Wendel Group

Consolidated Financial Statements as of December 31, 2023

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BALANCE SHEET – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In millions of euros	Note	Dec. 31, 2023	Dec. 31, 2022
Goodwill, net	6 and 7	4,180.5	3,929.1
Intangible assets, net	6 and 8	1,577.6	1,710.6
Property, plant and equipment, net	6 and 9	553.5	1,089.7
Property, plant and equipment under operating leases	6 and 9	461.9	476.8
Non-current financial assets	6 and 13	803.3	716.8
Pledged cash and cash equivalents	6 and 12	0.7	0.7
Equity-method investments	6 and 10	48.7	82.1
Deferred tax assets	6 and 22	172.3	165.7
Non-current assets		**7,798.4**	**8,171.5**
Discontinued operations and operations held for sale	**17**	**2,330.3**	**83.6**
Inventories	6	193.3	514.2
Trade receivables	6 and 11	1,585.3	1,606.9
Contract assets	6	391.2	310.3
Other current assets	6	279.0	299.3
Current tax assets	6 and 22	54.8	60.0
Other current financial assets	6 and 13	17.5	67.5
Cash and cash equivalents	6 and 12	2,402.8	3,264.6
Current assets		**4,924.0**	**6,122.9**
TOTAL ASSETS		**15,052.7**	**14,378.0**

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

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the interest in Constantia Flexibles group was reclassified within discontinued operations and operations held for sale as of December 31, 2023 (see note 17 "Discontinued operations and operations held for sale").

EQUITY AND LIABILITIES

In millions of euros	Note	Dec. 31, 2023	Dec. 31, 2022
Share capital		177.8	177.6
Share premiums		23.4	22.2
Retained earnings and other reserves		2,332.8	1,932.5
Net income for the period – Group share		142.4	656.3
Equity – Group share		**2,676.4**	**2,788.6**
Non-controlling interests		2,155.2	1,847.7
Total equity	**14**	**4,831.6**	**4,636.2**
Provisions	6 and 15	260.2	303.7
Financial debt	6 and 16	5,518.7	4,621.6
Operating lease liabilities	6 and 16	386.9	398.8
Other non-current financial liabilities	6 and 13	142.9	422.1
Deferred tax liabilities	6 and 22	351.2	390.7
Total non-current liabilities		**6,660.0**	**6,137.0**
Liabilities related to discontinued operations and operations held for sale	**17**	**1,227.4**	**33.8**
Provisions	6 and 15	4.2	12.0
Financial debt	6 and 16	88.9	931.7
Operating lease liabilities	6 and 16	120.0	111.6
Other current financial liabilities	6 and 13	109.8	145.2
Trade payables	6	657.5	1,074.4
Contract liabilities	6	44.1	40.8
Other current liabilities	6	1,198.3	1,124.8
Current tax liabilities	6	111.0	130.5
Total current liabilities		**2,333.9**	**3,571.0**
TOTAL EQUITY AND LIABILITIES		**15,052.7**	**14,378.0**

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

In accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the interest in Constantia Flexibles group was reclassified within discontinued operations and operations held for sale as of December 31, 2023 (see note 17 “Discontinued operations and operations held for sale”).

CONSOLIDATED INCOME STATEMENT

In millions of euros	Note	2023	2022 adjusted
Net sales	6 and 18	7 127,6	6 745,9
Other income from operations		4,7	1,1
Operating expenses		(6 263,9)	(5 849,2)
Gains (losses) on divestments		5,4	120,8
Other income and expense		(6,4)	3,4
OPERATING INCOME	**6 and 19**	**867,4**	**1 022,0**
Income from cash and cash equivalents		94,3	17,0
Finance costs, gross		(243,0)	(168,7)
FINANCE COSTS, NET	**6 and 20**	**(148,7)**	**(151,7)**
Other financial income and expense	6 and 21	(15,3)	(40,8)
Tax expense	6 and 22	(250,9)	(272,1)
Net income (loss) from equity-method investments	6 and 23	(6,5)	(174,4)
NET INCOME BEFORE INCOME FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE		**446,1**	**383,1**
Net income from discontinued operations and operations held for sale	17	84,8	639,0
NET INCOME		**530,9**	**1 022,1**
Net income - non-controlling interests		388,5	365,7
NET INCOME - GROUP SHARE		**142,4**	**656,3**

	Note	2023	2022 adjusted
Basic earnings (loss) per share	24	3,27	15,15
Diluted earnings (loss) per share	24	3,20	14,93
Basic earnings (loss) per share from continuing operations	24	2,09	0,90
Diluted earnings (loss) per share from continuing operations	24	2,03	0,82
Basic earnings (loss) per share from discontinued operations	24	1,19	14,25
Diluted earnings (loss) per share from discontinued operations	24	1,17	14,11

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

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the contribution of Constantia Flexibles to 2023 and 2022 net income has been reclassified to a single line in the income statement, "Net income (loss) from discontinued operations and operations held for sale" (see note 17 "Discontinued operations and operations held for sale").

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	2023			2022 adjusted		
	Gross amounts	Tax effect	Net amounts	Gross amounts	Tax effect	Net amounts
Items to be reclassified to net income						
Currency translation reserves (1)	(158.7)	-	(158.7)	64.6	-	64.6
Gains and losses on derivatives qualifying as hedges	(11.2)	0.5	(10.8)	18.1	(0.5)	17.6
Reclassification to income of items previously recorded within equity	2.6	(0.6)	2.0	(2.9)	0.9	(2.0)
Items not to be reclassified to net income				-	-	-
Gains and losses on financial assets through other comprehensive income(2)	(101.0)	-	(101.0)	(422.0)	-	(422.0)
Actuarial gains and losses	(21.5)	4.6	(16.9)	48.9	(12.0)	37.0
Other			-	-	-	-
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY (A)	**(289.8)**	**4.4**	**(285.3)**	**(293.2)**	**(11.5)**	**(304.7)**
Net income for the period (B)			530.9			1,022.1
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)			**245.5**			**717.3**
Attributable to:						-
- Wendel shareholders			(68.6)			326.6
- Non-controlling interests			314.2			390.7

(1) This item includes in particular the contributions of Bureau Veritas for a negative €95.3 million, including €34.4 million attributable to Wendel shareholders.
(2) This item corresponds to the change in fair value of the investment in IHS (see note 13 “Financial assets and liabilities”).

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

STATEMENT OF CHANGES IN EQUITY

In millions of euros	Number of outstanding shares	Share capital	Share premiums	Treasury shares	Retained earnings and other reserves	Cumulative translation adjustments	Equity – Group share	Non-controlling interests	Total equity
EQUITY AS OF DECEMBER 31, 2021	**43,631,487**	**179.0**	**57.5**	**(569.7)**	**3,169.3**	**(234.7)**	**2,601.4**	**1,587.5**	**4,188.9**
Income and expenses recognized directly in equity (A)					(384.5)	54.8	(329.7)	25.0	(304.7)
Net income for the period (B)					656.3	-	656.3	365.7	1,022.1
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)[1]					**271.9**	**54.8**	**326.6**	**390.7**	**717.3**
Dividends paid					(130.1)		(130.1)	(172.7)	(302.8)
Movements in treasury shares	133,141			(23.2)			(23.2)		(23.2)
Cancellation of treasury shares [3]	(377,323)	(1.5)	(37.3)	38.8			-		-
Share capital increase	37,057	0.1	2.0				2.2		2.2
Share-based payments					36.4		36.4	16.5	52.9
Changes in scope of consolidation					(14.6)	(0.8)	(15.3)	(42.3)	(57.6)
Other					(9.4)		(9.4)	68.0	58.7
EQUITY AS OF DECEMBER 31, 2022	**43,424,362**	**177.7**	**22.2**	**(554.1)**	**3,323.6**	**(180.7)**	**2,788.6**	**1,847.7**	**4,636.2**
Income and expenses recognized directly in equity (A)					(120.3)	(90.7)	(211.0)	(74.4)	(285.3)
Net income for the period (B)					142.4		142.4	388.5	530.9
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)[1]					**22.1**	**(90.7)**	**(68.6)**	**314.2**	**245.5**
Dividends paid[2]					(139.1)		(139.1)	(288.0)	(427.1)
Movements in treasury shares	(145,223)			(18.0)			(18.0)		(18.0)
Share capital increase[4]	22,877	0.1	1.3				1.4		1.4
Share-based payments					34.8		34.8	17.2	51.9
Changes in scope of consolidation					(7.5)		(7.5)	127.2	119.7
Other[5]					84.9	-	84.9	137.0	222.0
EQUITY AS OF DECEMBER 31, 2023	**43,302,016**	**177.8**	**23.4**	**(572.1)**	**3,318.7**	**(271.4)**	**2,676.4**	**2,155.2**	**4,831.6**

(1) See the "Statement of comprehensive income".
(2) The 2023 dividend approved by the Shareholders' Meeting of June 15, 2023 was paid in June 2023: it amounted to €3.20 per share (compared to €3.00 in 2022), i.e., a total of €139.1 million.
(3) In 2022, Wendel reduced its capital by canceling treasury shares for a total amount of €38.8 million.
(4) See note 14 "Equity".
(5) Other changes include the cancellation of the liquidity commitment granted by Wendel to the H. Turnauer Foundation (its co-shareholder in Constantia Flexibles) for an amount of €221.0 million (see note 13 "Financial assets and liabilities"), the balance corresponding in particular changes in the fair value of other minority shareholder puts.

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

CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Note	2023	2022 adjusted
Net income		530.9	1,022.1
Share of net income (loss) from equity-method investments		6.5	174.4
Net income (loss) from discontinued operations and operations held for sale		(84.8)	(639.0)
Depreciation, amortization, provisions and other non-cash items		593.5	586.3
Investment, financing and tax income		465.6	373.2
Operating cash flow from consolidated companies before tax		**1,511.7**	**1,516.9**
Change in working capital requirement related to operating activities		(100.3)	(23.6)
NET CASH FROM OPERATING ACTIVITIES, EXCLUDING TAX	**6**	**1,411.4**	**1,493.3**
Acquisitions of property, plant and equipment and intangible assets	25	(230.3)	(269.4)
Disposals of property, plant and equipment and intangible assets		28.4	128.3
Acquisitions of equity investments	26	(912.4)	(431.3)
Disposals of equity investments	26	31.6	897.5
Impact of changes in scope of consolidation and of operations held for sale	27	(310.1)	32.9
Dividends received from equity-method investments and unconsolidated companies		0.0	1.2
Change in other financial assets and liabilities and other items	28	(263.2)	233.9
Change in working capital requirements related to investing activities		(47.4)	24.4
NET CASH FROM (USED IN) INVESTING ACTIVITIES, EXCLUDING TAX	**6**	**(1,703.4)**	**617.4**
Share capital increase		1.4	2.2
Contribution of non-controlling shareholders		8.4	8.7
Movements in treasury shares		**(25.0)**	**(73.0)**
- Wendel		(18.0)	(23.2)
- Subsidiaries		(7.0)	(49.8)
Dividends paid by Wendel		(139.1)	(130.1)
Dividends paid to non-controlling shareholders of subsidiaries		(288.0)	(172.8)
New borrowings	29	1,540.2	729.5
Repayment of borrowings	29	(977.0)	(870.7)
Repayment of lease liabilities and interest	29	(158.0)	(155.8)
Net finance costs		(99.4)	(139.2)
Other financial income and expense		(44.8)	(42.9)
Change in working capital requirements related to financing activities		(8.3)	41.1
NET CASH USED IN FINANCING ACTIVITIES, EXCLUDING TAX	**6**	**(189.6)**	**(803.0)**
Current tax expense		(330.8)	(310.5)
Change in tax assets and liabilities (excl. deferred taxes)		7.1	11.6
NET CASH FLOWS RELATED TO TAXES	**6**	**(323.6)**	**(299.0)**
Effect of currency fluctuations		(41.9)	24.3
Reclassified cash and cash equivalents from discontinued operations and operations held for sale		(14.7)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(861.8)**	**1,033.0**
Cash and cash equivalents at the beginning of the period		3,265.3	2,232.2
Cash and cash equivalents at the end of the period	**12**	**2,403.5**	**3,265.3**

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

The principal components of the consolidated cash flow statement are detailed in notes 25 *et seq*. Details of cash and cash equivalent accounts and how they are classified in the consolidated balance sheet are shown in note 12 “Cash and cash equivalents”.

In accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, cash flows relating to companies sold continue to be reported in each of the cash flow categories until the reclassification of these companies as “Discontinued operations and operations held for sale”. The cash and cash equivalents of the Constantia Flexibles group at the date of reclassification were recorded within “Impact of changes in scope of consolidation and operations held for sale”.

GENERAL PRINCIPLES

Wendel is a European company with an Executive Board and a Supervisory Board, governed by current and future European and French laws and regulations. The Company is registered in the Paris Trade and Company Register (*Registre du commerce et des sociétés*) under number 572 174 035. Its registered office is located at 4 rue Paul Cézanne, 75008 Paris, France.

At December 31, 2023, its business consisted in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

The consolidated financial statements of the Wendel Group cover the 12-month period from January 1 to December 31, 2023 and are expressed in millions of euros. They include:

- balance sheet (statement of financial position);
- income statement and statement of comprehensive income;
- statement of changes in equity;
- cash flow statement; and
- notes to the financial statements.

Each accounting item in these financial statements includes the contribution of all of the Group's fully consolidated companies. However, each of Wendel's investees is managed independently under the responsibility of its own executive management. It is therefore important to analyze the entities' individual performances using aggregate accounting data that are relevant for their respective business activities. Aggregate data for each fully-consolidated subsidiary are presented in note 6 "Segment information", which shows the contribution of each subsidiary to the income statement, balance sheet, and cash flow statement. Aggregate accounting data for equity-method investments are set out in note 10 “Equity-method investments”. There is no financial recourse between the different operating entities or between the operating entities and Wendel or its holding companies (see note 5-2.2 "Liquidity risk of operating subsidiaries"). The debt positions of the fully consolidated subsidiaries, and of Wendel and its holding companies, are presented individually in note 5–2.1 “Liquidity risk of Wendel and its holding companies”.

These financial statements were adopted by Wendel's Executive Board on February 22, 2024 and will be submitted for shareholders' approval at the Shareholders' Meeting.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING PRINCIPLES

Wendel's consolidated financial statements for the year ended December 31, 2023 have been prepared in accordance with IFRS (International Financial Reporting Standards) principles and methods as adopted by the European Union on December 31, 2023, in accordance with Regulation No. 1606/2002 of the European Council and the European Parliament pertaining to the application of international accounting standards, adopted on July 19, 2002.

The consolidated financial statements for the year ended December 31, 2023 have been prepared using the same accounting methods as those used for the year ended December 31, 2022.

The following amendments and interpretations, which entered into force on January 1, 2023, were adopted by the Group. The adoption of these amendments did not have a material impact on the consolidated financial statements:

- IFRS 17 "Insurance Contracts" and related amendments;
- Amendment to IAS 1 "Presentation of Financial Statements" – "Disclosure of Accounting Policies";
- Amendment to IAS 8 concerning definitions of accounting estimates; and
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction".

The new standards, amendments or IFRIC interpretations effective for reporting periods beginning on or after January 1, 2024 were not early adopted as of December 31, 2023.

Note 1 - 1. Conversion of the financial statements of foreign companies whose functional currency is not the euro

Wendel presents its financial statements in euros.

The balance sheets of foreign companies whose functional currency is not the euro are converted into euros at the closing exchange rate, while income statement items are converted at the average exchange rate for the year or consolidation period. The discrepancy between the opening and closing balance sheets, as well as that resulting from the application of these exchange rates, are carried under "Translation adjustments" in consolidated retained earnings and reserves until the assets and liabilities and all related foreign currency transactions have been sold or unwound. In this case, currency translation differences are either written back to income if the transaction leads to a loss of control, or directly impact equity in the event of a change in non-controlling interests that does not result in a loss of control.

The principal exchange rates used in the consolidated financial statements are as follows:

	Closing rate		Average rate	
	2023	2022	2023	2022
€/$	1.1050	1.0666	1.0814	1.0516

Note 1 - 2. Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in those financial statements. These estimates and assumptions are based on Wendel's and its subsidiaries' appreciation of the facts and circumstances existing at the reporting date, as well as on information available on the date the financial statements were adopted. They are established on the basis of the past experience of the management of the Group or its subsidiaries and various other factors deemed reasonable (such as market data or the work of an independent appraiser, etc.) and are reviewed on a regular basis. Prevailing uncertainty makes forecasting difficult, and actual amounts could therefore differ from the forecasts.

Estimates and assessments made in order to prepare these financial statements mainly concern the fair value of assets and liabilities acquired as part of a business combination, impairment tests on goodwill and equity-method investments, provisions, the recoverable amount of deferred taxes, derivatives, valuation of put options granted to non-controlling interests, the treatment of co-investments and the date on which Constantia Flexibles met the definition to be reclassified under “Discontinued operations and operations held for sale”.

The Group has limited exposure to the impacts of the war in Ukraine and the effects of the sanctions and restrictions imposed on Russia and Belarus:

- for Bureau Veritas: revenue generated in these countries represented less than 1% of total revenue;
- for Stahl: revenue generated in these countries represented around 0.3% of total revenue.

For Tarkett, which is accounted for by the equity method, revenue generated in Russia and Ukraine represented around 8% and 0.7%, respectively, of total consolidated revenue. The Tarkett group has continued doing business in the country in strict compliance with international and local regulations but has frozen all significant new investments.

The Group regularly ensures that the impacts of climate change, the conflict in Ukraine, significant fluctuations in interest rates and wage and raw material inflation are factored into its various sensitivity tests and more specifically, into its impairment tests (see note 7-1 "Goodwill impairment tests").

None of the entities in the scope of consolidation is subject to the greenhouse gas emission, carbon credit and carbon emission allowances trading scheme (excluding the legal entities in Constantia Flexibles’ scope of consolidation, classified under "Non-current assets held for sale and discontinued operations" as of June 30, 2023).

Wendel encouraged its controlled companies to analyze the physical risks associated with climate change as of 2021. The companies identified as being exposed to climate change physical risks (Bureau Veritas and Stahl) have resilience plans that were validated by their respective governance bodies in 2022 and are now specifically monitored.

No physical or transition risks were identified on the CPI and ACAMS scopes. Scalian, which joined Wendel's scope of consolidation in 2023, carried out a preliminary analysis of physical and transition risks, which will be submitted to its governance body in 2024.

NOTE 2. CHANGES IN SCOPE OF CONSOLIDATION

Accounting principles

Basis of consolidation
Companies over which Wendel has exclusive control are fully consolidated. Companies over which Wendel exercises significant influence or joint control are accounted for using the equity method. Earnings of acquired subsidiaries are consolidated as from their acquisition date, while those of subsidiaries sold are consolidated up to their divestment date or closest reporting date.

Business combinations
The revised IFRS 3 "Business Combinations" and IAS 27 "Separate Financial Statements" affect the accounting for acquisitions that result in control and for partial disposals that result in a loss of control:

- acquisition-related costs are recognized in operating income for the period;
- earn-outs are initially recognized at fair value;
- purchase price accounting is finalized within 12 months of the acquisition, after which changes in fair value will be recognized in operating income;
- when control is acquired, non-controlling interests are recognized either based on the holders' proportionate share of the fair value of the assets and liabilities of the acquired entity, or at their fair value. A percentage of goodwill is also allocated to non-controlling interests at that time. This choice is made on a case-by-case basis for each acquisition;
- purchases and sales of shares in controlled companies that do not lead to a loss of control are recognized as transfers between the Group share of equity and non-controlling interests, without any impact on net income;
- non-controlling interests can have a negative balance as a subsidiary's net income or loss is allocated between the Group share of equity and non-controlling interests based on their respective interests; and
- in the event control is acquired of an entity in which the Group already holds an interest, the transaction is accounted for as (i) a disposal of the entire investment previously held with recognition of the consolidated gain on disposal as well as (ii) an acquisition of all the shares with recognition of goodwill on the entire investment. In the event of a partial divestment resulting in a loss of control (but where the Group retains a non-controlling interest), the transaction is also accounted for as both a divestment and an acquisition: disposal of the entire investment and calculation of a consolidated gain on disposal along with the acquisition of a non-controlling interest which is then recorded at its fair value.

Note 2 - 1. Changes in scope of consolidation in 2023

The Wendel Group's scope of consolidation is set out in note 34 "List of main consolidated companies as of December 31, 2023".

1. Reclassification of Constantia Flexibles under "Discontinued operations and operations held for sale"

In July 2023, Wendel signed an agreement to sell Constantia Flexibles.

The sale of its stake in Constantia Flexibles took place on January 4, 2024 for an enterprise value of €2,275 million. The net proceeds on the sale totaled €1,094 million. Additional proceeds of €27 million from the sale of Constantia Flexibles' assets brought the net disposal proceeds for Wendel to €1,121 million.

Wendel considers that the criteria of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" were met from June 30, 2023.

As of December 31, 2023, the amounts relating to the stake in Constantia Flexibles reclassified as assets and liabilities held for sale represented €2,330 million and €1,227 million, respectively. Similarly, the contribution of this investment to 2022 and 2023 earnings is presented on the line "Net income (loss) from discontinued operations and operations held for sale". Depreciation of non-current activities was stopped at the date of reclassification. As the disposal value was higher than the carrying amount, no value adjustment was recognized.

2. Acquisition of Scalian

On July 27, 2023, Wendel completed its acquisition of Scalian, ranked among France's Top 10 engineering consulting firms. Scalian is also active internationally, providing industrial project management services for issues pertaining to supply chain (costs, quality, deadlines, performance) and digital engineering. Scalian also addresses performance optimization of projects and organizations, as well as providing digital transformation support for industry and service sector leaders.

Wendel invested €557 million in equity and holds 81.8% of the company's share capital alongside its management. The Wendel Group therefore exercises exclusive control over this company, which is fully consolidated in its financial statements.

The Scalian group has a different reporting date to the Wendel Group. IFRS 10 includes an option to consolidate a subsidiary with a different reporting date provided that the period between the subsidiary's reporting date and that of the parent company does not exceed three months, and it is not impracticable to prepare financial statements at the same date.
In accordance with IFRS 10, Scalian's three-month contribution (from July 1, 2023 to September 30, 2023) is consolidated in Wendel Group's financial statements as of December 31, 2023.

Allocation of the purchase price is as follows:

In millions of euros	
Brands (indefinite life)	102.4 €m
Customer relationships (amortized over 19 years)	161.0 €m
Residual goodwill	724.1 €m
Deferred taxes related to these revaluations	(69.4) €m
Net debt	(272.8) €m
Fixed assets	25.5 €m
Other	29.6 €m
Acquisition price of shares (100% of share capital)	700.3 €m

In accordance with IFRS, this allocation is provisional and will be finalized within 12 months of the acquisition.

The acquisition costs were recorded in "Other non-recurring operating income and expenses" and amounted to €12.7 million.

3. Acquisition agreement signed with IK Partners

In October 2023, Wendel signed an agreement to acquire IK Partners. This agreement is described in note 30-5 "Investment commitments".

The acquisition is expected to close in the second quarter of 2024.

Note 2 - 2. Changes in scope of consolidation of subsidiaries and associates

Note 2 - 2.1 Changes in scope of consolidation of the Bureau Veritas group

In 2023, the main acquisitions carried out by the Bureau Veritas group were:

- Impactiva Group S.A., a company specializing in quality assurance services for the footwear and apparel industries, with factories and leather tanneries in Asia, Europe and Africa; and
- ANCE S.A de C.V. (*Asociación de Normalización y Certificación*), a Mexican company specializing in conformity assessment services, particularly for electrical products, household appliances, lighting products, electronics and wireless products.

The annual sales of the companies acquired by the Bureau Veritas group in 2023 were around €28 million, and operating income before amortization of intangible assets from the business combination was approximately €4 million.

In July 2023, the Bureau Veritas group sold its non-essential automotive inspection business in the United States, representing less than €20 million in annualized revenue.

Note 2 - 2.2 Changes in scope of consolidation of the Stahl group

During the first half of 2023, the Stahl group acquired 100% of ICP Industrial Solutions Group (ISG), a US leader in high-performance packaging coatings.

The acquisition cost of Industrial Solutions Group (ISG) was €188.2 million. In 2023, it had annual revenue of €89.1 million and EBITDA of €16.4 million. Stahl will allocate the purchase price within 12 months of the acquisition, in accordance with IFRS 3 (revised).

Note 2 - 2.3 Wendel Growth investments

Wendel, through its investment arm Wendel Growth, has carried out the following investments:

- in January 2023: acquisition of a minority interest in Tadaweb through an equity investment of €15 million. Tadaweb delivers open-source intelligence (OSINT) platforms that enable organizations to generate actionable intelligence by making analysts' investigative methods hyper-efficient. The company is headquartered in Luxembourg and employs 120 people;
- in February 2023: acquisition of a minority stake in Brigad with an equity investment of €7.0 million. Brigad is an online tool connecting self-employed professionals with hospitality and care establishments. The company is headquartered in France and employs 150 people;
- in March 2023: signature of an investment of up to €15 million in Preligens in the form of convertible bonds and warrants. Preligens develops artificial intelligence solutions that can be used to automate the analysis of multi-source data and cue users towards unusual events requiring their tradecraft; and
- in December 2023: acquisition of a minority stake in Aqemia with an equity investment of €15.5 million. The company is headquartered in France and employs 58 people. Aqemia has created a deep physics and AI-enabled drug discovery platform.

These assets are recognized as financial assets at fair value through profit or loss (see note 13 “Financial assets and liabilities”).

Note 2 - 3. Changes in scope of consolidation in 2022

The principal changes in scope of consolidation during 2022 were as follows:

- the sale of Cromology for a net amount of €896 million, generating a disposal gain of €590 million; and
- the acquisition of a 98.4% stake in ACAMS for $338 million.

NOTE 3. RELATED PARTIES

The Wendel Group's main related parties are:

- Tarkett, which is accounted for by the equity method;
- the members of Wendel's Executive Board and Supervisory Board; and
- Wendel-Participations, parent company of the Wendel Group.

Note 3 - 1. Members of the Supervisory Board and Executive Board

Total compensation awarded by the Wendel Group for 2023 to Laurent Mignon, Group CEO, and to David Darmon, Member of the Executive Board and Group Deputy CEO, amounted to €4,257 thousand.

Laurent Mignon and David Darmon were granted stock options and performance shares in 2023, with a value of €4,227 thousand (calculated in accordance with IFRS) at the grant date.

Furthermore, members of the Executive Board are entitled to termination benefits in the event of their removal from office, capped at 18 months of their average monthly compensation (average monthly compensation determined as follows: the sum of (i) their average monthly fixed compensation at the time of their departure, and (ii) 1/12th of their variable compensation actually paid in respect of the last fiscal year preceding their departure). The conditions applicable to these benefits are set out in the compensation policy for Executive Board members, as adopted by the Shareholders' Meeting.

In accordance with Wendel's policy of associating management with the Group's investments, the members of the Executive Board participate in the co-investment mechanisms described in note 4 "Participation of management teams in the Group's investments".

Compensation paid to members of the Supervisory Board in 2023 totaled €1,187 thousand, including €1,097 thousand by Wendel SE (i) in consideration of services by members of the Supervisory Board, (ii) as compensation of the Chairman of the Supervisory Board and (iii) as compensation of the Lead Member of the Supervisory Board; and €90 thousand paid to certain members of the Supervisory Board by Wendel-Participations SE for serving on its Board of Directors. These amounts do not include the salaries of the employee representatives on Wendel's Supervisory Board, who do not receive Wendel SE directors' fees.

Note 3 - 2. Wendel-Participations

Wendel-Participations SE is owned by around 1,300 Wendel family members and legal entities. Wendel-Participations investors together held a 39.55% stake in Wendel SE as of December 31, 2023, representing 51.84% of theoretical voting rights and 52.71% of the exercisable voting rights as of that date.

As of December 31, 2023, there were no other economic or financial relationships between Wendel-Participations and Wendel besides those related to the holding of shares and the following agreements:

- a service agreement for administrative assistance;
- a service agreement on the prevention of corruption (Sapin II) and country-by-country tax reporting (CBCR);
- two agreements concerning the use of the "Wendel" family name and brand licensing;
- an agreement to sub-lease premises by Wendel to Wendel-Participations;
- an agreement to provide technical equipment; and
- an artworks deposit agreement.

NOTE 4. PARTICIPATION OF MANAGEMENT TEAMS IN THE GROUP'S INVESTMENTS

Accounting principles

The co-investment mechanisms take the form of ownership by managers of various financial instruments such as ordinary shares, index-based or preferred shares or share warrants.

These mechanisms are settled upon divestments or IPOs, or after a predetermined period of time. At this time, any gains relating to the investment are shared on the basis of whether or not Wendel's annual performance and cumulative profitability objectives have been met.

These mechanisms are measured and accounted for based on the manner in which they will be settled, i.e., either as equity instruments in a divestment or an IPO, or in cash as part of Wendel's liquidity commitments, after a predetermined period of time.
Until the settlement method has been finalized, the investments are accounted for based on the most likely form of settlement.

When it is estimated that settlement is most likely to take the form of equity instruments, management's initial investment is accounted for as non-controlling interests in proportion to their share of the total investment. On settlement, the dilution created by the value sharing reduces the Group's capital gain. When the beneficiaries invest less than the fair value of the instruments subscribed or acquired, the initial benefit is recorded as an expense against equity in the income statement. The expense is recognized over the applicable vesting period.

When it is estimated that settlement is most likely to take the form of cash as part of Wendel's liquidity commitments after a predetermined period of time, management's initial investment is recognized as debt. This debt is subsequently restated at its fair value until payment is made. Any changes in fair value are recognized in the income statement. When the mechanism is unwound, the debt is paid off in cash. These co-investors are not considered non-controlling shareholders for accounting purposes; their investment is consolidated within the Group's net income and consolidated reserves.

The most likely method of settlement is determined at each reporting date, until the mechanisms are actually settled. Should the most likely method change, the impacts of the change are recognized in the income statement on a prospective basis. If, for example, the most likely method of settlement were to be changed to cash, the amount recognized in the income statement at the time of the change would be the fully revalued amount of the instruments at that date.

Wendel believes that for the main co-investments in place in the Group at December 31, 2023, the most likely settlement will take the form of a sale of the relevant investments or an IPO. Liquidity commitments in connection with co-investments, as well as the corresponding amounts recorded in financial liabilities, are set out in note 30-6 “Shareholder agreements”.

Note 4 - 1. Participation of Wendel's teams in the Group's investments

To give its managers a stake in the Group's value creation, Wendel has set up co-investment programs to allow them to invest their personal funds in Group companies. Managers thereby have a personal stake in the risks and rewards of these investments, helping to align the interests of executives with those of shareholders.

Several co-investment programs have been launched in succession, in line with strategic developments and the terms of office of Executive Board members. Programs each have their own specific characteristics, but share the following main principles:

Carried interest accrues to the managers, entitling them to a share in capital gains in excess of their shareholding, ranging from 7% to 12% depending on the program, when the annual return obtained by Wendel exceeds a certain threshold (hurdle rate), ranging from 7% to 10% (this may potentially decrease beyond a certain holding period).

Rates of return and capital gains are calculated on an investment-by-investment basis (deal-by-deal co-investment) and based on all of the investments in a program (pooled co-investment).

When the investment does not achieve the minimum rate of return, the managers partially or fully rank *pari passu* with Wendel and, in the event of a capital loss, incur losses that may reach the amount of their contributions. These contributions represent a total of between 0.5% and 0.6% of the total investment (including the reserve), of which between 10.7% and 33.33% goes to the Executive Board, depending on changes in its composition and on the program.

Rights to capital gains (vesting) vest on a yearly basis, depending on the length of time the manager concerned has been with the Wendel Group. To be entitled to 100% of the share of capital gains accruing to them, managers must have been with the company for a certain number of years (between four and six)as from their investment.

Any capital gains are allocated to the managers when the companies concerned are sold or floated on the stock market. Depending on the percentage of shares sold, liquidity may be total or proportional. In the absence of a sale within a given period, generally between 4 and 12 years, managers are entitled to liquidity in tranches at an amount determined based on an independent appraisal.

Since January 1, 2023, the following co-investments have been made or settled, in accordance with the co-investment principles applicable to the programs concerned:

- Constantia Flexibles (2013-2017 program)
    - An initial liquidity payment occurred at the end of March 2023 on the eighth anniversary of the initial investment, on one-third of the co-investment on a deal-by-deal basis (i.e., one sixth of the co-investment in the company). A multi-criteria appraisal was carried out by an independent firm to value the company. As the rate of return resulting from this appraisal was below the minimum required IRR, the remaining managers of the program only received their share of the capital gain on a *pari passu* basis, i.e., €206,2 thousand, including €18,7 thousand for David Darmon, Member of the Executive Board.
    - As Constantia Flexibles was sold in January 2024, an additional liquidity payment was made in 2024 (after closing) based on the sale price:
        - on the remaining balance of the co-investment on a deal-by-deal basis, for a total estimated amount of €436 thousand, including €40 thousand for David Darmon, Member of the Executive Board;

  - on the entire co-investment under the 2013-2017 program (pooled basis), where Constantia Flexibles represented the last remaining investment, for a total amount of €20,961 thousand, including €3,029 thousand for David Darmon, Member of the Executive Board. A provision was already booked under financial liabilities for €10 million, and the balance will be recognized in 2024 at the time of the sale.

- Scalian (2021-2024 program): Wendel acquired Scalian in September 2023. The managers' co-investment in this company represents 0.6% of the total amount invested (including the reserve), of which 8% for each Executive Board member, with 50% on a deal-by-deal basis and 50% on a pooled basis.

- Wendel Growth (2021-2024 program): Wendel invested in Brigad, Tadaweb and Preligens between February and April 2023, followed by Aqemia in December of the same year. The managers' co-investment in each of these companies represents 0.6% of the total amount invested (including the reserve), of which 8% for each Executive Board member, with 50% on a deal-by-deal basis and 50% on a pooled basis.

The difference between the fair value of co-investments made by managers in 2023, including the Executive Board members, and the subscription price amounts to €6.4 million. In accordance with Group accounting principles, this amount is recognized in the income statement over the vesting period.

Note 4 - 2. Participation of investees' management in the performance of their companies

Various mechanisms exist in Wendel Group portfolio companies (Bureau Veritas, Constantia Flexibles, Stahl, Scalian, CPI, Tarkett and direct investments via Wendel Growth) to allow management to participate in the performance of each entity.

The participation of management is based, depending on the case, on stock subscription or purchase option plans and/or performance share plans, or on co-investment systems whereby the managers of these various subsidiaries co-invest significant amounts alongside Wendel. The investments made via co-investment systems present a risk for the managers in that they may lose all or part of the sums they have invested, depending on the value of the equity interests on settlement.

These co-investment mechanisms are generally composed of (i) a *pari passu* investment with a return profile identical to that achieved by Wendel, and (ii) a ratchet investment, which offers variable capital gains according to performance criteria such as the internal rate of return (IRR) or the multiple realized by Wendel on its investment. Accordingly, for this part, co-investor managers only receive a higher return than Wendel when Wendel has obtained a predefined return.

These co-investment mechanisms and the sharing of risk between Wendel and the co-investor managers take the form of various financial instruments held by Wendel and the co-investor managers. These instruments include ordinary shares, index-based or preferred shares and fixed-rate bonds. The ratchet portions may also be structured as bonuses linked to the relevant entity's performance, or to the profitability of the investment made in the entity.

These investments are settled either when a liquidity event occurs (divestment or IPO) or, for certain investments if no such liquidity event takes place, at a specific point in time (depending on the company, between 5 and 12 years after the initial investment by Wendel). There are also commitments to sell shares in the event of the departure of an executive from a subsidiary and/or commitments to buy shares in certain specific cases.

As part of the liquidity commitments under these agreements, in the absence of a liquidity event (divestment or IPO) before certain predetermined dates and under certain conditions, the Wendel Group (Wendel's holding companies or the subsidiaries themselves, as appropriate) can be required to buy back or guarantee the buyback of the shares held by the subsidiaries' managers (or former managers) in Stahl, Scalian, Crisis Prevention Institute and Tarkett. The value retained in the context of these liquidity commitments corresponds to the market value determined by the parties, either by applying a predetermined method or by an independent expert.

Note 4 - 3. Impact of co-investment mechanisms for Wendel

As of December 31, 2023, the impact of these co-investment mechanisms is to reduce Wendel's shareholdings in the investments concerned by between 0% and 7%. This calculation is based on the value of the investments as calculated in order to determine the Group's Net Asset Value (NAV, as defined in the annual financial report) as of December 31, 2023.

As of December 31, 2023, based on the value of the investments included in the NAV or, where appropriate, based on the price formulas or appraisals provided for in these agreements, the value of the portion of the *pari passu* investments made under the same risk and return conditions as Wendel by all the co-investor managers of subsidiaries and of Wendel was €139 million. In addition, the portion of the non-*pari passu* investments made by the co-investor managers of subsidiaries and of Wendel amounts to €117 million (this amount includes certain unpaid amounts owed to the co-investors on the sold investments or automatic liquidities that have matured). Wendel or its investments, as appropriate, may redeem a portion of these amounts pursuant to the liquidity rights granted to the management teams.

In accordance with Group accounting principles, a portion of these amounts is recognized as a liability of €24 million.

The value of the co-investments and liquidity commitments vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

NOTE 5. FINANCIAL RISK MANAGEMENT

Note 5 - 1. Equity market risk

Note 5 - 1.1 Value of investments

Wendel Group assets are mainly investments over which Wendel has control or significant influence.

The value of these investments is based mainly on:

- their economic and financial performance;
- their growth and profitability outlook;
- their ability to identify risks and opportunities in their environment; and
- changes in the equity markets, directly for listed companies and indirectly for unlisted companies, whose valuations are influenced by market parameters.

Beyond these market parameters, growth in Wendel's NAV depends on management's capacity to select, buy, develop and then resell companies able to stand out as leaders in their sectors.

Wendel makes its decisions on the basis of its investment teams' expertise and in-depth strategic, accounting/financial, legal, tax, compliance and ESG (Environment, Social, Governance) analyses. These processes identify the operating, competitive, financial, legal and ESG opportunities and threats likely to have an impact on the value of an investment.

Wendel monitors and analyzes each company's operating and financial performance and the risks to which they are subject, alongside the companies' management, during regular in-depth operational review meetings or meetings of these companies' governance entities. Alongside these meetings, knowledge sharing with the management team makes it possible to develop true industry expertise and therefore to prepare an analysis of future prospects at regular intervals. This regular review also enables Wendel to better analyze developments in each investment and play its role of shareholder.

Wendel's company-specific approach is supplemented at Group level through an overall analysis of the breakdown of Wendel's subsidiaries' businesses and investments by industry, in order to ensure sufficient diversification, not only in industry terms but also from the point of view of their competitive positioning and the companies' ability to withstand a deterioration in the economic climate.

Nevertheless, there is a risk that the investee's economic results will not meet Wendel's expectations.

Moreover, the financial structure and levels of debt of certain operating subsidiaries (Scalian, CPI, ACAMS, Tarkett, IHS) increase the risk to the value of these operating subsidiaries. While leverage makes high internal rates of return (IRR) possible on these investments, it also exacerbates financial difficulties in the event of a significant slowdown in business or an external event which unfavorably impacts the companies' markets, by restricting the access of the companies in question to liquidity and by subjecting them to the risk that financial covenants will trigger accelerated maturity of their financial debt (see note 5-2 “Liquidity risk”). Furthermore, banks' access to liquidity and their own prudential ratios can sometimes make refinancing the debt of these companies more difficult. To prevent and manage the risk related to the financial structure of these companies, cash flow and financial covenant forecasts are prepared regularly based on various scenarios in order to establish, where appropriate, targeted solutions to ensure their long-term survival and to create value. Wendel and its subsidiaries are also in close contact with the lenders of these companies, in order to more effectively manage the restrictions on these financing agreements.

The value of investments is therefore subject to the risk that their economic and financial performance and their growth and profitability outlook are affected by difficulties related to their organization, financial structure, forex exposure, industry sector and global economic environment and/or to risks as sudden and significant as a cyber-attack or a geopolitical crisis. The value of investments is also subject to financial market risk and equity market risk in particular. However, Wendel is a shareholder with no predefined investment term and no short-term demands on the value of its assets at a specific point in time, even though it monitors NAV trends very closely.

Note 5 - 1.2 Equity market risk

As of December 31, 2023, equity market risk related chiefly to:

- consolidated and equity-method shares, whose recoverable values used for impairment tests are based on market parameters including, as appropriate, the discount rate used in calculating value in use or the market price used in calculating fair value (see impairment tests in note 7 "Goodwill" and note 10 "Equity-method investments");
- the investment in IHS recorded in non-current financial assets at fair value, i.e., at the market price (see note 13 “Financial assets and liabilities”); changes in this value are recorded in other comprehensive income in accordance with Group accounting principles. At December 31, 2023, the investment was valued at €262.2 million, after a loss of €101 million recognized in other comprehensive income corresponding to the change in fair value for the period. Excluding the change in value of the US dollar (the company’s quoted currency), a +/-5% change in the market price would lead to a positive or negative impact of €13.1 million in other comprehensive income;
- direct and indirect investments by Wendel Growth, whose total value was €194.7 million as of December 31, 2023. These investments are recognized at fair value, with changes recognized through profit or loss. A 5% increase or decrease in their value would therefore result in a positive or negative impact of approximately €9.7 million in net financial income and expense (see note 13 “Financial assets and liabilities”);
- the sale of the call option embedded in the bond exchangeable for Bureau Veritas shares (see note 5-2.1 "Liquidity risk of Wendel and its holding companies"). This is recognized in financial liabilities at fair value. When this bond was issued in March 2023, the value of its option component was estimated at €26.1 million, compared to €4.7 million at the end of that year. The change in the value of the option component was recognized in financial income. A 5% rise in the Bureau Veritas share price compared with the closing price would result in a negative impact of €2.2 million;
- the Wendel syndicated loan covenants, which are based on ratios of financial debt to asset value, are described in note 5-2.4 “Financing agreements and covenants of Wendel and its holding companies”. As of December 31, 2023, this loan was not drawn and Wendel was in

compliance with these covenants; and

- the financial leverage of Wendel and its holding companies (i.e., net debt/assets), which represents a key indicator of the cost of bond and bank financing for Wendel. This indicator is also tracked by Moody's and Standard & Poor's rating agencies, which Wendel has contracted to rate its financial structure and bonds. This ratio is low, enabling the Group to consider making new investments while maintaining a solid financial structure.

Note 5 - 2. Liquidity risk

Note 5 - 2.1 Liquidity risk of Wendel and its holding companies

Wendel's cash requirements are related to investments (including the commitments described in note 30 "Off-balance sheet commitments", in particular the minority puts and the commitments of Wendel Growth), debt servicing, operating expenses, treasury share buybacks and dividends paid. These needs are covered by cash and short-term financial investments, asset turnover, bank and bond financing, and dividends received from associates.

As regards asset turnover, certain agreements, notably shareholder agreements, may temporarily limit Wendel's ability to sell certain of its assets; as of December 31, 2023, the main asset subject to this restriction is the investment in IHS, which is in fact subject to a mandatory holding requirement expiring gradually after the company's IPO (see note 30-6 "Shareholder agreements"). The shareholders' agreement for the investment in Tarkett also includes a commitment by the Group not to sell the shares during the first years of its investment. An unfavorable environment for the equity market (public or private) or a non-controlling shareholder position without a shareholder agreement permitting the initiation of a sale or IPO process may also limit the Group's ability to sell the assets concerned.

Access to financing may be limited by the items described in the "Managing debt" section of this note.

Lastly, dividends paid by investees may be limited by their operating and financial position (see note 5-2.2 "Liquidity risk of operating subsidiaries") and any restrictions set out in their financing documentation (see note 5-2.5 "Financial debt of operating subsidiaries – Documentation and covenants"). Furthermore, a non-controlling shareholder cannot decide to pay dividends without the agreement of the other shareholders.

Cash and short-term financial investment position

As of December 31, 2023, cash and short-term financial investments of Wendel and its holding companies (excluding operating subsidiaries) amounted to €1,072 million and consisted mainly of €445 million in euro money-market funds and €627 million in bank accounts and deposits denominated chiefly in euros. Wendel also has term deposits of €213.8 million maturing in 2026, intended to repay the bonds maturing in 2026.

Monitoring cash and short-term financial investments

Every month, cash and cash equivalents (including short-term financial investments) and cash flows are displayed on a chart detailing the changes during the month and the month-end position. This chart is presented to the Executive Board on a monthly basis. It also details the various cash and short-term financial investment vehicles utilized, as well as counterparty information. Finally, another chart indicating the expected cash flows over the coming months and years is prepared on a regular basis and used to determine the maturity and amount of financing requirements according to different scenarios.

Cash investment vehicles consist of short-term bank deposits and low-volatility, money-market mutual funds (classified under "cash and cash equivalents"). These investments are valued daily (or in some cases weekly). Limited amounts are invested over the medium term and are classified as non-current financial assets. In choosing the various types of investments, Wendel takes into account the compatibility of their term with its commitments and debt repayment obligations and those of its holding companies.

Financial maturities and debt

On March 27, 2023, Wendel issued a €750 million bond exchangeable for Bureau Veritas shares. This exchangeable bond has a coupon of 2.625% and a maturity date of March 2026. Bondholders have the option of exchanging them for the underlying Bureau Veritas shares (23.2 million Bureau Veritas shares). This option for bondholders would be exercised mainly in the event that the Bureau Veritas share price exceeds the exchange price of €32.3 per share at the maturity date. At its issue date, this exchangeable bond was accounted for by separating the debt component, valued at €723.9 million and recognized using the effective interest rate method, and the option component (sale of purchase options on Bureau Veritas shares), recognized at fair value under financial liabilities for €26.1 million. As of December 31, 2023, the option component was remeasured at fair value through profit or loss at €4.7 million.

In June 2023, a new €300 million bond maturing in June 2030 was issued with a coupon of 4.5%. The net proceeds of this issue were used in particular to buy back €90.8 million of the nominal value of bonds maturing in April 2026. The discount on this buyback was recognized in other financial income for €6.5 million. The transaction was aimed at optimizing the maturity of Wendel's debt. Accordingly, at the reporting date, the maturities of the bonds were spread between March 2026 and January 2034 for a nominal amount of €2.4 billion and the average maturity was 4.6 years.

Wendel also has an undrawn €875 million syndicated loan maturing in July 2028. Wendel has the option of requesting a one-year maturity extension from the lenders, who may either accept or refuse its request. Wendel was in compliance with its financial covenants as of December 31, 2023. The margin level on this loan is indexed to Wendel achieving its ESG targets; should these targets not be met, the margin would be increased but there would be no impact on the availability of this facility; however, if the targets were to be met, the margin would be reduced. This undrawn line of credit notably gives Wendel enough flexibility to take advantage of investment opportunities.

At the reporting date for the consolidated financial statements, Wendel had a long-term rating of BBB with a stable outlook and a short-term rating of A-2 from Standard & Poor's. Similarly, Moody's assigned Wendel a rating of Baa2 with a stable outlook.

Managing debt

To manage debt maturities, Wendel must find the necessary resources to cover the repayment of its financial obligations at their maturity. These resources can derive from available cash, asset turnover or new financing. New financing may be limited by:

- the availability of bank and bond lending sources, which can be restricted by financial market volatility, banks' access to liquidity, and pressure from financial institution regulators;
- the financial leverage of Wendel and its holding companies (i.e., net debt/assets ratio), which is a key credit risk indicator tracked by Wendel's lenders and by the financial rating agencies which rate Wendel's financial structure. Similarly, the syndicated loan is subject to financial covenants based primarily on the market value of Wendel's assets and the amount of net debt (see note 5-2.4 "Financing agreements and covenants of Wendel and its holding companies"). Leverage depends in particular on asset values and is therefore subject to equity market risk (see note 5-1 "Equity market risk"). It also depends on investments and divestments, which increase and decrease leverage, respectively. It should be noted that in this regard, the Group has granted the investment commitments described in note 30-6 "Shareholder agreements "; and
- a potential financial rating downgrade for Wendel from the financial rating agencies.

To manage refinancing risk, Wendel seeks to align the maturities of its bond and bank financing with its long-term investor outlook. Wendel therefore secures medium- to long-term financing and extends existing maturities when market conditions allow and when Wendel management deems it necessary to do so. Investment decisions are made taking into account their impact on financial leverage (net debt/assets ratio).

Note 5 - 2.2 Liquidity risk of operating subsidiaries

Managing the liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt, and liquidity risk of that entity.

Cash and debt levels of the operating subsidiaries are reported regularly to Wendel. Forecasts of bank covenant compliance for the coming year and over the lifetime of the business plan are prepared annually and any time an event occurs that could have a material impact on the covenants. These forecasts and calculations of covenant compliance are reviewed regularly by Wendel.

Management of the liquidity risk of Wendel's operating subsidiaries

The financial debts of the operating subsidiaries are without recourse to Wendel. The subsidiaries' liquidity risk therefore only affects Wendel when the Group so decides or accepts such risk. Wendel has no legal obligation to support operating subsidiaries experiencing cash flow difficulties. Similarly, subsidiaries are not bound by any mutual support undertakings. As a result, Wendel's liquidity would only be affected if it decided to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the restrictions to which Wendel is subject, including returns on investment, Wendel's own liquidity, additional investments in other subsidiaries and new investments.

Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity via the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial position of investments have an impact on their value; however, this value is taken into account in calculating Wendel's financial leverage (see note 5-1 "Equity market risk"). In December 2023, Stahl paid out a one-off dividend of €125 million, including €85.6 million to the Wendel Group.

Note 5 - 2.3 Wendel's liquidity outlook

Wendel's next significant financial milestone is the redemption of the €750 million bond exchangeable for Bureau Veritas shares in March 2026 if the bondholders do not exercise their exchange option (see note 5-2.1 "Liquidity risk of Wendel and its holding companies"). Wendel's liquidity risk over the 12 months following the reporting date is therefore low given its high level of cash and short-term financial investments and its €875 million fully-undrawn syndicated credit line.

Note 5 - 2.4 Financing agreements and covenants of Wendel and its holding companies

Wendel bonds – Documentation

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change-of-control clause, etc.).

Wendel syndicated loan – documentation and covenants (undrawn as of December 31, 2023)

The syndicated loan is subject to financial covenants, based primarily on the market value of Wendel's assets and on the amount of its net debt.

Wendel's net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions. Accordingly, the net debt taken into account corresponds to Wendel bonds and the syndicated loan, when drawn, reduced by cash.

Net debt of Group subsidiaries is deducted from the gross revalued assets of these subsidiaries as it is without recourse to Wendel.

These covenants are as follows:

- net financial debt of Wendel and the financial holding companies compared to the gross asset value after unrealized taxes (excluding cash) must not exceed 50%; and
- the ratio of:
  - the unsecured gross debt of Wendel and its financial holding companies plus their off-balance-sheet commitments treated as unsecured debt, less their available cash (not pledged or in escrow), to
  - the sum of 75% of the value of available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow),

  must not exceed 1.

These covenants are tested half-yearly when there are drawdowns under the syndicated loan. As of December 31, 2023 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change-of-control clause, etc.).

Note 5 - 2.5 Financial debt of operating subsidiaries – Documentation and covenants

Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of December 31, 2023, Bureau Veritas' gross financial debt amounted to €2,110.9 million (excluding financial liabilities related to the application of IFRS 16) and its cash balance to €1,173.9 million. At the end of 2022, Bureau Veritas also had a confirmed undrawn credit line of €600 million.

Certain Bureau Veritas group financing is subject to compliance with contractually defined ratios applicable to the test periods of December 31 and June 30.

As of December 31, 2023, all these commitments were met. They can be summarized as follows:

- the first ratio is defined as the ratio of adjusted net financial debt and adjusted consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and provisions), adjusted for any entity acquired over the last 12 months. The ratio should be less than 3.5. As of December 31, 2023, it was 0.92; and
- the second ratio represents consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and provisions), adjusted for any entity acquired over the last 12 months for net financial expenses. This ratio should be greater than 5.5. As of December 31, 2023, it was 44.33.

Stahl financial debt

This debt is without recourse to Wendel.

When it acquired ICP, Stahl refinanced its debt and extended its maturity to 2028.

As of December 31, 2023, Stahl's gross bank debt was €394.1 million (including accrued interest, and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was €88.5 million. The revolving credit facility of $140 million is undrawn and available.

The ratio of consolidated net debt to LTM EBITDA (gross operating income over the past 12 months) must be less than or equal to 4.25 as of December 31, 2023. This covenant was met, with a ratio of 1.6 at the end of 2023.

The documentation related to Stahl's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

Scalian financial debt

This debt is without recourse to Wendel.

As of December 31, 2023, Stahl's gross bank debt was €350.8 million (including accrued interest, and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was €46.2 million. Scalian also has a confirmed undrawn credit line of €270 million.

The financial covenant relates to the ratio of net financial debt to recurring EBITDA over the last 12 months (as defined in the lending documentation), which must be less than 8.5 at December 31, 2023. This covenant was met, with a ratio of 5.93 at the end of 2023.

CPI financial debt

This debt is without recourse to Wendel.

As of December 31, 2023, the nominal amount of CPI gross financial debt was $287 million (including accrued interest and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was $6.5 million. An amount of $2 million has been drawn down on the $30 million revolving credit facility.

As of December 31, 2023, the ratio of net financial debt to recurring EBITDA over the last 12 months (as defined in the lending documentation) was 3.93. This is below the maximum leverage of 12 required by the lenders when more than 40% of the revolving facility has been drawn down (not the case at end-December 2023).

The documentation related to CPI's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, dissolutions, asset divestments, granting of collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

ACAMS financial debt

This debt is without recourse to Wendel.

As of December 31, 2023, the nominal amount of ACAMS' gross financial debt was $174.5 million (including accrued interest and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was $18.8 million. A large portion of this cash is held by foreign subsidiaries, and the transfer of part of this cash to the ACAMS group is subject to certain limitations. The revolving credit facility amounted to $20 million, of which $12 million was drawn down at December 31, 2023.

The financial covenant relates to the ratio of net financial debt to recurring EBITDA over the last 12 months (as defined in the lending documentation), which must be less than 10.5 at December 31, 2023 (the maximum limit will be progressively reduced to 9.5 in September 2024). This covenant was met, with a ratio of 5.8 at the end of 2023.

The documentation related to ACAMS' debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, dissolutions, asset divestments, granting of collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

Note 5 - 3. Interest rate risk

As of December 31, 2023, the exposure of the Wendel Group (Wendel, its holding companies and its fully consolidated operating subsidiaries excluding Constantia Flexibles, which was sold in early 2024) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.5		1.2
Cash and short-term financial investments	(0.2)		(2.4)
Impact of derivatives	0.4	0.3	(0.7)
INTEREST RATE EXPOSURE	**4.7**	**0.3**	**(1.8)**
	152%	8%	-60%

The notional amount of derivative instruments was weighted by the period of 12 months following December 31, 2023 during which they will hedge interest rate risk.

A +100 basis-point increase in the interest rates on which the interest rate exposure of the consolidated Group is indexed would increase financial income before tax by around €18.5 million over the 12 months after December 31, 2023, based on net financial debt as of December 31, 2023, interest rates on that date, and the maturities of existing interest rate hedging derivatives. This positive impact of a rate increase reflects the Group's very significant cash position (exposed to floating rates), the proportion of fixed-rate debt and the interest rate hedges implemented within the Group.

Note 5 - 4. Credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk. Receivables for which a risk of non-payment exists are written down. As of the reporting date, owing to the Group's geographical and sector diversification, there was no significant concentration of credit risk in trade receivables. The war in Ukraine has not had a significant impact at the Group scale on the impairment of customer receivables recognized as of December 31, 2023 (in particular on the level of expected credit losses).

The cash and financial investments of Wendel SE and its holding companies are placed essentially with top-ranking financial institutions. Given the total amount of cash and short-term financial investments held as of December 31, 2023, significant amounts may be invested with the same financial institution. Derivative contracts are entered into with top-ranking financial institutions.

Note 5 - 5. Currency risk

Note 5 - 5.1 Wendel

Most of the Group's investments operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro, notably the US dollar. As of December 31, 2023, the operating subsidiaries with the greatest exposure to the US dollar or whose reporting currency is the US dollar are Bureau Veritas, Stahl, CPI and ACAMS.

In addition, the IHS share price is denominated in US dollars. As this investment is recognized at fair value under financial assets, a change in the euro/dollar exchange rate would have an impact on the change in this fair value, which is recognized in other comprehensive income (see note 13 "Financial assets and liabilities").

In February 2023, the Group hedged a portion of the currency risk arising on the value of its investments denominated in US dollars. It contracted:

- a $400 million collar, with a maturity of two years, protecting it against a decline in the US dollar, which kicks in when the exchange rate exceeds 1.25 and results in it losing any upside if the rise in the US dollar leads to an exchange rate below 0.9151; and

- a three-year \$360 million collar protecting it against a decline in the US dollar, which kicks in when the exchange rate exceeds 1.25 and results in it losing any upside if the rise in the US dollar leads to an exchange rate below 0.9471.

These instruments are qualified as hedging instruments of a net investment in a foreign operation under IFRS. They are therefore recognized in the balance sheet at fair value, with changes in fair value recognized in other comprehensive income for the effective portion (€1.5 million for the period) and in income for the ineffective portion (€0.3 million for the period). The fair value recognized in other comprehensive income will be released to the income statement when the hedged asset is disposed of or if control of the asset is lost.

Note 5 - 5.2 Bureau Veritas

Bureau Veritas operates internationally and is therefore exposed to the risk of fluctuations in several currencies. This risk is incurred both on transactions carried out by group entities in currencies other than their functional currency (currency risk on operations), as well as on assets and liabilities denominated in foreign currencies other than the presentation currency for the consolidated financial statements, i.e., euros (translation risk).

Operational currency risk

For Bureau Veritas businesses present in local markets, income and expenses are mainly expressed in local currencies. For Bureau Veritas businesses relating to international markets, a portion of revenue is denominated in US dollars. The proportion of Bureau Veritas' US dollar-denominated consolidated revenue generated in countries with different functional currencies or currencies linked to the US dollar was 8% in 2023. The impact of a 1% rise or fall in the US dollar against all other currencies would have an impact of 0.08% on Bureau Veritas' consolidated revenue.

Translation risk

Since the presentation currency of the financial statements is the euro, Bureau Veritas translates any foreign currency income and expenses into euros when preparing its financial statements, using the average exchange rate for the period. As a result, changes in the value of the euro against other currencies affect the amounts reported in the consolidated financial statements, even though the value of the items concerned remains unchanged in their original currencies. In 2023, over 71% of Bureau Veritas' revenue resulted from the consolidation of financial statements of entities with functional currencies other than the euro:

- 19.6% of revenue was generated by entities whose functional currency is the US dollar or a currency linked to it (including the Hong Kong dollar);
- 11% of revenue was generated by entities whose functional currency is the Chinese yuan renminbi;
- 4.2% of revenue was generated by entities whose functional currency is the Australian dollar;
- 4.1% of revenue was generated by entities whose functional currency is the Brazilian real;
- 4.0% of revenue was generated by entities whose functional currency is the Canadian dollar;
- 3.1% of revenue was generated by entities whose functional currency is the pound sterling.

Other currencies taken individually did not account for more than 3% of Bureau Veritas' revenue. A 1% rise or fall in the euro against the US dollar and other linked currencies would have had an impact of 0.196% on 2023 consolidated revenue and of 0.164% on 2023 operating profit.

Note 5 - 5.3 Stahl

In 2023, 59% of Stahl's revenue was generated in currencies other than the euro, including 34% in US dollars, 13% in Chinese yuan, 5% in Indian rupees and 4% in Brazilian real. A 5% rise or fall in the US dollar or the currencies linked to it against the euro would have a positive or negative impact of around €9 million on EBITDA for the period (excluding goodwill allocation and non-recurring expenses).

In addition, Stahl has financial debt of €188.1 million denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, a 5% increase or decrease in the US dollar against the euro would result in the recognition of a positive or negative currency impact of around €9.4 million in financial income and expense. This impact is partly offset by a cash position in US dollars.

Note 5 - 5.4 Scalian

In 2023, 5.3% of Scalian's revenue was generated in currencies other than the euro, including 1.5% in US dollars, and 9.2% of Scalian's EBITDA was generated in currencies other than the euro, including 3.3% in US dollars.

Note 5 - 5.5 CPI

CPI operates chiefly in the United States and its functional currency is the US dollar. In 2023, 19% of CPI's revenue was generated in currencies other than the US dollar, including 8% in Canadian dollars and 7% in pounds sterling. A 5% rise or fall in the value of these currencies against the US dollar would have had a positive or negative impact of around 0.9% on EBITDA for the period (excluding goodwill allocation and non-recurring expenses), representing a positive or negative impact of around €0.6 million. In addition, a 5% rise or fall in the value of the dollar against the euro would have a positive or negative impact of around €3.2 million on the EBITDA generated by this investment, expressed in euros in Wendel's consolidated financial statements.

Note 5 - 5.6 ACAMS

ACAMS is a US-based company with international operations. Its functional currency is the US dollar. In 2023, 13% of its revenue was generated in currencies other than the US dollar, including 8% in Chinese yuan and 4% in Canadian dollars. A 5% rise or fall in the value of these currencies against the US dollar would have had a positive or negative impact of around 0.6% on EBITDA for the year (excluding goodwill allocation and non-recurring expenses), representing a positive or negative impact of around €0.1 million. In addition, a 5% rise or fall in the value of the dollar against the euro would have a positive or negative impact of around €1.1 million on the EBITDA generated by this investment, expressed in euros in Wendel's consolidated financial statements.

Note 5 - 6. Commodity risk

The Group's investment with the greatest exposure to the risk of changes in commodity prices is Stahl.

Stahl purchased around €475 million of commodities in 2023. A 10% increase in the price of the commodities used by Stahl would have led to a theoretical increase in the cost of these commodities of around €47 million on an annual basis. Stahl considers that, circumstances permitting, a continued short-term increase in the sales price of its products would offset the overall effect of such commodity price increases. The volatility of commodity prices and the continued increase in ocean freight costs led Stahl to raise its sales prices in 2022 to fully offset these impacts. Since December 31, 2022, commodity prices have leveled off.

NOTE 6. SEGMENT INFORMATION

Business sectors correspond to Wendel's shareholdings:

- Bureau Veritas – testing, inspection and certification services;
- Stahl – coating layers and surface treatments for flexible materials;
- Scalian – business transformation consulting services;
- Crisis Prevention Institute (CPI) – training services;
- Association of Certified Anti-Money Laundering Specialists (ACAMS) – anti-money laundering training and certification; and
- Tarkett – equity-accounted – flooring and sports surfaces.

The Constantia Flexibles flexible packaging operating segment was reclassified to "Discontinued operations and operations held for sale" in accordance with IFRS 5. The analysis of the income statement by business sector is split between net income from operations, non-recurring items and the impact of goodwill.

Net income from operations

Net income from operations is the Group's "recurring" income. It consists of net income from investments and from holding companies and excludes non-recurring items and the impact of goodwill, as defined below:

- Net income from investments is defined as the net income of companies controlled by the Group (fully consolidated: Bureau Veritas, Constantia Flexibles, Stahl, Scalian, CPI and ACAMS) and Wendel’s share in the net income of equity-method investments (Tarkett) before non-recurring items and the impact of goodwill allocations; and
- Net income from holding companies includes the operating expenses of Wendel and its holding companies, the cost of net debt put in place to finance Wendel and its holding companies, and the tax expense and income relating to these items. The amounts shown are those recognized at the level of Wendel and all of its consolidated holding companies (excluding acquisition holding companies and operating investments).

Non-recurring items

Non-recurring items correspond, for the entire scope of consolidation, to the net after-tax amounts not linked to the operating or ordinary activities of subsidiaries and associates or to the recurring operations of Wendel and its holding companies:

- capital gains and losses from the divestment of assets;
- non-recurring restructuring costs;
- non-recurring legal disputes, notably those that are not linked to operating activities;
- changes in fair value;
- impairment losses on assets, and in particular goodwill;
- currency impact on financial debt;
- financial restructuring expenses and the income and expenses related to extinguishing debt; and
- any other material item unconnected with the Group's recurring operations.

Goodwill impact

The impact of goodwill on the income statement derives from the revaluation of assets and liabilities carried out at the time of acquisitions. The affected items are primarily:

- inventories and work-in-progress;
- property, plant and equipment;
- intangible assets, including brands and contracts; and
- the related deferred taxes.

These accounting items modify net income from investments by disconnecting the income statement from the cash flows deriving from the business activity of those companies (the accounting entries relate to the companies' acquisition prices and not their business activities).

Note 6 - 1. Income statement by business segment for 2023

							Equity-method investments		
In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	Scalian	CPI	ACAMS	Tarkett	Wendel and holding companies	Total Group
Net income from operations									
Net sales	**5 867,8**	**-**	**913,5**	**126,8 (3)**	**128,0**	**91,6**	**-**		**7 127,6**
EBITDA(1)	**N/A**	**-**	**204,0**	**13,4 (4)**	**63,4**	**22,5**	**-**		
Adjusted operating income(2)	**956,1**	**-**	**177,2**	**11,0**	**60,9**	**19,8**	**-**		**1 144,2**
Other recurring operating items	(25,9)	-	(7,8)	(0,3)	(5,6)	(1,7)	-		
Operating income (loss)	**930,2**	**-**	**169,5**	**10,6**	**55,3**	**18,0**	**-**	**(97,8)**	**1 085,8**
Finance costs, net	(41,1)	-	(37,0)	(8,6)	(31,2)	(18,0)	-	(14,7)	(150,6)
Other financial income and expense	(27,4)	-	(7,0)	(1,2)	(0,0)	(0,2)	-	(1,4)	(37,2)
Tax expense	(268,4)	-	(35,1)	(3,7)	(3,4)	0,2	-	(1,4)	(311,8)
Share in net income (loss) of equity-method investments	0,7	-	-	-	-	-	8,8	-	9,5
Net income from discontinued operations and operations held for sale	-	115,2	-	-	-	-	-	-	115,2
Recurring net income (loss) from operations	**594,0**	**115,2**	**90,3**	**(2,8)**	**20,7**	**0,0**	**8,8**	**(115,3)**	**711,0**
Recurring net income (loss) from operations – Group share	***203,8***	***69,9***	***62,0***	***(2,3)***	***20,0***	***0,0***	***8,8***	***(115,1)***	***246,9***
Non-recurring items	(34,1)	(18,4)	(0,8)	(10,5)	(0,8)	(3,8)	(8,7)	16,6 (5)	(60,4)
Goodwill impact	(44,0)	(16,5)	(18,3)	(1,2)	(23,4)	(17,2)	0,3	-	(120,4)
Asset impairment	-	0,3	-	-	8,0	-	(0,8)	(6,8)	0,7
Non-recurring net income (loss)	**(78,1)**	**(34,6)**	**(19,2)**	**(11,7)**	**(16,2)**	**(21,0)**	**(9,2)**	**9,8**	**(180,1)**
Non-recurring net income (loss) – Group share	***(25,2)***	***(21,0)***	***(13,2)***	***(9,6)***	***(15,6)***	***(20,6)***	***(9,3)***	***9,8***	***(104,6)***
Consolidated net income (loss)	**515,9**	**80,7**	**71,2**	**(14,5)**	**4,5**	**(21,0)**	**(0,4)**	**(105,5)**	**530,9**
Consolidated net income (loss) – non-controlling interests	337,3	31,8	22,4	(2,6)	0,2	(0,4)	0,1	(0,2)	388,5
Consolidated net income (loss) – Group share	***178,6***	***48,9***	***48,8***	***(11,9)***	***4,3***	***(20,6)***	***(0,5)***	***(105,3)***	***142,4***

(1) EBITDA refers to net earnings before interest, taxes, depreciation and amortization.
(2) Before the impact of goodwill allocations, non-recurring items and management fees.
(3) This item corresponds to Scalian’s revenue for the three months to September 30, 2023. Scalian's rolling 12-month revenue (period from October 1, 2022 to September 30, 2023) amounts to €530 million.
(4) This item corresponds to Scalian’s EBITDA for the three months to September 30, 2023. Scalian's rolling 12-month EBITDA (period from October 1, 2022 to September 30, 2023) amounts to €66 million.
(5) This item includes the impact of the buyback of the 2026 bond for a positive €5.8 million and the change in fair value of the derivatives on the Bureau Veritas convertible bond for a positive €21.3 million.

Note 6 - 2. Income statement by business segment for 2022

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Equity-method investments Tarkett	Wendel and holding companies	Total Group
Net income from operations								
Net sales	**5 650,6**	**-**	**914,9**	**114,2**	**66,2**	**-**		**6 745,9**
EBITDA[1]	**N/A**	**-**	**194,3**	**58,9**	**17,3**	**-**		
Adjusted operating income[2]	**902,1**	**-**	**170,4**	**56,7**	**17,3**	**-**		**1 227,6**
Other recurring operating items	-	-	(2,6)	(5,1)	(3,4)	-		
Operating income (loss)	**902,1**	**-**	**167,8**	**51,6**	**13,9**	**-**	**(89,6)**	**1 045,9**
Finance costs, net	(68,3)	-	(17,8)	(25,9)	(11,7)	-	(26,9)	(150,7)
Other financial income and expense	(13,1)	-	10,5	(1,1)	(0,1)	-	(1,1)	(4,8)
Tax expense	(259,5)	-	(42,2)	(5,1)	(3,5)	-	(1,1)	(311,4)
Share in net income (loss) of equity-method investments	0,1	-	-	-	-	0,1	0,0	0,2
Net income from discontinued operations and operations held for sale	-	**91,4**	-	-	-	-	-	91,4
Recurring net income (loss) from operations	**561,3**	**91,4**	**118,3**	**19,6**	**(1,4)**	**0,1**	**(118,7)**	**670,6**
Recurring net income (loss) from operations – Group share	***189,8***	***53,9***	***80,5***	***18,9***	***(1,4)***	***0,1***	***(118,7)***	***223,2***
Non-recurring items	(18,7)	(14,3)	(23,2) [3]	(1,4)	(16,8) [6]	(9,5)	694,6 [4]	610,6
Goodwill impact	(50,4)	(33,4)	(14,6)	(16,7)	(24,5)	(2,7)	-	(142,3)
Asset impairment	(7,6)	5,7	-	47,4 [7]	-	-	(162,3) [5]	(116,8)
Non-recurring net income (loss)	**(76,7)**	**(42,0)**	**(37,8)**	**29,3**	**(41,3)**	**(12,2)**	**532,3**	**351,5**
Non-recurring net income (loss) – Group share	***(23,9)***	***(25,6)***	***(25,7)***	***28,2***	***(40,4)***	***(12,2)***	***532,9***	***433,2***
Consolidated net income (loss)	**484,6**	**49,4**	**80,5**	**48,8**	**(42,7)**	**(12,2)**	**413,6**	**1 022,1**
Consolidated net income (loss) – non-controlling interests	318,7	21,0	25,7	1,8	(0,9)	(0,0)	(0,7)	365,7
Consolidated net income (loss) – Group share	**165,9**	**28,4**	**54,8**	**47,0**	**(41,8)**	**(12,2)**	**414,3**	**656,3**

(1) EBITDA refers to net earnings before interest, taxes, depreciation and amortization.
(2) Before the impact of goodwill allocations, non-recurring items and management fees.
(3) This item mainly corresponds to the foreign exchange impact during the period on debt denominated in US dollars.
(4) It includes proceeds from the sale of the rue Taitbout building by Wendel SE for €115.5 million and the sale of Cromology for €590.0 million.
(5) This item corresponds to the impairment of Tarkett Participation's shares.
(6) This item includes a negative €11.2 million of buyers' fees related to the acquisition of ACAMS, a negative €10.9 million of fees related to the implementation of the new structure and a €2 million positive change in the fair value of hedging derivatives.
(7) This item corresponds to the reversal of the impairment on CPI's intangible assets recognized during the Covid crisis.

Note 6 - 3. Balance sheet by operating segment as of December 31, 2023

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	Scalian	CPI	ACAMS	Tarkett	Wendel and holding companies	Total Group
Goodwill, net	2,499.4	-	194.1	724.1	455.6	307.3	-	-	4,180.5
Intangible assets and property, plant and equipment, net	1,338.0	-	443.5	287.2	326.0	151.8	-	46.6	2,593.0
Equity-method investments	5.2	-	-	-	-	-	43.5 (1)	-	48.7
Other financial assets	116.9	-	0.5	19.2	0.2	1.8	-	682.3	820.8
Inventories	48.8	-	143.0	-	1.5	-	-	-	193.3
Trade receivables	1,318.1	-	177.4	72.3	15.3	1.7	-	0.5	1,585.3
Other assets	545.5	-	21.7	93.5	2.9	3.4	-	3.2	670.2
Cash and cash equivalents	1,173.9	-	88.5	46.2	5.9	17.0	-	1,072.0	2,403.5
Current and deferred tax assets	170.2	-	32.5	15.3	0.6	-	-	8.6	227.1
Discontinued operations and operations held for sale	-	2,330.1	0.2	-	-	-	-	-	2,330.3
TOTAL ASSETS									15,052.7
of which non-current assets	*4,087.0*	*-*	*657.2*	*1,031.2*	*781.7*	*460.9*	*43.5*	*737.0*	*7,798.4*
of which current assets	*3,129.0*	*-*	*444.1*	*226.5*	*26.1*	*22.1*	*-*	*1,076.1*	*4,924.0*
Equity – Group share									2,676.4
Non-controlling interests									2,155.2
Total equity									**4,831.6**
Provisions	219.5	-	21.1	4.4	0.5	-	-	18.9	264.5
Financial debt	2,110.9	-	380.1	339.4	256.5	155.1	-	2,365.5	5,607.6
Operating lease liabilities	427.1	-	22.9	15.9	3.4	0.6	-	36.9	506.9
Other financial liabilities	172.0	-	3.2	11.9	45.9	3.2	-	16.5	252.7
Trade payables	520.6	-	91.5	27.8	3.0	6.3	-	8.2	657.5
Other liabilities	1,019.2	-	46.8	118.7	5.4	33.0	-	19.5	1,242.4
Current and deferred tax liabilities	234.4	-	66.1	72.0	50.2	30.9	-	8.6	462.3
Liabilities related to discontinued operations and operations held for sale	-	1,227.4	0.0	-	-	-	-	-	1,227.4
TOTAL EQUITY AND LIABILITIES									15,052.7
of which non-current financial liabilities	*2,828.7*	*-*	*467.5*	*420.1*	*353.0*	*186.4*	*-*	*2,404.3*	*6,660.0*
of which current liabilities	*1,875.0*	*-*	*164.2*	*170.1*	*11.9*	*42.8*	*-*	*69.8*	*2,333.9*

(1) As of December 31, 2023, this item includes the impairment of Tarkett Participation's shares for a negative €169.1 million (see note 10 "Equity-method investments").

Note 6 - 4. Balance sheet by operating segment as of December 31, 2022

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Tarkett	Wendel and holding companies	Total Group
Goodwill, net	2,515.7	492.5	130.5	472.0	318.4	-	-	3,929.1
Intangible assets and property, plant and equipment, net	1,346.1	1,006.9	341.3	354.1	179.7	-	49.1	3,277.1
Equity-method investments	0.9	-	-	-	-	81.3 (1)	-	82.1
Other financial assets	135.6	91.5	0.7	0.2	2.0	-	554.5	784.3
Inventories	53.9	318.3	141.2	0.8	-	-	-	514.2
Trade receivables	1,263.4	167.2	163.5	11.6	1.1	-	-	1,606.9
Other assets	546.1	35.3	19.5	3.2	2.6	-	2.8	609.6
Cash and cash equivalents	1,662.1	366.2	281.5	5.3	21.5	-	928.7	3,265.3
Current and deferred tax assets	164.8	38.5	22.4	0.1	-	-	(0.0)	225.8
Discontinued operations and operations held for sale	-	81.8	1.8	-	-	-	-	83.6
TOTAL ASSETS								**14,378.0**
of which non-current assets	*4,092.5*	*1,614.8*	*487.5*	*826.3*	*500.0*	*81.3*	*569.2*	*8,171.5*
of which current assets	*3,596.2*	*901.5*	*613.1*	*21.0*	*25.2*	-	*965.8*	*6,122.9*
Equity – Group share								2,788.6
Non-controlling interests								1,847.7
Total equity								**4,636.2**
Provisions	214.6	67.4	19.4	0.5	-	-	13.9	315.8
Financial debt	2,637.4	713.5	361.0	278.7	152.6	-	1,410.2	5,553.4
Operating lease liabilities	407.9	46.0	16.7	3.5	-	-	36.4	510.5
Other financial liabilities	217.1	74.9	-	38.8	2.1	-	234.3	567.2
Trade payables	557.6	411.4	84.4	2.4	11.4	-	7.4	1,074.4
Other liabilities	964.9	92.1	54.0	5.0	29.7	-	20.0	1,165.6
Current and deferred tax liabilities	242.8	129.4	33.7	61.6	46.4	-	7.2	521.1
Liabilities related to discontinued operations and operations held for sale	-	33.6	0.2	-	-	-	-	33.8
TOTAL EQUITY AND LIABILITIES								**14,378.0**
of which non-current financial liabilities	*2,863.2*	*958.5*	*61.5*	*376.8*	*197.4*	-	*1,679.5*	*6,137.0*
of which current liabilities	*2,379.1*	*576.2*	*507.8*	*13.5*	*44.7*	-	*49.8*	*3,571.0*

(1) As of December 31, 2022, this item includes the impairment of Tarkett Participation's shares for negative €162.3 million (see note 10 "Equity-method investments").

Note 6 - 5. Cash flow statement by business segment for 2023

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	Scalian	CPI	ACAMS	Wendel and holding companies	Total Group
Net cash from (used in) operating activities, excluding tax	1,070.3	136.3	204.9	6.4	59.5	12.5	(78.5)	**1,411.4**
Net cash from (used in) investing activities, excluding tax	(217.5)	(445.2)	(223.8)	(580.8)	(3.2)	(2.0)	(230.8)	**(1,703.4)**
Net cash from (used in) financing activities, excluding tax	(1,047.1)	(23.7)	(140.9)	624.5	(44.5)	(11.3)	453.5	**(189.6)**
Net cash related to taxes	(256.9)	(16.6)	(31.5)	(4.1)	(11.0)	(2.9)	(0.7)	**(323.6)**

Note 6 - 6. Cash flow statement by business segment for 2022

In millions of euros	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Wendel and holding companies	Total Group
Net cash from (used in) operating activities, excluding tax	1 074,6	241,5	171,5	56,2	16,9	(67,3)	**1 493,3**
Net cash from (used in) investing activities, excluding tax	(216,9)	(108,9)	(28,2)	(2,2)	16,2	957,5	**617,5**
Net cash from (used in) financing activities, excluding tax	(396,8)	45,1	(54,3)	(49,7)	(12,0)	(335,3)	**(803,0)**
Net cash related to taxes	(241,7)	(16,5)	(33,8)	(6,1)	(1,1)	0,2	**(299,0)**

NOTES TO THE BALANCE SHEET

NOTE 7. GOODWILL

Accounting principles

Goodwill represents the difference between the cost of acquiring a company and the Group's share of the fair value of its net assets, liabilities and identifiable contingent liabilities at the acquisition date. The identifiable assets and liabilities of the acquired company that meet the IFRS recognition criteria are recognized at their fair value as of the acquisition date. Adjustments in the fair values of assets and liabilities acquired as part of business combinations and initially recognized on the basis of temporary values (because of ongoing appraisals or outstanding additional analyses) are recognized as retrospective adjustments to goodwill if they occur within 12 months of the acquisition date. Any subsequent adjustments are recognized directly in the income statement unless they are made to correct an accounting error. Under the revised IFRS 3 "Business combinations", the Group may choose to recognize goodwill on non-controlling interests.

Goodwill is not amortized but is instead tested for impairment at least once per year, on December 31, or more frequently if there is any indication that it may be impaired. Indications of impairment may include a significant or prolonged decline in the share price of a listed company, a shortfall in earnings compared with the budget or a deterioration in the industry environment in which a company operates. For impairment tests, goodwill is allocated to cash-generating units (CGUs). Each operating subsidiary (Bureau Veritas, Stahl, Scalian, CPI and ACAMS) corresponds to a CGU. Goodwill impairment losses are recognized in the income statement under "Impairment of assets" and cannot be reversed.

Whenever an operating subsidiary identifies an impairment loss on a CGU recognized within its reporting scope (and not at the level of the Wendel Group), this loss is also reported in Wendel's consolidated financial statements, even if the analysis conducted by Wendel on the investee's goodwill does not show any such loss. This stance has been taken to allow Wendel to recognize unrealized losses as soon as they appear, as the losses would evidently have to be recognized if the subsidiary were to sell the impaired CGUs. Goodwill is presented, where applicable, net of any cumulative recognized loss in value.

Goodwill pertaining to equity-method investments is included in the carrying amount of these companies and therefore not presented separately (IAS 28 "Investments in Associates and Joint Ventures", paragraph 23). Accordingly, the goodwill is not tested separately for impairment, as the value of equity-method investments is tested including goodwill. In the event of an improvement in the value of equity-method investments justifying an impairment writeback, the portion of the impairment pertaining to goodwill is also written back. Impairment losses along with disposal and dilution gains and losses are recognized in the income statement under "Net income (loss) from equity-method investments".

The impairment tests are performed in accordance with IAS 36 "Impairment of Assets". They consist in comparing the carrying amount of subsidiaries and associates with their recoverable amount (i.e., the higher of fair value and value in use).

	Dec. 31, 2023		
In millions of euros	Gross amount	Impairment	Net amount
Bureau Veritas	2,640.5	(141.1)	2,499.4
Stahl	194.1	-	194.1
Scalian	724.1	-	724.1
CPI	480.9	(25.3)	455.6
ACAMS	307.3	-	307.3
TOTAL	**4,346.9**	**(166.4)**	**4,180.5**

In millions of euros	Dec. 31, 2022 Gross amount	Impairment	Net amount
Bureau Veritas	2,659.7	(144.0)	2,515.7
Constantia Flexibles	492.5	-	492.5
Stahl	130.5	-	130.5
CPI	498.2	(26.2)	472.0
ACAMS	318.4	-	318.4
TOTAL	**4,099.3**	**(170.3)**	**3,929.1**

The main changes during the year were as follows:

In millions of euros	2023	2022 adjusted
Net amount at beginning of period	**3,929.1**	**3,510.6**
Acquisition by the Group entities[(1)]	102.2	35.4
Acquisition by the Group entities[(1)]	(3.4)	-
Acquisition of Scalian[(2)]	724.1	-
Acquisition of ACAMS[(2)]	-	305.3
Reclassification under "Discontinued operations and operations held for sale"[(2)]	(498.8)	-
Impact of changes in currency translation adjustments and other	(72.8)	77.8
NET AMOUNT AT END OF PERIOD	**4,180.5**	**3,929.1**

(1) This item corresponds to goodwill accounted for by Bureau Veritas and Stahl on acquisitions realized over the period (see note 2 "Changes in scope of consolidation").

(2) See note 2 "Changes in scope of consolidation".

Note 7 - 1. Goodwill impairment tests

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the reporting date, and on information available at the date on which the financial statements were adopted with regard to the positions existing as of December 31, 2023. Forecasts are inherently uncertain and actual amounts could therefore be significantly different from the forecasts made under these tests. Accordingly, values in use could also differ from those determined on the basis of the assumptions and estimates used at the end-December 2023 reporting date (see the "Accounting principles" section, note 1-2 "Use of estimates").

In the assumptions used for the impairment tests, the Group considered the economic, social and environmental effects, as well as the transition risks associated with climate change. These had no impact on the tests.

As regards Bureau Veritas, which is listed, the carrying amount at the end of 2023 (€6.6 per share, i.e., €1,066 million for the shares held) remains well below the fair value (closing stock market price: €22.9 per share, i.e., €3,683 million for the shares held). Value in use does not therefore need to be adopted and no impairment is recognized.

For the tests performed by Wendel on unlisted investments, the values in use as determined for the purpose of these tests are based on discounted future cash flows. The business plans used were prepared by Wendel on the basis of those drawn up by investees and using the latest information available regarding the underlying markets. For each of the subsidiaries, the value of Wendel's share in the capital is compared to the carrying amount.

Wendel did not recognize any losses. No tests were carried out on Scalian, as this investment was acquired very recently (July 2023).

A description of the tests carried out by Wendel on its unlisted investments is as follows:

In millions of euros	Stahl	CPI	ACAMS
Net carrying amount before test (Group share)	320	436	248
Impairment	-	-	-
Net carrying amount after test (Group share)	320	436	248
Length of business plan (years)	5 ans	5 ans	5 ans
Discount rate			
Rate at Dec. 31, 2023	10.3%	9.5%	10.2%
Rate at Dec. 31, 2022	9.0%	10.0%	10.0%
Change in impairment recognized in the event of a 1.0% increase	-	-	-
Change in impairment recognized in the event of a 1.0% decrease	-	-	-
Threshold at which value in use falls below the carrying amount	21.5%	12.40%	12.15%
Perpetual growth			
Rate at Dec. 31, 2023	+ 2.4%	+ 3.0%	+ 3.0%
Rate at Dec. 31, 2022	+ 2.0%	+ 3.0%	+ 3.0%
Change in impairment recognized in the event of a 0.5% decrease	-	-	-
Change in impairment recognized in the event of a 0.5% increase	-	-	-
Threshold at which value in use falls below the carrying amount	- 22.1%	- 1.1%	+ 0.6%
Impact on central case value in case of a 1.0% decrease in operating margin	-	-	-

Stahl

The business plan used for this test assumes moderate growth, with revenues exceeding €1 billion in 2025. The plan also assumes a return of the EBITDA margin to the group's historical average in 2026.

CPI

Having caught up with the initial business plan drawn up at the time of the acquisition, the new plan used is very similar in terms of revenue and margin objectives.

ACAMS

The business plan exceeds the acquisition business plan in terms of revenue forecasts, but remains in line with initial EBITDA forecasts.

NOTE 8. INTANGIBLE ASSETS

Accounting principles

Bureau Veritas, Scalian, CPI and ACAMS group brands

The Bureau Veritas and CPI group brands have been valued using the relief-from-royalty approach, which consists in discounting royalties to perpetuity at a theoretical rate based on net sales generated by the brands. The brands are considered as having an indefinite useful life as there is no foreseeable time limit on their potential to generate cash flow. They are therefore not amortized but are tested for impairment on an annual basis.

The brands of Bureau Veritas subsidiaries are amortized over a period of 5 to 15 years. Only those brands identified at the level of the Wendel Group when Wendel acquired control of Bureau Veritas are considered to have an indefinite life.

The Scalian group brand is considered to have an indefinite useful life.

The ACAMS group brand is amortized over 12 years.

Bureau Veritas, Stahl, Scalian, CPI and ACAMS group contracts and customer relationships

The value of these contracts and customer relationships represents the margin expected to be generated over the residual lives of contracts in force at the date Wendel assumed control, taking into account contract renewal rates where such renewals are considered probable based on historical statistical data. These contracts and customer relationships are amortized over the period used for the calculation of each contract category (5 to 23 years, depending on the contract and subsidiary).

Other intangible assets

The cost of developing software intended for internal use and other development costs have been capitalized when it is likely that these expenditures will generate future economic benefits. These costs are then amortized over the asset's estimated useful life.

The costs of initially configuring software hosted by an external service provider, particularly in "Software as a Service" (SaaS) arrangements, are expensed.

Impairment of intangible assets and property, plant and equipment

In accordance with IAS 36 "Impairment of Assets", property, plant and equipment and intangible assets are tested for impairment whenever there is an indication of a loss in value. These tests are performed either when there is an indication of a loss of value, or yearly for assets with indefinite useful lives. For Wendel, this only concerns brands (excluding goodwill). Impairment losses are recognized in the income statement under "Impairment of assets". Impairment losses may be reversed, but only to the extent of the carrying amount of the asset had no impairment been recognized.

A breakdown by subsidiary is presented in note 6 "Segment information".

Intangible assets consist of:

	Dec. 31, 2023						
In millions of euros	Opening	Acquisitions	Disposals	Amortization and impairment[1]	Changes in scope of consolidation	Impact of currency translation adjustments and other	Closing
Brands	384.3	0.0	-	3.1	116.2	(6.7)	497.0
Customer relationships	1,034.8	-	-	(124.3)	(94.8)	(16.4)	799.3
Software	20.5	5.8	(0.1)	(7.3)	(10.8)	3.3	11.4
Concessions, patents and similar rights	101.3	0.9	-	(10.6)	(8.9)	(1.0)	81.7
Intangible assets in progress	21.3	22.9	-	-	(2.0)	(22.9)	19.4
Other intangible assets	148.2	18.7	(1.6)	(47.0)	32.4	18.1	168.8
TOTAL	**1,710.6**	**48.3**	**(1.7)**	**(186.1)**	**32.2**	**(25.5)**	**1,577.6**
of which gross	**3,956.5**						**3,619.6**
of which amortization	**(2,246.0)**						**(2,042.0)**

(1) An impairment reversal of €10.5 million was recognized by CPI (see note 7-1 "Goodwill impairment tests").

In millions of euros	Dec. 31, 2022 Opening	Acquisitions	Disposals	Amortization and impairment(1)	Changes in scope of consolidation	Impact of currency translation adjustments and other	Closing
Brands	305.3	0.0	-	4.8	0.0	74.2	384.3
Customer relationships	961.4	-	-	(105.7)	54.1	125.0	1,034.8
Software	21.4	3.8	(0.1)	(9.9)	0.1	5.2	20.5
Concessions, patents and similar rights	89.8	1.0	-	4.3	(0.0)	6.2	101.3
Intangible assets in progress	18.8	22.3	-	-	0.0	(19.7)	21.3
Other intangible assets	139.7	18.7	(0.3)	(44.3)	0.8	33.5	148.2
TOTAL	**1,536.4**	**45.8**	**(0.4)**	**(150.8)**	**55.0**	**224.4**	**1,710.6**
of which gross	**3,679.0**						**3,956.5**
of which amortization	**(2,142.6)**						**(2,246.0)**

(1) An impairment reversal of €62.5 million was recognized by CPI.

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

Accounting principles

Property, plant and equipment
Property, plant and equipment are recognized at their historical cost, determined at the time of acquisition of these assets, or at fair value in the event of a business combination. Historical cost includes all costs directly attributable to the acquisition or construction of the assets concerned, including borrowing costs that are directly attributable to the acquisition or production of the property, plant and equipment during the reporting period prior to being brought into service.

Property, plant and equipment other than land and investment properties are depreciated on a straight-line basis over a period corresponding to their probable useful life. The depreciation basis for property, plant and equipment is historical cost less residual value, i.e., the estimated amount that the entity would obtain at the end of the asset's useful life, less any estimated costs of disposal.

The useful life is 10 to 50 years for buildings, and 3 to 10 years for industrial facilities as well equipment and tooling.

Leases
IFRS 16 "Leases" requires lessees to recognize leases in their balance sheets in the form of an asset (right-of-use asset) and a corresponding liability (obligation to make fixed lease payments).

The lease liability represents the present value of remaining lease payments. Future lease payments were discounted using the lessee's incremental borrowing rate based on the residual term of their leases.

The Group has opted to apply the IFRS 16 recognition exemption for short-term and low-value leases, for which lease payments continue to be recognized in operating expenses.

In assessing the lease term, the Group has taken the non-cancelable period of each lease plus any option to extend the lease that the Group is reasonably certain to exercise and any option to terminate the lease that the Group is reasonably certain not to exercise.

Impairment of intangible assets and property, plant and equipment
Impairment principles are described in note 8 "Intangible assets".

Property, plant and equipment excluding right-of-use assets consist of:

	Dec. 31, 2023						
In millions of euros	Opening	Acquisitions	Disposals	Depreciation and impairment	Changes in scope of consolidation	Impact of currency translation adjustments and other	Closing
Land	85.2	0.0	(0.2)	(0.1)	(35.8)	(1.1)	48.0
Buildings	252.2	5.2	(0.7)	(12.5)	(168.3)	2.9	78.9
Plant, equipment, and tooling	594.1	88.5	(11.4)	(109.6)	(278.5)	38.8	322.0
Property, plant and equipment in progress	82.9	49.7	(0.3)	-	(33.4)	(67.8)	31.1
Other property, plant and equipment	75.2	38.5	(7.0)	(24.9)	(12.0)	3.6	73.5
TOTAL	1,089.7	181.9	(19.5)	(147.0)	(528.0)	(23.6)	553.5
of which gross	**2,733.7**						**1,650.6**
of which depreciation	**(1,644.0)**						**(1,097.1)**

	Dec. 31, 2022						
in millions of euros	Opening	Acquisitions	Disposals	Depreciation and impairment	Changes in scope of consolidation	Impact of currency translation adjustments and other	Closing
Land	89.4	-	(0.7)	(0.2)	(2.4)	(0.9)	85.2
Buildings	259.4	3.9	(3.4)	(17.2)	(7.3)	16.8	252.2
Plant, equipment, and tooling	604.2	87.2	(7.7)	(144.5)	(15.8)	70.8	594.1
Property, plant and equipment in progress	63.6	107.5	(0.0)	-	0.1	(88.2)	82.9
Other property, plant and equipment	75.8	23.7	(0.8)	(29.6)	(2.7)	8.8	75.2
TOTAL	1,092.4	222.2	(12.7)	(191.5)	(28.1)	7.3	1,089.7
of which gross	**2,734.2**						**2,733.7**
of which depreciation	**(1,641.8)**						**(1,644.0)**

Right-of-use assets arising from the application of IFRS 16 consist of:

	Dec. 31, 2023		
In millions of euros	Gross amount	Impairment	Net amount
Buildings	683.4	(313.6)	369.7
Plant, equipment, and tooling	0.9	(0.7)	0.1
Other property, plant and equipment	209.1	(117.1)	92.1
TOTAL	893.3	(431.5)	461.9

	Dec. 31, 2022		
In millions of euros	Gross amount	Impairment	Net amount
Buildings	674.0	(294.9)	379.1
Plant, equipment, and tooling	2.6	(1.5)	1.1
Other property, plant and equipment	208.8	(112.2)	96.7
TOTAL	885.4	(408.6)	476.8

NOTE 10. EQUITY-METHOD INVESTMENTS

The accounting principles applied to equity-method investments are described in note 2 "Changes in scope of consolidation".

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Bureau Veritas investment	5.2	0.9
Tarkett	43.5	81.2
TOTAL	**48.7**	**82.1**

The change in equity-method investments breaks down as follows:

In millions of euros	2023
Net amount at beginning of period	**82.1**
Share in net income (loss) for the period:	
Tarkett Participation	0.8
Other	0.5
Impairment on Tarkett Participation	(6.8)
Impact of changes in currency translation adjustments and other	(27.9)
NET AMOUNT AT END OF PERIOD	**48.7**

Equity-method investments mainly correspond to Tarkett Participation, representing €43.5 million at end-2023 compared to €81.2 million at end-2022. This company is controlled by the Deconinck family and Wendel holds 25.6% of the share capital. Tarkett Participation holds 90.3% of the share capital of the Tarkett SA group.

Note 10 - 1. Additional information on Tarkett Participation

The main Tarkett Participation accounting data (at 100%) are the following (including the impact of the goodwill recognized on acquiring the equity):

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Carrying amounts at 100%		
Total non-current assets	1,401.9	1,465.3
Total current assets	1,111.7	1,206.0
Goodwill adjustment (Wendel)	410.3	442.3
Total assets	**2,923.9**	**3,113.5**
Non-controlling interests	84.6	88.9
Total non-current liabilities	1,191.6	1,330.9
Total current liabilities	821.4	751.7
Total equity and liabilities	**2,097.6**	**2,171.5**
including cash and cash equivalents	**224.4**	**237.0**
including financial debt	**1,159.8**	**1,259.5**

In millions of euros	2023	2022 adjusted
Net sales	3,363.1	3,358.9
Operating income (loss)	121.9	43.3
Net financial income (loss)	(87.5)	(68.6)
Net income (loss) – Group share	(2.8)	(42.6)
Wendel adjustment	6.0	(5.1)

Impairment tests on equity-method investments

The recoverable amount used as of December 31, 2023 is based on Tarkett SA's last share price in 2023; this represents the most objective estimate of the recoverable amount of the company at that date. Given that this value is lower than the carrying amount, a provision was recognized in 2022 and adjusted in 2023.

In accordance with applicable accounting principles (see note 7 "Goodwill"), this impairment may be reversed in future years if the recoverable amount of the investment exceeds its carrying amount.

NOTE 11. TRADE RECEIVABLES

In millions of euros	Dec. 31, 2023			Dec. 31, 2022
	Gross amount	Impairment	Net amount	Net amount
Bureau Veritas	1,384.7	(66.6)	1,318.1	1,263.4
Constantia Flexibles	-	-	-	167.2
Stahl	183.8	(6.3)	177.4	163.5
Scalian	73.5	(1.2)	72.3	-
CPI	17.1	(1.9)	15.2	11.6
ACAMS	1.7	-	1.7	1.1
Wendel and holding companies	0.5	-	0.5	0.0
TOTAL	**1,661.3**	**(76.0)**	**1,585.3**	**1,606.9**

Regarding the most significant subsidiaries, overdue trade receivables and related receivables not written down can be analyzed as follows:

- Bureau Veritas: a total of €343.2 million as of December 31, 2023 compared to €347.1 million as of December 31, 2022, of which respectively €78.7 million and €81.7 million more than three months past due.
- Stahl: a total of €24.3 million as of December 31, 2023 compared to €19.8 million as of December 31, 2022, of which respectively €2 million and €0.9 million more than three months past due.
- CPI: a total of €12.2 million as of December 31, 2023 compared to €8.6 million as of December 31, 2022, of which respectively €3.6 million and €2.8 million more than three months past due.
- Scalian: a total of €23.2 million as of September 30, 2023, of which €2.5 million more than three months past due.

NOTE 12. CASH AND CASH EQUIVALENTS

Accounting principles

Cash is comprised of cash at banks.

In accordance with IAS 7 "Statement of Cash Flows", cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, subject to an insignificant risk of changes in value and used to meet short-term cash needs. Cash equivalents include euro-denominated, money-market mutual funds (Sicav) and deposit accounts with initial maturities of three months or less. They are measured at their fair value at the reporting date.

Pledged cash and cash equivalents are presented as non-current assets, as they are not immediately available.

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Cash and cash equivalents of Wendel and holding companies pledged as collateral, classified as non-current assets	0.7	0.7
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	1,071.4	928.0
Cash and cash equivalents of Wendel and its holding companies(1)	**1,072.0**	**928.7**
Bureau Veritas	1,173.9	1,662.1
Constantia Flexibles	-	366.2
Stahl	88.5	281.5
Scalian	46.2	-
CPI	5.9	5.3
ACAMS	17.0	21.5
Cash and cash equivalents of investees	**1,331.4**	**2,336.6**
Cash and cash equivalents	**2,403.5**	**3,265.3**
of which non-current assets	**0.7**	**0.7**
of which current assets	**2,402.8**	**3,264.6**

(1) In addition to this cash, €213.8 million in medium-term financial investments was recognized under financial assets as of December 31, 2023.

NOTE 13. FINANCIAL ASSETS AND LIABILITIES (EXCLUDING FINANCIAL DEBT AND OPERATING RECEIVABLES AND PAYABLES)

Accounting principles

Financial assets include investments in unconsolidated companies, operating receivables, debt securities, marketable securities, derivatives, and cash. Financial liabilities include borrowings, other funding sources and bank overdrafts, derivatives, operating liabilities, and certain liquidity commitments on the Group's shares held by certain co-shareholders (see note 30-6 "Shareholder agreements").
In accordance with IFRS 9 "Financial Instruments", financial assets are recognized and measured either at fair value through profit or loss, at fair value through other comprehensive income, or at amortized cost. Classification and measurement are based on the characteristics of the instrument and the management objective for which the relevant assets were acquired.

Financial assets at fair value through profit or loss
Equity instruments held for trading purposes or for which the Group has elected not to use the "fair value through other comprehensive income" classification are measured at fair value through profit or loss.

Financial assets at fair value through other comprehensive income
Under IFRS 9, entities may make an irrevocable election to present changes in the fair value of an equity instrument not held for trading through other comprehensive income. Entities may make that election for each new instrument and acquisition, depending on the Group's management objective. Equity instruments recognized in this account include strategic and non-strategic investments.
At initial recognition, these assets are measured at fair value, which generally corresponds to their acquisition cost. At the end of each reporting period, the fair value of listed instruments is determined based on the share price at the reporting date. For unlisted securities, fair value is measured using valuation models based primarily on recent market transactions, discounted dividend or cash flow streams, or the value of net assets.
Unrealized gains and losses on these financial assets are recognized directly in equity until the financial asset is sold or cashed in, at which time the accumulated gain or loss is transferred to consolidated retained earnings and other reserves and is not reclassified to the income statement. Dividends from

such investments are recognized in profit or loss unless the dividend clearly represents the recovery of a portion of the investment cost.

Financial assets measured at amortized cost
Financial assets are measured at amortized cost if they are held solely with a view to collecting contractual cash flows serving to repay principal and meet interest payments on the outstanding principal.

They consist of loans and receivables related to investments, deposits and guarantees, trade receivables and other current receivables. These financial assets are shown in the balance sheet under "Non-current financial assets", "Trade receivables" and "Other current financial assets". They are initially recognized at fair value and subsequently at amortized cost calculated using the effective interest rate method. Net gains and losses on loans and receivables correspond to interest income and provisions.

Derivatives
Derivatives are measured at fair value. Gains and losses arising from changes in the fair value of derivatives are recognized in the income statement, apart from certain exceptions set out below.
Derivatives can be designated as hedges in a fair value, cash flow or net investment hedge:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to fluctuations in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from an existing or future asset or liability. Wendel and its subsidiaries use cash flow hedges to offset fluctuations in foreign exchange rates, interest rates and commodity prices; and
- hedges of net investments in foreign operations help offset fluctuations in value due to translation into the reporting currency used by the parent company in its consolidated financial statements. Financial debt denominated in the functional currency of the hedged investment can be designated as a net investment hedge when the hedge has been recognized as such for accounting purposes.

A hedging relationship qualifies for hedge accounting if:

- the hedging relationship is clearly defined and documented at inception; and
- the effectiveness of the hedging relationship can be demonstrated from the outset and throughout its term.

The use of hedge accounting has the following consequences:

- for hedges used to offset changes in the fair value of a recognized asset or liability, the hedged item is measured at fair value in the balance sheet. Changes in the fair value of the hedged item are recognized in the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent that the hedge is effective;
- the effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognized directly in equity. The gain or loss from the ineffective portion is recognized in the income statement. Amounts carried in equity are transferred to the income statement in the same periods as the corresponding hedged items, or are written back against the acquisition cost of the assets in which the financial risk related to the acquisition price was hedged; and
- in a similar way to cash flow hedges, changes in the fair value of the derivative financial instrument are recognized net of tax in other comprehensive income for the effective portion attributable to the hedged currency risk and in profit or loss for the ineffective portion of the derivative. The gains and losses carried in equity are recognized in the income statement when the foreign operation is sold.

Derivatives are measured using the Group's mathematical models, as well as by independent appraisers and/or by the Group's counterparties.

Fair value measurement
In accordance with the amendment to IFRS 7 "Financial Instruments: Disclosures" (March 2009), the tables in this note "Financial assets and liabilities" present the Group's assets and liabilities that are measured at fair value, based on their method of measurement. These methods are defined as follows:

- level 1: unadjusted, listed prices of identical instruments on an active market;
- level 2: observable data other than the listed prices referred to in level 1, either directly (such

as a price), or indirectly (calculated based on another price); and
- level 3: fair values that are not determined on the basis of observable market data.

In 2023, there were no transfers of financial instrument fair value measurements between levels 1 and 2, or to or from level 3.

Financial liabilities
With the exception of derivative instruments and financial liabilities relating to liquidity commitments on the Group's shares held by certain co-shareholders (see note 30-6 "Shareholder agreements" and note 4 “Participation of management teams in the Group’s investments), all borrowings and other financial liabilities are stated at amortized cost using the effective interest rate method.

Put options granted to non-controlling interests
The accounting principles applied to put options granted to non-controlling interests (minority puts) are described in note 14.2 "Non-controlling interests".

Note 13 - 1. Financial assets

In millions of euros	FV method	Level	Dec. 31, 2023	Dec. 31, 2022
Pledged cash and cash equivalents of Wendel and holding companies	PL	1	0,7	0,7
Unpledged cash and cash equivalents of Wendel and holding companies	PL	1	1 071,4	928,0
Wendel short-term financial investments	PL	1	0,0	33,8
Cash and short-term financial investments of Wendel and holding companies			**1 072,0**	**962,5**
Cash and cash equivalents of subsidiaries	PL	1	1 331,4	2 336,6
Financial assets at fair value through equity – A	E	1	262,2	364,2
Financial assets at fair value through profit or loss – B	PL	3	202,5	155,3
Deposits and guarantees – C	Amortized cost	N/A	304,6	89,5
Derivatives – D	PL and E	3	15,1	13,7
Other			36,4	127,8
TOTAL			3 224,3	4 049,6
of which non-current financial assets, including pledged cash and cash equivalents			**803,9**	**717,5**
of which current financial assets, including cash and cash equivalents			**2 420,3**	**3 332,1**

(PL) Change in fair value through profit and loss.
(E) Change in fair value through equity.

Note 13 - 2. Financial liabilities

In millions of euros	FV method	Level	Dec. 31, 2023	Dec. 31, 2022
Derivatives – D	PL and E	3	11.4	9.4
Minority puts, earn-outs and other financial liabilities of subsidiaries – E	PL and E	3	223.8	323.5
Minority puts, earn-outs and other financial liabilities of Wendel and holding companies – F	PL and E	3	17.5	234.3
TOTAL			252.7	567.2
of which non-current financial liabilities			**142.9**	**422.1**
of which current financial liabilities			**109.8**	**145.2**

(PL) Change in fair value through profit and loss.
(E) Change in fair value through equity.

Note 13 - 3. Breakdown of financial assets and liabilities

A- As of December 31, 2023, this item corresponds mainly to the investment in **IHS**, which is listed for €262 million. In accordance with the Group's accounting principles, the decrease in fair value (market price) recorded over the period is recognized in other comprehensive income for €101 million.

B- As of December 31, 2023, this item includes the fair value of funds held by **Wendel Growth** for €148.1 million (based on the latest valuations provided by the fund managers, most of which date from September 30, 2023). The negative change in fair value of €8.9 million is recognized in financial income and expense, in addition to direct investments by Wendel Growth for €46.7 million recognized at fair value (see note 2 "Changes in scope of consolidation").

C- This item includes €213.8 million in Wendel bank deposits maturing in 2026.

D- Derivative instruments correspond in particular to interest rate hedges of investees (see note 5-3 "Interest rate risk") and to the sale of the call option on the bond exchangeable for Bureau Veritas shares, valued at €26.1 million on issue and at €4.7 million as of December 31, 2023. This change in the value of the call option is recognized in financial income.

E- **Minority puts, earn-outs and other financial liabilities of subsidiaries:** As of December 31, 2023, this item mainly corresponds to other financial liabilities and minority puts relating to Bureau Veritas and CPI.

F- **Minority puts and other financial liabilities of Wendel and its holding companies:** As of December 31, 2022, this item included the liquidity commitment granted by Wendel to the H. Turnauer Foundation for 50% of its stake in Constantia Flexibles. It expired in the first half of 2023 and was not exercised. The financial liability (€221 million) was therefore canceled against shareholders' equity.

NOTE 14. EQUITY

Note 14 - 1. Total number of shares and treasury shares

Accounting principles

Treasury shares
All treasury shares held by the Group are stated at their acquisition cost as a deduction from equity. Proceeds from any sales of treasury shares are credited directly to equity: any capital gains and losses on disposal do not therefore impact income for the period.

	Par value	Total number of shares	Treasury shares	Number of outstanding shares
As of December 31, 2022	€4	44,407,677	983,315	43,424,362
As of December 31, 2023	€4	44,430,554	1,128,538	43,302,016

The change in the number of shares comprising the 2023 share capital is explained by subscriptions by Group employees to the Company savings plan concerning 22,877 shares.

The number of treasury shares held under the liquidity agreement was 62,974 as of December 31, 2023 (61,832 treasury shares as of December 31, 2022).

As of December 31, 2023, Wendel held 1,065,564 of its treasury shares outside the scope of its liquidity agreement (921,483 as of December 31, 2022).

In total, treasury shares represented 2.54% of the share capital as of December 31, 2023.

Note 14 - 2. Non-controlling interests

Accounting principles

Commitments to purchase non-controlling interests of consolidated subsidiaries
When the Group has made firm or conditional commitments to purchase shares held by non-controlling shareholders in consolidated subsidiaries (minority puts), a financial liability is recognized in an amount corresponding to the estimated present value of the purchase price.
The offsetting entry for the financial liability is recognized:

- firstly, by eliminating the carrying amount of the corresponding non-controlling interests; and
- secondly, by reducing the Group's share of equity as follows: the difference between the estimated exercise price of the put options granted and the carrying amount of the non-controlling interests is deducted from consolidated retained earnings and other reserves (Group share). This balance is adjusted at the end of each accounting period to reflect changes in the estimated exercise price of the put options and the carrying amount of the non-controlling interests.

In millions of euros	% interest of non-controlling interests as of December 31, 2023	Dec. 31, 2023	Dec. 31, 2022
Bureau Veritas group	64.5%	1,445.6	1,404.1
Constantia Flexibles group	39.1%	426.9	257.9
Stahl group	31.9%	147.2	169.1
Scalian group	18.2%	119.4	-
CPI group	3.7%	4.9	4.9
ACAMS group	2.0%	4.5	4.6
Other		6.8	7.0
TOTAL		**2,155.2**	**1,847.7**

NOTE 15. PROVISIONS

Accounting principles

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the Group has an obligation with respect to a third party as a result of a past event for which it is probable or certain that there will be an outflow of resources to that third party, without at least an equivalent inflow from that third party in return. Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed, formal plan.

Provisions are discounted on the basis of the estimated duration of the obligation. The impact of this discounting is recalculated at each reporting date, and the related adjustment is recognized in the income statement under "Other financial income and expense".

Provisions for employee benefits
Defined-contribution plans: contributions are recognized as operating expenses.

Defined-benefit plans: the present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the projected unit credit method. The obligation is determined at each reporting date taking into account the age of the Company's employees, their seniority, and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments. The provision corresponds to the difference between the total benefit obligation as calculated above and any assets invested with insurance companies to fund these obligations.

Actuarial gains and losses are recorded in equity as soon as they are incurred.

In millions of euros	**Dec. 31, 2023**	**Dec. 31, 2022**
Provisions for contingencies and expenses	91.4	98.6
Provisions for employee benefits	173.0	217.2
TOTAL	**264.5**	**315.8**
of which non-current	**260.2**	**303.7**
of which current	**4.2**	**12.0**

Note 15 - 1. Provisions for contingencies and expenses

In millions of euros	Dec. 31, 2023 Opening	Additions	Reversals: used	Reversals: unused	Impact of discounting	Changes in scope of consolidation	Currency translation adjustments, reclassifications and other	Closing
Bureau Veritas								
Disputes and litigation	35.9	10.2	(3.6)	(6.2)	(3.4)	-	0.1	33.1
Other	37.0	14.0	(5.3)	(6.3)	-	0.0	(0.2)	39.2
Constantia Flexibles	10.8	6.0	-	(0.1)	-	(16.8)	(0.0)	-
Stahl	1.5	0.0	(0.0)	-	-	-	0.3	1.8
Scalian	-	-	-	(0.2)	-	4.2	(0.0)	4.0
CPI	0.5	-	0.1	-	-	-	(0.0)	0.5
Other	12.9	0.8	-	(0.8)	-	-	0.0	12.9
TOTAL	**98.6**	**31.1**	**(8.8)**	**(13.6)**	**(3.4)**	**(12.5)**	**0.1**	**91.4**
of which current	12.0							4.2

In millions of euros	Dec. 31, 2022 Opening	Additions	Reversals: used	Reversals: unused	Impact of discounting	Changes in scope of consolidation	Currency translation adjustments, reclassifications and other	Closing
Bureau Veritas								
Disputes and litigation	39.8	8.5	(5.5)	(7.8)	0.9	(0.0)	0.0	35.9
Other	40.5	14.5	(9.8)	(8.0)	-	(0.3)	0.1	37.0
Stahl	1.6	0.0	(0.0)	-	-	-	(0.0)	1.5
Constantia Flexibles	4.2	7.0	(0.2)	(0.0)	-	(0.0)	(0.1)	10.8
CPI	0.3	-	0.1	-	-	-	0.0	0.5
Other	12.8	2.2	(0.5)	(3.0)	-	0.0	1.4	12.9
TOTAL	**99.1**	**32.1**	**(15.9)**	**(18.9)**	**0.9**	**(0.4)**	**1.5**	**98.6**
of which current	5.1							12.0

Note 15 - 1.1 Provisions for contingencies and expenses – Bureau Veritas

Legal, administrative, judicial and arbitration procedures and investigations

In the normal course of its business, Bureau Veritas is involved in a large number of legal proceedings notably seeking to establish its professional liability. Although Bureau Veritas pays careful attention to managing risks and the quality of the services it provides, some services may result in financial penalties.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. The costs Bureau Veritas ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of disputes.

Dispute concerning the construction of a hotel and commercial complex in Turkey

Bureau Veritas Gozetim Hizmetleri Ltd. Sirketi ("BVG") and the Turkish company Aymet are parties to a dispute before the Commercial Court of Ankara relating to the construction of a hotel and business complex in respect of which the parties entered into an agreement in 2003.

At the current stage of proceedings, the outcome of this dispute is uncertain, even though BVG's legal counsel are optimistic. Based on the provisions set aside by Bureau Veritas, and on the information currently available, and after considering the opinion of its legal counsel, Bureau Veritas considers that this claim will not have a material adverse impact on its consolidated financial statements.

Uncertain tax positions

Bureau Veritas SA and some of its subsidiaries are currently being audited or have received proposed tax adjustments that have led to discussions with the competent local authorities. Talks are currently at the litigation or pre-litigation stage.

Given the current status of the pending matters and based on the information available to date, Bureau Veritas believes that the tax contingencies and positions reported in its consolidated financial statements in respect of these risks, audits and adjustments are appropriate.

There are no other legal, administrative, government and arbitration procedures or investigations (including any proceedings of which Bureau Veritas is aware that are pending or with which it is threatened) that could have, or have had over the last six months, a material impact on the financial position or profitability of Bureau Veritas.

Other provisions for contingencies and expenses

These include provisions for restructuring (€7.3 million as of December 31, 2023), provisions for losses on completion (€4.4 million as of December 31, 2023), and other provisions (rehabilitation, social risks, etc.) totaling €27.6 million as of December 31, 2023.

Note 15 - 1.2 Tax risk of Stahl’s Indian subsidiary

Tax risk of Stahl’s Indian subsidiary

Stahl’s Indian subsidiary was subject to a tax reassessment involving tax and penalties of around €17 million. This reassessment has been contested by Stahl, which expects its position to prevail in the dispute and has made no provision for the corresponding risk.

Note 15 - 1.3 Provisions for contingencies and expenses – Wendel and its holding companies

The principal disputes, claims and risks identified for Wendel and its holding companies are as follows:

- environmental risk concerning potential costs related to the rehabilitation of land which previously belonged to a Group subsidiary whose operations were discontinued in 1967;
- labor disputes for which a provision has been made; and
- two legal proceedings brought by former Wendel executives as a result of the unwinding of a mechanism for involving them more closely with the Group's performance, for which no provision has been made.

Note 15 - 2. Employee benefits

The breakdown by subsidiary is as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Bureau Veritas	147.2	141.7
Constantia Flexibles	-	56.5
Stahl	19.3	17.9
Scalian	0.5	-
Wendel and holding companies	6.0	1.1
TOTAL	**173.0**	**217.2**

Changes in provisions for employee benefits break down as follows for 2023:

	Dec. 31, 2023							
In millions of euros	Opening	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Changes in scope	Currency impacts and other	Closing
Defined-benefit plans	171.7	4.4	13.5	(8.5)	7.2	(15.9)	(2.0)	170.4
Statutory retirement benefits	90.3	7.5	1.0	(7.8)	1.4	(30.1)	(6.5)	55.9
Other	46.5	6.3	-	(6.8)	0.6	(9.5)	0.1	37.2
TOTAL	**308.4**	**18.2**	**14.5**	**(23.0)**	**9.2**	**(55.5)**	**(8.4)**	**263.5**

	Dec. 31, 2023							
In millions of euros	Opening	Return on plan assets	Contributions paid by the employer	Actuarial gains and losses	Amounts used	Changes in scope	Currency impacts and other	Closing
Defined-benefit plans	93.0	4.9	1.6	0.5	(1.7)	(2.7)	(2.7)	93.0
Statutory retirement benefits	-	-	-	-	-	-	-	-
Fair value of plan assets	-	-	-	-	-	-	-	-
TOTAL	**93.0**	**4.9**	**1.6**	**0.5**	**(1.7)**	**(2.7)**	**(2.7)**	**93.0**

Changes in provisions for employee benefits break down as follows for 2022:

In millions of euros	Opening	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Changes in scope	Currency impacts and other	Closing
Defined-benefit plans	264.7	1.8	10.9	(2.8)	(0.0)	-	(103.0)	171.7
Statutory retirement benefits	116.1	8.4	(19.3)	(7.3)	1.7	(0.4)	(8.9)	90.3
Other	52.9	9.1	(3.1)	(7.4)	(2.6)	(0.0)	(2.4)	46.5
TOTAL	**433.6**	**19.3**	**(11.4)**	**(17.6)**	**(0.8)**	**(0.4)**	**(114.3)**	**308.4**

In millions of euros	Opening	Return on plan assets	Contributions paid by the employer	Actuarial gains and losses	Amounts used	Changes in scope	Currency impacts and other	Closing
Defined-benefit plans	156.1	1.9	1.8	(37.9)	(1.3)	-	(27.7)	93.0
Statutory retirement benefits	-	-	-	-	-	-	-	-
Statutory retirement benefits	-	-	-	-	-	-	-	-
TOTAL	**156.1**	**1.9**	**1.8**	**(37.9)**	**(1.3)**	**-**	**(27.7)**	**93.0**

Obligations under defined-benefit plans break down as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Unfunded obligations	165.4	211.9
Partially or fully-funded obligations	98.1	96.5
TOTAL	**263.5**	**308.4**

Defined-benefit plan assets break down as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Insurance company funds	34%	36%
Equity instruments	19%	17%
Cash and other	47%	48%

Expenses recognized in the income statement break down as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Current service cost	18.5	21.6
Interest costs	11.7	0.3
Expected return on plan assets	(4.8)	(1.8)
Past service cost	-	(2.0)
Actuarial gains and losses	6.2	-
Impact of plan curtailments or settlements	(0.6)	(31.5)
TOTAL	**31.0**	**(13.5)**

1. Description of benefit obligations and actuarial assumptions applied at Bureau Veritas

Employee benefits at Bureau Veritas include the following defined-benefit plans:

- pension plans, most of which have been closed for several years, and statutory retirement benefits. Pension plans are generally unfunded, with the exception of a very limited number of plans financed by contributions paid to insurance companies and valued on the basis of periodic actuarial calculations;

- other long-term obligations include long-service awards and other employee benefits.

Most long-term benefit obligations relate to France.
The main actuarial assumptions used to calculate these obligations are a discount rate of 3.6% and an average salary increase rate of 3%.

2. Description of benefit obligations and actuarial assumptions applied at Stahl

Stahl employee benefits in Germany, Italy, the Netherlands, Mexico, the United Kingdom, the United States, India, France, Brazil, Thailand, Indonesia and Switzerland concern the following defined-benefit plans:

- partially-funded retirement plans;
- statutory retirement benefits; and
- long-service awards.

The main actuarial assumptions were a discount rate of 4.2%, an inflation rate of 1.9%, a salary increase rate of 1.9%, and a return on assets of 4.4%.

3. Description of benefit obligations and actuarial assumptions applied at Scalian

Employee benefits at Scalian in France include the following defined-benefit plans:

- partially-funded retirement plans;
- statutory retirement benefits; and
- long-service awards.

The main actuarial assumptions used are a discount rate of 3.8%, an inflation rate of 1.2%, a retirement age of 67 and an average staff turnover rate of 37%.

4. Wendel benefit obligations

In 1947, the company "Les Petits-Fils de François de Wendel" (now Wendel) set up a supplementary pension plan for all employees, regardless of their category, provided they retired while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed plus variable excluding extraordinary amounts). It increases in relation to the employee's age and seniority up to a maximum of 65% of this compensation. The pension plan provides for a payout, under certain conditions, of up to 60% to a surviving spouse on the date of the employee's retirement and includes supplements for dependent children.

Benefits financed by the Group under this supplementary plan are calculated by deducting the total amount of pensions financed by Wendel while the employee served in the Group, or accrued by the employee on a personal basis in other functions, from the guaranteed amount. In 2005, the Company transferred the assets needed to service pension benefits to an insurance company, which makes payments to the beneficiaries, before the annual revaluation.

NOTE 16. FINANCIAL DEBT

Principal changes in 2023 are described in note 5-2 "Liquidity risk".

In millions of euros	Currency	Interest rate – Coupon	Effective interest rate(1)	Maturity	Repayment	Total facilities	Dec. 31, 2023	Dec. 31, 2022
Wendel and holding companies								
2026 bonds	€	1.375%	1.452%	04-2026	at maturity		209.2	300.0
2027 bonds	€	2.500%	2.576%	02-2027	at maturity		500.0	500.0
2031 bonds	€	1.000%	1.110%	06-2031	at maturity		300.0	300.0
2034 bonds	€	1.375%	1.477%	01-2034	at maturity		300.0	300.0
2030 bonds	€	4.500%	4.671%	06-2030	at maturity		300.0	-
2026 BV bonds exchangeable for ordinary shares (2)	€	2.625%	2.891%	03-2026	at maturity		750.0	-
Syndicated loan	€	Euribor + margin		07-2027	revolving	€875 million	-	-
Amortized cost of bonds and syndicated loan							(35.1)	(9.7)
Other borrowings and accrued interest							41.4	19.8
Bureau Veritas								
2023 bonds	€	1.250%		09-2023	at maturity		-	500.0
2025 bonds	€	1.875%		01-2025	at maturity		500.0	500.0
2026 bonds	€	2.000%		09-2026	at maturity		200.0	200.0
2027 bonds	€	1.125%		01-2027	at maturity		500.0	500.0
2030 bonds	$	3.210%		01-2030	at maturity		165.2	187.5
2032 bonds	€	3.630%		09-2032	at maturity		200.0	200.0
Liquidity credit line						€600 million	-	-
Borrowings and debt - fixed rate							541.8	543.4
Borrowings and debt - floating rate							3.9	6.4
Constantia Flexibles								
Financial debt							-	713.5
Stahl								
Bank borrowings	$	Libor + margin		09-2023	in instalments		-	51.4
Bank borrowings	$	Libor + margin		12-2023	at maturity		-	310.9
Bank borrowings(3)	$	SOFR + margin		03-2028	in instalments		73.1	-
Bank borrowings(3)	$	SOFR + margin		03-2028	at maturity		281.5	-
Bank borrowings(3)	€	Euribor + margin		03-2028	in instalments		7.6	-
Bank borrowings(3)	€	Euribor + margin		03-2028	at maturity		17.3	-
Bank borrowings(3)	$	SOFR + margin		03-2028	in instalments		13.2	-
Bank borrowings(3)	€	Euribor + margin		03-2028	in instalments		1.4	-
Revolving credit facility	$					USD 140 million		
Deferred issue costs							(14.0)	(1.2)
Scalian								
2028 bonds	€	Euribor + margin		10-2028	at maturity		54.0	-
2028 bonds	€	Euribor + margin		10-2028	at maturity		225.0	-
2030 bonds	€	Euribor + margin		07-2030	at maturity		71.0	-
Deferred issue costs							(11.3)	-
Other borrowings and accrued interest							0.8	-
Liquidity credit line						€270 million	-	-
CPI								
Bank borrowings	$	SOFR + margin		12-2026	in instalments		259.7	281.5
Revolving credit facility	$	Libor + margin		12-2025	revolving	USD 30 million	0.0	1.9
Deferred issue costs							(3.2)	(4.7)
ACAMS								
Bank borrowings	$	SOFR + margin		03-2027	in instalments		147.1	153.9
Revolving credit facility	$	SOFR + margin		03-2027	revolving	USD 20 million	10.9	2.3
Deferred issue costs							(2.9)	(3.7)
TOTAL							5,607.6	5,553.3
of which non-current							**5,518.7**	**4,621.6**
of which current							**88.9**	**931.7**

(1) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issue fees.
(2) See note 5-2 "Liquidity risk".
(3) Stahl has set up a further $440 million in financing, extending its maturities to 2028. It was used to finance the acquisition of ICP Industrial Solutions Group (ISG), to refinance its existing credit facilities and could be used to fund any future external growth.

Note 16 - 1. Operating lease liabilities

The accounting principles applied to operating lease liabilities are described in note 9 "Property, plant and equipment".

Liabilities related to operating leases are broken down among the Group's subsidiaries as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Bureau Veritas	427,1	407,9
Constantia Flexibles	-	46,0
Stahl	22,9	16,7
Scalian	15,9	-
CPI	3,4	3,5
ACAMS	0,6	-
Wendel and holding companies	36,3	36,4
TOTAL	506,9	510,5
of which non-current	386,9	398,8
of which current	120,0	111,6

Note 16 - 2. Maturity of financial debt (excluding operating lease liabilities)

In millions of euros	Less than one year	Between one and five years	Over five years	Dec. 31, 2023
Wendel and holding companies				
- nominal	-	(1,459.2)	(900.0)	(2,359.2)
- interest[1]	(56.8)	(169.8)	(60.8)	(287.3)
Investees				
- nominal	(19.6)	(2,157.7)	(1,068.4)	(3,245.7)
- interest[1]	(157.6)	(443.6)	(48.0)	(649.2)
TOTAL	(234.0)	(4,230.3)	(2,077.2)	(6,541.4)

(1) Interest is calculated on the basis of the yield curve as of December 31, 2023. Interest on debt and interest rate hedges does not reflect interest earned on invested cash.

Note 16 - 3. Market value of gross financial debt

The fair value of bond debt is the market price on December 31, 2023.

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Wendel and holding companies	2 259,7	1 189,2
Investees	3 176,1	3 943,6
TOTAL	5 435,8	5 132,8

NOTE 17. DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE

Accounting principles

Assets, groups of assets held for sale, and discontinued operations are classified as such if their carrying amount will be recovered mainly through a sale transaction rather than through continuing use, and when their sale is highly probable. Depreciation on these assets ceases when they meet the conditions for classification as held for sale, and impairment is recognized if the asset's residual carrying amount exceeds its likely realizable value, less the costs of disposal.

Assets and liabilities of these businesses are presented on a separate line in the balance sheet of the current period, while their earnings are presented on a separate line in the income statement (including for the comparative period). Where applicable, net income or loss from discontinued operations includes any disposal gains or losses or any impairment losses recognized in relation to the businesses.

Net income (loss) from discontinued operations and operations held for sale:

In millions of euros	2023	2022 adjusted
Constantia Flexibles	80.7	49.4
Stahl	4.1	(0.3)
Wendel and holding companies	-	589.9
TOTAL	**84.8**	**639.0**

Assets and liabilities held for sale recorded in the balance sheet as of December 31, 2023 correspond mainly to the assets and liabilities of the Constantia Flexibles group.

Constantia Flexibles' assets and liabilities reclassified under discontinued operations and operations held for sale:

In millions of euros	**Dec. 31, 2023**
Goodwill, net	482.7
Intangible assets and property, plant and equipment, net	1,038.3
Equity-method investments	47.2
Other financial assets	102.2
Inventories	260.2
Trade receivables	177.8
Other assets	28.4
Cash and cash equivalents	144.1
Current and deferred tax assets	40.9
Discontinued operations and operations held for sale	8.3
TOTAL ASSETS	**2,330.1**
of which non-current assets	*1,699.3*
of which current assets	*622.6*
Equity – Group share	110.4
Non-controlling interests	426.9
Total equity	**537.3**
Provisions	79.7
Financial debt	387.8
Operating lease liabilities	42.2
Other financial liabilities	105.3
Trade payables	387.3
Other liabilities	92.7
Current and deferred tax liabilities	130.9
Liabilities related to discontinued operations and operations held for sale	1.5
Reciprocal intragroup accounts	565.4
TOTAL EQUITY AND LIABILITIES	**2,330.1**
of which non-current financial liabilities	*370.7*
of which current liabilities	*855.2*

Constantia Flexibles' income statement reclassified under net income (loss) from discontinued operations and operations held for sale:

In millions of euros	2023
Net sales	2,004.5
OPERATING INCOME	**153.0**
FINANCE COSTS, NET	**(29.0)**
Other financial income and expense	6.7
Tax expense	(35.0)
Net income (loss) from equity-method investments	(0.2)
NET INCOME BEFORE INCOME FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE	**95.5**
Net income from discontinued operations and operations held for sale	(14.9)
NET INCOME	**80.7**
Net income - non-controlling interests	31.8
NET INCOME - GROUP SHARE	**48.8**

NOTES TO THE INCOME STATEMENT

In accordance with IFRS 5, the contribution of Constantia Flexibles to 2022 net income has been reclassified to a single line under "Net income from discontinued operations and operations held for sale".

NOTE 18. NET SALES

Accounting principles

The recognition of revenue (net sales) from contracts with customers reflects both the pattern in which performance obligations are satisfied by transferring control of a good or service to the customer, and the amount that the entity expects to receive as consideration for those goods or services.

The majority of the Bureau Veritas group's contracts give rise to a large number of very short-term projects in a single contract. Revenue from these contracts is recognized at the date on which each project is completed. Other contracts cover longer-term projects, especially in the Marine & Offshore and Buildings & Infrastructure businesses. These contracts meet the condition that another entity would not need to re-perform the work already completed, and some such contracts contain an enforceable right to payment, as defined by IFRS 15. For these contracts, the group uses the percentage-of-completion method based on the costs incurred in satisfying the related performance obligations. The percentage of completion is determined for each performance obligation in a contract by reference to the costs incurred up to the end of the reporting period as a percentage of the estimated total costs. The increment of this percentage, applied to the total forecast contract revenue, represents the profit margin recognized in the period.

In millions of euros	2023	2022 adjusted	% change
Bureau Veritas	5 867,8	5 650,6	3,8%
Stahl	913,5	914,9	-0,2%
Scalian	126,8	-	n/a
CPI	128,0	114,2	12,1%
ACAMS	91,6	66,2	38,3%
TOTAL	**7 127,6**	**6 745,9**	**5,7%**

Consolidated net sales break down as follows:

In millions of euros	2023	2022 adjusted
Sales of goods	981,8	992,4
Sales of services	6 145,8	5 753,6
TOTAL	**7 127,6**	**6 745,9**

NOTE 19. OPERATING INCOME

In millions of euros	2023	2022 adjusted
Bureau Veritas	824.4	799.3
Stahl	132.0	141.3
Scalian	(5.0)	-
CPI	36.1	92.0
ACAMS	(14.0)	(41.6)
Wendel and holding companies	(106.1)	31.1
TOTAL	**867.4**	**1,022.0**

Note 19 - 1. Average number of employees at consolidated companies

	2023	2022 adjusted
Bureau Veritas	81,511	82,589
Constantia Flexibles	7,510	7,284
Stahl	1,850	1,795
Scalian	5,079	-
CPI	393	343
ACAMS	319	313
Wendel and holding companies	95	86
TOTAL	**96,757**	**92,410**

NOTE 20. FINANCE COSTS, NET

In millions of euros	2023	2022 adjusted
Income from cash and cash equivalents[(1)]	**94.3**	**17.0**
Finance costs, gross		
Interest expense	(198.8)	(141.6)
Element without cash impact	(20.1)	(7.5)
Interest expenses on operating leases	(24.2)	(19.6)
Total finance costs, gross	**(243.0)**	**(168.7)**
TOTAL	**(148.7)**	**(151.7)**

(1) This item includes €43.4 million for Wendel and its holding companies.

NOTE 21. OTHER FINANCIAL INCOME AND EXPENSE

In millions of euros	2023	2022 adjusted
Dividends received from unconsolidated companies	0.0	0.0
Gains (losses) on interest rate, currency and equity derivatives	15.0	(3.6)
Forex gains and losses	6.8	(11.8)
Impact of discounting	3.1	(0.9)
Other	(40.3)	(24.5)
TOTAL	**(15.3)**	**(40.8)**

NOTE 22. TAXES

Accounting principles

In accordance with IAS 12 "Income Taxes", deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities and their tax base.

Tax-loss carryforwards are recognized as deferred tax assets when it is likely that they can be offset against tax on future earnings or when they can be offset against deferred tax liabilities of an equal or higher amount. In application of this principle, no tax-loss carryforwards of the Wendel tax group were recognized as assets in the balance sheet.
Regarding subsidiaries and equity-method investments, a deferred tax liability is recognized for all temporary differences between the carrying amount of the related shares and their tax base, unless:

- the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are recorded using the liability method. According to this method, deferred tax assets and liabilities are recognized according to their estimated future tax impact resulting from discrepancies between the carrying amount of the assets and liabilities in the consolidated financial statements and their respective tax base. Deferred tax assets and liabilities are valued by applying the tax rates in effect during the year in which temporary differences are expected to be recovered or settled. The effect of any change in tax rates on deferred tax assets and liabilities is recognized in net income for the period in which the rate changes apply.

In millions of euros	2023	2022 adjusted
Current taxes	(315.6)	(286.0)
Deferred taxes	64.8	13.9
TOTAL	**(250.9)**	**(272.1)**

CVAE tax on value added is recognized as an income tax in accordance with IAS 12 and with the position statement of the CNC (French National Accounting Board) of January 14, 2010.

Deferred taxes recognized in the balance sheet result from temporary differences between the carrying amount and tax bases of assets and liabilities in the balance sheet and break down as follows:

In millions of euros	2023	2022
Origin of deferred taxes		
Post-employment benefits	64.4	60.7
Intangible assets	(364.7)	(470.4)
Recognized tax-loss carryforwards	53.4	67.4
Other items	67.9	117.2
TOTAL	**(179.0)**	**(224.9)**
of which deferred tax assets	**172.3**	**165.7**
of which deferred tax liabilities	**351.2**	**390.7**

Uncapitalized tax losses amounted to €4,916.2 million for the Group as a whole, of which €4,275.0 million for Wendel and its holding companies.

Changes in deferred taxes recognized in the balance sheet can be analyzed as follows for 2023:

In millions of euros	2023	2022 adjusted
Amount at beginning of period	**(224.9)**	**(179.3)**
Income and expenses recognized in the income statement	69.5	35.5
Income and expenses recognized in other comprehensive income	0.8	(4.5)
Income and expenses recognized in reserves	0.3	(9.1)
Reclassification as held for sale	78.3	(0.0)
Changes in scope of consolidation(1)	(100.6)	(57.5)
Currency translation adjustments and other	(2.4)	(10.0)
TOTAL	**(179.0)**	**(224.9)**

(1) In 2023, this item includes the net deferred tax of Constantia Flexibles, reclassified to “Assets and liabilities held for sale”. In 2022, this item included the deferred taxes of ACAMS at the acquisition date (see note 2 "Changes in scope of consolidation").

The difference between the theoretical tax based on the statutory rate of 25.83% applicable in France and the actual income tax expense of Wendel, its holding companies and its operating subsidiaries, breaks down as follows:

In millions of euros	Wendel and holding companies	Investees	Total
Income (loss) before tax expense, net income (loss) from equity-method subsidiaries, and net income (loss) from discontinued operations and operations held for sale	(105.1)	808.6	703.4
Theoretical tax expense calculated on the basis of a rate of -25.83%	**27.2**	**(208.9)**	**(181.7)**
Impact of:			
Uncapitalized tax losses of Wendel and its holding companies and transactions subject to reduced tax rates at the holding company level	(20.7)		(20.7)
Uncapitalized tax losses at the operating subsidiary level		(4.3)	(4.3)
Reduced tax rates and foreign tax rates at the operating subsidiary level		5.7	5.7
Permanent differences		(29.0)	(29.0)
CVAE tax paid by operating subsidiaries		(4.0)	(4.0)
Tax on dividends received from consolidated subsidiaries		(19.6)	(19.6)
Other		2.8	2.8
Actual tax expense	**6.4**	**(257.3)**	**(250.9)**

In December 2022, the European Union adopted a directive aimed at implementing at European level the minimum taxation component, known as Pillar Two, of the OECD's international tax reform.

The directive is aimed at ensuring a global minimum level of taxation of 15% in the form of a top-up tax for multinationals and large-scale domestic groups in the European Union.

On account of its size, the Wendel Group is affected by the Pillar Two model rules introducing a minimum tax rate of 15%, expected to be applicable from 2024. The amendment to IAS 12 provides for a temporary exception to the recognition of deferred taxes resulting from the application of the Pillar Two rules, and requires specific disclosures in the notes to the financial statements. The amendment is expected to apply as soon as it has been adopted by the European Union.

At December 31, 2023, the Group had not recognized any deferred taxes, in accordance with the provisions of the amendment.

From 2024, Pillar II rules will require the Group to pay tax on profits earned in every country where the "GloBE" effective tax rate (determined according to OECD Global Anti-Base Erosion Model rules) is below 15%. The Group is in the process of assessing its exposure to these regulations as they come into force. A simulation based on 2022 net income and the "GloBE" effective tax rates known at December 31, 2023 does not result in a significant additional tax charge.

NOTE 23. NET INCOME (LOSS) FROM EQUITY-METHOD INVESTMENTS

In millions of euros	2023	2022 adjusted
Tarkett Participation net income	(0,4)	(12,2)
Impairment on Tarkett Particiaption	(6,8)	(162,3)
Other	0,7	0,1
TOTAL	**(6,5)**	**(174,4)**

NOTE 24. EARNINGS PER SHARE

Accounting principles

Basic earnings per share are calculated by dividing the Group's share of net income for the year by the average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the Group's share of net income by the average number of shares outstanding during the year, adjusted according to the treasury stock method. Under this method, it is assumed that the cash received following the exercise of dilutive instruments will be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution therefore represents the net impact. Dilutive instruments issued by subsidiaries are also included in determining the Group's share of net income.

If the income statement presents income from divested businesses separately, earnings per share from continuing and discontinued operations are also presented separately.

In euros and millions of euros	2023	2022 adjusted
Net income (loss) – Group share	142.4	656.3
Impact of dilutive instruments on subsidiaries	(1.6)	(3.4)
Diluted net income (loss)	**140.8**	**653.0**
Average number of shares, net of treasury shares	43,470,050	43,322,522
Potential dilution due to Wendel stock options[1]	512,311	408,354
Diluted number of shares	**43,982,360**	**43,730,876**
Basic earnings (loss) per share (in euros)	3.27	15.15
Diluted earnings (loss) per share (in euros)	3.20	14.93
Basic earnings (loss) per share from continuing operations (in euros)	2.09	0.90
Diluted earnings (loss) per share from continuing operations (in euros)	2.03	0.82
Basic earnings (loss) per share from discontinued operations (in euros)	1.19	14.25
Diluted earnings (loss) per share from discontinued operations (in euros)	1.17	14.11

(1) In accordance with the treasury stock method: it is assumed that the cash received from the exercise of dilutive instruments will be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution therefore represents the net impact.

NOTES ON CHANGES IN CASH POSITION

NOTE 25. ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In millions of euros	2023	2022 adjusted
By Bureau Veritas	155.2	132.0
By Constantia Flexibles	30.6	97.7
By Stahl	35.3	26.4
By Scalian	0.8	-
By CPI	3.2	2.3
By ACAMS	1.9	1.8
By Wendel and holding companies	3.2	9.2
TOTAL	**230.3**	**269.4**

NOTE 26. ACQUISITIONS, SUBSCRIPTIONS AND DISPOSALS OF EQUITY INVESTMENTS

In 2023, this item includes Stahl's investment in ISG for €188.2 million and the investment in Scalian for €621.8 million.

In 2022, these items mainly included the investment in ACAMS for €304.4 million as well as the acquisitions of Bureau Veritas for €95.6 million and the sale of Wendel's interest in Cromology for €895.7 million.

NOTE 27. IMPACT OF CHANGES IN SCOPE OF CONSOLIDATION AND OF OPERATIONS HELD FOR SALE

In 2023, this item includes the cash and cash equivalents of the Constantia Flexibles group, reclassified as of June 30, 2023 as held for sale, in a negative amount of €373.7 million, and the cash and cash equivalents acquired from the Scalian group for a positive €54.4 million.

NOTE 28. CHANGES IN OTHER FINANCIAL ASSETS AND LIABILITIES

This item corresponds mainly to Wendel term deposits for a negative €213.8 million and Wendel Growth direct investments for a negative €46.7 million (Tadaweb, Brigade, Preligens and Aqemia – see note 2 “Changes in scope of consolidation”).

NOTE 29. NET CHANGE IN BORROWINGS AND OTHER FINANCIAL DEBT

A breakdown of financial debt is presented in note 16 “Financial debt”.

In millions of euros	2023	2022 adjusted
New borrowings by:		
Bureau Veritas	0.9	197.8
Constantia Flexibles	-	225.7
Stahl	409.3	5.6
Scalian	71.2	-
CPI	-	0.4
ACAMS	8.8	-
Wendel and holding companies[1]	1,050.0	300.0
	1,540.2	**729.5**
Borrowings repaid by[2]:		
Bureau Veritas	644.7	221.9
Constantia Flexibles	11.1	217.2
Stahl	368.0	59.4
Scalian	3.1	-
CPI	15.1	25.8
ACAMS	1.5	0.8
Wendel and holding companies	91.5	501.5
	1,135.0	**1,026.6**
TOTAL	**405.2**	**(297.1)**

(1) This item includes €750 million in bonds exchangeable for Bureau Veritas shares (maturing in 2026) and €300 million in bonds maturing in 2030.
(2) This item includes repayments of operating lease liabilities following the application of IFRS 16 “Leases”.

OTHER NOTES

NOTE 30. OFF-BALANCE SHEET COMMITMENTS

As of December 31, 2023, no commitment was likely to have a significant impact on the Group's financial position other than those mentioned.

Note 30 - 1. Collateral and other security given in connection with financing

Stahl, Scalian, CPI and ACAMS group entities have pledged shares held in their principal companies along with certain bank accounts and trade receivables as collateral for the repayment of debt owed by these groups.

Note 30 - 2. Guarantees given and received in connection with asset sales

In connection with the disposal of (i) Constantia Flexibles on January 4, 2024 and (ii) Tsebo, the Group granted the usual representations and warranties (fundamental warranties as to the existence, capacity, ownership of securities or the absence of leakages within the framework of locked box mechanisms) up to certain specified amounts, some of which may still be called. As of December 31, 2023, no claims are outstanding in respect of these warranties.

Note 30 - 3. Guarantees received in connection with asset acquisitions

In connection with the acquisition of Scalian and of certain direct investments via Wendel Growth, the Group benefits from the usual representations and warranties (fundamental and, where applicable, operating warranties) up to certain specified amounts and for variable claim periods, depending on the warranties concerned, some of which may still be called. As of December 31, 2023, no claims are outstanding in respect of these warranties.

Note 30 - 4. Off-balance sheet commitments given and received in connection with operating activities

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Counter-guarantees on contracts and other commitments given		
By Bureau Veritas	400.5	392.9
By Stahl	4.0	6.1
Total commitments given	**404.5**	**399.0**

Note 30 - 5. Investment commitments

As of December 31, 2023, the Group had committed to investing a total of €383 million in equity to acquire 51% of IK partners. The transaction is expected to be completed in the first half of 2024, subject to compliance with all conditions (including securing regulatory clearance). The €383 million would be paid in two installments: €255 million on the completion of the transaction and €128 million three years after completion, subject to certain conditions. The remaining 49% of IK Partners' capital could be acquired by the Group in additional purchases, payable in cash or in Wendel shares at Wendel's discretion. The additional purchases would take place between 2029 and 2032, for an amount dependent on the growth in fee-related earnings (FRE) over the period.

Subject to the effective completion of the acquisition, the Group has also undertaken to participate in IK Partners' future fund-raising activities up to a maximum of 10% or €600 million (including the X fund).

As of December 31, 2023, as part of its investments, the Group was committed to investing approximately €180.4 million in private equity funds via Wendel Growth, of which €121.7 million has already been called, and €4.8 million in direct investments.

Note 30 - 6. Shareholder agreements

The Group is party to a number of agreements governing its relationships with its co-investors, whether co-investors in its subsidiaries or holding companies (ACAMS, Constantia Flexibles, Crisis Prevention Institute, IHS, Scalian, Stahl, Tarkett and direct investments via Wendel Growth) or managers (or former managers) of portfolio companies, relating to mechanisms aimed at aligning their interests with their respective companies' performance (ACAMS, Constantia Flexibles, Crisis Prevention Institute, Scalian, Stahl, Tarkett and direct investments via Wendel Growth – see note 4 "Participation of management teams in the Group's investments).

These agreements contain various clauses, notably covering:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms and conditions for share transfers (lock-up periods, pre-emptive rights and rights of first refusal, ban on selling to certain individuals);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO; and
- non-competition and priority commitments involving acquisition opportunities.

As part of the IHS IPO on October 14, 2021, the Group entered into a commitment covering the sale of IHS securities on the market by releasing successive tranches of 20% every six months as from mid-April 2022 until the 30th month following the IPO.

With respect to Tarkett, the shareholders' agreement includes an undertaking by the Group not to sell Tarkett Participation shares during the first years of its investment, subject to the usual exceptions.

Note 30 - 7. Other agreements concluded by the Wendel Group for its financing and acquisition or divestment transactions

Subordinated (mezzanine and second lien) lenders to Stahl who waived their claims as creditors during the 2010 restructuring in exchange for a non-controlling interest in the share capital (representing only 0.14% of the capital as of December 31, 2023) notably received a right to the capital gain exercisable only upon the total or partial divestment of the Wendel Group's stake in Stahl. This right is exercisable by Stahl's mezzanine and second lien shareholders in the event of the divestment by the Group if Wendel's overall return is more than 2.5 times greater than its 2010 reinvestment. It is equivalent to the allocation of one to two free shares per share held by these former subordinated lenders. In accordance with accounting standards, this commitment is not recognized on the balance sheet, as the exercise of this right depends on the Group's decision to divest.

NOTE 31. STOCK OPTIONS, FREE SHARES AND PERFORMANCE SHARES

Accounting principles

In accordance with IFRS 2 “Share-based Payment”, the Group recognizes an expense corresponding to the fair value of employee stock subscription and purchase options, free shares, and performance shares at the grant date, with the corresponding offsetting entry under consolidated equity. The expense is recognized over the options' vesting period.
In 2023, as in previous periods, the fair value of Wendel's plans was estimated by an independent appraiser.

The total expense related to allocation of stock options or other share-based compensation for 2023 was €61.2 million, compared to €58.1 million in 2022.

In millions of euros	2023	2022 adjusted
Stock options at Wendel	0,6	3,7
Grant of performance shares at Wendel	14,9	11,9
Other share awards at Wendel (co-investment)	7,0	7,0
Stock options at Bureau Veritas	3,4	3,3
Grant of performance shares at Bureau Veritas	22,5	23,9
Other	12,7	8,3
Total	**61,2**	**58,1**

Pursuant to the authorization granted by the Shareholders' Meeting of June 15, 2023, the following awards were made on July 31, 2023:

- 10-year options giving the right to subscribe to 129,901 shares with a strike price of €92.39. These options have the following features:
  - a service condition: four years from the grant date, and subject to the performance condition described below, 50% of the options may be exercised in the event of departure at the end of a period of two years, 75% of the options in the event of departure at the end of a period of three years and 100% of the options in the event of departure at the end of a period of four years;
  - a performance condition: the options granted will be exercisable by each beneficiary if, over a period of four years, at least 85% of Wendel employees have attended a training course on inclusion each year designed to raise awareness of, and fight against, mental health risks.

At the grant date, these options were valued using a Monte-Carlo model, with the following main calculation assumptions: expected rate of return of 2.5%, expected central volatility of 29.1%. These options were valued by an independent expert at €22.50 per option. The expense is recognized over the options' vesting period.

- 254,303 performance shares, with the following characteristics:
  - a service condition: four years from the grant date and subject to the achievement of the performance conditions described below, 50% of the performance shares will vest in the event of departure at the end of a period of two years, 75% of the performance shares at the end of a period of three years and 100% of the performance shares in the event of departure at the end of a period of four years;
  - three performance conditions, assessed over a period of four years:
    - for 25% of the allocation, a performance condition linked to the absolute performance of Wendel's annualized total shareholder return (TSR),
    - for 50% of the allocation, a performance condition linked to the relative performance of Wendel's annualized TSR measured against that of the CACMid60 index, and
    - for 25% of the allocation, a performance condition relating to the change in the dividend paid by Wendel.

At the grant date, these performance shares were valued using a Monte-Carlo model, with the following main calculation assumptions: expected rate of return of 2.5%, expected return on equity of 9.6%. The value of these performance shares has been estimated by an independent expert at €49.3 per performance share. The expense is recognized over the options' vesting period.

The instruments granted and not exercised or vested were as follows:

Stock options	Number of options outstanding as of Dec. 31, 2022	Options granted in 2023	Options canceled in 2023	Options exercised in 2023	Number of options outstanding as of Dec. 31, 2023	Exercise price (in euros)	Average exercise price (in euros)	Average residual life	Number of exercisable options
Stock purchase options	**507,693**		(345)	(38,642)	**468,706**	from 82.9 to 134.43	110.74	3.5	468,706
Stock subscription options	**473,005**	129.9	(1,295)		**601,611**	from 82.05 to 110.97	91.35	8.3	263,581
Total	**980,698**	**129,901**	**(1,640)**	**(38,642)**	**1,070,317**				

Performance shares	Shares awarded as of Dec. 31, 2022	Awards during the year	Vested awards	Cancellations	Shares awarded as of Dec. 31, 2023	Grant date	Vesting date
Plan 11-2	**51,539**		(51,289)	(250)	**-**	7/8/2019	7/10/2023
Plan 12-1	**82,393**		(41,724)	(40,669)	**-**	8/5/2020	8/5/2023
Plan 12-2	**42,865**			(216)	**42,649**	8/5/2020	8/5/2024
Plan 13-1	**55,980**			(888)	**55,092**	7/30/2021	7/30/2025
Plan 13-2	**41,534**			(214)	**41,320**	7/30/2021	7/30/2025
Plan 14-1	**61,160**			(1,324)	**59,836**	8/2/2022	8/2/2026
Plan 14-2	**139,382**			(489)	**138,893**	8/2/2022	8/2/2024
Plan 14-1A	**19,095**			-	**19,095**	12/6/2022	12/6/2026
Plan 15		254,303			**254,303**	7/31/2023	7/31/2027
Total	**493,948**	**254,303**	**(93,013)**	**(44,050)**	**611,188**		

NOTE 32. FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

	Services performed in 2023 by:		Services performed in 2022 by:	
In thousands of euros	Deloitte Audit and Deloitte and Associates network entities	Ernst&Young Audit and EY network entities	Deloitte Audit and Deloitte and Associates network entities	Ernst&Young Audit and EY network entities
Certification, review of parent company financial statements				
for Wendel SE	594	594	674	770
for its subsidiaries	2,870	2,291	3,115	2,332
Sub-total	**3,464**	**2,885**	**3,789**	**3,102**
Non-audit services				
for Wendel SE	274	1,784	399	70
for its subsidiaries	882	2,395	291	3,010
Sub-total	**1,156**	**4,179**	**690**	**3,080**
Total	**4,621**	**7,064**	**4,479**	**6,182**

Services rendered during the year other than the Statutory Auditors' audit of the financial statements of Wendel SE and the companies over which the latter exercises control (non-audit services) correspond to tax services, certifications, due diligence and agreed procedures as regards Ernst & Young Audit and its network, and to certifications, procedures in the context of the consolidated non-financial performance statement, legal and tax services, and agreed procedures as regards Deloitte.

NOTE 33. SUBSEQUENT EVENTS

On January 4, 2024, Wendel finalized the sale of Constantia Flexibles. For Wendel, the transaction generated net proceeds of €1,094 million. An additional €27 million in proceeds from the sale of the company's assets brought Wendel's total net disposal proceeds to €1,121 million.

NOTE 34. LIST OF MAIN CONSOLIDATED COMPANIES AS OF DECEMBER 31, 2023

Method of consolidation	% interest net of treasury shares		Company name	Country	Business segment
FC	**100.0**		**Wendel**	**France**	**Management of shareholdings**
FC	100.0		Coba	France	Management of shareholdings
FC	100.0		Eufor	France	Management of shareholdings
FC	100.0		Sofiservice	France	Management of shareholdings
FC	100.0		Wendel Luxembourg	Luxembourg	Management of shareholdings
FC	100.0		Wendel Growth	Luxembourg	Management of shareholdings
FC	100.0		Winvest International SA SICAR	Luxembourg	Management of shareholdings
FC	99.6		Expansion 17	Luxembourg	Management of shareholdings
FC	99.6		Global Performance 17	Luxembourg	Management of shareholdings
FC	100.0		Ireggen	Luxembourg	Management of shareholdings
FC	100.0		Oranje-Nassau Développement SICAR	Luxembourg	Management of shareholdings
FC	100.0		Oranje-Nassau Développement NOP	Luxembourg	Management of shareholdings
FC	100.0		Oranje-Nassau GP	Luxembourg	Services
FC	100.0		Constantia Coinvestco GP Sarl	Luxembourg	Services
FC	100.0		Oranje-Nassau Groep	Netherlands	Management of shareholdings
FC	100.0		Wendel North America	United States	Services
FC	99.6		Accolade	United States	Investment fund
FC	**35.5**	(1)	**Bureau Veritas and its subsidiaries**	**France**	**Certification and verification services**
FC	**60.9**		**Constantia Flexibles and its subsidiaries**	**Austria**	**Flexible packaging**
FC	**68.1**		**Stahl and its subsidiaries**	**Netherlands**	**High-performance coatings and leather-finishing products**
FC	**81.8**		**Scalian and its subsidiaries**	**France**	**Scalian – business transformation consulting services**
FC	**96.3**		**CPI and its subsidiaries**	**United States**	**Training services**
FC	**98.0**		**ACAMS and its subsidiaries**	**United States**	**Training and certification in anti-money laundering**
E	**25.6**		**Tarkett Participation**	**France**	**Flooring and sports surface solutions**

FC: Full Consolidation. Wendel exercises exclusive control over these companies.
E: Companies accounted for by the equity method. Wendel exercises significant influence over, or has joint control of, these companies.
(1) The Wendel Group held 50.82% of exercisable voting rights as of December 31, 2023.

The complete list of consolidated companies and investees in the Group's reporting scope is available on the Group's official website at the following address: https://www.wendelgroup.com/en/investors/regulated-information/.

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Wendel

Year ended December 31, 2023

Statutory auditors' report on the consolidated financial statements

DELOITTE & ASSOCIES
6, place de la Pyramide
92908 Paris-La Défense Cedex
S.A.S au capital de € 2.188.160
572 028 051 R.C.S Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Wendel

Year ended December 31, 2023

Statutory auditors' report on the consolidated financial statements

To the Wendel Shareholders' meeting,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Wendel for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1st, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 et R. 821-180 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Accounting treatment of acquisition and divestment of portfolio companies

Risk identified	Our response
As part of its investment activity, Wendel regularly acquires and sells subsidiaries and portfolio companies. The main transactions undertaken by Wendel in 2023 and described in Notes 2-1 and 17 to the consolidated financial statements, are as follows: - In July 2023, Wendel signed an agreement to sell its share in Constantia Flexibles and considered that the criteria of IFRS 5 "Non-current assets held for sale and discontinued operations" were met as of June 30, 2023. As of December 31, 2023, the amounts reclassified to assets and liabilities held for sale relating to the investment in Constantia Flexibles are 2,330 million euros and 1,227 million euros, respectively. Similarly, the contribution of this participation to the years ended 2022 and 2023 results has been presented on the line "Net income from assets held for sale or discontinued operations".	We held discussions with the Finance department, the investment teams and the Legal department in order to gain an understanding of the transactions, and the main agreements with the stakeholders. We obtained and evaluated whether the main legal documents and analyses carried out by Wendel or its advisors in relation to these transactions, such as share purchase agreements, details of fund flows and commitments granted, had been properly reflected in the consolidated financial statements. Regarding the divestment of Constantia Flexibles, we have : - assessed the criteria for classification as “Assets and Liabilities held for sales” and “Net income from assets held for sale and discontinued operations”; - assessed if the presentation in Note 17 to the consolidated financial statements is compliant with IFRS 5. Regarding the investment in Scalian, with the support of our valuation experts we have :

- On July 27, 2023, Wendel completed the acquisition of Scalian. Wendel has invested 557 million euros in equity and holds 81.8% of the company's share capital alongside its management. Wendel Group exercises an exclusive control over this company, which is fully consolidated. The business combination has been recognized in accordance with IFRS 3, which requires for the identifiable assets acquired and the liabilities assumed to be measured and recognized at fair value at the takeover date. The purchase price allocation led to the recognition of brands for 102 million euros and customer relationships for 161 million euros. The residual goodwill amounts to 724 million euros. The goodwill allocation will be finalized within 12 months of the acquisition.

We deemed the disposal of Constantia Flexibles to be a key audit matter as it is a significant operation of the year.

Also, we considered the recognition and presentation of the investment in Scalian to be a key audit matter given the material amount of the assets acquired and liabilities assumed and the judgment required to identify and measure these assets and liabilities, in particular intangible assets.

- gained an understanding of the terms of the acquisition agreement and the processes implemented by management to analyze and recognize the acquisition of Scalian and its opening balance sheet;
- analyzed the work performed by management to identify and measure the assets and liabilities acquired, in particular intangible assets;
- assessed the appropriateness of the valuation methods used for the main asset categories with regard to commonly used practices;
- analyzed the consistency of the valuation inputs compared with the documentation obtained from local management teams, and assessed their relevance with regard to the company's management data or external sources;
- assessed the reasonableness of the amortization periods used for the intangible assets identified in light of the estimated useful lives of those assets.

For both transactions, we also assessed the appropriateness of the disclosures provided in Note 2-1 to the consolidated financial statements.

Measurement of goodwill

Risk identified	Our response
As of December 31, 2023, the Goodwill net book value amounts to 4 181 million euros, i.e. 28% of the total balance sheet. Goodwill is broken down by Cash Generating Units (CGUs) corresponding to each operating subsidiary (Bureau Veritas, Stahl, Scalian, CPI and ACAMS).	We examined the process implemented by the management of Wendel and that of the operating subsidiaries to carry out impairment tests. With the assistance, when appropriate, of the subsidiaries’ auditors and the support from our valuation specialists, we examined the goodwill impairment tests carried out by Wendel and its operating subsidiaries. We adjusted the extent of our work to take into account the level of impairment risk of the CGUs or groups of CGUs. For the CGUs or groups of CGUs presenting an impairment risk, our work consisted in:

An impairment loss is recognized if the recoverable amount of goodwill, as determined during the impairment test carried out annually or when a trigger for impairment is identified on each CGU or group of CGUs, falls below its carrying amount. In addition, when an impairment loss is recognized by the operating subsidiary on one of its CGU or group of CGUs, this loss is maintained in Wendel's consolidated financial statements, as described in Note 7 to the consolidated financial statements.

As described in Note 7 to the consolidated financial statements, as a result of the impairment tests performed by the management of Wendel and/or its subsidiaries, no impairment of goodwill was recognized for the year ended December 31, 2023.

We determined the measurement of goodwill is a key audit matter due to its significance in the Group's financial statements and because determining its recoverable amount, usually on the basis of discounted future cash flow forecasts, requires management to exercise a high degree of judgment and estimation.

- Assessing the compliance of the methodology applied by Wendel and its subsidiaries with applicable accounting standards;
- Examining the projected cash flows in relation to the economic and financial environment in which the CGUs or groups of CGUs operate;
- Assessing the quality of the process used to determine the projections by analyzing the reasons for any differences between past forecasts and actual outcomes;
- Assessing the consistency of the long-term growth rates used with available market analyses and the operating margin rate used in terminal year with the margin rates of actual and forecasted flows;
- Assessing with the support of our valuation specialists, the appropriateness of the discount rates used;
- Verifying the sensitivity of the calculation of the recoverable amount of the CGUs or groups of CGUs to changes in the main assumptions used (long-term growth rate, margin rate used in the terminal year and discount rate).

For the other CGUs or groups of CGUs, our work consisted in holding discussions with the management of Wendel and/or the operating subsidiary to assess the reasonableness of the cash flows and key assumptions used (long-term growth rate, operating margin used in terminal year and discount rates);

We also assessed the appropriateness of the disclosures provided in Note 7 to the consolidated financial statements, in particular those related to the sensitivity analysis carried out by Wendel's management.

Accounting treatment of mechanisms for the participation of management teams in the Group's investments

Risk identified	Our response
As described in Note 4 to the consolidated financial statements, Wendel has set up co-investment mechanisms to allow its managers and managers of Wendel's participations to invest their personal funds in assets in which the Group invests. In the event of a divestment or an IPO, the managers receive a share of the capital gain or may lose their investment under pre-determined conditions. Several years after the initial investment, in the absence of a divestment or an IPO, Wendel is committed for certain investments to purchase the share invested by the managers in order to ensure liquidity. The accounting treatment of these mechanisms is based on their settlement method. Until the settlement method is not definitive, the investments are accounted for based on the settlement method determined as most likely. This accounting treatment is described in Note 4 to the consolidated financial statements. As described in Note 4-3 to the consolidated financial statements, as of December 31, 2023 the value of the "*pari passu"* investments made by all co-investing managers of subsidiaries and Wendel on the same risk and return conditions as Wendel is 139 million euros and the value of the "non-*pari passu"* investments by the co-investing managers of subsidiaries and Wendel's managers is 117 million euros. Depending on the case, Wendel or its subsidiaries may have the obligation to purchase part of these co-investments according the liquidity commitment granted to management teams. In accordance with the Group's accounting principles, part of these amounts is recorded as liabilities for 24 million euros. We deemed the accounting treatment of mechanisms for the participation of management teams in the Group's investments to be a key audit matter because: • The accounting treatment of these mechanisms is complex;	We held discussions with Wendel's management to gain an understanding of the co-investment mechanisms put in place by Wendel and its operating subsidiaries, and of the accounting process. For each co-investment mechanism identified, we obtained the main legal documents and analyzed the conformity of the accounting treatment applied by Wendel with the Group's accounting policies, as set out in Note 4 to the consolidated financial statements. For the co-investment mechanisms for which the most likely redemption is a disposal or an IPO, we assessed the reasoning underlying management's decision not to recognize a liability, by taking into account the redemption of previous co-investments. In this case, we paid particular attention to the co-investment mechanisms for which the liquidity commitment granted by Wendel to its managers will end soon, by determining in particular through our consultation of the minutes of meeting of the governing bodies (Executive Board and Supervisory Board), whether a disposal or an IPO is in progress. Otherwise, we verified that a liability has been recognized. We also assessed the appropriateness of the disclosures provided with respect to off-balance sheet commitments set out in Note 4-3 to the consolidated financial statements and those concerning transactions with related parties set out in Note 3-1

- The recognition or not of a liability reflecting the commitment to buy back the share invested by the managers at their fair value requires a high degree of judgment from management;

- These investments are made by managers, some of whom are related parties.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Executive Board's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with Article L. 823-10 of the Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

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

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Executive Board's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Wendel by the annual general meeting held on 16 May 2019 for Deloitte & Associés and on 15 November 1988 for ERNST & YOUNG Audit.

As at 31 December 2023, Deloitte & Associés and ERNST & YOUNG Audit were in the fifth year and thirty-sixth year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 à L. 821-34 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 12, 2024

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG Audit	
Mansour Belhiba	Emmanuel Rollin	Alain Perroux	Ioulia Vermelle

This is a translation into English of the consolidated financial statements report of the Company issued in French and it is available on the Wendel's website. This is a free translation into English for information purposes only. Only the original French version can be used to support abovementioned transactions.