

2024

Interim  
financial  
report

Connect the future





Public limited company with capital of €13,497,024.50  
Headquarters: 10, rue Edouard Branly – 22300 Lannion  
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## Interim financial report at June 30, 2024

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# DECLARATION BY THE PERSONS RESPONSIBLE FOR THE INTERIM REPORT

I certify that, to my knowledge, the complete consolidated financial statements for the past six months were drawn up in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position, and profits and losses of the Company and of all the companies included in the scope of consolidation, and that the interim management report attached provides a true picture of the significant events having occurred in the first six months of the financial year, their impact on the interim financial statements, and the main related-party transactions, the main risks and uncertainties for the remaining six months of the year.

Lannion, July 30, 2024

Didier Brédy, Chairman and Chief Executive Officer of Ekinops

# 2

## INTERIM MANAGEMENT REPORT

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## 2.1 Ekinops BUSINESS IN THE FIRST SIX MONTHS OF THE YEAR

For the first half of 2024, Ekinops' revenue came to €57.5m, down 19% compared with H1 2023 (identical on a constant exchange rate basis).

On a sequential base, Q2 2024 revenue was up 3% relative to Q1 2024.

At the end of the first half of 2024, sales of Access solutions were up 1% compared with the year-earlier period, driven by the rebound in sales in France (+16% over the half-year), after the decline seen in 2023. Inventory rebuilding of Access equipment at Ekinops' main customers continued gradually, without returning to normative levels.

Sales of Optical Transport solutions, for their part, were down 41%, after a record year in 2023 (+41% in H1 2023 and +27% for the year as a whole).

The share of revenue generated by Software & Services amounted to 17% of half-year revenue (vs. 14% a year earlier and 17% for all of 2023), with an increasing portion of recurring revenue, in particular for the SD-WAN solution.

Internationally, Ekinops' business was down 31%, and accounted for 56% of total revenue in the first half (vs. 68% for full-year 2023).

First-half consolidated gross profit, at €32.2 million, amounted to 56.1% of consolidated revenue versus 53.1% a year earlier. This all-time gross margin performance results from a favorable business mix (growth in the Access business line), a solid "selling price/manufacturing costs" ratio for Ekinops' solutions, and Software & Services' increasing share of revenue.

Half-year EBITDA was €8.2 million, compared with €14.3 million in first-half 2023, with operating expenses down 6% as a result of prudent cost management.

First-half current operating profit amounted to €2.6 million versus €6.7 million in first-half 2023.

After taking into account the net financial income/loss of (€0.7 million) and a tax expense of (€0.4 million), the half-year net profit/(loss) was €1.5 million, compared with €6.0 million for H1 2023 and €3.6 million for the entire 2023 financial year.

## 2.2 SUBSEQUENT EVENTS AFTER THE INTERIM CLOSING

No significant events occurred after the interim closing period.

## 2.3 EXPECTED BUSINESS TRENDS FOR Ekinops THROUGH THE END OF THE YEAR

Against a sluggish economic backdrop, Ekinops proved resilient thanks to a strong gross margin, sound management of operating expenses and a further demonstrated ability to generate cash flow despite the slowdown in business.

In Access, the gradual normalization of operator inventories in France led Ekinops to report modest growth for this segment over the six-month period. Looking ahead to H2 2024, the Group aims to accelerate this trend, both in France and EMEA, conditional on a favorable economic recovery. In

Optical Transport, the launch of a novel 800G solution with its trailblazing features and a cost-effective 100G product should spark fresh momentum in this business line over the coming six-month periods.

In external growth terms, Ekinops continually strives to complete operations that will consolidate the Group, strengthen its offering and expand its customer base, favoring a non-dilutive source of financing.

## 2.4 INFORMATION ON RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF THE YEAR

The risk factors presented in the Universal Registration Document (URD) published by Ekinops and filed with the AMF on March 26, 2024 have not changed significantly, neither in nature nor scale.

## 2.5 MAIN TRANSACTIONS WITH RELATED PARTIES

Over the first half, the Group did not conclude any transactions with related parties other than those within the framework of its ordinary activities.

# 3

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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### 3.1 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (In thousands of euros)                | Notes | June 30, 2024  | December 31, 2023 |
|----------------------------------------|-------|----------------|-------------------|
| Goodwill                               | 6.1   | 28,417         | 28,505            |
| Intangible assets                      | 6.2   | 18,460         | 17,050            |
| Tangible assets                        | 6.3   | 7,333          | 7,377             |
| Non-current financial assets           | 6.5   | 1,645          | 1,570             |
| Rights of use                          | 6.6   | 12,445         | 6,653             |
| Other non-current assets               | 6.5   | 10,365         | 11,059            |
| Deferred tax assets                    |       | 6,689          | 6,624             |
| <b>Total non-current assets</b>        |       | <b>85,355</b>  | <b>78,839</b>     |
| Inventories                            | 6.7   | 29,205         | 25,931            |
| Trade receivables and related accounts | 6.8   | 26,626         | 29,984            |
| Other current assets                   | 6.9   | 12,997         | 10,682            |
| Derivative instrument assets           | 6.9   | 39             | -                 |
| Cash and cash equivalents              | 6.10  | 41,789         | 47,177            |
| <b>Total current assets</b>            |       | <b>110,656</b> | <b>113,773</b>    |
| <b>TOTAL ASSETS</b>                    |       | <b>196,011</b> | <b>192,612</b>    |
| Issued capital                         | 6.11  | 13,497         | 13,401            |
| Share premiums                         |       | 114,237        | 114,415           |
| Consolidated reserves - Group share    |       | (5,771)        | (9,349)           |
| Translation reserves                   |       | (3,043)        | (2,709)           |
| Income for the period - Group share    |       | 1,495          | 3,628             |
| Shareholders' equity (Group share)     |       | 120,415        | 119,386           |
| <b>Total shareholders' equity</b>      |       | <b>120,415</b> | <b>119,386</b>    |
| Non-current financial debt             | 6.12  | 12,941         | 16,933            |
| Non-current leasing liabilities        | 6.6   | 11,148         | 5,621             |
| Non-current provisions                 | 6.15  | 915            | 1,060             |
| Employee commitments                   | 6.14  | 2,920          | 2,939             |
| Other non-current liabilities          |       | 998            | 1,167             |
| Deferred tax liabilities               |       | 133            | 163               |
| <b>Total non-current liabilities</b>   |       | <b>29,055</b>  | <b>27,883</b>     |
| Current financial debt                 | 6.12  | 10,819         | 9,629             |
| Current lease debt                     | 6.6   | 1,791          | 1,333             |
| Current provisions                     | 6.15  | 825            | 1,221             |
| Derivative instruments liabilities     | 6.16  | -              | 2                 |
| Trade payables and related accounts    | 6.16  | 17,139         | 18,217            |
| Current tax payable                    | 6.16  | 687            | 576               |
| Other current liabilities              | 6.16  | 15,280         | 14,367            |
| <b>Total current liabilities</b>       |       | <b>46,541</b>  | <b>45,344</b>     |
| <b>TOTAL LIABILITIES</b>               |       | <b>196,011</b> | <b>192,612</b>    |

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

## 3.2 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (In thousands of euros)                          | Notes      | June 30, 2024 | June 30, 2023 |
|--------------------------------------------------|------------|---------------|---------------|
| <b>Revenue</b>                                   | 7.1        | <b>57,496</b> | <b>71,032</b> |
| Cost of sales                                    |            | (25,248)      | (33,341)      |
| <b>Gross margin</b>                              |            | <b>32,248</b> | <b>37,690</b> |
| Research and development costs                   | 7.2        | (12,753)      | (13,536)      |
| Sales and marketing costs                        | 7.2        | (11,083)      | (11,385)      |
| General and administrative expenses              | 7.2        | (5,457)       | (6,105)       |
| <b>Current operating income</b>                  |            | <b>2,955</b>  | <b>6,664</b>  |
| Other operating income and expenses              |            | (394)         | (16)          |
| <b>Operating income</b>                          |            | <b>2,561</b>  | <b>6,648</b>  |
| Net cost of debt                                 | 7.5        | (802)         | (343)         |
| Other financial income and expenses              | 7.5        | 122           | 201           |
| <b>Pre-tax profit</b>                            |            | <b>1,882</b>  | <b>6,505</b>  |
| Tax expense                                      | 7.6        | (387)         | (510)         |
| <b>Net income for the period</b>                 |            | <b>1,495</b>  | <b>5,995</b>  |
| Portion attributable to Ekinops SA shareholders: | 7.7        | 1,495         | 5,995         |
| Attributable to non-controlling interests        |            | -             | -             |
| <b>Basic earnings per share (€/share):</b>       | <b>7.7</b> | <b>0.06</b>   | <b>0.23</b>   |
| <b>EBITDA</b>                                    | <b>7.8</b> | <b>8,208</b>  | <b>14,325</b> |

### OTHER COMPONENTS OF CONSOLIDATED COMPREHENSIVE INCOME

| (In thousands of euros)                                         | June 30, 2024 | June 30, 2023 |
|-----------------------------------------------------------------|---------------|---------------|
| <b>Net income for the period</b>                                | <b>1,495</b>  | <b>5,995</b>  |
| <b>Components of comprehensive income recognized directly:</b>  | <b>(334)</b>  | <b>308</b>    |
| <b>Other non-recyclable components of comprehensive income:</b> | <b>155</b>    | <b>224</b>    |
| Actuarial gains (losses), net of taxes                          | 114           | 5             |
| Financial instruments, net of taxes                             | 41            | 219           |
| <b>Total other comprehensive income</b>                         | <b>(179)</b>  | <b>532</b>    |
| <b>Comprehensive income</b>                                     | <b>1,316</b>  | <b>6,527</b>  |
| Portion attributable to Ekinops SA shareholders:                | 1,316         | 6,527         |
| Attributable to non-controlling interests                       | -             | -             |

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

### 3.3 CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

| (In thousands of euros)                   | Number of shares  | Capital       | Share premium  | Reserves and retained earnings | Translation reserves | Equity capital - Group share | Non-controlling interests | Total shareholders' equity |
|-------------------------------------------|-------------------|---------------|----------------|--------------------------------|----------------------|------------------------------|---------------------------|----------------------------|
| <b>At January 1, 2023</b>                 | <b>26,431,086</b> | <b>13,216</b> | <b>114,004</b> | <b>(9,573)</b>                 | <b>(4,073)</b>       | <b>113,576</b>               | <b>-</b>                  | <b>113,576</b>             |
| Net income for the period                 | -                 | -             | -              | 5,995                          | -                    | 5,995                        | -                         | 5,995                      |
| Other components of comprehensive income  | -                 | -             | -              | 224                            | 308                  | 532                          | -                         | 532                        |
| <b>Comprehensive income</b>               | <b>-</b>          | <b>-</b>      | <b>-</b>       | <b>6,219</b>                   | <b>308</b>           | <b>6,527</b>                 | <b>-</b>                  | <b>6,527</b>               |
| Treasury shares                           | -                 | -             | -              | (65)                           | -                    | (65)                         | -                         | (65)                       |
| Options exercised and bonus shares issued | 363,963           | 182           | 391            | (134)                          | -                    | 438                          | -                         | 438                        |
| Share-based payments                      | -                 | -             | -              | 654                            | -                    | 654                          | -                         | 654                        |
| <b>at June 30, 2023</b>                   | <b>26,795,049</b> | <b>13,398</b> | <b>114,394</b> | <b>(2,896)</b>                 | <b>(3,766)</b>       | <b>121,130</b>               | <b>-</b>                  | <b>121,130</b>             |
| <b>At January 1, 2024</b>                 | <b>26,801,716</b> | <b>13,401</b> | <b>114,415</b> | <b>(4,596)</b>                 | <b>(3,836)</b>       | <b>119,387</b>               | <b>-</b>                  | <b>119,386</b>             |
| Net income for the period                 | -                 | -             | -              | 1,495                          | -                    | 1,495                        | -                         | 1,495                      |
| Other components of comprehensive income  | -                 | -             | -              | 155                            | (334)                | (179)                        | -                         | (179)                      |
| <b>Comprehensive income</b>               | <b>-</b>          | <b>-</b>      | <b>-</b>       | <b>1,650</b>                   | <b>(334)</b>         | <b>1,316</b>                 | <b>-</b>                  | <b>1,316</b>               |
| Treasury shares                           | -                 | -             | -              | (572)                          | -                    | (572)                        | -                         | (572)                      |
| Options exercised and bonus shares issued | 192,333           | 96            | (178)          | 82                             | -                    | -                            | -                         | -                          |
| Share-based payments                      | -                 | -             | -              | 286                            | -                    | 286                          | -                         | 286                        |
| <b>At June 30, 2024</b>                   | <b>26,994,049</b> | <b>13,497</b> | <b>114,237</b> | <b>(3,151)</b>                 | <b>(4,170)</b>       | <b>120,415</b>               | <b>-</b>                  | <b>120,415</b>             |

## 3.4 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| (In thousands of euros)                                              | Notes | June 30, 2024  | June 30, 2023  |
|----------------------------------------------------------------------|-------|----------------|----------------|
| <b>Net income for the period</b>                                     |       | <b>1,495</b>   | <b>5,995</b>   |
| Elimination of amortization (excluding rights of use) and provisions | 7.4   | 3,554          | 5,939          |
| Elimination of amortization of rights of use (IFRS 16)               | 7.4   | 1,174          | 1,116          |
| Elimination of share-based payment expenses (IFRS 2)                 | 6.11  | 286            | 654            |
| Elimination of other items with no cash flow impact                  |       | (9)            | (5)            |
| <b>Cash flow after tax and cost of net financial debt</b>            |       | <b>6,499</b>   | <b>13,700</b>  |
| Elimination of other non-operating items                             |       | 26             | 7              |
| Elimination of tax expense (income)                                  | 7.6   | 387            | 510            |
| Neutralization of financial interest related to lease liabilities    | 7.5   | 152            | 114            |
| Neutralization of borrowing costs disbursed                          | 7.5   | 250            | 229            |
| <b>Cash flow before taxes and cost of net debt</b>                   |       | <b>7,314</b>   | <b>14,560</b>  |
| Impact of change in working capital requirement                      | 6.17  | (2,085)        | (13,095)       |
| Tax paid                                                             |       | (97)           | (543)          |
| <b>Cash flows from operating activities</b>                          |       | <b>5,132</b>   | <b>922</b>     |
| Acquisition of tangible and intangible assets                        | 6.4   | (5,712)        | (4,343)        |
| Change in loans, advances, and security deposits                     |       | (64)           | (23)           |
| Disposal of tangible and intangible assets                           |       |                |                |
| <b>Cash flows from investing activities</b>                          |       | <b>(5,777)</b> | <b>(4,366)</b> |
| Change in share capital and share premiums                           |       | -              | 437            |
| Trading in treasury shares                                           |       | (572)          | (65)           |
| Issue of new loans                                                   | 6.12  | 12             | 13,040         |
| Loan repayments                                                      | 6.12  | (2,544)        | (2,484)        |
| Net financial interest paid                                          |       | (250)          | (229)          |
| Repayment of lease liabilities                                       | 6.6   | (1,087)        | (969)          |
| Financial interest related to rent liabilities                       |       | (152)          | (114)          |
| Change in debt arising from factoring                                |       | (283)          | 2,138          |
| Change in other financial debt                                       |       | 149            | (20)           |
| <b>Cash flows from financing activities</b>                          |       | <b>(4,727)</b> | <b>11,735</b>  |
| Impact of currency fluctuations                                      | 6.10  | (17)           | (55)           |
| <b>Increase (decrease) in cash and cash equivalents</b>              |       | <b>(5,388)</b> | <b>8,235</b>   |
| Opening cash and cash equivalents:                                   |       | 47,177         | 39,355         |
| Closing cash and cash equivalents:                                   |       | 41,789         | 47,590         |

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

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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## Note 1 - General information

Ekinops SA, registered at 10, rue Edouard Branly 22300 Lannion, France, is the consolidating entity of the Ekinops Group.

Ekinops is a leading supplier of open, interoperable telecommunications solutions for service providers (telecommunications operators and companies) around the world.

The highly programmable and scalable solutions offered by Ekinops enable the fast and flexible deployment of new services for high-capacity and high-speed optical transport as well as enterprise services, particularly through network virtualization. The portfolio of solutions consists of three sets of fully complementary products:

- the "Ekinops 360" platform to meet the needs of metropolitan, regional, and long-distance networks based on a simple, highly integrated architecture for network layer 1 (transport);
- "OneAccess" solutions to offer a wide range of physical and virtualized deployment options for layers 2 and 3 (link and routers);

- "Compose" solutions, that help service providers manage their networks using software through a series of software management services and tools.

As service providers embrace SDN (Software-Defined Networking) and NFV (Network Functions Virtualization) deployment models, the Ekinops solutions allow them to migrate transparently to open, virtualized architectures.

Thanks to its global organization, Ekinops operates on four continents.

Ekinops SA is listed on compartment B of the Euronext Paris market (ISIN: FR0011466069, Ticker: EKI).

The condensed interim consolidated financial statements at June 30, 2024, were examined by the Board of Directors of Ekinops on July 29, 2024.

The condensed interim consolidated financial statements reflect the accounting position of Ekinops SA and its subsidiaries.

The Group's functional currency is the euro. Unless stated otherwise, the financial statements are presented in thousands of euros.

## Note 2 - Highlights in H1 2024

Ekinops recorded H1 2024 consolidated revenue of €57.5m, down 19% versus H1 2023 (identical change at constant exchange rates).

Propelled by the sales rebound in France (+16% in H1 2024), the Access business line grew 1% over the period, on the back of a decline over 2023. The Group's main operator-customers are gradually rebuilding their Access equipment inventory, but without reaching normative levels.

Conversely, sales of Optical Transport solutions were down 41% in H1 2024, after an all-time performance in 2023 (+41% in H1 2023 and +27% on a full-year basis).

This business line was mainly impacted by (i) reluctance from operators with substantial inventory to initiate CAPEX (capital expenditure), (ii) slower growth for 2023 internet traffic in a context of overcapacity and (iii) a wait-and-see attitude triggered by the delayed launch of Ekinops' all-new 800G optical solution.

Software & Services accounted for 17% of Group revenue, with an increasing share of recurring revenue, particularly for the SD-WAN solution.

No other significant events arose during the first half of the year.

## Note 3 - Accounting principles, rules and methods

### 3.1 Accounting principles

The Group's condensed consolidated financial statements for the six-month period ended June 30, 2024 were prepared in accordance with the provisions of IAS 34 on interim financial reporting and on the basis of IFRS and interpretations published by the International Accounting Standards Board (IASB) as adopted in the European Union and mandatory as of January 1, 2020.

In accordance with IAS 34, the purposes of the explanatory notes to these condensed financial statements are:

- to update the accounting and financial information contained in the latest consolidated financial statements reported as of December 31, 2023;
- to include new accounting and financial information on significant events and transactions occurring during the period.

These notes therefore discuss significant events and transactions that occurred in the first six months of the year and should be read in conjunction with the consolidated financial statements at December 31, 2023. They are inseparable from the information presented in the consolidated financial statements included in the Group's Financial Report published for the 2023 financial year.

This document is available on the websites of the Group ([www.ekinops.com](http://www.ekinops.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)) and can be obtained from the Group at the address indicated above.

The accounting principles used for the preparation of the condensed interim consolidated financial statements comply with IFRS and interpretations as adopted by the European Union and applicable as of June 30, 2024, which are available on the website of the European Commission.

These accounting principles are identical to those applied for the preparation of the 2023 annual consolidated financial statements.

### Standards, amendments, and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after January 1, 2024

|                                       |                                                                     |
|---------------------------------------|---------------------------------------------------------------------|
| <b>Amendments to IAS 1</b>            | Classification of liabilities as current or non-current liabilities |
|                                       | Amendments to IAS 8 "Accounting Estimates"                          |
| <b>Amendments to IAS 7 and IFRS 7</b> | Financing agreements with suppliers                                 |
| <b>Amendments to IFRS 16</b>          | Lease liabilities in connection with a sale and leaseback           |

These publications had no material impact on the Group's consolidated financial statements.

### Standards, amendments and application interpretations from January 1, 2024 not adopted by the European Union

None

### 3.2 Judgments and estimates

For the preparation of the condensed interim financial statements, the Group's Management made assumptions, judgments, and estimates that impact the application of accounting methods and amounts presented as assets and liabilities expenses and income. The actual amounts may be different from the estimated amounts.

The significant judgments made by the Management to apply the accounting methods of the Group and the main uncertainties related to the estimates are identical to those described in the latest annual financial statements.

### 3.3 Scope and methods of consolidation

The Group's scope of consolidation did not undergo any changes compared to the situation at December 31, 2023.

## Note 4 - Information on the seasonal or cyclical nature of Group business

Generally, there is only a slight seasonal difference in revenue between the first and second half of the year.

## Note 5 - Management of financial risk

Risk factors are the same as those identified in the 2023 Universal Registration Document.

## Note 6 - Notes to the consolidated statement of financial position

### 6.1 Goodwill

The goodwill resulted from the acquisition of the OneAccess Group on September 29, 2017, Ekinops Brasil in July 2019 and SixSq in November 2021.

| (In thousands of euros)         | Ekinops<br>France | Ekinops<br>Brasil | SixSq    | TOTAL         |
|---------------------------------|-------------------|-------------------|----------|---------------|
| <b>Net value at 12/31/2022</b>  | <b>27,523</b>     | <b>934</b>        | <b>-</b> | <b>28,457</b> |
| Currency translation adjustment | -                 | 48                | -        | 48            |
| <b>Net value at 12/31/2023</b>  | <b>27,523</b>     | <b>982</b>        | <b>-</b> | <b>28,505</b> |
| Currency translation adjustment | -                 | (88)              | -        | (88)          |
| <b>Net value at 06/30/2024</b>  | <b>27,523</b>     | <b>894</b>        | <b>-</b> | <b>28,417</b> |

### 6.2 Intangible assets

| (In thousands of euros)                              | Developed<br>technologies | Customer<br>relations | Order book     | Development<br>costs | Development<br>costs in<br>progress | Licenses<br>and other<br>intangible<br>assets | Total intangible<br>assets |
|------------------------------------------------------|---------------------------|-----------------------|----------------|----------------------|-------------------------------------|-----------------------------------------------|----------------------------|
| <b>Gross value at December 31, 2023</b>              | <b>33,837</b>             | <b>8,997</b>          | <b>1,021</b>   | <b>17,874</b>        | <b>1,584</b>                        | <b>5,076</b>                                  | <b>68,389</b>              |
| Capitalization of development costs                  | -                         | -                     | -              | 849                  | 1,318                               | -                                             | 2,167                      |
| Acquisitions                                         | -                         | -                     | -              | -                    | -                                   | 2,300                                         | 2,300                      |
| Impact of currency fluctuations                      | (693)                     | -                     | -              | (26)                 | -                                   | (3)                                           | (722)                      |
| <b>Gross value at June 30, 2024</b>                  | <b>33,144</b>             | <b>8,997</b>          | <b>1,021</b>   | <b>18,697</b>        | <b>2,902</b>                        | <b>7,373</b>                                  | <b>72,134</b>              |
| <b>Accumulated depreciation at December 31, 2023</b> | <b>(29,479)</b>           | <b>(5,625)</b>        | <b>(1,021)</b> | <b>(10,698)</b>      | <b>-</b>                            | <b>(4,515)</b>                                | <b>(51,338)</b>            |
| Allowance for the period                             | (641)                     | (450)                 | -              | (1,569)              | -                                   | (84)                                          | (2,744)                    |
| Impact of currency fluctuations                      | 392                       | -                     | -              | 15                   | -                                   | 1                                             | 408                        |
| <b>Accumulated depreciation at 06/30/2024</b>        | <b>(29,728)</b>           | <b>(6,075)</b>        | <b>(1,021)</b> | <b>(12,252)</b>      | <b>-</b>                            | <b>(4,598)</b>                                | <b>(53,674)</b>            |
| <b>Net value at December 31, 2023</b>                | <b>4,358</b>              | <b>3,372</b>          | <b>-</b>       | <b>7,176</b>         | <b>1,584</b>                        | <b>561</b>                                    | <b>17,050</b>              |
| <b>Net book value at June 30, 2024</b>               | <b>3,416</b>              | <b>2,922</b>          | <b>-</b>       | <b>6,445</b>         | <b>2,902</b>                        | <b>2,775</b>                                  | <b>18,460</b>              |

The Group acquired the "5View" software suite from Infovista for €2.3 million. This acquisition will enable Ekinops to step up its strategy with an enhanced SD-WAN offering and increased Software & Services revenues.

## 6.3 Tangible assets

| (In thousands of euros)                              | Plant and machinery | Office furniture and equipment, computer hardware | Tangible assets in progress | Total tangible assets |
|------------------------------------------------------|---------------------|---------------------------------------------------|-----------------------------|-----------------------|
| <b>Gross value at December 31, 2023</b>              | <b>17,310</b>       | <b>9,704</b>                                      | <b>205</b>                  | <b>27,218</b>         |
| Acquisition                                          | 312                 | 822                                               | 6                           | 1,140                 |
| Decrease                                             | (1)                 | (194)                                             | -                           | (195)                 |
| Reclassifications                                    | 396                 | 105                                               | (205)                       | 296                   |
| Impact of currency fluctuations                      | (60)                | 1                                                 | -                           | (59)                  |
| <b>Gross value at June 30, 2024</b>                  | <b>17,957</b>       | <b>10,438</b>                                     | <b>6</b>                    | <b>28,400</b>         |
| <b>Accumulated depreciation at December 31, 2023</b> | <b>(13,214)</b>     | <b>(6,626)</b>                                    | <b>-</b>                    | <b>(19,838)</b>       |
| Allowance for the period                             | (794)               | (472)                                             | -                           | (1,266)               |
| Decrease                                             | -                   | 183                                               | -                           | 183                   |
| Reclassifications                                    | (180)               | -                                                 | -                           | (180)                 |
| Impact of currency fluctuations                      | 36                  | -                                                 | -                           | 36                    |
| <b>Accumulated depreciation at June 30, 2024</b>     | <b>(14,152)</b>     | <b>(6,915)</b>                                    | <b>-</b>                    | <b>(21,065)</b>       |
| <b>Net value at December 31, 2023</b>                | <b>4,096</b>        | <b>3,078</b>                                      | <b>205</b>                  | <b>7,377</b>          |
| <b>Net book value at June 30, 2024</b>               | <b>3,805</b>        | <b>3,523</b>                                      | <b>6</b>                    | <b>7,333</b>          |

In the first half, Ekinops SA moved its head office to its new site in Lannion (Lannion, 22), resulting in an increase in tangible assets for an amount of €0.8 million.

## 6.4 Reconciliation of investments with the statement of cash flows

| (In thousands of euros)             | June 30, 2024  | June 30, 2023  |
|-------------------------------------|----------------|----------------|
| Acquisition of intangible assets    | (4,467)        | (2,037)        |
| Acquisition of tangible assets      | (1,140)        | (2,482)        |
| Change in fixed asset supplier debt | (105)          | 176            |
| <b>Total</b>                        | <b>(5,712)</b> | <b>(4,343)</b> |

## 6.5 Financial assets

| (In thousands of euros)                 | Security deposit | Other      | Non-current financial assets | Non-current share of CIR research tax credit receivables | Other non-current assets |
|-----------------------------------------|------------------|------------|------------------------------|----------------------------------------------------------|--------------------------|
| <b>Gross value at December 31, 2023</b> | <b>907</b>       | <b>664</b> | <b>1,570</b>                 | <b>11,059</b>                                            | <b>11,059</b>            |
| Increase                                | 46               | 29         | 75                           | 2,444                                                    | 2,444                    |
| Decrease                                | (11)             | -          | (11)                         | (3,138)                                                  | (3,138)                  |
| Currency fluctuations                   | 5                | 6          | 11                           | -                                                        | -                        |
| <b>Gross value at June 30, 2024</b>     | <b>947</b>       | <b>699</b> | <b>1,645</b>                 | <b>10,365</b>                                            | <b>10,365</b>            |
| <b>Net value at December 31, 2023</b>   | <b>907</b>       | <b>664</b> | <b>1,570</b>                 | <b>11,059</b>                                            | <b>11,059</b>            |
| <b>Net book value at June 30, 2024</b>  | <b>947</b>       | <b>699</b> | <b>1,645</b>                 | <b>10,365</b>                                            | <b>10,365</b>            |

Reclassification of non-current share of CIR research tax credit as current.

## 6.6 Rights of use and lease liabilities

In the first half of 2024, the Group concluded the new lease for its head office on the Lannion site and renewed its commercial lease for its subsidiary Ekinops Belgium, resulting in an increase in rights of use and lease liabilities related to the buildings to €6.7 million.

### 6.6.1 Rights of use

| (In thousands of euros)           | December 31, 2023 | Contract expiry | New contracts and changes over the period | Reclassifications | Amortization/ Depreciation | Translation adjustments | June 30, 2024 |
|-----------------------------------|-------------------|-----------------|-------------------------------------------|-------------------|----------------------------|-------------------------|---------------|
| Rights of use–Technical equipment | 116               | -               | -                                         | (116)             | -                          | -                       | -             |
| Rights of use–Buildings           | 5,668             | (86)            | 6,732                                     | -                 | (917)                      | 24                      | 11,421        |
| Rights of use–Vehicles            | 869               | (6)             | 418                                       | -                 | (257)                      | -                       | 1,024         |
| <b>Net value of rights of use</b> | <b>6,653</b>      | <b>(92)</b>     | <b>7,150</b>                              | <b>(116)</b>      | <b>(1,174)</b>             | <b>24</b>               | <b>12,445</b> |

The reclassification corresponds to the exercise of options on finance leases.

### 6.6.2 Lease liabilities

| (In thousands of euros)      | December 31, 2023 | Contract expiry | New contracts and change of period | Reclassifications | Lease liability repayments | Translation adjustments | June 30, 2024 |
|------------------------------|-------------------|-----------------|------------------------------------|-------------------|----------------------------|-------------------------|---------------|
| Lease liability–Buildings    | 5,036             | (86)            | 6,800                              | (1,245)           | -                          | 21                      | 10,526        |
| Lease liabilities - Vehicles | 585               | (8)             | 338                                | (293)             | -                          | -                       | 622           |
| <b>Total Non-current</b>     | <b>5,621</b>      | <b>(94)</b>     | <b>7,138</b>                       | <b>(1,538)</b>    |                            | <b>21</b>               | <b>11,148</b> |
| Lease liability–Buildings    | 954               | -               | -                                  | 1,245             | (821)                      | 6                       | 1,384         |
| Lease liabilities - Vehicles | 379               | -               | -                                  | 293               | (265)                      | -                       | 407           |
| <b>Total current</b>         | <b>1,333</b>      |                 |                                    | <b>1,538</b>      | <b>(1,087)</b>             | <b>6</b>                | <b>1,791</b>  |
| <b>Total</b>                 | <b>6,954</b>      | <b>(94)</b>     | <b>7,138</b>                       | <b>-</b>          | <b>(1,087)</b>             | <b>27</b>               | <b>12,939</b> |

## 6.7 Inventories

| (In thousands of euros)               | December 31, 2023 | Change       | Allocations to provisions for inventory impairment | Writeback of inventory impairment provision | Impact of currency fluctuations | June 30, 2024  |
|---------------------------------------|-------------------|--------------|----------------------------------------------------|---------------------------------------------|---------------------------------|----------------|
| Components inventories                | 15,703            | (779)        | -                                                  | -                                           | -                               | 14,924         |
| Finished product inventories          | 15,183            | 4,469        | -                                                  | -                                           | 7                               | 19,659         |
| <b>Gross values</b>                   | <b>30,886</b>     | <b>3,690</b> | <b>-</b>                                           | <b>-</b>                                    | <b>7</b>                        | <b>34,583</b>  |
| Impairment losses–Components          | (4,819)           | -            | (423)                                              | -                                           | -                               | (5,242)        |
| Impairment losses - Finished products | (136)             | -            | -                                                  | -                                           | -                               | (136)          |
| <b>Accumulated impairment losses</b>  | <b>(4,955)</b>    | <b>-</b>     | <b>(423)</b>                                       | <b>-</b>                                    | <b>-</b>                        | <b>(5,378)</b> |
| <b>Net values</b>                     | <b>25,931</b>     | <b>3,690</b> | <b>(423)</b>                                       | <b>-</b>                                    | <b>7</b>                        | <b>29,205</b>  |

The provision for component inventory impairments results from the recognition of the loss of value of obsolete components.

## 6.8 Trade receivables and related accounts

| (In thousands of euros)                | December 31,<br>2023 | Change         | Impact of<br>currency<br>fluctuations | June 30, 2024 |
|----------------------------------------|----------------------|----------------|---------------------------------------|---------------|
| Trade receivables and related accounts | 30,360               | (3,462)        | 103                                   | 27,001        |
| Accumulated impairment losses          | (376)                | -              | 2                                     | (374)         |
| <b>Net value</b>                       | <b>29,984</b>        | <b>(3,462)</b> | <b>105</b>                            | <b>26,626</b> |

The increase in trade receivables is linked to the significant increase in revenue at the end of the first half. The amount of mobilized receivables not yet due corresponding to factoring contracts without any transfer of risks and therefore included in trade receivables and related accounts was €5,209k.

## 6.9 Other current assets

| (In thousands of euros)                     | December 31,<br>2023 | Change       | Reclassifications<br>and other<br>changes | June 30,<br>2024 |
|---------------------------------------------|----------------------|--------------|-------------------------------------------|------------------|
| Forward exchange purchases                  | -                    | 39           | -                                         | 39               |
| <b>Derivative instrument assets</b>         | <b>-</b>             | <b>39</b>    | <b>-</b>                                  | <b>39</b>        |
| Corporate tax, CVAE receivable              | 800                  | (193)        | 16                                        | 622              |
| Tax credits (CIR, CII, CICE)                | 3,494                | (1,085)      | 3,066                                     | 5,475            |
| Other taxes and social security receivables | 3,528                | (383)        | 7                                         | 3,152            |
| Prepaid expenses                            | 2,048                | 690          | (2)                                       | 2,736            |
| Other                                       | 1,002                | 221          | (21)                                      | 1,202            |
| <b>Gross values</b>                         | <b>10,872</b>        | <b>(750)</b> | <b>3,066</b>                              | <b>13,187</b>    |
| Accumulated impairment losses               | (190)                | -            | -                                         | (190)            |
| <b>Net values</b>                           | <b>10,682</b>        | <b>(711)</b> | <b>3,066</b>                              | <b>13,036</b>    |

The Group benefits from certain aid in the form of subsidies, which are recorded as "Other" current assets.

## 6.10 Cash and cash equivalents

| (In thousands of euros)          | December 31,<br>2023 | Change         | Impact of<br>currency<br>fluctuations | June 30, 2024 |
|----------------------------------|----------------------|----------------|---------------------------------------|---------------|
| Cash                             | 47,177               | (5,370)        | (17)                                  | 41,789        |
| Cash equivalents                 | -                    | -              | -                                     | -             |
| <b>Cash and cash equivalents</b> | <b>47,177</b>        | <b>(5,370)</b> | <b>(17)</b>                           | <b>41,789</b> |
| Bank overdraft facilities        | -                    | -              | -                                     | -             |
| <b>Total net cash position</b>   | <b>47,177</b>        | <b>(5,370)</b> | <b>(17)</b>                           | <b>41,789</b> |

## 6.11 Capital

### 6.11.1 Issued capital

At June 30, 2024, the capital of the parent consisted of 26,994,049 fully paid up common shares with a nominal unit value of €0.50.

| Date                        | Type of transaction                                                      | Capital              | Number of shares created | Nominal value |
|-----------------------------|--------------------------------------------------------------------------|----------------------|--------------------------|---------------|
| <b>At December 31, 2022</b> |                                                                          | <b>€13,215,543</b>   | <b>26,431,086</b>        | <b>€0.50</b>  |
| 2023                        | Capital increase following exercise of options and issue of bonus shares | €185,315             | 370,630                  | €0.50         |
| <b>At December 31, 2023</b> |                                                                          | <b>€13,400,858</b>   | <b>26,801,716</b>        | <b>€0.50</b>  |
| First-half 2024             | Capital increase following exercise of options and issue of bonus shares | €96,167              | 192,333                  | €0.50         |
| <b>At June 30, 2024</b>     |                                                                          | <b>€13,497,024.5</b> | <b>26,994,049</b>        | <b>€0.50</b>  |

### 6.11.2 Share subscription warrants and stock options

#### a) Stock options (OSA)

|                                  | Starting new potential shares | Awarded during the period | Exercised during the period | Canceled or lapsed during the period | Closing new potential shares | Adjusted exercise price (€) | Remaining contractual life | Expense recognized at 06/30/2024 (€k) | Expense recognized at 06/30/2023 (€k) |
|----------------------------------|-------------------------------|---------------------------|-----------------------------|--------------------------------------|------------------------------|-----------------------------|----------------------------|---------------------------------------|---------------------------------------|
| June 19, 2014                    | 101,618                       | -                         | -                           | (101,618)                            | -                            | €5.07                       | -                          | -                                     | -                                     |
| July 29, 2019                    | 52,333                        | -                         | -                           | -                                    | 52,333                       | €3.66                       | more than 5.1 years        | -                                     | -                                     |
| May 27, 2021                     | 60,625                        | -                         | -                           | -                                    | 60,625                       | €6.53                       | 6.9 years                  | (12)                                  | (17)                                  |
| June 26, 2023                    | 17,000                        | -                         | -                           | (1,000)                              | 16,000                       | €7.14                       | 9.1 years                  | (13)                                  | -                                     |
| <b>Total stock options (OSA)</b> | <b>231,576</b>                | <b>-</b>                  | <b>-</b>                    | <b>(102,618)</b>                     | <b>128,958</b>               | <b>N/A</b>                  | <b>N/A</b>                 | <b>(26)</b>                           | <b>(17)</b>                           |

#### b) Bonus shares awarded (AGA)

|                                         | Starting new potential shares | Awarded during the period | Acquired during the period | Canceled or lapsed during the period | Lapsed during the period | Closing new potential shares | Expense recognized at 06/30/2024 (€k) | Expense recognized at 06/30/2023 (€k) |
|-----------------------------------------|-------------------------------|---------------------------|----------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------|---------------------------------------|
| March 2, 2021                           | 192,333                       | -                         | (192,333)                  | -                                    | -                        | -                            | (72)                                  | (329)                                 |
| May 27, 2021                            | 236,000                       | -                         | -                          | (15,000)                             | -                        | 221,000                      | (118)                                 | (222)                                 |
| May 25, 2022                            | 54,750                        | -                         | (54,750)                   | -                                    | -                        | -                            | (70)                                  | (87)                                  |
| <b>Total bonus shares awarded (AGA)</b> | <b>483,083</b>                | <b>-</b>                  | <b>(247,083)</b>           | <b>(15,000)</b>                      | <b>-</b>                 | <b>221,000</b>               | <b>(260)</b>                          | <b>(638)</b>                          |

## c) Summary of movements and reconciliation of the share-based payment expense

|                            | Starting new potential shares | Awarded during the period | Exercised or acquired during the period | Canceled or lapsed during the period | Lapsed during the period | Closing new potential shares | Expense recognized at 06/30/2024 (€k) | Expense recognized at 06/30/2023 (€k) |
|----------------------------|-------------------------------|---------------------------|-----------------------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------------------|---------------------------------------|
| Stock options (OSA)        | 231,576                       | -                         | -                                       | (102,618)                            | -                        | 128,958                      | (26)                                  | (17)                                  |
| Startup warrants (BCE)     | -                             | -                         | -                                       | -                                    | -                        | -                            | -                                     | -                                     |
| Bonus shares awarded (AGA) | 483,083                       | -                         | (247,083)                               | (15,000)                             | -                        | 221,000                      | (260)                                 | (638)                                 |
| <b>GRAND TOTAL</b>         | <b>714,659</b>                | <b>-</b>                  | <b>(247,083)</b>                        | <b>(117,618)</b>                     | <b>-</b>                 | <b>349,958</b>               | <b>(286)</b>                          | <b>(654)</b>                          |

## 6.12 Financial debt

## a) Change in financial debt

|                                         | December 31, 2023 | Increases     | Repayments      | (Discounting)/ Undiscounting | Other changes  | Currency translation adjustment | June 30, 2024 |
|-----------------------------------------|-------------------|---------------|-----------------|------------------------------|----------------|---------------------------------|---------------|
| (In thousands of euros)                 |                   |               |                 |                              |                |                                 |               |
| Bank loans                              | 14,377            | -             | -               | -                            | (1,682)        | (2)                             | 12,693        |
| Bank loans/CIR financing                | 2,320             | -             | -               | -                            | (2,320)        | -                               | -             |
| Miscellaneous financial debt            | 236               | 12            | -               | -                            | -              | -                               | 248           |
| <b>Total non-current financial debt</b> | <b>16,933</b>     | <b>12</b>     | <b>-</b>        | <b>-</b>                     | <b>(4,002)</b> | <b>-</b>                        | <b>12,941</b> |
| Bank loans                              | 3,959             | -             | (1,676)         | -                            | 1,682          | (1)                             | 3,964         |
| Bank loans/CIR financing                | 2,829             | -             | (868)           | -                            | 2,320          | -                               | 4,281         |
| Factoring debt                          | 2,823             | 18,500        | (18,783)        | -                            | -              | -                               | 2,540         |
| Miscellaneous financial debt            | 19                | 42            | (25)            | -                            | -              | -                               | 34            |
| <b>Total current financial debt</b>     | <b>9,629</b>      | <b>18,542</b> | <b>(21,352)</b> | <b>-</b>                     | <b>4,002</b>   | <b>-</b>                        | <b>10,819</b> |
| <b>Total financial debt</b>             | <b>26,561</b>     | <b>18,554</b> | <b>(21,352)</b> | <b>-</b>                     | <b>-</b>       | <b>-</b>                        | <b>23,760</b> |

Factoring debt corresponds to drawdowns under factoring contracts put in place by the Group. Given that these contracts do not transfer credit risk, the financial assets transferred to the Factor are not derecognized and are shown as trade receivables, whereas the drawdowns not yet repaid are included in financial debt.

The financing line granted in July 2024 to support its future development and in particular its external growth strategy is still available for an amount of €100 million.

## b) Breakdown of financial debt by interest rate

| (In thousands of euros)     | June 30, 2024 | Fixed rate    | Variable rate |
|-----------------------------|---------------|---------------|---------------|
| Non-current financial debt  | 12,941        | 12,941        | -             |
| Current financial debt      | 10,819        | 3,998         | 6,821         |
| <b>Total financial debt</b> | <b>23,760</b> | <b>16,939</b> | <b>6,821</b>  |

The Group benefits from variable interest rates on its factoring debt as well as on the pre-financing of the CIR. Other debt is covered by hedging contracts.

## 6.13 Information on net debt

## a) Breakdown of debt by currency

| (In thousands of euros)                     | June 30,<br>2024 | EUR             | USD            | AUD          | Other currencies |
|---------------------------------------------|------------------|-----------------|----------------|--------------|------------------|
| Bank loans                                  | 16,657           | 16,605          | -              | -            | 52               |
| Bank loans/CIR financing                    | 4,281            | 4,281           | -              | -            | -                |
| Factoring debt                              | 2,540            | 2,540           | -              | -            | -                |
| Miscellaneous financial debt                | 282              | 282             | -              | -            | -                |
| <b>Financial debt</b>                       | <b>23,760</b>    | <b>23,708</b>   | <b>-</b>       | <b>-</b>     | <b>52</b>        |
| Cash and cash equivalents                   | (41,789)         | (37,877)        | (2,435)        | (696)        | (781)            |
| <b>Net debt/(Cash and cash equivalents)</b> | <b>(18,029)</b>  | <b>(14,169)</b> | <b>(2,435)</b> | <b>(696)</b> | <b>(729)</b>     |

## b) Breakdown of debt by maturity

| (In thousands of euros)                     | June 30,<br>2024 | < 1 year      | 1-2 years    | 2-3 years    | 3-4 years    | 4-5 years    | more<br>than 5<br>years |
|---------------------------------------------|------------------|---------------|--------------|--------------|--------------|--------------|-------------------------|
| Bank loans                                  | 16,657           | 3,964         | 3,166        | 902          | 2,775        | 1,950        | 3,900                   |
| Bank loans/CIR* financing                   | 4,281            | 4,281         | -            | -            | -            | -            | -                       |
| Factoring debt                              | 2,540            | 2,540         | -            | -            | -            | -            | -                       |
| Miscellaneous financial debt                | 282              | 34            | 9            | 127          | 107          | 5            | -                       |
| <b>Financial debt</b>                       | <b>23,760</b>    | <b>10,818</b> | <b>3,175</b> | <b>1,029</b> | <b>2,882</b> | <b>1,955</b> | <b>3,900</b>            |
| Cash and cash equivalents                   | (41,789)         | (41,789)      | -            | -            | -            | -            | -                       |
| <b>Net debt/(Cash and cash equivalents)</b> | <b>(18,029)</b>  | <b>30,971</b> | <b>3,175</b> | <b>1,029</b> | <b>2,882</b> | <b>1,955</b> | <b>3,900</b>            |

\* The repayment of bank loans for CIR financing is simultaneous with the payments received from the tax authorities.

## 6.14 Employee commitments

### a) Change in net commitment recognized on the balance sheet

(In thousands of euros)

|                                 | June 30, 2024 | December 31, 2023 |
|---------------------------------|---------------|-------------------|
| <b>Starting actuarial debt</b>  | <b>2,939</b>  | <b>3,136</b>      |
| Cost of services rendered       | 179           | 260               |
| Cost of past services           |               | 28                |
| Use (retirement)                | (135)         | (107)             |
| Financial cost                  | 43            | 107               |
| Actuarial losses (gains)        | (114)         | (474)             |
| Impact of currency fluctuations | 8             | (11)              |
| <b>Ending actuarial debt</b>    | <b>2,920</b>  | <b>2,939</b>      |

As the Group does not have hedging assets, the entire commitment set out above is recorded in the Group's liabilities.

All actuarial gains or losses are recognized in shareholders' equity. The cost of services rendered is recorded in operating expenses, and the financial cost is recorded in other financial income and expenses.

### b) Actuarial assumptions

The main actuarial assumptions used for the calculation of end-of-career obligations are as follows:

| Actuarial assumptions       | June 30, 2024 | December 31, 2023 |
|-----------------------------|---------------|-------------------|
| Retirement age              | 65 years      | 65 years          |
| Discount rate               | 3.66%         | 3.17%             |
| Employer contribution rates | 47.0%         | 47.0%             |
| Rate of salary increases    | 2.00%         | 4.00%             |
| <b>Employee turnover</b>    |               |                   |
| Under 25                    | 10% - 15%     | 10% - 15%         |
| 25-30 years                 | 10% - 20%     | 10% - 20%         |
| 30-35 years                 | 20% - 25%     | 20% - 25%         |
| 35-40 years                 | 15.00%        | 15.00%            |
| 40-45                       | 2.0% - 10%    | 2 - 10%           |
| 45-50 years                 | 2.00%         | 2.00%             |
| 50-55 years                 | 2.00%         | 2.00%             |
| > 55 years                  | 0.00%         | 0.00%             |
| Mortality table             | TGHF05        | TGHF05            |

## 6.15 Provisions

| (In thousands of euros)                                             | December 31, 2023 | Allowances | Reclassifications | Writeback used | Writeback not used | June 30, 2024 |
|---------------------------------------------------------------------|-------------------|------------|-------------------|----------------|--------------------|---------------|
| Provisions for disputes                                             | 780               | -          | -                 | -              | -                  | 780           |
| Provisions for social and tax risks                                 | 135               | -          | -                 | -              | -                  | 135           |
| Provisions for other risks and charges                              | 145               | -          | (98)              | (47)           | -                  | -             |
| <b>Provisions for liabilities and charges - non-current portion</b> | <b>1,060</b>      | <b>-</b>   | <b>(98)</b>       | <b>(47)</b>    | <b>-</b>           | <b>915</b>    |
| Provision for warranty                                              | 926               | 302        | -                 | (559)          | -                  | 669           |
| Provisions for disputes                                             | 57                | 1          | -                 | -              | -                  | 58            |
| Provisions for social and tax risks                                 | -                 | -          | -                 | -              | -                  | 0             |
| Provisions for other risks and charges                              | 238               | -          | 98                | (238)          | -                  | 98            |
| <b>Provisions for risks and charges - current portion</b>           | <b>1,221</b>      | <b>303</b> | <b>98</b>         | <b>(797)</b>   | <b>-</b>           | <b>825</b>    |

Allowances for disputes and risks and charges relate to ongoing cases with no significant impact on operating business.

## 6.16 Other current liabilities

| (In thousands of euros)                                  | December 31, 2023 | Change         | Reclassifications and other changes | June 30, 2024 |
|----------------------------------------------------------|-------------------|----------------|-------------------------------------|---------------|
| Financial instruments                                    | 2                 | (2)            | -                                   | -             |
| <b>Derivative instruments liabilities</b>                | <b>2</b>          | <b>(2)</b>     | <b>-</b>                            | <b>-</b>      |
| Trade payables                                           | 18,217            | (1,077)        | (1)                                 | 17,139        |
| <b>Trade payables</b>                                    | <b>18,217</b>     | <b>(1,077)</b> | <b>(1)</b>                          | <b>17,139</b> |
| Corporate taxes payable                                  | 576               | 166            | (56)                                | 687           |
| <b>Corporate taxes payable</b>                           | <b>576</b>        | <b>166</b>     | <b>(56)</b>                         | <b>687</b>    |
| Debts on acquisitions of tangible and intangible assets. | 130               | (105)          | -                                   | 25            |
| Taxes and social security contributions payable          | 11,759            | 681            | 2                                   | 12,442        |
| Other                                                    | 33                | (1)            | -                                   | 32            |
| Contract liabilities – portion at less than one year     | 2,444             | 308            | 29                                  | 2,781         |
| <b>Total other current liabilities</b>                   | <b>14,367</b>     | <b>883</b>     | <b>31</b>                           | <b>15,280</b> |

## 6.17 Change in working capital requirement

| (In thousands of euros)                                     | June 30, 2024  | June 30, 2023   |
|-------------------------------------------------------------|----------------|-----------------|
| Net (increase)/decrease in inventories                      | (3,267)        | 130             |
| Net (increase)/decrease in trade receivables                | 3,462          | (10,247)        |
| Increase/(decrease) in trade payables                       | (1,078)        | (1,256)         |
| Net (increase)/decrease in other business related WCR items | (1,202)        | (1,722)         |
| <b>(Increase)/decrease in working capital requirement</b>   | <b>(2,085)</b> | <b>(13,095)</b> |

## Note 7 - Notes to the income statement

### 7.1 Income from ordinary activities

#### a) By type

| (In thousands of euros)    | June 30, 2024 | June 30, 2023 |
|----------------------------|---------------|---------------|
| Sales of goods produced    | 47,942        | 61,285        |
| Sales of services produced | 9,554         | 9,747         |
| <b>Total revenue</b>       | <b>57,496</b> | <b>71,032</b> |

#### b) By geographic region

| (In thousands of euros)                | June 30, 2024 | June 30, 2023 |
|----------------------------------------|---------------|---------------|
| North America                          | 12,642        | 18,244        |
| Europe/Middle East/Africa/Asia-Pacific | 44,854        | 52,788        |
| <b>Total revenue</b>                   | <b>57,496</b> | <b>71,032</b> |

### 7.2 Type of allocated expenditure by function

#### a) Details of research and development costs

| (In thousands of euros)                             | June 30, 2024   | June 30, 2023   |
|-----------------------------------------------------|-----------------|-----------------|
| Payroll costs                                       | (14,054)        | (13,232)        |
| Allocations to amortization/depreciation provisions | (4,201)         | (6,215)         |
| Business travel and trips                           | (143)           | (290)           |
| Professional fees and consulting                    | (492)           | (578)           |
| Outside personnel                                   | (1,696)         | (1,867)         |
| Equipment and property rentals and rental charges   | (106)           | (109)           |
| Supplies, equipment, maintenance                    | (1,384)         | (934)           |
| Tax credit                                          | 2,444           | 2,040           |
| Subsidies                                           | 1,890           | 2,201           |
| Capitalization of development costs                 | 2,167           | 1,982           |
| Allocation of manufacturing costs to costs of sales | 3,230           | 4,053           |
| Other                                               | (407)           | (587)           |
| <b>Total research and development costs</b>         | <b>(12,753)</b> | <b>(13,536)</b> |

#### b) Details of sales and marketing expenses

| (In thousands of euros)                             | June 30, 2024   | June 30, 2023   |
|-----------------------------------------------------|-----------------|-----------------|
| Payroll costs                                       | (8,090)         | (8,299)         |
| Outside personnel                                   | (428)           | (375)           |
| Business travel and trips                           | (556)           | (546)           |
| Professional fees and consulting                    | (274)           | (296)           |
| Equipment and property rentals and rental charges   | (68)            | (66)            |
| Supplies, equipment, maintenance                    | (426)           | (244)           |
| Trade fairs                                         | (244)           | (405)           |
| Allocations to amortization/depreciation provisions | (900)           | (1,079)         |
| Other                                               | (97)            | (76)            |
| <b>Total marketing and sales expenses</b>           | <b>(11,083)</b> | <b>(11,385)</b> |

## c) Details of general and administrative expenses

| (In thousands of euros)                             | June 30, 2024  | June 30, 2023  |
|-----------------------------------------------------|----------------|----------------|
| Payroll costs                                       | (2,866)        | (2,901)        |
| Share-based payments                                | (286)          | (654)          |
| Professional fees and consulting                    | (698)          | (613)          |
| Outside personnel                                   | (19)           | (52)           |
| Supplies, equipment, maintenance                    | (673)          | (672)          |
| Insurance                                           | (162)          | (152)          |
| Bank charges                                        | (143)          | (111)          |
| Equipment and property rentals and rental charges   | (68)           | (63)           |
| Allocations to amortization/depreciation provisions | (244)          | (358)          |
| Subsidies                                           | 4              | 7              |
| Other                                               | (406)          | (358)          |
| Operating currency gains (losses)                   | 105            | (178)          |
| <b>Total general and administrative expenses</b>    | <b>(5,457)</b> | <b>(6,105)</b> |

## 7.3 Breakdown of personnel costs and headcount

## a) Breakdown of personnel expenses by type

| (In thousands of euros)                         | June 30, 2024   | June 30, 2023   |
|-------------------------------------------------|-----------------|-----------------|
| Salaries and wages                              | (18,091)        | (18,039)        |
| Social security contributions and payroll taxes | (6,874)         | (6,319)         |
| Cost of services rendered                       | (46)            | (75)            |
| Share-based payments                            | (286)           | (654)           |
| <b>Total payroll costs</b>                      | <b>(25,297)</b> | <b>(25,086)</b> |

## b) Breakdown of personnel costs by function

| (In thousands of euros)                   | June 30, 2024   | June 30, 2023   |
|-------------------------------------------|-----------------|-----------------|
| Total research and development costs      | (14,054)        | (13,232)        |
| Total marketing and sales expenses        | (8,090)         | (8,299)         |
| Total general and administrative expenses | (3,152)         | (3,555)         |
| <b>Total payroll costs</b>                | <b>(25,297)</b> | <b>(25,086)</b> |

## c) Headcount

| (in units)                  | June 30, 2024 | June 30, 2023 |
|-----------------------------|---------------|---------------|
| Salaried personnel          | 500           | 480           |
| External and subcontractors | 43            | 61            |
| <b>Total headcount</b>      | <b>543</b>    | <b>541</b>    |

## 7.4 Allocations to amortization/depreciation provisions, net of reversals

| (In thousands of euros)                                                                           | June 30, 2024  | June 30, 2023  |
|---------------------------------------------------------------------------------------------------|----------------|----------------|
| Allocations to amortization - Intangible assets                                                   | (1,653)        | (1,099)        |
| Allowances for amortization - Developed technologies and customer relations                       | (1,091)        | (3,176)        |
| Allocations to amortization - Tangible assets                                                     | (1,266)        | (1,107)        |
| Allocations to amortization - Rights of use                                                       | (1,174)        | (1,116)        |
| Net allowance for provisions for liabilities and charges of the "Current operating profit (loss)" | 542            | (436)          |
| Cost of services rendered and impact of IAS19                                                     | (44)           | (74)           |
| <b>Sub-total (EBITDA)</b>                                                                         | <b>(4,685)</b> | <b>(7,007)</b> |
| IAS 19 financial cost                                                                             | (43)           | (46)           |
| Net allowance for liabilities and charges in "Other operating income (expense)"                   | -              | -              |
| <b>Sub-total (EBITDA)</b>                                                                         | <b>(4,728)</b> | <b>(7,055)</b> |
| Net allowance for writebacks of provisions on inventories                                         | (423)          | (983)          |
| Net allocation to writeback provisions for other current assets                                   | -              | -              |
| <b>Total</b>                                                                                      | <b>(5,151)</b> | <b>(8,038)</b> |

The increase in allocations to intangible assets is the result of significant activation of R&D projects in second-half 2023.

At the end of the third quarter of 2023, the Group completed the amortization of the technology resulting from the acquisition of the OneAccess group, generating a reduction in provisions.

## 7.5 Cost of net debt and other financial income/expense

### d) Net cost of debt

| (In thousands of euros) | June 30, 2024 | June 30, 2023 |
|-------------------------|---------------|---------------|
| Interest expenses       | (802)         | (343)         |
| <b>Net cost of debt</b> | <b>(802)</b>  | <b>(343)</b>  |

### e) Other financial income and expenses

| (In thousands of euros)                    | June 30, 2024 | June 30, 2023 |
|--------------------------------------------|---------------|---------------|
| Currency gains (losses)                    | (217)         | (47)          |
| Other financial income and expenses        | 339           | 248           |
| <b>Other financial income and expenses</b> | <b>122</b>    | <b>201</b>    |

The Group generated financial income stemming from interest rate hedging in first-half 2024.

## 7.6 Tax expense

| (In thousands of euros)  | June 30, 2024 | June 30, 2023 |
|--------------------------|---------------|---------------|
| Current income tax       | (456)         | (999)         |
| Change in deferred taxes | 69            | 488           |
| <b>Tax expense</b>       | <b>(387)</b>  | <b>(510)</b>  |

## 7.7 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to Ekinops SA shareholders by the weighted average number of common shares outstanding during the period.

| In thousands of euros/In units                     | June 30, 2024 | June 30, 2023 |
|----------------------------------------------------|---------------|---------------|
| Net income attributable to Ekinops SA shareholders | 1,495         | 5,995         |
| Weighted average number of outstanding shares:     | 26,994,049    | 26,795,049    |
| - Weighted average number of common shares         | 26,858,099    | 26,509,664    |
| - Weighted average number of treasury shares       | (42,734)      | (35,886)      |
| <b>Basic earnings per share (€/share)</b>          | <b>0.06</b>   | <b>0.23</b>   |

## 7.8 EBITDA<sup>(1)</sup>

The Group has opted to report on this aggregate given its significance in the analysis of its financial performance.

As such, the Group defines EBITDA as current operating income restated for (i) amortization, depreciation, provisions and write-offs, and (ii) charges related to share-based payments.

| In thousands of euros                                         | First-half<br>2024 | FY 2023       | Second-half<br>2023 | First-half<br>2023 |
|---------------------------------------------------------------|--------------------|---------------|---------------------|--------------------|
| <b>Current operating income</b>                               | <b>2,955</b>       | <b>5,061</b>  | <b>(1,603)</b>      | <b>6,664</b>       |
| Amortization, depreciation and provisions                     | 3,594              | 6,755         | 2,924               | 3,831              |
| Amortization of developed technologies and customer relations | 1,091              | 5,327         | 2,151               | 3,176              |
| Income and expenses related to share-based payments           | 568                | 1,441         | 787                 | 654                |
| <b>EBITDA</b>                                                 | <b>8,208</b>       | <b>18,585</b> | <b>4,259</b>        | <b>14,325</b>      |

(1) Earnings Before Interest, Taxes, Depreciation and Amortization.

## Note 8 - Segment information

The Group is managed on the basis of a single sector and does not distinguish between autonomous operating segments. The benchmark sector indicator is current operating income.

However, the Group monitors the revenue generated by its two main business regions:

- Europe - Middle East - Africa - Asia-Pacific; and
- North and South America.

This information is presented in Note 7.1.

## Note 9 - Off-balance-sheet items

### 9.1 Other commitments

The Group outsources the manufacturing of its equipment to its industrial partners. Orders for manufacturing finished products are launched on the basis of firm customer orders. In addition, the Group orders components or semi-finished products from these same subcontractors in order to be able to demonstrate commercial responsiveness. The Group therefore commits to taking back these inventories up to a certain limit. The amount of this commitment is estimated at €7.8m as of June 30, 2024.

## Note 10 - Main transactions with related parties

During the interim period there were no substantial changes to recorded related-party transactions compared with those in the financial statements for the 2023 financial year, likely to interfere with the analysis of the 2024 interim financial statements.

## Note 11 - Subsequent events after the interim closing

No significant events occurred after the interim closing period.

# 5

## REPORT BY THE STATUTORY AUDITORS ON THE INTERIM FINANCIAL INFORMATION

Period from January 1, 2024 to June 30, 2024

To the shareholders of Ekinops SA

Pursuant to the mission entrusted to us by your General Meeting and in application of Article L. 451-1-2 III of the French monetary and financial code, we:

- performed a limited review of the company's condensed consolidated interim financial statements for the period from January 1, 2024 to June 30, 2024, as appended to this report;
- checked the information provided in the interim business report.

These condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to express our conclusion on these financial statements based on our limited review.

### Conclusion on the financial statements

We conducted our limited review in accordance with the professional standards applicable in France.

A limited review mainly consists in meeting with members of the management team responsible for accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit carried out in accordance with the professional financial year standards applicable in France. As a result, the assurance obtained through a limited review that the financial statements, taken as a whole, do not include any material misstatements is a moderate assurance, inferior to that obtained from an audit.

On the basis of our limited review, we did not identify any material misstatements likely to call into question the compliance of the condensed interim consolidated financial statements with IAS 34, a standard of IFRS as adopted in the European Union relating to interim financial reporting.

### Specific verification

We also verified the information provided in the interim activity report commenting on the condensed interim consolidated financial statements that were the subject of our limited review.

We have no comments to make on the fair presentation of that information or its consistency with the condensed interim consolidated financial statements.

Angers and Paris La Défense, July 30, 2024

The Statutory Auditors

**Altonéo Audit**

Julien Malcoste

**Deloitte & Associés**

Frédéric Neige



<https://www.ekinops.com>