global alert management system called "SpeakUp" has been set up to enable Group employees and partners to report suspicions or practices that are unethical, fraudulent, against the code of conduct and/or current regulations in a completely confidential manner to approved internal contacts.<br>The implementation of these practices is coordinated with the Group's risk management and internal control procedures and can be audited by the Internal Audit department. |

| Risk | Description | Risk management |
| --- | --- | --- |
| **Risks linked to data protection, cyber security, and intellectual property** | The conducting of and the success of the Group's business are linked to its information services being continuously available and its data and know-how being protected.<br>In a context of increased digitization, cyber attacks and fraud attempts are increasingly frequent and complex. These changes can expose the Group to the hacking of installations or to information leaks. | To deal with these threats, the Group has set up several initiatives to increase the awareness of the employees about the risks of losing data and data leaks.<br>Significant investments have been made to improve the protection of the industrial facilities against remote attacks as well as computer solutions to control information sharing.<br>Test campaigns and crisis simulation exercises are also conducted to measure the effectiveness of the systems in place. In addition, awareness-raising actions are regularly carried out with group employees (phishing, GDPR, etc.).<br>A specific structure has been set up within the Group to protect its know-how and to register and protect its patents. |
| **Risks related to climate change and societal challenges** | As part of its operations, Roquette consumes primary energy (gas, wood, coal, etc.) or secondary energy (electricity, steam, hot water, etc.) that emits $CO_2$.<br>The knowledge and growing awareness of climate issues around the world (governments, companies, consumers...) increase the regulations on $CO_2$ emissions and the associated costs.<br>Roquette's business is thus exposed in the short and medium term: reductions in emissions required by governments, rising energy costs, and growing demand from customers requiring an emissions reduction program.<br>This exposure to climate risk could result in temporary or permanent capacity reductions, reduced profitability, or loss of markets.<br>The Group's manufacturing processes consume water. Should a resource become scarce or in the wake of meteorological or climatic events, this consumption may expose the Group to consumption restrictions or reductions.<br>Climate change around the world is also having an impact on grain yields, affecting the cost and availability of raw materials.<br>These events can impact plants by limiting their production capacity or interrupting it. | For several years, Roquette has agreed to reduce its $CO_2$ emissions as well as its water consumption.<br>In order to deal with the changes in this risk, especially regulatory changes, Roquette is agreeing to reduce it in several ways.<br>Roquette conducted an assessment of its $CO_2$ emissions over its entire value chain and drew up a multi-year roadmap to reduce the energy consumption and carbon footprint of its factories via targeted investments with an objective of reducing its emissions by 25% in 2030 (compared to 2021).<br>Therefore, Roquette regularly updates the internal price of $CO_2$ which is taken into account when calculating the profitability of investments. The group estimates the price of $CO_2$ at 100 euros per ton in its profitability calculations and at over 150 euros per ton in its long-term investment assumptions in Europe.<br>On the other hand, Roquette has been committed since 2023 to analyzing the carbon footprint of its products through a Life Cycle Assessment (LCA) program with the goal of covering all product families by 2030.<br>In 2023, Roquette stepped up its ambition to reduce its water use. The group is committed to using 20% less water by 2030 (compared to 2021).<br>The group had already adopted a policy of purchasing sustainable raw materials in accordance with specifications/protocols inspired by the best agricultural practices for sustainability which are comparable to the requirements of the SAI standard. In 2023, Roquette raised its ambitions and now aims for 60% sustainable agricultural raw materials by 2030. |

| Risk | Description | Risk management |
| --- | --- | --- |
| **Risks linked to the quality and food safety of our products** | Product quality is a crucial issue for the markets and consumers served by the Group.<br>As a major player in manufacturing and distributing plant-based ingredients in the Nutrition and Health markets, the Group may be exposed to the risk of releasing products that are non-compliant or dangerous for the end customer, which could lead to withdrawal, recall, or public health procedures in the worst case scenario.<br>The risk of food safety and quality of products can occur when there is a proven presence or strong suspicion of contamination of the finished products by contaminants (chemical, microbiological, physical, or allergens). Such an event may have multiple causes:<br>• During the manufacture of a product at a Group plant or at one of the Group's service providers.<br>• Upstream of the factories during the supply of raw materials or downstream during the delivery of products to the end customer.<br>Direct financial consequences could occur with one or more customers as a result of a quality defect (production stoppage and operating losses, destruction of Roquette product, destruction of customer finished product).<br>In the longer term, an impact on Roquette's reputation is also conceivable, as is a decline in Group sales causing a loss of revenue.<br>There may also be administrative and legal decisions against Roquette. | The quality, the food safety of the products sold, and compliance with the associated laws and regulations are certainly one of the Group's major commitments.<br>The Group has designed and implemented a quality management system: "Total Quality" making it possible to ensure a high level of quality and traceability of its products from the raw materials to delivery.<br>Risk analyses are conducted and regularly updated for each production line in order to control the safety risks associated with the products put on the market. In addition, controls are conducted on raw materials, during manufacturing, and on finished products in order to guarantee the level of quality assurance necessary to control the identified risks and enable the products to be released.<br>On site, the quality management system is audited on numerous occasions as part of the internal quality audit process, but also by external bodies, authorities or customers. Traceability and recall/withdrawal drills are regularly conducted to ensure that all Group stakeholders are prepared and responsive, if necessary.<br>Each site is involved in certification procedures that are in line with the markets served and the type of products sold. Each product analysis is also conducted in accordance with the compliance standards applicable to the markets served (Food Chemical Codex, Pharmacopoeia, etc.).<br>At the same time, a Group-wide regulatory watch is in place to ensure that regulatory changes are taken into account within the company. |
| **Risks relating to the continuity of operations at the sites and their procurement of raw materials** | Historically, the Group operated 24 production sites around the world, processing approximately 7 million tons of plant-based raw materials into nutritional ingredients and pharmaceutical raw materials. The acquisition of Qualicaps expanded the Group's scope, with 9 production sites and over 1,400 additional permanent employees.<br>Recent years have seen the emergence of external factors that can impact the operation of manufacturing sites:<br>• Systemic disruptions such as a global pandemic can affect business continuity through disruptions in site organization, availability of manufacturing teams, and affect upstream supply chains.<br>• Geopolitical crises can also affect the availability of agricultural raw materials.<br>• Extreme climate events (droughts, floods, cold snaps) can also create significant strain on the availability of agricultural raw materials.<br>These events may impact the plants by limiting their production capacity or temporarily interrupting it and impacting the Group's revenues. | Maintaining business continuity is one of the Group's priorities due to the importance of the markets it serves.<br>In addition to the current processes, an anticipation unit has been set up for procurement of plant-based raw materials in order to secure them while complying with the applicable standards and regulations.<br>In order to mitigate supply pressures, the Group's services purchasing department has taken a number of global actions, such as standardizing spare parts, stepping up monitoring of supplier lead times, anticipating orders, and conducting a detailed review of unique supply situations.<br>In response to the overall impact of these external factors, Roquette has also set up initiatives aimed at covering these new risks and becoming part of a sustainable global approach to business continuity. These plans are in addition to existing programs relating to industrial processes: facility reliability, manufacturing process safety, and spare parts management. They are associated with a significant multi-year investment program. |

| Risk | Description | Risk management |
| --- | --- | --- |
| Risks of market changes | For several years, growth in the markets the Group operates in, especially Food and Pharmaceuticals, was sustained by global economic development.<br>Nevertheless, in 2023, Roquette faced unfavorable market trends, mainly in Europe: high inflation (energy, raw materials, and fixed costs) and a significant downturn in demand. Changes in the geopolitical environment or the application of international sanctions could also have an impact on Roquette's sales in the nutrition, industrial, and pharmaceutical markets.<br>This could have a long-term negative impact on the sale of products in certain markets as well as opening up opportunities for development. | In order to best anticipate the changes in consumption preferences, the teams regularly update market trends in order to adjust or modify product development and sales strategies in the short and medium term.<br>The Group has set up a monitoring system for market trend indicators to understand and anticipate potential changes in consumption.<br>Finally, to face the economic challenges, a competitiveness plan was launched in 2023. Its various initiatives aim to identify opportunities for improving performance in terms of variable and fixed costs and to streamline business strategies, so as to create additional value that will enable the Group's performance and financial strength to be preserved in a challenging competitive environment. |
| Risks related to talent management and changing work methods | The Group has over 10,000 employees whose expertise, know-how, and commitment form an essential asset. The health, safety, and well-being of its employees are among its top priorities.<br>In an international landscape marked by the "war for talent" on key skills, the Group may face difficulties in attracting, hiring, and retaining talent. | The Group's vision is to create a positive, attractive environment that everyone wants to join, where everyone can learn, grow, contribute to the company's overall performance and be properly recognized for it.<br>Since 2020, the Group has adapted its working methods to meet employee expectations. "Smart Working" is now an integral part of the Group's working practices, enabling employees to carry out their duties more independently with greater flexibility, both on site and remotely.<br>In 2022 and 2023, priority was given to (re)connecting teams. Numerous events were held to allow employees to share, collaborate, and create together in order to ensure the right balance between flexibility and collaboration of on-site, in-person teams.<br>In terms of attracting talent, Roquette's Human Resources staff focused this year on improving the employer brand, increasing its visibility on professional social media, and stepping up the training of recruiters on new techniques. The candidate experience has also been improved, offering simplified and even more digitized processes.<br>When it comes to hiring and retaining employees, the Group started a process of listening to its employees in order to continuously improve its talent management. In 2022 and 2023, the focus was on career management, promoting internal mobility, and rolling out the "People Care" program that is consistent with the Group's core values. In 2023, the "Talent Review" process was expanded to include regions to assess and identify employees' skills, potential, and performance to support succession planning, professional development, and talent management within the organization.<br>Finally, employee engagement is at the heart of the Group's strategy. In 2023, a new survey was introduced to assess employee satisfaction and motivation within the organization. This allows us to listen to employees' voices, to engagein discussion and sharing workshops in order to identify strengths and areas for improvement, and thus implement actions to bolster engagement, talent retention, and overall company performance. |

## 2. Insurance

In light of the risks identified, the Corporate Insurance department has set up international insurance programs covering the main risks relating to the Group's activities, with reputable insurers and via global brokers.

These programs apply to all the Group's subsidiaries through "Master" insurance policies that reinforce the coverage of local policies by intervening to cover "limit differences" and "condition differences". They cover the risks such as civil and professional liability, operating damages and losses, cyber risks or transport insurance, when such insurance is required, as well as damage to the environment. The Group also has insurance that covers the risks of the liability of its directors and corporate officers.

The Group's insurance policies are issued on an "All risk except" basis, with the standard market exclusions. Deductible levels are determined based on the Group's risk appetite, assets, and operational risks. Other insurance policies are also taken out in order to comply with the law or when necessary due to new activities or circumstances.

In a partnership with its insurers, the Group has also developed a prevention program in order to reduce the risks of "Damage and Operating losses". During these prevention visits, risk analyses are conducted and organizational and/or material improvements are proposed.

The Legal department has established internal rules and procedures through its Legal Manual so as to manage the contractual risk. Working closely with the Corporate Insurance department it ensures that these rules are applied everywhere throughout the world.

The Group strives to cover its exposure to the main risks through dedicated insurance policies, and to constantly seek to improve its insurance coverage, while still reducing the costs thereof through self-insurance when it deems necessary.

In 2023, the Group succeeded in adapting its insurance policies to the Group's risk appetite and focusing its efforts on prevention and retention (via the Group's reinsurance captive), optimizing management of the total cost of risk. The Insurance department also implemented an insurance strategy for the Qualicaps acquisition while ensuring its integration into the Group's insurance and risk prevention programs.

## 3. Managing financial risks

According to specific procedures, the Group uses various types of financial instruments in order to manage its exposure to the following risks:

### Currency risks
The Group's activities in the world are carried out by subsidiaries that operate primarily in their own country and which invoice their sales in the local currency. As a result, the Group's exposure to foreign exchange risk on its commercial operations is essentially limited to that of the Roquette Frères and Roquette Asia Pacific companies. The instruments used are primarily firm futures purchases and sales.

The Group can also proceed with hedging the foreign exchange risk associated with certain borrowing in foreign currency. The instruments used are primarily futures contracts.

### Interest rate risk
The Group uses derivative instruments for the purposes of managing the interest rate risk. They are primarily rate swaps and cross-currency swaps. The Group has the capacity to possibly enlarge its range of instruments that can be used according to market conditions.

### Risk of a variation in the cost of raw materials and energy.
Raw materials (mainly corn and wheat) and energy, represent a substantial portion of the Group's variable production costs. Fluctuations of these in the markets are thus likely to be reflected in the Group's margins.

To minimize these contingencies, the Group primarily uses future purchases and sales on organized markets as well as on over-the-counter and options markets in compliance with certain risk limits established by the Board of Directors.

The Group covers a portion of its natural gas purchases by using primarily contracts concluded with suppliers or financial markets via closed or instruments with options.

### Liquidity risk
The management of liquidity within the Group is based on centralizing the access to the financing market.

In order to cover its needs for global financing, the Group uses the following instruments:

- Equity injected by shareholders.
- Cash flow generated by the operating cycle.
- Bonds issued to US investors (USPP).
- Bilateral bank financing lines.
- A dedicated depreciable loan for the Qualicaps acquisition.
- The commercial paper program.

To date, the Group's net debt is comprised of:

- Debt primarily issued in euros, debt issued in currency and debt issued in euros and immediately converted into foreign currency.
- Gross investments primarily taken out in euros.

The Group negotiated the issue of a second USPP in 2022 for 300 million euros with repayments scheduled between 2029 and 2034.

During the financial year, the Group issued an euro loan to finance the Qualicaps acquisition. The loan is amortized with repayments scheduled from 2024 to 2028. The nominal interest rate is EUR3M +0.95% (subject to a Standard & Poor's rating of BBB+ or higher).

## Counterparty risk

The Group has to support a counterparty risk with regards to its activity. This risk is primarily circumscribed to the level of customers, suppliers and financial institutions.

***Customers***

The Group outsources its customer credit risk. This outsourcing is done:

- Primarily via recourse to credit insurance.
- Or by using alternative means of security (banks, parent company guarantees, etc.).

Marginally, when it is not possible to outsource, the Group can decide to retain the risk. In this case, the process for internalizing risk is governed by an internal procedure distributed to all Group companies and enforced by each local Financial Department.

***Suppliers***

As part of its current activities, the Group negotiates deferred payment terms that comply with the local regulations. The credit risk is therefore borne by the supplier.

In the case of certain purchases (down payment with the order), the Group handles the credit risk by setting up:

- A bank guarantee generally of the first demand form issued to the Group.
- A parent company guarantee and even a property transfer if the supplier is not in a position to provide a bank guarantee.

In addition, in the case of significant orders, holdbacks may be contractually agreed in order to protect the Group from any defect or malfunction that are not immediately noticed when the equipment is received.

# 4. Research and development activities

Research and Development (R&D) aims to transform its expertise into value for the Group.

This is based on two main areas:

- Developing innovative solutions, ingredients, and technologies that meet the needs of external customers to support the Global Business Units' growth.
- Proposing technology modifications to Operations and Product Line Managers to improve the profitability of industrial processes.

In order to fulfill this mission, R&D focuses its expertise on the products in the Group's portfolio, as well as on all the technologies used in the Group, combined with additional expertise (analytical, life sciences, toxicology, excellence, and collaborative innovation). It also relies on an external network of scientific and technical partners.

R&D's geographic footprint is as follows:

- The majority of the core expertise mentioned above is based at the Lestrem (France) site.
- It is supported by innovation centers located in the regions (Geneva & Philadelphia (USA), Singapore, Shanghai (China), and Panevezys (Lithuania)). At these centers, the relationships with local sales teams and customers is much closer, allowing for incremental innovation and meeting the needs of the local markets.

The main noteworthy events of 2023 are as follows:

- Customer Experience Center (Singapore): this innovation center is focused on supporting customers in Greater Asia Pacific region, but will also have strong links with R&D (analytical support and best practices, links with corporate teams for developing new solutions in line with identified customer needs). Specifically, a sensory analysis center was built there, enabling Roquette's solutions to be adapted to Asian consumer preferences.
- Food Innovation Center (Lestrem, France): as part of the overall redesign of the Food Application Sciences Center, the R&D Sensory Analysis Center has also been completely redesigned to better serve the needs of European customers. In 2024, the former animal housing facility will be converted into a state-of-the-art cell culture laboratory. In fact, the Group's decision to discontinue animal studies at the end of 2021 led to a shift towards in vitro methods, including the acquisition of new expertise and a comprehensive training program for the teams.
- The entire unit is actively involved in the Group's innovation process, both by participating in innovation projects and by contributing to the project portfolio via the exploratory research program. Their participation resulted in 30 new product launches and 19 patents. Also noteworthy is the 2023 turnover of 274 million euros in Innovation product sales, almost half of which comes from R&D activities.
- 2023 was also marked by the introduction of external technology monitoring in order to identify, test, and acquire new technologies and/or products as quickly as possible so as to complement in-house innovation. 75 leads have been studied and several are now under further investigation through collaboration agreements or technology license purchases.
- Operations support activities (troubleshooting) enabled Manufacturing to reduce costs by almost 22 million euros (Lestrem, France and North America scope, which will be extended to the rest of the world in 2024).

Research done in France enabled us to benefit from 7 million euros of CIR (research tax credit), thus reducing R&D costs. The Group also benefits from support facilities for its R&D activities, notably in Singapore and Canada.

NOTE 4

# ALLOCATING THE RESULTS AND INFORMATION CONCERNING DIVIDENDS

## 1. Allocation of the results

The accounts for this period show:

| (in euros) | |
|---|---|
| net income of | 102,759,311.92 |
| to which is added the retained earnings | 624,420,240.69 |
| **to form a total that can be distributed to shareholders of** | **727,179,552.61** |

It is proposed that the General Shareholders' Meeting allocate this amount as follows:

| (in euros) | |
|---|---|
| as dividends for shareholders | 59,692,763.52 |
| and the balance to retained earnings | 667,486,789.09 |
| | **727,179,552.61** |

The dividend to be distributed would be set at 20.32 euros per share. This dividend, eligible for the 40% tax rebate for individuals domiciled in France for tax purposes according to paragraph 2 of Article 158.3 of the French General Tax Code, would be paid on April 12, 2024, minus the interim dividend of 10.00 euros per share paid on January 5, 2024.

## 2. Information on dividends

In application of the provisions of Article 243 bis of the French General Tax Code, the following amounts were distributed as dividends for the three previous years:

| Financial Year | Revenue eligible for the rebate | | Ineligible revenue |
|---|---|---|---|
| | Unit dividend (in euros) | Other distributed revenue | for the rebate |
| 2020 | 19.81 | not applicable | not applicable |
| 2021 | 20.18 | not applicable | not applicable |
| 2022 | 20.67 | not applicable | not applicable |

## NOTE 5

## OTHER INFORMATION

### 1. Changes in accounting policies, estimates and application

There were no changes in accounting policies for the year 2023.

### 2. Events after the closing

There have not been any significant events after the closing.

### 3. Expenses and charges not covered for tax purposes by Article 39.4 of the French General Tax Code

In accordance with the provisions of Articles 223 quater and 223 quinquies of the French General Tax Code, the financial statements for the past financial year include an amount of 736,461 euros, corresponding to non-tax-deductible expenses. Consequently, the tax incurred due to said expenses and charges stands at 190,228 euros.

### 4. Status of board members' terms of office

The terms of office of all the Company's board members will expire at the close of this General Shareholders' Meeting.

In accordance with the Company's Articles of Association and the internal regulations dated April 14, 2013 appended to the Articles of Association, the following is proposed:

For family directors:

- to renew the terms of office of Ms. Aurélie Roquette-Rousseau, Mr. Denis Delloye, Mr. Amaury Roquette, and Mr. Édouard Roquette.
- to appoint Ms. Clémence Ossent-Boidin as a new director.

For the independent directors:

- To renew the terms of office of Ms. Lise Nobre, Mr. Antoine Fady, and Mr. Pierre Luzeau.
- To appoint Ms. Lucrèce Foufopoulos and Mr. Olivier Delmaea as new directors.

This appointment shall be for a period of three years, expiring at the close of the General Shareholders' Meeting called in 2027 to approve the financial statements for the 2026 financial year.

### 5. Compensation of Directors

We propose setting 750,000 euros as the directors' compensation for 2024.

### 6. Employee shareholding

Shareholding as of December 31, 2023 (Article L225-102 of the French Commercial Code): none.

### 7. Significant holdings acquired

Acquisition of Qualicaps Japan (parent company of the Qualicaps group) for 297 million euros in October 2023.

### 8. Payment deadlines

| | **Invoices received but not settled on the date of closing of the period for which the term has expired** | | | | | **Invoices issued but not settled on the date of closing of the period for which the term has expired** | | | |
|---|---|---|---|---|---|---|---|---|---|
| (in thousands of euros) | **1 to 30 days** | **31 to 60 days** | **61 to 90 days** | **91 days or more** | **Total** | **1 to 30 days** | **31 to 60 days** | **61 days or more** | **Total** |
| **(A) Late payment tiers** | | | | | | | | | |
| Number of invoices concerned | | | | | **824** | | | | **2,667** |
| Total amount VAT inclusive of the invoices concerned | 2,792 | 1,134 | (371) | 182 | **3,737** | 19,539 | 2,382 | 2,636 | **24,557** |
| Percentage of the total amount of the VAT purchases of the period | 0.1% | - | - | - | **0.1%** | | | | |
| Percentage of the turnover VAT inclusive of the period | | | | | | 0.7% | 0.1% | 0.1 % | **0.8%** |
| **(B) Invoices excluded from (A) relating to disputed or unrecorded payables and receivables** | | | | | | | | | |
| Number of invoices excluded | | | | | **243** | | | | - |
| Total amount VAT inclusive of the invoices excluded | 252 | 536 | 43 | 1,008 | **1,839** | - | - | - | - |
| **(C) Reference payment deadlines used (contractual or legal deadline)** | | | | | | | | | |
| Payment deadlines used for calculating late payment | Contractual deadlines established with each supplier | | | | | Contractual deadlines established with each customer | | | |

## NOTE 6
# REPORT ON CORPORATE GOVERNANCE

## 1. Governance as of December 31, 2023

### Board of Directors

| | | |
|---|---|---|
| **Chairman** | **Mr. Edouard Roquette** | |
| **Directors** | **Ms. Caroline Catoire** | Chairman of the Audit Committee |
| | **Mr. Denis Delloye** | |
| | **Ms. Véronique Demolliens** | Director representing the employees |
| | **Mr. Antoine Fady** | Chairman of the Strategy Committee |
| | **Mr. Pierre Luzeau** | |
| | **Ms. Lise Nobre** | |
| | **Mr. Jean-François Rambicur** | Vice-Chairman, Chairman of the Appointments and Remuneration Committee |
| | **Mr. Amaury Roquette** | |
| | **Ms. Aurélie Roquette** | |
| | **Ms. Sophie Roquette** | Chairman of the Ethics and Sustainable Development Committee |
| | **Mr. Frédéric Vanhoye** | Director representing the employees |
| **Secretary** | **Mr. Philippe Lardeur** | |

### General Management

| | |
|---|---|
| **Chief Executive Officer** | **Mr. Pierre Courduroux** |

### Auditors

| | | |
|---|---|---|
| **Statutory** | **Deloitte & Associés**<br>represented by<br>Mr. Edouard Lhomme | **KPMG S.A.**<br>represented by<br>Mr. Laurent Prevost |
| **Alternates** | **BEAS** | |

## 2. List of mandates exercised by the corporate officers

In accordance with the provisions of Article L 225-37-4 paragraph 1 of the French Commercial Code, we hereby provide you with a list of all the mandates and positions held in other companies by each of the company's officers during the past financial year:

***Ms. Caroline Catoire, Director:***

- Director of LATECOERE SA
- Director of MAUREL ET PROM SA, Chairman of the Appointments and Remuneration Committee, member of the Audit Committee
- Director of MACQUARIE CAPITAL FRANCE SA
- Chairman of C2A CONSEIL SASU

***Mr. Pierre Courduroux, Chief Executive Officer:***

- Chairman of the Board of ROQUETTE AMERICA Inc
- Director of ROQUETTE ASIA PACIFIC (Singapore)
- Manager of KEHR'S RIDGE CONSEIL EURL

***Mr. Denis Delloye, Director:***

- Director of RGCA SA
- Director of VIADENE SAS
- Manager of SUGAR INVEST SARL
- Chairman of 2D INVEST SASU

***Ms. Véronique Demolliens, Director representing the employees:***

- No other mandate

***Mr. Antoine Fady, Director:***

- Chairman of XSYS GMBH (Germany)

***Mr. Pierre Luzeau:***

- Chairman and CEO of SEQENS Group

***Ms. Lise Nobre, Director:***

- Director of COMPAGNIE DAHER SA, Chairman of the Governance Committee
- Chairman of BLUESTER CAPITAL SAS
- Member of the Advisory Board of KAMA Holding GmbH

***Mr. Jean-François Rambicur, Director and Vice-Chairman of the Board of Directors:***

- Manager of ARCEAL BLMP SARL
- Manager of ARCEAL BPAR EURL
- Manager of ARCEAL BSCI SCI
- Manager of BAILLON DOMREMY SCI
- Manager of TERRASSES BRIANCONNAISES SCI

***Mr. Amaury Roquette, Director:***

- Director of RGCA SA
- Director of VIADENE SAS
- Director of subsidiaries of the DSM-FIRMENICH Group: ACTION PIN (Spain), FIRESPA (Spain), DRT-ANTHEA (India), and FIRMING (China)
- Member of the Executive Committee of DSM-FIRMENICH's Perfume & Beauty division, Chairman of the Executive Committee of the Ingredients unit which is part of this Executive Committee

***Ms. Aurélie Roquette, Director:***

- Director of RGCA SA
- Director of VIADENE SAS

***Mr. Edouard Roquette, Chairman of the Board of Directors:***

- Representative of ROQUETTE FRERES SA, Chairman of ROQUETTE SILADOUR SAS
- Representative of ROQUETTE SILADOUR SAS, Chairman of VIADENE SAS
- Chairman of RGCA SA
- Director of ROQUETTE ASIA PACIFIC (Singapore)
- Director of AFIR HOLDING & MGT SA
- Director of DECATHLON
- Manager of STARHAVEN SC
- Manager of STARLINEL SCI

***Ms. Sophie Roquette, Director:***

- Director of RGCA SA
- Director of VIADENE SAS

***Mr. Frédéric Vanhoye, Director representing the employees:***

- No other mandate

## 3. Agreements covered by Article L225-38

Note that no agreement falling within the application scope of Article L 225-38 of the French Commercial Code was signed during the past financial year. All relevant information was provided to the Auditors for preparing their special report on these agreements.

## 4. Delegations of authority and powers of the General Shareholders' Meeting in the area of capital increases

None.

## 5. Exercise of General Management

Mr. Pierre Courduroux has been Chief Executive Officer since December 14, 2020.

## NOTE 7

## RESULTS OF THE COMPANY OVER THE LAST FIVE FINANCIAL PERIODS

| Financial situation at the end of the period | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Share capital | 8,812,908 | 8,812,908 | 8,812,908 | 8,812,908 | 8,812,908 |
| Number of shares issued | 2,937,636 | 2,937,636 | 2,937,636 | 2,937,636 | 2,937,636 |
| Number of bonds convertible into shares | - | - | - | - | - |
| **Global result of the effective operations** | | | | | |
| Turnover before tax | 2,100,300,748 | 2,027,987,223 | 2,292,442,924 | 2,913,330,346 | 2,924,819,464 |
| Net income | 137,395,006 | (84,737,072) | 139,307,306 | (181,063,088) | 102,759,312 |
| Amount of profits distributed (*) | 61,190,958 | 58,194,569 | 59,281,494 | 60,720,936 | 59,692,764 |
| **Results of operations reduced to a single share** | | | | | |
| Net income | 47 | (29) | 47 | (62) | 34.98 |
| Dividend allocated to each share (*) | 20.83 | 19.81 | 20.18 | 20.67 | 20.32 |

(*) For 2023, the amount indicated is the one proposed for distribution by the Board of Directors.

NOTE 8

## ROQUETTE GROUP'S NON-FINANCIAL PERFORMANCE STATEMENT

### *WHO WE ARE*

For 90 years, Roquette has been able to evolve and adapt to meet its customers' needs, while remaining true to its values of authenticity, excellence, well-being, and anticipation. Our commitment to research and development of new products and technologies has enabled us to remain at the forefront of innovation, while continuing to offer high-quality products. This drive for progress and responsiveness is essential and allows us to confidently and decisively look to the future.

Therefore, since we have always believed that sustainability is key to our company's success, we have launched a highly ambitious new program to strengthen our performance by 2030. "life+nature" lays out three major objectives: "PRESERVE the planet", "INVENT for the future", and "CARE for people".

Through our "PRESERVE the planet" engagement platform, we want to reduce our environmental footprint by reducing our $CO_2$ emissions by 25% by 2030. Validated by the Science Based target Initiative (SBTi), this carbon reduction target is already the subject of major investments at our production sites around the world, through energy efficiency projects and the use of renewables.

Preserving the planet also means regenerating nature which is the driving force behind our business and the source of our inspiration. In 2023, we launched several initiatives related to our raw materials, such as our participation in the Transitions program, initiated by the Vivescia cooperative, whose aim is to support farmers towards regenerative, low-carbon agriculture that benefits soil and biodiversity.

Firmly convinced that our innovation plays a fundamental role in our journey towards a more sustainable model, we have decided to delve much deeper into the environmental and societal impacts of our products, including through life cycle analyses. Our "INVENT for the future" engagement platform guides our actions and will enable us to offer solutions that create value for consumers, society, and the planet. 2023 was also marked by the launch of the R'SPM program, which aims to evaluate all our products and their impacts by 2030 in order to guide our R&D and commercial initiatives.

Finally, through our "CARE for people" engagement platform, we continue to pay special attention to the men and women of Roquette and beyond our borders. We ensure that all our activities are carried out in strict compliance with human rights. As a family business, this commitment is part of our DNA. By providing our employees with a safe, diverse, and inclusive working environment, we ensure their health and safety.

We are also reinforcing our activities and relationships with local communities near our sites, where numerous projects are being developed in partnership with them.

This report provides full details of our new "life+nature" program, as well as the associated investments and initiatives to meet the ambitious targets we have set ourselves, which are in line with our determination to accelerate our efforts to make Roquette an even more responsible and sustainable company.

Édouard Roquette, Chairman
Pierre Courduroux, Chief Executive Officer

## *THE ROQUETTE GROUP*

## 1. Offering nature's best for over 90 years

### 1.1 History and operations

A family-owned company, Roquette is a global leader in plant-based ingredients and a major supplier of pharmaceutical excipients. Founded in 1933, the group is currently present in over 100 countries, posts sales of around 4.9 billion euros, and employs almost 10,000 people worldwide.

For decades, life and nature have been its source of inspiration. Thanks to its natural raw materials, the Group is helping create a completely new gastronomy based on plant-based ingredients; offering pharmaceutical excipients that play a key role in medical treatments; and developing innovative solutions for other markets like animal nutrition, industry, and cosmetics. Roquette strives to unleash nature's potential to improve, heal, and save lives.

Driven by a constant drive for innovation and a long-term approach, Roquette places sustainable development right at the heart of its concerns, taking care of resources, people, and territories.

Roquette has been a member of the United Nations Global Compact since 2009. This Pact brings together companies, organizations, UN agencies, labor stakeholders, and civil society around ten universally recognized principles relating to human rights, international labor standards, the environment, and anti-corruption. Each year, the Group promotes actions in support of these ten principles and its approach to sustainable development is aligned with the United Nations' SDGs[1].

In addition, the international non-financial rating agency EcoVadis awarded Roquette the "Silver" level for its commitment and performance in sustainability. With an overall score of 62/100, the Group has significantly improved its score compared to previous years, demonstrating and recognizing the momentum associated with its sustainability goals, practices, and processes.

The Group's key figures[2]:

- 90 years of history and expertise.
- Some 9,800 employees from nearly 60 different nationalities.
- 33 industrial sites.
- A global sales network covering some 100 countries.
- Approximately 5,000 end customers.
- 30 patents per year.
- Nearly 300 people dedicated to R&D.
- 4.9 billion euros in turnover.

An international presence from 1933 to the present:

- Since 1933: creation in France and development in Europe.
- Since 1982: development in North America.
- Since 2001: development in Southeast Asia.
- Since 2017: development in South America.

### 1.2 The Group's four values

As an integral part of the company's DNA, our values reflect the culture that our teams around the world live out and express every day. Authenticity, excellence, proactiveness, and wellness are Roquette's four core values:

- **Authenticity** "We are authentic people, we live up to our commitments, and act honestly and responsibly. That's who we are."
- **Excellence** "Together, we are committed to doing even better and going even further every day to meet the expectations of business partners and consumers alike."
- **Proactiveness** "Our family heritage and long-term vision are the foundations of our determination to always explore, work, and innovate together. This is essential if we are to meet our customers' expectations and anticipate their needs on an ongoing basis."
- **Wellness** "By improving everyday products, we contribute to wellness while caring for resources, territories, and communities. We are committed to creating a pleasant working environment."

To ensure that every Roquette employee understands, shares, and embodies the values that drive our company, a working group of representatives from various departments, sponsored by a member of the Executive Committee, was set up in 2023. Its job is to propose and ensure the implementation of a specific, regular communications campaign with concrete examples from the field that illustrate that the Group's values guide attitudes and behaviors on a daily basis.

In China, the "Values On the Go" program conducted between 2021 and 2023 helped various stakeholders to better understand what the company's values conveyed. Events with customers, employees, and their families were held throughout this period to highlight the ideas shared through these values: transparency, innovation, continuous improvement, and compliance. A book containing testimonials and examples of how these values are embodied was then published and distributed to Chinese employees.

## 2. Establishing ethics as a principle of action and a sign of trust

### 2.1 The Group's commitments to ethics

The Group's ethics and compliance program includes four major themes:

- Anti-corruption.
- Combating anti-competitive practices.
- Monitoring trade sanctions risks.
- Data protection.

"Zero tolerance" for fraud and corruption is the guiding principle.

RISK ENVIRONMENT

Although the Group's activities are not particularly exposed to the risk of corruption, employees may nevertheless come into contact with corrupt practices due to the Group's international presence and extensive ecosystem of varied business and logistics partners (e.g. distributors, carriers, customs officers, etc.).

In 2023, the Group posted around 6% of its turnover in countries with a high level of corruption risk (i.e. a score below 40 according to the corruption perception index published by Transparency International 2022) and has production sites in equally sensitive areas in India, China and Brazil, as well as sales offices in Indonesia, Malaysia, Mexico, Thailand, and Vietnam.

[1] United Nations Sustainable Development Goals – reference table in appendix.
[2] Group scope – Methodological note appended hereto.

RISK MANAGEMENT SYSTEM

Since the Group is subject to the Sapin II Law, it has put in place specific policies and tools to support its zero tolerance of fraud and corruption, with the group's code of conduct at the forefront.

The Code of Conduct is available in nine languages (French, English, Spanish, Italian, Portuguese, Romanian, Lithuanian, Chinese, and Japanese) at www.roquette.com and on the intranet, and applies uniformly to all Group employees, regardless of their position or location.

The Code of Conduct is signed by every new employee during the hiring process.

A Supplier Code of Conduct and a Distributor Code of Conduct apply to suppliers and distributors with the same principles and rules.

In addition to the relevant sections of the Code of Conduct, the Group has issued a number of guidelines, published on the intranet, detailing the rules and mechanisms to which employees must refer in relation to anti-corruption, gifts and entertainment, managing conflicts of interest, competition law, international trade sanctions, relations with public bodies, delegation of authority, etc. These internal procedures apply to all employees, at all subsidiaries, wherever Roquette operates.

Thus, in accordance with applicable laws and internal regulations, any employee who violates the code of conduct and Roquette's anti-fraud and anti-corruption guidelines is subject to disciplinary sanctions.

TOOLS

As part of its continuous improvement approach, Roquette continues to update its anti-corruption risk mapping, covering all business lines as well as all support departments (finance, purchasing, HR, IT, legal, and communications). A comprehensive exercise was rolled out in 2022 covering Corporate Global department, Brazil, China, France, India, and Spain. In 2023, Italy, Lithuania, Canada, Singapore, Poland and Mexico were added, and in 2024, the Group's sites in the USA, Japan and the Netherlands will be included, along with the Qualicaps sites acquired in 2023.

In addition, intermediaries in contact with public authorities (e.g. customs officers), as well as sales representatives, although few in number, have been identified as presenting an inherent risk of corruption. In order to manage the compliance of all types of business partners (customers, suppliers, prospects, etc.), the Group has had a dedicated online platform for several years that is managed by an external service provider which allows you to run a background check for international sanctions, various convictions, reputational alerts through the media, etc. All third parties working with the Group are subject to an initial background check, but the platform also provides regular, ongoing verification. Alerts triggered in this way are processed by the Ethics & Compliance team.

Based on the risks identified, a list of all intermediaries used by the Group was started in 2023 and will continue in 2024, with the aim of categorizing them by risk profile and defining specific risk mitigation measures for each.

In addition, a central online register dedicated to declaring any actual, potential, or apparent conflict of interest situation has been set up on the intranet, as well as a register for declaring any gifts and entertainment received, offered, or declined. These systems thus ensure a harmonized management of all reporting at Group level, facilitating second and third level checks.

The Group is also committed to conducting due diligence on planned mergers or acquisitions to identify compliance issues with potential acquisition targets at an early stage.

In line with this ethical risk management approach, the Group has set up an organization to report and better prevent corruption risks. Thus, any attempt or act of corruption can be reported to the appropriate resources: Human Resources department, Ethics & Compliance department, Internal Audit and Risk Management department, Roquette managers, or through the "SpeakUp" whistleblowing system. This whistleblowing system, whose platform is managed by an external service provider, is available to all Group employees (permanent employees, trainees, temporary workers, and other staff seconded to the company) as well as to any third parties (suppliers, subcontractors, service providers, self-employed workers) at www.roquette.com and on the intranet. Like the Code of Conduct, it is also found in the apps installed by default on all employees' company cell phones. Available in many languages and guaranteeing full anonymity if desired by the whistleblower, this system can be used to report any suspicion or violation of the Code of Conduct, whether it be corruption, fraud, competition law, human rights, environmental violations, international trade sanctions, etc.

For more information on the "SpeakUp" system, please see section 3.1 Respecting human rights.

TRAINING

Every employee who joins the Group must go through a digital onboarding process, including e-learning modules to familiarize them with the code of conduct, security, safety, and data protection.

More specifically, training teams, especially those exposed to risks related to business ethics, is a major priority for the Group. This is why "live" or "in-person" training courses (i.e. face-to-face and/or live via videoconferencing) are preferred. In 2023, the Ethics & Compliance team, supported by the network of in-house lawyers and local human resources teams, provided over 1,800 hours of "live" training to more than 1,500 employees in nineteen countries on the following topics: competition law, anti-corruption, conflicts of interest, trade sanctions, gifts and entertainment, diversity & inclusion, and anti-discrimination and harassment. An online training catalog ("e-learnings" and "webinars") is also available.

In 2023, the focus was also on data protection, with 3,936 employees trained at 39 locations in 22 countries, for a total of 5,576 hours of e-learning. This effort will be extended in 2024 to ensure a highly satisfactory coverage rate in Europe and to extend it to cover areas outside Europe.

## *LIFE+NATURE : SUSTAINABILITY AS A CORE COMPONENT OF THE GROUP'S STRATEGY*

### 1. Integrating sustainable development into the Group's business model

Conflicts, scarcity of resources, population growth, aging population, regulatory pressure, changing eating habits, etc. These accelerating geopolitical and societal changes have or will have an increasingly significant direct or indirect impact on the Group's business.

Sustainable development is an integral part of the Group's business model and one of its strategic pillars for ensuring that the Group continues to adapt.

# OUR BUSINESS

## HOW WE CREATE VALUE OVER THE LONG-TERM

## *WHAT WE DRAW ON*

### THE BEST OF NATURE

**PLANT-BASED RAW MATERIALS**

**FARMERS**

### ONE ROQUETTE
CUSTOMER-ORIENTED ORGANIZATION

**EMPLOYEES**

SKILLS AND EXPERIENCE

Around 10,000 employees worldwide
Some 60 nationalities

**OPERATIONS**

PRODUCTION

More than 30 industrial sites
The best technologies

ENERGY

WATER

SUPPLY CHAIN

**INNOVATION CAPABILITIES**

Nearly 300 researchers assigned to R&D
90 years of know-how and expertise
Open Innovation
Customer Technical Services
30 patents per year

**FAMILY CAPITAL**

More than 300 family shareholders
90 years of investments

## *WHAT WE DO*

### OUR FIELD

**Using plant-based resources, we work with our customers and partners to develop and offer ingredients that help to better feed people and cure patients. Each of our ingredients responds to unique and essential needs. They contribute to healthier lifestyles.**

**PHARMA**

**FOOD & NUTRITION**

**COSMETICS**

**NUTRITION FOR ANIMALS**

**INDUSTRIES**

### OUR RESPONSIBILITY

**Committed to meeting the current and future challenges, we are strengthening our sustainability approach through the** life+nature **program to reduce our environmental footprint, offer solutions designed for the future to have a positive impact on people's lives.**

# WHAT MAKES US UNIQUE

## OUR VISION

**Nature has the answer to men and women's various needs in terms of food, nutrition, and health, depending on their lifestyle choices, their age, where they live, and what they do.**

## OUR VALUES

**Authenticity, excellence, proactiveness, and wellness**

# WHO WE CREATE VALUE FOR

## CUSTOMERS & CONSUMERS

Over 5,000 end customers
Sales network in over 100 countries
Close collaboration to innovate in nutrition and health
Worldwide network of distributors

MARKET KNOWLEDGE

HIGH-QUALITY INGREDIENTS

REGULATORY SUPPORT

## SUPPLIER PARTNERSHIP

Long-term relationship and partnerships
Innovation and development of capacities

## COMPANY AND SHAREHOLDERS

Turnover: approximately 5 billion euros
10% invested annually in R&D and investment projects
Return to shareholders

## RESPONSIBLE EMPLOYEES

Safe working conditions
Positive, attractive work environment
Leadership and developing people
Approximately 27 hours of training per employee per year

## OUR ECOSYSTEM

Employment
Attracting new talent
Territorial projects with local communities
Dialog with the stakeholders and politicians
Roquette Ventures
Roquette Foundation for Health

## 2. Establishing a governance structure

Governance, which drives sustainable development at Roquette, is based on three key components:

- The Ethics and Sustainable Development Committee.
- A team of experts at Group level, relying on a network of correspondents.
- Dialog with stakeholders.

The Ethics and Sustainable Development Committee has played a key role in guiding and monitoring the deployment of our sustainable development approach over the last ten years. Made up of board members, it meets four times a year and ensures close interaction with the board and its other committees: the Audit Committee, the Strategy Committee and the Appointments and Remuneration Committee.

In 2023, a new operational governance structure was set up to redefine the Group's medium- and long-term sustainable development strategies, structure, and ensure operational performance, develop new expertise and support departments and regions in their implementation. Roquette has appointed a Sustainable Development Director who is a member of the Group Executive Committee. They rely on a team of nine people who interact with correspondents in all departments of the company.

The main decisions related to the sustainability strategy are adopted by the Executive Committee and approved by the Board of Directors.

When it comes to broader governance applied to sustainable development, Roquette relies on taking into account the needs and views of the various stakeholders across its entire value chain. Relationships with them and transparent communication are essential in guiding the Group's strategy and activities. Roquette regularly communicates on sustainability initiatives and news through its internal channels, website, and social media.

The table below presents the main topics of stakeholder dialog:

| Stakeholders | Topics | Dialog mode |
|---|---|---|
| **Public authorities, local communities, professional organizations, partners, media** | Compliance with regulations and the environment, zero nuisance, industrial safety, information, transparency, compliance, self-monitoring, economic benefits, decision-making, and project management. | Meetings, think tanks, negotiations, meetings and information exchanges, media relations, business and sustainable development report, website, and social media. |
| **Employees, social partners, future employees** | Training, career management, working and safety conditions, equitable remuneration, employee benefits, work-life balance, information on Group life, and the sustainable development program. | Surveys, exchanges with employee representatives, salary negotiations, internal newspapers, intranet, informative meetings, code of conduct, business and sustainability report. |
| **Customers, distributors, agents, suppliers, service providers** | Satisfaction, product and service quality requirements, rapid response, sustainable development approach, discussion and evaluation meeting, transparency on purchasing conditions, relationship of trust, etc. | Performance review, audits, satisfaction questionnaires, contracts, general purchasing conditions, supplier code of conduct, code of ethics, website. |
| **Shareholders, financial institutions** | Growth, Group profitability and sustainability, stable governance, business information, visibility on the strategy and resources committed, selection of investments. | General Shareholders' Meeting, informative meeting, site visits, website, business report, financial and non-financial rating agency report. |

## 3. Anticipating risks and seizing opportunities

Risk is an integral part of corporate life. Roquette is exposed to an ever-evolving set of environmental, social, and societal risks that may impact its profitability, growth, and reputation and that could compromise the achievement and maintenance of its overall performance. In 2023, in line with the Group's risk management plan, an in-depth analysis of the main non-financial risks was carried out in the following steps:

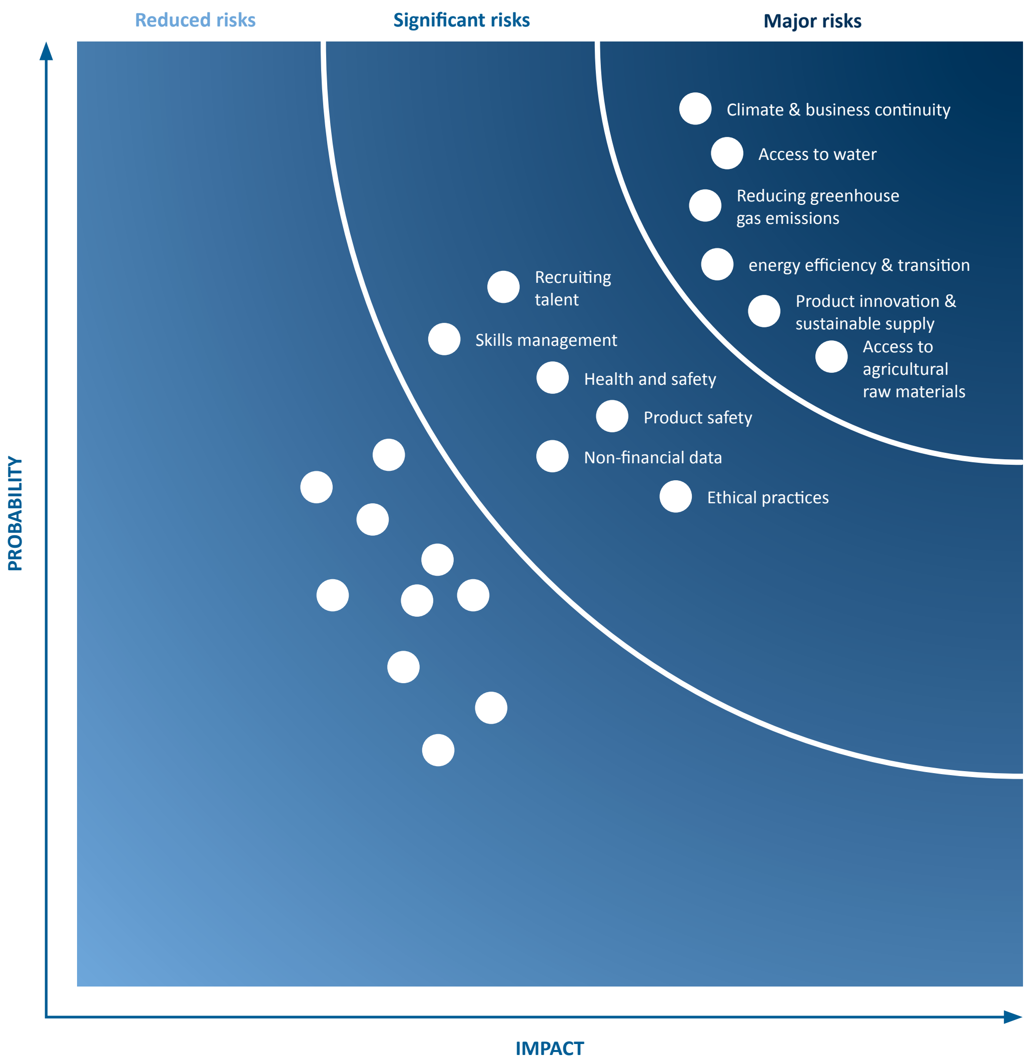
- identification and qualification of 24 risk factors covering all sustainable development issues for the company, and aligned with the main external benchmarks (e.g. GRI, CSRD, CS3D, etc.).
- assessment of these risk factors by a panel of in-house experts in terms of their probability of occurrence, severity of impact, and rate of occurrence.
- review and approval by the Group Executive Committee.

At the end of the analysis, six priority non-financial risks were selected:

- Climate & business continuity.
- Product innovation & sustainable supply.
- Access to water.
- Energy efficiency & transition.
- Reducing greenhouse gas emissions.
- Access to agricultural raw materials.

They are all subject to an action plan to reduce their probability of occurrence and their intensity. The policies, actions, and results related to these risks are described in the remainder of this report.

In accordance with current regulations, the themes of "fighting food waste and food poverty", "respect for animal welfare", "actions aimed at promoting the practice of physical and sports activities" and the "nation-army link" were analyzed, and none of them presented high potential CSR risks for Roquette.




## 4. Reinforcing the Group's commitments and actions through the life+nature program

*life+nature* is the Group's new sustainability program that marks the acceleration of commitments and actions in the field of sustainable development. Fully integrated into the group's strategy, *life+natureis structured around three engagement platforms:*

### 4.1 PRESERVE the planet

Mindful of the environmental footprint and the impact of climate change on the Group's business, a platform has been set up, in connection with risk analysis, around two areas of work:

- **Mitigation:** Roquette adheres to the goals of the Paris Climate Agreement (COP 21) to limit the rise in temperatures to less than 2°C above pre-industrial levels. To achieve this, the climate action program has been stepped up over the past two years, with the implementation of a global industrial decarbonization roadmap, setting new $CO_2$ emission reduction targets for 2030, creating an internal task force, and setting up a dedicated investment program.

- **Adaptation:** in the event of climate hazards, our priority is to protect and adapt the Group's infrastructures and production sites, secure access to water, and secure long-term supply sources, especially by prioritizing more sustainable raw materials.

ROQUETTE RESTRICTED

### 4.2 INVENT for the future

Anticipating and proposing solutions designed to create shared value for the Group's customers, society, and the planet is the goal of the "INVENT for the future" platform. By defining and implementing a sustainability assessment tool for its product portfolio, the Group is able to bring a more sustainable product range to the market, enabling its customers to meet new consumer expectations and achieve their sustainable development goals. Spearheading this platform, an eco-design program has been launched with the Group's R&D and innovation teams to help develop new products and solutions aimed at reducing the environmental footprint throughout the lifecycle and having an even greater positive social impact.

### 4.3 CARE for people

We cultivate a relationship of trust with all our partners, placing human safety, ethics, and human rights at the forefront of all our business dealings. In all its activities and business relationships, Roquette strives to respect human rights and fundamental freedoms. We offer our employees rich and varied career paths. The Group ensures their quality of life at work, respects their diversity and helps them develop their skills, and we also make safety a priority for everyone at Roquette. Operating in local communities around the world, the Group develops activities with them thanks to the support of the Roquette Foundation.

### 4.4 life+nature 2030

2030 GOALS AND PERFORMANCE MONITORING

To tackle the challenges associated with the three engagement platforms of the life+nature program, the Group has committed to fifteen main objectives by 2030:

| Engagement platform | Associated risk | Goals | 2030 Objectives | 2023 Result |
|---|---|---|---|---|
| PRESERVE the planet | Reducing greenhouse gas emissions | Reducing the Group's direct $CO_2$ emissions (Scope 1 + 2) by 25% compared to 2021, according to the strategy validated by the SBTi* | -25% | -11% |
| | Energy efficiency & transition | Improving the energy performance of industrial site production workshops by 30% compared to 2021 | -30% | +1% |
| | Reducing greenhouse gas emissions | Working with suppliers to reduce indirect $CO_2$ emissions (Scope 3) by 25 % in absolute terms according to the strategy validated by the SBTi* | -25% | -3% |
| | Access to agricultural raw materials | Achieving 60% purchasing of sustainable plant-based raw materials | 60% | 43% |
| | Climate & business continuity. | Supporting 20 regenerative agriculture programs* worldwide with the Group's business partners | 20 | 2 |
| | Access to water | Reducing water extractions by 20% in absolute terms compared to 2021* | -20% | -9% |
| | - | Launching 100 initiatives to regenerate nature and biodiversity in the regions where the Group operates | 100 | 16 |
| INVENT for the future | Product innovation & sustainable supply | Developing collective eco-design expertise by training over 500 experts | 500 | - |
| | Product innovation & sustainable supply | Qualifying 100% of the product portfolio with LCAs* to implement the R'SPM* program | 100% | 7% |
| | Product innovation & sustainable supply | Integrating eco-design into 100% of innovation programs | 100% | - |
| CARE for people | Health and safety | Achieving industry-leading accident frequency rates with: | | |
| | | Frequency rate 1: 0.75 | 0.75 | 1.68 |
| | | Frequency rate 2: 2 | 2.00 | 3.10 |
| | Recruiting talent | Promoting diversity and inclusion with 40% of management positions held by females | 40% | 26% |
| | Ethical practices | Assessing 100% of strategic suppliers to ensure compliance with Group ethics and respect for human rights | 100% | 62% |
| | Skills management | Guaranteeing all employees a minimum of 25 hours of training per year to develop skills and career paths | 25 hours | 25.9 hrs |
| | - | Launching 100 initiatives each year for the communities where the Group operates | 100 | 90 |

* New indicator in 2023. First results in 2024.

Other, more specific objectives have also been defined and supported by the operational departments according to topic and monitored at site level.

NON-FINANCIAL REPORTING

Non-financial reporting is an essential process that allows the Group to monitor progress made on the three platforms of the *life+nature* program. For this purpose, Roquette has set up an organization, processes, and specific documents to ensure the business lines are coordinated, share the sameindicator definitions and reporting rules, collect and consolidate data efficiently, and finally ensure the quality and credibility of the data communicated.

Indeed, reliable, relevant data is essential for guiding decisions, prioritizing projects, and allocating the right human and financial resources.

In 2023, in order to continue improving the process producing the Group's annual carbon footprint report published in this document, the sustainability and digital development teams launched a project to define the governance of the Group's direct $CO_2$ data and map all source systems. These efforts made it possible to update each contributor's role, specify the definitions and reporting scopes, analyze the IT architecture, and refine the Group's direct carbon footprint result which is the basis for the Group's reduction program.

## *PRESERVING THE PLANET*

## 1. Reducing the Group's carbon footprint

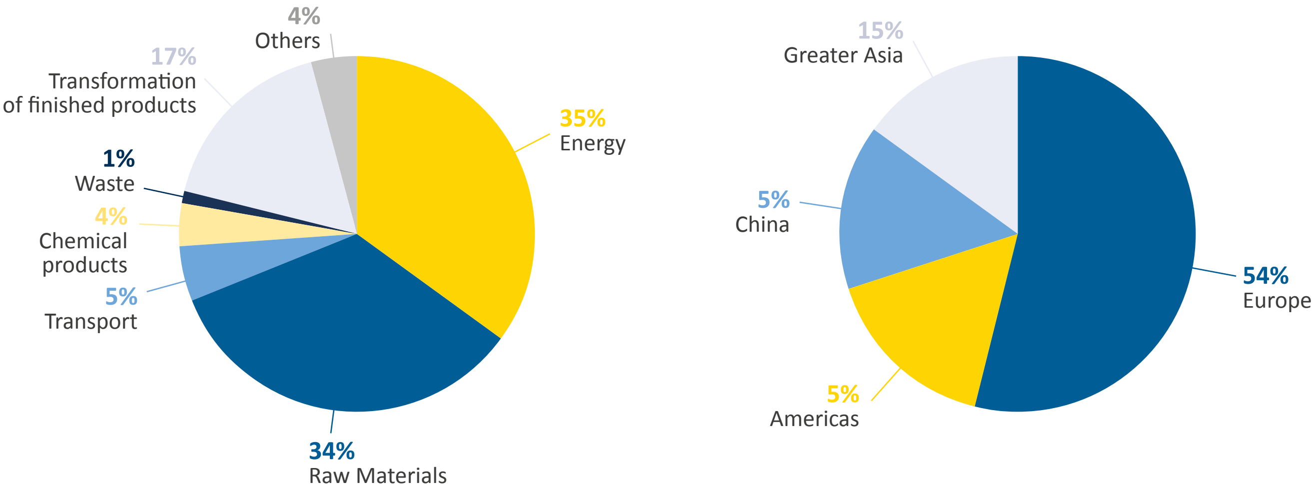
Roquette has set clear and transparent carbon reduction targets based on clearly identified measures. They are part of a reduction strategy in line with the Paris Accords which were validated by the Science Based Targets initiative (SBTi) in 2023. The 2021 carbon footprint report is the benchmark and starting point for the Group's roadmap.

### 1.1 The Group's carbon footprint report, a working benchmark

In 2021, the reference year, the Group's total greenhouse gas (GHG) emissions footprint amounted to 8.7 million tons of $CO_2$ equivalent. They were broken down as follows: 2.7 million tons of direct emissions (Scope 1 and 2) and 6.0 million tons of indirect emissions (Scope 3).

Considering the Group's business sector, the two main sources of emissions are energy use and raw materials purchased. The last third of emissions includes the processing of products sold, transport, and purchasing chemicals. In line with the geographical distribution of Roquette sites, GHG emissions are concentrated in Europe (54%), Asia (30%), and the Americas (16%).

**Breakdown of Roquette's 2021 carbon footprint report emissions in $tCO_2$ e***




### 1.2 Reduction targets and associated drivers

In 2022, Roquette set new targets, in line with the Paris Accords, an international treaty on climate change adopted by 196 countries at COP 21, the United Nations Conference on Climate Change in Paris in 2015.

The Group is committed to reducing its direct and indirect GHG emissions by 25% (baseline year 2021) by 2030. In 2023, this target was validated by SBTi, an independent global body that enables companies to set ambitious emissions reduction targets in line with the latest climate change science. These goals are in line with the UN's ambition to limit the global temperature rise to well below 2°C by the end of the century compared to pre-industrial temperatures.

Moreover, as energy efficiency is identified as one of the Group's main non-financial risks, the level of requirements in this area has been increased. The ambition is now to improve the energy performance of the Group's production facilities by 30% by 2030.

Two main groups of solutions are being implemented to reduce the Group's carbon footprint:

- Energy efficiency, renewables, andelectrification to reduce site emissions (Scope 1 and 2).
- Purchasing low-carbon raw materials, optimizing product transport, reducing chemical use to cut indirect emissions (Scope 3).

* Methodological note appended hereto.

ROQUETTE RESTRICTED

For this purpose, the first investments have been planned to the tune of 350 million euros between now and 2028, something unprecedented in Roquette's history.

Roquette has also defined an internal carbon price. This mechanism aims to allocate a financial cost to the tons of $CO_2$ that will be emitted over the life of a project, thus influencing its internal profitability rate. This mechanism, which is decisive for all investment decisions, applies to all regions of the world, including countries that do not have a carbon pricing policy.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Reducing GHG emissions from sites (Scope 1 + 2) | -1.0% | -10.7% | -25% compared to 2021 |
| Reducing indirect GHG emissions (Scope 3) | -2.8% | -* | -25% compared to 2021 |

* available in Q2 2024.

In 2023, the fluctuations in GHG emissions are explained by an overall variation in plant activities, as well as by changes in the energy mix and site-specific projects.

### 1.3 Focus on energy efficiency and the use of renewable energy

Even if local conditions are taken into account (regulatory constraints, composition of the energy mix, availability of resources, etc.), the Group's decarbonization roadmap is deployed at each site, in France and internationally, according to two main areas of action:

- **"SAVE"** : 30% reduction in energy use by 2030, compared to 2021: this is the goal of the "30@30" program. In 2021, the Group's energy use (mainly natural gas, coal, and electricity) accounted for 35% of the carbon footprint. Their drastic reduction across all production facilities is one of the major keys to the Group's decarbonization strategy.
- **"SHIFT"** : convinced by the efficiency of renewables for the past fifteen years, the Group now relies on a combination of geothermal, biomass, and renewable electricity supplies (wind, solar, and hydro) in Europe and elsewhere.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Energy efficiency of industrial site workshops (SAVE) | -1.7% | +0.9% | -30% compared to 2021 |

By 2023, renewable energy will account for 14%* of the Group's energy mix.

Many innovative solutions have been and will continue to be implemented at the Group's factories. Iconic examples include:

- The only one of its kind in France, the Beinheim site in Alsace has been operating since 2016 on a geothermal power plant and a biomass boiler, which provide more than two-thirds of its heating needs.
- In India, the Pantnagar and Gokak plants use locally produced agricultural by-products (rice husks, sugarcane bagasse) as fuel to produce electricity or heat.
- Since January 2023, around 30% of the electricity used by the Panevėžys site in Lithuania has come from renewable sources, thanks to the signing of a new wind power contract.
- At the Keokuk site in the United States, the use of coal will end in 2025 and will be replaced by natural gas (which emits far less greenhouse gas).
- In China, two projects aimed at reducing greenhouse gas emissions through energy efficiency were launched in 2023: energy recycling using heat exchangers and condensate recovery for building air preheating and the commissioning of a boiler recovering biogas from wastewater produced in sewage treatment plants to dry the sludge produced without using fossil-based heat.

Other major projects currently under study include the electrification of evaporation processes, with the RMV (mechanical steam recompression) program, and the installation of a biomass boiler at the Lestrem site in France.

In 2023, the Roquette Group's total electricity use (imported + generated) was 2,288 GWh compared to 2,548 GWh in 2022, and total natural gas use was 6,443 GWh in 2023 compared to 7,668 GWh in 2022.

### 1.4 Continuously streamlined logistics

A major factor in reducing Scope 3 emissions, freight represented 5% of Roquette's total carbon footprint in 2021. The transport strategy must meet three imperatives: decarbonizing the supply chain, maintaining the quality of service, and optimizing costs. As of 2021, these objectives were included in a charter and an agreement was signed for the voluntary FRET21 commitment for all flows from the major site in Lestrem, France. Supported by the French Environment and Energy Management Agency (ADEME), this scheme encourages companies placing orders with carriers ("shippers") to reduce the environmental impact of their logistics.

In order to reduce product transport-related emissions by 25% by 2030, the four main areas of focus are:

- Optimizing loading rates and distances traveled.
- Multimodal transport and reduction of air freight.
- Using carriers with low-emission truck fleets.
- Alternative fuels.

Thus, multimodal solutions have been implemented, notably for the Northern Europe flow, by mixing inland waterway, rail, and sea transport for European sites. The Cassano site in Italy was a pioneer in this field. In the US, road transport is also being gradually replaced by rail or barge.

In India, some of the trucks used by Roquette also use liquefied natural gas instead of gasoline. Finally, in Spain, the Group has innovated with double-tank trucks, making it possible to double the quantity of goodstransported on a single truck. This initiative will probably be rolled out to other Group sites in the coming years.

* objective still to be defined.

## 2. Being more resilient to climate hazards

Roquette relies on analysis of its climate risks to adapt its activities, protect its sites, and secure its raw materials supplies. Conserving water resources is also a priority which the Group is strongly committed to. Protecting biodiversity, on the other hand, is part of locally implemented actions.

### 2.1 A proprietary climate model

Mindful of the impacts of accelerating climate change, the Group is working to develop a model for assessing future climate risks that will affect operations (material damage, business disruption, etc.), and critical elements in the value chain (agricultural crops, supplies, factories, industrial processes, logistics infrastructure, warehouses, etc.).

For this modeling, Roquette distinguishes between acute and chronic physical risks. The former are extreme weather events that can cause floods or forest fires, for example. The latter occur over a longer period. These are caused by higher average temperatures and rising sea levels. Initial work focused on assessing the vulnerability of grain supplies (wheat, maize) to climate hazards by 2030 and 2050. Modeling climate risks is an essential step in guiding industrial and commercial strategy over the long term.

### 2.2 Prevention & adaptation plans

Business continuity and adapting the sites to the impacts of climate change go hand in hand. In collaboration with insurance partners, Roquette is working to make its sites more resilient to adverse events such as droughts, tornadoes, and floods. Based on projections and previous events, flood risk assessment studies have been conducted at one of the sites in India. Subsequently, the Group will install flood protection systems in flood-prone areas and equipment protection systems in the event of a storm.

For sites that are already at risk, the protection system is being reinforced. For example, in drought-prone areas, the Group is speeding up the installation of water recycling systems. Some are already being installed at the sites in India.

On the other hand, the Group's sites operate with environmental and energy management systems. Certification of these systems is being rolled out with the goal of having all sites certified. In 2023, 58% of factories were ISO 14001 certified and 54% were ISO 50001 certified.

### 2.3 More sustainable agricultural raw materials

Agricultural raw materials (wheat, corn, potatoes, and peas) are the basis of the Group's business. That's why it's important to take action today to ensure tomorrow's supply. For many years now, Roquette has been working closely with cooperatives and farmers on increasing the volumes of sustainable raw materials purchased, developing associated certification schemes, and deploying new regenerative crop protocols. In addition, the Group sources its grain locally whenever possible.

The Group has therefore committed to increasing the percentage of qualified sustainable raw materials to 60% by 2030 on all its purchases worldwide. To achieve this, Roquette will give preference to grains certified under the ISCC (International Sustainability Carbon Certification), low-carbon label, 2BS (Biomass Biofuel Sustainability), and SAI (Sustainable Agriculture Initiative) schemes. In 2024, Roquette will expand its scope with volumes of SAI-certified corn from Chinese agriculture that are recycled at the Lianyungang site in China.

As part of its commitment to responsible sourcing, Roquette is building ever-closer ties with its local suppliers and producers by drawing up and implementing specific specifications for its raw materials. This improves the quality and traceability of the Group's products. For example, Roquette works with Italian farmers in the waxy corn industry where the *Farm Sustainability Assessment* (FSA) and the SAI certification scheme are applied. More generally, Roquette has been making the X-Farm tool available to farmers since 2021, a software created by a company specializing in digital and precision agriculture. X-Farm acts as a liaison with Roquette's agronomists for support throughout the growing process. This ensures traceability of the farmed plot data, immediate feedback to correct or improve processes, and statistical monitoring over several years.

Another emblematic program of Roquette's commitment to working in collaboration with stakeholders in the agricultural sector: the Transitions initiative which was created by the Vivescia cooperative and of which Roquette was one of the first partners. This pioneering, practical program for supporting farmers in France is a unique cooperative approach between upstream and downstream stakeholders, designed to overcome the economic and technical barriers to moving towards regenerative agriculture with a low carbon footprint, while also preserving biodiversity. By 2030, the goal is to support twenty regenerative agriculture programs worldwide with the Group's business partners.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Share of sustainable agricultural raw materials | 39% | 43% | **60%** |
| Support for regenerative agriculture programs | - | 2 | **20** |

### 2.4 Reducing water use

At every stage, water is essential to the Group's manufacturing processes: for irrigation of upstream farmland, grain washing, cooling of manufacturing processes, etc.

In an increasingly restrictive regulatory context and faced with the intensification of water stress that mainly affects sites in India and Italy, but also, to a lesser extent, those in France or China, the Group has set up a "water" program with two main objectives:

- Reducing the amount of water taken by improving existing processes and installing new water-efficiency tools, coupled with *smart metering*.
- Treating water both at the intake and discharge stages, with increasingly efficient purification circuits.

In Vic-sur-Aisne, France, Roquette launched a flagship project this year to reuse evaporation condensate in the steam production system. This heat recovery reduces both water and natural gas use at this site.

Another example in France was at the Lestrem site where the Group undertook work within the sewage treatment plant between 2020 and 2023 to improve its operational efficiency (it has a treatment capacity equivalent to that of a city of 700,000 inhabitants) and its environmental impact. The new facilities and the mobilization of our teams have made it possible to significantly reduct the plant's impact on the natural environment.

To conserve water, Roquette has set targeted objectives that are adapted to the identified risks. By 2030, 100% of the Group's plants in areas with high water stress will have a dedicated water management program: smart metering, long-term contracts, dialog with surrounding communities, leak detection technology, and employee awareness for greater moderation.

Finally and overall, Roquette is committed to reducing its water use in absolute terms by 20% by 2030 compared to 2021.

In line with this ambition, the Zero Liquid Discharge project in Gokak, India aims to treat and reuse manufacturing process water. It is treated in the plant's wastewater treatment plant and then, thanks to a reverse osmosis purification process, it is reused in the boiler and not discharged into the nearby river.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Reducing water use | +1.3% | -9.0% | -20 % compared to 2021 |

In 2023, fluctuations in water use can be explained by an overall variation in plant activities, as well as by site-specific projects.

### 2.5 Protecting biodiversity

In addition to reducing its environmental footprint in its operations, Roquette has launched initiatives to actively contribute to protecting nature. Roquette aims to support 100 programs by 2030 that will help restore nature and biodiversity throughout the Group's value chain.

Biodiversity studies are carried out in the areas where our sites are located. This year, for example, the Bombay Natural History Society (BNHS) was asked to assess the Gokak site in India. The purpose of this approach was to get recommendations for planting new biodiversity-friendly woodland areas on the site's land.

In Spain, the Benifaió site is located near the Albufera lagoon. This body of water is necessary for the municipal freshwater resource which is vital to the region's biodiversity and essential to the production process. In order to protect this natural site from drought in particular, the residual water, after passing through the site's wastewater treatment plant, indirectly contributes to the lagoon's water cycle. In addition, Roquette's teams have established close ties with those in charge of this nature reserve. Every year, employees have the opportunity to help Albufera technicians clean up the banks or plant trees, thereby helping to preserve biodiversity.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Total number of biodiversity initiatives since 2021 | - | 16 | 100 |

## *INVENT FOR THE FUTURE*

Innovating for men and women, society, and the planet: this is the guiding principle of the *INVENT for the future* platform. The Group has regular discussions with all stakeholders, especially its customers and end consumers. These discussions guide the Group's innovation decisions with the aim of developing a more sustainable product and solutions portfolio. Roquette certifies its products and qualifies its offer using robust tools and methodologies in the interest of transparency. These in-house developed tools are aligned with demanding, international standards adopted by a growing number of large companies.

### 1. Strengthening innovation capabilities and customer interaction

In addition to investors and regulators, the Group's customers and consumers are increasingly demanding sustainable products. In the US, sustainable consumer products are no longer a niche, but a strategic category that is growing twice as fast as conventional markets. This trend has been confirmed in France over the past five years for consumer products identified as sustainable.

Under these conditions, there is a need to understand the new sustainability challenges associated with the Group's markets and the drivers for creating new products that will meet consumer needs. To do this, Roquette is expanding the capabilities of its innovation centers, strengthening its expertise, and adapting its historical tools for dialog and collaboration with its customers.

In June 2023, the Group opened a new food innovation center in Lestrem, France. This center, staffed by scientists specialized in food applications and a team of analytical experts, boasts a host of new services, including technical assistance and R&D support, state-of-the-art equipment, and laboratory and semi-industrial pilot testing facilities. Roquette also opened a new pharmaceutical innovation center near Philadelphia, USA in 2023. A veritable incubator of applied science innovation, focused on researching innovative excipients and ingredients for oral dosage forms and drug delivery systems, this facility has a technical customer service department and an auditorium for symposiums and customer training. In Asia, Roquette opened a new customer experience center in Singapore in July 2023. As part of the Asia-Pacific Innovation Center, it allows Asian customers to experience Roquette's products through culinary and sensory experiences. This center is designed as a place to collaborate with food companies to boost innovation. It hosts a sensory space where panelists can assess the function, taste, aroma, and visual appearance of a variety of Asian dishes using ingredients.

For example, at the "Food Ingredients Europe 2023" trade show, an innovation aimed at offering sugar-free chewing gums with a crunchy texture and a bright white color was presented. This PREGEFLO® pregelatinized starch meets the demand for a titanium dioxide-free solution while retaining the pleasure of confectionery tasting.

In the pharmaceutical industry, our teams have developed an excipient for controlled-release tablets, PEARLITOL CR-H®, whose direct compression process reduces the number of operations in the process, thus increasing yields and reducing waste.

In addition, throughout the year, Roquette's global presence at trade shows and forums dedicated to the various markets, in France and internationally, enables us to maintain a quality dialog with customers and also capture market trends, particularly those relating to sustainable development. This year, the Group set up a team of multi-disciplinary experts to meet growing customer demand for sustainable solutions.

## 2. Certifying the Group’s production processes

Making production processes and operations traceable, visible, and reliable is key to the Group’s sustainable development approach. For more than twenty years, our sites have been applying the best total quality methods and are certified according to several recognized international standards and norms suitable for the food and pharmaceutical markets (FSSC 22000, ISO 9001, EFISC, etc.).

For example, HACCP (Hazard Analysis Critical Control Point) is used, a method for analyzing and controlling product safety that is recognized in the food industry. This applies to all stages of manufacturing: from receiving raw materials and packaging to final delivery to customers.

In addition, in 2023, Roquette completed the FSSC 22000 (Food Safety System Certification System) certification of the last plant workshops to reach 100% of food production lines certified, compared to 97% in 2022. The goal is now to maintain 100% FSSC 22000 certification on production lines.

More specifically, the Group has implemented certification programs to provide structure for its sustainability program initiatives. For example, plants using biomass as a renewable energy source must enter a certification scheme that is recognized by the European Union like the SURE (sustainable resources verifications scheme). This certifies the sustainable management of forests and associated biomass.

For the past ten years, the Group has also been involved in certification programs for qualified sustainable products or products made from sustainable agricultural raw materials. At its French sites, the Group follows the *Biomass, Biofuel, Sustainability voluntary scheme* (2BSvs), which is one of the most widely recognized for certifying the low-carbon nature of biomass used in biofuel production.

In recent years, other programs have been gaining momentum within the Group. Examples include the *International Sustainability & Carbon Certification* (ISCC+) for the bioplastics segment and the *Sustainable Agriculture Initiative* (SAI) standard for food and consumer products.

## 3. Characterizing the Group's products for a more sustainable product range

Products with positive impacts on society and a reduced environmental footprint guide the Group’s innovation strategy to build a more sustainable product range. In order to carry out this project, a cross-departmental team was set up in 2023 to define and implement a method for assessing the sustainability of Roquette’s product portfolio: *R'SPM* (Roquette *Sustainability Portfolio Management)*. *R’SPM* attributes a sustainability score to each product, based on two criteria:

- The environmental footprint which is based on a quantitative study resulting from a lifecycle analysis.
- How, in its application, the product provides environmental and societal benefits.

The methodology will be finalized in 2024 and the Group has set itself the goal of qualifying 100% of its product portfolio with LCAs by 2030 to implement the R'SPM program. This strategic tool will guide Roquette’s decision makers in managing the product portfolio and supporting innovation programs (product development and improvement, price positioning, new technical arguments, differentiation, etc.).

To ensure credibility and transparency, the *R'SPM* and the associated results will be regularly audited by a third party.

Historically active in developing and marketing of more environmentally-friendly products, Roquette has a strong presence in the plant-based protein and fiber markets. The Group’s range of plant-based proteins combines nutritional and environmental qualities: criteria that consumers are increasingly looking for. In 2022, Roquette launched a new NUTRALYS® range of textured pea and bean proteins for European markets. The positive intestinal health effects of fibers found in some of the product lines, such as NUTRIOSE®, have also been demonstrated.

Another example of an eco-designed product is a bio-based fertilizer called SOLULYS®, which is produced by recovering all the components of agricultural raw materials. This sustainable alternative to petroleum-based fertilizers, with its low environmental impact, meets societal and market expectations.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Qualifying the product portfolio with LCAs to implement the R'SPM program | - | 7% | **100%** |

## 4. Implementing an eco-design approach

Even though the manufacturing process has already achieved a high level of circularity, the Group has committed to an eco-design program, which is both a technical approach and critical expertise to offer customers a more sustainable product range.

Eco-design aims to improve the products’ environmental footprint throughout their entire life cycle without affecting their functional qualities. At each stage (raw materials, transport, manufacturing, distribution, consumption, waste, etc.), eco-design identifies the various effects on the environment: water use, energy use, impact on biodiversity, climate change, etc. It provides a map of the product’s environmental impacts, enabling it to be compared and improvement plans to be implemented.

More broadly, eco-design meets a dual requirement: reducing the environmental footprint and boosting competitiveness. It takes into account the technical feasibility of product innovation, its performance, cost control and development times, market constraints, and environmental regulations.

This approach is backed by a program of recruitment of experts, training of R&D, operations, and innovation teams, and the establishment of external partnerships with renowned schools and universities in the field.

The Group aims to train more than 500 engineers and researchers at Roquette and its partners by 2030.

In 2018, the Group's first eco-design objective was to reach 70% of projects meeting green chemistry criteria by 2025. The target is now 71% by 2022 and 75% by 2023.

## *CARE FOR PEOPLE*

In line with one of Roquette's four values, well-being, the *CARE for people* engagement platform is a sign of the Group's determination to have a positive impact on everyone's lives everywhere in the world, at Roquette and beyond. Employees, partners, customers, consumers, local communities... Roquette seeks to improve the living environment, well-being, nutrition, and health of all its stakeholders.

## 1. Ensuring employee engagement

Every day, men and women drive and sustain the Group's ambition. Every eighteen months, an employee engagement survey is conducted. This survey is used to assess the work environment and organization, employee experience and management effectiveness. The results are used to collectively discuss and build action plans that will contribute to the continuous improvement of these areas.

Because employees are our greatest asset, their safety, well-being, and professional development are our top priorities.

### 1.1 Team safety

Team safety is essential for the Group and *the safety first* principle is the cornerstone of all our actions. As far as Roquette is concerned, there is no reason to jeopardize a person's safety or that of others.

The safety commitments are reiterated in the Group's safety policy and in*the "safety pledge"*, in effect since 2021, with four major principles:

- Compliance with local laws and internal health and safety guidelines.
- Identifying, assessing, and controlling risks.
- Applying operational best practices selected internally or from recognized external stakeholders.
- Developing a culture of continuous improvement involving all the stakeholders at the sites.

Over the past decade, the topic has been raised as a top priority by senior management, who have implemented action plans to increase employee awareness and improve risk management. Another development is the enhanced control of subcontractor safety. As with its employees, Roquette tracks incidents and accidents when they occur at its sites and implements corrective action plans.

The Group regularly takes steps to raise awareness among all employees of the importance of looking after their own safety and that of others. In 2023, for example, the Group's factories stopped work for an hour to present the teams with the new actions requested by management, review employees' knowledge of the subject, and ask them about their commitments. In addition, Roquette conducts tens of thousands of safety inspections in the field every year.

Convinced that all accidents can be prevented, our objective is to significantly reduce the accident rate by 2030. ISO 45001 certification of industrial sites is another strong marker of this commitment: 38% of them were certified in 2023. The Group is aiming for 100% by 2030.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Workplace accident frequency rate (FR) | 1.55 | 1.68 | **TF 1: 0.75** |
| | 3.69 | 3.10 | **TF 2: 2.00** |

### 1.2 Well-being and Quality of Life at Work

Our teams are a vital part of Roquette and we constantly strive to ensure their well-being and quality of life at work. This is the goal of the *Well-Being* program. It is based on four principles:

- **Support and assistance:** listening mechanisms in all countries, surveys, discussion groups, etc.
- **"Working together":** communication rituals, collaborative tools and friendly get-together events, set up in each country by the sites.
- **Respect for work-life balance: internal communications** campaigns on this topic and initiatives focusing on well-being. For example, workshops held in France to manage their workload or maintain the quality of relationships.
- **Personal development:** days dedicated to mental health, promotion of physical activity through health challenges, group walks, neuroscience awareness, disease prevention campaign.

Roquette always listens to its employees via its social barometer and makes annual improvements to its *Well-Being* program.

Last but not least, working methods have changed radically since the pandemic. Working remotely is now possible in all countries where the Group operates, if the position permits.

In 2018, the Group set a target of 25 employee wellness initiatives per year by 2025. The target has now been largely achieved with 51 initiatives in 2022 and 53 in 2023.

### 1.3 Career opportunities for everyone

The Group's training programs are constantly evolving to meet the needs of its employees.

The *Learning* strategy is based on the *Roquette Campus* and learning academies. More than 180 internal contributors, supported by local and global learning teams, contribute to developing employees' skills. They contribute to a training management system as well as the academies of the main departments.

In 2022, training was a major asset in the Group's digitalization strategy and thus contributed to the success of a transformation program, especially in France, which saw an average of 27 hours of training per employee.

The training efforts continued in 2023 and the Group is proud to see that its employees have responded to the various initiatives proposed by the learning teams as well as by all the department academies to further develop their skills.

Over 3,800 courses and programs have been taken by more than 90% of teams.

Digital learning events have been held since 2020. In 2023, during *Learning Thursdays*, all Group employees were offered awareness-raising and training sessions every Thursday in June, in webinar, in-person, or e-learning format. The topics discussed were Roquette's shared culture through compliance, safety, and business ethics, sustainable development, continuous improvement, leadership (including aspects of inclusion, diversity, and well-being at work).

In order to ensure the continuous development of its management teams and strengthen succession planning in the strategic business lines, the Group has set up a global "Odyssey" program dedicated to Leadership and Management skills. Pilots projects are being rolled out.

In 2023, the Group managed to exceed its target by reaching 25.9 hours per employee.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Average number of training hours per employee | 27.1 hrs | 25.9 hrs | 25 hrs per year |

In addition to training, the Human Resources department conducts annual talent reviews ("People Reviews") to address employees' aspirations in line with the company's needs and according to their performance and skills. These reviews are based on the annual employee/manager interviews carried out as part of the performance monitoring and career discussions (or professional interview). These constructive discussions are a real opportunity to focus on the employee, their performance, and career development needs and aspirations in order to support them in their career planning. Managers are routinely sensitized and trained on the importance of giving regular feedback.

### 1.4 Promoting diversity

The diversity of our employees' culture and experience is one of the Group's greatest assets. At Roquette, diversity and inclusion are expressed by sharing these experiences and valuing each person's individuality. This principle of action helps to create a fulfilling working environment and strengthen the Group's roots in local communities. In 2023, employees were able to contribute to the promotion of the principles of diversity, equity, and inclusion through 58 initiatives.

The Group reaffirms its commitment to encouraging interaction between generations, through integration programs for new arrivals, apprenticeships, international corporate volunteering (VIE), awareness-raising sessions on the topic of generations, as well as initiatives to transfer skills and expertise.

In order to pursue its ambitions towards a long-term vision, the Group created the position of DE&I(diversity, equity and inclusion) Manager in 2023 who is also in charge of the Talent Acquisition.

SPECIAL FOCUS ON GENDER EQUALITY

In a historically male-dominated sector, gender equality is a priority at Roquette. In 2023, 23.8% of permanent employees were women. The Group reaffirms its ambition to reach a minimum of 25% by 2030.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Male/female ratio | 22,6% | 23,8% | 25% |
| % of women in management | 25,3% | 25,6% | 40% |
| % of women in management* | 21% | 21% | 40% |

* Methodological note and details of 2023 workforce appended hereto.

In order to encourage women's participation in industrial occupations, several initiatives have been launched. Presentations were held and led by ambassadors in the schools located near the sites. Communications campaigns are also being conducted to promote women's place in manufacturing and science. Internal initiatives include "Talk'n Job": women in industry and learning expeditions within the operations and digital teams. Particular attention is paid to diversity in succession planning. Finally, targeted training is offered to raise awareness about equity and inclusion.

In addition, women holding strategic positions is one of the keys to the Group's successful development. The goal is therefore to increase the number of women in management teams from 25% to 40% by 2030. This is a new key performance indicator that was implemented in 2023.

The Women@Roquette network continues its work on every continent where the Group operates. Each year, it rolls out specific initiatives that are adapted to the local context, culture, and needs like the W@R mentoring program in France and Brazil or theme-based conferences on health and self-confidence in India and Spain aimed at everyone.

Finally, the Group is convinced that recruitment is a strategic tool for supporting its diversity, equity, and inclusion ambitions. Teams are therefore regularly trained on cognitive biases and anti-discrimination. Gender equality is monitored on a quarterly basis through recruitment, promotion, and salary reviews.

This year, Roquette is proud to say that its commitment to promoting and acting in favor of equity is also reflected in the gender equality index in France with a score of 93/100.

COMMITMENT TO THE DISABLED

In France, May 13, 2022 marks an important milestone in Roquette's social progress: the Company signed its first agreement in support of the disabled. Valid for two years, this agreement focuses on:

- Integrating and recruiting people with disabilities.
- Keeping employees with disabilities employed and supporting them throughout their professional career.
- Support mechanisms for employees with one or more dependent children with disabilities.

In 2023, various events were held at the French sites to promote and make the signing of this agreement a reality. Roquette's participation in "DuoDays" is an example of this: this involves pairing up an employee with a disabled person to help them explore life in the company and its professions. In 2023, nineteen "DuoDays" were held at the five French sites at the employees' initiative. Five duos were set up which enabled five disabled persons to learn about a Roquette job.

### 1.5 Communication and internal dialog

INFORMING AND SHARING WITH TEAMS

In order to create a satisfying working environment and foster a desire to move forward together, dialog with employees is essential: it's one of the Group's long-held convictions. Since 2016, Roquette has been offering a regular information point called "Roquette Connect" which brings together the executive committee and all group managers three or four times a year in a video conference. In addition, "Roquette Connect+" sessions are also held twice a year for all Group employees. The "Townhall" is another initiative that is emblematic of the Group's commitment to dialog. This initiative

ROQUETTE RESTRICTED

is implemented when members of the executive committee visit a site and use it to gather employees and pass on information directly to them.

MAINTAINING SOCIAL DIALOG

Social interactions between Roquette management and employee representatives are governed by law in most countries. Collective agreements often complement the legislation. This is the case in France where there are agreements on value sharing (salaries, profit-sharing, and incentives) and the renewal of the agreement on jobs and career path management that were signed in 2023.

In Spain and Brazil, discussions also resulted in agreements on working conditions. Roquette is committed to fostering constructive dialog between management and employee representatives. The regularity of these exchanges contributes to the quality of social dialog within the Group.

At the Group's French sites, the company engages in dialog with employee representative bodies like the Social and Economic Committee (CSE) and the Health, Safety and Working Conditions Commission (CSSCT). Similar bodies also exist in Lithuania, Italy, and India. Through regular exchanges with their representatives, the teams are kept informed of economic, social, and organizational developments.

This year, the signing of 19 agreements with social partners is testament to the dynamic social dialog there is within the Group (for reference, 29 agreements were signed in 2022).

## 2. Establishing a relationship of trust with all Group partners

In order to build lasting, trusting relationships with all our partners, we must ensure that everyone shares our values and ambitions in terms of ethics and sustainable development.

Communicated to all suppliers in early 2020, the Group's Supplier Code of Conduct is based on several foundational documents: the Universal Declaration of Human Rights, the principles of the United Nations Global Compact, the International Labor Organization (ILO) conventions, and the Group's own Code of Conduct.

For several years now, the Group has asked every new supplier to sign this code during the registration process. What's more, signing this code is now a condition for qualifying all key suppliers. As a result, in 2023, all suppliers who have been listed and qualified via the internal tool signed the code of conduct.

Group-wide sustainability requirements are reinforced when selecting suppliers. Starting in 2024, suppliers will be sent a questionnaire covering the topics of human rights, labor laws, health and safety, diversity, the environment, and climate. By 2030, the Group aims to evaluate 100% of strategic suppliers using these criteria. In the event of an unsatisfactory score (scale being defined), an action plan will be requested.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| % of qualified strategic suppliers | 58% | 62% | **100% of strategic suppliers qualified according to CSR criteria** |

## 3. Promoting respect for human rights and fundamental freedoms

Human rights and fundamental freedoms are one of the Group's most important requirements. Uncompromising in these matters, the Group reinforces its oversight every year.

### 3.1 Respect for human rights

The Group is committed to respecting and enforcing human rights in its own activities and business relationships. The Group's fundamentals: the Universal Declaration of Human Rights, the principles set out in the International Labour Organization (ILO) conventions and by the United Nations (UN).

To ensure this compliance by the Group and its partners, two documents are used as a reference: the Group and supplier codes of conduct. Roquette ensures that they are strictly enforced. A mandatory training program was rolled out across the entire company in 2021. The program is ongoing and diversifying with the themes of anti-harassment and anti-discrimination, diversity and inclusion, and personal data protection.

In addition, several channels for whistle-blowers have been set up: any employee can report any behavior that violates fundamental rights to their line manager or to the Human Resources department. A whistleblowing called “SpeakUp” has also been set up: anonymized, this digital platform is open to all employees and external partners. In 2023, “SpeakUp” logged 86 alerts, including 25 confirmed cases and 13 full investigations. The main topics are business integrity and behavior. The confirmed cases led to 11 disciplinary measures and several action plans to strengthen internal controls in particular.

The whistleblower's guide published by Roquette guarantees the protection of any whistleblower acting in good faith and the absence of any retaliatory measures of any form or nature whatsoever. This guide is available on the intranet in the Group's nine languages.

Finally, everyone can also call on the Group's specialized bodies and systems, like the Ethics & Compliance team, the Internal Audit department, and the Risk Management department.

### 3.2 Data protection

Data security is an essential principle that determines the Group's success, sustainability, and reputation. It is covered by a Group policy based on the fundamental principles set out in the Code of Conduct and the Supplier and Distributor Codes of Conduct.

In order to protect the personal data of its customers, partners, and employees as effectively as possible, the Group relies on a data protection officer (DPO) and a dedicated in-house team who work closely with the network of personal data protection coordinators in the corporate and regional departments.

Roquette takes steps to protect information systems, sensitive information, and production tools. In the event of a major incident, our teams are fully prepared to ensure business continuity.

With a total score of 846/1000 in 2022, the global digital, cyber security and DPO teams achieved a “developed” rating in the Cybervadis assessment protocol. This is an acknowledgment that demonstrates a high level of commitment in this area. The assessment method is based on the main cybersecurity standards (ISO 27001/2, NIST Cybersecurity Framework) including the requirements of privacy laws and regulations.

To mark the five-year anniversary of the European General Data Protection Regulation (GDPR) which governs data processing equally across the European Union, a new mandatory training course has been launched at Group level. In addition, since 2021, HR teams have regularly completed these mandatory modules, including specific training on protecting employees' and applicants' personal data.

## 4. Engaging with local communities

With operations in more than 100 different countries, Roquette is committed to its role as a local player. We maintain close ties with the communities around the Group's factories through support initiatives, listening, and dialog.

### 4.1 A unique manifesto, numerous regular actions

Roquette is committed to working every year to help local populations and communities develop, based on its mission statement. In order to step up its impact, the Group has redefined the current target even more ambitiously: from a minimum of 40 actions to be achieved by 2025, the new 2030 objective is to reach 100 actions. This can be done through financial donations, skills sponsorship, and technicalsupport. Roquette especially supports activities closely linked to nutrition, health, the environment, education, and emergency aid.

This year in France, a health challenge was held at all Roquette sites to raise funds for associations like *Agir pour le Cœur des Femmes*. As an added bonus, this initiative also promoted physical activity among employees.

Another iconic example of the Group's commitment to communities is that in Singapore, more than 40 employees worked alongside the NGO *Waterways Watch Society* to clean up the country's waterways.

This example also illustrates the launch of *the employee volunteering program*, which will enable each Group employee to take time out to help associations either through skills sponsorship (pro bono, mentoring, etc.) or through mobilization days organized by the company (like the example above in Singapore). This voluntary program will be expanded in 2024.

| | 2022 | 2023 | 2030 Goal |
|---|---|---|---|
| Number of initiatives for local communities | 90 | 90 | **100** |

### 4.2 Increased attention to the well-being of local residents

In addition to supporting local communities, the Group is particularly attentive to the impact its activities has on them. Thus, in order to respect their living environment, local residents and local authorities are regularly invited to meetings to keep them informed of the progress of projects that could have an impact on their daily lives. These meetings are used in particular to monitor and better protect the people living near our sites. The Group also takes into account feedback from local residents during site visits.

For example, during deliveries procedures are put in place to reduce the noise created by unloading trucks. Sites also ensure that delivery times are acceptable to local residents. This concern for the local residents' living conditions enables us to maintain good relations with them.

### 4.3 Roquette Foundation for Health

The Group's foundation contributes to educational programs on nutrition, studies on the impact of nutrition on diseases, and health projects.

In particular, it encourages medical research to prevent, cure, and avoid the spread of diseases. With almost 2.5 million euros donated since it was founded in 2017, the Foundation has contributed to almost 30 different projects, including seven international ones.

For the 2023–2028 period, the foundation's new commitment, "Healthy food for our health", is embodied in three main objectives:

- Facilitating access to healthy, sustainable food for the most vulnerable.
- Improving knowledge of the links between nutrition and health.
- Sustainably promoting healthy eating habits.

As part of this commitment, the third "Act&Help" event helped five associations supported by the Group's employees in 2023. These associations supported projects in support of the UN's second Sustainable Development Goal *"Zero Hunger"*.

In 2024, the Roquette Foundation will continue to support operational projects related to nutrition and will award its third Research Award. The aim is to reward the work of a young researcher from France, Italy, Spain, Lithuania, or Singapore on the following theme: *"food and nutrition issues and approaches in health prevention*.

# APPENDICES TO THE ROQUETTE GROUP NON-FINANCIAL PERFORMANCE STATEMENT

## Appendix 1: Methodological note

**Group scope:** all sites more than 50% owned by Roquette as of December 31, 2023 (including Qualicaps).

**Restricted Scope:** Roquette Frères and all its industrial subsidiaries with a workforce of more than 50 employees, directly or indirectly controlled by more than 50% and belonging to the Group for at least one year as of January 1 of the reference year (excluding Qualicaps).

**Note:** with the exception of the headcount indicators referring to the Group scope, the indicators below refer to the restricted scope by default. Some KPIs show slight variations in scope reflecting the challenges and operations in their field.

| Indicator | Methodological note |
|---|---|
| **Site GHG emissions (Scope 1 & 2)** | The indicator records absolute greenhouse gas (GHG) emissions linked to on-site energy combustion (Scope 1) and energy imports (Scope 2), in $tCO_2$ e, as well as the percentage reduction compared to the reference year 2021.<br>100% of production sites are covered. Offices and laboratories are outside the scope, representing less than 1% of total emissions.<br>The methodology follows the GHG Protocol, Market-Based approach.<br>This indicator is also aligned with SASB standards B-AG-110a.1 and GRI 305-1.2.<br>For electricity-related emission factors, supplier emission factors (GOs), and the residual grid mix are preferred where available, otherwise regional or national emission factors are taken into account. |
| **Indirect GHG emissions (Scope 3)** | The indicator accounts for the absolute GHG emissions upstream and downstream of the plants (Scope 3) in $tCO_2$ e.<br>The methodology follows the GHG Protocol and is also aligned with the GRI 305–3 standard.<br>All categories of the GHG Protocol inventory are addressed, with the exception of category 3.11 (use of products sold), not applicable to Roquette's business model, and category 15 (investments), <1% of total GHG emissions.<br>The percentage reduction compared to 2021 is calculated based on the scope defined in the objectives validated by SBTI (products purchased, upstream goods transport and distribution, energy-related emissions excluding Scope 1 and 2, waste generated).<br>To prepare its carbon footprint report, Roquette was assisted by Ecoact, a consulting firm specializing in environmental and climate issues. |
| **Energy efficiency** | This indicator reflects the efficiency of energy use in factory workshops.<br>The calculated ratio is the sum of the amounts of energy consumed divided by the production. This is evaluated at the production line level and then compared to the ratio for the reference year 2021.<br>The result is expressed on a rolling twelve-month period and can be aggregated at the workshop – production site – region and Group level. |
| **Renewable energy** | Percentage of renewable energy in total energy consumption.<br>Renewable energy includes biomass and geothermal heat, renewable electricity imports, and biogas use.<br>This indicator takes into account all the energy entering the plant, whether it is used, processed, or exported. |
| **Sustainable raw materials** | Percentage of sustainable agricultural raw materials purchased worldwide per year.<br>All volumes of agricultural raw materials from certified farmers, regenerative or organic farming programs, and other sustainability programs Roquette is involved in are considered, with the guarantee that no double counting of the same batch of grain on different programs is done. |
| **Regenerative agriculture** | Number of regenerative agriculture programs supported.<br>Regenerative agriculture is an agricultural production system that focuses on soil health and restoration, climate resilience, improving the water cycle and biodiversity, as well as improving the productivity and profitability of farms. Adopting practices that store carbon and improve soil organic matter and measuring changes over time are key.<br>Supported programs are counted from the year the contract is signed. |
| **Water extraction** | This indicator accounts for all plant water extractions in $m^3$:<br>Measurement of annual water extraction from surface, ground, city, and other sources as appropriate, regardless of how water is used on site (processes, cooling, restrooms, etc.).<br>The percentage reduction compared to the reference year 2021 is then calculated on an iso-perimeter basis (excluding the Portage site in Canada, which started production in 2022).<br>The indicator is aligned with the SASB FB-AG-140a.1 and GRI 303–3 standards. |

| | |
|---|---|
| **Biodiversity initiatives** | Cumulative number of specific initiatives or actions to improve, enhance, and restore biodiversity in the value chain since 2021.<br>Biodiversity is defined as the variety of living beings and the ecosystems they are a part of. There are 3 types of biodiversity: species diversity, genetic diversity, and ecosystem diversity. The term biodiversity therefore covers the variety of animal species, plants, and natural habitats.<br>Roquette is involved in initiatives such as preserving natural habitats, reducing plastic waste, raising awareness to lead to employee action, and much more. |
| **Project innovation & green chemistry** | Indicator based on the twelve principles of green chemistry to assess the sustainability of an innovative product's manufacturing process.<br>These principles of green chemistry include: waste limitation, atom economy, reducing process risks, and improving energy efficiency. |
| **Product quality and food safety** | Percentage of food production lines certified FSSC 22000 (Food Safety System Certification).<br>As part of Roquette's Quality policy, all food production lines must be certified to the FSSC 22000 standard. |
| **Health and safety** | Frequency rate of accidents resulting in and not resulting in sick leave per million hours worked. FR1 includes only occupational accidents resulting in sick leave, while FR2 includes all accidents, based on OSHA reporting rules.<br>A separate FR2 will be declared in 2024 for contract employees, who are not included in the current indicators.<br>The indicator is also aligned with the SASB FB-AG-320a.1 standard. |
| **Diversity - % of women in the workforce** | Percentage of women in the total workforce, where the workforce is the total number of permanent and fixed-term contract employees in *the Group scope*.<br>Percentage of management positions held by women.<br>Percentage of management positions (executive office + executive committee) held by women. |
| **Training and skills development** | Average number of training hours per year and per permanent employee within *the restricted scope*.<br>All training courses validated in the Group HR tool'*Workday*' are taken into account: webinars, e-learnings, master classes, etc.<br>This excludes participating in conferences and symposia. |
| **Qualifying strategic suppliers** | Percentage of critical purchases covered by strategic suppliers qualified in the internal supplier listing and qualification tool, enabling us to monitor and control the risks associated with these suppliers.<br>Critical purchasing is any purchase made from a strategic supplier.<br>A supplier is deemed strategic if it exceeds a certain threshold on the risk assessment matrix, all purchasing categories combined, enabling proper control actions to be developed.<br>CSR issues will be integrated into supplier qualification starting in 2024. |
| **Initiatives with local communities** | Number of supported actions or initiatives aimed at developing the Group's activities with local communities.<br>Each year, actions with local communities (NGOs, associations, foundations, etc.) are monitored and documented by the Group's correspondents in each "Roquette zone" (Europe, China, Asia, and the Americas).<br>A guideline defines the support rules and more specifically the five main themes supported: education, health, nutrition, environmental protection, and disasters. |
| **Speaking up (SpeakUp)** | Number of alerts counted in the SpeakUp corporate app corresponding to various complaints or reports.<br>Number of confirmed alerts corresponding to those which, after investigation, lead to concluding that the allegation is substantiated.<br>All confirmed alerts are followed by a dedicated action plan which is described in a specific report and may include, for example, reinforcing internal controls, HR actions, disciplinary measures, or any other remedial action. |
| **Qualifying products using the LCA method** | Percentage of product families assessed using a dedicated Life Cycle Assessment (LCA).<br>LCAs are carried out on a "cradle to gate" basis according to the ISO 14040–44 standard. |

## Appendix 2: 2030 targets & United Nations Sustainable Development Goals (“SDGs”) correlation table

| Platform | # | 2030 Objectives | SDGs |
|---|---|---|---|
| PRESERVE | 1 | Reducing the **Group’s direct CO2 emissions** (Scope 1 + 2) by **25%** in absolute terms compared to 2021 (SBTi). | 12, 13 |
| | 2 | Reducing **energy us** in industrial site workshops by **30%** compared to 2021. | 12, 13 |
| | 3 | Working with suppliers to reduce **indirect $CO_2$** emissions (Scope 3) by **25 %** in absolute terms compared to 2021 (SBTi). | 12, 13 |
| | 4 | Increasing the purchase of **sustainable plant-based raw materials** by **60 %**. | 12, 13, 15, 17 |
| | 5 | Supporting **20 regenerative agriculture** programs worldwide with business partners. | 12, 13, 15, 17 |
| | 6 | Reducing **water extractions** by **20 %** in absolute terms compared to 2021. | 6, 12 |
| | 7 | Promoting **100 initiatives** to regenerate nature and **biodiversity** throughout the value chain. | 15 |
| INVENT | 8 | Developing collective **eco-design expertise with business partners** by training over **500 experts** throughout the value chain. | 3, 9, 12, 13, 17 |
| | 9 | Getting **full LCA qualification** of the product portfolio in order to implement the **R'SPM program**. | 3, 9, 12, 13 |
| | 10 | Using eco-design in **100 %** of **innovation projects**. | 3, 9, 12, 13 |
| CARE | 11 | Achieve global **safety** performance of **0.75** in **TF1** and **2.0** in **TF2**, striving for an accident-free workplace. | 8 |
| | 12 | Having a more **diversified and gender-balanced workforce** with **40%** of management positions held by **women**. | 5, 10 |
| | 13 | Ensuring respect for and compliance with human rights by ensuring that 100 strategic partners are assessed according to CSR criteria. | 8, 10 |
| | 14 | **Guaranteeing 25 hours of training per employee per year**. | 8 |
| | 15 | Implementing at least **100 local community initiatives** each year. | 1, 2, 3, 6, 17 |

## Appendix 3: Environmental data in absolute terms

| | 2021 | 2022 | 2023 | Standard |
|---|---|---|---|---|
| Scope 1 GHG emissions in millions of $tCO_2e$ | 2.25 | 2.14 | 1.92 | **GRI 305-1** |
| Scope 2 GHG emissions in millions of $tCO_2e$ | 0.42 | 0.50 | 0.46 | **GRI 305-2** |
| Scope 3 GHG emissions in millions of $tCO_2e$ | 6.05 | 5.92 | Available in Q2-2024 | **GRI 305-3** |
| Water extractions in millions of $m^3$ | 85.9 | 87.6 | 78.8 | **GRI 303-3** |

## Appendix 4: 2023 Workforce Tables

*2023 - Number of permanent employees ("Group Scope")*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | **Total** | **Men** | **Women** | **Managers** | **Employ.** |
| Europe | **5,153** | 3,852 | 1,301 | 934 | 4,219 |
| Americas | **1,554** | 1,129 | 425 | 241 | 1,313 |
| Greater Asia | **1,650** | 1,462 | 188 | 278 | 1,372 |
| China | **935** | 702 | 233 | 171 | 927 |
| **Group** | **9,292** | **7,145** | **2,147** | **1,624** | **7,831** |

Including 1,430 Qualicaps (2023 acquisition)

*Number of temporary workers ("Group Scope")*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | **Total** | **Men** | **Women** | **Managers** | **Employ.** |
| Europe | **383** | 254 | 129 | 3 | 380 |
| Americas | **42** | 15 | 27 | - | 42 |
| Greater Asia | **59** | 34 | 25 | 9 | 50 |
| China | **-** | - | - | - | - |
| **Group** | **484** | **303** | **181** | **12** | **472** |

including 86 Qualicaps

*Number of regular + temporary employees ("Group Scope")*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | **Total** | **Men** | **Women** | **Managers** | **Employ.** |
| Europe | **5,536** | 4,106 | 1,430 | 937 | 4,599 |
| Americas | **1,596** | 1,144 | 452 | 241 | 1,355 |
| Greater Asia | **1,709** | 1,496 | 213 | 287 | 1,422 |
| China | **935** | 702 | 233 | 171 | 927 |
| **Group** | **9,776** | **7,448** | **2,328** | **1,636** | **8,303** |

| | |
|---|---|
| % women | 23.8% |
| Permanent restricted workforce as a percentage of permanent Group workforce | 82% |

ROQUETTE RESTRICTED

2

# CONSOLIDATED FINANCIAL STATEMENTS

## ROQUETTE GROUP

## TABLE OF CONTENTS



ROQUETTE RESTRICTED

# INCOME STATEMENT, COMPREHENSIVE INCOME, BALANCE SHEET, STATEMENT OF CASH FLOW AND CHANGE IN EQUITY

## Income statement

| (in thousands of euros) | Notes | 2022 | 2023 |
|---|---|---|---|
| **Turnover** | 7.1 | **5,125,975** | **4,992,146** |
| Cost of goods sold and external charges | 7.2 | (3,778,942) | (3,679,136) |
| Personnel costs | 7.3 | (659,354) | (688,496) |
| Taxes | | (25,836) | (27,259) |
| Amortization and depreciation | 7.4 | (273,257) | (263,041) |
| Other operating income | 7.5 | 20,624 | 38,547 |
| Other operating expenses | 7.5 | (18,261) | (28,106) |
| **Current operating income** | | **390,950** | **344,656** |
| Non-recurring items | 8 | (277,141) | (4,051) |
| **Operating income** | | **113,809** | **340,605** |
| Cost of net financial debt | 9.1 | (16,001) | (33,247) |
| Other financial result | 9.2 | (27,866) | 2,523 |
| **Financial result** | | **(43,867)** | **(30,725)** |
| Income from companies accounted for by the equity method | 15 | (3,478) | (5,821) |
| **Pre-tax profit** | | **66,464** | **304,060** |
| Income tax | 10 | (66,147) | (100,316) |
| **Net income** | | **317** | **203,744** |
| **Profit or loss, Group share** | | **(9,431)** | **194,336** |
| **Net income from non-controlling interests** | | **9,748** | **9,408** |
| **Profit or loss (Group share) per share** | | **(3.21)** | **66.15** |

## Comprehensive income statement

Comprehensive income comprises all components of “profit or loss” and of “other comprehensive income”.

| (in thousands of euros) | Notes | 2022 | 2023 |
|---|---|---|---|
| **Net income** | | **317** | **203,744** |
| Change in translation adjustments | | 43,334 | (47,566) |
| Gains and losses on hedging derivatives | | (48,310) | 46,051 |
| Tax impact | | 10,001 | (12,437) |
| **Items that may be reclassified subsequently to P&L** | | **5,025** | **(13,952)** |
| Revaluation of net liabilities (assets) of defined benefit plans | 21 | 29,977 | (13,300) |
| Tax impact | | (6,931) | 2,860 |
| **Items that may not be reclassified subsequently to P&L** | | **23,045** | **(10,440)** |
| **Other comprehensive income, net of tax** | | **28,070** | **(24,392)** |
| **Overall result** | | **28,387** | **179,352** |
| **of which Group share** | | **19,504** | **168,827** |
| **of which non-controlling interests** | | **8,883** | **10,525** |

## Balance Sheet

| (in thousands of euros) | Notes | 2022 | 2023 |
|---|---|---|---|
| Goodwill | 11 | 139,956 | 424,473 |
| Intangible fixed assets | 12 | 223,237 | 205,642 |
| Tangible fixed assets | 13 | 2,258,652 | 2,313,167 |
| Investments in associates | 15 | 8,794 | 8,155 |
| Non-current financial assets | 16 | 201,264 | 57,293 |
| Other non-current assets | 19 | 27,476 | 22,937 |
| Deferred taxes | 10.3 | 92,524 | 77,742 |
| **Non-current assets** | | **2,951,904** | **3,109,409** |
| Inventories | 17 | 861,597 | 922,867 |
| Accounts receivable and similar accounts | 18 | 744,682 | 704,244 |
| Tax assets | | 266 | 14,691 |
| Current financial assets | 16 | 2,834 | 2,792 |
| Other current assets | 19 | 300,558 | 140,455 |
| Cash and cash equivalents | 22 | 237,259 | 188,465 |
| **Current assets** | | **2,147,196** | **1,973,513** |
| **Total assets** | | **5,099,100** | **5,082,922** |

| | Notes | 2022 | 2023 |
|---|---|---|---|
| Share capital | | 8,813 | 8,813 |
| Reserves | | 2,600,883 | 2,515,284 |
| Net income | | (9,431) | 194,336 |
| Own shares | | (5,526) | (4,598) |
| **Equity, Group Share** | | **2,594,739** | **2,713,835** |
| **Equity, Non-controlling interests** | | **5,355** | **6,353** |
| **Equity** | | **2,600,094** | **2,720,188** |
| Non-current financial debt | 22 | 785,910 | 837,921 |
| Non-current provisions | 20 | 2,100 | 4,482 |
| Non-current employee benefits | 21 | 50,173 | 70,085 |
| Other non-current liabilities | 23 | 27,939 | 29,776 |
| Deferred taxes | 10.3 | 115,199 | 122,724 |
| **Non-current liabilities** | | **981,322** | **1,064,989** |
| Current financial debt | 22 | 322,160 | 411,708 |
| Current provisions | 20 | 15,395 | 10,224 |
| Current employee benefits | 21 | 3,734 | 4,854 |
| Accounts payable and similar accounts | | 520,559 | 433,256 |
| Tax liability | | 34,845 | 12,200 |
| Other current liabilities | 23 | 620,992 | 425,503 |
| **Current liabilities** | | **1,517,684** | **1,297,745** |
| **Total liabilities** | | **5,099,100** | **5,082,922** |

## Cash flow statement

| (in thousands of euros) | Notes | 2022 | 2023 |
|---|---|---|---|
| **Net income** | | **317** | **203,744** |
| Amortization and depreciation (excluding current assets) | | 265,051 | 249,179 |
| Impairment recognized in non-recurring items | | 285,235 | - |
| Other items | | 66,079 | 119,088 |
| **Gross cash flow** | | **616,681** | **572,011** |
| Change in net working capital requirement | | (140,114) | (92,618) |
| Income tax paid | | (72,261) | (122,811) |
| **Net cash flow from operating activities** | | **404,306** | **356,582** |
| Acquisition of consolidated companies, acquired cash flow deducted | 6 | - | (265,030) |
| Purchase of tangible and intangible assets | | (242,596) | (240,595) |
| Sales of fixed assets | | 11,271 | 10,116 |
| Change in fixed assets suppliers | | (14,289) | 36,625 |
| Financial investments | | (16,054) | 67,470 |
| Impact of disposals | 6 | - | 6,985 |
| **Net cash flow from investment activities** | | **(261,669)** | **(384,428)** |
| Dividends paid to shareholders of the Group | | (58,989) | (60,274) |
| Dividends paid to minority interests | | - | (2,937) |
| Proceeds from borrowings | | 445,066 | 464,199 |
| Repayment of borrowings | | (330,745) | (304,607) |
| Net change in other debts | | (178,842) | (156,021) |
| **Net cash flow from financing activities** | | **(123,510)** | **(59,640)** |
| Impact of foreign currency exchange rate fluctuations | | (5,194) | 7,239 |
| **Change in cash flow** | | **13,934** | **(80,247)** |
| **Change in cash flow** | | **13,934** | **(80,247)** |
| **Opening cash balance** | **4.9** | **222,664** | **236,598** |
| **Closing cash balance** | **4.9** | **236,598** | **156,351** |
| *of which bank loans* | *22* | *(661)* | *(32,113)* |
| *of which cash and cash equivalents* | *22* | *237,259* | *188,465* |

## Statement of changes in equity

| (in thousands of euros) | Capital | Premiums | Reserves | Comprehensive income items | Net income (Group share) | Own shares | Equity, Group Share | Minority interests | Equity |
|---|---|---|---|---|---|---|---|---|---|
| **December 31, 2021** | **8,813** | **3,209** | **2,420,149** | **28,202** | **209,274** | **(4,152)** | **2,665,494** | **5,026** | **2,670,520** |
| Result for the financial year | - | - | - | - | (9,431) | - | (9,431) | 9,748 | 317 |
| Allocation of the result | - | - | 209,274 | - | (209,274) | - | - | - | - |
| Items recognized in other comprehensive income | - | - | - | 28,935 | - | - | 28,935 | (865) | 28,070 |
| Distributed dividends | - | - | (58,836) | - | - | - | (58,836) | - | (58,836) |
| Purchase options on non-controlling interests | - | - | (27,010) | - | - | - | (27,010) | - | (27,010) |
| Other changes | - | - | (3,040) | - | - | (1,373) | (4,413) | (8,553) | (12,966) |
| **December 31, 2022** | **8,813** | **3,209** | **2,540,537** | **57,137** | **(9,431)** | **(5,526)** | **2,594,739** | **5,355** | **2,600,094** |
| Result for the financial year | - | - | - | - | 194,336 | - | 194,336 | 9,408 | 203,744 |
| Allocation of the result | - | - | (9,431) | - | 9,431 | - | - | - | - |
| Items recognized in other comprehensive income | - | - | - | (25,509) | - | - | (25,509) | 1,117 | (24,392) |
| Distributed dividends | - | - | (60,274) | - | - | - | (60,274) | (2,937) | (63,211) |
| Purchase options on non-controlling interests | - | - | 41,954 | - | - | - | 41,954 | 33,046 | 75,000 |
| Other changes | - | - | (32,339) | - | - | 928 | (31,411) | (39,637) | (71,048) |
| **December 31, 2023** | **8,813** | **3,209** | **2,480,447** | **31,628** | **194,336** | **(4,598)** | **2,713,835** | **6,353** | **2,720,188** |

As of December 31, 2021, the share capital stood at 8,812,908 euros, comprised of 2,937,636 fully paid-up shares without nominal value, a par value of three euros each.

# NOTE 1

## GENERAL PRINCIPLES

### 1. General principles and statement of compliance

The parent company of the Roquette Group (or "the Group") is a public limited company governed by French law whose registered office is located in Lestrem, France. The accounting period ended December 31, 2023 contains twelve months, as well as the comparative accounting period ended December 31, 2022.

In collaboration with its customers and partners, the Group is addressing current and future societal challenges as the world leader in plant-based ingredients (mainly corn, wheat, potato and pea), a pioneer in plant-based proteins and a major supplier of pharmaceutical excipients. Each of these ingredients responds to unique and essential needs and they contribute to healthier lifestyles in the food, nutrition, and health markets.

In accordance with European Regulation 1606/2002 of July 19, 2002 on international accounting standards, the Group's consolidated financial statements are drawn up in accordance with the IFRS standards and interpretations published by the IASB applicable for the year 2023, as approved by the European Union. The comparative financial information was drawn up according to the same standards and interpretations.

All of the texts adopted by the European Union are available on the website of the European Commission.

These statements were approved by the Board of Directors on February 21, 2024.

### 2. Texts applicable as of January 1, 2023

The following amendments, which are applicable starting from 2023, have no impact on the financial statements. They include:

- IFRS 17 and related amendments, and IFRS 9 (first application of IFRS 17 relating to insurance contracts and IFRS 9, and comparative information).
- Amendments to IAS1 and IAS8 (information on significant accounting policies and definition of accounting estimates).
- Amendments to IAS12 (deferred taxes resulting from a single transaction and international tax reform "pillar 2").

### 3. Non-mandatory application texts as of December 31, 2023

The Group has not anticipated any standards or interpretations mentioned hereinafter for which application is not mandatory as of December 31, 2023:

- Amendments to IAS1 (classification of current and non-current liabilities).
- Amendments to IFRS 16 (lease liabilities in connection with a lease).
- Amendments to IAS7 and IFRS7 (supplier financing agreements).

# NOTE 2

## HIGHLIGHTS

### Acquisition of the Qualicaps group

On October 23, 2023, the Group acquired 100% of the Qualicaps group, thus strengthening its position as a major player in pharmaceutical solutions. This acquisition will contribute to the company's strategic growth plan in the health and nutrition markets.

Qualicaps, headquartered in Nara, Japan, is the world's third largest supplier of pharmaceutical capsules. With a solid customer base, including some of the world's leading pharmaceutical companies, and more than 1,400 permanent employees based in various locations in Asia (Japan), Europe (Spain and Romania), and the Americas (Brazil, Canada, and the USA), Qualicaps is a global player that is known for its high-quality products and great capacity for innovation. Qualicaps' global footprint, with its various industrial and R&D sites, will enable Roquette to expand its global presence and reach its customers and markets even more effectively.

Over the 2023 financial year (three months), the business contribution resulting from this acquisition represents a turnover of approximately 43 million euros. Current operating income amounted to approximately +2 million euros. On an annualized basis, additional sales are expected to come in at around 220 million euros, and current operating income at around +20 million euros.

The costs of this acquisition, which amount to 10 million euros, are described in Note 8 "Non-recurring items" and the goodwill generated (preliminary and pending allocation) by the transaction of 282 million euros is detailed in Note 6 "Consolidation Scope".

### Continued deployment of the "Symphony" SAP ERP project

The implementation of the "Symphony" SAP ERP system continued during the 2023 financial year with full deployment within the Roquette Frères company for the Lestrem site. This rollout marks the end of the project. Further deployments are planned for 2024 and subsequent years at selected Group companies.

NOTE 3

# CONSOLIDATION METHODS

## 1. Consolidation methods

The subsidiaries consolidated by the Group are all entities controlled by the Group. Control is the power to directly or indirectly govern the financial and operational policy of the entity with a view to obtaining economic benefits from its activities. This situation is generally accompanied by the holding, directly or indirectly, of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity. Subsidiaries are consolidated from the date of the acquisition of control.

The companies on which the Group exerts a significant influence (percentage of control generally between 20% and 50%; significant influence is presumed to exist, unless it is clearly demonstrated that this is not the case, when the parent company holds, directly or indirectly, 20% of more of the voting rights in the company held) as well as joint ventures are accounted for using the equity method.

Transactions as well as reciprocal assets and liabilities between the consolidated companies are eliminated. The results on internal transactions with the jointly-controlled entities are also eliminated.

The financial statements of subsidiaries are restated prior to consolidation under IFRS, where appropriate, in order to ensure consistency of their treatment at the Group level.

## 2. Functional currency and reporting currency

The euro is the Group's reporting currency and the consolidated financial statements are presented in thousands of euros. The financial statements of subsidiaries are established in their functional currency, i.e. the currency that most represents their economic environment.

All of the financial data is rounded to the nearest thousand euros.

## 3. Foreign currency transactions

Transactions conducted in currencies other that the functional currency of the entity are converted at the exchange rate in effect on the dates of the transactions.

At each closing date, monetary items (receivables and payables) are converted at the closing rates and the resulting exchange difference is recognized in the income statement for the period.

All differences are recognized in the income statement under "Financial income" and "Financial expenses" items, except for certain differences on foreign currency borrowings that constitute a hedge of the net investment in a foreign entity, which are recognized in other comprehensive income.

## 4. Translation of the financial statements of foreign companies

Asset and liability items for companies for which the functional currency is not the euro are converted into euros at the exchange rate in effect on the closing date of the period.

The resulting conversion differences are recognized (in the "Change in translation adjustments" item of "Other comprehensive income") until disposal of the investment.

Income statement items are translated at the average rate for the year, which is an approximation of the exchange rate on the transaction date if there are no significant fluctuations. However, if the exchange rates have fluctuated substantially, a calculation other than the arithmetical average annual rate can be used, in liaison with the seasonality of the activity.

The "cash flow statement" items are translated at the average rate for the year.

## 5. Net investment in a foreign operation

The exchange rate differences on the conversion of a net investment of a foreign entity are recognized in the consolidated financial statements (under "Change in translation adjustments" in "Other comprehensive income") until the disposal of the net investment (at which time they are recognized in the income statement). This treatment was applied starting in mid-2020 to a portion of the loans that the Group granted to Roquette India, following analyses of that subsidiary's financial situation that led to the recognition of an impairment of assets.

The changes in values concerning financial instruments used to hedge foreign currency investments and on permanent advances to subsidiaries are also recognized in other items of the result for the effective portion of the hedge, within the "Gains and losses on hedging derivatives" items, and are recognized on the income statement when the net investment is disposed of.

## 6. Business combinations

Goodwill corresponds to the difference between the acquisition cost (i.e. the sum of the consideration transferred for non-controlling interests and, where applicable, the fair value of the previously held equity interest, minus the net amount recognized (generally at fair value) for identifiable assets acquired and liabilities assumed) and the fair value valuation of the assets and liabilities identified on the date of acquisition.

The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued, and liabilities incurred on the date of acquisition.

For each business combination, the Group can choose to measure non-controlling interests at fair value. In this case, the Group recognizes goodwill over the entire amount of the identifiable assets and liabilities (full goodwill method). Any subsequent acquisition of non-controlling interests does not result in the recognition of additional goodwill. Acquisitions and disposals of non-controlling interests are recognized directly in the Group's equity.

If the consideration transferred is lower than the Group's proportionate share in the net assets of the acquired subsidiary measured at fair value, this difference (badwill) is recognized in the results for the period on the "Non-recurring items" line if the amount is significant.

Goodwill is determined on the date of acquisition of the entity and no subsequent adjustments will be made beyond the evaluation period. In accordance with IFRS 3 "Business combinations", goodwill is not amortized but is subject to annual impairment tests.

The recognition of a business combination must be completed within a period of twelve months after the date of acquisition. This period applies to the assessment of identifiable assets and liabilities, consideration transferred and non-controlling interests.

The costs directly attributable to the acquisition are recognized as expense.

# NOTE 4

# RULES AND EVALUATION METHODS

## 1. Evaluation criteria

The consolidated financial statements are drawn up on a historical cost basis, except for:

- Some financial assets and liabilities evaluated at fair value.
- Non-current assets held for sale, valued and recognized at the lower of their net book value and their fair value minus disposal costs as soon as their sale is deemed highly probable. These assets cease to be depreciated as soon as they are classified as assets (or groups of assets) held for sale.

## 2. "Current" vs. "non-current" classification

On the balance sheet, the assets and liabilities are classified as current and non-current.

An asset is classed as a current asset if:

- The Group expects to realize the asset within twelve months after the reporting period.
- The Group expects to realize the asset or intends to sell or consume it within its normal operating cycle; the Group holds the asset primarily for trading purposes; or
- If the asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current assets. A liability is classed as a current liability if:

- The liability is due to be settled within twelve months after the reporting period.
- The Group expects to settle the liability during its normal operating cycle.
- The Group holds the liability primarily for trading purposes; or
- If the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets or deferred tax liabilities are classified as non-current assets and liabilities.

## 3. Tangible and intangible assets

### Intangible fixed assets

Intangible assets are carried at purchase price or production cost less accumulated amortization and impairment losses.

Research costs are recognized in expenses when they are incurred. Development expenditures, are capitalized when they meet the following criteria:

- Demonstration of the technical feasibility of the project and the availability of the necessary resources to complete the development.
- Ability of the fixed asset to generate probable future economic benefits.
- Reliable evaluation of the cost of the asset.
- The Group's capacity and intention to complete the fixed asset and to put it into service or sell it.

The intangible fixed assets that were acquired by the Group, in particular customer relations and patents, have a finite useful life. They are recognized at cost less accumulated amortization and impairment losses.

The amortization is calculated according to the straight-line method based on the cost of acquisition, over the following durations:

| | Useful life |
|---|---|
| Development costs | not more than 20 years |
| Software | 2 to 5 years<br>10 years for projects linked to SAP |
| Patents and similar rights | 10 to 15 years<br>except for different useful life |
| Customer relations | 10 to 15 years<br>except for different useful life |
| Other intangible fixed assets | According tot the useful life |

ROQUETTE RESTRICTED

Acquired brands are analyzed with regard to their future use. Brands which the Group does not expect to cease to be used and which are actively maintained are treated as intangible fixed assets with an indefinite useful life: they are therefore not amortized and are subject to annual impairment tests. If an end-of-use and maintenance period for the brand is defined, the value of the brand is amortized over the remaining useful life.

Development costs for internal-use software are capitalized when it is probable that they will generate future economic benefits. The costs of configuring and customizing software used under the SaaS (Software as a Service) contract are recognized as expenses (IFRIC 04/21 interpretation).

### Tangible fixed assets

Tangible assets are carried at purchase price or production cost less accumulated amortization and impairment losses.

The cost of acquisition of a fixed asset includes the expenses that can be attributed directly to the acquisition of this fixed asset. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset for which preparation prior to use requires a substantial period of time are incorporated at the cost of this asset.

Subsequent costs are included in the net book value of the asset or recognized separately, where applicable, if it is likely that the future economic benefits associated with this element will go to the Group and the cost of this asset can be evaluated reliably. All other repairs and maintenance are recognized as expense during the financial period in which they are incurred.

Investment properties are initially valued at acquisition cost, including transaction costs. Subsequently, these properties are valued using the cost method, i.e. at their initial cost minus accumulated depreciation and any impairment losses.

***Depreciation of property, plant and equipment***

The amortization is calculated according to the straight-line method based on the cost of acquisition, over the following durations:

| | Useful life |
|---|---|
| Buildings | 15 to 33 years |
| Infrastructure and facilities | 20 years |
| Specialized complex installations | 15 to 20 years |
| Administrative buildings | 33 years |
| Plant, machinery and equipment | 5 to 20 years |
| Others | 5 to 10 years |

## 4. Investment grants

Investment grants received for fixed asset purchases are recorded as liabilities on the balance sheet under “Other liabilities” (current or non-current depending on their maturity) and are recognized in the income statement under “Other operating income” at the same rate as the depreciation of the assets they are associated with.

## 5. Rental agreements

Under IFRS 16, a rental agreement is a contract, or part of a contract, that grants the right to use an asset for a specified period of time in return for consideration.

On the effective date of the rental agreement in which the Group acts as lessee, the rental agreement is recognized:

- On the asset side of the balance sheet as a right-of-use asset for an amount equal to the current value of the amount of rent still to be paid under the lease. The right of use assets are amortized using the straight line method over the duration of the agreement. Any gratuity or franchise included in the agreement is also spread out over the duration of the agreement.
- As financial debt for the discounted amount of the remaining rent to be paid over the term of the lease.

The durations retained for valuing the agreements are the contractual durations as well as any renewal option that the Group is reasonably certain to exercise. The durations retained for assessing rental agreement commitments are in accordance with the decision of November 26, 2019 of the IFRIC.

The discount rates applied correspond to the borrowing rates determined for each of the Group's companies according to their financial risk profile and according to the duration of the contracts.

The Group applies the exemptions that are authorized by the standard concerning rental agreements for which the duration is less than twelve months and agreements concerning assets with a low unit value. These agreements are however mentioned in the off-balance sheet commitments for an amount equal to the expenses of the fiscal years during which they will be incurred.

The Group recognizes a deferred tax asset for any timing difference generated by the treatment of rental agreements.

In the consolidated cash flow statements, payments of rent liabilities are presented in the cash flows from financing activities in the category “Other liabilities” in accordance with IFRS 16 “Rental Agreements”.

The same accounting treatment applies to agreements which, although not in the legal form of a rental contract, meet the definition of a rental contract by granting the Group the right of use a particular item of property, plant and equipment in exchange for a payment or series of payments (see Note 5 “Judgment” concerning the assets of ECOGI). The identified rental contracts primarily concern rental contracts of freight cars, logistics warehouses, offices and company cars.

## 6. Inventories

Inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs for general administration and financial charges are excluded from the cost price of inventories.

Inventories are valued at their lowest cost (essentially the “weighted average cost” method or the “first in first out” method, depending on the type of inventory) and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, minus costs to be incurred for completion and selling. Inventories of raw materials (or by-products) are valued based on their net realizable value.

The Group may need to record depreciation on inventories based on the perspective for clearing them, if they are damaged, partially or entirely obsolete, or if a sales price minus than the cost price is anticipated.

### $CO_2$ emission rights

Where there are no IFRS standards or interpretations relating to the accounting for $CO_2$ emission rights, the following provisions are applied:

The quotas are managed as a production cost and as such are recognized in inventories:

- Emission quotas issued free of charge are accounted for nil.
- Emission quotas acquired in return for payment are recorded at their acquisition cost.
- The annual sales or restitutions of quotas are considered as leaving the inventories, recognized on a weighted average unit cost basis.

$CO_2$ emissions quotas are traded for certified emissions reductions under the Kyoto protocol (CER: Carbon Emission Reduction and ERU: Emission Reduction Unit). These certified emissions reductions will be accounted for using the method applied to $CO_2$ emissions quotas.

In the case where the obligations to remit at term are greater than the available quotas available in inventories, a provision is booked at market value.

Forward market transactions are recorded at market value on the balance sheet in accordance with the rules applicable to financial instruments.

## 7. Impairment of fixed assets

Fixed assets, including goodwill, intangible fixed assets and property, plant and equipment (including rights-of-use) are subjected to an annual impairment test. In addition, whenever events or changes in the economic environment indicate a risk of depreciation (i.e. the appearance of indications of impairment) of goodwill, intangible assets or property, plant and equipment (including rights-of-use), the Group reviews their value. Impairment tests consist of comparing the carrying amount of an asset, of a cash-generating unit ("CGU") or of a group of CGUs to its net book value.

The recoverable amount of fixed assets corresponds to the higher value between the useful value and the net fair value less costs to sell. The unit value corresponds to the expected discounted future cash flows (excluding payment of rents for rights-to use, following application of IFRS 16). The net fair value of the costs to sell is determined, in particular, on the basis of multiples of operating results or comparable references available on the market.

The CGUs correspond to subsidiaries or to combinations of subsidiaries that belong to the same geographic area and that generate cash flows that are independent of those generated by other CGUs. The cash flows used as a basis for calculating the useful values come from the medium term plan of the CGUs covering the next five financial periods in general, and beyond this period, they are extrapolated by applying a perpetual growth rate that is specific to each CGU. The cash flow are subject to discounting by application of a weighted average cost of capital determined according to the countries in which the CGU being studies operates.

When the recoverable value of the asset of the CGU or group of CGUs is less than its net book value, impairment for the asset or group of assets is recognized in the "Non-recurring items" line if the amount is significant.

Depreciation is first allocated to goodwill, definitively, without any subsequent reversal possible.

Depreciation recognized in relation to intangible and tangible assets may be subsequently reversed, for the impairment that was initially recognized, when the recoverable value becomes higher than the net book value.

## 8. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, application of IFRS 9 "Financial instruments".

### Financial assets

Financial assets are classified in one of the following three categories:

- Financial assets at fair value through the income statement.
- Financial assets at amortized cost.
- Financial assets at fair value through other comprehensive income (debt or equity instruments).

The classification determines the accounting treatment for these instruments. It is determined on the date of the initial recognition, on the basis of the Group's objective in acquiring the asset and contractual characteristics of cash flows. Purchases and sales of financial assets are recognized at the date of transaction on which the Group is committed to the purchase or sale of the assets. A financial asset is derecognized if the contractual rights to the cash flows from the financial asset expire or if the asset has been transferred including the transfer of substantially all the risks and rewards.

***Financial assets at fair value through the income statement***

All of the financial assets that are not classed as being at amortized cost or at fair value through other elements of comprehensive income as described herein above are evaluated at fair value through the income statement.

These are financial assets classified as held for trading that the Group has acquired principally for the purpose of selling in the near term, or any financial assets voluntarily classified in this category in the case where this designation significantly reduces an accounting mismatch that would have occurred otherwise. These assets are measured at their fair value, and all changes are recognized in the income statement for the period.

This category mainly comprises unconsolidated securities, investment securities and cash and cash equivalents, as well as derivative asset instruments.

***Financial assets at amortized cost***

Financial assets at amortized cost are non-derivative financial assets, which are not designated at fair value through the income statement, for which all the following conditions are met:

- Its holding is part of a business model whose objective is to hold assets in order to collect contractual cash flows.
- Its contractual conditions give rise to specified dates, to cash flows that correspond solely to reimbursements of the principal and to interest payments on the outstanding principal.

This category mainly comprises long-term investments, deposits and bonds and trade receivables.

ROQUETTE RESTRICTED

***Financial assets at fair value through other comprehensive income (equity)***
A debt instrument is evaluated at fair value through other elements of comprehensive income if all of the following conditions are met and if it is not designated at fair value through the income statement:

- Its holding is part of a business model whose objective is achieved both through collecting contractual cash flows and through selling financial assets.
- Its contractual conditions give rise to specified dates, to cash flows that correspond solely to reimbursements of the principal and to interest payments on the outstanding principal.

During the initial recognition of an equity security which is not held for the purposes of transactions, the Group can irrevocably decide to present in the other elements of comprehensive income the later variations of the fair value of the security. This choice is made for each investment.

## Financial liabilities

The evaluation of financial liabilities depends on their classification in one of the following categories:

***Borrowings and financial debts, trade accounts payable and other liabilities***
Borrowings and financial debts, trade accounts payable and other liabilities are initially recognized at fair value then measured at amortized cost using the effective interest method.

***Financial liabilities at fair value through the income statement***
Financial liabilities designated at fair value by option, other than derivative liabilities, are evaluated at fair value. Changes in fair value are recognized in the income statement. The transaction costs linked to setting up these financial liabilities are recognized immediately as expense.

This category mainly includes passive derivative instruments. It should be noted that the Group does not hold any financial liabilities designated at fair value option.

## Depreciation of financial assets

The IFRS 9 model for depreciating expected credit losses applies to financial assets valued at amortized cost and to contract assets.

The corrections in value for losses in terms of expected credit losses correspond either:

- To expected credit losses for the next twelve months, which correspond to possible defaults during the twelve months after the closing date.
- To expected credit losses over the life of the financial instruments, which correspond to all possible defaults over the expected life of the financial instruments.

Roquette uses the simplified model to write down trade receivables, determined by valuation of expected losses based on historical loss rates, taking into account current market conditions.

## Hedge accounting

The Group uses various financial instruments in order to reduce its exposure to the risks of foreign exchange, the interest rate and changes in the price of cereals, energy and certain industrial purchases.

***Methodology***
IFRS 9 “Financial Instruments” defines a more qualitative and prospective approach for assessing the effectiveness of these hedges. Thus, the Group has designated more risk management strategies in for hedging relationships, in particular those that involve the hedging of a risk component (other than the exchange rate risk) of a non-financial asset.

The Group uses derivative foreign exchange contracts in order to hedge the variability in cash flows that can be attributed to variations in the exchange rates. The group designates only the variation in fair value of the spot element of the exchange contract as the hedging instrument in the hedging relationship of cash flows.

The effective portion of the change in fair value of the hedging instrument is recorded in the cash flow hedge reserve as a separate item in other comprehensive income.

***Type of strategy and recognition***
All of the derivative instruments are recognized on the balance sheet in other current and non-current assets and liabilities according to their maturity and the accounting qualification and evaluated at fair value on the date of transaction. Changes in the fair value of derivative instruments are recorded in the income statement, except in the case of cash flow hedges and net investment hedges.

Derivative instruments that are designated as hedging instruments are classified by hedging category according to the nature of the risked hedged:

- The cash flow hedge enables to hedge the risk on future cash flow changes related to recognized assets or liabilities or a highly probable anticipated future transaction that will affect the consolidated income statement.
- The fair value hedge makes it possible to hedge the risk in the change in fair value of a recognized asset or liability or unrecognized firm commitment that could affect consolidated net income.
- The net investment hedge makes it possible in particular to hedge the risk of a change in activities abroad.

Hedge accounting can only be applied if all the following conditions are met:

- There is a clearly identified, formalized and documented hedging relationship as of the date of inception.
- The effectiveness of the hedging relationship is demonstrated retrospectively and prospectively. The results obtained as such must fall within a confidence interval between 80 % and 125 % as defined by the Group in terms of risk management.

The accounting treatment of financial instruments qualified as hedging instruments, and their impact on the income statement and balance sheet, is differentiated according to the type of hedging relationship:

- For cash flow and net investment hedges:
- The effective portion of the change in the fair value of the hedging instrument is directly recognized in other comprehensive income. These amounts are reclassed in the income statement symmetrically to the method for recognizing the

hedged items, i.e. primarily as gross margin for commercial hedging operations and in financial result for financial operation hedges.

- The ineffective portion of the hedge is recorded in the income statement when the hedges are not settled. When the hedges are settled, the ineffective portion is presented in the income statement on the same line as the hedged item.

- For fair value hedges, the hedged component of these items is valued in the balance sheet at its fair value. The change in this fair value is recorded on the financial result statement and is offset, to the extent effective, by matching fair value gains and losses on the hedging instrument.

The variation in the fair value of points of exchange derivative term contracts (discount/premium elements) are recognized separately as “hedging costs”. They are recorded in other elements of comprehensive income.

## 9. Cash and cash equivalents

The “Cash and cash equivalents” items corresponds to short-term investments that are liquid and easy to convert into a known amount of cash and which are subjected to a negligible risk in terms of a change in value.

For the cash flow statement, cash and cash equivalents include cash flow and cash flow equivalents as defined herein above, less outstanding bank overdrafts.

## 10. Income tax

The tax expense for the period includes payable tax and the deferred tax for the period. Tax expense is recognized in the income statement, unless it relates to items recognized in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

### Current income taxes

The tax currently payable is based on taxable profit for the year.

The tax debt on companies corresponds to the tax to be paid for the period, according to the rates adopted or quasi-adopted on the closing date, to any prior period tax adjustments and to any uncertainties as to the tax to be paid.

### Deferred income taxes

In application of IAS 12, the group recognizes deferred taxes over all of the temporary differences between the values of the assets and liabilities in the consolidated financial statements and their tax values in the accounts of the consolidated entities.

Deferred tax assets are recognized for all deductible timing differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference timing differences, unused tax losses and unused tax credits could be utilized. Deferred tax liabilities are recognized for all of the taxable timing differences.

Deferred taxes are not recognized when the deferred tax liability is the result of the initial recognition of goodwill or the initial booking of an asset or a liability in a transaction which is not a business combination and which affects neither accounting income nor taxable income or loss.

Concerning deductible timing differences associated with investments in subsidiaries, branches and associates, deferred tax assets are only recognized to the extent that it is probable that the timing difference will be reversed in the foreseeable future and that taxable profit will be available against which the timing difference can be utilized.

Concerning taxable temporary differences associated with investments in subsidiaries, branches and associates, deferred tax liabilities are recognized only when the date on which the timing difference will reverse can be controlled and when it is probable that the timing difference will not be reversed in the foreseeable future.

The carrying value of the deferred tax assets is reviewed at each closing date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a portion of this deferred tax asset to be utilized. Non-recognized deferred tax assets are revalued at each closing date and are recognized insofar as the probability exists that a future taxable benefit will allow their recovery.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates (and tax regulations) in force or substantially in force on the closing date. The effects of the changes in rates are recorded in the tax expense for the period in which they are known. The evaluation of the amount of deferred taxes takes account of the uncertainties concerning the amount of income tax.

Deferred tax assets and liabilities are offset if a legally enforceable right to offset current tax assets and liabilities exists and provided that these deferred taxes concern the same taxable entity and the same tax authority.

## 11. Own shares

When the Group buys back its own shares, they are recognized at cost and are deducted from equity. No gain or loss is recognized in net profit/loss during the purchase, sale, issue or cancellation of the Group's shares. Dividends paid on these own shares are canceled. Any difference between the carrying amount of the associated liability and the consideration given or received is recognized in equity.

## 12. Provisions

Provisions are recorded when there is a present obligation resulting from a past event, that will probably result in an outflow of resources embodying economic benefits and for which the amount can be reliably estimated.

The amount of the provisions retained is based on the Group's assessment of the risk level on a case-by-case basis and depends in particular on the assessment of the merits of the claims, the progress of the proceedings and/or litigation and the arguments put forward in defense, on the understanding that the occurrence of events during the course of the proceedings may result in a reassessment of the risk at any time.

When the effect of the time value of money is significant, provisions with maturities of over one year are calculated at a discounted value that corresponds to the best estimate of the expense required to extinguish the current obligation on the closing date. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to this liability.

A restructuring provision is recognized when there is a formal and detailed restructuring plan and the plan has begun to be implemented or has been announced before the end of the reporting period. The restructuring costs for which a provision is recognized correspond primarily to social costs (redundancy payments, early-retirement payments, costs of notice periods not served, etc.), to branch closures and to indemnities for the termination of agreements with third parties.

The other provisions correspond to the risks and expenses identified specifically. They are primarily linked to disputes and litigation.

## 13. Post-employment and other long-term employee benefits

The French companies and certain Group subsidiaries participate in providing various types of employee benefits in accordance with the laws and practices of each country.

Certain subsidiaries grant their employees the benefit of retirement plans with defined services or with defined contributions.

***Defined contribution plans***
As part of defined contribution plans, the Group has no obligation to make additional payments over and above the agreed contribution payments.

For these plans, the contributions are expensed when incurred.

***Defined allowances plans***
As part of defined allowances plans, the Group agrees to pay a defined benefit after the employee's employment. These plans include for example post-employment contract benefits paid when the employee retires (in particular at the subsidiaries in France, Italy, and Great Britain) or coverage of medical costs that the Roquette America subsidiary grants to its retirees which is directly funded by the company.

These plans generate a provision that corresponds to the commitment for the payment of the service. The balance sheet provision corresponds to the discounted value of the commitments, adjusted for the fair value of plan assets.

These commitments are valued based on the projected credit unit method based on basis conventions or agreements in force at each company. Under this method, each period of service gives rise to an additional unit in terms of benefit entitlement and each unit is assessed separately to calculate the final commitment. The existence of intermediate levels is taken into account in the analysis of the benefit that will ultimately be awarded, based on the best estimate of the level that will be reached by the employee at the date of the post-employment benefit. This commitment is then discounted.

These plans are subject to an actuarial evaluation by independent actuaries every year. The actuarial assumptions used to determine these commitments vary according to the economic conditions of the country in which the plan is located (in particular concerning the level of future compensation, the probable remaining working life of employees, life expectancy and staff turnover). Actuarial gains and losses arising from modifications in assumptions and from the difference between the results estimated according to actuarial assumptions and actual results are recognized immediately as other elements of comprehensive income.

Past service cost, which is the increase in an obligation following the introduction of a new plan or the modification of an existing plan, is immediately recognized as an expense if the benefits have already been earned.

The expenses concerning this type of plan are recognized in current operating income (cost of past services) and in financial result (financial costs and expected return on the assets).

The reductions, settlements or modification of plans are recognized in current operating income or in financial result according to their nature.

## 14. Non-current assets held for sale

In accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, significant non-current assets and groups of significant assets held for sale, classified as held for sale, are measured at the lower of their carrying amount and fair value minus selling costs. They are classes as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Tangible and intangible fixed assets, once classed as held for sale, are no longer amortized. Assets and liabilities that have been classified as held for sale are reported as separate line in the current items of the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations.
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.
- Or is a subsidiary acquired exclusively with a view to resale.

In the income statement, the net income coming from discontinued operations is reported separately from the net income from continuing operations. In addition, the income statement is restated for the comparative period.

## 15. Turnover

Turnover consists mainly of sales of products and services by the Group.

IFRS 15 imposes a single recognition model for sales in 5 steps, based on the transfer of the control of the goods and services identified in the contracts with the customers:

- Existence of a contract.
- Existence of performance obligations.
- Determination of the transaction price.
- Allocating the transaction price.
- Recognition of the sales figures.

Sales of goods are recognized when the Group has transferred the control of the good to the purchaser. In practice, this corresponds to considering each shipment or delivery of merchandise as a performance obligation, when the amount of the sale can be measured reliably and when collection is reasonably assured. Sales of finished products and merchandise are primarily carried out with industrial customers. The sales contracts are generally for a period of one year. The performance obligation, in terms of IFRS 15 is deemed to be satisfied at the time of shipment or delivery of the good in the required specifications.

In the vast majority of cases, the Group is the producer of the goods sold and therefore acts as the principal in control of the good or service prior to its transfer to the customer. Consequently, the Group recognizes turnover for the full amount of the transaction. Otherwise, when the Group acts as an agent, which is rare, the turnover recognized corresponds to the margin generated or the commission received.

Services are recognized over the period in which they are rendered.

Sales are measured at the fair value of the consideration received in exchange for the goods and services sold, excluding tax, net of any rebates and discounts.

In case of significant marginal costs required to obtain a sales contract with a customer, these costs are booked as assets and amortized over the duration of the contract. For the Group, these costs are not significant.

The group does not have any long-term delivery commitments.

### 16. Current operating income and non-recurring items

In order to facilitate analyzing the Group's performance, a "current operating income" indicator was introduced in the income statement.

This indicator excludes the unusual income and expenses which are isolated on a line called "Non-recurring items".

These non-recurring items can include, for example, significant items such as:

- Reorganization and restructuring costs, including certain personnel expenses relating to the personnel concerned by these plans over the entire financial period.
- The impairment losses recognized on tangible and intangible assets or the associated reversals.
- Subsidiary acquisition and integration costs.
- The impact of significant disputes.
- Badwill.

# NOTE 5

## JUDGMENTS, ESTIMATES AND SIGNIFICANT ASSUMPTIONS

Drawing up financial statements according to IFRS implies that the Group makes a certain number of estimates and retains certain assumptions that are deemed to be realistic and reasonable.

These estimates are based on an assumption of continuity of business and are established according to the information available at the time the consolidated financial statements are drawn up. The estimates can be revised if the circumstances on which they were founded change or subsequent to new information. The actual results can be different from these estimates. The current situation is not likely to call into question the assumption of the Group's going concern, given the solid operational performance for the financial year, in line with previous financial years.

According to the changes in the economic context, certain facts and circumstances could therefore result in changing these estimates or assumptions, which would affect the financial situation, the income statement, and the Group's cash flow.

The valuation of certain assets and liabilities when preparing these consolidated financial statements is based on certain assumptions, in particular for the following items

***Evaluations retained for impairment tests***

The assumptions and estimates are made for determining the recoverable value of goodwill, of intangible and tangible fixed assets in particular on the market perspectives required for assessing the cash flow and the discount rates retained. Any modification made to these assumptions can significantly affect the amount of the recoverable value. The main assumptions retained by the Group are described in Note 14 "Impairment tests on goodwill and other non-financial assets".

The sensitivity to these assumptions and estimates is as high as ever this year given the economic volatility the Group faced in 2023 and the macroeconomic forecasts for 2024. Economic performance for CGUs in the Americas (including Brazil but excluding Canada) and China showed significant improvement. The business plans anticipate at least a continuation of these performances during the 2024 financial year. Group management considers the assumptions used to be realistic and appropriate. However, unfavorable changes in market trends in relation to the business assumptions used by the Group's management could have a significant adverse impact on impairment tests during the next financial year (see sensitivity impact in Note 14).

More specifically, 2023 performance for the Portage asset in Canada fell short of expectations due to difficult market conditions. Considering the market outlook, the significant impairment recorded on this asset during the 2022 financial year (287 million euros) and the fact that this recent asset was commissioned only two years ago, the Group retained the carrying amount at the end of 2023 as the recoverable value of this asset. The Group remains highly focused on the performance of this asset and the plant-based protein market and continues to adapt its strategy to improve the performance of this asset.

***Evaluations of pension liabilities***

The Group offers benefits through defined contribution plans or defined allowances regimes. The commitments related to these plans are calculated based on actuarial calculations. The main assumption refers to the discount rate (the assumption that has the greatest impact on the valuation of commitments). Other assumptions are taken into account, such as future salary increases, the return on investments dedicated to these plans, the employee turnover rate, and mortality tables. Most of these assumptions are updated on an annual basis. Details on the assumptions retained and the methods for determining them are provided in Note 21 “Employee benefits”. The Group feels that the actuarial assumptions retained are appropriate and justified under the current conditions. However, these commitments can change in the event the assumptions change.

***Recognition of deferred tax assets on tax-loss carry forwards***

Deferred tax assets primarily concern unrealized tax loss carry-forwards and deductible timing differences between the values booked and the tax bases for assets and liabilities. Assets concerning tax loss carry-forwards are recognized if it is probable that the Group will subsequently record taxable profit whereon these tax deficits could be allocated. An in-depth review is required to assess the capacity of the tax entities concerned to use the deferrable tax losses in the near future. Past events, as well as the negative and positive items of certain economic factors that can bear down on the Group's business in the near future are analyzed in order to calculate the probability of a future use of the deferrable tax losses. (Cf. Note 10 “Income tax”)

***Valuation of financial instruments at fair value***

The measurement of fair value is determined using three models or levels which are:

- Level 1: prices listed on an active market: when quoted prices on an active market are available, they are retained with priority in determining fair value. Investment securities and certain listed bonds are valued as such.

- Level 2: internal model with parameters that can be observed using internal valuation techniques: these techniques makes use of the usual mathematical calculation methods that integrate data that can be observed in the markets (forward price, rate curve, etc.). The determination of the fair value of most of the derivative financial instruments traded on the markets is carried out based on models commonly used by those intervening to evaluate these financial instruments. The valuation of derivative instruments calculated internally are subject to regular coherency controls with the valuations sent by the counterparties.

- Level 3: internal model with parameters that cannot be observed.

This model 3 applies in particular:

- In the context of certain contractual clauses linked to external growth operations. The fair value of the counterparty transferred and of certain purchase or sales options depends on the realization of future results;

- For unlisted securities, which are valued at their purchase cost plus transaction costs, in the absence of an active market. These assets may be maintained at cost if it can be demonstrated that cost is a reasonable approximation of fair value.

***Assets of the ECOGI entity***

In 2011, Roquette Frères and ECOGI signed a contract for the supply of superheated water through the construction of an asset making it possible to draw from the geothermal heat in Alsace.

The analysis of this contract leads the Group to consider that it meets the criteria defined by IFRS 16 (IFRIC Interpretation 4 prior to the year 2019), unchanged with the introduction of IFRS 16 in 2019. This asset is therefore presented under the usage rights on the asset side and under rent debt on the liabilities side.

On this basis, the assets of ECOGI (a 40% owned company by Roquette Frères) were recognized for 100% in the Group's accounts for a gross amount of 35.9 million euros. The asset was put into service during the year 2016. As of December 31, 2023, after amortization, the net amount of the fixed asset amounts to 22.9 million euros (compared to 24.7 million as of December 31, 2022).

## NOTE 6

## CONSOLIDATION SCOPE

The consolidated financial statements for Roquette drawn up as of December 31, 2023 include the financial statements of the companies listed in Note 30 “List of consolidated subsidiaries”.

### Acquisition of the Qualicaps group

General information on this acquisition is provided in Note 2 “Highlights”.

As part of this transaction, seven new companies joined the Roquette Group, all 100% owned. These companies were included in the consolidated financial statements as of October 1, 2023.

The impact of this acquisition is described in Note 2 “Highlights” and Note 8 “Non-recurring items”. The process of calculating the price adjustment based on the final net debt and working capital requirements was ongoing on the closing date. However, the impact of this price adjustment, in the Group’s favor, will not be significant.

The value of assets acquired and liabilities assumed is as follows:

| (in million euros) | Value of net assets acquired as of 10/01/2023 |
|---|---|
| Non-current assets | 106 |
| Current assets | 157 |
| Non-current liabilities | 194 |
| Current liabilities | 55 |
| **Net assets position (B)** | **15** |
| Fair value of minority interests (C) | - |
| Goodwill pending allocation (A-B+C) * | 282 |
| **Fair value of the payment made for the investment (A)** | **297** |
| Cash and cash equivalents (D) | 32 |
| **Net cash disbursed (A-D)** | **265** |

* The Group has twelve months after the takeover date to measure assets and liabilities at fair value. This assessment will be finalized during 2024.

### Other changes

During the year, the Group sold Planttec Medical, which it had a 95% stake in, for a net cash amount of 7 million euros. The German-based company specializes in surgical medical devices that are recognized in the field of hemostatic andadhesion prevention solutions.

During the financial year, the Group sold the company Roquette Klötze, which is 100% owned. The company is based in Germany and is a microalgae producer.

The impacts of these disposals is not material at the Group level. The effects on the income statement are described in Note 8 “Non-recurring items”.

## NOTE 7

## CURRENT OPERATING INCOME

### 1. Turnover

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Sales of finished products and merchandise | 4,806,366 | 4,788,636 |
| Services | 493 | 574 |
| Other sales | 319,116 | 202,937 |
| **Turnover** | **5,125,975** | **4,992,146** |

The other sales are primarily comprised of sales of energy produced by the cogeneration units of the Group's industrial sites.

The Group's sales by geographical zone can be broken down as follows:

| (in thousands of euros) | 2022 | % | 2023 | % |
|---|---|---|---|---|
| Europe | 3,185,985 | 62% | 3,124,154 | 63% |
| Americas | 921,173 | 18% | 863,511 | 17% |
| China | 324,735 | 6% | 297,136 | 6% |
| Greater Asia | 694,082 | 14% | 707,345 | 14% |
| **Turnover** | **5,125,975** | **100%** | **4,992,146** | **100 %** |

## 2. Cost of goods sold and external charges

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Raw Materials | (1,843,828) | (1,824,428) |
| Energy | (602,820) | (844,869) |
| Chemicals | (188,782) | (159,438) |
| Other external purchases and expenses | (1,143,513) | (850,402) |
| **Cost of goods sold and external charges** | **(3,778,942)** | **(3,679,136)** |

In 2023, the “Raw materials” and “Energy” items were significantly impacted by price factors, following the increase seen in global markets during the financial year, particularly in Europe and for energy.

The variation in the item “Other external purchases and expenses” is due in particular to lower transport costs on sales and to hedging effects, especially on currencies.

## 3. Personnel costs

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Wages | (419,286) | (440,457) |
| Social security charges and contributions linked to personnel | (199,567) | (212,744) |
| Profit-sharing and incentive agreements | (40,502) | (35,294) |
| **Personnel costs** | **(659,354)** | **(688,496)** |

Personnel expenses include gross remuneration as well as related social security costs, temporary staff costs, and all other personnel-related contributions (training courses, service charges relating to post-employment benefits (IAS19), profit-sharing and incentive agreements, etc.).

During the year, the impact of inflation and the integration of Qualicaps led to a significant increase in payroll costs.

## 4. Amortization and depreciation

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Amortizations | (261,690) | (256,488) |
| Depreciation | (11,567) | (6,552) |
| **Amortization and depreciation** | **(273,257)** | **(263,041)** |

## 5. Other operating income and expenses

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Subsidies | 10,177 | 12,050 |
| Other income and expenses | (7,814) | (1,609) |
| **Other operating income and expenses** | **2,363** | **10,441** |
| of which other operating income | 20,624 | 38,547 |
| of which other operating expenses | (18,261) | (28,106) |

Subsidies include in particular an amount of 7.3 million euros in terms of the research tax credit in France, compared to 7.2 million euros in 2022.

## NOTE 8

## NON-RECURRING ITEMS

Over the financial period 2023, non-recurring items stood at -4 million euros. The main impacts are described below.

In 2022, non-recurring items amounted to -277 million euros.

### Qualicaps group acquisition and integration costs: -10 million euros

The expenses incurred by the Group for the acquisition and integration of Qualicaps amounted to 10 million euros. These expenses include fees, consulting costs, and operating costs of the integration team.

### Sale of Planttec Medical: +6 million euros

During the financial year, the Group sold Planttec Medical. This sale results in a capital gain of 6 million euros in the income statement.

### Roquette Frères Transformation Plan: +2 million euros

In September 2021, Roquette Frères' transformation plan was formalized by signing a Collective Termination Agreement ("RCC") and an agreement relating to the Management of Jobs and Professional Careers ("GEPP").

During the last year of this agreement in 2023, Expenditures incurred amounted to 5 million euros for severance pay, retirement benefits, end-of-career part-time work, and other support costs. These expenses were provisioned.

The remaining provision at the year-end amounts to 3 million euros to cover future expenditures in 2024, for departures recorded in 2023, and in subsequent years for costs relating to end-of-career part-time work costs. Thus, over the financial year, the updated provision resulted in a reversal of 2 million euros in the income statement.

### Other impacts in 2023

During the financial year, the group sold Roquette Klötze. This sale resulted in a capital loss of 1 million euros in the income statement.

## NOTE 9

## FINANCIAL RESULT

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Income from cash and cash equivalents and long-term investments | 5,591 | 6,911 |
| Cost of gross financial debt | (21,593) | (40,158) |
| **Cost of net financial debt** | **(16,001)** | **(33,247)** |
| Other financial result | (575) | 1,971 |
| Other financial expenses | (2,540) | (4,284) |
| Financial provisions | 2,090 | 1,318 |
| Foreign exchange results and financial instruments | (26,840) | 3,517 |
| **Other financial result** | **(27,865)** | **2,523** |
| **Financial result** | **(43,867)** | **(30,725)** |

### 1. Cost of net financial debt

The cost of net financial debt corresponds to the difference between all financial income relating to investments made by the Group, regardless of their nature, and all financial expenses relating to financing used by the Group, regardless of their nature.

The cost of financial debt relating to rental agreements (application of IFRS 16) amounts to 3.2 million euros for the year 2023, compared to 3.6 million euros for the year 2022.

There was an increase in the cost of net financial debt during the 2023 financial year, due to higher financing costs (general rise in interest rates) at 33.2 million euros and financing the Qualicaps group acquisition since October 2023 (see Note 22 "Financial Debt").

The average financing rate is 4.0% in 2023 (excluding IFRS16) compared to 1.6% in 2022.

The average interest rate on investments is 2.4 % compared to 0.9% in 2022.

### 2. Other financial result

Other financial expenses include financial expenses relating to employee benefits, commissions paid to brokers, and provisions for non-consolidated investments.

"Foreign exchange results and financial instruments" includes the net impact of the translation of items denominated in foreign currencies, the change in value of derivative instruments not qualifying as hedges (notably gas and cereals). During the 2022 financial year, this item was affected by the decline in value of certain non-qualified hedges on cereals and energy in connection with the bearish markets at the end of 2022. In 2023, this item was impacted by these unrealized positions, which reversed with a positive impact on the financial result, offset by frictional effects between the change in exchange rates and the underlying investments being hedged.

# NOTE 10
# INCOME TAX

## 1. Analysis of the net tax expense

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Taxes payable | (94,012) | (87,057) |
| Deferred taxes | 27,864 | (13,259) |
| **Income tax** | **(66,147)** | **(100,316)** |

The French entities Roquette Frères, Roquette Malause, Siladour, Roquette 4, and Roquette Ventures benefit from the tax consolidation system.

Current taxes correspond to the amounts of tax owed to the tax authorities for the period, according to the rules and tax rates in effect in the various countries, as well as provisions for taxes and the impact of tax audits.

The current tax expense for the 2023 financial year can be broken down as follows:

- A tax expense of 46 million euros for the French subsidiaries.
- A tax expense of 41 million euros for foreign subsidiaries.

The European Union supported the agreement resulting from the OECD's work on the global anti-base erosion rules called "GloBE – Pillar 2" which were adopted on December 14, 2022, EU Directive 2022/2523 on Pillar 2. This pillar aims to ensure a minimum level of global taxation for multi-national corporate groups and large national groups in the European Union. This directive was transposed into French law in the 2024 Finance Act. Since the Roquette Group generates turnover of more than 750 million euros, these minimum taxation rules will apply from the 2024 financial year. The Group is actively working to identify and assess the impacts in terms of any additional taxation. The Group expects little additional taxation, which should concern in particular the operations in Singapore.

## 2. Effective tax rate

The effective tax rate, based on pre-tax earnings and results of companies accounted for by the equity method, is 32.4% for the year 2023 (18.5% in 2022, excluding the impairment of the Canadian asset recognized as a non-recurring item). In 2023, the base rate for tax on companies in France was 25.83% (including the additional contribution).

| (in thousands of euros) | 2022 | % | 2023 | % |
|---|---|---|---|---|
| Net income | 317 | - | 203,744 | - |
| - Income tax | 66,147 | - | 100,316 | - |
| - Income from companies accounted for by the equity method | 3,478 | - | 5,821 | - |
| **Income before tax and companies accounted for by the equity method** | **69,942** | **100.0%** | **309,880** | **100.0%** |
| Theoretical tax rate in effect in France | 25.8% | | 25.8% | - |
| **Theoretical tax** | **(18,066)** | **(25.8%)** | **(80,042)** | **(25.8%)** |
| Tax rate differences | 19,294 | 27.6% | 9,622 | 3.1% |
| Permanent differences | (62,573) | (89.5%) | 8,162 | 2.6% |
| Use / (Generation) of unrecognized tax losses | 2,746 | 3.9% | (20,819) | (6.7%) |
| Losses activated during the period | - | - | - | - |
| Tax credits | 3,634 | 5.2% | 4,758 | 1.5% |
| Other items | (11,182) | (16.0%) | (21,998) | (7.1%) |
| **Income tax** | **(66,147)** | **(94.6%)** | **(100,316)** | **(32.4%)** |

The permanent differences related in particular, for the 2022 financial year, to the impairment of the asset in Canada (see Note 2 "Highlights"). During the financial year, this line includes the effects of a tax credit on energy consumption in Italy.

Unrecognized tax losses for the year mainly relate to Roquette Canada.

The impact of the tax audit on Roquette Frères, closed on December 31, 2023, is presented under "Other items".

## 3. Analysis of deferred tax assets and liabilities

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Employee benefits | 8,638 | 12,289 |
| Financial instruments | 12,088 | (507) |
| Deferrable losses | 115,942 | 111,199 |
| Margin on inventories | 9,278 | 8,428 |
| Others | 36,040 | 27,889 |
| Amortization periods | (203,553) | (197,622) |
| Provisions | (1,108) | (6,659) |
| **Deferred taxes** | **(22,675)** | **(44,982)** |
| of which deferred tax assets | 92,524 | 77,742 |
| of which deferred tax liabilities | (115,199) | (122,724) |

The accounting rules and methods that apply to deferred taxes are described in Note 4.10.

The activated deferrable losses primarily concern the subsidiaries Roquette America and Roquette Canada. An in-depth analysis was conducted in order to document the effective use within a reasonable period of time of these tax losses, taking account of the economic context.

The category “Amortization periods” relates to temporary differences arising from depreciation periods for tax purposes that differ from those used in the consolidated financial statements.

The category “Other” includes deferred tax assets related to the revaluation of fixed assets in Italy.

## 4. Tax losses

Based on historical analyses and/or market uncertainties, the Group has chosen to not recognize the deferred tax income concerning certain entities with a tax loss.

According to the tax laws in the countries involved, these unrecognized deferred taxes can be deferred until the following years:

| (in thousands of euros) | < 1 year | 2 to 5 years | > 6 years | Total 2023 |
|---|---|---|---|---|
| Unrecognized deferred tax assets linked to tax losses | 1,290 | 4,739 | 29,223 | 35,252 |

# NOTE 11

# GOODWILL

| (in thousands of euros) | 2022 | Effects of the change in scope | Other effects | Translation adjustments | Impairment | 2023 |
|---|---|---|---|---|---|---|
| Europe | 39,099 | (207) | - | - | - | 38,893 |
| Americas | 89,994 | - | - | (538) | - | 89,456 |
| China | - | - | - | - | - | - |
| Greater Asia | 10,863 | 282,472 | - | 2,790 | - | 296,125 |
| **Goodwill** | **139,956** | **282,265** | **-** | **2,252** | **-** | **424,473** |

Goodwill is allocated to cash-generating units (CGUs) corresponding to the regions (see note 14 “Impairment tests on goodwill and other non-financial assets”).

Changes in the consolidation scope relate to the Qualicaps group, whose pre-allocation goodwill was allocated to Greater Asia because the parent company is in Japan (please note that the amount of goodwill relating to this acquisition is currently being allocated, see Note 6 “Consolidation Scope”), and to the sale of Planttec Medical (Europe), which generated a goodwill write-down of 0.2 million euros.

## NOTE 12

## INTANGIBLE FIXED ASSETS

| (in thousands of euros) | 2022 | Increase | Decrease | Changes in scope | Translation and other adjustments | 2023 |
|---|---|---|---|---|---|---|
| Development costs | 8,036 | - | - | - | - | 8,036 |
| Software | 338,693 | 8,179 | (2,301) | 10,764 | 15,911 | 371,246 |
| Patents, trademarks and customer relations | 95,540 | - | - | 1,342 | (2,055) | 94,827 |
| Other intangible fixed assets | 37,345 | 16 | (15) | 4,875 | (5,177) | 37,043 |
| Intangible assets in progress | 15,817 | 376 | - | 538 | (15,630) | 1,101 |
| **Gross values** | **495,431** | **8,571** | **(2,316)** | **17,519** | **(6,951)** | **512,253** |
| Development costs | (3,813) | (381) | - | - | - | (4,194) |
| Software | (197,006) | (24,589) | 2,301 | (7,524) | (16) | (226,833) |
| Patents, trademarks and customer relations | (38,933) | (4,006) | - | (969) | 1,148 | (42,759) |
| Other intangible fixed assets | (30,422) | (553) | 15 | (1,643) | 1,779 | (30,824) |
| Intangible assets in progress | - | - | - | - | - | - |
| **Amortizations** | **(270,173)** | **(29,529)** | **2,316** | **(10,136)** | **2,912** | **(304,610)** |
| **Depreciation** | **(2,020)** | **-** | **-** | **(111)** | **130** | **(2,001)** |
| **Net intangible fixed assets** | **223,237** | **(20,958)** | **-** | **7,272** | **(3,909)** | **205,642** |

## NOTE 13

## TANGIBLE FIXED ASSETS

Tangible fixed assets are comprised of fixed assets held as capital and rights of use on tangible fixed assets.

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Tangible fixed assets held as capital | 2,105,307 | 2,158,714 |
| Rights of use on tangible fixed assets | 153,345 | 154,453 |
| **Total tangible assets** | **2,258,652** | **2,313,167** |

### 1. Tangible fixed assets held as capital

| (in thousands of euros) | 2022 | Increase | Decrease | Changes in scope | Translation and other adjustments | 2023 |
|---|---|---|---|---|---|---|
| Land and land improvements | 152,137 | 430 | (184) | 4,039 | (1,629) | 154,793 |
| Buildings | 1,199,573 | 5,645 | (3,019) | 55,583 | (12,740) | 1,245,043 |
| Inst. machinery and equipment | 5,635,955 | 62,680 | (47,117) | 218,721 | (8,490) | 5,861,748 |
| Investment property | 38,437 | 3,393 | - | - | - | 41,831 |
| Others | 233,119 | 123,005 | (20,166) | 41,604 | (72,704) | 304,858 |
| **Gross values** | **7,259,221** | **195,153** | **(70,486)** | **319,947** | **(95,563)** | **7,608,272** |
| Land and land improvements | (51,685) | (2,191) | 168 | (24) | 232 | (53,500) |
| Buildings | (620,774) | (44,438) | 2,448 | (32,294) | 11,978 | (683,080) |
| Inst. machinery and equipment | (3,994,380) | (127,885) | 39,575 | (174,879) | 42,224 | (4,215,346) |
| Investment property | (9,541) | (2,193) | - | - | - | (11,733) |
| Others | (84,671) | (9,302) | 5,429 | (17,925) | 1,264 | (105,204) |
| **Amortizations** | **(4,761,051)** | **(186,009)** | **47,622** | **(225,122)** | **55,698** | **(5,068,863)** |
| **Depreciation** | **(392,864)** | **-** | **8,980** | **(4,613)** | **7,800** | **(380,696)** |
| **Tangible fixed assets** | **2,105,307** | **9,144** | **(13,884)** | **90,212** | **(32,065)** | **2,158,714** |

“Other” tangible fixed assets include current fixed assets amounting to 154 million euros as of December 31, 2023 compared to 113 million euros as of December 31, 2022, of which 74 million euros are reclassified from “Other” to “Other fixed assets” when they are brought into service.

The fair value of investment property held by the Group is estimated at 43 million euros.

## 2. Rights of use (RoU) on tangible fixed assets

In application of IFRS16, rights of use (RoU) concerning assets taken as rentals are as follows:

| (in thousands of euros) | 2022 | Increase | Decrease | Changes in scope | Translation and other adjustments | 2023 |
|---|---|---|---|---|---|---|
| RoU on land | 22,975 | 702 | - | 772 | (1,001) | 23,449 |
| RoU on buildings and layout | 142,857 | 16,255 | (12,169) | 7,778 | (1,933) | 152,787 |
| RoU on Inst. machinery, tools and vehicles | 100,263 | 19,914 | (1,535) | (2,135) | 2,013 | 118,521 |
| **Gross values** | **266,095** | **36,871** | **(13,704)** | **6,416** | **(920)** | **294,757** |
| RoU on land | (7,143) | (592) | - | (462) | 654 | (7,543) |
| RoU on buildings and layout | (54,038) | (19,959) | 12,109 | (1,923) | 1,216 | (62,596) |
| RoU on Inst. machinery, tools and vehicles | (51,568) | (20,400) | 1,535 | (449) | 717 | (70,165) |
| **Amortizations** | **(112,750)** | **(40,950)** | **13,643** | **(2,834)** | **2,587** | **(140,304)** |
| **Depreciation** | - | - | - | - | - | - |
| **Tangible fixed assets** | **153,345** | **(4,079)** | **(60)** | **3,582** | **1,666** | **154,453** |

The rental agreements primarily concern rental agreements for freight cars, logistics warehouses, offices and company cars, of which the main characteristics and method for evaluation are as follows:

- Freight car rental: the French and American companies signed rental agreements for freight cars for conveying raw materials or the delivery of finished products. The duration of these agreements was estimated either by using the contractual duration for standard freight cars (duration between one and ten years) or the duration of the service life of the freight cars for those that have special features requested by the Group (duration up to twenty years).

- Logistic warehouses and administrative offices: the duration of these agreements was estimated taking into account the legal duration of the agreements. The Group felt that at the expiration of the lease agreement, the penalties or related costs were not significant enough to create an implicit obligation to remain in the premises. The duration of the agreements ranges from one year (renewable agreements) to over fifteen years (specific warehouse rental agreements).

- Company cars: the duration of the agreements was estimated based on the contractual durations (about three years).

Rights of use on land correspond to long-term leases, particularly in Lithuania and China.

Residual rental expenses relating to short term rental agreements, low value rental agreements, or variable payments are not material.

# NOTE 14

# IMPAIRMENT TESTS ON GOODWILL AND OTHER NON-FINANCIAL ASSETS

## 1. Testing principles

The cash-generating units (CGUs) are determined in accordance with operational reporting. They correspond to the regions.

The tests are performed in accordance with the methods described in the valuation rules and methods, and taking into account the assumptions and estimates required to perform these tests, as described in Note 5 “Judgments, estimates and significant assumptions”.

In addition, the Group anticipates changes in the price of carbon. The group estimates the price of $CO_2$ at 100 euros per ton in its profitability calculations and at over 150 euros per ton in its long-term investment assumptions in Europe.

The Group conducts these impairment tests on three levels:

- Goodwill and fixed assets are subject to systematic annual testing at the regional level.

- If there is an indication of impairment (including goodwill), the assets of a country or entity are subject to a specific test;

- In the event of a strategic decision relating to certain assets or groups of assets (reallocation, proposed disposal, workshop closure, etc.), they are also subject to a specific test.

### 2. Test results

| | Parameters of the model applied to cash flow projections | | | | Impairment recognized | |
|---|---|---|---|---|---|---|
| | Perpetual growth rate | | Discount rate | | | |
| (in million euros) | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Europe | 2.0% | 2.0% | 6.6% | 7.0% | 18.0 | 16.2 |
| Americas | 2.5% | 2.5% | 8.0% | 8.6% | 278.0 | 276.4 |
| China | 3.0% | 3.0% | 7.8% | 8.3% | 12.1 | 10.5 |
| Greater Asia | 3.0% | 3.0% | 12.5% | 12.2% | 185.4 | 173.3 |

CGUs consist of the following tangible and intangible assets (including goodwill):

- Europe: all assets located in Europe;
- Americas: assets of Roquette Canada (Portage), Roquette America (Keokuk and Gurnee), Sethness USA, and Itacel in Brazil;
- China: all assets located in China;
- Greater Asia: mainly the assets of Roquette India.

Considering the diversity of assets within the CGUs, specific impairment tests are carried out on certain assets, especially Roquette Canada (Portage), Itacel, and Roquette India.

Discount rates have risen (except in India), notably due to the increase in risk-free rates.

During the year, other tests did not lead to any significant change in impairments: the changes for the year are essentially linked to exchange rate variations and to reversals of impairments on individual assets against depreciation.

The impairment recognized in prior periods mostly concerns the following assets:

- Europe: Roquette Frères after decisions to close workshops and Roquette Amilina with regard to industrial equipment with no prospective use.
- Americas: Roquette Canada mainly (see Note 5 "Significant judgments, estimates and assumptions").
- China: Guangxi Nanning Chemical Pharmaceutical and Roquette Biotech Nutritionals. These companies retain a remainder in depreciation in terms of depreciation on specific assets.
- Greater Asia: assets of the company Roquette India.

### 3. Sensitivity of the tests of the retained assumptions

Over all of the tests conducted and for the entire Group:

- 0.5 point increase in the discount rates would have an impact of -7 million euros on the tests.
- 0.5 point decrease in the discount rates would have an impact of +8 million euros on the tests.
- 0.5 point increase in the perpetual growth rate would have an impact of +6 million euros on the tests.
- 0.5 point decrease in the perpetual growth rate would have an impact of -5 million euros on the tests.

As mentioned in Note 5 "Significant judgments, estimates and assumptions", the sensitivity of the tests is significant given the economic uncertainties, especially concerning the tests on assets in India and Brazil. Thus, beyond the discount rate and the infinite growth rate, the major sensitivity is the Group's ability to achieve its business plans.

In this respect, the sensitivity of the tests to a 10% drop in EBITDA over the life of the business plan is as follows:

- An impact of -19 million euros on Roquette India (additional depreciation).
- No significant impact on Itacel.

As explained in Note 5 "Significant judgments, estimates and assumptions", the recoverable amount of the Portage asset in Canada is the carrying amount. In this respect, there is no strict sense sensitivity to the above assumptions. However, failure to achieve the business plan in 2024 would have an impact on the recoverable amount.

## NOTE 15

## INVESTMENTS IN ASSOCIATES

The amount of securities in the equity method changed from 8.8 million euros in 2022 to 8.2 million euros in 2023. The decrease in this item is mainly due to the results of the companies included in this aggregate, offset by a capital increase.

The amount of the share of the other comprehensive income of branches and associates booked according to the equity method is no significant.

Note 30 presents the entities that this aggregate is comprised of.

## NOTE 16

## CURRENT AND NON-CURRENT FINANCIAL ASSETS

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Securities | 16,283 | 25,248 |
| Bonds | 1,715 | 1,715 |
| Long-term investments | 181,905 | 28,174 |
| Deposits and bonds | 4,195 | 4,948 |
| **Financial assets** | **204,098** | **60,085** |
| of which non-current financial assets | 201,264 | 57,293 |
| of which current financial assets | 2,834 | 2,792 |

### Securities

| (in thousands of euros) | Net value 2022 | Gross value | Impairment | Net value 2023 |
|---|---|---|---|---|
| Exeltium 1 | 992 | 8,321 | (5,952) | 2,369 |
| Advanced Protein Technologies Corp. | 5,862 | 5,862 | - | 5,862 |
| The Protein Brewery | 6,864 | 8,864 | (717) | 8,147 |
| Rival Foods | 1,200 | 2,000 | - | 2,000 |
| Kofitech | - | 4,528 | - | 4,528 |
| Other interests | 1,365 | 2,392 | (50) | 2,342 |
| **Securities** | **16,283** | **31,967** | **(6,719)** | **25,248** |

The securities correspond to the Group's non-consolidated entities. They are valued in accordance with the methods described in the rules and evaluation methods. During the financial year, the Group invested in Kofitech in South Korea.

These entities are not consolidated because they do not meet the criteria for consolidation (if the Group does not control them) or using the equity method (if the Group exercises significant influence), or because they are not material.

### Receivables from equity interests

These receivables correspond to loans to companies accounted for using the equity method and are consolidated, for their net amount, in the calculation of net debt. The Group no longer has any receivables related to investments.

Reminder, since the end of 2013, the receivables with regards to Solazyme Roquette Nutritionals have been covered by a provision.

### Long-term investments

Long-term investments correspond to the cash investments that are not part of the “Cash and cash equivalents” qualification, due to their expected duration for subscription exceeding three months.

These investments are integrated into the net debt calculation.

As part of the diversification of its investment portfolio, the Group had subscribed to various investments with financial counterparties. During the 2023 financial year, a significant number of investments were discontinued in order to streamline the Group’s financing.

In line with the financial policy set up, these investments have the following characteristics:

- No risk of capital loss except in the case of default of the counterparty.
- Monitored and managed counterparty risk.
- Foreseeable compensation over a determined period of time.

## NOTE 17

## INVENTORIES

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Raw materials and other supplies | 375,373 | 375,150 |
| In-process items | 3,598 | 15,285 |
| Finished products and merchandise | 514,857 | 585,442 |
| Depreciation | (32,231) | (53,010) |
| **Inventories** | **861,597** | **922,867** |

## NOTE 18

## ACCOUNTS RECEIVABLE AND SIMILAR ACCOUNTS

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Accounts receivable and similar accounts | 757,807 | 714,160 |
| Depreciation | (13,125) | (9,916) |
| **Accounts receivable and similar accounts** | **744,682** | **704,244** |

Contract assets, consisting of invoices to be issued, amounted to 9 million euros as of December 31, 2023 compared to 36 million euros as of December 31, 2022 and include in particular invoices to be issued for energy sales.

Please note that a major portion of customer receivables is covered by credit insurance.

## NOTE 19

## OTHER CURRENT AND NON-CURRENT ASSETS

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| State and local authorities | 62,339 | 54,728 |
| Derivative instruments | 163,333 | 45,118 |
| Other accounts receivable | 102,361 | 63,546 |
| **Other assets** | **328,034** | **163,392** |
| of which other non-current assets | 27,476 | 22,937 |
| of which other current assets | 300,558 | 140,455 |

Derivative instruments are primarily comprised of operations set up for the purposes of managing the exchange rate, interest rate and changes in the price of cereal and energy risks. The net position analysis is presented in Note 24.

Other accounts receivable were down, especially following the receipt of an investment subsidy in connection with the Portage asset in Canada.

## NOTE 20

## PROVISIONS

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Provisions for disputes and litigation | 7,425 | 10,836 |
| Other provisions | 10,070 | 3,871 |
| **Provisions** | **17,495** | **14,707** |
| of which non-current provisions | 2,100 | 4,482 |
| of which current provisions | 15,395 | 10,224 |

## NOTE 21

## EMPLOYEE BENEFITS

According to the laws and customs of each country, the Group's personnel benefit from long-term or post-employment benefits in addition to short-term compensation. These additional benefits take the form either of defined contribution plans or defined allowances plans, as explained in Note 4.13 "Post-employment and other long-term employee benefits".

Defined allowances regimes give rise to an actuarial evaluation by independent experts. These policies mainly concern:

- Retirement plans and medical coverage in the United States, in the United Kingdom, and in Germany.
- End-of-career allowances in France, Italy, India, and Japan.

## 1. Main actuarial assumptions

| | | 2022 | 2023 |
|---|---|---|---|
| **Discount rate** | | | |
| | Europe | 3.6% - 5.2% | 3.2% - 4.5% |
| | Americas | 4.8% | 4.6% |
| | Greater Asia | 7.5% | 7.4% |
| **Wage increase rate** | | | |
| | Europe | 2.2% - 2.3% | 2.2% - 2.3% |
| | Americas | N/A (medical plan) | N/A (medical plan) |
| | Greater Asia | 8.5% | 9.5% |

For 2023, the discount rates for Western countries are decreasing. For example, for commitments relating to retirement benefits in France, which account for almost half of net commitments, the discount rate for 2023 is 3.19%, compared to 3.74% for 2022. The wage increase rate for France is consistent with the European Central Bank's long-term inflation assumptions and has been set at 2.20% for the 2023 commitments.

## 2. Changes in defined allowances regimes

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| **Actuarial value of the rights accumulated at the beginning of the period** | **148,458** | **104,058** |
| Cost of services | 5,419 | 3,986 |
| Financial cost | 1,798 | 4,210 |
| Actuarial (Gains) losses | (34,707) | 10,446 |
| Services paid | (8,153) | (5,899) |
| Others | (7,909) | 4,271 |
| Exchange rate effect | (848) | (64) |
| **Actuarial value of the rights accumulated at the end of the period** | **104,058** | **121,007** |
| **Current value of the rights accumulated at the beginning of the period** | **(66,528)** | **(50,152)** |
| Expected return on assets of the plan | (816) | (2,106) |
| Employer contributions | (823) | (901) |
| Services paid | 6,411 | 4,326 |
| Actuarial (Gains) losses | 4,730 | 2,855 |
| Others | 5,983 | 88 |
| Exchange rate effect | 890 | (176) |
| **Current value of investments at the end of the period** | **(50,152)** | **(46,067)** |
| **(Surplus) Deficit of the investments on accumulated rights** | **53,907** | **74,940** |
| **Provisions retirement commitments and medical coverage** | **53,907** | **74,940** |
| *of which non-current employee benefits* | *50,173* | *70,085* |
| *of which current employee benefits* | *3,734* | *4,854* |
| *Charges for the financial year* | | |
| Costs of services rendered during the year | 5,419 | 3,986 |
| Other expenses | (2,127) | - |
| Financial cost | 982 | 2,103 |
| **Net expense (income)** | **4,274** | **6,089** |
| *Variation in actuarial impacts* | | |
| **Actuarial gains (losses) recognized at the beginning of the period** | **(39,972)** | **(9,995)** |
| Actuarial Gains (losses) | 29,977 | (13,300) |
| **Actuarial gains (losses) recognized at the end of the period** | **(9,995)** | **(23,295)** |

The amount of net actuarial losses recognized on the comprehensive income statement amounted to -13.3 million euros during 2023, mainly due to lower discount rates in Western countries resulting in a increase in the commitment.

The change in consolidation scope linked to the acquisition of the Qualicaps group is presented under the heading "Other" for 4.2 million euros.

### Sensitivity to key hypotheses

- An increase in the discount rate of +0.5 points would result in a drop in the provision of 5 million euros. The sensitivity of commitments in France to an increase of +0.5 percentage points is 3 million euros.
- A decrease in the discount rate of -0.5 point would result in an increase in the provision of 5.4 million euros. The sensitivity of commitments in France to a decrease of -0.5 percentage points is 3.3 million euros.
- The sensitivity of the provision to the salary increase assumption is relatively the same as for the discount rate.

# NOTE 22

# FINANCIAL DEBT

## 1. Net financial debt

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Non-current financial debt | 785,910 | 837,921 |
| Current financial debt | 322,160 | 411,708 |
| Non-current financial assets* | (181,905) | (28,174) |
| Cash and cash equivalents | (237,259) | (188,465) |
| **Net financial debt / (net availability)** | **688,907** | **1,032,991** |

*Only long-term investments and any receivables from equity interests (see Note 16 "Current and non-current financial assets")

### Financing policy

The Group has established a policy limiting access to financing markets to Roquette Frères. Thus, all the Group's financing lines are contractualized by Roquette Frères. However, due to specific internal or regulatory constraints, certain Group companies may exceptionally be authorized by the Treasury and Financing Department to set up external financing lines. This authorization was granted to the following companies:

- Roquette India in order to cover the financing for its working capital requirements.
- Immoroc as part of the acquisition of real estate.
- Viadène as part of its activity as a buy-out fund for securities of Roquette Frères.
- Roquette China to secure access to liquidity for companies participating in the local cash pooling mechanism.

There is no security interest granted as a guarantee for financial debts and borrowings except for certain categories of real estate loans. In this context, the security guarantees concern the property financed.

### Cash flow and financial assets

The Group has decided to maintain liquidities on account with its first-rate banks. These funds are mainly denominated in euros and available on demand.

In 2023, the Group decided to limit capital-guaranteed investments with a long-term face value in order to reduce the impact of rising interest rates on the cost of financing. Excess cash in euros is qualified as "Cash and cash equivalents" because:

- The management intention is a short-term investment whose outstanding amount may fluctuate according to the Group's change in cash flow.
- These investment instruments have an exit option with a maximum term of five days.

The characteristics of the non-current financial assets are described in Note 16 "Current and non-current financial assets".

## 2. Financial debt

| (in thousands of euros) | 2022 | Changes in scope | Var. with effect on the cash flow: Increase | Var. with effect on the cash flow: Decrease | Var. without effect on the cash flow: Other | Var. without effect on the cash flow: Reclassification | Translation adjustments | 2023 |
|---|---|---|---|---|---|---|---|---|
| Bond issues | 337,470 | - | - | - | - | (40,187) | - | 297,284 |
| Bank loans | 269,253 | - | 410,000 | (256,725) | (4,662) | - | - | 417,866 |
| Rent debt (IFRS 16) | 110,011 | 7,431 | 20,610 | (3,396) | 712 | (25,391) | (602) | 109,376 |
| Other financial debts | 69,176 | - | 471 | (162) | (49,340) | (6,750) | - | 13,395 |
| **Non-current financial debt** | **785,910** | **7,431** | **431,081** | **(260,283)** | **(53,289)** | **(72,327)** | **(602)** | **837,921** |
| Bond issues | 45,837 | - | - | (46,591) | - | 40,187 | (522) | 38,911 |
| Bank loans | 65,371 | - | 54,199 | (1,291) | 1,423 | - | 504 | 120,206 |
| Accrued interest | 3,640 | - | 4,077 | - | - | - | - | 7,717 |
| Current rent debt (IFRS 16) | 33,602 | - | 16,639 | (41,195) | 2,626 | 25,391 | (405) | 36,657 |
| Other financial debts | 173,049 | 174,973 | 28,133 | (181,198) | (25,603) | 6,750 | - | 176,104 |
| **Current financial debt (excluding bank overdrafts)** | **321,499** | **174,973** | **103,048** | **(270,275)** | **(21,553)** | **72,327** | **(424)** | **379,595** |
| Bank overdrafts | 661 | 14 | 31,452 | - | (14) | - | - | 32,113 |
| **Current financial debt** | **322,160** | **174,987** | **134,501** | **(270,275)** | **(21,568)** | **72,327** | **(424)** | **411,708** |
| **Financial debt** | **1,108,070** | **182,419** | **565,581** | **(530,558)** | **(74,857)** | **-** | **(1,025)** | **1,249,629** |

The “Other” variations correspond to the debt linked to the sales option held by minority shareholders.

The currency translation differences linked to bond issues correspond primarily to the impact of the change on USPP, denominated in USD.

### Bond issues

In 2012, the Group issued a private bond investment (USPP reserved for three US insurance companies). This issue was carried out for a nominal amount of 200 million USD. This financing is being depreciated on a straight-line basis from 2020 to 2024, with the final tranche of 40 million USD outstanding as of December 31, 2023.

The Group issued a second loan to US investors (USPP) in 2022 for 300 million euros, with repayments scheduled between 2029 and 2034. The nominal interest rate is 3.6%, and 2.8% after taking into account the interest rate hedges put in place pre-closing.

As part of its wage policy, the Group in the past set up bond issues reserved for its employees. These issues are now no longer renewed and were redeemed in July 2023.

### Bank loans

The Group contracts financing lines with banking institutions in order to provide for its liquidity. These lines are confirmed and can be repaid in fine. For a portion of the portfolio, they can be used in euros or in foreign currency.

During the year, the Group issued a loan to finance the acquisition of Qualicaps. The loan is amortized with repayments scheduled from 2024 to 2028. The nominal interest rate is EUR3M +0.95% (adjustable according to the S&P rating).

### Outstanding bank overdrafts

The outstanding bank overdrafts include the bank overdrafts and unconfirmed financing lines.

### Rent debt (IFRS 16)

Following the application of IFRS 16 on January 1, 2019 concerning rentals, rental commitments are now recognized as debt (see Note 4.5 “Rental agreements”).

The main estimations and underlying assets for this rent debt are described in Note 13.2 “Rights of use (RoU) on tangible fixed assets”.

### Other financial debts

Other financial debt mainly comprise:

- Short-term marketable securities issued for 172 million euros. This issuing stems from the setting up, in 2016, of a program for issuing short term marketable securities. The program’s budget is 300 million euros and the maximum drawing duration is one year renewable. The program was rated “A-2” by Standard & Poor’s and was validated by the Banque de France on February 23, 2016.

- Blocked current accounts for employee profit sharing for 12.9 million euros (compared to 18.4 million euros in 2022).

Following the buyout of minority shares in Amilina during the financial year, the debt relating to the option to sell these minority shares was repurchased.

### Maturity of financial debt

| (in thousands of euros) | < 1 year | 2 to 5 years | > 6 years | 2022 Total | < 1 year | 2 to 5 years | > 5 years | 2023 Total |
|---|---|---|---|---|---|---|---|---|
| Bond issues | 45,837 | 37,470 | 300,000 | 383,307 | 38,911 | - | 297,284 | 336,195 |
| Bank loans | 65,371 | 259,653 | 9,600 | 334,624 | 120,206 | 412,659 | 5,207 | 538,072 |
| Rent debt (IFRS 16) | 33,602 | 62,648 | 47,362 | 143,612 | 36,657 | 69,705 | 39,671 | 146,033 |
| Other financial debts | 173,049 | 68,445 | 731 | 242,225 | 176,104 | 13,100 | 294 | 189,499 |
| Accrued interest | 3,640 | - | - | 3,640 | 7,717 | - | - | 7,717 |
| Bank overdrafts | 661 | - | - | 661 | 32,113 | - | - | 32,113 |
| **Financial debt** | **322,160** | **428,216** | **357,693** | **1,108,070** | **411,708** | **495,464** | **342,457** | **1,249,629** |

### Breakdown by currency of financial debt

The outstanding debt by currency can be analyzed as follows (before hedging):

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Euro | 942,258 | 1,119,786 |
| US dollar | 141,542 | 57,835 |
| Rupee | 16,498 | 21,947 |
| Others | 7,772 | 50,061 |
| **Financial debt** | **1,108,070** | **1,249,629** |

The Group finances its companies in their local operating currency or the currency that minimizes the impact of exchange rates in their accounts. When a company needs cash in a currency that is not on the list of financing currencies or for needs that exceed the residual amount available in said currency, the Group uses:

- Its euro financing lines with an immediate conversion carried out in the currency of the borrowing subsidiary. This conversion is carried out via exchange swaps (USD, CAD) or cross currency swaps (INR).
- Excess cash in euros converted into the local currency of the borrowing company. This conversion is carried out via exchange swaps (USD) or cross currency swaps (INR).

The Group's portfolio of confirmed financing lines can be broken down as follows:

- Financing lines denominated in euros that can be used partially in foreign currencies at Roquette Frères.
- Local financing lines denominated in the local currency of the borrowing company (INR).

## 3. Financial covenants

The USD bond issue put in place in 2012 includes two financial covenants. The first is based on the “net debt/EBITDA” ratio based on the current IFRS consolidated accounts, excluding long-term investments from net debt, and the second on a minimum amount of equity.

The same applies to the 2022 USPP issue in euros.

These covenants were met with a very significant margin. The Group expects to meet this covenant for the next twelve months.

The currently available bank financing lines do not support financial covenants.

## NOTE 23

## OTHER CURRENT AND NON-CURRENT LIABILITIES

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Social debts | 154,706 | 172,702 |
| Tax debts | 27,831 | 32,841 |
| Fixed asset suppliers | 53,636 | 65,437 |
| Derivative instruments | 222,677 | 61,266 |
| Other accounts payable | 190,080 | 123,031 |
| **Other liabilities** | **648,931** | **455,278** |
| of which other non-current liabilities | 27,939 | 29,776 |
| of which other current liabilities | 620,992 | 425,503 |

Derivative instruments are primarily comprised of operations set up for the purposes of managing the exchange rate, interest rate and changes in the price of cereal and energy risks.

The “Other accounts payable” item consists in particular of a debt relating to the payment of an interim dividend from Roquette Frères, decided by the Board of Directors in December 2023 (as in 2022). In 2022, it also included a margin call on a non-renewed transaction in 2023.

Contract liabilities, comprised of advances received from customers, represent 24 million euros as of December 31, 2023 compared to 17 million euros as of December 31, 2022.

## NOTE 24

## INFORMATION CONCERNING THE MANAGEMENT OF FINANCIAL RISKS

### 1. Foreign exchange risk management

As part of their activities, the Group's companies invoice the companies domiciled in their own country. The Group's production companies supply the marketing companies with the products sold locally. Excluding marketing in Asia, the intragroup billing currency is the local currency of the company billing the end customer or the currency that minimizes its exposure to the exchange risk. This results in that the exchange rate risk is housed at the level of the production companies. With regards to sales in Asia, the exchange rate risk is centralized within the Roquette Asia Pacific entity.

The Group has set up a hedge for Roquette Frères and Roquette Asia Pacific based on the budget and the progress of the contracting. A second hedge, known as systematic hedging, is implemented when foreign currency sales are actually realized.

The Group can also proceed with hedging the foreign exchange risk associated with certain borrowing or loans in foreign currency. The instruments used are primarily future contracts as well as foreign exchange options.

#### Details on currency derivatives

Currency derivative transactions carried out by the Group for the hedging of its commercial or financial operations can be analyzed as follows, in net position per currency:

***December 31, 2023***

| (in thousands of euros) | < 1 year | 1 to 5 years | > 5 years | Notional | 2023 Fair value |
|---|---|---|---|---|---|
| Fair value hedge | - | - | - | - | - |
| Cash flow hedge | 400,135 | - | - | 400,135 | 3,403 |
| Net investment hedge | - | - | - | - | - |
| Not qualified for hedging * | 424,082 | 5,393 | 6,524 | 436,000 | 1,374 |
| **Foreign-exchange derivatives** | **824,217** | **5,393** | **6,524** | **836,135** | **4,777** |

*Including Cross Currency Swaps

A 10% appreciation in currencies compared to the euro would have an impact of -67 million euros on the fair value of the currency derivatives.

*December 31, 2022*

| (in thousands of euros) | < 1 year | 1 to 5 years | > 5 years | Notional | 2022 Fair value |
|---|---|---|---|---|---|
| Fair value hedge | - | - | - | - | - |
| Cash flow hedge | 544,686 | 18,664 | - | 563,350 | 14,439 |
| Net investment hedge | - | - | - | - | - |
| Not qualified for hedging* | 417,966 | 34,254 | 6,795 | 459,014 | 11,773 |
| **Foreign-exchange derivatives** | **962,652** | **52,918** | **6,795** | **1,022,364** | **26,212** |

*Including Cross Currency Swaps

### Analysis of the exposure of the turnover to the foreign exchange risk

*As of December 31, 2023*

| (in thousands of euros) | USD | GBP | JPY |
|---|---|---|---|
| Closing rate | 1.1051 | 0.86893 | 156.35 |
| Exposure | 367,079 | 146,539 | 90,365 |
| Hedge | 194,427 | 93,257 | 55,238 |
| **Net position** | **172,652** | **53,282** | **35,127** |

Exposure is calculated based on the budget for sales in foreign currencies.

A 10% depreciation in currencies compared to the euro would have an impact of -24 million euros on the net forecast position.

*December 31, 2022*

| (in thousands of euros) | USD | GBP | JPY |
|---|---|---|---|
| Closing rate | 1.0675 | 0.88722 | 140.76 |
| Exposure | 451,522 | 146,525 | 103,012 |
| Hedge | 352,263 | 120,435 | 48,945 |
| **Net position** | **99,259** | **26,090** | **54,067** |

## 2. Interest rate management

The Group uses derivative instruments for the purposes of managing the interest rate risk. These are mainly rate swaps and cross-currency rate swaps. The rate derivatives do not benefit from hedge accounting.

The tables below show the breakdown of the financial debt between the fixed rate portion and the variable rate portions at year-end:

| (in thousands of euros) | 2022 Variable rate | 2022 Fixed rate | 2023 Variable rate | 2023 Fixed rate |
|---|---|---|---|---|
| Financial debt with regards to financial institutions (inc. short term negotiable debt securities) | 466,401 | 418,758 | 701,623 | 365,325 |
| Share | 53% | 47% | 66% | 34% |
| Rate | 2.30% | 3.85% | 4.80% | 3.69% |

As the debt and the assets recognized (excluding derivatives) are not recognized at the fair value, it is not necessary to carry out an analysis of the sensitivity to the interest rate risk of these assets.

The interest rate derivative instrument portfolio is comprised of the following items:

*December 31, 2023*

| (in thousands of euros) | | < 1 year | 1 to 5 years | > 5 years | Notional | 2023 Fair value |
|---|---|---|---|---|---|---|
| **Cross Currency Swaps** | EUR-INR | 3,915 | 5,393 | 6,524 | 15,832 | 63 |
| **Total** | | **3,915** | **5,393** | **6,524** | **15,832** | **63** |

A change in the rates of 1% would impact the fair value of the rate derivatives by 0.2 million euros.

*December 31, 2022*

| (in thousands of euros) | | < 1 year | 1 to 5 years | > 5 years | Notional | 2022 Fair value |
|---|---|---|---|---|---|---|
| **Cross Currency Swaps** | EUR-INR | - | 23,555 | 6,795 | 30,349 | 755 |
| **Total** | | **-** | **23,555** | **6,795** | **30,349** | **755** |

## 3. Managing the risk of the change in the price of cereals

The Group's exposure to the risk of a change in the price of cereals is primarily the result of wheat and corn purchases, as well as the sale of products for which the price is highly correlated with the price of cereals.

The instruments used are primarily future purchases and options:

| | | | 2022 | | | 2023 |
|---|---|---|---|---|---|---|
| (in thousands of euros) | Volume (MT) | Nominal | Fair value | Volume (MT) | Nominal | Fair value |
| **Derivatives qualified for hedging** | | | | | | |
| Forward purchases | 2,075,336 | 612,994 | **(34,974)** | 1,137,951 | 313,213 | **(14,191)** |
| Forward sales | 1,022,534 | 292,446 | **16,163** | 394,352 | 189,090 | **11,188** |
| **Derivatives not qualified for hedging** | | | | | | |
| Forward purchases | 218,450 | 86,286 | **2,831** | 15,234,672 | 107,557 | **(2,732)** |
| Forward sales | 92,276 | 6,216 | **896** | 5,636,102 | 49,405 | **(593)** |
| Options | 780,223 | 189,620 | **(7,671)** | 8,940,750 | 53,033 | **(168)** |

## 4. Managing the risk of the change in the price of energy

The Group hedges the price component indexed on the rate for energy for a portion of its energy purchases (natural gas and electricity) and of its transport costs by using primarily swaps and options.

| | | | 2022 | | | 2023 |
|---|---|---|---|---|---|---|
| (in thousands of euros) | Volume (MWh) | Nominal | Fair value | Volume (MWh) | Nominal | Fair value |
| **Derivatives qualified for hedging** | | | | | | |
| Swaps | 1,389,073 | 169,816 | **(66,148)** | 779,509 | 43,652 | **(14,236)** |
| **Derivatives not qualified for hedging** | | | | | | |
| Swaps | 91,631 | 4,634 | **(1,101)** | 99,207 | 1,087 | **312** |
| Options | 574,736 | 12,012 | **2,635** | - | - | **-** |

## 5. Managing the risk of the change in the price of industrial purchases

The Group hedges the price component indexed on the price of metals for a part of its catalyst purchases, as well as polyethylene component of a portion of its container purchases, by using swaps.

Details on the nominal amounts are provided hereinbelow. They are converted into thousands of euros based on the price at the end of the period.

| | | | 2022 | | | 2023 |
|---|---|---|---|---|---|---|
| (in thousands of euros) | Volume (MT) | Nominal | Fair value | Volume (MT) | Nominal | Fair value |
| **Derivatives qualified for hedging** | 216 | 4,672 | **1,051** | 216 | 3,893 | **(573)** |
| **Derivatives not qualified for hedging** | - | (6) | **7** | - | (4) | **4** |

## 6. Effects of the hedging accounting on the financial situation and performance

The *Cash-Flow Hedges* (CFH) affect the consolidated financial statements in the following way:

| (in thousands of euros) Except for notionals, presented in the unit related to the hedged items | Nature of the hedging instruments | Notional amount of the hedging instruments | Book value of the hedging instruments | | Change in fair value of the hedging instruments used to recognize the ineffectiveness |
|---|---|---|---|---|---|
| | | | Active | Liabilities | |
| **Exchange Rate Risk (K EUR)** | | | | | |
| Hedging of future sales in currency | Exchange forwards | 396,653 | 6,389 | 2,862 | 1,212 |
| Hedging of future purchases in currency | Exchange forwards | 3,482 | - | 124 | 19 |
| **Cereal Risk (MT)** | | | | | |
| Hedging of future procurement | Futures / Forwards / Swaps | 1,088,154 | 788 | 8,906 | - |
| Hedging of future sales | Futures / Forwards / Swaps | 444,148 | 10,558 | 5,437 | - |
| **Energy Risk (MWh)** | | | | | |
| Hedging of future procurement | Futures / Forwards / Swaps | 689,525 | 8,764 | 22,060 | - |
| Hedging of future purchases | Futures / Forwards / Swaps | 89,984 | - | 941 | - |
| Logistics hedging | Futures / Forwards / Swaps | - | - | - | - |
| **Metals Price Risks (MT)** | | | | | |
| Hedging of future procurement | Futures / Forwards / Swaps | 216 | 1 | 574 | - |

The fair value of financial instruments are included in the items of the balance sheet “Other current and non-current assets” (when the value is an asset, see Note 19) or in “Other current and non-current liabilities” (when the value is a liability, see Note 23).

| (in thousands of euros) Except for notionals, presented in the unit relative to the elements hedged | Reserves | |
|---|---|---|
| | CFH | Cost of hedging (discount/premium) |
| **Exchange rate risk** | 4,596 | (1,193) |
| **Cereal Risk** | (2,997) | - |
| **Energy Risk** | (14,236) | - |
| **Metals Price Risks** | (573) | - |

In the income statement, the ineffectiveness is recognized in the “Financial result” item (cf. Note 9).

The amounts transferred from the CFH reserve in the income statement over the period affect the “Cost of goods sold and external charges” item.

### Recognition of financial assets and liabilities (Amendment to IFRS 7)

The Group subscribes to over-the-counter derivatives with first-rate banks as part of agreements that provide for recognizing amounts owed and to be received in the event of default of one of the contracting parties. These conditional recognition agreements do not satisfy the criteria of IAS 32 in order to allow for the recognition of derivative asset and liability instruments in the balance sheet. They do fall however within the application scope of the information to be reported in terms of IFRS 7.13 on the recognition of financial assets and liabilities. As such, the effects of the recognition agreements are the following:

- Net amount of derivative financial instrument assets according to IFRS 7.13: 4.4 million euros.
- Net amount of derivative financial instrument liabilities according to IFRS 7.13: 20.5 million euros.

These hedging operations are distributed evenly over first-rate banking partners.

### Fair value structure

All of the financial assets and liabilities recognized at fair value are classed in the category level 1 (cf. Note 5 “Judgments, estimates and significant assumptions”) except for securities and derivative instruments.

Securities are classed in level 2:

- The share of derivative asset instruments classified in level 1 is 28.5 million euros and 16.1 million euros in level 2.
- The share of derivative liability instruments classified in level 1 is 49.5 million euros and 11.2 million euros in level 2.

## 7. Counterparty risk management

The Group has to support a counterparty risk with regards to its activity. This risk is primarily circumscribed to the level of customers, suppliers and financial institutions.

### Customers

The Group outsources its customer credit risk. This outsourcing is done:

- Primarily via recourse to credit insurance.
- Or by using alternative means of security (banks, parent company guarantees, etc.).

Marginally, when it is not possible to outsource, the Group can decide to retain the risk. In this case, the internalization process for the risk is governed by an internal procedure distributed to all of the Group's companies, for which each local Financial Department is the guarantor for its application.

As part of its financing policy and in order to maintain a balanced balance sheet structure, the Group has made use of a program of sales of trade receivables (non-recourse) amounting to 70 million euros in 2022. The receivables have been derecognized from the balance sheet. This program was not extended in 2023.

### Suppliers

As part of its current activities, the Group negotiates deferred payment conditions in accordance with the local regulations. The credit risk is therefore borne by the supplier.

In the case of certain purchases (down payment with the order), the Group handles the credit risk by setting up:

- A bank guarantee generally of the first demand form issued to the Group.
- A parent company guarantee and even a property transfer if the supplier is not in a position to provide a bank guarantee.

In addition, as part of significant orders, guarantee withholdings are contractualized in order to protect the Group from any defect or malfunction that is not detected immediately when the equipment is received.

### Financial institutions

The Group has recourse to financial institutions in the following areas:

***The management of cash flow and financing***

The management of the financial counterparty risk (banks) is governed by the procedure entitled “Management of bank relations”. The Group's main banks are institutions that supply the financing lines confirmed to the Group.

The Group's financiers are local or international first-rate banks.

In 2012, the Group issued a bond loan in the form of private investment on the US market in order to raise funds in USD. This private bond loan (USPP) was subscribed to by three US insurance companies. The three investors are:

- New-York Life Insurance Company.
- Prudential Insurance Company of America.
- Guardian Life Insurance of America.

In 2022, the Group issued a bond loan in the form of private investment on the US market in order to raise funds in EUR. This private bond loan (USPP) was subscribed by 5 investors:

- New-York Life Insurance Company.
- Prudential Insurance Company of America.
- Alliance Bernstein.
- MetLife.
- Macquarie.

Starting from the reception of the funds following the bond subscription, the counterparty risk is no longer supported by the Group.

***Outsourcing the credit risk***

As part of its credit risk management activity, the Group outsources the customer credit risk to an investment grade credit insurance company.

All the Group's companies have access to credit insurance. A framework agreement is in place with Roquette Frères. This framework agreement is then adjusted, if necessary, according to the local regulations that apply within a local contract carried out with each credit insurer in the countries involved.

## 8. Liquidity risk management

The management of liquidity within the Group is based on centralizing the access to the financing market.

In order to cover its needs for global financing, the Group uses the following instruments:

- Equity injected by shareholders.
- Cash flow generated by the operating cycle.
- Bonds issued to US investors (USPP).
- Bilateral bank financing lines.
- A dedicated depreciable loan for the Qualicaps acquisition.
- The commercial paper program.

To date, the Group's net debt is comprised of:

- Debt primarily issued in euros, debt issued in currency and debt issued in euros and immediately converted into foreign currency.
- Gross investments primarily taken out in euros.

## NOTE 25

## ACCOUNTING CLASSIFICATION AND MARKET VALUE OF THE FINANCIAL INSTRUMENTS

Accounting value on the balance sheet of the financial assets and liabilities by accounting category defined by IFRS 9, as well as their fair value:

| | 2023 | Breakdown by accounting classification | | |
|---|---|---|---|---|
| (in thousands of euros) | Net book value | Fair value | Fair value - Hedging instrument | Amortized cost (Assets/Liabilities) |
| Securities and Bonds | 26,963 | 25,248 | - | 1,715 |
| Receivables from equity interests | - | - | - | - |
| Long-term investments | 28,174 | - | - | 28,174 |
| Deposits and bonds | 4,948 | - | - | 4,948 |
| **Current and non-current financial assets** | **60,085** | **25,248** | **-** | **34,837** |
| Derivative instruments – assets | 45,118 | - | 45,118 | - |
| Accounts receivable and similar accounts | 704,244 | - | - | 704,244 |
| Cash equivalents | 49,268 | 49,268 | - | - |
| Cash | 139,197 | 139,197 | - | - |
| **Total assets** | **997,911** | **213,713** | **45,118** | **739,081** |
| Bond issues | 336,194 | - | - | 336,194 |
| Bank loans | 538,072 | - | - | 538,072 |
| Other financial debts, rent debt (IFRS 16), bank overdrafts and accrued interest | 375,363 | - | - | 375,363 |
| **Current and non-current financial debt** | **1,249,629** | **-** | **-** | **1,249,629** |
| Derivative instruments – liabilities | 61,266 | - | 61,266 | - |
| Accounts payable | 433,256 | - | - | 433,256 |
| **Total liabilities** | **1,744,152** | **-** | **61,266** | **1,682,886** |

| | 2022 | Breakdown by accounting classification | | |
|---|---|---|---|---|
| (in thousands of euros) | Net book value | Fair value | Fair value - Hedging instrument | Amortized cost (Assets/Liabilities) |
| Securities and Bonds | 17,998 | 16,283 | - | 1,715 |
| Receivables from equity interests | - | - | - | - |
| Long-term investments | 181,905 | - | - | 181,905 |
| Deposits and bonds | 4,195 | - | - | 4,195 |
| **Current and non-current financial assets** | **204,098** | **16,283** | - | 187,815 |
| Derivative instruments – assets | 163,333 | - | 163,333 | - |
| Accounts receivable and similar accounts | 744,682 | - | - | 744,682 |
| Cash equivalents | 92,052 | 92,052 | - | - |
| Cash | 145,207 | 145,207 | - | - |
| **Total assets** | **1,349,372** | **253,542** | **163,333** | **932,497** |
| Bond issues | 383,307 | - | - | 383,307 |
| Bank loans | 334,624 | - | - | 334,624 |
| Other financial debts, rent debt (IFRS 16), bank overdrafts and accrued interest | 390,139 | - | - | 390,139 |
| **Current and non-current financial debt** | **1,108,070** | **-** | **-** | **1,108,070** |
| Derivative instruments – liabilities | 222,677 | - | 222,677 | - |
| Accounts payable | 520,559 | - | - | 520,559 |
| **Total liabilities** | **1,851,306** | **-** | **222,677** | **1,628,629** |

# NOTE 26

## HEADCOUNT

Roquette Group workforce as of December 31:

| | 2022 | 2023 |
|---|---|---|
| Europe | 4,910 | 5,536 |
| Americas | 1,124 | 1,596 |
| Greater Asia | 1,287 | 1,709 |
| China | 931 | 935 |
| **Headcount** | **8,252** | **9,776** |

The Group's workforce presented below includes 484 temporary workers (447 in 2022).

The impact of Qualicaps represents an additional headcount of 1,516, spread across Europe, the Americas, and Greater Asia.

# NOTE 27

## POSSIBLE LIABILITIES, UNRECOGNIZED CONTRACTUAL COMMITMENTS, AND POSSIBLE RISKS

### 1. Contractual obligations

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Various guarantees and other commitments | 82,853 | 50,354 |
| Bank remitted items that are not due | 1,592 | 2,080 |
| Rents to be paid | 3,843 | 3,624 |
| **Commitments given** | **88,288** | **56,058** |
| Various cautions | 10,771 | 16,457 |
| Rents to be received | 10,521 | 15,680 |
| **Commitments received** | **21,292** | **32,137** |

Miscellaneous guarantees and other commitments are down due to the decrease in the bank guarantee set up in 2022 instead of margin call deposits from market activities.

#### Rent commitments

The minimum future rents payable or receivable in terms of simple rental contracts as of December 31 are as follows:

| | 2023 | < 1 year | 2 to 5 years | > 6 years |
|---|---|---|---|---|
| Rents to be paid | 3,624 | 601 | 2,948 | 75 |
| Rents to be received | 15,680 | 2,255 | 8,850 | 4,575 |

| | 2022 | < 1 year | 2 to 5 years | > 6 years |
|---|---|---|---|---|
| Rents to be paid | 3,843 | 1,318 | 2,445 | 80 |
| Rents to be received | 10,521 | 1,480 | 5,799 | 3,242 |

Following the application of IFRS 16, rental commitments to be paid are now recognized on the Group's balance sheet, when these agreements meet the criteria for recognition (see Note 4.5 “Rental Agreements”). Thus, rental commitments to be paid mentioned as an off-balance sheet commitment at the end of 2023, primarily concern agreements with a low value or less than 12 months.

### 2. Other commitments given

***Commitments linked to purchases of electrical power***
Roquette Frères has agreed to take delivery of and to pay for all of the blocks of electrical power agreed with beforehand with Exeltium and in accordance with a supply program.

This program calls for the delivery of electrical power for a period of 15 years starting on May 1, 2010.

The unit price is set via an indexing formula.

As of December 31, 2023, the commitment given by Roquette Frères in terms of these purchases of electrical power is estimated to be 29.8 million euros.

## 3. Other commitments received

***Commitments linked to $CO_2$ allowances***
The order of the Ministry of the Ecological Transition dated December 10, 2021 sets the amount of emission quotas allocated for free for the period 2021-2025. Roquette Frères received emission quotas for 2,681,855 tons of $CO_2$ in terms of PNAQ IV.

An order dated August 4, 2022 amended the order dated December 10, 2021 setting the list of operators of facilities subject to authorization for greenhouse gas emissions as well as the amount of emission quotas allocated free of charge for the operators of facilities for which emission quotas are allocated free of charge for the period 2021-2025.

The number of allowances allocated free of charge is now adapted to the annual change in the activity levels of the sites. In the event of a variation of +/-15% in the level of activity based on the heat used, the quotas allocated free of charge are revised upwards or downwards the following year.

Once again this year, our plants in Vecquemont and Vic-sur-Aisne, France underwent an adjustment of their allocations based on the declarations of activity levels. The Vecquemont plant saw its 2023 free allocations drop by 7% compared to 2022 due to the decline in its business. The Vic-sur-Aisne plant also saw its 2023 free allocations fall by 8% compared to 2022, due to the drop in the pea protein business.

Taking these adjustments into account, the number of allowances still to be received from the State under the PNAQ IV is 1,065,310 tons.

Greenhouse gas emissions are estimated at 690,000 tons per year.

***Unused credit lines***
The amount of unused credit lines amounts to 867 million euros at the end of the financial period.

## 4. Lawsuits and disputes

***Shareholding dispute***
In May 2012, Roquette Frères was sued by some of its shareholders before the Commercial Court of Arras. On the Roquette Frères side, also sued were former directors of the companies Sager, Gercap and Les Aulnes.

After initially soliciting the cancellation of the EGM of Sager on December 2, 2011 during which the merger-absorption of Sager by Roquette Frères was voted (“the EGM”), the requesters formulated requests for indemnities against the former directors. On June 24, 2017, the requesters terminated their conclusions and solicited:

- In principal, the cancellation of the EGM due to various irregularities and the re-registration of Sager.
- On a subsidiary basis, the cancellation of the resolutions voted during the EGM for abuse of majority and the re-registration of Sager.
- On a very subsidiary basis, an order against the former directors and Roquette Frères (defending the rights of Gercap, Les Aulnes, and Saphir) to remit them with Roquette Frères shares as compensation for the damage that was incurred by the abuse of majority.
- On an infinitely subsidiary basis, an order against the former directors and Roquette Frères (defending the rights of Gercap, Les Aulnes, and Saphir) to pay them approximately 140 million euros as compensation for the damage that was incurred by the abuse of majority.

In a ruling dated January 26, 2018, the Commercial Court of Arras rejected the requesters of all of their requests, purposes, and conclusion. On February 6, 2019, it rejected the plaintiffs' motion to correct clerical errors and omissions on the ruling before it.

The requesters appealed the two rulings of January 26, 2018 and of February 6, 2019. In their submissions on appeal, they increased their financial claims to approximately 190 million euros. In a decision dated September 30, 2021, the Douai Court of Appeals rejected all of the above claims. However, it ruled that the transfer to the Extraordinary General Shareholders' Meeting of Roquette Frères on December 2, 2011, which also approved the mergers, of the opinion of the Roquette Frères central works council on October 21, 2011 in favor of the mergers, had not been formally demonstrated. The Court invited Roquette Frères to rectify the situation within a period of six months, by calling a Roquette Frères shareholders' meeting to decide again - given the aforementioned favorable opinion of the Central Works Council - on the resolutions approved on December 2, 2011. It set a hearing for June 30, 2022 to examine the procedures completed and to rule on the invalidity of said meeting.

At the extraordinary general shareholders' meeting called by Roquette Frères to proceed with this rectification, which was held on December 3, 2021, the two-thirds majority required for this purpose was not reached. The regularization was proposed again to the shareholders at the General Shareholders' Meeting on April 8, 2022 and was adopted by the required majority at that meeting.

By a second ruling on October 6, 2022, the Court reopened the proceedings because of a procedural error without ruling on the merits. In a ruling dated March 30, 2023, the Court dismissed all the claims, considering in particular that the statute of limitations for the claim for nullity of the Roquette Frères General Shareholders' Meeting held on December 2, 2011 had run.

The plaintiffs submitted an appeal against the decisions dated September 30, 2021 and March 30, 2023, the first of which was also appealed by Roquette Frères. The Court of Cassation is expected to rule on these appeals in May 2024.

At the same time, by summonses dated September 29, 2022 and October 7, 2022, certain appellants filed a suit against Roquette Frères before the Commercial Court of Lille seeking to have the regularization adopted by the General Shareholders' Meeting on April 8, 2022 nullified. They are requesting a stay of proceedings pending the ruling of the Court of Cassation. It should also be noted that Roquette Frères filed a so-called “right of recourse” lawsuit against the former directors (or their successors) of the companies Saphir, Gercap, and Les Aulnes in order to obtain compensation for Roquette Frères if it has a ruling handed down against it. This lawsuit has been stayed pending the outcome of the proceedings pending before the Douai Court of Appeals.

## 5. Possible risks

***Co-contractor claims Canada***

The Group signed an agreement as part of the construction of the Portage La Prairie, Manitoba plant. As a result, Roquette is in dispute with its co-contractor which involves claims and demands between the parties. The Group's claims and defense against the co-contractor's claims are deemed to be reasonable. A resolution to this dispute is expected in the second half of 2024.

These items have no impact on the financial statements.

The Group is not aware of any other significant risks to be disclosed.

# NOTE 28

# TRANSACTIONS WITH RELATED PARTIES

## 1. Subsidiaries and affiliates

The list of the Group's subsidiaries and affiliates is provided in Note 30. The transactions between the parent company and its subsidiaries as well as those between the subsidiaries are eliminated during the consolidation.

For companies accounted for using the equity method, the main transactions carried out, as well as the receivables and the debt with regards to the latter are as follows:

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| **Balance Sheet** | | |
| Current accounts | 7,384 | 6,912 |
| Trade and other receivables | 46 | 50 |
| Accounts payable and similar accounts | 206 | 75 |
| **Income statement** | | |
| Turnover | 445 | 579 |
| Cost of goods sold and external charges | (6,041) | (6,054) |

In 2022 and 2023, the transactions with related parties primarily concern the Ecogi entity.

## 2. Compensation of the members of the Executive Committee and the Board of Directors

### Compensation policy

The remuneration of the Chairman and the CEO is determined by the Board of Directors upon recommendation of the Appointments and Remuneration Committee (ARC).

The compensation of the other members of the Executive Committee is set by the General Manager with the opinion of the ARC.

### Detail on compensation paid

| (in thousands of euros) | 2022 | 2023 |
|---|---|---|
| Fixed remuneration | 3,610 | 4,430 |
| Variable remuneration | 1,541 | 3,798 |
| Termination benefits | - | 1,270 |
| Employer contributions | 2,410 | 3,545 |
| Compensation paid to directors | 382 | 470 |
| **Total** | **7,943** | **13,513** |

2023 was marked by the following events: two additional members on the Executive Committee, the departure of one member due to business reasons, and the acquisition of Qualicaps. These events have an upward impact on the total fixed and variable remuneration and employer contributions for 2023.

The members of the Executive Committee are provided with a company car.

Each member of the Executive Committee working in France benefits from a supplementary retirement scheme (Article 83) for which the company pays 2.35% of the gross wages (fixed and variable), just as it does for executives.

Variable compensation includes:

- Short-term variable compensation: most of the amount is based on the Group's performance. The one for the year 2022 resulted in the payment in 2023 of amounts higher than the previous year, in line with the very good results for the year 2022.
- In 2023, the "long-term incentive plan" (LTI) covering the period from 2020 to 2022, matured. The performance conditions achieved resulted in slightly higher payments to beneficiaries than in the previous year. In addition, the departure of one of the beneficiaries resulted in the immediate payment of 2021 and 2022 LTI plans on a pro rata basis for time worked over these periods, and in accordance with the regulations governing this plan.
- Exceptional bonuses linked to the completion of the acquisition in October 2023.

Post-employment contract benefits are primarily comprised of indemnities paid upon termination of the employment contract and retirement benefits. There was one departure during the 2023 financial year.

## NOTE 29

## EVENTS AFTER THE CLOSING

No significant event after the closing has been identified.

## NOTE 30

## LIST OF CONSOLIDATED SUBSIDIARIES

### List of consolidated companies

| | | % of interest | | |
|---|---|---|---|---|
| Entity | Country | 2022 | Variation | 2023 |
| Roquette Frères | France | 100.0% | - | 100.0% |
| ABR Foods | Great Britain | 100.0% | - | 100.0% |
| Alliance Gums & Industries (A.G.I.) | France | 100.0% | - | 100.0% |
| Crest Cellulose | India | 100.0% | - | 100.0% |
| Guangxi Nanning Chemical Pharmaceutical | China | 90.5% | - | 90.5% |
| Immoroc | France | 100.0% | - | 100.0% |
| Itacel Farmoquimica | Brazil | 100.0% | - | 100.0% |
| Lianyungang Jie Neng New Energy Co | China | 100.0% | - | 100.0% |
| PlantTec Medical | Germany | 95.0% | -95.0% | - |
| RGCA | France | 100.0% | - | 100.0% |
| Roquette Ventures (ex Roquette 3) | France | 100.0% | - | 100.0% |
| Roquette 4 | France | 100.0% | - | 100.0% |
| Roquette America | United States | 100.0% | - | 100.0% |
| Roquette America Services * | United States | 100.0% | -100.0% | - |
| Roquette Amilina | Lithuania | 78.6% | 21.1% | 99.7% |
| Roquette Asia Pacific | Singapore | 100.0% | - | 100.0% |
| Roquette Belgium | Belgium | 100.0% | - | 100.0% |
| Roquette Biotech Nutritionals | China | 100.0% | - | 100.0% |
| Roquette Canada | Canada | 100.0% | - | 100.0% |
| Roquette CH | Switzerland | 100.0% | - | 100.0% |
| Roquette China | China | 100.0% | - | 100.0% |
| Roquette Corby | United Kingdom | 100.0% | - | 100.0% |
| Roquette GmbH | Germany | 100.0% | - | 100.0% |
| Roquette Italia | Italy | 100.0% | - | 100.0% |
| Roquette Japan | Japan | 100.0% | - | 100.0% |

| Entity | Country | % of interest 2022 | Variation | 2023 |
|---|---|---|---|---|
| Roquette Klötze | Germany | 100.0% | -100.0% | - |
| Roquette Korea | South Korea | 100.0% | - | 100.0% |
| Roquette Laisa | Spain | 98.6% | - | 98.6% |
| Roquette Malause | France | 100.0% | - | 100.0% |
| Roquette Malaysia | Malaysia | 100.0% | - | 100.0% |
| Roquette Management (Shanghai) | China | 100.0% | - | 100.0% |
| Roquette Mexico | Mexico | 100.0% | - | 100.0% |
| Roquette Netherlands | Netherlands | 100.0% | - | 100.0% |
| Roquette Nordica | Finland | 100.0% | - | 100.0% |
| Roquette Philippines | Philippines | 100.0% | - | 100.0% |
| Roquette Poland | Poland | 100.0% | - | 100.0% |
| Roquette Properties (R.P.I.) | United States | 100.0% | - | 100.0% |
| Roquette Re | Luxembourg | 100.0% | - | 100.0% |
| Roquette India | India | 100.0% | - | 100.0% |
| Roquette RUS | Russia | 100.0% | - | 100.0% |
| Roquette Sales Shanghai | China | 100.0% | - | 100.0 % |
| Roquette Siladour | France | 100.0% | - | 100.0% |
| Roquette Singapore | Singapore | 100.0% | - | 100.0% |
| Roquette Taiwan | Taiwan | 100.0% | - | 100.0% |
| Roquette Thailand | Thailand | 100.0% | - | 100.0% |
| Roquette TPP B.V. | Netherlands | 100.0% | - | 100.0% |
| Roquette UK | Great Britain | 100.0% | - | 100.0% |
| Roquette Vietnam | Vietnam | 100.0% | - | 100.0% |
| Sethness Product Company | United States | 100.0% | - | 100.0% |
| Sethness Roquette India | India | 100.0% | - | 100.0% |
| Sethness Roquette | France | 100.0% | - | 100.0% |
| Sethness Roquette Food Ingredients | China | 100.0% | - | 100.0% |
| Viadène | France | 100.0% | - | 100.0% |
| Qualicaps Japan | Japan | - | 100.0% | 100.0% |
| Qualicaps Europe (Spain) | Spain | - | 100.0% | 100.0% |
| Qualicaps Inc. USA | United States | - | 100.0% | 100.0% |
| Genix Industria Farmaceutica | Brazil | - | 100.0% | 100.0% |
| Qualicaps Romania | Romania | - | 100.0% | 100.0% |
| Technophar Equipment and Services Romania | Romania | - | 100.0% | 100.0% |
| Technophar Equipment and Services Canada | Canada | - | 100.0% | 100.0% |

*Roquette America Services merged into Roquette America on January 1, 2023.

## List of companies consolidated using the equity method (EM)

| Entity | Country | % of interest 2022 | Variation | 2023 |
|---|---|---|---|---|
| Ecogi | France | 40.0% | - | 40.0% |
| Clean Max Energy | India | 26.0% | - | 26.0% |
| NxtFood | France | 50.0% | - | 50.0% |
| Solazyme Roquette Nutritionals | United States | 50.0% | - | 50.0% |

ROQUETTE RESTRICTED

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

**KPMG SA**
**36 rue Eugène Jacquet**
**59705 Marcq-en-Baroeul**

**Deloitte & Associés**
**78 rue de la chaude Rivière**
**59800 Lille**

# Roquette Frères

**A public limited company [Société Anonyme]**
**1, rue de la Haute Loge**
**62136 Lestrem**

## Auditors' Report on the Consolidated Financial Statements

Financial year ended December 31, 2023

---

To the General Shareholders' Meeting of Roquette Frères

### Opinion

In performing the task entrusted to us by the General Shareholders' Meeting, we audited the consolidated financial statements of Roquette Frères for the financial year ended December 31, 2023, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended and of the financial position and assets and liabilities of the Group as of the end of the year, in accordance with International Financial Reporting Standards as adopted by the European Union.

### Basis for our opinion

#### Audit standards

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

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

#### Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors for the period from January 1, 2023 to the date our report was issued.

## Basis for our assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the basis for our assessments, we would like to draw your attention to the following assessments which, in our professional opinion, were the most significant for the audit of the consolidated financial statements for the year.

These assessments were made in the context of our audit of the consolidated annual financial statements taken as a whole and in forming the opinion expressed above. We did not express any opinion on individual items in these consolidated financial statements.

Note 4.7 “Impairment of fixed assets” and Note 5 “Judgments, estimates and significant assumptions” set out the accounting policies relating to the risk of impairment of goodwill and tangible and intangible fixed assets. Our work consisted in verifying the appropriateness of the accounting methods used, the data and assumptions made, the estimates made by management, as well as the documents provided and the resulting assessments.

In addition, we ensured that Note 14 “Impairment tests on goodwill and other non-financial assets” provides appropriate disclosure.

## Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations on the disclosures relating to the Group as given in the Board of Director’s management report.

We have no matters to report as to the fair presentation and the consistency of these disclosures with the consolidated financial statements.

We confirm that the consolidated non-financial performance statement provided for by Article L.225-102-1 of the French Commercial Code appears in the financial information contained in the Group management report, on the understanding that, pursuant to the provisions of Article L.823-10 of this Code, we have not verified the information contained in this declaration in terms of its truthfulness or consistency with the consolidated financial statements and it must be subject to a report by an independent third party organization.

## Responsibilities of management and those charged with corporate governance with respect to the consolidated annual financial statements

Management is responsible for preparing consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union, and for implementing the internal control procedures that it deems necessary for preparing consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When producing the consolidated financial statements, it is Management’s responsibility to assess the company's ability to continue operating as a going concern and to present in these accounts, where applicable, the necessary information relative to ongoing operations and to apply the accounting policy for a going concern, unless there are plans to liquidate the company or wind up its activities.

These statements were approved by the Board of Directors.

## Statutory Auditors' responsibilities relating to auditing the consolidated financial statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain a reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with professional standards will always detect every material misstatement, when one exists. Misstatements may arise from fraud or error and are deemed material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions that users of the financial statements make based on them.

As specified by Article L 821-55 of the French Commercial Code, our certification does not consist of guaranteeing the viability or the quality of your company's management.

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

- They identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, devise and perform audit procedures to address those risks, and gather audit evidence that they deem sufficient and appropriate to provide a basis for their 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 circumvention of internal controls.

- They acquaint themselves with the internal controls relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- The auditor evaluates the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- The auditor assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of their audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, the auditor draws readers' attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, the auditor may certify the financial statements with reservations or may refuse to certify them.
- The auditor evaluates the overall presentation of the consolidated financial statements and whether they represent the underlying transactions and events in a manner that achieves fair presentation.
- Concerning financial disclosures of persons or entities included in the scope of the consolidation, the auditor gathers evidence they believe is sufficient and appropriate to express an opinion on the consolidated financial statements. The auditor is responsible for managing, supervising, and performing the audit on the consolidated financial statements as well as the opinion expressed on them.

**Marcq-en-Barœul and Lille, on March 20, 2024**
**Statutory auditors**

| KPMG SA | Deloitte & Associés |
|---|---|
| Laurent Prevost | Édouard Lhomme |