EXACOMPTA CLAIREFONTAINE

ORDINARY SHAREHOLDERS'
MEETING

OF 25 MAY 2023

FISCAL YEAR 2022

REPORTS OF THE BOARD OF DIRECTORS
PARENT COMPANY AND CONSOLIDATED
FINANCIAL STATEMENTS
REPORTS OF THE STATUTORY AUDITORS
DRAFT RESOLUTIONS

Board of Directors

François Nusse, Chairman and Chief Executive Officer

Dominique Daridan

Louise de l'Estang du Rusquec

Céline Goblot

Charles Nusse

Frédéric Nusse

Guillaume Nusse

Jérôme Nusse

Monique Prissard

Emmanuel Renaudin

Caroline Tamponnet

Caroline Valentin

Statutory Auditors

BATT AUDIT, 58 Boulevard d'Austrasie – 54000 Nancy, France
Pascal François

ADVOLIS, 38 Avenue de l'Opéra – 75002 Paris, France
Hugues de Noray – Nicolas Aubrun

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Ordinary Shareholders' Meeting

ORDINARY SHAREHOLDERS' MEETING

Agenda:

- Board of Directors' report on operations and the parent company financial statements for fiscal year 2022;

- Board of Directors' report on operations and the consolidated financial statements for fiscal year 2022;

- Board of Directors' report on corporate governance;

- Reports of the Statutory Auditors
  - on the parent company financial statements
  - on regulated agreements
  - on the consolidated financial statements

- Approval of the parent company financial statements for the year ended 31 December 2022;

- Approval of the consolidated financial statements for the year ended 31 December 2022;

- Appropriation of earnings;

- Agreements governed by Article L. 225-38 of the French Commercial Code;

- Directors' appointments and fees

THE BOARD OF DIRECTORS

Certification of the annual report:

I hereby certify that to the best of my knowledge the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets and liabilities, financial position and earnings of the company and all the companies included in the consolidation and that the management report enclosed herein presents a true and fair view of the operations, earnings and financial position of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties facing them.

Jean-Marie Nusse
Executive Vice President

REPORT OF THE BOARD OF DIRECTORS

TO THE ORDINARY SHAREHOLDERS' MEETING

OF 25 MAY 2023

To the Shareholders,

1. REVIEW AND APPROVAL OF THE PARENT COMPANY FINANCIAL STATEMENTS

(€000)	**2022**	**2021**
Operating revenue	8,782	7,880
Operating income	401	284
Net financial items	2,683	5,085
Net income	1,202	2,675

EXACOMPTA CLAIREFONTAINE, the holding company, serves the Group companies, for which it manages the sales force and certain property assets.

It is also responsible for the Group's financial management, consolidation, legal and tax services, communications and relations with shareholders. It coordinates actions taken relating to environmental certification.

Since January 2003, the subsidiaries have paid EXACOMPTA CLAIREFONTAINE a royalty equal to 0.2% of their added value for the previous year.

The companies that head sub-groups (Exacompta, Papeteries de Clairefontaine, Clairefontaine Rhodia, AFA and Photoweb) guarantee all repayments of their subsidiaries that borrow from their parent company.

The amount of non-tax deductible expenses was €18,184.

INCOME FOR THE LAST FIVE YEARS (€)

Balance sheet date **Duration of the reporting period (in months)**	**31/12/2022** **12**	**31/12/2021** **12**	**31/12/2020** **12**	**31/12/2019** **12**	**31/12/2018** **12**
CAPITAL AT YEAR-END					
Share capital	4,525,920	4,525,920	4,525,920	4,525,920	4,525,920
Number of ordinary shares	1,131,480	1,131,480	1,131,480	1,131,480	1,131,480
OPERATIONS AND RESULTS					
Revenue excluding tax	1,604,003	1,531,218	1,574,860	1,248,997	1,192,493
Income before taxes, profit-sharing, depreciation, amortisation and provisions	6,737,514	6,105,490	5,619,746	6,520,151	5,072,573
Income taxes	1,743,751	2,606,179	(489,242)	943,463	(903,725)
Net depreciation, amortisation and provisions	3,791,646	824,492	3,781,049	645,751	488,883
Net income	1,202,117	2,674,819	2,327,939	4,930,937	5,487,415
Distributed income	*4,978,512	4,163,846	3,394,440	3,394,440	3,054,996
EARNINGS PER SHARE					
Income after taxes and profit-sharing and before depreciation, amortisation and provisions	4.41	3.09	5.40	4.93	5.28
Income after taxes, profit-sharing, depreciation, amortisation and provisions	1.06	2.36	2.06	4.36	4.85
Dividend paid	*4.40	3.68	3.00	3.00	2.70
PERSONNEL					
Average number of employees	35	36	37	40	41
Payroll	3,911,311	3,453,317	3,348,232	3,704,075	3,710,118
Sums paid in employee benefits (social security, fringe benefits, etc.)	1,556,828	1,334,748	1,244,552	1,413,392	1,478,584

* Dividend proposed

INVOICES RECEIVED AND ISSUED NOT SETTLED AT THE YEAR-END AND PAST DUE DATE

	Invoices received					**Invoices issued**				
	1-30 days	31-60 days	61-90 days	91 days and more	Total	1-30 days	31-60 days	61-90 days	91 days and more	Total
	(A) - Late payments by age									
Number of invoices concerned					9					3
Total amount for the invoices concerned in € incl. VAT	14,089	–	–	3,377	17,466	97,891	–	–	6,507	104,398
Percentage of total amount of purchases for the fiscal year	0.9%			0.2%	1.1%					
Percentage of revenue for the fiscal year						4.6%			0.3%	4.9%
	(B) - Invoices excluded from (A) relating to amounts receivable and amounts payable disputed or not recorded									
Number of invoices excluded	None					None				
Total amount for excluded invoices in € incl. VAT	None					None				
	(C) - Standard payment terms used (contractual or statutory - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)									
Payment terms used for calculating late payments	Contractual payment terms					Contractual payment terms				

SHARE AND SHAREHOLDER INFORMATION

The share listed at €94 on 3 January 2022 and closed the year at €119 (up 26.6%). The number of shares traded during the year was 19,366.
The parent company does not have a share buyback programme and there are no employee shareholders.

The capital of the parent company is composed of 1,131,480 shares and did not change during the year. A double voting right is granted to each fully paid-up share which has been registered for at least two years in the name of the same shareholder.

Our principal shareholder, Ets Charles Nusse, held 910,395 shares with double voting rights, representing 80.46% of the capital, at 31 December 2022.
LG Invest crossed above the 5% ownership threshold as notified by a declaration published by the AMF on 28 September 2021.

2. REVIEW AND APPROVAL OF THE 2022 CONSOLIDATED FINANCIAL STATEMENTS

2.1 EARNINGS

(€000)	2022	2021
Income from continuing activities	835,604	726,789
Operating income	48,382	30,417
Net income before tax	38,110	29,631
Net income after tax	27,056	21,463
Minority interests	-	786
Group share	27,056	20,677

A €7 million goodwill impairment charge was recorded in the 2022 consolidated financial statements. Operating income is presented before this goodwill impairment.

The Group took control of Blockx on 1 June and The Clay and Paint Factory (TCPF) on 14 November 2022. The two transactions generated total goodwill of €6 million.

Exacompta Clairefontaine Group 2022 EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation – amounted to €95,516,000 versus €75,942,000 in 2021.

The consolidated financial statements include transactions performed by the Group with Etablissements Charles Nusse, which provides advice and assistance to Group companies. Services provided are paid for in the form of a fee equal to 0.6% of the added value of each company for the previous year.

2.2 BUSINESS SECTORS

Paper

Commercial pulp prices increased again by nearly $200/tonne (source: RISI) between 2021 year-end and 2022 year-end, while the EUR/USD exchange rate fell from 1.13 to 0.95 before jumping back to 1.06, further increasing purchase prices.
Overall production of fine uncoated paper in Western Europe fell 9.8% (source: CEPI), while our own production increased 7.2% to 252,000 tonnes of paper reels. Tonnage sold remained steady at 235,000 tonnes, with inventories swelling towards the end of the year.

Amid customer concerns about the overall situation and the decline in graphic paper supply, the Company sometimes struggled to meet the demand in terms of volumes. Demand fell significantly during the fourth quarter.

Processing

The French stationery market posted an average increase of 4.7% for manufactured papers and 0.6% for filing articles (source: GFK).
There were still significant supply difficulties during the first half and several components saw sharp price increases. This was partly reflected in our prices for the start of the 2022-2023 school year as well as for year-round sales.
Our various departments posted strong business, including those affected by changes in consumer habits linked to the COVID pandemic.

2.3 FINANCIAL POSITION

2.3.1 Debt

2022 revenue amounted to €835,604,000. At 31 December 2022, gross borrowings stood at €224,723,000 including €43,877,000 of financial liabilities arising from the capitalisation of leases. Consolidated shareholders' equity was €471,369,000.

The Group has negotiated additional lines of credit with its banks totalling €25 million. At the balance sheet date, outstanding commercial paper issued by the Group amounted to €30 million out of a global programme of €125 million.
With gross cash and cash equivalents of €118,720,000 at 31 December 2022, Group net borrowings amounted to €106,003,000.
Excluding technical financial liabilities generated by the application of IFRS 16, net debt at 31 December 2022 was €62,126,000 compared to €26,349,000 the previous year.

2.3.2 Financial instruments

The Group does not hold interest rate hedging instruments and it was not considered appropriate to use new derivative financial instruments.

Under its cash management policy, the Group does not hold or issue financial derivatives for transaction purposes.

2.4 RISK MANAGEMENT

The Group has conducted an analysis of the risks that may have a material adverse impact on its business, financial position and earnings. The results of this analysis indicate that there are no significant risks other than those listed below.

2.4.1 Risks related to economic activity

- Declining trend in the consumption of printing papers and stationery

This decline, mainly due to digital competition, impacts all developed countries. In France, ADEME figures show an average annual reduction of 4% for reams, 8% for envelopes and 2% for stationery.

Europe forms a relatively self-sufficient market for these products, while the paper production market is dominated by large industrial groups. To match supply to demand, many printing paper machines have been either stopped or converted to packaging paper.

The market for commercial pulp, with USD as the reference currency, is a global market. Some market players have had no choice but to defer or abandon investment projects in light of the reduction in printing paper consumption.

- Changes in the consumption of our products

Consumption of office papers and filing items was severely impacted by the COVID pandemic in 2020 and 2021. Despite an overall recovery, these product ranges are still strongly affected by the change in work methods, particularly the ongoing widespread use of remote work, along with environmental concerns.

Our main customers are seeking to promote the circular economy and reduce the carbon footprint of their own operations, thereby driving the supply of recycled products but giving rise to new regulatory constraints and higher costs.

- The conflict in Ukraine

While there was hope of a return to stability as the COVID pandemic subsided, the start of the war in Ukraine in February caused energy costs to soar and raw material prices to remain very high. The contracts we negotiated prior to 2022 allowed us to postpone price hikes for a significant portion of our energy consumption.

2.4.2 Financial risks

Generally, the Exacompta Clairefontaine Group does not engage in any complex financial transactions. However, it is exposed to certain risks related to the use of financial instruments in the context of its activities.
Risk management is performed by the operating units, in accordance with the policy established by senior management.

Credit risk

Credit risks represent the risk of financial loss for the Group if a third party fails to meet its contractual obligations.

→ Trade and other receivables
Our credit risk remains spread over a large number of clients even though there is a concentration of distributors of our products. The risk of default by business sector and by country in which the clients engage in their activities does not have a significant influence on credit risk.

The Group has implemented tools to monitor outstandings that enable it to ensure that its clients have an appropriate credit history.
Clients that do not satisfy solvency requirements cannot carry out transactions with the Group without making advance payments. Credit risk is also limited by taking out credit insurance policies.

The Group determines a level of write-downs that represents its estimate of losses that will be incurred in respect of trade and other receivables.

→ Investments
The Group limits its exposure to credit risk from investments, short-term deposits and other cash instruments by investing only in liquid securities.
As the counterparties are leading banks, the Group does not expect that any of them will default.

Liquidity risk

The Group's approach to managing this risk is to ensure that it always has sufficient liquid assets to meet its liabilities as they fall due without incurring unacceptable losses or damaging its reputation.
To this effect, short-term financing (maturities of less than one year) is provided by commercial paper on which a fixed rate is paid.
The Group also has lines of credit to cover medium-term maturities, which can substitute or supplement commercial paper issuance. The related covenants are respected.

The Group has conducted a specific review of its liquidity risk and deems that it will be able to meet future maturities.

Exchange rate and price risk

The Group operates internationally. Risks related to commercial transactions denominated in a currency other than the respective functional currencies of Group entities are related mainly to purchases of raw materials denominated in US dollars. In order to manage this foreign exchange risk, the Group may use options contracts to hedge forecast transactions in this currency.

2.4.3 Risks related to proceedings, tax audits and litigation

To the best of the Group's knowledge, there are no pending or threatened government, judicial or arbitration proceedings that may have, or have had over the past 12 months, a significant impact on the Group's financial position or profitability.

2.4.4 Financial risks relating to the impacts of climate change

The Group does not expect any major financial risk in the short or medium term directly linked to the rise in global average temperatures, the rise in sea levels or changes in biodiversity.

Three of the Group's paper mill subsidiaries are subject to the European regulation on greenhouse gas emissions. The fourth phase of the EU Emissions Trading Scheme (EU ETS) covers the 2021-2030 period.
The total amount of allowances issued free of charge for 2022 amounted to 56,667 tonnes.

The statement of non-financial performance sets out the Group's environmental policy. In particular, it provides details of energy consumption, greenhouse gas emissions and measures taken to reduce the carbon footprint of the Group's operations.

2.5 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

2.5.1 Definition of internal control

Internal control is defined as a process implemented simultaneously by the Board of Directors, senior management and the employees of a group, which is designed to provide reasonable assurance that objectives are reached in the following areas:
- effectiveness and efficiency of operations;
- reliability of financial and accounting information;
- compliance with the laws and regulations in force.

Internal control consists of all methods that management has implemented to provide reasonable assurance that objectives are reached and to prevent the occurrence of damaging events.

2.5.2 Purposes and limits

Internal control ensures control of the company's operations and protects it from various types of risks, including:
- irregularities and fraud, including computer fraud;
- a material omission or inaccuracy in the processing of information and, therefore, in the financial statements;
- failure to comply with the company's legal and contractual obligations;
- destruction, damage or disappearance of assets, or incorrect valuation of assets.

An internal control system, however efficient the system is, can provide only reasonable assurance and not an absolute guarantee as to the achievement of the company's objectives, both because of the limits inherent in any process implemented by human beings and because of the limits on resources which all companies must take into account.

The Group relies on four types of financial and accounting information to guide its operations:
- the annual and interim parent company and consolidated financial statements;
- the quarterly statements (March and September – not published);
- the projected financial statements (not published).

2.5.3 Procedures for processing financial and accounting information

Systematic identification of risks is the first step in internal control. Mapping the Group's risks presents no specific problems and the main issues are as follows:
- control of raw materials purchases;
- environmental risks;
- protection of industrial assets and sites;
- control of the use of financial instruments and hedging foreign currency risk.

The financial and accounting procedures that are applied in the various Group companies may be summarised as follows:

- preparation of projected financial statements;
- budget monitoring;
- monitoring of intercompany revenue;
- intercompany account reconciliations;
- monitoring of monthly and year-to-date interim operating statements;
- monthly and year-to-date cash position;
- composition and performance of the investment portfolio;
- monthly monitoring of the subsidiaries' short- and medium-term financial commitments, with transmission and control of operating working capital requirements.

The internal control of financial instruments is specifically monitored by senior management, with regard to the types of instruments used as well as the maximum risk levels incurred, which are measured daily.

These financial instruments (contracts or options) constitute a transaction that helps to reduce the risk of a variation in the value of an asset or liability, an unrealised future transaction to which they relate, or a future commitment.

The Group has no department dedicated to internal control that is responsible for conducting verifications on its behalf (either in the parent company or in the companies it controls).
The transactions contributing to the corporate activities of the Group and their presentation in the financial statements are verified, though not necessarily through the application of formalised procedures, by senior management or by its authorised representatives or agents, with the general goal of complying or ensuring compliance with the laws, regulations and standards in force, and of making every effort to prevent the occurrence of losses that could affect the Group's ability to continue operations.

For processing financial and accounting information, the Group and its subsidiaries use the following systems:

- SAP, Navision, Sage (accounting & finance);
- Uloa (tax management);
- Opera (consolidation)
- Zadig (personnel management).

3. POST-BALANCE SHEET EVENTS

There are no significant post-balance sheet events to report.

4. OUTLOOK

Projections for Q1 2023 augur strong results for the year as a whole. However, a significant decrease in order intake and stronger competition will affect performance in 2023.

5. RESEARCH AND DEVELOPMENT

The stationery companies are constantly working on technical solutions for certain product ranges or client requests, via internal or external laboratories and machine testing. This technical development work to improve paper quality is not the result of innovative development targeting new paper manufacturing procedures or the market launch of completely new products. Our laboratories are primarily focused on testing the quality of manufactured products, fibre category substitution analysis and technical feasibility.
Processing companies regularly modify product design and new items are constantly being created. The items are not covered by specific programmes and generally require little specific development.
One workshop is dedicated to developing specialist equipment that is not available on the market and is designed exclusively for the Group.

6. EMPLOYMENT INFORMATION

The Exacompta Clairefontaine Group had 3,485 employees at 31 December 2022. The French companies apply the collective agreement for the production of papers, cardboard and cellulose, or the collective agreement for cardboard packaging.
The Group Works Council met on 29 June 2022 to comment on the Group’s business and the economic and employment outlook for the year.

7. STATEMENT OF NON-FINANCIAL PERFORMANCE

The information required under Article L. 225-102-1 of the French Commercial Code is included in a separate document entitled “Statement of non-financial performance”, which is an integral part of this management report.
It provides information on the manner in which the Group takes into account the social and environmental consequences of its activity as well as its commitments to society in favour of sustainable development, the circular economy, combating discrimination and promoting diversity.

8. DRAFT RESOLUTIONS

8.1 APPROPRIATION OF EARNINGS

We propose the following appropriation:

2022 earnings	€1,202,117.02
Withdrawal from other reserves	€3,776,394.98
Total	€4,978,512.00
Appropriated as follows:	
First dividend	€226,296.00
Second dividend..	€4,752,216.00
Total dividends	€4,978,512.00

As the share capital is divided into 1,131,480 shares, each share would receive a total dividend of €4.40.

The following table shows the dividends paid for the last three years:

Year	Dividend	Number of shares
2019	3.00	1,131,480
2020	3.00	1,131,480
2021	3.68	1,131,480

8.2 DIRECTORS' FEES

Your Board proposes that you approve directors' fees in the amount of €100,000 to be paid to the directors of the company for the current year and past years.

8.3 DIRECTORS

Your Board proposes that you reappoint the following directors, by separate resolutions:
- Céline Goblot, residing at 15 Rue des Rigoles, Paris (20th district);
- Caroline Valentin, residing at 49 Rue de Lisbonne, Paris (8th district);
- Dominique Daridan, residing at 14 Rue des Saussaies, Paris (8th district).

Your Board proposes that you appoint the following directors, by separate resolutions:
- Gabriel Nusse, residing at 95 Rue de Lille, Paris (7th district).
- Laurent Nusse, residing at 44 bis Avenue Jacqueminot, Meudon (92190).

These appointments, which are valid for six years, will terminate at the close of the Shareholders' Meeting called to approve the financial statements for the year 2028.

REPORT ON CORPORATE GOVERNANCE

1. List of offices and positions held by corporate officers

Charles Nusse
- Member of the Supervisory Board of Ets Charles Nusse
- Chairman, Exaclair Ltd (GB)
- Joint Managing Director, Ernst Stadelmann (AT)
- Joint Managing Director, Exaclair GmbH (DE)
- Manager, Rodeco (DE)
- Chairman of the Board of Directors and Managing Director, Exaclair SA (BE)
- Director, Biella Schweiz (CH)

François Nusse
- Chairman of the Executive Board of Ets Charles Nusse
- Chairman, Exacompta
- Chairman, Papeteries Sill
- Chairman, Claircell Ingénierie
- Joint Managing Director, Ernst Stadelmann (AT)
- Managing director, Exaclair SA (BE)
- Chairman of the Board of Directors, Biella Schweiz (CH)

Frédéric Nusse
- Chairman, Papeteries de Clairefontaine
- Chairman, Papeterie de Mandeure
- Chairman, Everbal
- Director, Schut Papier
- Joint Managing Director, Exaclair GmbH (DE)

Guillaume Nusse
- Chairman, Clairefontaine Rhodia
- Chairman, CFR
- Chairman, Madly
- Sole director, Exaclair SA (ES)
- Manager, Brause Produktion (DE)
- Manager, Publiday (MA)
- Director, Eurowrap Ltd (GB)
- Chairman, Eurowrap AB (SE) and Eurowrap A/S (DK)
- Managing Director, Blockx and TCPF (BE)

Jean-Marie Nusse
- Member of the Ets Charles Nusse Executive Board
- Director, Exaclair SA, Blockx and TCPF (BE)

Jérôme Nusse
- Manager, AFA
- Chairman, Editions Quo Vadis
- Chairman, Exaclair Italia (IT)
- Chairman, Quo Vadis Japan (JP)
- Chairman, Quo Vadis Editions (US)
- Secretary, Quo Vadis International Limitée (CA)

Monique Prissard
- Member of the Ets Charles Nusse Executive Board

Caroline Valentin
- Member of the Supervisory Board of Ets Charles Nusse

Louise de L'Estang du Rusquec
- Executive at Société Générale Equipment Finance

Céline Goblot
- Managing Director, Zadig Productions

Jean-Claude Gilles Nusse, deceased on 21 December 2022, acted as:
- Member of the Ets Charles Nusse Executive Board
- Manager, AFA
- Chairman, Photoweb
- Chairman of the Board of Directors, Exaclair Ltd (GB)

2. <u>Terms of office expiring at the end of the year stated in brackets</u>

The Board of Directors comprises ten directors appointed by the shareholders and two directors representing the employees.

- Dominique Daridan (2022)
- Céline Goblot (2022)
- Caroline Valentin (2022)
- Charles Nusse (2023)
- Monique Prissard (2024)
- Louise de L'Estang du Rusquec (2024)
- Emmanuel Renaudin, Director representing employees (2024)
- Caroline Tamponnet, Director representing employees (2024)
- François Nusse (2025)
- Frédéric Nusse (2027)
- Guillaume Nusse (2027)
- Jérôme Nusse (2027)

The Board does not currently hold any delegation of authority granted at the Shareholders' Meeting for the purposes of capital increases.

3. Corporate governance

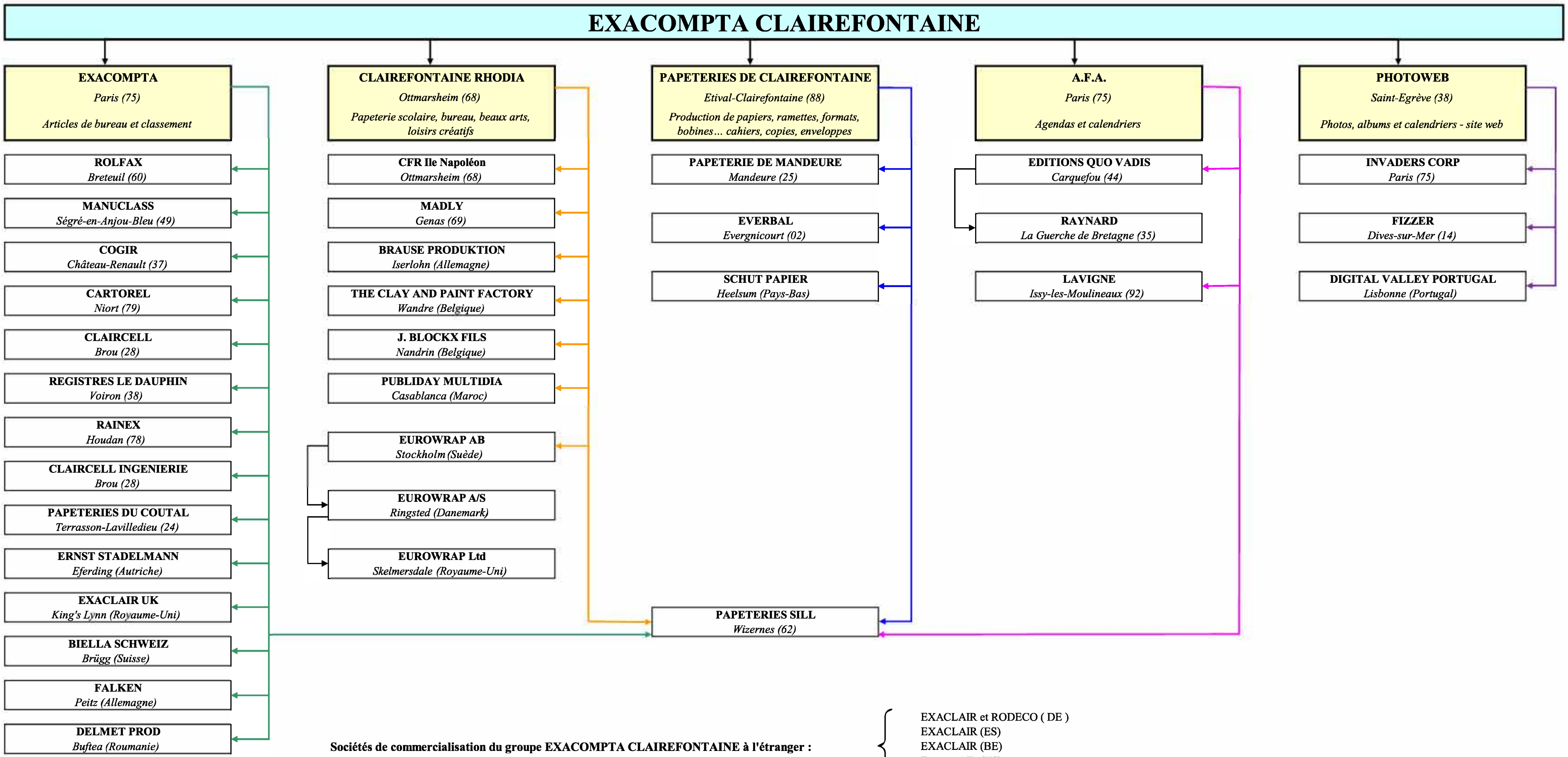
The Board of Directors has not considered it necessary to refer to a Corporate Governance Code. Likewise, no committees or other bodies have been set up to assist the Board of Directors.
The operation of the Board of Directors is governed by a set of internal procedural rules, amendments to which are decided at Board meetings.
A Code of Conduct governing behaviour for the prevention and detection of corruption or influence-peddling was approved by the Board of Directors in May 2017.

4. Agreements

There are no agreements governed by Article L. 225-38 of the French Commercial Code.
The fee equal to 0.2% of the prior year's added value in respect of the assistance agreement between Exacompta Clairefontaine and its wholly-owned subsidiaries is excluded, pursuant to the first paragraph of Article L. 225-39 of the said Code, and the agreement is treated as an arm's length agreement.
The most recent update of the agreement was approved by the Board of Directors on 26 March 2014. The Board of Directors' meeting of 27 May 2015 qualified it as an "ordinary transaction entered into under arm's length terms".
This agreement has been in place in intent and amount since 2003, as detailed in the management report.

No agreement was entered into during the year ended between a subsidiary and an executive or shareholder holding more than 10% of the voting rights of Exacompta Clairefontaine.

GROUP ORGANISATIONAL CHART



Sociétés de commercialisation du groupe EXACOMPTA CLAIREFONTAINE à l'étranger :

- EXACLAIR et RODECO (DE)
- EXACLAIR (ES)
- EXACLAIR (BE)
- EXACLAIR (US)
- QUO VADIS : Canada - Italie - Japon - USA

Exacompta Clairefontaine S.A.

Parent Company Financial Statements for the year ended
31 December 2022

BALANCE SHEET AND INCOME STATEMENT

ASSETS (€000)	31/12/2022	31/12/2021
Intangible assets		
Concessions, patents, licences, trademarks	-	2
Intangible assets in progress		
Property, plant and equipment		
Land	3,895	3,901
Buildings	8,014	8,698
Other PP&E	4	8
PP&E in progress	-	-
Non-current financial assets		
Equity interests	309,570	312,570
Intercompany receivables	15,245	19,008
Loans	44,529	51,453
Other financial assets	507	507
TOTAL NON-CURRENT ASSETS	**381,764**	**396,147**
Inventories	198	198
Advances and progress payments made on orders	-	20
Receivables		
Trade and intercompany receivables	1,965	1,818
Other receivables	86,116	45,278
Prepaid expenses	389	151
Cash and cash equivalents	24,963	93,393
TOTAL CURRENT ASSETS	**113,631**	**140,858**
Currency translation adjustment	26	28
TOTAL ASSETS	**495,421**	**537,033**

LIABILITIES AND SHAREHOLDERS' EQUITY (€000)	31/12/2022	31/12/2021
Share capital	4,526	4,526
Share, merger and contribution premiums	162,566	162,566
Revaluation surplus	485	485
Reserves		
Statutory reserve	453	453
Other reserves	121,153	122,643
Retained earnings		
Profit/(loss) for the year	**1,202**	**2,675**
Regulated provisions	2,053	1,966
SHAREHOLDERS' EQUITY	**292,438**	**295,314**
Provisions		
For contingent liabilities	26	28
For charges	351	341
TOTAL PROVISIONS	**377**	**369**
Borrowings		
Bank loans and borrowings	85,770	122,167
Operating payables		
Trade payables	304	310
Taxes and social security contributions payable	1,609	3,385
Other payables	114,745	115,445
Deferred income	178	43
TOTAL PAYABLES	**202,606**	**241,350**
Currency translation adjustment		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**495,421**	**537,033**

INCOME STATEMENT (€000)	2022	2021
Revenue	1,604	1,531
Operating subsidies		
Reversals of depreciation, amortisation and provisions, expense transfers	6,655	5,840
Other income	523	508
OPERATING REVENUE	**8,782**	**7,879**
Purchases and other supplies		
Other purchases and external expenses	1,807	1,683
Taxes, duties and similar payments	208	228
Salaries and wages	3,911	3,453
Social security contributions	1,557	1,335
Increases in depreciation/amortisation of non-current assets	697	720
Provision charges	44	27
Other expenses	157	149
OPERATING EXPENSES	**8,381**	**7,595**
OPERATING INCOME	**401**	**284**
Financial income from equity investments	5,219	4,465
Income from other securities and receivables from non-current assets	480	547
Other interest and similar income	1,001	694
Reversals of provisions, expense transfers	5,028	22
Positive currency translation adjustments	530	330
Net profit on sales of marketable securities		
FINANCIAL INCOME	**12,258**	**6,058**
Increases in depreciation, amortisation and provisions	8,026	28
Interest expense and similar expenses	1,278	945
Negative currency translation adjustments	270	
Net expenses on sales of marketable securities		
FINANCIAL EXPENSES	**9,574**	**973**
NET FINANCIAL INCOME/(EXPENSE)	**2,684**	**5,085**
INCOME BEFORE TAXES	**3,085**	**5,369**
Extraordinary income		
On operating transactions		
On capital transactions	-	-
Reversals of provisions, expense transfers	59	58
EXTRAORDINARY INCOME	**59**	**58**
Extraordinary expenses		
On operating transactions	52	
On capital transactions	-	-
Increases in depreciation, amortisation and provisions	146	146
EXTRAORDINARY EXPENSES	**198**	**146**
NET EXTRAORDINARY INCOME/(EXPENSE)	**(139)**	**(88)**
Income taxes	1,744	2,606
NET INCOME FOR THE YEAR	**1,202**	**2,675**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. KEY EVENTS OF THE YEAR

Notes to the balance sheet prior to earnings appropriation for the year ended 31/12/2022, for which:

- Total assets amounted to €495,421,193
- Net income amounted to €1,202,117.02

1.1. Accounting principles, rules and methods

General accounting conventions have been applied, in compliance with the principle of prudence, in accordance with the following underlying assumptions:

- going concern;
- constant accounting methods from one year to the next;
- accruals concept, in accordance with the general rules regarding the preparation and presentation of annual financial statements.

The basic method used to value the items recorded is the historical cost method.

The financial statements are prepared in accordance with French accounting standards authority (ANC) Regulations 2014-03 et seq. regarding the French chart of accounts.

1.2. Comparability of the financial statements

The fiscal year is a period of 12 months that runs from 01/01/2022 to 31/12/2022.

1.3. Changes in accounting methods

There were no changes in the valuation and presentation methods applied to the parent company financial statements for the fiscal year ended compared to the previous year.

1.4. Key events of the year

A €3 million net investment write-down was recorded in the 2022 financial statements.

1.5. Post-balance sheet events

Exacompta Clairefontaine did not identify any significant post-balance sheet events.

2. ACCOUNTING RULES AND METHODS

2.1. Fixed assets

2.1.1 Intangible assets and property, plant and equipment

Valuation:

Fixed assets are valued at acquisition cost (purchase price excluding ancillary expenses) or production cost.

Depreciation and amortisation:

Depreciation and amortisation are calculated using the straight line method based on the estimated useful life of each asset component, on the following bases:

❑ Software	1 to 3 years
❑ Buildings	25 to 40 years
❑ Fixtures and furnishings	10 to 20 years
❑ Office supplies and computer hardware	3 to 10 years

The difference between tax-related and economic depreciation/amortisation is recognised under accelerated depreciation/amortisation.

Write-downs:

At the end of each year, the company assesses the value of its fixed assets to determine whether there are indications of a loss in value. If so, the recoverable value of the asset is estimated. If the recoverable value is less than the book value, a write-down is taken for the amount of the difference.

2.1.2 Non-current financial assets

The gross value consists of the purchase cost, excluding ancillary expenses.

If fair value is less than gross value, a write-down is taken for the amount of the difference.

The fair value of equity interests is assessed on the basis of the fair value of the shareholders' equity, as measured based on discounted future cash flows and net debt. The outlook of each subsidiary or group of subsidiaries is taken into account, in which case consolidated data may be included in the assessment.

2.2. Inventories

Inventories include the purchase of resinous wood made in 1997.

2.3. Receivables and payables

Valuation and impairment:

Receivables and payables are valued at their nominal amount. A write-down is taken against receivables when their fair value is less than their book value.

Receivables and payables denominated in foreign currencies:

These items are valued using the closing exchange rate on the balance sheet date.
Differences resulting from this valuation are recorded as currency translation adjustments, in assets or liabilities. Provisions are recorded for unrealised foreign exchange losses recognised under assets.

2.4. Cash

Short-term cash:

Short-term needs are financed by commercial paper issued by Exacompta Clairefontaine. A fixed rate determined at the moment of issue is paid on the commercial paper, which has a fixed maturity and a maximum term of 365 days.
At the balance sheet date, the amount issued by the Group was €30 million out of an authorised limit of €125 million.

Lines of credit:

Lines of credit are in place with several banks for a total amount of €145 million, with maturities not exceeding five years. The term of drawdowns ranges from 10 days to twelve months. As at 31 December 2022, none of these lines of credit had been used.

Marketable securities:

These are assets held for trading. The book value of €24,721,000 equals the market value at 31 December 2022. The book value is equal to the fair value.

2.5. Accelerated depreciation/amortisation

Accelerated depreciation consists of the difference between the depreciation calculated according to tax practices and that calculated according to the straight line method based on the estimated useful life. Accelerated depreciation totalled €2,053,000 at year-end.

2.6. Provisions for contingent liabilities and charges

2.6.1 Provisions for retirement indemnities

The method used to calculate the provision is the projected unit credit method, with application of amended ANC Recommendation 2013-02.

The calculation is based on the following main assumptions:

- probability of retirement from the company, turnover, death
- total amount of benefits outstanding under the cardboard packaging (*"Cartonnage"*) collective agreement
- retirement age: between 60 and 67 years of age depending on the employee's year of birth and status
- social security contributions rate: 45%
- discount rate: 3.28%

A provision for the full amount of the retirement commitment – including social security contributions – was taken at year-end and totalled €351,000.

2.6.2 Other provisions

Other provisions recorded correspond to foreign exchange losses of €26,000 resulting from currency translation differences.

3. OTHER INFORMATION

3.1. Parent company consolidating the company's financial statements

Exacompta Clairefontaine is 80.46% owned by Ets Charles Nusse SA, a French limited company (*société anonyme*) with an Executive Board and a Supervisory Board, with a share capital of €1,603,248, registered at 138 Quai de Jemmapes 75010 Paris.

3.2. Staff

The average headcount of the parent company totalled 35 persons in 2022 (1 administrative manager and 34 sales staff).

3.3. Tax consolidation

A tax consolidation agreement has been signed with all the French companies except Fizzer, in which the company held a 60% interest at the beginning of the fiscal year. This agreement is automatically renewed every year.
The parent company of the tax group is Exacompta Clairefontaine.
The reported tax expense is the expense that would have been incurred in the absence of tax consolidation, subject to the following provisions:

- no limit on the profit against which loss carryforwards may be applied
- refunding of tax credits not applied by the company when these credits may be applied by the parent company

The tax savings realised by the parent company are returned to the subsidiaries when they become profitable and can charge their own losses.
The tax consolidation incurred a tax expense of €1,500,000 for 2022.

3.4. Remuneration of administrative and management bodies

The members of the Board of Directors receive no remuneration from the company.
The total amount of director's fees to be shared among the directors for 2022 is €91,000 and was awarded by a decision of the 6 June 2019 Shareholders' Meeting.

3.5. Related party transactions

No material non-arm's length transactions involving related parties were executed.

3.6. Off-balance sheet commitments

The companies that head sub-groups (Exacompta, Papeteries de Clairefontaine, Clairefontaine Rhodia, AFA and Photoweb) guarantee all repayments of their subsidiaries that borrow from their parent company.
Exacompta Clairefontaine jointly and severally guarantees payment to Exeltium of all liabilities in respect of purchases of blocks of electricity contracted by Papeteries de Clairefontaine.

4. BALANCE SHEET AND INCOME STATEMENT DATA

Share capital

	Number of shares	Par value (€)
At 1 January	1,131,480	€4
At 31 December	1,131,480	€4

Change in shareholders' equity (€000)

Shareholders' equity at 31/12/2021	**295,314**
Dividends distributed	(4,164)
Change in regulated provisions	86
Net income for fiscal year 2022	1,202
Shareholders' equity at 31/12/2022	**292,438**

Change in gross non-current assets

€000	Gross value b/fwd	Purchases	Sales	Other activity	Gross value c/fwd
Concessions, patents, licences	260				260
Intangible assets	**260**				**260**
Land	3,929				3,929
Buildings and fixtures	25,038				25,038
Other PP&E	141	1			142
PP&E in progress	-				-
Property, plant and equipment	**29,108**	**1**	**0**	**0**	**29,109**
Equity interests	352,570				352,570
Intercompany receivables	19,008	521	4,284		15,245
Loans	51,453		6,924		44,529
Other financial assets	507				507
Non-current financial assets	**423,538**	**521**	**11,208**		**412,851**

Change in depreciation/amortisation of non-current assets

€000	Amounts b/fwd	Additions	Reversals and outflows	Provisions c/fwd
Concessions, patents, licences	258	2		260
Intangible assets	**258**	**2**		**260**
Land	28	6		34
Buildings and fixtures	16,340	684		17,024
Other PP&E	133	5		138
Property, plant and equipment	**16,501**	**695**		**17,196**

Table of subsidiaries and equity interests (€000)

Subsidiaries	Share capital Shareholders' equity	% interest	Shares gross value net value	Loans	Dividends received	Revenue excluding tax
PAPETERIES DE CLAIREFONTAINE 88480 Etival Clairefontaine SIREN no. 402 965 297	91,200 225,574	100%	103,001 103,001		3,192	285,535
EXACOMPTA 75010 Paris SIREN no. 702 047 564	2,160 102,309	100%	115,693 100,693	22,635	809	152,636
AFA 75010 Paris SIREN no. 582 090 452	1,440 41,891	100%	49,633 29,633			19,866
CLAIREFONTAINE RHODIA 68490 Ottmarsheim SIREN no. 339 956 781	22,500 41,130	100%	40,912 40,912	21,743	968	93,410
PHOTOWEB 38120 Saint-Egrève SIREN no. 428 083 703	40 20,850	100%	43,320 35,330		251	34,089
Equity interests						
Forestry cooperative FORÊT & BOIS DE L'EST	variable		3 3			

Change in provisions and write-downs

€000	**Amounts b/fwd**	**Additions**	**Reversals** (used)	**Reversals** (not used)	**Provisions c/fwd**
Accelerated depreciation/amortisation	1,966	146	59		2,053
Regulated provisions	**1,966**	**146**	**59**		**2,053**
Foreign exchange losses	28	26		28	26
Pensions and similar obligations	341	44		34	351
Other expenses					
Provisions for contingent liabilities and charges	**369**	**70**		**62**	**377**
Equity interests	40,000	8,000		5,000	43,000
Write-downs	**40,000**	**8,000**		**5,000**	**43,000**

Increases and reversals		
○ operating	44	34
○ financial	8,026	5,028
○ extraordinary	146	59
Total	**8,216**	**5,121**

Receivables schedule

Receivables due (€000)	**Gross amounts**	**< 1 year**	**> 1 year**
Non-current receivables			
Intercompany receivables	15,245		15,245
Loans	44,529	6,538	37,991
Other financial assets	507		507
Current receivables			
Trade receivables	1,965	1,965	
Personnel and related	6	6	
Income taxes	-	-	
Value added tax	36	36	
Group and associates	86,068	86,068	
Other receivables	6	6	
Prepaid expenses	389	389	
Total	**148,751**	**95,008**	**53,743**

Payables schedule

Payables due (€000)	**Gross amounts**	**< 1 year**	**1-5 years**	**> 5 years**
Bank loans and borrowings	85,770	41,283	34,616	9,871
Trade payables	304	304		
Personnel and related	526	526		
Social security organisations	401	401		
Income taxes	546	546		
Value added tax	73	73		
Other taxes, duties and similar items	63	63		
Group and associates	114,078	114,078		
Other payables	667	667		
Deferred income	178	178		
Total	**202,606**	**158,119**	**34,616**	**9,871**

Breakdown of prepaid expenses and deferred income

€000	**Prepaid expenses**	**Deferred income**
Operating income/expenses	173	
Financial transactions	216	178
Total	**389**	**178**

Breakdown of accrued expenses and accrued income

€000	Accrued expenses	Accrued income
Invoices not received/to be issued	81	79
Tax and social security payables/receivables	537	-
Financial transactions	14	550
Total	**632**	**629**

Breakdown of expense transfers

€000	Expense transfers
Transfer of external expenses	1,303
Transfer of personnel expenses	5,170
Transfer of taxes & duties	148
Total	**6,621**

Extraordinary income and expenses

€000	2022	2021
Sale of property, plant and equipment	-	-
Reversal of accelerated depreciation	59	58
Other income	-	-
Total extraordinary income	**59**	**58**
Sale of property, plant and equipment	-	-
Increase in accelerated depreciation	146	146
Other expenses	52	-
Total extraordinary expenses	**198**	**146**

Breakdown of income taxes

Breakdown – €000	Income before tax	Taxes owed	Net income after tax
Net income from ordinary activities	3,085	279	2,806
Net extraordinary income/(expense)	(139)	(35)	(104)
Tax expense			
• tax consolidation expense		1,500	(1,500)
• other tax effects		-	-
Total	**2,946**	**1,744**	**1,202**

Deferred and future tax position

€000 (at corporate income tax rate of 25%)	**Amount**
Tax on:	
Accelerated depreciation/amortisation	513
Total increases	513
Prepaid tax on:	
Paid holiday	69
Other	88
Total reductions	157
Net deferred tax position	**356**

Tax loss carryforwards	0
Net future tax position	**0**

Exacompta Clairefontaine S.A.

Reports of the Statutory Auditors

- Report on the parent company financial statements
- Special report on regulated agreements

ADVOLIS	**BATT AUDIT**
Statutory Auditor	Statutory Auditor
Member of the Paris Institute of Statutory Auditors	Member of the Nancy Institute of Statutory Auditors
38 Avenue de l'Opéra	58 boulevard d'Austrasie
75002 PARIS	54000 NANCY

REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY FINANCIAL STATEMENTS

Year ended 31 December 2022

To the Shareholders' Meeting of EXACOMPTA CLAIREFONTAINE,

1. Opinion

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the parent company financial statements of EXACOMPTA CLAIREFONTAINE for the year ended 31 December 2022, which are appended to this report.

We hereby certify that the parent company financial statements are, with regard to French accounting rules and principles, in order and accurate and fairly present the results of operations for the past year and the financial position, assets and liabilities of the company at the end of that year.

2. Basis of the opinion

Audit standards

We performed our audit in accordance with the professional standards applicable in France. We believe that the evidence we have gathered provides a reasonable basis for our opinion.

Our responsibilities pursuant to these standards are set forth in the section of this report entitled "Responsibilities of the Statutory Auditors relating to the audit of the parent company financial statements".

Independence

We have performed our audit in compliance with the rules of independence provided for in the French Commercial Code and the French Code of Ethics for statutory auditors for the period running from 1 January 2022 to the date of issue of our report.

Bases of assessments

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code on the justification of our assessments, we draw your attention to the following assessments which, in our professional judgement, have been the most significant for the audit of the parent company financial statements.

Valuation of equity interests and related receivables

Equity interests and related receivables, which are carried at a net amount of €325 million on the 31 December 2022 balance sheet, are initially recognised at cost and written down on the basis of their fair value.

As stated in Note 2.1.2 to the financial statements, the fair value is assessed on the basis of the fair value of the shareholders' equity, as measured based on discounted future cash flows and net debt. The outlook of each subsidiary or group of subsidiaries is taken into account, in which case consolidated data may be included in the assessment.

The estimated fair value of these equity interests, based in particular on projected discounted future cash flows, requires the use of assumptions and estimates and the exercise of judgement by management.

Our work consisted in assessing the reasonableness of the estimated fair value of equity interests, based on information provided to us. Our work consisted mainly in verifying that the estimation of these values by management is based on an appropriate justification of the measurement method and figures used.

The assessments carried out are part of our audit of the parent company financial statements, taken as a whole, and formed our opinion, which is expressed above. We do not express an opinion on individual items of these financial statements.

3. Specific verifications

We also performed the specific verifications required by law and regulations, in accordance with professional standards applicable in France.

Information provided in the Board of Directors' management report and other documents addressed to the shareholders concerning the financial position and the parent company financial statements

We have no comments to make about the accuracy and consistency with the parent company financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to the shareholders concerning the financial position and the annual financial statements.

We hereby confirm the accuracy and the consistency with the parent company financial statements of the information on late payments referred to in Article D. 441-6 of the French Commercial Code.

Information on corporate governance presented in the management report

We hereby certify that the section on corporate governance in the Board of Directors' management report contains the information required by Article L. 225-37-4 of the French Commercial Code.

Other information: Acquisitions of equity interests and control

Pursuant to the law, we made certain that the other information regarding acquisitions of equity interests and control and the identity of the holders of the capital or voting rights was communicated to you in the management report.

Responsibilities of senior management and of those charged with corporate governance relating to the parent company financial statements

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

During the preparation of the parent company financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these financial statements, if applicable, the necessary information on the going concern basis and to apply the standard accounting policy for a going concern, unless it is planned to wind up the company or discontinue operations.

The parent company financial statements were approved by the Board of Directors.

Responsibilities of Statutory Auditors relating to the audit of the parent company financial statements

It is our responsibility to prepare a report on the parent company financial statements. Our objective is to obtain reasonable assurance that the parent company financial statements, taken as a whole, are free of material misstatements. Reasonable assurance is a high level of assurance, without however guaranteeing that an audit performed in accordance with the professional standards applicable would systematically detect all material misstatements. Misstatements may be due to fraud or errors and are considered as material when it is reasonable to expect that they can, taken separately or together, influence the economic decisions that users of the financial statements take based on them.

As set out in Article L. 823-10-1 of the French Commercial Code, our engagement relating to the certification of the financial statements does not consist in guaranteeing the viability or quality of your company's management.

As part of an audit performed in accordance with auditing standards applicable in France, the statutory auditor exercises their professional judgement throughout the audit. Furthermore, the auditor:

- identifies and evaluates the risk of the parent company financial statements containing material misstatements, whether due to fraud or error, develops and implements audit procedures in response to these risks, and gathers sufficient and appropriate evidence for the auditor's opinion. The risk of non-detection of a material misstatement due to a fraud is more serious than that of a material misstatement due to an error, since fraud may involve collusion, forgery, wilful omissions, misrepresentations or the circumvention of internal control;

- obtains an understanding of the aspects of internal control that are relevant to the audit in order to develop appropriate audit procedures, and not to express an opinion as to the effectiveness of the internal control system;

- assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management, as well as of the related information provided in the annual financial statements;

- assesses the appropriateness of the management's use of the going concern principle in accounting and, according to the evidence obtained, the existence or otherwise of material uncertainty connected with events or situations likely to cast significant doubt on the capacity of the company to continue its operations. This assessment is based on the evidence gathered up to the date of the auditor's report, it being noted however that subsequent circumstances or events could compromise the going concern basis. If the auditor concludes that there is a material uncertainty, the auditor draws the reader's attention within their report to the disclosures provided in the parent company financial statements regarding this uncertainty or, if such disclosures are not provided or are not relevant, issues a qualified opinion or refuses to issue an opinion;

- appraises the overall presentation of the parent company financial statements and assesses whether said statements reflect the transactions and underlying events and thus provide a true and fair view thereof.

Paris and Nancy, 27 April 2023

Statutory Auditors

ADVOLIS		**BATT AUDIT**
Hugues de Noray	Nicolas Aubrun	Pascal François

ADVOLIS
Statutory Auditor
Member of the Paris Institute of Statutory Auditors
38 Avenue de l'Opéra
75002 PARIS

BATT AUDIT
Statutory Auditor
Member of the Nancy Institute of Statutory Auditors
58 boulevard d'Austrasie
54000 NANCY

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS

Year ended 31 December 2022

To the Shareholders' Meeting of EXACOMPTA CLAIREFONTAINE,

In our role as the statutory auditors of your company, we hereby present to you our report on regulated agreements.

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

It is also our responsibility, where appropriate, to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code in relation to the performance, during the past year, of agreements already approved by the Shareholders' Meeting.

We have carried out the procedures that we judged necessary pursuant to the professional policies of the *Compagnie Nationale des Commissaires aux Comptes* (National Institute of Statutory Auditors) relating to this assignment.

Agreements submitted to the Shareholders' Meeting for approval

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

Agreements already approved by the Shareholders' Meeting

We hereby inform you that we have not been informed of any agreement already approved by the Shareholders' Meeting and whose performance continued during the past year.

Paris and Nancy, 27 April 2023

Statutory Auditors

ADVOLIS | **BATT AUDIT**

Hugues de Noray   Nicolas Aubrun | Pascal François

Exacompta Clairefontaine S.A.

Consolidated financial statements for the year ended
31 December 2022

1. Consolidated financial statements

Consolidated financial position

€000	31/12/2022	31/12/2021	Notes
NON-CURRENT ASSETS	**352,754**	**359,281**	
Goodwill	44,266	45,288	(2.1.4)
Intangible assets	19,449	18,047	(2.1.4)
Property, plant and equipment	285,430	292,184	(2.1.5)
Financial assets	2,901	3,171	(2.1.6)
Deferred taxes	708	591	(2.4)
CURRENT ASSETS	**562,342**	**539,335**	
Inventories	292,966	213,617	(2.2.1)
Trade and other receivables	145,670	129,040	(2.2.2)
Advances	4,665	3,342	
Taxes receivable	321	496	
Cash and cash equivalents	118,720	192,840	(2.2.3)
TOTAL ASSETS	**915,096**	**898,616**	

SHAREHOLDERS' EQUITY	**471,369**	**445,165**	
Share capital	4,526	4,526	
Consolidated reserves	439,787	419,195	
Net income – Group share	27,056	20,677	
Shareholders' equity – Group share	**471,369**	**444,398**	
Minority interests	-	767	
NON-CURRENT LIABILITIES	**195,175**	**199,674**	
Non-current loans and borrowings	114,370	118,947	(2.6)
Lease liabilities (IFRS 16)	33,109	34,901	(2.6)
Deferred taxes	27,427	23,887	(2.4)
Provisions	20,269	21,939	(2.5)
CURRENT LIABILITIES	**248,552**	**253,777**	
Trade payables	94,230	76,606	
Current loans and borrowings	66,476	100,242	(2.6)
Lease liabilities (IFRS 16) – short term	10,768	10,042	(2.6)
Provisions	3,347	2,864	(2.5)
Tax liabilities	888	2,644	
Other payables	72,843	61,379	(2.10)
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**915,096**	**898,616**	

Consolidated income statement

€000	2022	2021	Notes
Revenue	835,604	726,789	
- Sales of products	819,243	715,790	
- Sales of services	16,361	10,999	
Other operating income	7,534	10,718	
- Reversal of depreciation/amortisation	13	149	(2.1.4 to 2.1.6)
- Subsidies	480	2,001	
- Other income	7,041	8,568	
Change in inventories of finished products and work-in-progress	46,286	(5,609)	(2.2.1)
Goods and materials used	(466,820)	(342,413)	
External expenses	(121,100)	(114,321)	
Personnel expenses	(189,466)	(181,803)	(2.11)
Taxes and duties	(8,715)	(8,984)	
Depreciation/amortisation	(46,875)	(44,401)	(2.1.4, 2.1.5)
Other operating expenses	(8,066)	(9,559)	
Operating income – before goodwill impairment	**48,382**	**30,417**	
Goodwill impairment / badwill gain	(7,000)	-	(2.1.1, 2.1.4)
Operating income – after goodwill impairment	**41,382**	**30,417**	
Financial income	3,760	2,489	
Financial expenses	(7,032)	(3,275)	
Net financial items	(3,272)	(786)	(2.9)
Income taxes	(11,054)	(8,168)	(2.4)
CONSOLIDATED NET INCOME	**27,056**	**21,463**	

Net income – minority share	**-**	**786**
Net income – Group share	**27,056**	**20,677**

Net income for the period	27,056	20,677	
Number of shares	1,131,480	1,131,480	(2.3)
Earnings per share (basic and diluted)	**23.91**	**18.27**	

Comprehensive income statement

€000	2022	2021
Net income	**27,056**	**21,463**
Actuarial gains/losses on post-employment benefits Tax on items not reclassified to profit or loss	825 (206)	2,483 (525)
Items not reclassified to profit or loss	619	1,958
Currency translation differences arising from foreign entities' financial statements Tax on items reclassified to profit or loss	1,563 -	3,237 -
Items reclassified to profit or loss	1,563	3,237
Items of other comprehensive income	-	362
Total comprehensive income	**29,238**	**27,020**
Attributable to: - the Group - minority interests	 29,238 -	 26,234 786

Statement of changes in consolidated shareholders' equity

€000	Share capital	Additional paid-in capital	Reserves and consolidated results	Actuarial gains/losses	Currency translation adjustments	Total – Group share	Total – minority interests	Total shareholders' equity
Shareholders' equity at 31 December 2020	4,526	92,745	326,626	(619)	861	424,158	(19)	424,139
Dividends distributed			(3,394)			(3,394)		(3,394)
Net income for the period			21,463			20,677	786	21,463
Items of other comprehensive income			362	1,958	3,237	5,557		5,557
Reclassification of actuarial gains/losses			(619)	619		-		-
Put option on Fizzer minority interests			(2,600)			(2,600)		(2,600)
Shareholders' equity at 31/12/2021	4,526	92,745	341,838	1,958	4,098	444,398	767	445,165
Dividends distributed			(4,164)			(4,164)		(4,164)
Net income for the period			27,056			27,056		27,056
Items of other comprehensive income				619	1,563	2,182		2,182
Reclassification of actuarial gains/losses			1,958	(1,958)		-		-
Fizzer acquisition – minority interests			(5,086)			(4,319)	(767)	(5,086)
Put option on Fizzer minority interests			6,100			6,100		6,100
Other restatements			116			116		116
Shareholders' equity at 31 December 2022	4,526	92,745	367,818	619	5,661	471,369	-	471,369

Statement of consolidated cash flows

€000	2022	2021	Notes
Total consolidated net income	**27,056**	**21,463**	
• Depreciation, amortisation and provisions • Gains or losses on sales • Currency translation adjustments	53,493 451 976	43,780 681 1,464	(2.1.4 to 2.1.6, 2.5) (2.4)
Cash flow before cost of borrowings and tax	*81,976*	*67,388*	
• Cost of borrowings • Tax charge for the period and deferred taxes	1,358 11,054	1,109 8,168	
Cash flow after cost of borrowings and tax	*94,388*	*76,665*	
• Change in operating working capital	(71,783)	(7,823)	Balance sheet
(1) Net cash flow from operating activities	**22,605**	**68,842**	
• Purchases of fixed assets • Sales of fixed assets • Changes in consolidation	(30,322) 987 (12,393)	(31,571) 950 (3,651)	(2.1.4 to 2.1.6)
(2) Net cash flow from investing activities	**(41,728)**	**(34,272)**	
• New borrowings • Loans repaid • Lease liability payments • Change in interest paid • Dividends paid	24,442 (41,859) (11,765) (1,250) (4,164)	21,255 (51,726) (11,296) (1,109) (3,394)	(Change in shareholders' equity)
(3) Net cash flow from financing activities	**(34,596)**	**(46,270)**	
(4) Currency effect on cash	**(149)**	**990**	
(1+2+3+4) Total cash flow	**(53,868)**	**(10,710)**	

Opening cash	140,300	151,010
Closing cash	86,432	140,300
Change in cash	**(53,868)**	**(10,710)**

Change in cash

€000	31/12/2022	31/12/2021	Change
Reported cash and cash equivalents	118,720	192,840	(74,120)
Bank overdrafts	(32,288)	(52,540)	(20,252)
Net cash and cash equivalents	**86,432**	**140,300**	**(53,868)**

Presentation of the consolidated financial statements

1- General principles – statement of compliance

The EXACOMPTA CLAIREFONTAINE Group consolidated financial statements are prepared in accordance with IFRS (International Financial Reporting Standards), as adopted within the European Union.
The Exacompta Clairefontaine Group consolidated financial statements have been approved by the Board of Directors. They will not be final until they have been approved by the Shareholders' Meeting.
No changes were made compared to the accounting rules and methods applied to the 2021 full-year consolidated financial statements.

2- Adoption of international standards

Standards, amendments and interpretations mandatory from 1 January 2022

- Amendment to IFRS 3 – *Reference to the conceptual framework*
- Amendments to IAS 16 – *Property, plant and equipment — Proceeds before intended use*
- Amendments to IAS 37 – *Onerous contracts — Cost of fulfilling a contract*
- Annual improvements – *2018-2020 cycle*

These new amendments have no material impact on the financial statements.

Standards, amendments and interpretations adopted by the European Union and mandatory after 2022

- Amendments to IAS 8 – *Accounting policies, changes in accounting estimates and errors*
- Amendments to IAS 12 – *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

In 2022, the Group did not opt for the early application of any standard, amendment or interpretation approved by the European Union.

Standards, amendments and interpretations not yet adopted by the European Union

- Amendments to IAS 1 – *Classification of liabilities as current or non-current*
- Amendment to IFRS 16 – *Lease liability in a sale and lease-back*

The Group is currently analysing the impact of these new standards and amendments.

3- Changes in consolidation scope

The Group took control of Blockx on 1 June and The Clay and Paint Factory (TCPF) on 14 November 2022. These two companies posted respective 2022 revenue of €0.3 million and €3.9 million. The identifiable assets acquired and liabilities assumed were initially recognised at their acquisition date fair value.

€000	**Blockx**	**TCPF**	**Total**
Acquisition cost	350	7,676	8,026
Net book value at acquisition date Fair value net of deferred taxes Ownership interest	72 - 100%	1,800 176 100%	1,872 176
Share of fair value of assets acquired and liabilities assumed	72	1,976	2,048
Goodwill	278	5,700	5,978

ABL, Lalo, Makane Bouskoura and Clair Maroc were absorbed by Group subsidiaries.

4- Bases of preparation of the financial statements

The financial statements are presented in euros, rounded to the nearest one thousand euros.
They are prepared on the basis of historical cost, with the exception of financial instruments, which are stated at fair value.

The preparation of financial statements under IFRS requires the exercise of judgement by management in making estimates and assumptions that have an impact on the application of the accounting policies and on the amounts of the assets, liabilities, income and expenses.
The underlying estimates and assumptions are made based on past experience and other factors deemed reasonable in view of the circumstances. They also form the basis for the exercise of judgement required for determining the book values of assets and liabilities that cannot be obtained directly from other sources. Real values may differ from the estimated values.
The estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recorded during the period in which the change occurs and all subsequent periods affected.
The accounting methods described below have been applied on a consistent basis to all the periods presented in the consolidated financial statements. Furthermore, said methods have been applied uniformly to all Exacompta Clairefontaine Group entities.

5- Consolidation of subsidiaries

The consolidated financial statements include the financial statements of the parent company, Exacompta Clairefontaine, and those of the entities controlled by the parent company (the “subsidiaries”).
Control means the power to direct, directly or indirectly, the financial and operating policies of the entity in order to obtain benefits from its activities.
The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control was obtained until the date on which control is no longer held.

The balances shown in the balance sheet, unrealised losses and gains, and the income and expenses resulting from Group transactions are eliminated in the consolidation.
Unrealised gains arising from transactions with affiliates are eliminated in proportion to the Group’s equity interest. Unrealised losses are eliminated in the same way, but only if they do not represent a loss in value.

6- Foreign currencies

The individual financial statements of each of the Group’s entities are presented in the currency of the economic environment in which the entity operates. For the purposes of the consolidated financial statements, the profit or loss and the financial position of each entity are stated in euros, which is the functional currency of Exacompta Clairefontaine S.A. and the currency in which the consolidated financial statements are presented.

Transactions in foreign currency are recorded at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are converted to euros at the closing rate. The currency translation differences resulting from this conversion are recorded in the income statement as financial income or expense, as applicable.

The assets and liabilities of each individual entity that engages in its activity abroad are converted to euros at the exchange rates in effect at the balance sheet date. Income and expenses are converted at the average exchange rates for the period, which is a sufficient approximation of the rates on the transaction dates.
The currency translation differences resulting from the conversion are recorded under currency translation adjustments as a separate shareholders’ equity account.

7- Business combinations

Business combinations are accounted for using the acquisition method.

- Acquisition cost corresponds to the fair value of assets obtained, equity instruments issued, where applicable, and liabilities incurred or assumed.
  The costs related to the acquisition are recorded as expenses.
- Assets acquired and liabilities transferred are recognised at their acquisition date fair value.

Where applicable, the non-controlling interest in the acquired entity is measured either at fair value or at the share of the fair value of assets and liabilities of the subsidiary acquired. This option is available at each business combination and cannot be changed subsequently.

In the case of a step acquisition, the share of the interest held prior to the acquisition date is measured at its fair value. The related profit or loss is recorded in income.

If a business combination takes place under favourable conditions, the purchaser records the corresponding profit under income as at the acquisition date.

A business combination involving a number of entities under common control is a grouping in which all of the entities or operations that are grouped are ultimately controlled by the same party, both before and after the combination, and where this control is not temporary.
In the absence of specific provisions in the accounting standards, the Group applies the book value method to all transactions involving the entities under common control.

8- Goodwill

Goodwill arising from a business combination is valued as the excess of the consideration transferred over the net balance, as at the acquisition date, of identifiable assets acquired and liabilities assumed, measured at fair value.
The initial valuation of the business combination can be adjusted against goodwill if there is new information on circumstances existing at the acquisition date. The adjustment period in respect of the initial valuation is limited to 12 months from the acquisition date.

Subsequent changes in the percentage of the equity interest that do not impact the control of the acquired company are considered transactions between shareholders. The difference between the purchase (or disposal) value and the book value of the share acquired (or sold) is recognised under equity.

Goodwill is initially valued at cost and recorded as an asset in accordance with the principles set out in section 7 above. It is thereafter valued at cost, less accumulated impairment.

For the purposes of impairment testing, goodwill is allocated to the cash generating units (CGU) represented by the Group's five departments: Paper; Office and filing articles; School stationery, fine arts and crafts; Diaries and calendars; Digital photography. They are comprised of subsidiaries or groups of subsidiaries with synergies and no independent cash flows.
These CGUs are largely independent of the consolidated Group and are smaller than the operating segments defined by IFRS 8 *Operating segments*.

Impairment tests are carried out on all cash generating units to which goodwill is allocated; these tests are performed annually, and at each account statement date if there is an indication of impairment.

The recoverable value of the CGUs is the higher of the market value and the value in use resulting from a discounted cash flow (DCF) analysis carried out as follows in accordance with IAS 36:

- Discount rate equal to the expected market return for an equivalent investment, regardless of the financing sources. This discount rate is a post-tax rate applied to post-tax cash flows. Its use leads to the determination of recoverable values identical to those obtained by using a pre-tax rate applied to pre-tax cash flows.
- 3-year business plans approved by management.
- Extrapolation of cash flow from operations beyond three years based on a growth rate specific to the industry.

If the recoverable value of the cash generating unit is less than that unit's book value, the loss in value is first allocated to reducing the book value of any goodwill allocated to that cash generating unit, and then to other assets of the unit, pro rata to the book value of each asset in the unit.
Impairment of goodwill recorded in the income statement is not reversed in a subsequent period.

9- Property, plant and equipment

Group land and buildings are intended for use in the production or supply of goods and services, or for administrative purposes.
The Group does not hold any material real estate that should be classified as an investment. The industrial facilities and other equipment are operating assets for the production or supply of goods and services.

All Group property, plant and equipment is recorded at historical purchase cost, less accumulated depreciation and impairment.
Property, plant and equipment under construction comprises assets intended for use in production and is recorded at cost, less any impairment identified.
When items of property, plant and equipment have different useful lives, they are recorded as separate assets. All ongoing service and maintenance costs are recorded as expenses at the time they are incurred.

Depreciation is recognised as expenses using the straight line method, without any residual value. The depreciation is calculated based on the estimated useful life of each component of fixed assets on the following bases and by year:

- Land	not depreciated
- Buildings	25 to 40 years
- Fixtures and furnishings	10 to 20 years
- Plant and equipment	10 to 20 years
- Other office supplies and computer hardware	3 to 10 years

The useful life of the main assets is reviewed when the accounts are closed. Any change in the useful life is recorded on a prospective basis as a change in an accounting estimate.

10- Leases and right-of-use assets

Recognition of operating leases

All operating leases are recognised pursuant to a single model that records a leasing liability corresponding to the sum of the discounted future lease payments and a right-of-use asset amortised over the residual term of the lease.

Lease types

The leases are almost 90% real estate leases, with the remainder primarily corresponding to vehicles and handling equipment.
For the specific case of commercial leases, the term used for these leases is the generally enforceable period. The IFRIC decision of 26 November 2019 had no material impact, as lease terms coincided with the useful life of non-removable leasehold improvements.

Interest rate

As it is not possible to determine the interest rates implicit in the leases, the Group uses its incremental borrowing rate to measure the lease liability.
It is established by reference to the interest rates of loans, whether taken out or not, that have similar maturities and payment profiles. In particular, the interest rate is established based on 7-10 year maturities applicable to real estate leases, which account for the majority of right-of-use assets.

11- Intangible assets

Research and development costs

Research costs are recorded as expenses in the year in which they are incurred.
Development expenses are recorded as a non-current asset if the costs can be reliably measured and if the Group can demonstrate the technical and commercial feasibility of the product or procedure, the existence of probable future economic benefits and its intention, as well as the availability of sufficient resources, to complete the development of and use or sell the asset.
When the requirements for recording development expenses in assets are not met, they are recognised as expenses for the year in which they are incurred.

Trademarks

Trademarks are recorded as intangible assets at fair value as at the purchase date. In the absence of a foreseeable limit on their capacity to generate net cash flows, the useful life of the trademarks used by the Group is considered to be indefinite.
They are not amortised but undergo an impairment test once a year and at each balance sheet date if there is an indication of any loss in value. The recoverable value is determined based on expected discounted cash flows.

Expenses for internally generated trademarks are expensed as incurred.

Other intangible assets

Other intangible assets purchased by the Group are recorded at cost less amortisation and accumulated impairment.
Amortisation is recognised as an expense under the straight line method over the estimated useful life, on the following bases and by year:

- Patents, licences and software 3 to 8 years
- Other intangible assets 5 to 10 years

12- Impairment of property, plant and equipment and intangible assets (excluding goodwill and trademarks)

At the end of each period, the Group reviews the book values of property, plant and equipment and intangible assets in order to determine whether there is any indication that an asset has suffered impairment. If it has, the recoverable value of the asset is estimated in order to determine the potential impairment.

The recoverable value of an asset is the higher of the fair value less costs to sell and the value in use. The value in use is estimated using the discounted future cash flows method. If the recoverable value is estimated to be less than the book value, impairment is recognised immediately in expenses in the income statement.
Impairment recorded for an asset during a prior period may be reversed if there has been a change in the estimates used to determine the recoverable value. However, any book values that have been increased following a reversal of impairment may not exceed the book value that would have been determined after depreciation or amortisation, if no impairment had been recorded. Impairment reversals are recorded in the income statement.

13- Financial assets

Unconsolidated equity interests are classified as assets available for sale and are measured at fair value; changes in fair value are recorded under shareholders' equity.
If the fair value cannot be reliably estimated, equity interests continue to be measured at purchase cost. In the event of a write-down, the loss in value is recorded in the income statement.

Intercompany receivables and other non-current financial assets are measured initially at fair value and subsequently at amortised cost.

14- Trade and other receivables

Trade and other receivables are measured initially at fair value and subsequently at amortised cost. Any losses in value are recorded in the income statement when the recoverable value is less than the book value. Impairment is established based on the credit losses expected over their useful life.
No one client individually accounts for more than 10% of the Group's consolidated revenue.

15- Inventories

Inventories are valued at their purchase or production cost or, if lower, at their net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.
The cost of inventories includes direct raw materials costs, direct labour costs and directly attributable general expenses incurred to put the inventories in place in their existing condition. In general, the cost is calculated using the weighted average cost method.

Greenhouse gas emission rights

Three of the Group's paper mill subsidiaries are subject to the European regulation on greenhouse gas emissions. An allowance is a unit of account that represents the emission of one tonne of carbon dioxide.
The fourth phase of the EU Emissions Trading Scheme (EU ETS) covers the 2021-2030 period.
The recognition methods applied by the Group are those derived from ANC regulation 2012-03. Pursuant to the regulation, the Group applies the "production" model, in which the holding of allowances is linked to a production process that generates greenhouse gas emissions. The allowances are used in order to comply with the requirement to surrender them to the State.

The main features of the model applied by the Group are as follows:

- The allowances are recorded under inventories.

- Allowances allocated by the State are recorded at zero value. They are treated purely in terms of volume.
- Purchased allowances are recorded at purchase cost.

- Balance sheet valuation
  - An impairment charge is recorded when the present value of inventories is lower than the book value.
  - No specific valuation is carried out in the case of allocated allowances, as they are recorded at zero value.
- Inventory withdrawal
  - The allowances are withdrawn from inventories on an ongoing basis in line with actual CO_2 emissions. Allocated allowances have no impact on the financial statements.
  - Any gains or losses arising from the sale of emission allowances are recorded under operating income.
- Requirements related to greenhouse gas emissions
  - The basic requirement to surrender the CO_2 emission allowances in accordance with emissions produced remains unchanged from the previous allocation periods.
  - At the end of each reporting period, if the Group lacks a sufficient number of allowances [allocated + purchased] to meet its obligation to surrender allowances to the State, a liability representing the value of missing allowances to be purchased is recorded.

16- Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term investments in money market instruments.
These investments can be converted into a known amount of cash within one week at most and are subject to a negligible risk of a change in value.
Financial assets held for trading (marketable securities) are assets valued at fair value through profit or loss.
Bank overdrafts repayable on demand and current borrowings, which are an integral part of the Group's cash management, are included in cash and cash equivalents for the purposes of the cash flow statement.

17- Derivative financial instruments

The Group no longer holds any derivative financial instruments for the purpose of limiting its exposure to interest rate risks.
The Group does not apply hedge accounting (cash flow and fair value hedges). The corresponding derivative financial instruments are included in financial assets and liabilities measured at fair value through profit or loss. The profit or loss resulting from subsequent measurements of the fair value is recorded immediately in income.

18- Loans

All interest-bearing loans are measured initially at fair value and subsequently at amortised cost.
Transaction costs are included in the initial measurement of financial instruments that are not measured at fair value through profit or loss. The transaction costs are the marginal costs directly attributable to the purchase or issuance of a financial instrument and do not include internal administration costs.

All loan expenses are recorded as expenses for the period in which they are incurred.

Put options granted to third-party minority shareholders of controlled subsidiaries constitute a financial liability. The liability is measured on the basis of the contracts and may be remeasured based on the results achieved by the entity. The Group records these put options as financial liabilities at the present value of the exercise price of these options after deduction of the related minority interests with an offsetting entry to shareholders' equity, Group share.
Subsequent changes in the liability are treated in the same manner.

19- Employee benefits

Defined contribution plans

Payments to a defined contribution plan are recorded as expenses at the time they are incurred.

Post-employment benefits

The Group's net liability for defined benefit plans is estimated separately for each scheme by estimating the amount of the future benefits acquired by personnel in exchange for services rendered during the present and prior periods.
This amount is discounted to determine its present value and is reduced by the fair value of the plan assets. The discount rate is determined by referring to a market rate on the closing date based on the obligations of leading companies. The calculations are performed using the projected unit credit method.
Actuarial gains and losses are recorded under items of other comprehensive income and are not reclassified to profit or loss.

20- Provisions

A provision is recorded in the balance sheet when the Group has a current legal or constructive obligation resulting from a prior event and it is probable that an outflow of resources representing economic benefits will be necessary to satisfy the obligation.
A restructuring provision is recorded when a transaction is approved by the Group and has been the subject of a notification.
The amount recorded in provisions is the best estimate of the expense that will be required to satisfy the obligation. The amount is discounted when the impact is material.

21- Income and expenses

Revenue from contracts with customers

Sales of products and services are measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes.

Sales of goods are recorded in the income statement at the time of delivery of the goods and transfer of ownership to the buyer, who takes on their risks and benefits.
Income obtained from the provision of services is recorded in the income statement based on the percentage of completion of the service at the balance sheet date and is valued based on the work performed.
The contracts entered into by the Group do not provide for variable considerations or payment terms over 1 year.

Public subsidies

The public subsidies that offset some expenses incurred by the Group are, with some exceptions, recorded as income in the income statement, for the period in which the expenses are incurred. The exceptions relate to public schemes targeted for the compensation of identified expenses, such as furlough schemes.

The subsidies that cover all or part of the costs of an asset are deducted from this asset to determine its cost price.
The subsidy is recorded as income over the useful life of the asset and can be amortised through a decrease in the depreciation expense.

Operating income

Operating income and expenses are classified by accounting type and not based on whether they are current or non-current.

Net financial items

Net financial items include interest payable on loans and cash liabilities, interest receivable on investments, foreign exchange gains and losses, and gains and losses on financial instruments that are recorded in the income statement.

22- Income tax

Income taxes include current tax expense or income and deferred tax expense or income. The tax is recorded in income unless it is related to items posted directly to shareholders' equity, in which case it is recorded in shareholders' equity.
The *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE – French business value added tax) is not classified as an income tax and does not come within the scope of IAS 12. The contributions are recorded under operating expenses.

Current tax is the estimated tax due on taxable income for a period and any adjustment of the amount of current tax for prior periods.

Deferred tax is determined using the balance sheet liability method for all temporary differences between the book value of the assets and liabilities and their tax bases, based on tax rates that were adopted or substantially adopted at the balance sheet date.

No deferred tax is posted in respect of the following items:

- Goodwill not deductible for tax purposes;
- Initial recording of an asset or liability that affects neither accounting income nor taxable income (except in the case of a business combination).

A deferred tax asset is not recorded unless it is probable that the Group will have future taxable income against which this asset can be charged. Deferred tax assets are reduced or not recorded when there is uncertainty as to whether sufficient taxable income will be available to recover them.
There are no tax losses that can be recognised as assets at the level of the Exacompta Clairefontaine tax group.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities due, when they involve taxes on income withheld by the same tax authority and the Group intends to pay them based on their net amount.

23- Management of financial risk

Generally, the Exacompta Clairefontaine Group does not engage in any complex financial transactions. However, it is exposed to certain risks related to the use of financial instruments in the context of its activities.
Risk management is performed by the operating units, in accordance with the policy established by senior management.

Market risks

Exposure to market risks involves mainly exchange rate and interest rate risks.

- Foreign exchange risk

The Group operates internationally. Risks related to commercial transactions denominated in a currency other than the respective functional currencies of Group entities are related mainly to purchases of raw materials denominated in US dollars. In order to manage this foreign exchange risk, the Group may use options contracts to hedge forecast transactions in this currency.

- Interest rate risk

The Group contracted a number of interest rate swaps in respect of loans initially issued at floating rates, which exposed the Group to cash flow fluctuation risk.
Due to the current low fixed rates, it was not considered appropriate to use new derivative financial instruments.

Liquidity risk

The Group's approach to managing this risk is to ensure that it always has sufficient liquid assets to meet its liabilities as they fall due without incurring unacceptable losses or damaging its reputation.
To this effect, short-term financing (maturities of less than one year) is provided by commercial paper on which a fixed rate is paid.
The Group also has lines of credit to cover medium-term maturities.

The Group has conducted a specific review of its liquidity risk and deems that it will be able to meet future maturities.

Credit risk

Credit risk represents the risk of financial loss for the Group if a client or counterparty to a financial instrument fails to perform its contractual obligations.

- Trade and other receivables

The credit risk remains spread over a large number of clients even though there is a concentration of distributors of our products. The risk of default by business sector and by country in which the clients engage in their activities does not have a significant influence on credit risk.

The Group has implemented tools to monitor outstandings that enable it to ensure that its clients have an appropriate credit history. Clients that do not satisfy solvency requirements cannot carry out transactions with the Group without making advance payments.
Credit risk is also limited by taking out credit insurance policies.
The Group determines a level of write-downs that represents its estimate of losses that will be incurred in respect of trade and other receivables.
Impairment charges correspond to specific losses related to individual risks. The amounts presented in the balance sheet are net of impairment recorded.

- Investments

The Group limits its exposure to credit risk from investments, short-term deposits and other cash instruments by investing only in liquid securities.

As the counterparties are leading banks, the Group does not expect that any of them will default.

24- Segment information

The operating segments are based on the Group's internal organisation and are defined by area of activity.

The Group's operating segments corresponding to its main areas of activity are as follows:

- Paper: production, finishing and formatting of paper
- Processing: manufacture of stationery, office and filing items and digital photos.

Transactions between the different operating segments are carried out on arm's length terms.

Segment information by geographic area is also presented and is divided by sales-to-customer area in respect of revenues and by the area in which the consolidated companies are located in respect of other information.

2. Notes to the consolidated financial statements

2.1 Non-current assets

2.1.1 Intangible assets and goodwill

Trademarks

"Concessions, licences, trademarks and similar rights" includes trademarks totalling a net amount of €5,367,000.

Goodwill

Goodwill mainly pertains to the businesses of the digital department (€23.2 million) and the manufactured papers department (€17.1 million).

The annual impairment test of CGUs was performed in 2022 based on the cash flow value-in-use method, by discounting the future cash flows generated by the continuous use of each CGU.
The methods used for determining the value in use in 2022 are similar to those used in 2021.

The key assumptions used for determining the recoverable amounts are the discount rate and the growth rate used to determine the terminal value.

- The cash flow discount rates used for CGUs were estimated based on the weighted average cost of capital, giving a pre-tax rate of between 10.56% and 11.63% for the four departments of the processing division and 13.46% for the paper department. They include an inflation rate of 4% in respect of a specific premium.
- The long term perpetual growth rates of the CGUs are mainly between 0% and 1.5%.

The assessment of the risk of impairment losses led to the recognition of a €7 million goodwill impairment charge for the digital CGU.
In light of the impairment charge for part of the digital CGU goodwill, any changes in criteria, whether negative (e.g. performance and perpetual growth rate) or positive (discount rate) would lead to further impairment.

With regards to sensitivity to changes in key assumptions under the other tests, there is no reasonably likely change that could lead to significant impairment, given the margins shown by the tests.

2.1.2 Property, plant and equipment

The useful life of the principal assets has been reviewed by the Group. No changes in useful life leading to a material change in the accounting estimates were identified during the year.

IFRS 16 – Leases

As it is not possible to determine the interest rates implicit in the leases, the Group uses its incremental borrowing rate to measure the lease liability. It is established by reference to the interest rates of loans, whether taken out or not, that have similar maturities and payment profiles. In particular, it is established based on 7-10 year maturities applicable to real estate leases, which represent almost 90% of Group leases in terms of right-of-use asset value.

Lease categories at 31/12/2022

€000	Real estate	Industrial equipment	Other	Total
Right-of-use assets	68,744	3,381	4,746	76,871
Depreciation	29,092	1,805	2,370	33,267
Net amount	**39,652**	**1,576**	**2,376**	**43,604**

The income statement shows a right-of-use asset depreciation expense of €11,847,000 and lease interest payments totalling €378,000.
Leases are aggregated in the tables of changes in property, plant and equipment.

2.1.3 Financial assets

Unconsolidated equity interests and other long-term investments are stated at cost if there is no reliable fair value.
Intercompany receivables, loans and other financial assets are valued at amortised cost. The book value is equal to the fair value.
Other receivables mainly comprise deposits and guarantees totalling €1,492,000.

2.1.4 Intangible assets and goodwill

At 31 December 2022 (€000)	Goodwill	Concessions, licences, trademarks and similar rights	Other	Total intangible assets
Gross value b/fwd	45,288	56,052	10,310	66,362
Purchases		522	4,956	5,478
Sales		(899)		(899)
Changes in consolidation scope	5,978	404	7	411
Currency translation adjustments		652	58	710
Transfers and other changes		4,264	(4,082)	182
Gross value c/fwd	**51,266**	**60,995**	**11,249**	**72,244**
Amortisation and write-downs b/fwd	0	41,049	7,266	48,315
Sales		(858)		(858)
Changes in consolidation scope		392	7	399
Amortisation		3,907	409	4,316
Write-downs	7,000	2		2
Reversals		(13)		(13)
Currency translation adjustments		585	49	634
Transfers and other changes		584	(584)	-
Amortisation and write-downs c/fwd	**7,000**	**45,648**	**7,147**	**52,795**
Net book value b/fwd	**45,288**	**15,003**	**3,044**	**18,047**
Net book value c/fwd	**44,266**	**15,347**	**4,102**	**19,449**

At 31 December 2021 (€000)	Goodwill	Concessions, licences, trademarks and similar rights	Other	Total intangible assets
Gross value b/fwd	42,188	49,166	10,476	59,642
Purchases		1,104	2,183	3,287
Sales		(427)		(427)
Changes in consolidation scope	3,100			
Currency translation adjustments		594	91	685
Transfers and other changes		5,615	(2,440)	3,175
Gross value c/fwd	**45,288**	**56,052**	**10,310**	**66,362**
Amortisation and write-downs b/fwd	0	37,685	6,761	44,446
Sales		(425)		(425)
Changes in consolidation scope				
Amortisation		3,209	426	3,635
Write-downs				
Reversals		(23)		(23)
Currency translation adjustments		526	81	607
Transfers and other changes		77	(2)	75
Amortisation and write-downs c/fwd	**0**	**41,049**	**7,266**	**48,315**
Net book value b/fwd	**42,188**	**11,481**	**3,715**	**15,196**
Net book value c/fwd	**45,288**	**15,003**	**3,044**	**18,047**

2.1.5 Property, plant and equipment

At 31 December 2022 (€000) Incl. IFRS 16 right-of-use assets	Land and buildings	Plant and equipment	Other PP&E	Advances and PP&E in progress	Total
Gross value b/fwd	317,844	567,613	61,384	11,533	958,374
Purchases	9,662	12,584	5,184	8,457	35,887
Sales	(1,774)	(11,158)	(2,498)		(15,430)
Changes in consolidation scope	501	1,452	634		2,587
Currency translation adjustments	2,846	783	256	(5)	3,880
Transfers and other changes	1,371	6,667	857	(7,249)	1,646
Gross value c/fwd	**330,450**	**577,941**	**65,817**	**12,736**	**986,944**
Depreciation and write-downs b/fwd	193,212	425,190	47,788	0	666,190
Sales	(1,314)	(10,216)	(2,157)		(13,687)
Changes in consolidation scope	392	1,176	569		2,137
Depreciation	15,906	22,076	4,470		42,452
Write-downs		90	15		105
Reversals					
Currency translation adjustments	2,619	809	224		3,652
Transfers and other changes	94	675	(104)		665
Depreciation and write-downs c/fwd	**210,909**	**439,800**	**50,805**	**0**	**701,514**
Net book value b/fwd	**124,632**	**142,423**	**13,596**	**11,533**	**292,184**
Net book value c/fwd	**119,541**	**138,141**	**15,012**	**12,736**	**285,430**

At 31 December 2021 (€000) Incl. IFRS 16 right-of-use assets	Land and buildings	Plant and equipment	Other PP&E	Advances and PP&E in progress	Total
Gross value b/fwd	307,840	553,745	58,455	9,036	929,076
Purchases	9,279	13,641	3,550	11,543	38,013
Sales	(3,532)	(7,261)	(1,925)		(12,718)
Changes in consolidation scope		314	322		636
Currency translation adjustments	3,939	2,032	490	8	6,469
Transfers and other changes	318	5,142	492	(9,054)	(3,102)
Gross value c/fwd	**317,844**	**567,613**	**61,384**	**11,533**	**958,374**
Depreciation and write-downs b/fwd	178,549	408,563	44,482	0	631,594
Sales	(3,080)	(6,785)	(1,878)		(11,743)
Changes in consolidation scope		253	268		521
Depreciation	14,994	21,316	4,456		40,766
Write-downs					
Reversals	(111)	(9)	(6)		(126)
Currency translation adjustments	2,969	1,814	397		5,180
Transfers and other changes	(109)	38	69		(2)
Depreciation and write-downs c/fwd	**193,212**	**425,190**	**47,788**	**0**	**666,190**
Net book value b/fwd	**129,291**	**145,182**	**13,973**	**9,036**	**297,482**
Net book value c/fwd	**124,632**	**142,423**	**13,596**	**11,533**	**292,184**

2.1.6 Financial assets

At 31 December 2022 (€000)	Unconsolidated equity interests	Loans	Other receivables	Total
Gross value b/fwd	18,093	942	2,016	21,051
Purchases		38	76	114
Sales		(72)	(228)	(300)
Changes in consolidation scope				
Currency translation adjustments	343		(40)	303
Transfers and other changes	(17,099)			(17,099)
Gross value c/fwd	**1,337**	**908**	**1,824**	**4,069**
Write-downs b/fwd	17,880	0	0	17,880
Purchases/sales				
Changes in consolidation scope				
Write-downs	42			42
Reversals				
Currency translation adjustments	405			405
Transfers and other changes	(17,159)			(17,159)
Write-downs c/fwd	**1,168**	**0**	**0**	**1,168**
Net book value b/fwd	**213**	**942**	**2,016**	**3,171**
Net book value c/fwd	**169**	**908**	**1,824**	**2,901**

At 31 December 2021 (€000)	Unconsolidated equity interests	Loans	Other receivables	Total
Gross value b/fwd	17,366	939	2,577	20,882
Purchases		39	45	84
Sales		(36)	(620)	(656)
Changes in consolidation scope				
Currency translation adjustments	727		14	741
Transfers and other changes				
Gross value c/fwd	**18,093**	**942**	**2,016**	**21,051**
Write-downs b/fwd	17,111	33	0	17,144
Purchases/sales				
Changes in consolidation scope				
Write-downs	42			42
Reversals		(33)		(33)
Currency translation adjustments	727			727
Transfers and other changes				
Write-downs c/fwd	**17,880**	**0**	**0**	**17,880**
Net book value b/fwd	**255**	**906**	**2,577**	**3,738**
Net book value c/fwd	**213**	**942**	**2,016**	**3,171**

2.1.7 Table of maturities of other financial assets

At 31 December 2022 (€000)	< 1 year	1-5 years	> 5 years	Total
Loans	46	192	670	908
Other financial assets	691	17	1,116	1,824
Financial assets and receivables	**737**	**209**	**1,786**	**2,732**

At 31 December 2021 (€000)	< 1 year	1-5 years	> 5 years	Total
Loans	82	184	676	942
Other financial assets	129	2	1,885	2,016
Financial assets and receivables	**211**	**188**	**2,561**	**2,958**

2.2 Current assets

2.2.1 Inventories by type

At 31 December 2022 (€000)	Raw materials	Work-in-progress	Semi-finished and finished goods	Total
Gross value b/fwd	93,464	21,917	115,957	231,338
Change	30,571	7,135	39,658	77,364
Changes in consolidation scope	835		626	1,461
Gross value c/fwd	**124,870**	**29,052**	**156,241**	**310,163**
Write-downs b/fwd	10,807	1,070	5,844	17,721
Additions	9,262	1,125	5,871	16,258
Reversals	(10,447)	(977)	(5,379)	(16,803)
Currency translation adjustments and other	9	3	9	21
Write-downs c/fwd	**9,631**	**1,221**	**6,345**	**17,197**
Net book value b/fwd	**82,657**	**20,847**	**110,113**	**213,617**
Net book value c/fwd	**115,239**	**27,831**	**149,896**	**292,966**

At 31 December 2021 (€000)	Raw materials	Work-in-progress	Semi-finished and finished goods	Total
Gross value b/fwd	92,383	20,562	122,749	235,694
Change	938	1,355	(6,792)	(4,499)
Changes in consolidation scope	143			143
Gross value c/fwd	**93,464**	**21,917**	**115,957**	**231,338**
Write-downs b/fwd	10,968	1,259	6,102	18,329
Additions	9,437	999	5,184	15,620
Reversals	(9,608)	(1,190)	(5,466)	(16,264)
Currency translation adjustments and other	10	2	24	36
Write-downs c/fwd	**10,807**	**1,070**	**5,844**	**17,721**
Net book value b/fwd	**81,415**	**19,303**	**116,647**	**217,365**
Net book value c/fwd	**82,657**	**20,847**	**110,113**	**213,617**

2.2.2 Write-down of other current assets

€000	Write-downs b/fwd	Additions	Reversals	Changes in consolidation scope and other differences	Write-downs c/fwd
Trade receivables	2,542	855	(926)	47	2,518
Other receivables	241				241
Total	**2,783**	**855**	**(926)**	**47**	**2,759**

Statement of maturities of trade and other receivables

€000	< 1 year	1-5 years	> 5 years	Total
Trade and similar receivables	127,287			127,287
Taxes and social security contributions receivable	13,532			13,532
Other receivables	4,752			4,752
	145,571			**145,571**
Impairment				(2,759)
Financial assets				**142,812**

Prepaid expenses	2,858
Reported trade and other receivables	**145,670**

2.2.3 Cash and cash equivalents

€000	31/12/2022	31/12/2021	Change
Cash at bank	52,040	166,527	(114,487)
Cash equivalents	66,680	26,313	40,367
Total	**118,720**	**192,840**	**(74,120)**

Financial assets held for trading (marketable securities) are assets valued at fair value through profit or loss. The book value of €66,680,000 equals the market value at 31 December 2022. The book value is equal to the fair value.

2.3 Shareholders' equity

The parent company's share capital consists of 1,131,480 shares with a par value of 4 euros each, totalling €4,525,920, and did not change during the period. A double voting right is granted to each fully paid-up share which has been registered for at least two years in the name of the same shareholder.
The Group has not implemented any specific capital management policy.

ETABLISSEMENTS CHARLES NUSSE holds 80.46% of the share capital.

2.4 Deferred taxes

The principal sources of deferred taxes are trademarks, regulated provisions, public subsidies, internal profits on inventories and provisions.

Change in deferred taxes

€000	**31/12/2022**	**31/12/2021**	**Change**
Deferred tax assets	708	591	117
Deferred tax liabilities	27,427	23,887	3,540
Net deferred tax	**26,719**	**23,296**	**3,423**

Breakdown of tax charge

€000	**2022**	**2021**
Current tax	(8,053)	(7,377)
Deferred taxes	(3,001)	(791)
Tax income/(charge)	**(11,054)**	**(8,168)**

Tax proof

€000	**2022**	**2021**
Consolidated net income after tax	27,056	21,463
Goodwill impairment, net of badwill gain	7,000	
Income taxes	8,053	7,377
Deferred taxes	3,001	791
Consolidated tax base	45,110	29,631
Statutory tax rate applicable to parent company	25%	26.5%
Theoretical tax charge	**11,278**	**7,852**
Tax assets recognised on foreign companies	469	820
Tax rate differences	(451)	21
Accounting/tax timing differences	1,138	1,765
Tax debits and credits	(1,678)	(1,745)
Other effects	298	(545)
Actual tax charge	**11,054**	**8,168**

Income taxes	8,053	7,377
Deferred taxes	3,001	791
Reported tax charge	**11,054**	**8,168**

2.5 Provisions

€000	Provisions b/fwd	Additions	Reversals	Other changes	Provisions c/fwd
Post-employment benefits	21,939	1,268	(2,124)	(814)	20,269
Non-current provisions	**21,939**	**1,268**	**(2,124)**	**(814)**	**20,269**
Provisions for contingent liabilities	2,047	893	(604)	38	2,374
Other provisions for charges	817	266	(110)		973
Current provisions	**2,864**	**1,159**	**(714)**	**38**	**3,347**

Provisions for post-employment benefits are provisions for pensions and similar obligations. The other changes correspond to actuarial adjustments recorded under comprehensive income.

Post-employment benefits mainly consist of retirement indemnities.
They are calculated at each closing date according to the following main parameters:

- probability of retirement, staff turnover and mortality;
- projected salary increases;
- discounting the resulting liability at 3.28%.

The amounts paid to insurance organisations are deducted from provisions.

<u>Change in the provision for post-employment benefits</u>

€000	2022	2021
Liability b/fwd	**21,939**	**24,601**
Cost of services rendered	1,541	1,296
Financial expense	66	113
Changes for the period	(2,451)	(1,587)
→ *o/w new recruits*	*120*	*56*
→ *o/w departures during the period*	*(2,571)*	*(1,643)*
Liability excluding actuarial gains and losses	**21,095**	**24,423**
Actuarial gains and losses under comprehensive income	(826)	(2,484)
Liability c/fwd	**20,269**	**21,939**

The recorded liability includes €16,258,000 of obligations under the plan applicable to French companies and €4,011,000 under plans applicable to foreign companies.

2.6 Loans, borrowings and lease liabilities

Statement of liquidity risk

€000	< 1 year	1-5 years	> 5 years	Total
Loans from financial institutions	32,026	72,940	11,360	116,326
Lease liabilities	10,768	26,221	6,888	43,877
Other borrowings	42	70		112
Bank loans and overdrafts	32,288			32,288
Subtotal	**75,124**	**99,231**	**18,248**	**192,603**
Shareholder loan accounts (credit balance)	2,000		30,000	32,000
Accrued interest	120			120
Total	**77,244**	**99,231**	**48,248**	**224,723**
Estimated interest to maturity				*2,080*

Medium and long-term financing excluding IFRS 16 lease liabilities consists of loans negotiated at fixed rates.
The €6,100,000 liability related to the Fizzer minority interests put option recognised on the 31 December 2021 balance sheet has been written back. The Group held the entire share capital of Fizzer at the closing date.
The fair value of borrowings is equal to the book value.

Change in borrowings

€000	31/12/2021	Cash flows	Non-cash items			31/12/2022
			Changes in consolidation scope	New leases	Foreign exchange losses	
Bank loans and overdrafts	52,540	(20,261)	7	-	2	32,288
Loans from financial institutions	133,424	(17,247)	180	-	(31)	116,326
Lease liabilities	44,943	(11,285)	-	10,188	31	43,877
Total bank borrowings	**230,907**	**(48,793)**	**187**	**10,188**	**2**	**192,491**
Shareholder loans	27,000	5,000	-	-	-	32,000
Other payables	6,199	13	(6,100)	-	-	112
Total other borrowings	**33,199**	**5,013**	**(6,100)**	**-**	**-**	**32,112**
Accrued interest	**26**	**94**				**120**
Total borrowings	**264,132**	**(43,686)**	**(5,913)**	**10,188**	**2**	**224,723**

2.7 Issuance & financial instruments programmes

Commercial paper

Short-term needs are financed by commercial paper issued by Exacompta Clairefontaine. A fixed rate determined at the moment of issue is paid on the commercial paper, which has a maximum term of 365 days.
At the balance sheet date, the amount issued by the Group was €30 million out of an authorised limit of €125 million.

Lines of credit

Lines of credit are in place with several banks for a total amount of €145 million, with maturities not exceeding five years. Lines of credit are indexed to Euribor and the average commitment fee charged is 0.23%. Drawdowns are charged on the basis of the amount and the maturity date of each line of credit. The term of drawdowns ranges from 10 days to twelve months. As at 31 December 2022, none of these lines of credit had been used. The related covenants are respected.

Financial instruments

The Group may use options contracts to hedge forecast transactions, in particular for purchases of raw materials in US dollars which constitute its main exposure to currency risk. The Group implemented no currency hedging arrangements during the year ended. Other transactions performed to hedge exchange rate risks are non-material.

2.8 Fair value of financial instruments

Accounting classes and fair value

The table below shows the fair value of financial assets and liabilities as well as their book value as recorded in the statement of financial position.

€000	Note	Assets at acquisition cost	Measured at FVTPL	Loans and receivables	Total book value	Fair value
Unconsolidated equity interests	**2.1.6**	169			169	169
Loans	**2.1.6**			908	908	821
Other receivables	**2.1.6**			1,824	1,824	1,824
Cash and cash equivalents	**Assets**		118,720		118,720	118,720
Trade and intercompany receivables	**2.2.2**			124,769	124,769	124,769
Total assets		**169**	**118,720**	**127,501**	**246,390**	**246,303**

€000	Note	Fair value of derivatives	Other financial liabilities	Total book value	Fair value
Loans from financial institutions	**2.6**		116,326	116,326	116,326
Lease liabilities	**2.6**		43,877	43,877	43,877
Other borrowings	**2.6**		112	112	112
Bank loans and overdrafts	**2.6**		32,288	32,288	32,288
Shareholder loan accounts (credit balance)	**2.6**		32,000	32,000	32,000
Amounts payable on fixed assets	**2.10**		3,887	3,887	3,887
Trade payables	**Liabilities**		94,230	94,230	94,230
Total liabilities		–	**322,720**	**322,720**	**322,720**

Ranking of fair values

The table below shows the breakdown of financial instruments recognised at fair value based on their valuation method. The levels are defined as follows:

- Level 1: fair value measured using (unadjusted) prices quoted on active markets for identical assets and liabilities.
- Level 2: fair value measured using observable data, other than the quoted prices included in level 1, for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: fair value measured using data not based on observable market data.

€000	Note	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	**Assets**	118,720	–	–
Liabilities	–	–	–	–

2.9 Financial income and expenses

€000	2022	2021
Income from other receivables and marketable securities	10	420
Other financial income	585	161
Reversal of provisions and write-downs	19	33
Foreign exchange gains	3,146	1,875
Total financial income	**3,760**	**2,489**
Increase in provisions and write-downs	42	42
Interest and financial expenses	1,737	1,489
Foreign exchange losses	5,038	1,740
Other financial expenses	215	4
Total financial expenses	**7,032**	**3,275**

2.10 Other current liabilities

€000	31/12/2022	31/12/2021
Advances and down payments received	1,225	1,354
Taxes and social security contributions payable	44,141	36,171
Fixed asset payables	3,887	2,917
Other liabilities	22,237	19,878
Deferred income	1,353	1,059
Total	**72,843**	**61,379**

2.11 Group headcount

Average headcount	2022	2021
Management	529	539
Employees	1,103	1,056
Labourers and other salaried workers	1,853	1,954
Total	**3,485**	**3,549**

Expenses recorded for defined contribution schemes (€000)	46,402	45,125

2.12 Off-balance sheet commitments

Greenhouse gas emission allowances

The principles applied by the Group are set forth in Note 15 of the presentation of the consolidated financial statements. The allowances allocated for 2022 amounted to 56,667 tonnes, while CO_2 emissions totalled 78,330 tonnes.
The number of allowances due for phase 4 of the EU Emissions Trading Scheme for the 2021-2025 period is 170,001 tonnes.

Sureties and guarantees

Exacompta Clairefontaine jointly and severally guarantees payment to Exeltium of all liabilities in respect of purchases of blocks of electricity contracted by Papeteries de Clairefontaine.
Financial guarantees given amounted to €12,813,000, while guarantees received totalled €1,759,000.

2.13 Related parties

Transactions carried out by the Group with Etablissements Charles Nusse.

€000	31/12/2022 (12 months)	31/12/2021 (12 months)
Balance sheet		
Current account balances:		
Financial liabilities	30,000	25,000
Financial liabilities (short-term)	2,000	2,000
Income statement		
Financial expenses	229	137
Fees	1,555	1,508
Leases excluding expenses	7,972	7,752

Group companies benefit from the leadership provided by Ets Charles Nusse and pay a fee equal to 0.6% of the added value for the previous year.
Manufacturing, logistics and office facilities are leased to certain Group companies on arm's length terms. These leases have been adjusted following the application of IFRS 16.

Remuneration of the corporate officers

Total remuneration received by corporate officers in 2022 amounted to €1,397,000 compared to €1,320,000 in 2021. The directors of Exacompta Clairefontaine received directors' fees totalling €91,000.

2.14 Statutory auditors' fees

ANC Regulation 2016-09 of 2 December 2016 on disclosures in the notes to consolidated financial statements prepared in accordance with international standards.

€000	2022	2021
BATT AUDIT	260	257
ADVOLIS	134	126
SEREC AUDIT	184	175
PWC	65	60
KBHT	39	43
LUFIDA	38	-
RCGT	32	31
EY	-	73
Other auditors	151	119
Total - certification of financial statements	**903**	**884**
PWC	18	8
EY	-	41
Total - other services	**18**	**49**

Other auditors mainly include statutory auditors of foreign subsidiaries, comprising 9 firms for 12 subsidiaries in 2022.
The other services are delivered to the foreign subsidiaries of the Eurowrap group.

3. Segment information

As in the financial statements, segment information is presented for the prevailing consolidation scope at each balance sheet date.

Correspondence with the consolidated financial position:

- "Other assets allocated" includes inventories and advances;
- "Unallocated assets" consists of tax receivable and deferred tax assets.

➢ Segment information by business – 31/12/2022 (12 months)

€000	Paper	Processing	Inter-segment transactions	Total
Segment income statement				
Revenue	373,231	610,241	(147,868)	835,604
Depreciation/amortisation (net of reversals)	13,266	33,596		46,862
Write-downs and provisions	(129)	(898)		(1,027)
Operating income/(loss) (excl. goodwill impairment)	28,989	21,661	(2,268)	48,382
Impairment of goodwill and badwill		(7,000)		
Segment assets				
Net PP&E and intangible assets	112,907	191,972		304,879
o/w capex	*8,350*	*22,828*		*31,178*
Goodwill		44,266		44,266
Trade receivables	53,016	101,785	(30,032)	124,769
Other receivables	5,851	15,876	(826)	20,901
Balance sheet total	*58,867*	*117,661*	*(30,858)*	*145,670*
Other assets allocated	97,377	205,953	(5,699)	297,631
Unallocated assets				*1,029*
Total assets	269,151	559,852	(36,557)	793,475
Segment liabilities				
Current provisions	1,614	1,733		3,347
Trade payables	36,616	87,646	(30,032)	94,230
Other payables	24,035	49,561	(753)	72,843
Unallocated liabilities				*888*
Total liabilities	62,265	138,940	(30,785)	171,308

➢ Segment information by geographic area – 31/12/2022 (12 months)

€000	France	Europe	Outside Europe	Total
Revenue	439,474	365,407	30,723	835,604
Net PP&E and intangible assets	252,880	46,815	5,184	304,879
o/w capex	*26,557*	*3,680*	*941*	*31,178*
Goodwill	27,122	17,144		44,266
Trade receivables	89,868	30,482	4,419	124,769
Other receivables	15,911	1,730	3,260	20,901
Balance sheet total	*105,779*	*32,212*	*7,679*	*145,670*
Other assets allocated	250,809	38,105	8,717	297,631
Unallocated assets				*1,029*
Total assets	636,590	134,276	21,580	793,475

➢ Segment information by business – 31/12/2021 (12 months)

€000	Paper	Processing	Inter-segment transactions	Total
Segment income statement				
Revenue	288,159	563,272	(124,642)	726,789
Depreciation/amortisation (net of reversals)	12,189	32,063		44,252
Write-downs and provisions	(207)	(385)		(592)
Operating income/(loss) (excl. goodwill impairment)	16,994	13,760	(337)	30,417
Impairment of goodwill and badwill				
Segment assets				
Net PP&E and intangible assets	117,347	192,884		310,231
o/w capex	*12,301*	*19,052*		*31,353*
Goodwill		45,288		45,288
Trade receivables	44,292	91,890	(24,876)	111,306
Other receivables	2,614	15,177	(57)	17,734
Balance sheet total	*46,906*	*107,067*	*(24,933)*	*129,040*
Other assets allocated	67,067	153,395	(3,503)	216,959
Unallocated assets				*1,087*
Total assets	231,320	498,634	(28,436)	702,605
Segment liabilities				
Current provisions	1,398	1,466		2,864
Trade payables	26,781	74,701	(24,876)	76,606
Other payables	15,975	45,461	(57)	61,379
Unallocated liabilities				*2,644*
Total liabilities	44,154	121,628	(24,933)	143,493

➢ Segment information by geographic area – 31/12/2021 (12 months)

€000	France	Europe	Outside Europe	Total
Revenue	390,283	309,406	27,100	726,789
Net PP&E and intangible assets	255,311	49,784	5,136	310,231
o/w capex	*26,980*	*4,131*	*242*	*31,353*
Goodwill	34,122	11,166		45,288
Trade receivables	78,239	31,289	1,778	111,306
Other receivables	13,127	1,620	2,987	17,734
Balance sheet total	*91,366*	*32,909*	*4,765*	*129,040*
Other assets allocated	179,953	29,508	7,498	216,959
Unallocated assets				*1,087*
Total assets	560,752	123,367	17,399	702,605

4. Consolidated entities

All companies are fully consolidated and wholly owned.

Name	Address
EXACOMPTA CLAIREFONTAINE	88480 ETIVAL CLAIREFONTAINE
A.F.A.	132 Quai de Jemmapes - 75010 PARIS
CARTOREL	384 Rue des Chênes Verts - 79410 ECHIRE
CFR Ile Napoléon	RD 52 - 68490 OTTMARSHEIM
PAPETERIES DE CLAIREFONTAINE	19 Rue de l'Abbaye - 88480 ETIVAL CLAIREFONTAINE
CLAIREFONTAINE RHODIA	RD 52 - 68490 OTTMARSHEIM
CLAIRCELL	ZI – Rue de Chartres - 28160 BROU
COGIR	10 Rue Beauregard - 37110 CHATEAU-RENAULT
REGISTRES LE DAUPHIN	27 Rue George Sand - 38500 VOIRON
MADLY	6 Rue Henri Becquerel - 69740 GENAS
EVERBAL	2 Route d'Avaux - 02190 EVERGNICOURT
EXACOMPTA	138-140 Quai de Jemmapes - 75010 PARIS
LAVIGNE	6 Rue Dewoitine - 78140 VELISY-VILLACOUBLAY
PAPETERIE DE MANDEURE	14 Rue de la Papeterie - 25350 MANDEURE
MANUCLASS	ZI d'Etriché - 49500 SEGRE-EN-ANJOU-BLEU
CLAIRCELL INGENIERIE	ZI – Rue de Chartres - 28160 BROU
EDITIONS QUO VADIS	14 Rue du Nouveau Bêle - 44470 CARQUEFOU
RAYNARD	6 Rue de la Peltière - 35130 LA GUERCHE DE BRETAGNE
RAINEX	Lieudit Saint-Mathieu – ZI - 78550 HOUDAN
ROLFAX	ZI Route de Montdidier - 60120 BRETEUIL
PAPETERIES SILL	Rue du Moulin - 62570 WIZERNES
PAPETERIES DU COUTAL	ZI du Coutal - 24120 TERRASSON-LAVILLEDIEU
PHOTOWEB	1 Rue des Platanes - 38120 SAINT-EGREVE
INVADERS CORP	144 Quai de Jemmapes - 75010 PARIS
FIZZER	15 Rue Edouard Herriot - 14160 DIVES-SUR-MER
DIGITAL VALLEY PORTUGAL	Rua Saraiva de Carvalho 1, n°1C - 1250-240 LISBOA
BRAUSE PRODUKTION (Germany)	51149 KÖLN
EXACLAIR GmbH (Germany)	51149 KÖLN
RODECO (Germany)	51149 KÖLN
PUBLIDAY MULTIDIA (Morocco)	Parc industriel de Bouskoura, lot n°4 - 20180 BOUSKOURA
ERNST STADELMANN (Austria)	Bahnhofstrasse 8 - 4070 EFERDING
EXACLAIR (Spain)	08110 MONTCADA I REIXAC
EXACLAIR (Belgium)	Boulevard Paepsem, 18D - 1070 ANDERLECHT
EXACLAIR Inc. (USA)	143 West 29th Street - NEW YORK

EXACLAIR Ltd (UK)	Oldmedow Road - KING'S LYNN, Norfolk PE30 4LW
QUO VADIS International Ltd (Canada)	1055 Rue Begin - Ville Saint Laurent - QUEBEC H4R 1V8
EXACLAIR Italia Srl (Italy)	Via Soperga 36 - 20127 MILANO
QUO VADIS Japon Co Ltd (Japan)	Sangenjaya Combox 4F 1–32–3 Kamjuma Setagaya-Ku, TOKYO
QUO VADIS Editions Inc (USA)	120 Elmview Avenue - HAMBURG, NY 14075-3770
SCHUT PAPIER (Netherlands)	Kabeljauw 2 - 6866 HEELSUM
BIELLA SCHWEIZ (Switzerland)	Erlenstrasse 44 - 2555 BRÜGG
FALKEN (Germany)	Am Bahnhof 5 - 03185 PEITZ
DELMET PROD (Romania)	Industriei 3 - 070000 BUFTEA
EUROWRAP AB (Sweden)	Hamilton Advokatbyrå, Box 715 - 101 33 STOCKHOLM
EUROWRAP A/S (Denmark)	Odinsvej 30 - 4100 RINGSTED
EUROWRAP Ltd (UK)	Unit 2 Pikelaw Place, West Pimbo Industrial Estate - SKELMERSDALE WN8 9PP
BLOCKX (Belgium)	Le Tombeu 10 - 4550 NANDRIN
TCPF (Belgium)	3 Rue du Dossey - 4020 LIEGES

Exacompta Clairefontaine S.A.

Statutory auditors' report
on the consolidated financial statements

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Resolutions submitted to the Ordinary Shareholders' Meeting

ADVOLIS
Statutory Auditor
Member of the Paris Institute of Statutory Auditors
38 Avenue de l'Opéra
75002 PARIS

BATT AUDIT
Statutory Auditor
Member of the Nancy Institute of Statutory Auditors
58 boulevard d'Austrasie
54000 NANCY

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2022

To the Shareholders' Meeting of EXACOMPTA CLAIREFONTAINE,

Opinion

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements of EXACOMPTA CLAIREFONTAINE for the year ended 31 December 2022, which are appended to this report.

We hereby certify that the consolidated financial statements are, with regard to the IFRS adopted within the European Union, in order and accurate and fairly present the results of operations for the year ended as well as the financial position and the assets and liabilities, at the year-end, of the persons and entities included in the consolidation.

Basis of the opinion

Audit standards

We performed our audit in accordance with the professional standards applicable in France. We believe that the evidence we have gathered provides a reasonable basis for our opinion.

Our responsibilities pursuant to these standards are set forth in the section of this report entitled "Responsibilities of the statutory auditors relating to the audit of the consolidated financial statements".

Independence

We have performed our audit in compliance with the rules of independence provided for in the French Commercial Code and the French Code of Ethics for statutory auditors for the period running from 1 January 2022 to the date of issue of our report.

Bases of assessments

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code on the justification of our assessments, we draw your attention to the following assessments which, in our professional judgement, have been the most significant for the audit of the consolidated financial statements.

Valuation of the recoverable value of goodwill and other intangible assets

As at 31 December 2022, the consolidated financial statements include goodwill and other intangible assets with a net book value of €44,266,000 and €19,449,000 respectively (€45,288,000 and €18,047,000 at 31 December 2021). Notes 8. "*Goodwill*", 11. "*Intangible assets*" and 12. "*Impairment of property, plant and equipment and intangible assets (excluding goodwill and trademarks)*" to the consolidated financial statements set out the accounting rules and methods for the measurement of goodwill and other intangible assets. The Group performs a goodwill impairment test at least once a year, whether or not there is an indication of impairment loss. We made certain that the assumptions used, considering the condition of the assets concerned, are reasonable and that appropriate information is disclosed in the notes to the consolidated financial statements.

These assessments formed part of our audit of the consolidated financial statements, taken as a whole, and contributed to the formation of our opinion expressed above. We do not express an opinion on individual items of these consolidated financial statements.

Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific verifications required by statutory and regulatory provisions relating to information on the Group contained in the Board of Directors' management report.

We have no comments to make about the accuracy and conformity thereof with the consolidated financial statements.

We hereby confirm that the consolidated statement of non-financial performance provided for by Article L. 225-102-1 of the French Commercial Code is included in the Group information provided in the management report, on the understanding that, in accordance with the provisions of Article L.823 -10 of the said Code, we have not verified the accuracy of the information contained in this statement, which should be subject to a report issued by an independent third party, or its consistency with the consolidated financial statements.

Responsibilities of senior management and of those charged with corporate governance relating to the consolidated financial statements

It is management's responsibility to prepare consolidated financial statements representing a true and fair view in accordance with IFRS (International Financial Reporting Standards), as adopted within the European Union, and to establish the internal control that it deems necessary for the preparation of consolidated financial statements free of material misstatements, whether due to fraud or error.

During the preparation of the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these financial statements, if applicable, the necessary information on the going concern basis and to apply the standard accounting policy for a going concern, unless it is planned to wind up the company or discontinue operations.

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

Responsibilities of the statutory auditors relating to the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements, taken as a whole, are free of material misstatements. Reasonable assurance is a high level of assurance, without however guaranteeing that an audit performed in accordance with the professional standards applicable would systematically detect all material misstatements. Misstatements may be due to fraud or errors and are considered as material when it is reasonable to expect that they can, taken separately or together, influence the economic decisions that users of the financial statements take based on them.

As set out in Article L. 823-10-1 of the French Commercial Code, our engagement relating to the certification of the financial statements does not consist in guaranteeing the viability or quality of your company's management.

As part of an audit performed in accordance with auditing standards applicable in France, the statutory auditor exercises their professional judgement throughout the audit. Furthermore, the auditor:

- identifies and evaluates the risk of the consolidated financial statements containing material misstatements, whether due to fraud or error, develops and implements audit procedures in response to these risks, and gathers sufficient and appropriate evidence for the auditor's opinion. The risk of non-detection of a material misstatement due to a fraud is more serious than that of a material misstatement due to an error, since fraud may involve collusion, forgery, wilful omissions, misrepresentations or the circumvention of internal control;

- obtains an understanding of the aspects of internal control that are relevant to the audit in order to develop appropriate audit procedures, and not to express an opinion as to the effectiveness of the internal control system;

- assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the disclosures on these provided in the consolidated financial statements;

- assesses the appropriateness of the management's use of the going concern principle in accounting and, according to the evidence obtained, the existence or otherwise of material uncertainty connected with events or situations likely to cast significant doubt on the capacity of the company to continue its operations. This assessment is based on the evidence gathered up to the date of the auditor's report, it being noted however that subsequent circumstances or events could compromise the going concern basis. If the auditor concludes that there is a significant uncertainty, the auditor draws the reader's attention within the audit report to the disclosures provided in the consolidated financial statements regarding this uncertainty or, if such disclosures are not provided or are not relevant, issues a qualified opinion or refuses to issue an opinion;

- assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view;

- regarding financial information on persons and entities included in the consolidation, the auditor gathers evidence that the auditor deems sufficient and appropriate to express the auditor's opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and conduct of the audit of the consolidated financial statements and for the opinion expressed on these financial statements.

Paris and Nancy, 27 April 2023

Statutory Auditors

ADVOLIS **BATT AUDIT**

Hugues de Noray Nicolas Aubrun Pascal François

RESOLUTIONS SUBMITTED
TO THE ORDINARY SHAREHOLDERS' MEETING OF 25 MAY 2023

FIRST RESOLUTION

That, following a reading by the Board of Directors and the statutory auditors of their respective reports, the Meeting approve these reports in their entirety, as well as the operations described therein, and approve the parent company financial statements for the year ended 31 December 2022.

SECOND RESOLUTION

That, following a reading by the Board of Directors and the statutory auditors of their respective reports, the Meeting approve these reports in their entirety, as well as the operations described therein, and approve the consolidated financial statements for the year ended 31 December 2022.

THIRD RESOLUTION

That, at the recommendation of the Board of Directors, the Shareholders' Meeting resolve to distribute and appropriate earnings for the year as follows:

Net income for 2022	€1,202,117.02
Withdrawal from other reserves	€3,776,394.98
Total	€4,978,512.00

Appropriated as follows:

First dividend	€226,296.00
Second dividend	€4,752,216.00
Total dividends	€4,978,512.00

As the share capital is divided into 1,131,480 shares, each share would receive a total dividend of €4.40.

The following table shows the dividends paid for the last three years:

Year	Dividend	Number of shares
2019	3.00	1,131,480
2020	3.00	1,131,480
2021	3.68	1,131,480

FOURTH RESOLUTION

That, at the recommendation of the Board of Directors, the Shareholders' Meeting set the amount of directors' fees for the current fiscal year and subsequent fiscal years at €100,000.

FIFTH RESOLUTION

That, following a reading of the statutory auditors' special report, the Shareholders' Meeting formally note the absence in 2022 of any operations related to Article L. 225-38 of the French Commercial Code.

SIXTH RESOLUTION

That, at the recommendation of the Board of Directors, the Shareholders' Meeting resolve to reappoint Ms Céline Goblot, residing at 15 Rue des Rigoles, Paris 20th district, as a director of the company.
This appointment, which is valid for six years, will terminate at the close of the Shareholders' Meeting called to approve the financial statements for fiscal year 2028.

SEVENTH RESOLUTION

That, at the recommendation of the Board of Directors, the Shareholders' Meeting resolve to reappoint Ms Caroline Valentin, residing at 49 Rue de Lisbonne, Paris (8th district), as a director of the company.
This appointment, which is valid for six years, will terminate at the close of the Shareholders' Meeting called to approve the financial statements for fiscal year 2028.

EIGHTH RESOLUTION

That, at the recommendation of the Board of Directors, the Shareholders' Meeting resolve to reappoint Mr Dominique Daridan, residing at 14 Rue des Saussaies, Paris 8th district, as a director of the company.
This appointment, which is valid for six years, will terminate at the close of the Shareholders' Meeting called to approve the financial statements for fiscal year 2028.

NINTH RESOLUTION

That, at the recommendation of the Board of Directors, the Shareholders' Meeting resolve to appoint Mr Gabriel Nusse, residing at 95 Rue de Lille, Paris 7th district, as a director of the company.
This appointment, which is valid for six years, will terminate at the close of the Shareholders' Meeting called to approve the financial statements for fiscal year 2028.

TENTH RESOLUTION

That, at the recommendation of the Board of Directors, the Shareholders' Meeting resolve to appoint Mr Laurent Nusse, residing at 44 bis Avenue Jacqueminot, Meudon (92190), as a director of the company.
This appointment, which is valid for six years, will terminate at the close of the Shareholders' Meeting called to approve the financial statements for fiscal year 2028.

NOTES