2023

Universal registration document

20 YEARS

of open, trusted and innovative network connectivity

Connect the future

EKINOPS®

Public limited company with capital of €13,497,024.5
Headquarters: 3, rue Blaise Pascal – 22300 Lannion
444 829 592 RCS Saint-Brieuc

Universal Registration Document (URD)

The French language version of this Universal Registration Document was filed on March 26, 2024 with the French Financial Markets Authority, AMF, as the competent authority under (EU) Regulation 2017/1129, without prior approval in accordance with Article 9 of the Regulation.

The Universal Registration Document may be used as a prospectus for a public offer of financial instruments or the admission of financial instruments for trading on a regulated market, provided that it is accompanied by an information memorandum (listing particulars) and, where applicable, a summary and all the amendments made to the Universal Registration Document. In this case, the prospectus comprising the Universal Registration Document and the information memorandum or listing particulars is submitted to the AMF for approval in accordance with (EU) Regulation 2017/1129.

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2023 REVENUE

€129.1 m

68% revenue generated by international markets

EBITDA

€18.6m

3

BUSINESS

- OPTICAL TRANSPORT OVER FIBER
- DATA & VOICE ROUTERS
- *SOFTWARE DEFINED*

>500

EMPLOYEES

54%

ENGINEERS IN R&D

23%

REVENUE INVESTED IN R&D

Open, trusted and innovative network connectivity

Ekinops is a leading supplier **of innovative, open, and interoperable** solutions for telecommunications networks.

Interview with the Chairman and Chief Executive Officer **6/7**

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FY 2023 **18**

Preparing Ekinops to seize growth opportunities as soon as our markets recover.

INTERVIEW WITH DIDIER BRÉDY

Chairman and Chief Executive Officer

Ekinops reported slight growth in its business in 2023, a year hit by a genuine trend reversal mid-year. What were the reasons for this?

After a particularly dynamic 2022, with growth of 23%, we continued to enjoy steady business over the first half of the year, reporting growth of 12%.

The trend reversed during the summer of 2023, owing to the economic slowdown, in particular our Access business line which had to deal with the greater wariness of order givers in terms of investment, and high inventory levels at our customers as well as more expensive access to financing for telecom operators owing to the increase in interest rates.

Nevertheless, it should be noted that business was very dynamic for our Optical Transport equipment in 2023 (+27%), in particular our WDM solutions driven by numerous commercial successes and new customer wins, on the back of increasing demand for bandwidth from operators.

All told, Ekinops generated slight growth in 2023 (+1%), with an impressive performance in key markets in EMEA (excl. France) (+23%) and in North America (+10%).

In recent years, you announced your desire to increase the portion of software in your offering. What was the result of this strategy in 2023?

Ekinops is a pioneer in virtualization technologies which enable the decoupling of software and physical platforms. In a telecommunications market undergoing change, our desire is to continue to offer operators and suppliers software that is increasingly compatible with our equipment (SD-WAN, network function virtualization, Edge computing,etc.) to make our solutions ever-more innovative, open and interoperable.

This strategy was reflected in our numbers: the portion of Software & Services business increased 12% in 2023, to make up 17% of total business for the year, and, for the first time, more than 20% during the second half of 2023.

Therefore, we are clearly on track to reach our ambition of 20-30% of business from Software & Services.

2023 financial results reflect the relative resilience of Ekinops' business model in an adverse market environment...

Despite the trend reversal during the second half of the year, our gross margin held up well in 2023 (52.1%), reflecting our pricing power thanks to the added value contributed by our solutions.

In 2023, Ekinops chose to maintain the majority of its investments, notably with net hires of close to 50 employees, to prepare for future growth as soon as our markets recover. As a result, our EBITDA margin stood at 14.4% versus 17.7% a year earlier, which was a record level.

Beyond the resilience of our profitability, we must also mention Ekinops' ability to generate cash flow from operations: operating cash flow came to €13.5m in 2023, up 44% compared with the previous year, and free cash flow reached a record €5.3m.

Buoyed by this strong cash generation, our available cash amounted to €47.2m at end-2023 and our net cash came to €25.8m.

Beyond financial results, Ekinops has implemented a genuine policy in terms of sustainable performance. What were the main areas of progress in 2023?

As part of our CSR policy, we continued to strive to minimize the environmental impact of the equipment we sell and the processes involved in manufacturing them. In 2023, we notably finalized the lifecycle analysis of equipment representative of the Access range to identify the impacts of products at each stage of the value chain.

Similarly, we are committed to a trajectory to reduce our CO_2 emissions, and our Bilan Carbone® 2023 reflected a 40% decline in absolute terms compared with 2022.

At the societal level, last year we published our first CoP (Communication of Progress), which shares the progress achieved by Ekinops in the implementation of the Ten Principles and the contributions made in reaching the 17 SDGs (Sustainable Development Goals) of the United Nations Global Compact.

Lastly, in terms of human resources, we continue to strive to increase the representation of women in our workforce, with an increase of 15% of women workers which now account for 21% of Group employees.

A word for the future: how is 2024 looking so far?

As I mentioned, the second half of 2023 suffered from an economic slowdown and uptrending interest rates impacted investment policies and the financial health of companies. On a par with the last months of 2023, 2024 started off with a stabilized market, but is not yet showing signs of recovery.

We are likely to see a rebound in Access equipment sales during the year, as the effects of the economic recovery impact companies. In terms of Optical Transport, in the summer we will launch a major new product, doubling the capacity of our optical connections, which should contribute to strong business trends in 2024.

Lastly, although we did not manage to carry out an external growth transaction in 2023, we remain mobilized to confirm one or more acquisitions to extend our R&D and round out our customer base. We also plan to leverage our financial strength and favor a non-dilute approach to financing.

BUSINESS

Open, reliable and innovative network connectivity
Ekinops' mission is to provide open, reliable and innovative network connectivity solutions. Ekinops aims to contribute to the success of its customers thanks to the design of high value-added solutions.

ENHANCING TELECOM AND CORPORATE NETWORKS

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

Ekinops' solutions, which are highly programmable and scalable, enable rapid and flexible deployment of new high-speed and high capacity optical transport services (Ethernet services, IP voice and data routing, etc.) from physical and virtual platforms.

Ekinops offers efficient, optimized and highly flexible solutions. They can be closely tailored to meet specific needs in the operators' network core and in the offices of businesses both large and small.

Ekinops participates in the success of its customers by providing them with high value-added equipment, software and services.

A PARTNER OF TRUST

Ekinops is a genuine partner with its customers. In this way, operators can count on the Group for the design and optimization of their networks. A genuine difference for them, with a major positive impact. Equipment is preconfigured/tested for installation/integration in plug and play mode. Performance at a reasonable price is also unequalled. Thanks to our software, the equipment required for a given level of performance is lighter and less costly. The customer relationship with Ekinops is collaborative and based on simple and open solutions: no proprietary blocking mechanisms, third-party integrations, etc.

OPTICAL TRANSPORT, DATA AND VOICE ROUTER AND *SOFTWARE-DEFINED SOLUTIONS*

Ekinops' portfolio of solutions and services consists of three fully complementary brands:

EKINOPS360	High-capacity optical transport and OTN switch solutions
ONEACCESS	Data and voice router solutions
COMPOSE	Software-defined solutions

Ekinops (EKI) has been listed on Euronext in Paris since 2013. Its head office is located in Lannion (France). The Group is represented in more than 10 countries around the world.

The Group was founded by two telecoms engineers who hold 15 patents in optical transmission, the innovation that lies at the heart of the Group's strategy.

Every year, Ekinops invests more than 20% of its revenue in research and development (R&D). More than 50% of the Group's 500 employees work at Ekinops's multinational R&D hubs in Lannion, Sophia-Antipolis, Massy (France), Campinas (Brazil), Louvain (Belgium), Geneva (Switzerland) and Bangalore (India).

The Group is a virtualization pioneer and is developing solutions to support the transformation of networks into software-defined and highly scalable networks.

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

MAKING THE NETWORKS OF TOMORROW TODAY

2023: A YEAR OF MANY CHALLENGES FOR EKINOPS

2023 represented new challenges to tackle a deteriorated market environment. Indeed, the year saw a global economic slowdown and a decline in demand, notably for the Access range, stemming from high inventory levels of equipment at major operators and more difficult and costly access to financing.

The excellent agility of our Group nevertheless enabled us to take advantage of strong demand for operator bandwidth supporting the Optical Transport business line. Buoyed by numerous commercial successes and new customer wins, notably in North America, this business line enjoyed 27% growth over the year.

In the network access market, Ekinops after obtaining the Microsoft Direct Routing certification for Teams and its SBC (Session controller/*Session border Controller)* in 2022, makes it available on the Microsoft Azure marketplace. In this way, service suppliers can more easily design their voice services targeting corporate customers. Still in 2023, Ekinops markets the first industrial routers based on the OneOS6 system (unique EAD middleware/ routers) including the "FlexCPE" functionality. These products offer the possibility of loading and running third-party applications in the form of containers. Compared with Cloud usage, this enables faster response times, better confidentiality and a reduction in the carbon footprint and cost of use of data centers.

In the "Compose" activities, Ekinops continued its SD-WAN deployments, by increasing the number of sites served and continued to prove the value of its OVP suite for virtualization projects at operators. At the level of edge computing, the SixSq marketplace has been expanded to offer multiple applications to different vertical businesses.

In Optical Transport, where annual sales exceed targets set, 2023 saw numerous commercial successes, both in the United States and in Europe with, notably, at the end of the year, a multi-year contract with German operator Deutsche Glasfaser to modernize and unify their optical transport network based on the Ekinops360 platform, or with regional network projects serving rural communities in Utah and Colorado. At the same time, the Group continued to market its coherent module based on add-on 400G interfaces, to offer less expensive and lower energy consumption solutions than currently existing high-performance embedded optical technologies.

2023 saw double-digit growth in sales of services. These services include SLA (Support Level Agreements), equipment support (guarantee extensions) and professional services such as technical assistance for virtualization (integration for virtualization, for example). The constant progression in the related services and software component indicates that operators are continuing to seek out the expertise and assistance of Ekinops for the deployment or update of their networks.

All Ekinops' solutions, equipment and software are operator class, and are intended to help service providers and businesses address network evolution and the constant demand for greater capacity and agility.

In short, Ekinops empowers next-generation networks.

Frank Dedobbeleer

Chief Revenue Officer, EMEA & APAC

"Service providers who invest in extending their digital capacities in their regions of the world, from major urban centers to the smallest communities, can count on Ekinops' solutions to offer the technological and economic basis to enable them to reach their targets.

We are proud to be the strategic partner of many operators throughout the world."

EKINOPS IS NOW SUCCESSFULLY SELLING ITS SOLUTIONS TO THE TOP 30 TELECOM OPERATORS WORLDWIDE AND TO MORE THAN ONE-THIRD OF THE TOP 100.

(Source: Total Telecom Top 100 operators Business Analysis – 2019)

MARKETS

STRONG GROWTH MARKETS

Ekinops operates on very fast-growing markets, driven by the deployment of new networks and the rise in capacity of existing networks, supporting fundamental trends such as mobility, hybrid working, the Cloud, Edge Computing, connected objects, to name but a few.

With bandwidth consumption rising steadily around the world in view of new uses – (5G, OTT services, IoT (Internet of Things), mobility, etc.) – there is a mechanical increase in optical transport and network access markets.

Thanks to its voluntary and ambitious innovation policy enabling the deployment of efficient and optimized solutions, Ekinops has managed, since its creation, to enjoy steady growth and gain market share.

Despite having generated a significant portion of revenue (€68.6m in 2023) in international markets, Ekinops is still of relatively modest size in markets dominated by a few multinationals.

Ekinops' main competitors on the optical transport market are the equipment manufacturers Ciena, Huawei, Nokia and Adva (part of the Adtran group since mid-2021). In Access, its main rivals are Cisco, Huawei, Juniper and Adtran.

Upheavals in the macroeconomic backdrop in recent years, between the pandemic and the electronic component supply crisis and tougher access to financing, have exerted pressure on supply in strategic sectors including the telecommunications sector.

Ekinops' French identity, its control of its supply chain and its agility in terms of sourcing and management of inventories are genuine strengths to attract operators who must ensure they find partners they can trust.

Via its OneAccess brand, Ekinops currently ranks third worldwide in the Branch Office equipment market.

*Source: Omdia - *Enterprise Routers Market Tracker* – Data.

INNOVATION - R&D

Every year, Ekinops invests more than 20% of its revenue in research and development to provide its customers with innovative solutions to keep up with technological and competitive developments in the telecommunications market.

Operators must constantly adjust their offerings to ever-changing demand and the powerful competition of players like GAFAM. They must also meet ever more demanding environmental criteria, notably in terms of energy consumption.

Service providers are continuing to accelerate their transition, and the Group is investing to provide them with the solutions required to shape their transformations, notably in areas of automation, SDN (Software-Defined Networks), virtualization and Edge Computing), while integrating reflection and actions so that these technologies form part of a sustainable development approach.

The Group is largely involved in institutional research projects at an international level enabling the integration of experts (doctorate/PhD profiles, for example) and to envision the innovations of tomorrow. This involvement is an illustration of the Group's desire to build an open ecosystem.

5G INVESTMENT DRIVERS

5G should lead to a 10x surge in capacity between 2018 and 2025 and will require huge capex investment. The promise is significant: at least 10 times more traffic/capacity, a 10-fold reduction in latency and a significant increase in connection density. Ekinops is working with its operator partners to make 5G a backbone network that can carry enterprise connectivity services (WAN).

CLOUD AND SECURITY

Most companies adopt a Cloud first approach when deploying new applications. Gartner affirms that 85% of organizations will be Cloud first by 2025, and operators appear to confirm this trend. The Group is constantly investing to enhance its software competencies (agility, DevSecOps) to make its software offering more Cloud-native. The same is true for issues of safety: Ekinops invests heavily to reduce the vulnerability of its products throughout their life cycle (design, development, testing, operation, maintenance).

EDGE

The access network functions, now performed by physical platforms (CPE), are becoming virtualized functions and will soon be microservices at the network edge. Critical applications or those sensitive to latency time are moving closer to businesses and Internet users to take full advantage of new cloud-distributed functions and services. Ekinops is investing in this high-growth segment and will offer software to service providers to help them perform services on the edge (expansion of OneOS6). The SixSq portfolio fits into this strategy, notably the Nuvia.io marketplace which enables easy deployment of business applications.

Sylvain Quartier

Ekinops Marketing CEO

"Ekinops has been offering network access solutions to service providers for some time. By working daily with them, we recognize the enormous opportunities but also the challenges related to virtualization, in particular in terms of return on investment. Leveraging our experience, we continue to combine our technologies, to not only ensure shorter time to market but also a faster return on investment. Virtualization at the edge of networks has long been a goal for many operators, and solutions are now emerging. The cost savings and environmental benefits linked to the possibility of executing several services on a single device will therefore materialize."

INTERNATIONAL

Ekinop was founded in 2003 in Lannion (France), the cradle of French telecommunications. It is proud of its French and European identity and manufacturing. But with more than 65% of its business generated from international markets, the Group has a truly global footprint and strong international experience.

Ekinops' headquarters are located in Lannion (France), which is also home to its optical transport R&D acti. The Ekinops Group has 10 subsidiaries throughout the world: Ekinops France located in the Paris region at Massy (France), Ekinops Corp in Rockville (Maryland) in the United States, Ekinops Brasil located in Campinas in Brazil and other entities in Germany, Spain, Australia, India, Canada and Belgium. Ekinops' research and development activities span seven R&D sites: five in EMEA (Lannion, Sophia Antipolis, Massy, Louvain and Geneva), one in Brazil (Campinas) and one in India (Bangalore).Apart from its R&D centers, the Group has overall sales representation in more than 10 countries, including Sweden, Poland, the United Arab Emirates, Kenya, Kazakhstan and the United Kingdom.

Thanks to its global presence, Ekinops provides support services to its customers worldwide and boasts customers in more than 70 countries.

The Group also has a manufacturing, assembly and repair plant in Louvain (Belgium).

Currently, more than 120 international service providers, including many tier 1 operators around the world, rely on the Group's staff and technologies to help them with their infrastructure, provide enterprise managed services to their customers and facilitate the migration to virtualized networks.

Kevin Antill

Chief Revenue Officer, North America

"Our growth in 2023 reflects the success of Ekinops internationally. We will continue to build on our positions in North America which is the leading region for Ekinops for sales of its Ekinops360 Optical Transport platform. Over the past three years, Ekinops has doubled its customer base and reported strong revenue growth (10% in 2023 in USD) n the region."

EXECUTIVE COMMITTEE

Didier Brédy
Chairman and CEO

Dmitri Pigoulevski
Group Chief Financial Officer

Philippe Moulin
Director of Operations

Sylvain Quartier
Ekinops Marketing CEO

Kevin Antill
Chief Revenue Officer North America

Frank Dedobbeleer
Chief Revenue Officer EMEA & APAC

GOVERNANCE

THE MANAGEMENT TEAM IMAGINES AND EXECUTES THE VISION AND STRATEGY OF EKINOPS.

The main role of the Board of Directors is to adopt the major strategic orientations and ensure that they are implemented.

It is made up of six members:

- Didier Brédy, Chairman;
- François-Xavier Ollivier, co-founder of Ekinops;
- Bpifrance, represented by Charlotte Corbaz;
- Aleph Capital, represented by Hugues Lepic;
- Nayla Khawam, independent director;
- Lori Gonnu, independent director.

The Board of Directors created four Special Committees:

- The **Audit Committee** is composed of two members: Nayla Khawam (Chair) and Charlotte Corbaz, as representative of Bpifrance Participations SA;
- The **Remuneration Committee** is composed of three members: Hugues Lepic, as representative of Aleph Golden Holdings Sarl, (Chairman), Nayla Khawam and Lori Gonnu;
- The **Strategy Committee** is composed of four members: Hugues Lepic (Chairman), Charlotte Corbaz, Didier Brédy and François-Xavier Ollivier;
- The E**nvironmental, Social and Governance Committee** (ESG) is composed of three members: Lori Gonnu (Chair), Charlotte Corbaz and Didier Brédy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

ETHICAL RESPONSIBILITY

As part of its environmental, social and governance policy, Ekinops commits to activities with the desire to be a responsible company and to contribute to building a more responsible and sustainable global telecommunications industry.

This ambition involves being the employer of choice for the well-being of employees, being a responsible company with respect to third parties and limiting the environmental impact of its activities to achieve progress in reaching sustainable development goals.

Since 2021, the ESG Committee has defined Group societal policy and its objectives within the Board of Directors. Since January 1, 2024, has a "Corporate Sustainability Risks Manager", to reconcile risks with sustainable development and enable the company to better comply with ESG regulations.

The main new actions carried out during 2023 included the realization of a life cycle assessment on a representative product of the Acces range, the publication of the first CoP (Communication of Progress) submitted online to the UN Compact site, the granting of ISO 27001 certification for information system management, and the extension of the anti-corruption training to all employees.

Lori Gonnu

Chair of the ESG Committee

"Year after year, Ekinops structures and reinforces its CSR policy in all of its strategic components. Apart from the carbon emissions reduction trajectory, the Group also works daily to minimize the environmental impact of the equipment it markets to contribute to making the global telecommunications industry more responsible and sustainable."

LIMIT THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES

Committed for several years to an emissions reduction trajectory, the 2023 Bilan Carbone® carbon assessment reflected a decline in metric tons of CO_2 emitted in terms of revenue (tCO_2e/€m) of 40% compared with 2022.

Ekinops' policy is also aimed at minimizing the environmental impact of its products and the processes involved in manufacturing them. A life cycle analysis of equipment representative of the Access range and analyses of energy performance were carried out in 2023 to identify the impacts of products at each stage of the value chain. In 2023, all Ekinops product production sites were ISO 14001 certified, guaranteeing the responsible approach of the Group and the subcontractors involved in manufacturing and assembly.

Reflecting the success of this policy, Ekinops notably received the *2022 Best Partner for sustainability* award from Orange Business Services.

BEING AN EMPLOYER OF CHOICE

Under its human resources policy, the Group seeks to maintain and develop its employees' skills, ensure good working conditions and protect their well-being and health. particularly close attention was paid in 2023 to employee sentiment, notably with the "Pulse" anonymous surveys to discover their expectations and identify their motivation criteria.

Female representation continued to increase in 2023, with a 15% increase in the number of women employees, compared with 8% growth of the number of men employed. At end-2023, women represented 21% of the total workforce. In addition, Ekinops renewed its partnership with the ADA Lovelace challenge in 2023, an initiative by digital companies in Lannion that encourages high school girls to take up careers in technology and software development.

In 2024, the Group plans to carry out collaborative work on corporate values. Developing a genuine corporate culture brings all employees together in pursuit of a common goal, driven by the desire to grow the business and a commitment to work collectively.

RESPONSIBILITY VIS-À-VIS STAKEHOLDERS

The Group's main external stakeholders, customers and suppliers, play an essential role in Ekinops' business and represent significant CSR challenges.

Ekinops stepped up its policy in 2023 in terms of responsible systems and practices, including the integration of social and environmental criteria into purchasing and subcontracting practices, the highest standards of conduct in combating corruption and tax evasion, etc.A training program for all Group personnel on the risks of conflicts of interests and anticorruption continued in 2023.Ekinops also obtained ISO 27001 certification for its data security and information systems management.

At the societal level, after becoming a member of the United Nations Global Compact in 2022, the global initiative to promote corporate sustainable development, in 2023 Ekinops published its first "Communication on Progress" **(CoP)**, available on the United Nations Global Compact site, which demonstrates the progress made by Ekinops in implementing the Ten Principles and its contribution to reaching the 17 Sustainable Development Goals.

All of the actions and initiatives implemented by Ekinops in terms of ESG, as well as the complete Carbon Report® are detailed in the Statement of Non-Financial Performance, page 91.

ESG MARKERS

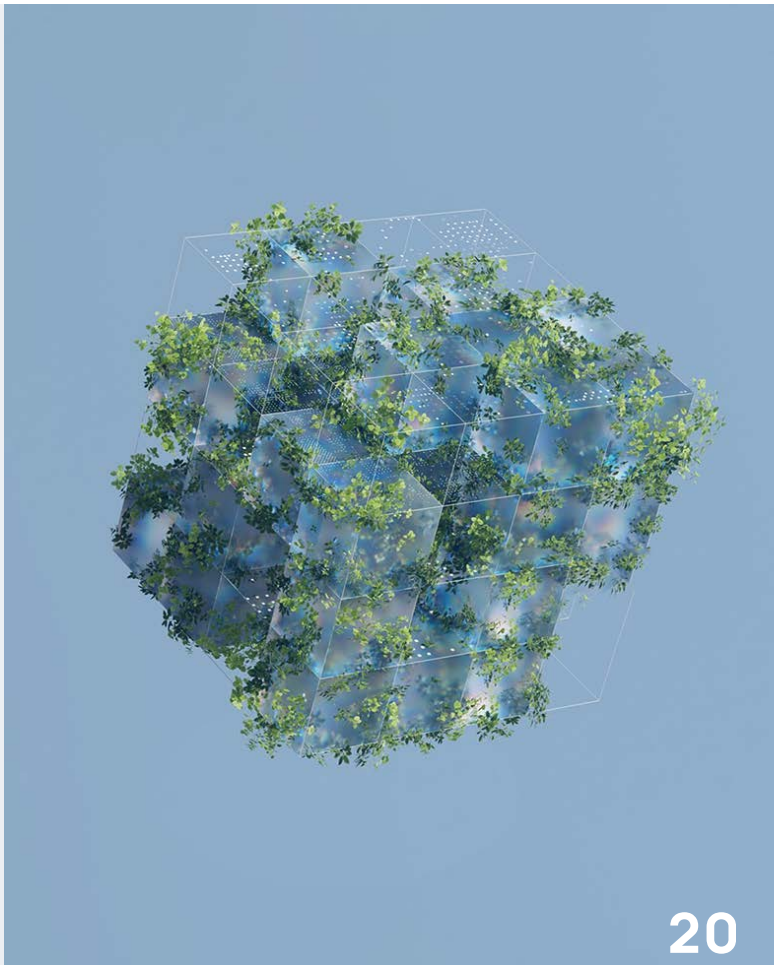
EthiFinance ESG ratings

At the end of the EthiFinance ESG ratings Gaïa 2023 campaign, Ekinops obtained an overall score of 62/100.

On the SOCIAL and STAKEHOLDERS themes, the company outperformed the benchmark (234 companies from the information technologies sector rated in this case). During this campaign, Ekinops exceeded NFRD (Non Financial Reporting Directive) thresholds, which means it is not possible to compare the rating with that of last year.

BRONZE 2023 ecovadis Sustainability Rating

Ekinops ESG policy was also recognized with the award of a Bronze medal from EcoVAdis and a 64/100 rating for 2023, higher than the benchmark average, placing the Group among the Top 16 best-performing companies in its sector.



2023 FINANCIAL INDICATORS

INCOME STATEMENT

€m - IFRS	12/31/2023	12/31/2022	% change
Revenue	**129.1**	**127.6**	+1%
Gross margin	**67.3**	**67.6**	NM
% of revenue	*52.1%*	*53.0%*	
EBITDA[1]	**18.6**	**22.6**	-18%
% of revenue	*14.4%*	*17.7%*	
Current operating income	**5.1**	**9.3**	-45%
Operating income/(loss)	**3.6**	**8.8**	-59%
Consolidated net income/(loss)	**3.6**	**12.0**	-70%

ASSETS

€m - IFRS	12/31/2023	12/31/2022
Non-current assets	**78.8**	**79.8**
o/w goodwill	*28.5*	*28.5*
of which intangible assets	*17.1*	*21.1*
o/w rights of use	*6.7*	*6.8*
Current assets	**66.6**	**63.5**
inventories	*25.9*	*25.0*
o/w trade receivables	*30.0*	*29.9*
Cash & cash equivalents	**47.2**	**39.4**
TOTAL	**192.6**	**182.7**

LIABILITIES

€m - IFRS	12/31/2023	12/31/2022
Shareholders' equity	**119.4**	**113.6**
Financial liabilities	**21.4**	**18.9**
o/w bank loans	*18.3*	*14.1*
o/w factoring	*2.8*	*4.4*
tax credit pre-financing	**5.1**	**2.6**
Trade payables	**18.2**	**17.7**
Lease liabilities	**7.0**	**6.9**
Other liabilities	**21.5**	**23.0**
TOTAL	**192.6**	**182.7**

2024 financial calendar

Monday, April 15, 2024
Q1 2024 revenue

Thursday, May 23, 2024
Annual General Meeting

Thursday, July 11, 2024
Q2 revenue 2024

Monday, July 29, 2024
H1 2024 results

Tuesday, October 15, 2024
Q3 revenue 2024

Monday January 13, 2025
FY 2024 revenue

Wednesday, March 5, 2025
2024 annual results

All press releases are published after Euronext Paris market close.

(1) EBITDA (Earnings before interest, taxes, depreciation and amortization) corresponds to current operating income restated for (i) amortization, depreciation and provisions, and (ii) calculated income and expenses relating to share-based payments.

STOCK MARKET INDICATORS

STOCK MARKET INDICATORS

Data at December 31, 2023

Stock price: €5.86

Market capitalization: €157m

Market: Euronext (Compartment B)

ISIN Code: FR0011466069

Mnemonic code: EKI

ICB: 15101010, Telecommunications equipment

Reuters: EKI.PA

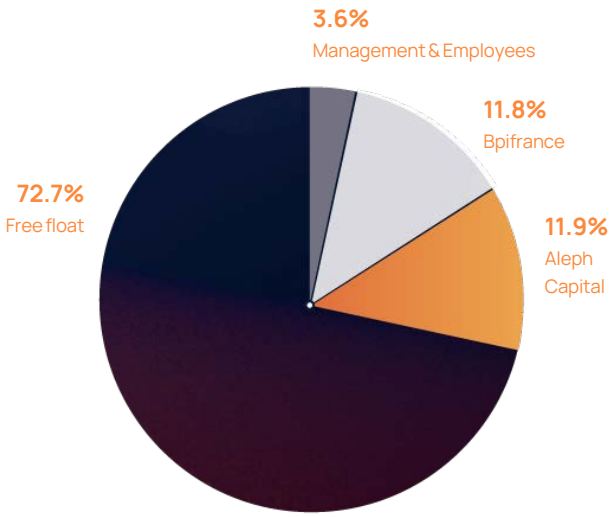
Bloomberg: EKI:FP

Ekinops is included in the CAC Mid & Small, CAC PME, Euronext Tech Croissance, Enternext Tech 40 and Enternext PEA-PME 150 indices
Ekinops is eligible for the PEA and the PEA-PME savings plans

ANALYST COVERAGE

Firm	Analyst coverage
Bryan Garnier	Paul Charpentier
Gilbert Dupont	Yann de Peyrelongue
IDMidCaps	Pierre Dinet
TP ICAP Midcap	Gilbert Ferrand
Portzamparc	Clément Bassat
Oddo BHF	Gauthier Le Bihan

SHAREHOLDING (CURRENT)



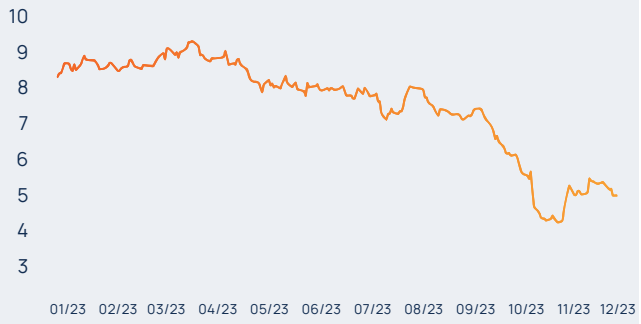
% of shares
(26,801,716 at December 31, 2023)

PRICE CHART

From January 1 to December 31, 2023

2023 high: €9.36

2023 low: €3.88



NOTES

In this document, the terms:

- The "Company" refers to Ekinops SA;
- The "Group" or “Ekinops” refers to the consolidated group made up of Ekinops SA and its subsidiaries, as presented in paragraph 1.2.2.

Consolidated reference information

Pursuant to the provisions of Article 19 of (EU) Regulation 2017/1129 of June 14, 2017, the following reference information is included in this document:

- the consolidated financial statements for the year ended December 31, 2022 and the related Statutory Auditor report presented respectively in sections 4.1 and 4.2 of the 2022 Universal Registration Document filed with the French Financial Markets Authority, AMF, on April 6, 2023 under registration number D. 23-0250;
- the items of the management report relative to the 2022 financial statements included in the 2022 Universal Registration Document filed with the AMF on April 6, 2023 under registration number D. 23-0250;
- the consolidated financial statements for the year ended December 31, 2021 and the related Statutory Auditor report presented respectively in sections 4.1 and 4.2 of the 2021 Universal Registration Document filed with the French Financial Markets Authority, AMF, on April 8, 2022 under registration number D. 22-0264;
- the items of the management report relative to the 2021 financial statements included in the 2021 Universal Registration Document filed with the AMF on April 8, 2022 under registration number D. 22-0264;

1

Presentation of the company and its areas of business

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1.1 SELECTED FINANCIAL INFORMATION

1.1.1 Highlights of the year 2023

At the end of 2023, Ekinops reported consolidated revenue of €129.1 million, up 1% compared with the previous year. At constant exchange rates, full-year revenue was up 2%.

The second half was heavily impacted by the deteriorated market environment for the Access business line, on the back of the economic slowdown and high equipment inventory levels at operators. As a result, Access solutions suffered a 15% contraction in revenue over the year (after 20% growth in 2022).

Buoyed by numerous commercial successes and new customer wins, the Optical Transport business line, however, enjoyed strong growth of 27% in 2023, supported by the bandwidth needs of operators and the success of Ekinops' WDM solutions.

Revenue generated by Software & Services was up 12% in 2023, driven by sales of network virtualization solutions, SD-WAN and delivery of services. Software & Services accounted for 17% of Group revenue in 2023, versus 15% a year earlier.

✓ Commercial aspects

In 2023, Ekinops reported 8% growth in international sales, whereas sales in France were down 11%. International business accounted for 68% of total revenue in 2023 (vs 64% over 2022).

In North America, full-year sales came to €31.7m, up 6% compared with the previous year with a particularly demanding comparison base (reminder: 56% growth in 2022). Expressed in US dollar terms, full-year growth came to 10%. This region accounted for 25% of Group business in 2023 (versus 23% a year earlier and 18% in 2021).

The EMEA region reported revenue of €53.4m in 2023, reflecting steady growth of 23% compared with the previous year. This solid growth is mainly the result of strong expansion in sales of Optical Transport solutions in the region, notably in Germany and Eastern Europe. The EMEA region accounted for 41% of Ekinops' total business activity in 2023 (vs 34% in 2022).

Asia-Pacific, which now accounts for just 2% of Group business, generated solely from a few accounts, reported a 63% decline over the year (reminder: 38% growth in 2022).

In its domestic market, the company reported an 11% contraction in revenue compared with 2022. Sales of Access equipment, the Group's main business in France, were down 18% over the year, mainly due to the economic slowdown and the high level of inventories at its main operator customers. Trends nevertheless remained very buoyant for Optical Transport with a 57% surge in sales over the year. Ekinops generated 32% of its business volumes in France in 2023 (vs 36% in 2022).

✓ Operational aspects

Regarding its activities in the area of Access, Ekinops continues to develop its offering targeting the corporate market with significant evolutions of its different product lines. The routers range, based on multicore ARM architectures, was enriched with the introduction of new platforms: the ONE521-5G, an entry-level 5G router, the ONE621, a Gbit platform boasting both efficiency and competitiveness, offering options such as 5G and Wi-Fi, 6, as well as the "FlexCPE" functionality; and the ONE422, an industrial FlexCPE router developed and approved for marketing in 2024, notably for industrial verticals (energy, for example). Furthermore, Ekinops continued to enrich its OneOS6 software, with two major new updates, adding multiple functionalities and significant enhancements in terms of performance for 10 Gbit platforms, ONE2561 and ONE3540. This software platform, operating on different types of equipment environments or in virtualized environments, offers features and performance which are unique in the market.

In 2023, Ekinops' Compose activities, as during the previous year, stood out in new customer acquisition, both for virtualization access solutions and also for SD-WAN solutions. Ekinops continued to invest in the development of new functionalities for its virtualization products and in SD-WAN solutions to develop its strong and innovative positions in these high-potential markets. Furthermore, the company completed the implementation and launch of its Platform as a Service offering in the Azure Cloud, to host SD-WAN and OneManage solutions.

As part of its Optical Transport activities, Ekinops extended its new generation OTN product range called ETSc ('c' for Compact), with the introduction of a third medium-sized chassis (3RU), to complement the 1RU and 6RU which are already available. 2023 was also a year which saw the deployment and commissioning of the first networks based on the ETSc product range in North America, and order intake from several other customers in EMEA and the United States.

In 2023, Ekinops also completed the work started in 2021 and 2022 on the renewal of certain existing WDM cards, to continue to deliver to its customers in record time. This modernization effort of existing products is coming to an end with the end-2023 delivery of the new optimized platform for transport and low speed aggregation applications (from 155 Mb to 10 Gb/s) on the PM_O5005mp (multi-protocol transponder). The star platform of the WDM platform, the PM_200FRS02 was also updated and enhanced to guarantee delivery capacity and improve production costs.

The development of a new terabit transponder is also progressing in line with forecasts in 2023. This development is drawing to a close and the product, aimed at doubling existing network capacity and addressing speeds of 800 Gb/s for metropolitan/regional applications and 400 GB/s for long distance applications, will be available for sale during 2024.

Lastly, the network management software solution Celestis NMS has been enriched with numerous significant functionalities, to address customer needs. These enhancements include management of ROADM networks compatible with "Colorless, Directionless, Gridless and Contentionless" configurations, and the management of channels provided by third-party equipment (so-called "Alien Waves") enabling support of the evolution of transport networks and facilitating daily operations of our operator customers.

1.1.2 Progress achieved/difficulties encountered

2023 saw a gradual normalization of supply of optical and electronic components at the global level, enabling a return to a more stable pace of production. As a result, Ekinops was able to deliver the key orders booked at the end of 2022 as planned, and to efficiently manage significant orders throughout the year. Furthermore, the company won a major multi-year contract in Germany with Deutsche Glasfaser (DG), one of the main independent suppliers of fiber in the country. Business in the United States remained steady.

For the first time, at end-2023, sales of 400G products over the quarter were higher in volume terms than sales of 200G products, which had been the best selling high speed product in Ekinops' optical business. This trend was anticipated and was notably made possible thanks to the new PM_400FR05 platform, launched at the end of 2022, and optimized with additional functionalities mid-2023.

In terms of access, after significant growth of 20% in 2022, sales eased somewhat, without leading to market share losses. On the contrary, several operators reinforced their commitments to Ekinops solutions and play to deploy new services from 2024. Despite the demanding economic backdrop, with notably high inventory levels at major operators, Ekinops succeeded in maintaining growth in sales of mid-range routers targeting large companies, as well as high-potential SD-WAN solutions. The Company also collaborated with major customers on virtualization projects planned for 2024.

Revenue generated by software and services continued to grow, representing 17% of total Group revenue in 2023, versus 15% a year earlier.

During 2023, Ekinops pursued its constant improvement efforts, in terms of both processes and operating efficiency.The company obtained ISO 27001 certification, the international standard for information security management systems particularly sought-after by major operators. This certification reinforces risk management by securing data and increasing customer and partner confidence thanks to the concrete proof of Ekinops' commitment to information security.It also guarantees compliance with legal regulations, optimizes internal processes for greater efficiency and plays a crucial role in organizational resilience in the event of security threats.

In 2023, the Group acquired a new Customer Relationship Management (CRM) software package, which was much more advanced than the tools used previously.A solution based on a package of Sales Force supplier modules was implemented. This solution facilitates the management of sales and contacts, contact with customers, monitoring opportunities and sales pipelines. It also enables automation of marketing for the deployment of targeted and personalized campaigns, as well as the management of order forecasts and production planning.

1.2 PRESENTATION AND CHANGES TO THE COMPANY

1.2.1 General presentation of the Company

Ekinops is a telecoms equipment manufacturer focused on designing innovative transport, Ethernet service and data routing solutions and equipment for delivery to telecoms operators and enterprise networks.

The Ekinops solutions enable the deployment of high capacity and high-speed optical transport services, as well as enterprise managed services based on physical or virtualized platforms.

These operator class solutions, equipment and software are intended to help service providers and businesses address network evolution and the constant demand for greater capacity and agility.

The Group operates on a very fast-growing market, driven by the expansion of network capacity through either the deployment of new networks or by increasing the capacity of existing networks.

Company milestones

The company was founded in 2003 and initially positioned itself on the optical transport market, building on the vision of its two founding engineers, both former Alcatel executives. With its extensive expertise in software (signal processing) and optics (laser technology), the Group initially offered solutions to manage transmission capacity based on two major technologies:

(i) Wavelength Division Multiplexing (WDM), which is used to increase the bandwidth available on a single optical fiber by sending multiple signals simultaneously over different wavelengths; and

(ii) Ethernet transmission protocol (as a replacement for other aging protocols).

Marketed under the Ekinops360 brand, this offering combines performance, flexibility and scalability, all at a competitive price and proved attractive to operators and institutions alike.

The Group integrated the activities of OneAccess in 2018, after its acquisition in Q4 2017. Ekinops' offering was thus broadened to include network access products (routers) and software marketed to telecoms operators. These integrated products (software and hardware) allow operators to offer managed communication services using equipment installed at their enterprise customers' sites.

The OneAccess brand products located on the companies' premises connect the operator's telecom network to the company's internal network.

2019 enabled the Group to add the OTN technology to its Optical Transport product portfolio.Ekinops acquired Padtec's OTN technology, along with its R&D team of 25 engineers based in Campinas, near Sao Paolo (Brazil).

OTN technology is used to switch data traffic over optical fibers, significantly optimizing network bandwidth utilization. Ekinops will thus be able to respond to the market's increasing calls to integrate this technology.

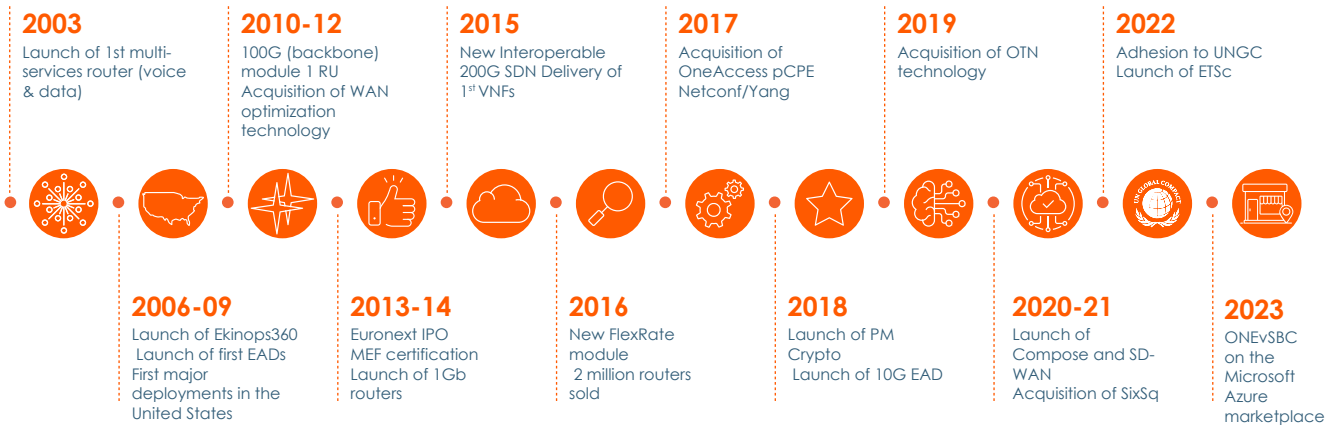
In 2020, Ekinops launched its comprehensive OTN/DWDM solution for optical networks as well as its Compose software brand to support companies' digital transformation within increasingly software-defined networks. Compose is the Group's software offering that helps operators and service providers supplement their portfolio with new value-added services such as SD-WAN, security and quality of service.

In 2021, Ekinops confirmed the growing success of its Optical Transport Network (OTN) solutions, reinforced by the launch of the new ETSc compact platform solution at the beginning of the year and its proven leadership in virtualization and SD-WAN technologies in Access. In October 2021, Ekinops acquired the SixSq start-up, a software as- a-service (SaaS) provider for Edge Computing, which provides an ultra-innovative solution that complements Cloud Computing with data processed directly on the company's site.

In 2022, Ekinops ratified its adhesion to the UN Global Compact, the greatest global initiative promoting corporate sustainable development. The United Nations Global Compact, (UNGC) is a voluntary initiative enabling companies to participate in the creation of a global framework to ensure sustainable development by adopting responsible and creative governance and acting as informed citizens, aware of planetary challenges. Companies and organizations which sign the UNGC commit to respecting and contributing to its ten principles, in four areas: human rights, labor standards, environment and the fight against corruption.

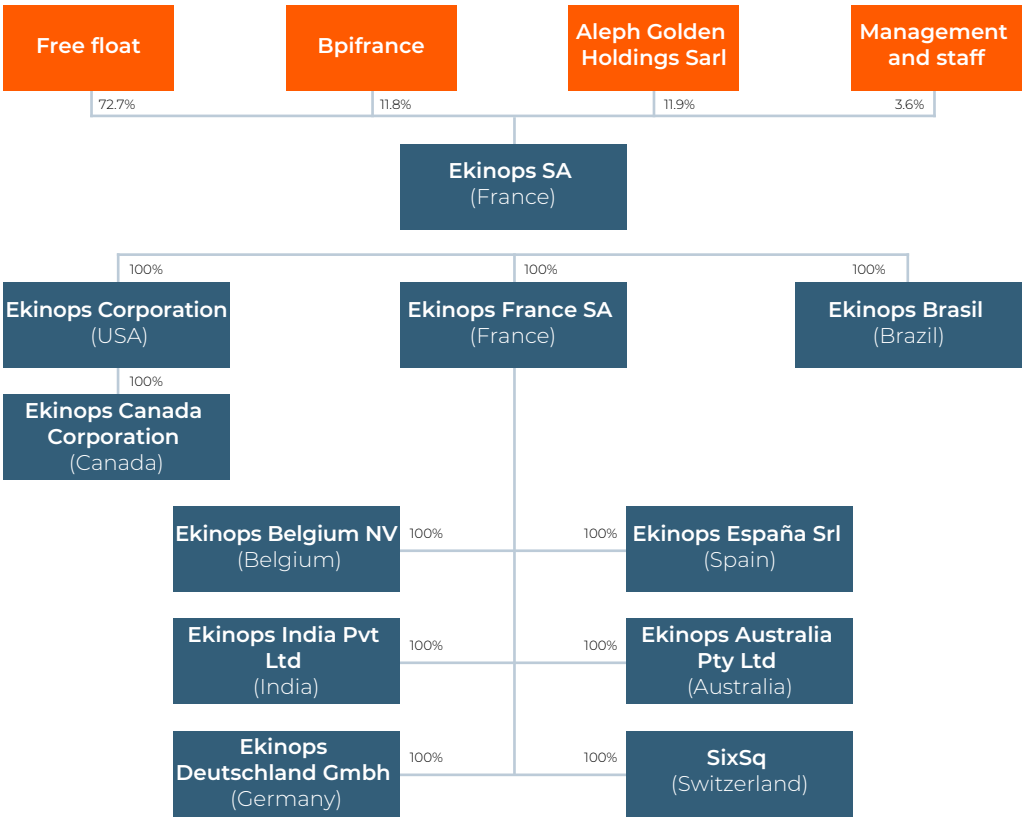
In 2023, Ekinops made its ONEvSBC (Session Border Controller) available on the Microsoft Azure marketplace, enabling suppliers of services to easily design their voice services for corporate customers.

Also in 2023, Ekinops marketed its first industrial routers with the "FlexCPE" functionality. These products offer the possibility of charging and running third-party applications in the form of containers. In this way, it extends the possibilities of a traditional router (pCPE) to offer functions at the edge of the network. Compared with Cloud usage, this enables faster response times, better confidentiality and a reduction in the carbon footprint and cost of use of data centers.



1.2.2 Organizational chart

At the date of filing of this Universal Registration Document, the legal organizational chart for the Ekinops group was as follows:



1.2.3 Property, plant and equipment

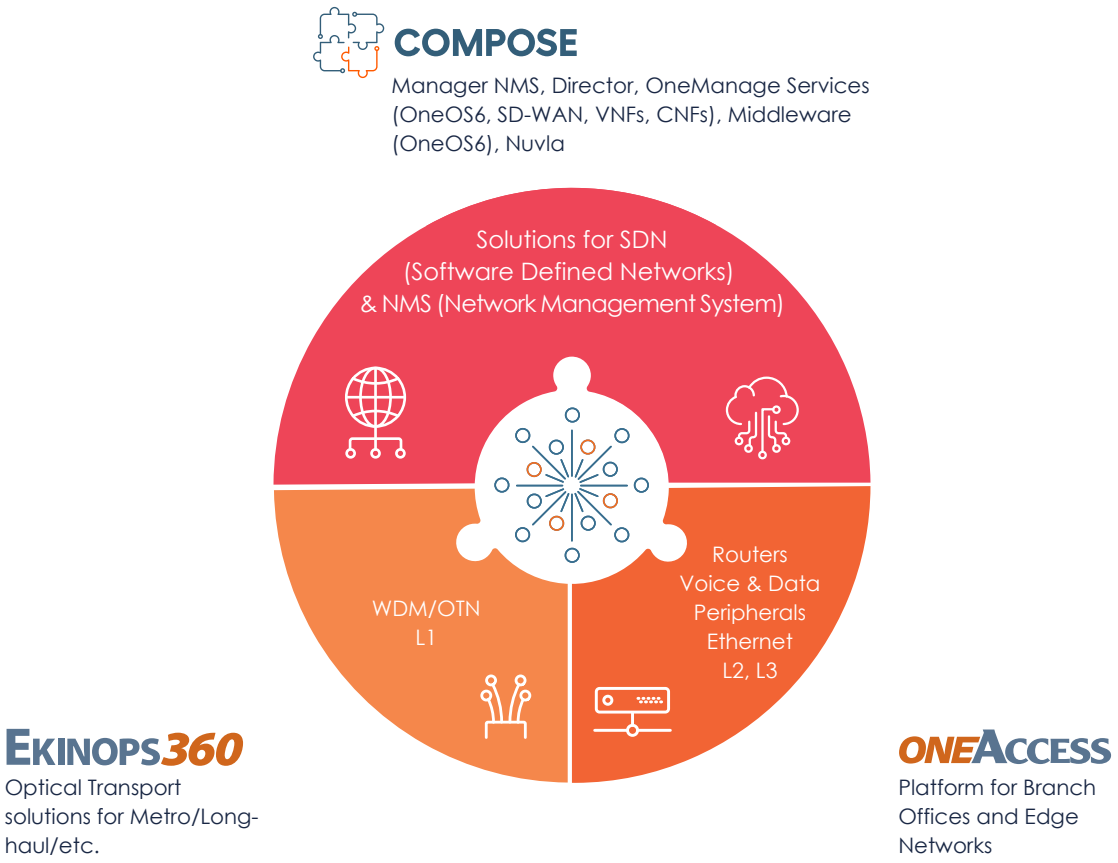
The Ekinops group does not own any property. Its main fixed assets are laboratory equipment, as well as the industrial equipment at its Ekinops Belgium subsidiary.

1.3 DESCRIPTION OF BUSINESSES

1.3.1 General overview of the Company's businesses

The Group provides open, reliable and innovative network connectivity solutions. The Ekinops teams are constantly developing equipment and software to enhance the network industry and create new high value-added commercial opportunities for the Group's customers. Ekinops' portfolio of solutions and services consists of three fully complementary brands:

- Ekinops360, to meet the needs of metropolitan, regional and long-distance optical transport networks (layer 1), based on two complementary technologies: WDM for a simple, compact, integrated architecture; and OTN for complex multi-vendor environments
- OneAccess, for layers 2 and 3 (access and routers) to offer a wide range of physical and virtualized deployment options for routing voice and data;
- Compose, which includes solutions to make networks software-defined with a variety of management tools and services, including the scalable SD-WAN Xpress solution and the SixSq *Edge-to-Cloud* solutions.

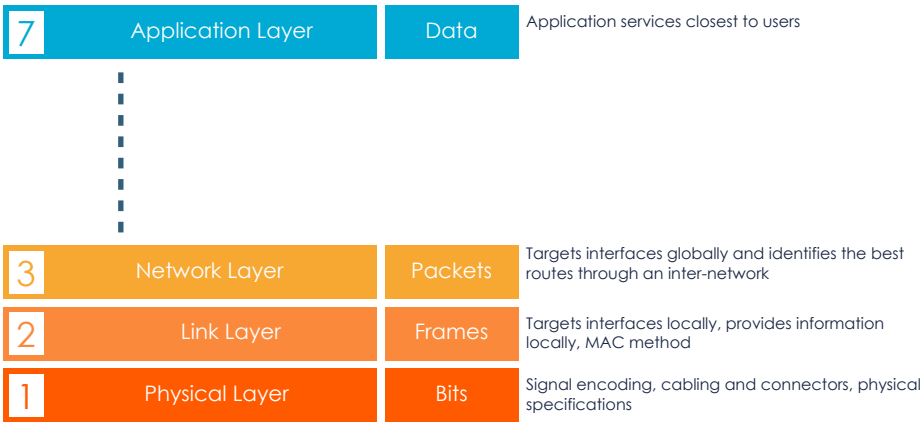


1.3.2 Positioning within telecommunications networks

Ekinops operates at both the "physical layer," known as level 1, through the WDM and OTN optical transport platforms, and at also layers 2 and 3, the "data link" and "network" layers with its routing solutions. The combination of Ekinops' technical solutions enables a wide choice of deployments, both physical and virtualized, for data transmission and for corporate services.

Network levels

1. Optical transport over fiber (layer 1/L1)
2. Communication/Ethernet services (layer 2/L2)
3. IP routing services (layer 3/L3)

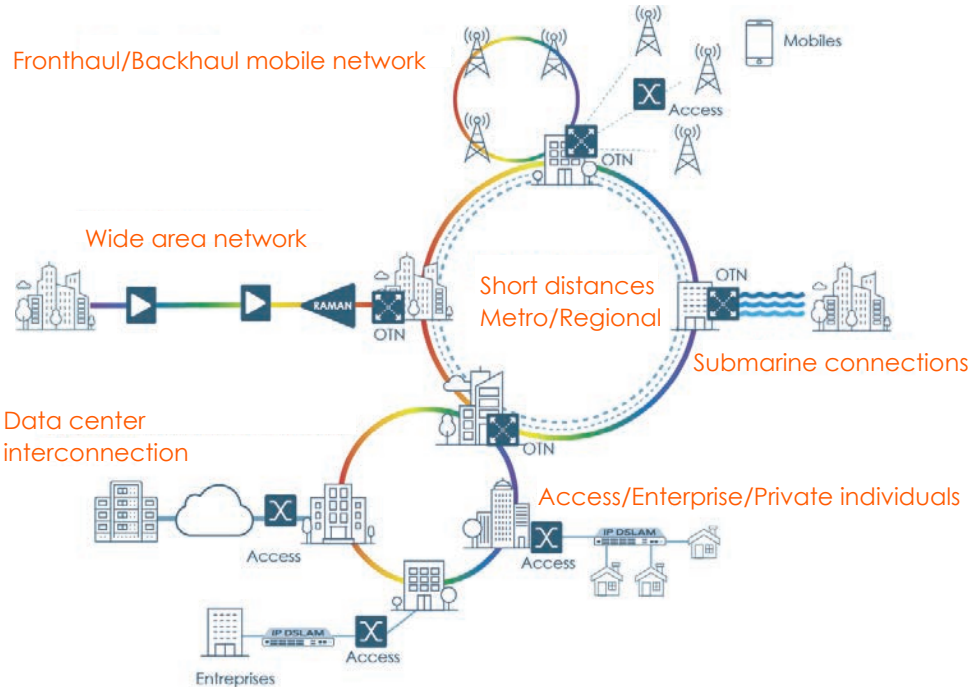


The level 1 physical layer is itself segmented into geographic/distance criteria and allows for high capacity transport of data:

I. the "Metro network": the local metro network, which connects telecoms operators' points of presence to each other, to companies, to cell towers (3G, 4G, 5G) and to video servers. The transport technology typically used for Metro transport is called "Metro WDM";

II. the "Backbone" network: the backbone of the rest of the network, with greater bandwidth. It connects the metro networks, which are often several hundreds or thousands (submarine networks) of kilometers apart, to each other.

The diagram below shows the points of contact where Ekinops operates at the access and infrastructure levels:



1.3.3 Ekinops' offering

Groupe Ekinops' offering is based on three product families. Optical transport, network access, as well as network management and virtualization. All the physical platforms marketed by the Group are "carrier class," which means they are highly specific to operator and service provider customers. Ekinops' solutions enable a wide range of network operators to deploy and manage new generation networks which provide services to companies.

	EKINOPS360	ONEACCESS	COMPOSE
Customers	Telecoms operators and service providers		
Markets	Metro & Longhaul	Edge & Access	Network management and virtualization
Solutions	CWDM/DWDM Transponders & Muxponders ROADMs OTN products	Ethernet access devices uCPE enterprise voice & data routers	Virtualisation, VNFs, CNFs SD-WAN NMS *Edge Computing*
Services	Support, Network design, Consulting, Security audit, Certification, etc.		

1.3.3.1 The Optical Transport (Ekinops360 brand) range

Adapting the networks to cope with soaring demand for data transport requires optimum use of the optical fiber transmission medium. The goal is to "forward" the maximum amount of data at the same time and as quickly as possible.

Ekinops offers operators a comprehensive range of equipment (transponders, multiplexers, etc.) covering all the needs of a highly interoperable market.

The equipment is generally installed at each end of the link, and at intermediate sites, in bays, at the customer's site or in datacenters.

The standard equipment consists of:

- one or more cards depending on the customer's specific needs (data aggregation, transport over short or long distances, etc.);
- in certain cases, pluggable cards;
- a chassis, some can integrate up to 20 cards.

Ekinops' sales in this segment come from both complete sets of equipment and additional cards as its customers' networks grow.

Ekinops develops its own optical line interphase technology but also offers pluggable optical solutions for applications where performance is not an issue, which makes marketed platforms even more flexible.

Since it acquired the Optical Transport Network (OTN) technology, Ekinops supplies ETSc products (Ekinops Transport Switch compact), which are used to switch data traffic over optical fibers. They significantly optimize bandwidth utilization and protecting traffic on the networks, more specifically for large operators' network cores. OTN technology is critical to providing high bandwidth in multi-vendor optical network environments (end-to-end traffic management) and responding to the very rapid growth in data traffic (big data, Cloud), in particular for mobile operators (5G networks).

OTN technology provides a solution built around a scalable architecture so as to rapidly increase switching capacity and support packet optical transport (network layer 2). ETS allows for flexible management of datastream and protocol traffic transmitted over 200G-400G modulated optical wavelengths, increasing to transport capacity of more than 1T.

1.3.3.2 Routing range (OneAccess brand)

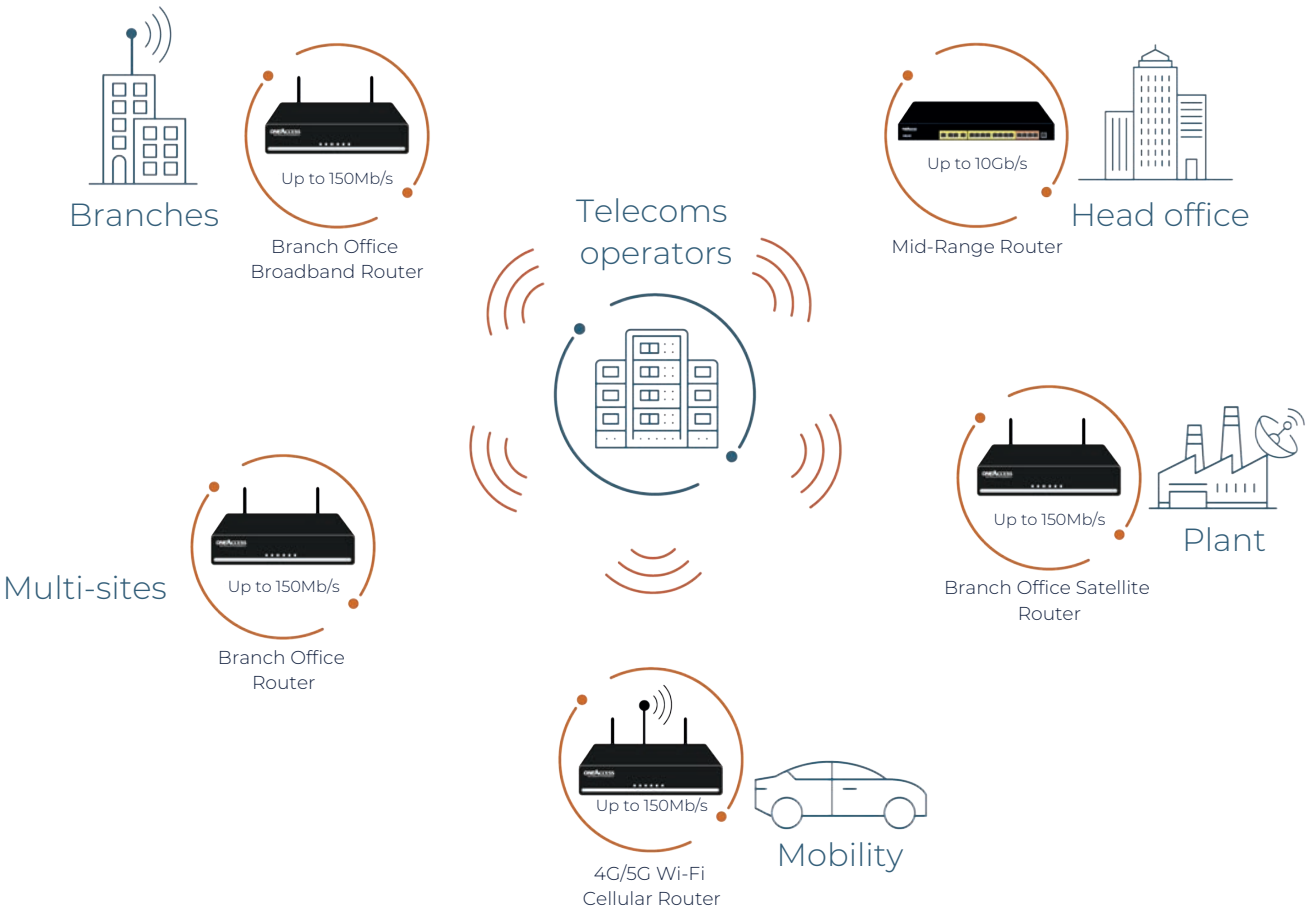
The OneAccess brand offers integrated products, i.e. software and equipment, in three major families:

- pCPE physical routers; virtualized uCPEs or capable of hosting FlexCPE containerized functions.
- Ethernet Access Devices (EADs) for services that do not cover IP;
- virtualized platforms (uCPE) to host virtualized functions (VNF) or containerized functions (CNF).

These products allow operators to offer managed communication services using equipment installed at their corporate customers' sites.

These products, which connect the telecom network to the company's internal network, come equipped with one or more types of access technologies (DSL, fiber, 4G, 5G, cables and other), and with a set of hardware and software functions to offer a wide range of enterprise services such as:

- routing;
- secure and reliable data transmission;
- voice over IP (VoIP);
- prioritization and optimization of certain critical business applications.



1.3.3.3 The software range (Compose brand)

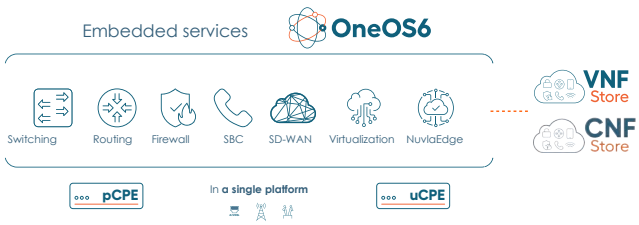
Compose brings the Group's network access and optical transport software products together. Compose enables operators to expand their service portfolio with software-defined network solutions, such as SD-WAN, and security and quality of service by using platforms from Ekinops and third parties (third-party white boxes).

Compose includes Ekinops software (e.g., Director), network/Cloud management software, virtualization functions (VNFs, virtual network functions), and SD-WAN (software-defined wide area network) and also provides access to an Ekinops-certified ecosystem of about 30 of the most widely used VNFs and now CNFs (containerized functions) on the market.

The Compose brand includes the software elements of Ekinops' existing Ekinops360 and OneAccess portfolios, namely the Célestis (optical transport) and OneManage (network access) management platforms. Compose also houses Nuvla and Nuvla.io, components of the SixSq Edge Computing suite.

✓ OneOS6

OneOS6 is the cornerstone of Compose. OneOS6 is a modular software solution providing a full range of services that are compatible with all physical platforms (Ekinops or white boxes) and can be activated on demand. Fully open, OneOS6 transforms any of Ekinops' own or third party equipment into a multi-service platform.



✓ Virtualization

The ONEOS6 operating system has the particularity that it can be used on Ekinops' physical platforms, but also on platforms called white boxes, OVP is the name of the OneAccess white box range. OneOS6 can also be integrated as a component of OEM (Original Equipment Manufacturer) solutions. The virtualized version of OneOS6 is marketed under the ONEOS6LIM name. Network services are embedded:

- as separate virtualized functions commonly known as VNFs, such as vRouter;
- as containerized functions, such as Nuvia.io marketplace business applications;

OneOS6 LIM

OVP

✓ SD-WAN

SD-WAN is a software-based approach to network management that uses the public Internet network to provide services comparable to MPLS. SD-WAN Xpress stands out for its simplicity, comprehensiveness and ability to offer the functions expected on all of Ekinops' existing equipment and to offer an approach regrouping all on a single platform, with a "One Box" approach.

SD-WAN

✓ Edge Computing

Integrated within the Group since 2021, the SixSq offering consists of the "Nuvla.io" marketplace, which hosts all types of business applications in container format in the Cloud, and the NuvlaEdge software, which converts enterprise routers, or other open hardware platforms capable of processing data, into smart Edge systems.

The Ekinops and SixSq solutions are already integrated through the Ekinops virtualization offering (OneOS6- LIM).

Enhanced with SixSq technologies, OneOS6 becomes an Edge Computing solution to execute all types of business applications in bare-metal container format. Service providers can offer a genuine marketplace of downloadable applications directly to devices using OneOS6. The use cases are infinite. In this way, all OneOS6 routers as well as the uCPEs can "carry' business applications downloaded from the Nuvia.io marketplace, in particular for the Internet of Things (IoT), Industry 4.0, smart retail, etc.

Nuvla.io

1.3.3.4 Services and support

As well as its network connectivity solutions, Ekinops offers a portfolio of design services, implementation and support to assist operators in their deployment and optimization, while also reducing their maintenance costs. Ekinops has a global assistance organization which offers services via variable Service Level Agreements (SLAs).

1.3.4 The market, the customers

Focused on a target operator customer base, the Group's objective is to provide them with open, trusted and innovative network connectivity solutions. The Group is expanding in a global market featuring:

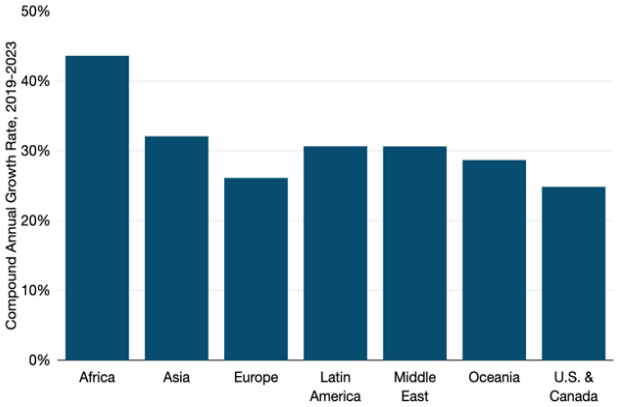
- very strong growth, reflecting exponential data management needs (speed, less latency, performance, security);
- intense competition between the different players with varied profiles and key national interests;
- fundamental technological trends which model the requirements of customers at the heart of challenges faced by equipment makers;
- Interoperability is imperative; the importance of an active ecosystem.

1.3.4.1 Strong growth

Driven by the proliferation of triple-play (video, voice, data), video-on-demand and Cloud Computing services, as well as mobile services, global demand increased by 23% in 2023, according to Telegeography. After the surge in demand generated by the pandemic in 2020, annual growth returned to "normal", slowing slightly in the bandwidth market, which has nevertheless expanded almost three-fold since 2019[1].

Strong growth in capacity, visible across all regions. Top of the list: Africa, with 44% CAGR (compound annual growth rate) between 2019 and 2023. Next comes Asia, generating 32% CAGR over the same period.

International Internet Bandwidth Growth by Region



(1) *Source Telegeography - 2023 (https://blog.telegeography.com/total-international-bandwidth-now-stands-at-1217-tbps).*

This growth phenomenon should continue over the coming years, boosted by the deployment of 5G and innovations in the mobility sector, IoT (Internet of Things) applications, artificial intelligence and virtual or augmented reality technologies for industrial applications or retail.

The correlation between performance (speed) and network flexibility, on the one hand, and increased usage, on the other, is a key growth factor in the markets where the Group operates. Indeed, speed is a crucial catalyst for IP traffic. The average speed of global bandwidth should continue to increase, to more than double between 2018 and 2023, from 45.9 Mbps to 110.4 Mbps[1].

Faced with this increasing demand for both capacity and speed, it is essential for operators to increase the bandwidth of their networks. This will be made possible by investing in technological evolutions.

1.3.4.2 Intense competition

In the global market addressed by the Group (Optical Transport and Network Access), international competition is very heterogenous and significant, although consolidation moves have reshaped the equipment maker landscape.

Market players can be divided into two main categories:

- the major groups: Cisco (United States), Nokia (Finland), Huawei (China), Infinera (United States), Fujitsu (Japan), Ericsson (Sweden), Juniper (United States), NEC (Japan), Ciena (United States), ZTE (China), which mainly address tier 1 operators;
- the smaller companies: Fiberhome (China), Adva Optical Networking (now part of Adtran), Packet Light (Israel), Teldat (Spain), AudioCodes (Israel/ United States), SmartOptics (Norway), which address operators of all sizes.

Huge political stakes influence the competitive landscape for telecom equipment makers owing to the critical dimension linked to security of both the media chosen (infrastructure) and the data systems (transmission).

Significant national interests

Numerous government incentive and financing programs have been introduced throughout the world to promote the expansion and modernization of networks. For example, in the United States, several billion dollars will be released over the coming years, notably in rural and poorly served regions, as part of programs like the Rural Digital Opportunity Fund (RDOF).

For the whole of the European Union, government stimulus programs totaling tens of millions of euro have been launched (such as France 2030, for example).Investments are concentrated in the network access sector through to metropolitan networks.For strategic reasons (sovereignty/security), these programs should benefit mainly western suppliers owing to the partial or total rejection of Asian or even US equipment makers.

1.3.4.3 Fundamental technological trends

Market-driving factor: companies which, for the most part, have initiated their "digital transformation", profoundly changing how they operate. To do so, they adopt, and consumers with them, new telecommunication technologies with several objectives:

1. Modernizing communication and work methods. Examples are manifold: shift from traditional telephony to IP telephony, reduction in own investment in servers and data centers, in favor of Cloud solutions, replacement of in-house software with SaaS (Software as a Service) applications, use of WAN MPLS and internet on the same site access, greater development of flexible work methods (remote and multi-site).
2. Developing new sources of revenue by increasing productivity. This could be to sell in regions where they had been absent, to modernize plants or points of sale with IoT-type (Internet of Things) software functions, or process automation.
3. Controlling or reducing costs by avoiding, for example, duplication of equipment. A software application which has an increasingly important societal dimension, targeting reduced energy consumption or minimizing the ecological footprint.

(1) Cisco Annual Internet Report (2018–2023) White Paper.

In summary, these transformations are based on these technologies and major trends:

- Cloud, disaggregation, virtualization;
- SD-WAN;
- 5G;
- sustainable development.

Ekinops is likely to continue to benefit fully from these market developments, thanks to its suitable range of equipment.

✓ Virtualization, Cloud and disaggregation

The move to the Cloud and the rapid growth in bandwidth available to end users requires significant capacity and flexibility for optical networks linking data centers, peripheral computer equipment, network access and base stations. Faster, "on-demand" network and bandwidth deployment are essential requirements, as are reduced operating costs and a competitive supply chain.

The stakes for operators are twofold. They seek equipment manufacturers capable of helping them create more efficient infrastructure to enable the greater levels of connectivity, promised by virtualization (NFV & SDN). They must also generate competitive service offerings, with companies under pressure to reduce services and telecom infrastructure management costs. In a context which favors business solutions such as those offered by SixSq (Edge Computing) or PaaS-type (Platform as a Service) services.

The underlying trend is therefore toward open systems separating software from platforms (disaggregation). New technologies offering greater programmability, greater bandwidth and more flexibility are therefore key.

Virtualization offers service providers and systems integrators optimization at several levels: no need to deploy new equipment when introducing new network services, independence vis-à-vis suppliers, speed of customer reaction and better time-to-market for new services. Ekinops, as a pioneer in virtualization, has a comprehensive product and service range adapted to suit operators.

✓ SD-WAN (*Software-Defined Wide Area Network*)

The SD-WAN (software-defined wide area network) is very dynamic, with 30% CAGR (compound annual growth rate), it expanded from €475m in 2017 to €1.5 bn in 2021. The market should reach $4.9 bn (around €4.58 bn) by end-2024.[1]

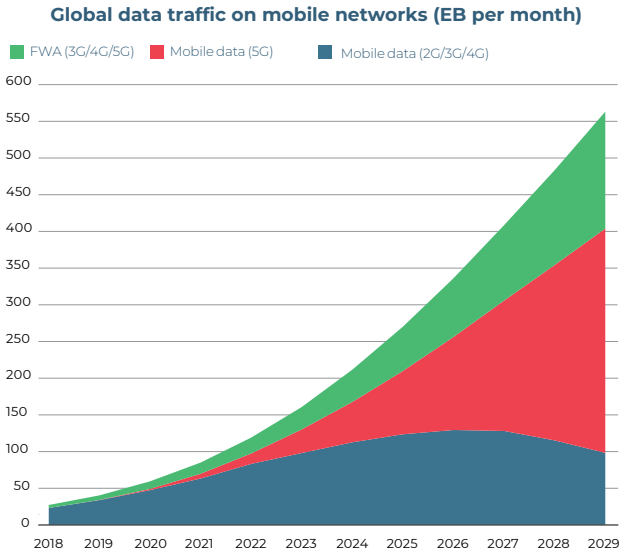
Designed for Cloud Computing, SD-WAN is a new approach to corporate network management with a constant optimization component. The principle is based on a software environment which enables constant steering of how all links (ADSL VDSL, fiber optics, 4G) are operator for each of the network activities of the company and for all sites, at the applications level. Operators are prepared for SD-WAN, in particular to address the market for major companies which benefit more easily from the economic advantages offered by SD-WAN, notably as part of multinational deployments.

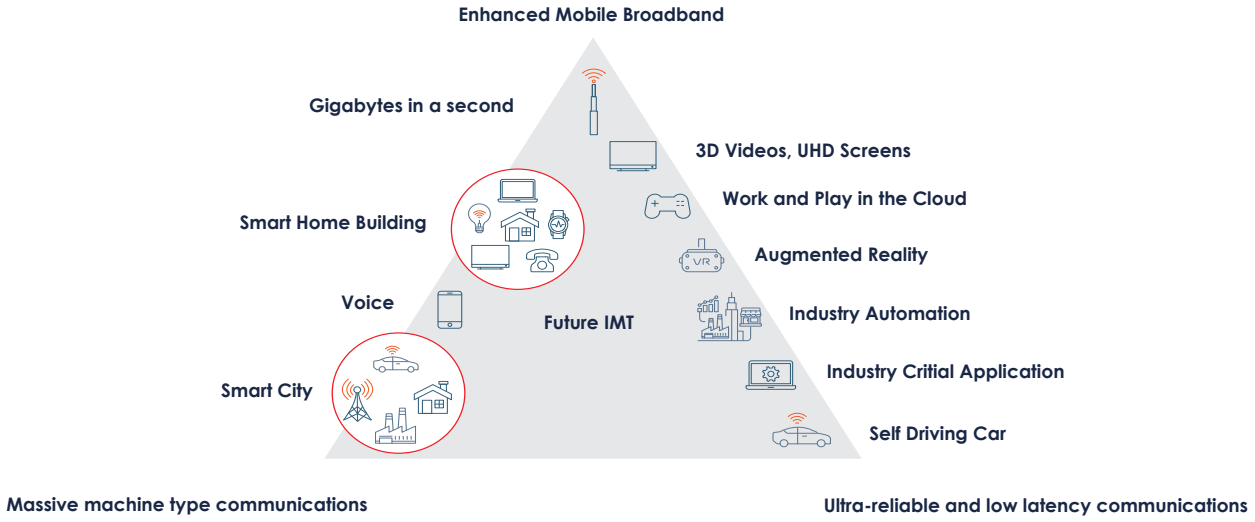
For the Group, SD-WAN is a strong opportunity and a limited threat. It is true that SD-WAN partially overlaps with the router market, but creates a need for universal CPEs (uCPEs) where Ekinops has a competitive offering and is positioned as an accelerator in introducing multi-vendor SD-WAN offerings. Ekinops has its own SD-WAN offering targeting medium-sized operators and companies, a volume segment where operators cannot find satisfactory offerings. Leveraging OneOS6, the SD-WAN Xpress solution is the first natively developed from recognized middleware routing. It stands out for its simplicity, its wealth of features and its ability to offer extended functions on all existing Ekinops equipment, with a "One Box" approach.

(1) Source: Omdia-2022.

✓ 5G, what impact for Ekinops?

Global mobile traffic is exploding, as show in the chart opposite. We are also observing use cases and types of services where 5G could apply, including for corporate services, a key market for Ekinops and its Access range.





Three categories of services supported by 5G – Source: ITU-T IMT-2020

The exponential increase in the number of antennas required to cover the territory will have a strong influence on the Group's transport infrastructure activity.The emergence of Layer 3 (routing) at the bottom of 5G towers and the renewal of routers currently in place in companies also increase the market opportunity for network access activities.

✓ Sustainable development

In view of growing demands for sustainable development, the entire telecoms market ecosystem must work together to prepare for a future where growth has a low environmental impact.

Operators are increasingly looking to their technology provider and OEM partners, who belong to their value and supply chain. Together, they must innovate to manage the lifecycle impact of their networks, including energy consumption, greenhouse gas emissions and other resource and environmental impacts.

These additional constraints represent an enormous opportunity for the Group, which is able to mobilize its innovation resources to propose a roadmap of products and services that meet network performance and sustainable development requirements.

1.3.4.4 Interoperability and ecosystem

Existing telecommunications networks are very heterogeneous in terms of infrastructure and services. Indeed, the many devices in place have been deployed over the years and have been designed with different protocols (Ethernet, SONET/SDH, etc.) and data rates, meaning a very large number of different data formats cohabit on the networks.

Equipment manufacturers must therefore manage to both aggregate these protocols in order to transport data quickly and homogeneously, and also to make the platforms and software that underlie them as flexible as possible in order to easily adapt.

Interoperability is a major issue for operators for both optical transport and access services. In the optical layer, it is essential to realize the benefits of automation and to integrate legacy equipment into software-defined networking (SDN).

The same is true for services, as operators have to organize different migration phases (from analog and ISDN to IP, or more recently to virtualization).

Ekinops is firmly committed to openness and interoperability, as illustrated by its participation in the Open-ROADM consortium.

Thanks to its constant desire to work on an open basis, Ekinops is building an ecosystem of technological partners to complete or adjust its offer as closely as possible to operators' demands.

Among others the Group works with:

- **Dell EMC OEM Solutions (Dell Technologies Group) and Lanner**

These partnerships are designed to provide advanced, high-performance virtualization solutions.

- **Intel**

Ekinops is part of the Intel Networks Builder (INB) ecosystem that accelerates network transformation through the development and deployment of proven Software-Defined Networks (SDN) and network function virtualization solutions.

- **Microsoft Teams**

The enterprise SBC (Session Border Controller) solution included in the OneOS6 middleware has achieved Microsoft Direct Routing certification, enabling enterprises to benefit from the full range of services offered by the Microsoft Teams platform.

1.3.5 Competitive advantages

Ekinops boasts numerous competitive advantages:

- openness and simplicity: without proprietary blocking mechanisms and agnostic solutions (multi-orchestrators, multi-access), Ekinops takes a collaborative approach to customer relations;
- open, interoperable and compatible multi-vendor transport and access solutions;
- the programmability of its optical transport solutions (WDM and OTN) which optimizes costs and manufacturing processes;
- specialized operator network functions supported by a broad portfolio of access platforms (multi-service routers, white boxes, Ethernet platforms) and a portfolio of pre-integrated or independent virtualized functions;
- +3 million routers sold: an asset for the migration of operators to future services, such as SD-WAN;
- real flexibility in service migration and deployments for the implementation of network virtualization;
- a culture of specialist operators and service providers;
- a strong European identity, key at a time of tension with American/Asian suppliers;
- an ability to forge strategic partnerships to build an offer evolving towards a product mix with more software and services.

1.3.6 A sales organization that favors direct, multi-range distribution

The Group has opted for a commercial approach that favors a close relationship with operators and generates higher margins for its two product lines. Since the end of 2017, the sales teams have been responsible for selling all product lines.

To this end, the Group's sales force is divided between the two strategic zones as follows

- EMEA APAC region: Frank Dedobbeleer (Chief Revenue Officer EMEA & APAC);
- United States region: Kevin Antill (Chief Revenue Officer North America).

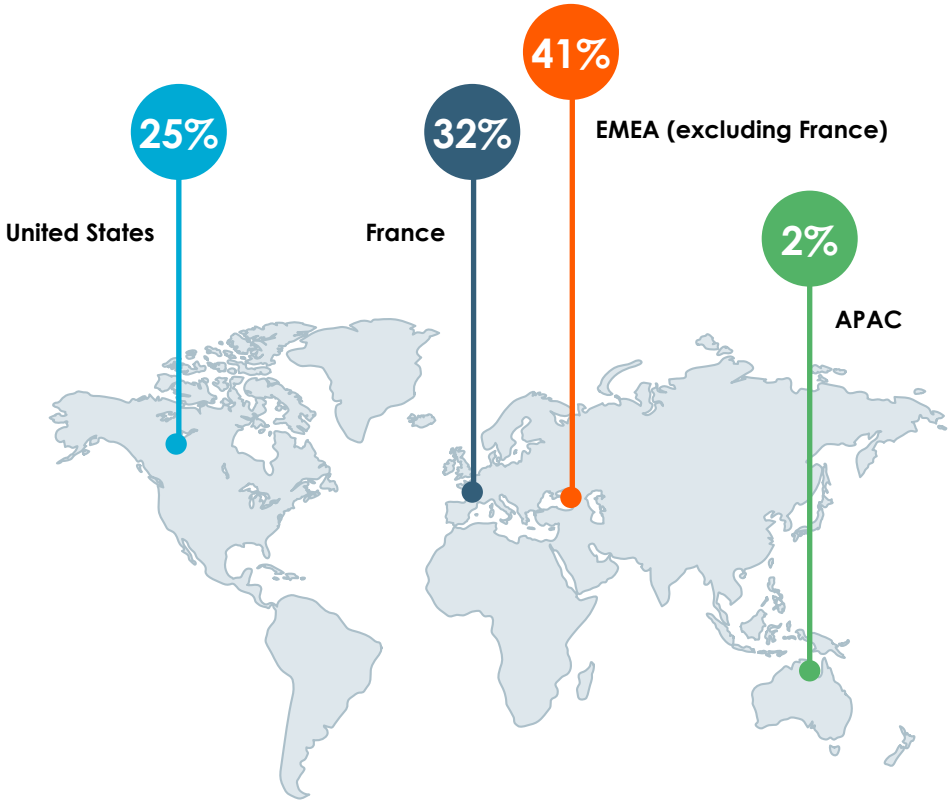
In addition, the Group also has indirect marketing channels in about 10 countries through distribution partners. The Group also has two partnerships with OEMs (Original Equipment Manufacturers) who resell Ekinops products under their own brand.

1.3.7 An installed base of international clients

Ekinops' business approach is based on the desire to respond precisely to customers' needs by offering them equipment with the best cost/performance ratio, ease of use and particularly high reliability.

The Group has succeeded in establishing a solid client base in Europe, Africa, Asia-Pacific (APAC) and the United States.

Geographical breakdown of global sales (at end-2023)



1.3.8 The choice of diversified production

Between the components crisis and the global pandemic, in recent years, Ekinops has demonstrated the strong control it has over its supply chain.

The Group is agile in its production choices. For its Optical Transport portfolio and some of its OneAccess brand products, it operates in "fabless" mode and leverages EMS partners (Electronics Manufacturing Services).

The Group's EMS (Electronics Manufacturing Services) production partners are the following:

- Asteelflash, with whom Ekinops has been working since 2016, is the No. 20 EMS worldwide and No. 2 EMS in Europe with five production sites in France;
- Novatech, with whom Ekinops has worked since its inception in 2003, is one of the leading EMS in France. It has three production sites: Pont-de-Buis (Finistère), Lannion and Ploumilliau (Côtes-d'Armor). It provides subcontracting, from design to delivery to the final customer, for companies in several sectors of activity: aeronautics, industrial electronics, telecommunications and medical;
- Videoton Automotive Electronics Ltd.(VTAE), a partner of the Group since the end of 2011, is part of the largest Hungarian industrial group called Videoton (the parent company is AAA certified by Bisnode). Founded 25 years ago and located in Hungary, VTAE is an EMS specialized in electronic assembly for the automotive, industrial and telecoms sectors. All business processes are certified ISO 9001, IATF 16949, ISO 14001 and ISO 50001.

In order to maintain control over product cost, Ekinops selects and negotiates directly with manufacturers and suppliers for strategic components, in particular the optical components and modules used in product solutions.

The Group's operational organization is presented in section 6.7 of this Universal Registration Document, together with the biographies of the principal members of the company's management. The extent of Ekinops' dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes is generally low.

1.3.9 Research and development, patents and licenses

1.3.9.1 Innovation policy

Since its founding in 2003, the Group has pursued a policy of ambitious and continuous innovation. At December 31, 2023, the R&D department had 296 employees in France, Belgium, Brazil and India.

In this respect, the Group benefits from financing linked to the Research Tax Credit scheme in France. For fiscal year 2023, this tax credit was €5.0m.

Ekinops belongs to a number of professional organizations, including the global "Images et réseaux" (images and networks) competitiveness cluster. As such, it has participated in collaborative projects that bring a large company with sector expertise, one or more SMEs, and academics together.

1.3.9.2 Patents and patent applications

✓ Intellectual property policy – Portfolio status

The Group has not systematically developed an active intellectual property protection policy insofar as it believes that:

- real protection can be elusive as innovations are mostly in software;
- the processes are expensive and time-consuming relative to the low level of protection they provide;
- continued R&D efforts remain the best protection, given the rapid technological changes in the sector.

Research and development employees are each individually bound to the Company by an employment contract which states that the inventions created within the scope of their employment rightfully belong to the Company. Unless otherwise stipulated or provided for by regulation, the economic rights to the software and documentation created by one or more employees in the performance of their duties or in accordance with any instructions from their employer are vested in the employer, who alone is entitled to exercise them.

✓ Patent details

✓ ***Patents filed and issued***

The details of the Company's three patents that have been filed and issued to date are as follows:

- **1st patent: method of pooling performance for long-distance optical transmission**

This patent describes a method of pooling performance for optical transmission over several wavelengths using a single modulator component.

Components called "external modulators" are necessary to prepare an optical datastream for transmission over a long length of fiber. Their purpose is to give the optical signal a waveform to facilitate its propagation over a long length of optical fiber.

When several carriers need to be transported, the number of modulation elements to be deployed must equal the number of carriers to be transmitted. Additionally, this component represents a significant share of the cost of the optical interface.

Thus the objective of the research was, for a large number of carriers to be transmitted, to use only a single modulation element in order spread its cost over a set of "N" channels instead of duplicating it "N" times.

The patent therefore describes how to design the pooling block architecture for this modulation element, as well as the necessary peripheral system functions, particularly in terms of synchronizing the various datastreams.

- **2nd patent: transmission of a tributary in synchronous mode at the data network link level**

This patent protects the principle which consists of using, in a standard SDH-type data frame, the frame's fixed and known data and replacing this data with useful data to increase the rate available in that frame.

This invention makes it possible, among other things, to transparently aggregate several tributaries at constant rate (without modifying the tributary in any way) where multiplexing performed in a standard way (SDH) would have modified some of the data contained in the tributary, which would not have been acceptable for the operator.

This product is mainly sold for upgrades of submarine links that use SDH technologies and where the operator wishes to be as unobtrusive as possible with respect to the content it is transporting.

- **3rd patent: distribution method for a connection with multiple heterogeneous links**

The invention helps optimize the distribution of a packet stream to be transmitted when several heterogeneous links are available, for example, fiber and satellite, while a novel distribution process is used to select the optimal link at any time, given the characteristics of the packets to be transmitted and the actual bandwidth and latency of the available links. The US and European extensions of this patent were validated during 2022.

1.3.9.3 Licensing agreements

The Company has not licensed any of the patents it owns.

1.3.9.4 Other intellectual property

✓ Trademarks and designs registered by the Company

The Company owns:

- the Ekinops trademark filed with the INPI (French patent office) on February 28, 2013;
- the OneAccess brand filed with the INPI on December 9, 2013;
- the Company's design and logo, initially filed on March 16, 2001 and acquired by the Company on March 10, 2003 from a third party. The logo is registered with the INPI as a design under number 014754 (expiring on August 10, 2026).

In 2013, the Ekinops and OneAccess trademarks were registered at the international level.

The "SD-WAN Prime" and "SD-WAN Xpress" trademarks were filed in the European Union and select other countries.

1.3.10 Investments

1.3.10.1 Main investments made since January 1, 2023

The amounts invested in the last two fiscal years and financed with capital, are as follows:

Investments	FY 2023	FY 2022
Consolidated data, IFRS (€k)	**12 months audited**	**12 months audited**
Intangible assets	3,605	4,147
Tangible assets	4,543	3,018
Total	**8,148**	**7,165**

Investments in intangible assets of €3,605k related mainly to business development costs.

Investments in tangible assets of €4,543k mainly concerned technical equipment, research and installation costs for the new building.

1.3.10.2 Main investments in progress

The investments made since December 31, 2023 are similar in nature to those described above.

✓ Main investments planned

Excluding investments to improve employee working conditions, the Group currently has no plans to make significant investments for the coming years and for which the Group's management bodies have already made firm commitments.

1.4 ANALYSIS AND COMMENTARY ON BUSINESSES DURING THE PERIOD

1.4.1 Information on the Company's activity

The Group is a major player in next-generation network management solutions.

1.4.2 Material contracts

(As defined in Annex I of EU Delegated Regulation No. 2019/980)

Over the past two years, the Group did not conclude any contracts (i) other than contracts concluded within the normal course of business, or (ii) containing provisions requiring a significant commitment or obligation on behalf of the Group.

1.4.3 Operating and financial review

Readers are advised to review the information provided below regarding the Group's financial position and results, along with the audited consolidated financial statements of the Group prepared under IFRS for the fiscal years ended December 31, 2023 (as included in Chapter 4 of this document), December 31, 2022 and December 31, 2021 (incorporated by reference).

1.4.3.1 Main factors having an impact on business and results

Because of the nature of the Group's activities, the main factors having an impact on its business and results are:

- the scope of its R&D programs and adherence to the timetable for their completion;
- the existence of tax incentives for companies that engage in technical and scientific research activities, such as the research tax credit it receives;
- the receipt of subsidies.

The Company also regularly grants financial instruments to its employees, whether or not they are executive corporate officers, and to certain partners, giving them access to its capital. The corresponding expense, which is recognized in the financial statements prepared in accordance with IFRS, has an impact on results.

Lastly, although the Group does not consider its business to be subject to structural seasonality, there are often significant fluctuations in sales from one quarter to the next, which are then generally smoothed over each half-year period.

1.4.3.2 Comparison of fiscal years 2023 and 2022

1.4.3.2.1 Revenue and other income from the business

At the end of 2023, Ekinops reported consolidated revenue of €129.1 million, up 1% compared with the previous year on a constant consolidation basis.

Continuing on from 2022, sales of Optical transport solutions continued their robust growth trend, marking a further jump of 27% in 2023, particularly in the France and EMEA (Europe - excluding France - Middle East and Africa) regions, thanks to the success of WDM solutions and new customer wins, notably in Eastern Europe.

Meanwhile, Access solutions recorded a 15% decline over the year, with a 25% fall in the second half alone. Apart from demanding comparison with 20% full-year growth in 2022, the business was penalized by (i) the slowdown in demand and greater reluctance on the part of contractors to invest; (ii) a high level of equipment inventories among major operators; and (iii) more difficult and costly access to financing for operators.

The contribution from Software & Services continued to increase, accounting for 17% of Group revenue in 2023 vs. 15% a year earlier. During the second half of 2023, for the first time, software and services accounted for 20% of Group revenue.

(€k)	12/31/2023	12/31/2022
Sales of goods produced	107,639	108,426
Sales of services produced	21,459	19,192
Total	**129,097**	**127,617**

(€k)	12/31/2023	12/31/2022
North and South America	31,722	29,838
Europe, Middle East and Africa	97,376	97,779
Total	**129,097**	**127,617**

1.4.3.2.2 Operating income/(loss)

✓ Cost of sales

Gross profit came to €67.3 million, down 0.5%. As a result, the gross margin stood at 52.1%, within the long-term normative range targeted by the Group (52% to 56%).

(€k)	12/31/2023	12/31/2022
Cost of sales	61,783	59,996
Gross margin	**67,314**	**67,622**
Gross margin	*52.1%*	*53.0%*

✓ Research and development spending

(€k)	12/31/2023	12/31/2022
Payroll costs	26,776	25,450
Allocations to amortization/depreciation provisions	13,605	9,425
Operational subcontracting and external personnel	3,756	2,805
Rental and lease expenses	349	129
Supplies, equipment, maintenance	3,186	3,406
Professional fees and consulting	1,059	774
Tax credit	(4,947)	(4,638)
Subsidies	(4,231)	(3,075)
Capitalization of development costs	(3,373)	(3,721)
Allocation of manufacturing costs to cost of sales	(9,249)	(6,052)
Travel expenses	444	388
Other	647	341
Total	**28,022**	**25,232**

Regarding its activities in the area of Acces, Ekinops continues to develop its offering targeting the corporate market with significant evolutions of its different product lines. The routers range, based on multicore ARM architectures, was enriched with the introduction of new platforms: the ONE521-5G, an entry-level 5G router, the ONE621, a Gbit platform boasting both efficiency and competitiveness, offering options such as 5G and Wi-Fi, 6, as well as the "Flex CPE" functionality; and the ONE422, an industrial Flex CPE router developed and approved for marketing in 2024, notably for industrial verticals (energy, for example). Furthermore, Ekinops continued to enrich its OneOS6 software, with two major new updates, adding multiple functionalities and significant enhancements in terms of performance for 10 Gbit platforms, ONE2561 and ONE3540. This software platform, operating on different types of equipment environments or in virtualized environments, offers features and performance which are unique in the market.

In 2023, Ekinops' Compose activities, as during the previous year, stood out in new customer acquisition, both for virtualization access solutions and also for SD-WAN solutions. Ekinops continued to invest in the development of new functionalities for its virtualization products and in SD-WAN solutions to develop its strong and innovative positions in these high-potential markets. Furthermore, the company completed the implementation and launch of its Platform as a Service offering in the Azure Cloud, to host SD-WAN and OneManage solutions.

As part of its Optical Transport activities, Ekinops extended its new generation OTN product range called ETSc ('c' for Compact), with the introduction of a third medium-sized chassis (3RU), to complement the 1RU and 6RU which are already available. 2023 was also a year which say the deployment and commissioning of the first networks based on the ETSc product range in North America, and order intake from several other customers in EMEA and the United States.

In 2023, Ekinops also completed the work started in 2021 and 2022 on the renewal of certain existing WDM cards, to continue to deliver to its customers in record time. This modernization effort of existing products is coming to an end with the end-2023 delivery of the new optimized platform for transport and low speed aggregation applications (from 155 Mb to 10 Gb/s) on the PM_O5005mp (multi-protocol transponder). The star platform of the WDM platform, the PM_200FRS02 was also updated and enhanced to guarantee delivery capacity and improve production costs.

The development of a new terabit transponder is also progressing in line with forecasts in 2023. This development is drawing to a close and the product, aimed at doubling existing network capacity and addressing speeds of 800 Gb/s for metropolitan/regional applications and 400 GB/s for long distance applications, will be available for sale during 2024.

Lastly, the network management software solution Celestis NMS has been enriched with numerous significant functionalities, to address customer needs. These enhancements include management of ROADM networks compatible with "Colorless, Directionless, Gridless and Contentionless" configurations, and the management of channels provided by third-party equipment (so-called "Alien Waves") enabling support of the evolution of transport networks and facilitating daily operations of our operator customers.

✓ Marketing and sales costs

(€k)	12/31/2023	12/31/2022
Payroll costs	17,267	15,663
Outside personnel	791	801
Business travel and trips	1,260	1,041
Professional fees and consulting	768	1,044
Rental and lease expenses	113	45
Supplies, equipment, maintenance	624	1,087
Fairs, promotions, and advertising	701	402
Allocations to amortization/depreciation provisions	1,746	1,572
Other	175	297
Total	**23,445**	**21,952**

In 2023, Ekinops reported 8% growth in international sales, whereas sales in France were down 11%. International business accounted for 68% of total revenue in 2023 (vs 64% over 2022).

In North America, full-year sales came to €31.7m, up 6% compared with the previous year with a particularly demanding comparison base (reminder: 56% growth in 2022). Expressed in US dollar terms, full-year growth came to 10%. This region accounted for 25% of Group business in 2023 (versus 23% a year earlier and 18% in 2021).

The EMEA region reported revenue of €53.4m in 2023, reflecting steady growth of 23% compared with the previous year. This solid growth is mainly the result of strong expansion in sales of Optical Transport solutions in the region, notably in Germany and Eastern Europe. The EMEA region accounted for 41% of Ekinops' total business activity in 2023 (vs 34% in 2022).

Asia-Pacific, which now accounts for just 2% of Group business, generated solely from a few accounts, reported a 63% decline over the year (reminder: 38% growth in 2022). In its domestic market, the company reported an 11% contraction in revenue compared with 2022. Sales of Access equipment, the Group's main business in France, were down 18% over the year, mainly due to the economic slowdown and the high level of inventories at its main operator customers. Trends nevertheless remained very buoyant for Optical Transport with a 57% surge in sales over the year. Ekinops generated 32% of its business volumes in France in 2023 (vs 36% in 2022).

✓ General and administrative expenses

(€k)	12/31/2023	12/31/2022
Payroll expenses – Excluding payments in shares	5,190	5,345
Payroll expenses – Payments in shares	1,441	2,254
Professional fees and consulting	1,459	1,626
Supplies, equipment, maintenance	1,127	762
Outside personnel	89	105
Insurance	303	268
Bank charges	221	214
Rental and lease expenses	129	142
Allocations to amortization/depreciation provisions	81	82
Other	745	390
Total	**10,785**	**11,187**

✓ Operating income/(loss)

Group EBIT came out at €3,634 k for 2023, after €8,787 k in 2022.

1.4.3.3 Net income

After the net financial expenses of (€1,020 k), other financial income and expenses of €750 k, and tax income of €265 k, consolidated net income stood at €3,628 k.

✓ Net income and net earnings per share

Consolidated net income was €3,628 k for 2023 versus €12,022 k in 2022.

Net earnings per share issued (weighted average number of shares outstanding) were €0.14 and €0.46 respectively per share for the fiscal years ending on December 31, 2023 and 2022.

1.4.4 Projected trends, future outlook and significant events

Owing to the economic slowdown and uptrending interest rates curbing investment policies and the financial health of companies, the second half of 2023 was significantly impacted, at the expense of Access business. 2024 started off on a par with the last months of 2023, with the market now stabilized market, but not yet showing signs of recovery.

Owing to the high comparison basis (reminder: revenue of €71.0m in H1 2023, up 12%), business in the first half of 2024 is likely to lag the performance of the previous year.

Thereafter, Ekinops anticipates a recovery in Access equipment sales, as the economic recovery gains traction, and plans to launch a new optical transport product during the summer which should double its optical link capacity, and a new OTN (Optical Transport Network) solution, which should contribute to strong business trends for the Group's optical business line.

1.4.5 Subsequent events

No subsequent event needs to be disclosed as of the date of this report.

1.4.6 Cash, financing and capital

1.4.6.1 Information about the Group's capital, cash resources and sources of financing

See also Notes 4.10 and 4.12 to the consolidated financial statements prepared in accordance with IFRS and presented in Chapter 4 of this document.

At December 31, 2023, Cash and cash equivalents held by the Group totaled €47,177k versus €39,355k at December 31, 2022.

(€k)	12/31/2023	12/31/2022
Cash and cash equivalents	47,177	39,355
Total	**47,177**	**39,355**
Bank loans	(6,788)	(6,312)
BPI loans	-	(277)
Factoring loan	(2,823)	(4,419)
Other financial debt	(19)	-
Financial debt - current portion (A)	***(9,629)***	***(11,008)***
Bank loans	(16,697)	(10,382)
Other financial debt	(236)	(37)
Financial debt - non-current portion (B)	***(16,933)***	***(10,419)***
Financial debt (A) + (B)	**(26,561)**	**(21,427)**
Net cash position	**20,616**	**17,928**

1.4.6.2 The Group's sources of financing

Since its founding, the Group has used several sources of financing to ensure its development. These consist mainly of:

- the research tax credit;
- "traditional" bank loans;
- factoring solutions;
- other public financing such as subsidies, grants and aid.

The sources of financing used in the period are presented below.

✓ Capital financing

In 2023, issues of bonus shares and the exercise of stock options increased capital by €0.6m.

Date	Type of transaction	Gross amount raised (in €)
	Gross amount raised at 12/31/2020	**€129,566,882**
07/2021	Issue of bonus shares	€83,405
2021	Exercise of options	€823,443
	Gross amount raised at 12/31/2021	**€130,473,729**
2022	Issue of bonus shares	€157,564
2022	Exercise of options	€1,206,945
	Gross amount raised at 12/31/2022	**€131,838,238**
2023	Issue of bonus shares	€135,917
2023	Exercise of options	€480,351
	Gross amount raised at 12/31/2023	**€132,454,505**

✓ Research tax credit financing (CIR)

The Group benefits from research tax credit (CIR) mechanisms.

The amount of receivables was €4,947k for fiscal year 2023 versus €4,638k for fiscal year 2022.

The Group may assign these receivables to a bank to benefit from pre-financing.

✓ Other public financing

The Group is currently receiving subsidies for development projects, whether collaborative or not. At the end of 2023, the amounts outstanding are as follows:

(€k)	Subsidy amount	Balance receivable at 12/31/2023
EMBRACE project	562	225
NGopt project	3,626	907
Dopper project	63	35
Simbade project	210	157
5Geneva-2 project	973	431
5G Opera project	334	251
Total	**5,768**	**2,006**

✓ Bank loans

Bank loans totaled €18.3m at December 31, 2023. The Group considered it prudent and helpful to take advantage of the "Covid" support measures for businesses, including government-backed loans.

✓ Factoring

The amount of debt with factoring institutions was €2.8m at December 31, 2023. This contract was used to finance trade receivables for a volume of €22.5m over the period.

1.4.6.3 Cash flow

✓ Cash flows from operating activities

The Group's operational activity generated positive cash flow of €13,529k in 2023 versus €9,394k in 2022.

(€k)	12/31/2023	12/31/2022
Net income	**3,628**	**12,022**
> elimination of depreciation, amortization and provisions	9,980	9,196
> Elimination of IFRS 16 amortization and provisions	2,209	1,896
> elimination of other items with no cash impact	(669)	(3,876)
> expenses relating to share-based payments	1,014	1,852
Cash flow after net borrowing costs and taxes	**16,162**	**21,090**
> elimination of change in earn-out fair value	-	-
> elimination of tax expense (income)	632	2,222
> elimination of borrowing costs disbursed	1,020	335
Cash flow before net borrowing costs and taxes	**17,814**	**23,647**
> Impact of change in WCR	(3,286)	(13,630)
> tax paid	(999)	(623)
Cash flows from operating activities	**13,529**	**9,394**

✓ Cash flows from investing activities

Cash used in investing activities for the fiscal years ended December 31, 2023 and December 31, 2022 was €8,189k and €7,408k, respectively.

(€k)	12/31/2023	12/31/2022
Acquisition of tangible and intangible assets	(8,032)	(7,173)
Change in loans and advances granted	(157)	(246)
Disposal of assets	-	11
Cash flows from investing activities	**(8,189)**	**(7,408)**

Change in acquisitions of assets was significantly affected by the share of capitalized development costs. These totaled €3,373k and €3,721k in fiscal years 2023 and 2022, respectively.

(€k)	12/31/2023	12/31/2022
Research and development (expenditure)	28,022	25,232
Development costs (capitalized)	3,373	3,721
TOTAL	**31,395**	**28,953**

The remainder of the increase relates to technical and industrial equipment.

The change in loans and advances granted stems mainly from security deposits (premises and factoring).

✓ Cash flows from financing activities

Financing activities for the year ended December 31, 2022 generated negative net cash flow of (€8,182k) versus negative cash flow of (€10,775k) at December 31, 2021.

(€k)	12/31/2023	12/31/2022
Capital increase	461	1,191
Trading in treasury shares	(41)	78
Issue of new loans	13,169	37
Loan repayments	(6,441)	(6,884)
Financial interest paid	(777)	(223)
Repayment of lease liabilities	(2,023)	(1,903)
Financial interest related to rent liabilities	(243)	(112)
Change in debt arising from factoring	(1,596)	(106)
Change in other financial debt	-	(260)
Cash flows from financing activities	**2,508**	**(8,182)**

1.4.6.4 Information about borrowing conditions and financing structure

See details in paragraph 1.4.6.1 above. See also Notes 4.12 and 4.13 for the financial statements prepared in accordance with IFRS and presented in Chapter 4 of this document.

1.4.6.5 Restrictions on the use of capital

There are no restrictions on the availability of the Group's capital.

1.4.6.6 Sources of financing needed in the future

Based on its closing cash and cash equivalents, i.e., €47,177k, the Group believes it will be able to meet its upcoming maturities for the next 12 months as of the date of this document.

1.4.7 Information on dividends

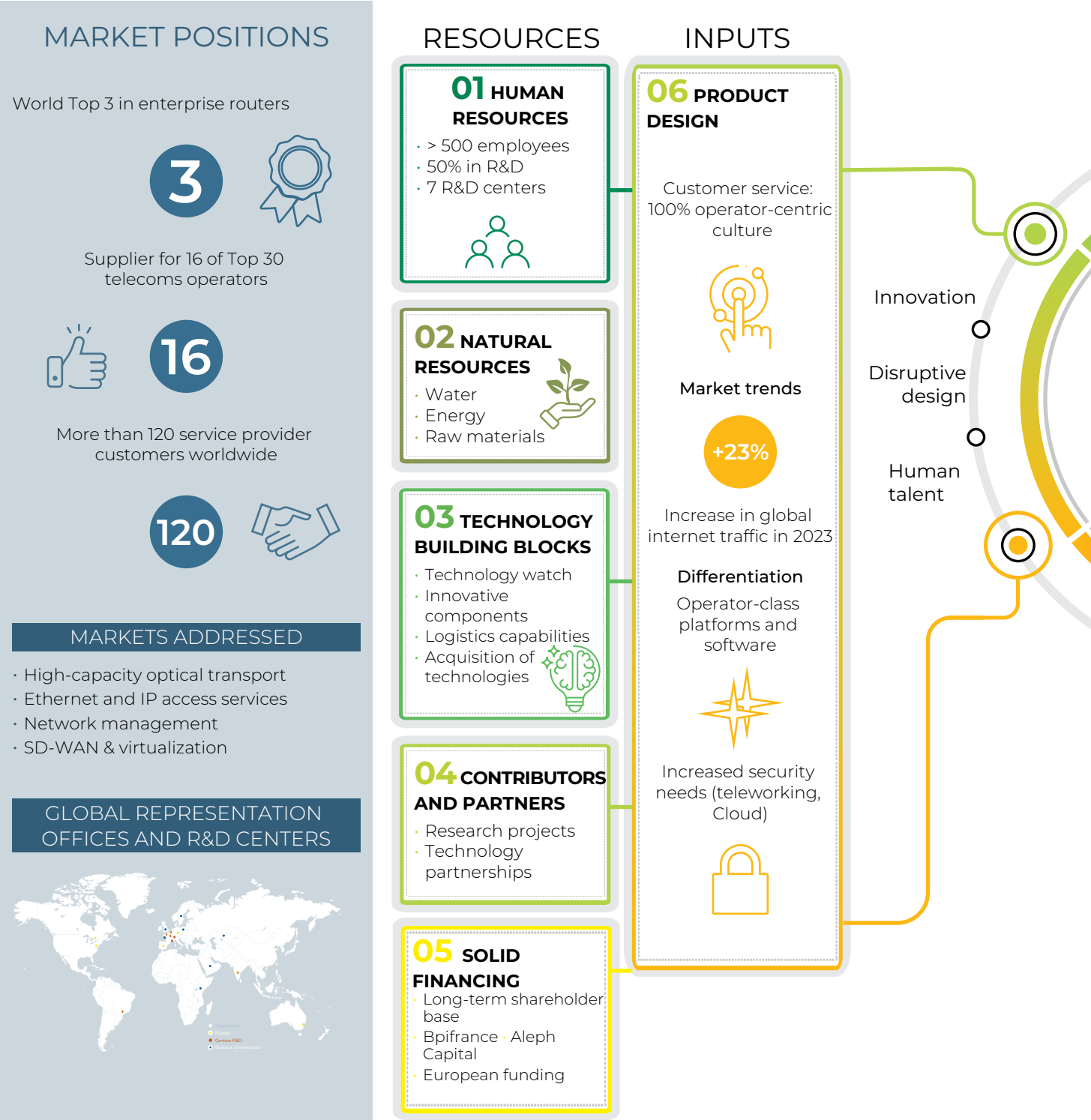
The Company has not paid a dividend for the last three years.

It does not plan to establish a dividend payment policy in the short term given the stage of the Group's development.

1.5 BUSINESS MODEL

A thorough review has been conducted of the Group's business model. The purpose of the review was, first, to analyze the components of current and future value creation for the Group and, second, to identify how ESG actions contribute to value creation and strengthen the Group's strategy and sustainability. This approach culminated in the full integration of the CSR strategy into the Group's business strategy.

The following illustration presents a simplified version of the results of this work:



OUTPUTS

07 COMPETITIVENESS

- Simplicity
- Interoperability
- Scalability
- Flexibility

08 REDUCTION IN TOTAL COST OF OWNERSHIP (TCO)

- Automation
- Orchestration
- Reproducibility
- Reliability

09 INTEGRATION

- Open and interoperable solutions
- Programmability

BUSINESS

- Network layers 1,2,3
- Components
- Production
- Pre-staging
- Tests
- Cost-effective products (hardware & software)

CUSTOMERS

- Telecoms operators
- System integrators (SI)
- Service providers (MSP/ISP)
- Enterprises

RESULTS

TECHNOLOGY SOLUTIONS

- New generation OTN products
- New ARM architecture platform
- Launch of 5G & Wi-Fi 6 platform
- +150,000 EADs, routers and uCPEs
- +1 400 chassis

FINANCIAL

- €20.6m in net cash
- EBITDA > 14%

HUMAN

- High-tech jobs
- +47 employees in 2023 (net)
- > €100 k spending on training

NATURAL

- 80,960 tCO_2e
- Total energy consumption (kWh) 2,179,449

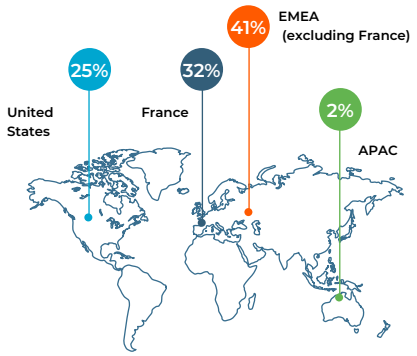
SOCIAL

- Digital transformation player for enterprises

INNOVATION OPEN ROADM GROUP MEMBER SINCE 2020

- Recipient of European and National grants (5G Opera, 5Geneva, Dopper, Embrace, NGOpt, Simbade)

REVENUE BY REGION



1.6 RISK FACTORS

The Group reviews its risks every year.

It confines itself to risks it believes are specific to its competitive positioning and business sector. Rather than classifying these risks by category, we believe it is more appropriate to classify them in order of absolute importance and their potential impact on the Group's business.

Summary of our assessment of these risks can be found in the table below:

	Probability of occurrence [1]	Extent of the adverse impact [1]
Risks related to recruitment, retention, and development of employees with key skill sets	1	1
Risk related to dependence on a limited number of customers	1	1
Risk related to dependence on suppliers and supplies	1	1
Intellectual property and counterfeiting risk	2	2
Macroeconomic risk	2	2
Currency risk	2	2
Risks related to climate change	1	2
Risk related to changes in the export license policy	3	2
Risk related to the development of alternative new business models and systems	2	3
Risk of a change in the policies on support for innovation companies	3	3

(1) Estimate based on a declining scale of 1 = "high"; 2 = "moderate"; 3 = "low."

1.6.1 Risks related to recruitment, retention, and development of employees with key skill sets – stable

The Group's success depends in large part on the quality, commitment and experience of its key executives in managing the Group's activities as well as on its key employees' and, more specifically, its research and development team's skills, technical know-how and familiarity with the specificities of the sector. The loss of a key employee, either through retirement or departure, or being poached by a competitor, or for any other reason, could adversely impact the Group's ability to carry out its strategy, lead to loss of important customer or negatively impact the Group's activities and outlook. The future successes of the Group will depend notably on its ability to attract, train, retain and motivate highly qualified employees and managers, even amid intense competition owing to the limited number of people available with the necessary technical skill sets to address the Group's market. Any failure to attract, integrate or retain qualified personnel to meet its current and future needs could adversely impact its growth.

Even though, thus far, the Group has succeeded in retain its main managers and engineers, there is no guarantee that this situation will persist. Similarly, despite the Group's efforts to ensure the versatility of its R&D engineers and redundancy for key positions, the loss of one or more key employees or a manager or the Group's inability to attract, train, retain and motivate highly qualified employees could adversely affect the Group's activities, financial position, results and development.

As part of its international expansion, the Group has developed a worldwide sales presence through representation offices, branches and subsidiaries that have a small number of employees. Should these employees leave, it may be difficult for the Group to rebuild its local sales forces, which could hinder its business development in certain markets.

1.6.2 Risk related to dependence on a limited number of customers - stable

Although the Group believes that the marketing efforts made to diversify its customer base, particularly the internationalization of its sales, should lead to a medium-term decline in the relative importance of the Group's top three accounts, it remains likely that these accounts will continue to be significant customers for the foreseeable future.

The termination of its relationship with one of these key accounts could have a material impact on the Group's revenue, workload and results, and the Group may not be able to replace a lost customer with a new and equally important customer. The loss of or reduction in the activity of one or more of these customers could result in a sharp decline in the Group's revenue and results and could have a material adverse impact on its outlook.

1.6.3 Risk related to dependence on suppliers and supplies – increasing

Careful supplier selection is very important to the Group and, where possible, it has multiple (at least two) sources of component supply. Despite its policy of diversifying supply sources, the Group's dependence on a limited number of component suppliers is nonetheless likely to result in supply disruptions if these suppliers were to suspend their deliveries or raise their prices.

The Group's ability to fulfill its customers' orders also depends on its ability to source high-quality components in a timely manner. Certain components are available only from a limited number of suppliers or only from a limited number of suppliers in a given geographic region. During fiscal 2023, the Group saw a return to normal for its electronic components supply chain.

In the event of a new shortage of critical components, the Group's level of exposure to this risk could increase and, as a result, it could have a significantly negative impact on the Group's ability to deliver products to its customers. The Group also buys components from a limited number of suppliers and, because these components are complex, it may be difficult to replace one supplier with another or substitute one component for another.Furthermore, as has already recently been the case, some suppliers may increase their lead times, limit the inventories intended for the Group or raise their prices due to constraints related to production capacity or other factors.

Some of the Group's suppliers or partners could also decide to do business only with companies that can guarantee them a higher level of revenue than is possible with the Group. Although the Group collaborates closely with its suppliers to avoid these types of incidents, there can be no assurance that it will not face sourcing failures in the future.Its operating income could be materially affected and there could be severe consequences for the Group's production capacity which could cause it to lose market share, if the Group were unable to source sufficient components in a timely manner or if it were to experience significant cost increases or quality issues with the components.

The Group also relies on two leading industrial partners specializing in electronic product assembly (*electronic manufacturing services,* EMS) to assist with its production.These sub-contractors, with expertise in manufacturing electronic sub-assemblies, handle about half of its production.To mitigate the risk of failures by these suppliers, the Group has identified other suppliers that could potentially replace them. For products manufactured in large volumes, the Group's policy is to split production between its own production site and a sub-contractor so it can respond quickly to any failures.

Notwithstanding these precautions, and although the Group believes that the potential impact of geopolitical and natural risks is limited as the production sites of the various EMS are located in different regions (France, Belgium, Hungary), it cannot rule out the possibility that, in the event of a major political problem or the sudden failure of one of these production sites, the need to change production sites due to such events could cause production problems for its products as well as delivery delays. This could have negative consequences for certain customers, result in the payment of penalties and lead to contract losses, which could in turn have material adverse impacts on the Group's revenue and results and lead to loss of market share.

1.6.4 Intellectual property and counterfeiting risk – stable

The Group holds a limited number of patents. The intellectual property owned or developed by the Group consists primarily of its know-how, software, electronic and mechanical designs, and the associated documents. The rights to the developments and their documentation created by Group employees or consultants who have signed a contract with the Group belong to the Group, which is their sole owner.

The Group believes the creations are covered primarily by software copyright protection.

However, if third parties were to believe that the technologies used by the Group or the products marketed by the Group infringe on their rights, and if their claims were successful and the Group did not obtain licenses to use said technologies, the Group could be prohibited from utilizing the technologies that it is currently using and, as a result, from marketing some of its products. Any disputes arising from such a situation would lead to significant costs and production delays, or could force the Group to redesign some of its products. Each of these situations could have an adverse impact on the Group's activity, results, financial position and ability to meet its targets.

Like any technology company, the Group is also exposed to counterfeiting of its products. Despite the Group's efforts to protect product development-related information internally, it cannot rule out the potential for counterfeiting. This could have adverse impacts on the Group, slow its development in certain target markets and affect the Group's brand image, particularly if lesser quality counterfeit products were to be distributed. The Group could also be forced to take expensive legal action.

1.6.5 Currency risk – stable

The Group is subject to currency risks arising from purchases from component suppliers and commercial relations with its customers and its subsidiaries located outside the eurozone.

The Group's main currency risk exposure comes from the US dollar (USD).

The Group's net foreign currency position as of December 31, 2023, is as follows:

	Trade receivables	Trade payables	Obligation in foreign currencies	Obligation in foreign currencies	Hedging instruments	Net position after hedging
(€k)	(a)	(b)	(c)	(d) = (a) – (b) +/- (c)	(e)	(f) = (d) – (e)
USD	6,924	6,746	-	178	1,000	(822)
AUD	-	11	-	(11)	–	(11)
Other	596	232	-	364	–	364
Total	**7,520**	**6,989**	**-**	**531**	**1,000**	**(469)**

To date, hedging transactions (through hedging contracts with different maturities) only involve purchases in US dollars.

The Group is therefore mainly exposed to currency risk from the US dollar (USD). As a result of the translation of these subsidiaries into the reporting currency (euro), a 10% increase or decrease in the US dollar against the euro would have had the following impacts on the consolidated statement of net income and the consolidated statement of changes in shareholders' equity:

(€k)	12/31/2023	
USD/EUR	**-10%**	**+10%**
Impact on net income	(141)	141
Impact on shareholders' equity	81	(81)

In addition, during 2023, the risk of an imbalance of flows resulted in the following figures: receipts in USD totaled USD 46.8m, while total disbursements over the same period represented USD 57.8m. To limit this risk, the Group has established a hedging policy described above.

1.6.6 Macroeconomic risks – increasing

The Group is exposed to risks linked to current macroeconomic conditions such as inflationary pressures, increasing interest rates and currency volatility.

The Group has implemented various solutions aimed at limiting these impacts:

- diversification of procurement sources and anticipation of needs;
- negotiations and increased selling prices with customers;
- fixed-rate medium- and long-term financing and/or implementation of variable rate hedging contracts;
- implementation of currency hedging (as described in paragraph 1.6.5).

As a result, the Group considers that current macroeconomic conditions do not call into question the continuity of its business.

1.6.7 Risks linked to climate change – increasing

Given the general backdrop of climate change, the Group considers that environmental risk has become even more important as part of Group risk management. To tackle this increasing imperative, the Group adopts a proactive approach to managing this risk. This approach is described in the Ekinops statement of non-financial performance.

1.6.8 Risk related to changes in the export license policy – stable

The Group, which may deliver encrypted products that are considered to be "dual use," is required to provide the customs authority with a global export license and occasionally with individual licenses for certain types of products and/or customers. It can sometimes take a long time to obtain these licenses, thereby slowing the delivery process for products ordered by customers, incurring late fee payments, and having adverse impacts on the Group's brand image and results.

1.6.9 Risk related to the development of alternative new business models and systems – stable

The Group currently markets access products and the associated software licenses to telecommunications and service operators so that they can sell their telecommunications services to companies. This business model has been in place since the creation of the Group. In the future, new business models could, however, be implemented around new technologies, enabling, for example, the virtualization of some or all of the access functionalities within the Cloud, billing for the use of services or functions with no product billing, or leasing of network equipment.

Although the Group believes that its technology should enable it to adapt and remain one of the leaders in its market, a change in the sales model could have adverse impacts for the Group. New players could arrive on the market, creating abundant supply or even destroying significant value. If the financial dimension were to become dominant in the model, the Group's limited size relative to some of its competitors could cause market share losses and adversely affect its results, as well as its ability to meet its targets.

1.6.10 Risk of change in policies to support innovation companies – decreasing

A reduction in public financing (such as repayable aid for R&D projects and other national subsidy mechanisms) that the Group has received or requests for repayment could increase the Group's expenses and have an adverse impact on its income, cash and cash equivalents.

The Group benefits from certain research and development tax incentives (research tax credit in France). These tax incentives are subject to compliance with a number of rules and requirements.

If the governments in question are not able to make the payments on the anticipated dates, if the tax programs or credits are suspended, modified or reduced, if the Group fails to meet the eligibility criteria, or if the relevant agencies challenge some or all of the amounts allocated to the Group, then its business, operating income and financial position could be affected.

1.6.11 Exceptional events and disputes

At present, there are no administrative, criminal, legal or arbitration proceedings, including any proceeding that the Group is aware of, that is pending or that has been threatened, that are likely to have, or have had in the last 12 months, a material adverse impact on the Group, its business, its financial position, its results or its development

2

Corporate governance

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2.1 COMPANY ADMINISTRATIVE AND MANAGEMENT BODIES

2.1.1 Composition of Company administrative and management bodies

At the date of the current document, the Board of Directors is composed as follows:

Directors	Directorship	Main function in the Company	Main function outside the Company	Date of first appointment	Date of end of directorship
Didier Brédy	Chairman	and CEO	CEO of Ekinops	11/22/2005	(2)
François-Xavier Ollivier	Director	-	Director	03/21/2003	(2)
Aleph Golden Holdings Sarl *Represented by Hugues Lepic*	Director	-	CEO of Aleph Golden Holdings	09/29/2017	(3)
Nayla Khawam	Independent Director(1)	-	Director	11/06/2014	(4)
Bpifrance Participations *Represented by Charlotte Corbaz*	Director	-	Large Venture Investment Director	09/29/2017	(3)
Lori Gonnu	Independent director(1)	-	CEO	09/29/2017	(3)

(1) Refer to paragraph 2.5.2.1.3 of this document for the definition of Independent Director.

(2) Appointed at the close of the General Meeting of February 25, 2013 for a term of six financial years. The General Meeting of May 25, 2022 renewed the directorships of Didier Brédy and François-Xavier Ollivier for a term of three years.

(3) Initially appointed at the close of the General Meeting of September 29, 2017 for a term of six financial years. The General Meeting of May 24, 2023 renewed the directorships of Aleph Golden Holdings, Bpifrance Participations and Mrs Gonnu.

(4) Appointed by the General Meeting of November 6, 2014 to replace the outgoing Auriga Partners Director. The General Meeting of May 25, 2022 renewed the appointment of Mrs Nayla Khawam for a term of three years.

The professional addresses of the Directors are as follows:

- Didier Brédy: Ekinops, 27-29 avenue Carnot, 91300 Massy, France ;
- François Xavier Ollivier: Ekinops, 27-29 avenue Carnot, 91300 Massy, France ;
- Aleph Capital Partners LLP - 14 St. George Street, London W1S 1FE;
- Nayla Khawam: 17 rue de Javel, 75015 Paris, France;
- Charlotte Corbaz: 6 bd Haussmann, 75009 Paris, France;
- Lori Gonnu: 16 rue des Carrières, 92150 Suresnes, France.

The expertise and experience in terms of management of these Directors stems from the different employee and management positions they have previously held.

There are no family relationships between the persons listed.

In the past five years, none of the persons mentioned:

- was condemned for fraud;
- was linked as a manager or Director to a bankruptcy, receivership, liquidation or placement of companies under judicial administration;
- was stripped of their rights by a court to carry out their duties as member of an administrative, management or supervisory body of the issuer, or rights to participate in the management or the execution of the issuer's business;
- was the subject of investigation or official public sanctions ruled by statutory or regulatory authorities.

2.1.1.1 Other corporate directorships held by the Directors

	Other current directorships (or expiring during the year)	
Directors	**Company**	**Type of directorship**
Didier Brédy	Ekinops Corp. (USA)	Chairman
	Ekinops France SA	Chairman and CEO
	Ekinops España SL	Chairman and CEO
	Ekinops Belgium	Chairman
	SixSq	Director
	Ekinops India	Director
François-Xavier Ollivier	Ekinops France SA	Director
	Ekinops Corp. (USA)	Director
Aleph Golden Holdings Sarl Represented by Hugues Lepic	Aleph Capital Partners	CEO (General Manager)
	Aleph Capital Partners Lux GP SARL	Manager
	Infinity Bidco Limited	Director
	Infinity Topco Limited	Director
	InterCloud SA	Director
Nayla Khawam	Sodetel	Director
Bpifrance Participations Represented by Charlotte Corbaz	Vestiaire Collective	Director
	Withings	Director
	Botify	Director
	Launchmetrics	Director
	Iziwork	Director
	Manomano	Censor
	Swile	Censor
Lori Gonnu	None	None

2.1.1.2 Positions held in the past five years but now expired

	Positions held in the past five years but now expired	
Directors	**Company**	**Type of directorship**
Didier Brédy	OneAccess Inc (USA)	Chairman
François-Xavier Ollivier	I&R Division	Director
	Digital SME Economic Interest Grouping	Director
	French Tech Brest +	Director
	Anticipa Technopole	Director
Hugues Lepic *representing* Aleph Golden Holdings Sarl	IneroutCommunications Holdings SA	Director (2015-2018)
	DARAG Group Limited	Director (2019-2020)
Nayla Khawam	Brittany THD	Director (2016-2020)
	Auvergne THD	Director (2016-2020)
	Alliance Egypt	Chair (2016-2019)
	Orange Egypt	Director (2013-2019)
Charlotte Corbaz *representing* Bpifrance Participations	VI Technology SAS	Director
	Gensight	Director
Lori Gonnu	MOMAC BV	Director

2.1.1.3 Biographies of Directors

Didier Brédy (61 years) played a key role in the growth of several companies in the United States and has extensive experience in sales, marketing, and general management of technological companies. Before joining Ekinops, Didier was Deputy Chairman of Ingénico and director of its software and services division, the leader in secure transaction and payment solutions. Before that, Didier was CEO of Ivex, offering video over IP (Internet Protocol) solutions in the United States, which sold to a Nasdaq-listed company in 2001. Before joining Ivex, he was marketing Vice-President for Truevision (Nasdaq: Truv), a digital video leader in Silicon Valley. He also managed marketing at Pacific Data Products in California, a start-up that met with major success in the laser printing industry in the early 1990s. Didier started his career at Xerox as product manager in Silicon Valley. He is a graduate from the Sup Télécom Paris school and obtained an MBA from the San José State University.

François-Xavier Ollivier (66 years) is one of the co-founders of the Company. With more than 37 years experience in the telecommunications sector, François-Xavier has carried out development work which led to 15 patents in the optical transmission area. Before forming Ekinops in 2003, François-Xavier was Vice-President in charge of Product Development at Corvis-Algety in Lannion (France). He was also R&D manager of the submarine and terrestrial cable division of Alcatel at Lannion and Paris notably responsible for global coordination of pre-development activities for the "optical networks" division.

Aleph Golden Holdings – represented by Hugues Lepic

Aleph Golden Holdings, a member of the Aleph Capital group, has the purpose of supporting ambitious companies to enable them to accelerate their expansion and realize their growth potential. Aleph Capital invests in partnership with the management teams it supports sustainably to implement their development strategies. Founded by Mr. Hugues Lepic, formerly head of all Goldman Sachs' investment activities in Europe ("*Goldman Sachs Capital Partners*"), Aleph Capital invests in Europe in the telecoms, media and technology sectors, financial institutions and energy.

Nayla Khawam (71 years) has extensive expertise in the telecommunications industry and held numerous top management positions within the Orange group since 1983.

In October 2012, after three and a half years of success at the head of Orange Jordan, Nayla Khawam was promoted to the position of Executive Director of the "Orange Wholesale France" division, with the purpose of offering telecommunication solutions (offerings covering interconnections, transmission networks, unbundling, etc.) to fixed-line operators and access to the Orange mobile network for mobile operators (MVNOs, etc.).

As CEO of Orange Jordan, she supervised and rolled out the first 3G network in the Kingdom of Jordan, and contributed to extending Orange Labs, which supplies innovative services to 27 countries via Jordan, and concluded terrestrial fiber optic cable agreements, JADI and RCN, to provide an alternative route for data and voice traffic in the region and with Europe and Asia.

Bpifrance – represented by Charlotte Corbaz

Equity investments by Bpifrance are carried out by Bpifrance Investissement. Bpifrance, subsidiary of the Caisse des Dépôts, and the State, and a trusted corporate partner, offers companies support, from the outset up to stockmarket listing, with loans, warranty and equity. Furthermore, Bpifrance offers help and enhanced support form innovation, external and export growth in partnership with Business France and Coface.

Bpifrance offers companies a complete range of financing solutions at every key stage of their development and an offering tailored to regional specificities. With close to 50 regional sites (90% of decisions made regionally), Bpifrance is a tool that optimizes economic competitiveness at the service of companies.

With Bpifrance, companies benefit from the expertise of a powerful, local and efficient contact to meet all of their financing, innovation and investment needs.

Lori Gonnu (69 years) has held numerous global positions in the telecommunications industry for more than 20 years. She notably created the international division of French mobile operator SFR in 1996 and was their Executive Director until 2009.

She also had a seat on the Management Committee of the GSM Association (the global association for mobile operators) for more than 10 years, steering innovative global initiatives.

In 2011, she founded Boldair Consulting International, specialized in growth opportunities for telecommunications companies, in particular in M2M and IOT areas as well as in mergers and acquisitions.

2.1.2 Functioning of Administrative and Management bodies and conflicts of interest

The Chairman and CEO and the Directors which make up the management team are all shareholders, either directly or indirectly, in the Company and/or holders of securities giving access to the capital of the Company.

Related company agreements are described in paragraph 6.6.2 of this document.

To the best of the Group's knowledge, no current or potential conflict of interest exists between the duties, with respect to the Group and the private interests and/or duties of persons holding seats on the Group's administrative or management bodies or within General Management.

To the best of the Company's knowledge, and as of the date of publication of this document, there are no agreements or arrangements concluded with the main shareholders, customers or suppliers pursuant to which one of the members of the Board of Directors or General Management was selected in this respect.

2.1.3 Special committees

The Board of Directors decided to create four special committees, the Audit Committee, the Remuneration Committee, the Strategy Committee, the Societal and Environmental Committee whose functioning is described in paragraph 2.5.2.2 of this document.

2.2 REMUNERATION AND BENEFITS OF EXECUTIVE OFFICERS

Information relative to the remuneration of corporate officers is determined with reference to AMF position-recommendation No. 2014-14 - Guidelines for the drawing up of registration documents for medium-sized capitalizations".

2.2.1 Table No. 1: summary table of remuneration and stock options granted to each corporate officer

Summary table of remuneration and stock options granted to each corporate officer

	FY 2023	FY 2022
Didier Brédy, Chairman and Chief Executive Officer		
Remuneration awarded in respect of the fiscal year	€382,867	€571,398
Valuation of the multi-year variable remuneration awarded during the fiscal year	-	-
Valuation of stock options awarded during the year	-	-
Valuation of issuance of bonus shares	-	-
Valuation of other long-term remuneration plans	-	-
Total	**€382,867**	**€571,398**

2.2.2 Table No. 2: summary table of remuneration of each corporate officer

Summary table of remuneration of each corporate officer

	FY 2023		FY 2022	
	Amounts awarded[3]	Amounts paid[4]	Amounts awarded	Amounts paid
Didier Brédy, Chairman and Chief Executive Officer				
Fixed remuneration[1]	€324,000	€312,000	€300,000	€300,000
Annual variable remuneration [2]	€38,760	€259,225	€259,225	€189,900
Exceptional remuneration	-	-	-	-
Stock options	-	-	-	-
Allocation of bonus shares *(new plan implemented)*	-	-		
Benefits in kind	€20,107	€20,107	€12,173	€12,173
Total	**€382,867**	**€591,332**	**€571,398**	**€502,073**

(1) Annual fixed remuneration with respect of the CEO's mandate set by the General Meeting of May 24, 2023.

(2) The variable remuneration of the Chairman and CEO is set annually by the Board of Directors. It is paid during the year for the previous fiscal year. Variable remuneration in respect of the fiscal year 2023 can only be granted after approval of the 2024 General Meeting called to approve the 2023 financial statements.

(3) The amount paid is the remuneration effectively received by Mr Brédy.

(4) The amount allocated is the amount approved by the General Meeting of May 24, 2023.

2.2.3 Table No. 3: Table of attendance fees and other remuneration awarded to non-executive corporate officers

Table of attendance fees and other remuneration awarded to non-executive corporate officers

	FY 2023		FY 2022	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
François-Xavier Ollivier - Director				
Remuneration awarded by the General Meeting				
Other remuneration[1]	-	€255,865	€290,541	€243,784
Retirement indemnity	-	€72,722		
TOTAL	**-**	**€328,587**	**€290,541**	**€243,784**
Nayla Khawam				
Remuneration awarded by the General Meeting				
Other remuneration	€20,470	€23,000	€23,000	€19,090
TOTAL	**€20,470**	**€23,000**	**€23,000**	**€19,090**
Aleph Golden Holdings Sarl				
represented by Hugues Lepic				
Remuneration awarded by the General Meeting				
Other remuneration	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**
Bpifrance Participations				
represented by Charlotte Corbaz				
Remuneration awarded by the General Meeting				
Other remuneration	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**
Lori Gonnu				
Remuneration awarded by the General Meeting				
Other remuneration	€23,000	€23,000	€23,000	€23,000
TOTAL	**€23,000**	**€23,000**	**€23,000**	**€23,000**
TOTAL	**€43,470**	**€374,587**	**€285,874**	**€196,000**

(1) Remuneration via a work contract. The total of other remuneration paid includes both the fixed portion of remuneration amounting to €75,000 per year from July 30, 2023 and the variable portion of €132,920 set by the Board of Directors at its March 22, 2023 meeting and a variable portion amounting to €44,000 in respect of 2024. Furthermore, Mr François-Xavier Ollivier also received benefits in kind amounting to a total of €3,945.

2.2.4 Table 4: stock options granted to each corporate officer by the Company or other company within the Group during the fiscal year to December 31, 2023

None.

2.2.5 Table No. 5: stock options exercised by each corporate officer during the fiscal year ended December 31, 2023

Stock options exercised by each corporate officer during the year

Name of corporate officer	No. and date of plan	Number of stock options exercised during the year	Exercise price
François Xavier Ollivier	SO 2014-06	46,500	€5.07

2.2.6 Table 6: bonus shares granted to each corporate officer during the year ended December 31, 2023

None.

2.2.7 Table No. 7: bonus shares vested for each corporate officer during the year ended December 31, 2023

Bonus shares vested for each corporate officer

Beneficiary	No. and date of plan	Number of bonus shares vested during the year	Award conditions
Didier Brédy	AGA 2021 -03	97,000	(1)

(1) The vesting of these bonus shares is conditional: a) on remaining employed with the company, and; b) attaining a performance criterion.

2.2.8 Table No. 8: history of stock option grants

See paragraph 6 of this document.

2.2.9 Table No. 9: stock options granted to the top 10 non-executive corporate officers and options exercised by said officers

	2023				2022			
	Startup warrants (BCE)	Bonus shares	Stock options	Share warrants (BSA)	Startup warrants (BCE)	Bonus shares	Stock options	Share warrants (BSA)
Date of Board meeting	-		July 26	-	-	May 25	-	-
Average weighted price	-	-	-	-	-	-	-	-
Number of rights granted to the top 10 non-executive corporate officers (overall number)	-		17,000	-	-	59,750	-	-
Number of rights granted/vested/ exercised by the Group's top 10 non-executive corporate officers, with the greatest number of rights (overall number)	11,780	95,333	40,517	-	63,240	108,741	21,869	-

2.2.10 Table No. 10: history of bonus share grants

See paragraph 6 of this document.

2.2.11 Table No. 11: Remuneration conditions and other benefits granted to corporate officers

Corporate officers	Employment contract		Complementary pension scheme		Indemnity or benefit due or likely to be due as a result of termination or change of position		Indemnities relative to the non-compete clause	
	YES	NO	YES	NO	YES	NO	YES	NO
Didier Brédy								
Chairman and CEO		X		X	X[2]			X
Start of directorship[1]	February 25, 2013							
Date of end of directorship	General Meeting called to approve the financial statements for the fiscal year ended 12/31/2023							

(1) Chairman of the joint stock company since November 1, 2005, Didier Brédy was appointed CEO of the Company by the Board of Directors meeting on February 25, 2013, after the General Meeting held the same day notably to approve the transformation of the Company to a limited liability company and the appointment of the first Directors including Didier Brédy.

(2) Pursuant to the terms and conditions governing severance pay for Mr Didier Brédy, refer to the note "Principles governing the determination of remuneration for corporate officers" in paragraph 2.5.3.1.4 of this document.

2.2.12 Summary statement of transactions carried out on Company shares by managers and persons with whom they have close links (Art. L. 621-18-2 and R.621-43-1 of the French Monetary and Financial Code)

Pursuant to Article 223-22 of the General Regulation of the French financial markets authority, transactions declared by corporate officers referred to in Article L. 621-18-2 of the French Monetary and Financial Code over the year were as follows:

Identity	Position	Number of shares as of 01/01/2023	Number of shares bought or subscribed, AGA	Number of shares sold	Number of shares as of 12/31/2023
Didier Brédy	Chairman and CEO	342,582	195,845	115,140	423,287
François-Xavier Ollivier	Director	87,923	-	66,923	21,000
Lori Gonnu	Director	-	-	-	-
Nayla Khawam	Director	-	-	-	-
Aleph Golden Holdings	Director	3,200,000	-	-	3,200,000
Bpifrance Participation	Director	3,200,000	-	25,000	3,175,000
Total		**6,830,505**	**195,845**	**207,063**	**6,819,287**

2.3 AMOUNTS PROVISIONED BY THE COMPANY FOR THE PAYMENT OF PENSIONS, RETIREMENT BENEFITS AND OTHER ADVANTAGES IN FAVOR OF EXECUTIVE OFFICERS

The Company has not set aside provisions to cover pension, retirement and other commitments attributable to corporate officers except in respect of the Garantie Sociale Chef d'entreprise - GSC (company business manager guarantee) due to Didier Brédy (see Table No. 2 above) authorized by the decision of the Board of Directors' meeting of October 21, 2005.

The Company did not allocate any welcome bonuses or departure bonuses to these members of staff.

2.4 SHAREHOLDINGS AND SHARE SUBSCRIPTION WARRANTS GRANTED TO EXECUTIVE OFFICERS AND MANAGERS

At the time of publication of this document, the number of shares and securities giving access to Company capital held by members of the Board of Directors was as follows:

	Shares held				
	Number	As a % of the share capital	Voting rights	As a % of total voting rights	Securities giving access to the capital[1]
Didier Brédy, Chairman and Chief Executive Officer	423,287	1.6%	728,979	2.1%	40,000 SO stock options (2014) giving rights to subscribe to 62,000 shares 128,000 bonus shares (05/2021) giving rights to subscribe to 128,000 shares 97,000 AGA bonus shares (03.2021 bis) giving rights to subscribe to 97,000 shares
François-Xavier Ollivier Director	21,000	0.1%	21,373	0.1%	None
Bpifrance Participations Director *represented by Charlotte Corbaz*	3,175,000	11.8%	6,150,000	18.1%	None
Aleph Golden Holdings Director *represented by Hugues Lepic*	3,200,000	11.9%	6,400,000	18.8%	None
Nayla Khawam Director	-	-	-	-	-
Lori Gonnu Director	-	-	-	-	-

(1) The breakdown of securities is provided in paragraph 6.1.4 of this document.

2.5 CORPORATE GOVERNANCE REPORT

This corporate governance report was drawn up by the Board of Directors in line with the provisions of Articles L. 225-37, L. 22-10-8 to L. 22-10-11 and L. 22-10-34 of the French Commercial Code, to notably reflect the conditions of preparation and organization of the work of the Board of Directors of Ekinops SA (hereafter "**the Company**"), to present the corporate governance in force within the Company and to provide information relative to remuneration policy for executive officers and remuneration and benefits in kind of whatever nature granted to executive officers.

This report was drawn up by the Board of Directors with the help of the Company's Executive Management and on the recommendations of the Remuneration Committee, and approved by the Board of Directors meeting of March 4, 2024.

2.5.1 Corporate Governance

2.5.1.1 Reference to the Middlenext Governance Code and implementation

Pursuant to the decision of the Board of Directors on February 28, 2013, the Company decided to refer to the Middlenext corporate governance code for small and mid-cap stocks, published on December 17, 2009, within the implementation framework of its governance.

Following the update of the Code and the adoption of the third version in September 2021 of said governance Code (hereafter the **Middlenext Code**), the Board of Directors meeting of October 12, 2021 noted this update and adjusted its Rules of Procedure to bring it into line with the text mentioned above and to maintain the reference to the Middlenext Code.

The Middlenext Code can be consulted at the Company headquarters. It is also available on the Middlenext website: https://www.middlenext.com/IMG/pdf/c17_-_cahier_14_middlenext_code_de_gouvernance_2021-2.pdf.

The Middlenext Code contains twenty two (22) guidelines which mainly relate to executive officers and the Board of Directors.

The Board of Directors considers that its organization is essentially in line with the guidelines of the Middlenext Code.

The table below summarizes the current situation in terms of applying the guidelines of the Middlenext Code:

Middlenext Code guidelines	*Compliance*
R1: "Board member" deontology	*YES*
R2: Conflicts of interest	*YES*
R3: Composition of the Board - Presence of Independent directors	*YES*
R4: "Board member" information	*YES*
R5: "Board member" training	YES[1]
R6: Organization of Supervisory Board and Committee meetings	*YES*
R7: Creation of Committees	*YES*
R8: Creation of a special Environmental, Social and Governance Committee (ESG)	*YES*
R9: Creation of the Board's Code of Conduct	*YES*
R10: Appointment of each "Board member"	*YES*
R11: Term of office of Board members	*YES*
R12: Remuneration of "Board members" for their director functions	*YES*
R13: Implementation of assessment of Board work	*YES*
R14: "Investor" relations	*YES*
R15: Diversity and equality policies within the company	*YES*
R16: Definition and transparency of remuneration of executive corporate officers	*YES*
R17: Preparation of "director" succession	*Partially*[2]
R18: Combining work contracts and directorships	*YES*
R19: Retirement indemnities	*YES*
R20: Complementary retirement scheme	*YES*
R21: Stock options and allocation of free shares	*YES*
R22: Review of vigilance points	*YES*

(1) This guideline is expressed in the recently revised Middlenext Code and has been adopted by the Company. The Board of Directors Meetings of March 7, 2022 and January 26, 2023 assessed training requirements based on the ideas expressed by the Directors following a survey. The training plan is reviewed annually to adjust to the needs expressed by the Directors.

(2) This guideline is currently in the process of being applied by the Company.

2.5.1.2 Mode of governance

Ekinops has been a French public limited company (Société Anonyme) with a Board of Directors since February 25, 2013. In compliance with legal provisions, General Management of the company is either the responsibility of the Chairman of the Board of Directors, or another physical person appointed by the Board of Directors with the title of Chief Executive Officer.

2.5.1.2.1.1 Combination of the functions of Chairman of the Board of Directors and Executive Officer

On February 25, 2013, the Board of Directors of the Company opted to assign the role of Chief Executive Officer to the Chairman of the Board of Directors.

2.5.1.2.1.2 Chairman of the Board of Directors

As Chairman of the Board of Directors, the Chairman and CEO represents the Board of Directors and is the only person authorized to act and rule on behalf of the Board of Directors, except in exceptional circumstances.

In this respect, the Chairman and CEO is responsible for:

- organizing and managing the work of the Board of Directors;
- ensuring the efficient operation of company executive bodies in compliance with legal and regulatory provisions and the by-laws of the Company, its Code of Conduct and good governance principles in compliance with the Middlenext Code which is incorporated in the Code of Conduct;
- providing a link between the Board of Directors and the shareholders of the Company in consultation with Executive Management; he supervises the quality of financial and operational information disclosed by the Company.

2.5.1.2.1.3 Executive Management

✓ ***Chairman and CEO***

	Date of first appointment	Date of expiry of directorship
Didier Brédy	February 25, 2013	December 31, 2024

In line with the governance model selected by Executive Management following the decision of the Board of Directors Meeting of February 25, 2013, Executive Management of the Company is the responsibility of the Chairman and CEO who is Mr Didier Brédy, and has been serving in this role since February 25, 2013.

The Chairman and CEO represents the Company in its dealings with third parties.

He has been granted all of the authorizations to act in all circumstances on behalf of the Company, conditional on the limits set by law and the Company's by-laws, it being noted that no specific limits apply to these authorizations stemming from the Company's by-laws.

The Chairman and CEO periodically presents the results and outlook for the Company and/or the Group to shareholders. He reports to the Board of Directors on key points of the life of the Company and/or the Group.

2.5.1.3 Limits to the powers of the Chief Executive Officer

The Chairman and CEO has been granted all of the powers to act in all circumstances on behalf of the Company. Furthermore, he exercises these rights within the limits of the company's corporate purpose and those that the law assigns to General Meetings of shareholders and the Board of Directors.

2.5.1.4 Terms and conditions governing shareholder participation at General Meetings

The terms and conditions governing shareholder participation at General Meetings are determined by the provisions of Article 30 of the Company's by-laws.

Article 31 of the by-laws states that the voting rights attached to shares are proportional to the stake they represent in the Company's capital, subject to the application of legal and regulatory provisions and in particular those of Articles L. 22-10-46 and L. 225-124 of the French Commercial Code.

Article L.22-10-46, paragraph 3 of the French Commercial Code provides for double voting rights for: (i) fully paid up bearer shares in the Company when they can be proven to have been held by the same shareholder for two years, (ii) bearer shares in the Company allocated free of charge as part of capital increase with incorporation of reserves, earnings or issue premiums, to a shareholder, in respect of existing shares for which the shareholder benefits from the same rights.

2.5.1.5 Agreements covered by Article L. 22-10-10 and Article L. 225-38 of the French Commercial Code

2.5.1.5.1 Authorized agreements and commitments during the past year

The Board of Directors, on recommendations from the Audit Committee, on November 30, 2023, authorized the Company to conclude an agreement with Mr François-Xavier Ollivier, Director, subject to approval of the Annual General Meeting, and for a maximum amount of €70,000 per year, for his technical expertise and his assistance with strategic M&A projects.

2.5.1.5.2 Agreements concluded between a corporate officer or a shareholder holding more than 10% of the share capital of the company and a company controlled by the Company, within the meaning of Article L. 233-3 of the French Commercial Code

None.

2.5.1.5.3 Agreements and commitments already approved by the Board of Directors

The agreement concluded with Mr François-Xavier Ollivier, Director and employee of the Company, regarding changes to his remuneration with respect to his work contract by the Board of Directors meeting of February 25, 2020, approved by the fourteenth resolution of the General Meeting of May 28, 2020.[1]

The termination benefit for the Chairman and CEO authorized by the Board of Directors' meeting of March 25, 2019 was approved by the tenth resolution of the General Meeting of May 24, 2023.

2.5.1.5.4 Procedure implemented by the Company to assess current agreements within the meaning of Article L. 22-10-12 of the French Commercial Code.

In line with Article L. 22-10-12 of the French Commercial Code, the Board of Directors' meeting on March 4, 2024 called to approve the financial statements for the year ended December 31, 2023. The Board of Directors assessed the agreements covering current business concluded under normal conditions and to ensure that such agreements duly meet such conditions. More specifically it being understood that the agreements in questions have been concluded between the Company and its 100%-held subsidiaries. The Board of Directors has implemented an annual assessment procedure for regulated agreements and agreements relative to ordinary business concluded under normal conditions for the past year.

This procedure indicates that it is the responsibility of the Company's finance department to assess, on a case-by-case basis, agreements presented to it to ensure that they are indeed current agreements concluded under normal conditions.

Where an agreement is defined as a regulated agreement, the latter shall be transferred to the Audit Committee for assessment and to the Board of Directors for final approval.

Similarly, each year, the financial department provides a list of current agreements to the Company's Audit Committee for annual assessment and reclassification, where appropriate.

In line with the provisions mentioned above, persons directly or indirectly related to one of these agreements cannot take part in its assessment.

(1) This agreement will not be renewed as Mr Francois-Xavier Ollivier retired in June 2023.

2.5.1.6 Summary table of current authorizations granted by the General Meeting with respect to capital increases and their use during the year

Date of the General Meeting having issued the authorization or approval - Resolution	Content of the approval	Term	Ceiling	Effective use of the powers or authorization
AGM, May 24, 2023 (13th resolution)	Authorization to be granted to the Board of Directors to carry out buy-backs of company shares in application of article L.22-10-62 of the French Commercial Code	18 months from May 24, 2023 to November 24, 2024	Within the limit of a ceiling of 10% of the capital of the company For a price that may not exceed €18	None
AGM, May 24, 2023 (19th resolution)	Delegation of authority to the Board of Directors to carry out a capital increase via incorporation of share premiums, reserves, profits or other items.	26 months from May 24, 2023 to July 24, 2025	Within the limit of a ceiling of €2,600,000	None
AGM, May 24, 2023 (22nd resolution)	Authorization granted to the Board of Directors to issue share warrants and/or share options without shareholder preferential subscription rights to a category of persons	38 months from May 24, 2023 to July 24, 2026	Within the limit of an autonomous ceiling of 2% of the capital of the Company Within the limit of a blanket[1] ceiling of 2% of the capital of the Company	Use by the Board of Directors' meeting of July 26, 2023 of 17,000 stock options[2]
AGM, May 24, 2023 (24th resolution)	Delegation of authority to the Board of Directors to carry out a capital increase via the issuance of shares or other securities giving access to the capital, reserved for subscribers to the company savings plan without preferential subscription rights	18 months from May 24, 2023 to November 24, 2024	Within the limit of a maximum amount of €133,328 Within the limit of a blanket ceiling [1] of 2% of the capital of the Company	None
AGM, May 25, 2022 (14th resolution)	Delegation of powers granted to the Board of Directors to carry out issues of ordinary shares and/or securities leading to a capital increase, with maintenance of preferential subscription rights for shareholders.	26 months from May 25, 2022 to July 25, 2024	Within the limit of an autonomous ceiling of: - €8,000,000 - €80,000,000 in securities giving access to the capital	None
AGM, May 25, 2022 (19th resolution)	Capital increase to remunerate the contribution of securities as part of a public exchange offer launched by the Company, without shareholder preferential subscription rights	26 months from May 25, 2022 to July 25, 2024	Blanket ceiling[3]: - €2,500,000 nominal - €25,000,000 in securities giving access to the capital	None
AGM, May 25, 2022 (20th resolution)	Capital increase via issuance of shares with shareholder preferential subscription rights as remuneration for contributions in kind	26 months from May 25, 2022 to July 25, 2024	Within the limit of the blanket ceiling[3] of: - €5,000,000 nominal amount which cannot exceed 10% of the share capital - €50,000,000 in securities giving access to the capital	None

(1) Blanket ceiling for the 22nd and 24th resolutions of the AGM of May 24, 2023
(2) Pursuant to the decision of July 26, 2023, the Board of Directors makes use of the authorization granted to it by the General Meeting of May 24, 2023. The ability to exercise these options is subject to a condition of presence.
(3) Blanket ceiling for the 19th and 20th resolutions of the AGM of May 25, 2022

2.5.1.7 Items likely to have an impact in the event of a public offering

In application of Article L. 22-10-11 of the French Commercial Code, below are presented items likely to have an impact in the event of a public offering:

- The capital structure of the Company as well as direct and indirect shareholdings of which the Company is aware in compliance with Articles L. 233-7 and L. 233-12 of the French Commercial Code, at December 31, 2023 are described below.

Shareholders	Number of shares as of 12/31/2023	As a % of the share capital	Number of voting rights as of 12/31/2023	As a % of total voting rights
Bpifrance Participations	3,175,000	11.8%	6,150,000	18.1%
Aleph Golden Holdings Sarl	3,200,000	11.9%	6,400,000	18.8%
Didier Brédy	423,287	1.6%	728,979	2.1%
François-Xavier Ollivier	21,000	0.1%	21,373	0.1%
Sub-total Board of Directors	**6,819,287**	**25.5%**	**13,300,352**	**39.1%**
Treasury stock (liquidity contract)	11,678	-	-	-
Free float	19,970,751	74.5%	20,673,856	60.9%
Total	**26,801,716**	**100.0%**	**33,974,208**	**100.0%**

- There are no restrictions in the Company's by-laws regarding voting rights, excluding the removal of rights stemming from the lack of declaration of crossing certain legal thresholds. Shareholders benefit from double voting rights under the conditions provided for in Article L. 22-10-46 of the French Commercial Code.
- There are no securities with special control rights.
- There are no control mechanisms provided for in a possible employee shareholder system with controlling rights that are not exercised by the latter.
- The rules applicable to the appointment and replacement of members of the Board of Directors are governed by the legal and statutory provisions of Articles 13, 15 and 16 of the Company's by-laws which state that:
  - The Ekinops Board of Directors shall be made up of a maximum of eight members from the date of completion of the contribution. Aleph and Bpifrance shall each have the right to appoint one member to the Board of Directors and one Censor (Independent Director) as long as they hold at least 5% of the share capital or voting rights of the Company and less than 25% of the share capital and less than 25% of the voting rights of the Company. If they come to hold at least 25% of the share capital or at least 25% of the voting rights of the Company, they would each have the right to nominate two members to the Board of Directors.
- The rules governing changes to the Company's by-laws are governed by the legal and statutory rules provided for in Articles 28 to 37 of the Company's by-laws.
- The powers of the Board of Directors, in particular regarding the issuance or buyback of shares, are made up of:
  - the authorizations granted to it by the General Meeting of shareholders to issue shares via capital increases, such as these authorizations are described in paragraph 2.5.1.6 above in the table of delegations of powers for capital increases; and
  - a delegation of powers to carry out Company share buybacks within the framework of the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code and the regulatory provisions applicable to market abuse, and Articles 241-1 et seq. of the General Regulation of the French financial markets authority.
- There are no agreements concluded by the Company that are likely to change or expire in the event of a change of control of the Company that could have an impact in terms of a public offering, apart from the syndicated credit line agreement concluded in July 2023. This agreement provides for early repayment in the event of change of control of the Company. At the time of publication of this report, this credit line had not been used.
- There are no agreements which provide for indemnities for members of the Board of Directors or employees, if they resign or are let go without genuine or serious cause or if their employment ends owing to a public purchase or exchange offer, with the exclusion of the indemnification commitment relative to the Chairman and CEO described in paragraph 2.5.3.1.4 below.

2.5.2 The composition, as well as the conditions of preparation and organization of the work of the Board of Directors

2.5.2.1 The Board of Directors of the Company

At the date of this report, the Board had six members. The Chairman and Chief Executive Officer, three Directors and two Independent Directors.

2.5.2.1.1 Composition of the Board of Directors

The Chairman and Chief Executive Officer

- Mr Didier Brédy, born in 1963, of French nationality, is Chairman and CEO of Ekinops SA.
  Before joining Ekinops, Didier Brédy managed the software and services division of Ingenico, the leading provider of secure transaction and payment systems. Before that, he was General Manager of Ivex, a US start-up which provided internet-based video solutions and was sold to a Nasdaq-listed acquirer in 2001. He also held the position of VP marketing at Truevision (Nasdaq: TRUV) in Silicon Valley, after managing marketing strategy at Pacific Data Products, a successful Californian venture in multimedia. Didier began his career in 1989 at Xerox, in Silicone Valley as product range manager.

Directors:

- Mr François-Xavier Ollivier, born in 1958, of French nationality is one of the co-founders of the Company. With his many years of experience in the telecommunications sector, François-Xavier has carried out development work that led to the approval of 15 patents in the area of optical transmission. Before founding Ekinops in 2003, François-Xavier was the deputy CEO in charge of product development at Corvis-Algety at Lannion (France). He was also R&D manager of the submarine and terrestrial cable division of Alcatel at Lannion and Paris notably responsible for global coordination of predevelopment activities for the "optical networks" division. François-Xavier retired in June 2023 and is currently no longer employed by the Company.
- Aleph Golden Holdings, represented by Hugues Lepic, born in 1965, of French nationality.
  Aleph is an investment company based in London, founded in 2013 by Mr. Hugues Lepic, formerly head of all investment activities of Goldman Sachs Capital Partners in Europe.
  Aleph invests in medium-sized companies based in Europe, in partnerships with ambitious management teams with talents covering growth, risk management and capital allocation. Aleph is a long-term partner and works closely with management teams, co-shareholders and other stakeholders to generate value growth.
  The companies in which Aleph invests are underpinned by strong trends that favor their long-term growth, and are present in the telecoms/media/technology, financial services, environment and natural resource sectors, in which its experience is significant.
- Bpifrance Participations SA, represented by Mrs Charlotte Corbaz, born in 1987, of French nationality.
  Bpifrance, a subsidiary of Caisse des Dépôts and the French government, is a trusted partner for entrepreneurs. It supports companies from seed to listing on the stock exchange, providing credit, guarantees and equity capital. Furthermore, Bpifrance offers help and enhanced support for innovation, external and export growth in partnership with Business France and Coface. Bpifrance offers companies a complete range of financing solutions at every key stage of their development and an offering tailored to regional specificities.With close to 50 regional sites (90% of decisions made regionally), Bpifrance is a tool that optimizes economic competitiveness at the service of companies.

Independent Directors:

- Lori Gonnu, born in 1955, of French nationality.
  Lori Gonnu has held numerous positions of responsibility worldwide in the telecommunications industry for more than 20 years.She notably created the international division of French mobile operator SFR in 1996 and was their Executive Director until 2009.
  She also had a seat on the Management Committee of the GSM Association (the global association for mobile operators) for more than 10 years, steering innovative global initiatives.
  In 2011, Lori Gonnu founded Boldair Consulting International, specialized in growth opportunities for telecommunications companies, in particular in M2M, and IOT, as well as in mergers and acquisitions.

- Nayla Khawam, born in 1953, of French nationality.

  Nayla Khawam has extensive expertise in the telecommunications industry and held numerous top management positions within the Orange group from 1983 until she retired.

  In October 2012, after three and a half years of success at the head of Orange Jordan, Nayla Khawam was promoted to the position of Executive Director of the "Orange Wholesale France" division, with the purpose of offering telecommunication solutions (offerings covering interconnections, transmission networks, unbundling, etc.) to fixed-line operators and access to the Orange mobile network for mobile operators (MVNOs, etc.).

  As CEO of Orange Jordan, she supervised and rolled out the first 3G network in the Kingdom of Jordan, and contributed to extending Orange Labs, which supplies innovative services to 27 countries via Jordan, and concluded terrestrial fiber optic cable agreements, JADI and RCN, to provide an alternative route for data and voice traffic in the region and with Europe and Asia.

All of the Directors in office were appointed after approval by the General Meeting of Shareholders.

Didier Brédy and François-Xavier Ollivier were initially appointed by the General Meeting of February 25, 2013. Lori Gonnu, the companies Aleph Golden Holdings Sarl and Bpifrance Participations SA were appointed by the General Meeting of September 29, 2017. Each appointment is the subject of a specific resolution and the information regarding their biography, and in particular the list of their directorships, the experience and skills contributed by each Director were made available online on the Company's website prior to the General Meeting to approve the appointment of each of said Directors, as is recommended by the 10th guideline of the Middlenext Code.

The directorships of Mrs Nayla Khawam and Messrs Didier Brédy and François-Xavier Ollivier were renewed at the Annual General Meeting of May 25, 2022, and the directorships of Lori Gonnu of Bpifrance and Aleph Golden Holdings were renewed at the Annual General Meeting of May 24, 2023 for a period of three years, in accordance with the amendments to the Articles of Association adopted at the time of the Combined General Meeting of May 21, 2019, which reduced the term of office of Directors from six years to three years.

This new term for directorships de facto enables the implementation of half-staggered renewals of directorships in compliance with the eleventh guideline of the Middlenext Code.

In compliance with Article L.22-10-10 of the French Commercial Code, we present in paragraph 2.1.1.1 the list of all of the directorships and positions currently held as of December 31, 2023 by the members of the Board of Directors of the Company as well as the list of the other directorships and positions held and expired over the past five years in paragraph 2.1.1.2.

The Board of Directors is made up of six Directors and includes two Independent Directors (i.e. an independence rate of 33%). The analysis of the independence of the members of the Board of Directors is presented in paragraph 2.5.2.1.3.

Representation of women within the Board of Directors is three Directors out of six (i.e. 50% women directors) as presented in paragraph 2.5.2.1.4. hereafter. A summary table of the composition of the Board of Directors and the Committees is provided in paragraph 2.5.2.2.5

2.5.2.1.2 Means of appointment, roles and prerogatives of the Censors

Pursuant to the terms of Article 14 of the Company's by-laws, a group of Censors can be formed, composed of members designated by the Board of Directors. The Censors are appointed for a limited or unlimited term. They may be revoked at any time by the body having appointed them.

Each Censor is invited to all Board of Director meetings, as is each Director. They receive all of the information disclosed to Directors, at the date of the Board meetings or within the regulatory timeframe. The Censors do not take part in decisions of the Board of Directors, they do not have a casting vote nor are they considered in quorum and majority calculations. They have no management, supervisory or audit functions and cannot replace Directors or General Managers.

To date, the following attend the meetings of the Board of Directors without voting rights:

- Mr Aymeric Georges-Picot as Censor to the Board of Directors, appointed for an unlimited term;
- Mr Mamoun Alami Idrissi as Censor to the Board of Directors, appointed for an unlimited term;

2.5.2.1.3 Independence of Board members

The term of office of each Director is three (3) years in accordance with the by-laws amended by the General Meeting of May 21, 2019. This term of office is in line with the recommendations of guideline eleven of the Middlenext Code.

The third guideline of the Middlenext Code recommends that the Board of Directors include at least two (2) Independent Directors. It is recalled that, in this respect, five (5) criteria enable the characterization of Board members as Independent in the Middlenext Code, the lack of a significant financial relationship, contractually or family-based, likely to alter the independence of judgement:

- not having been, during the past five years, or currently, an employee or corporate executive officer of the Company or a company within the Group;
- not having been, during the past five years, or currently, in a significant business relationship with the Company or its Group (customers, suppliers, competitors, service providers, creditors, banks, etc.);
- not being a main shareholder in the Company or holding a significant share of voting rights;
- not having a close relationship or close family relationship with a corporate officer or a main shareholder;
- not having been, during the past six years, a statutory auditor of the company.

It is the Board of Directors' role to examine the situation of each member on a case-by-case basis based on the above-mentioned criteria.

The Board of Directors, at its March 15, 2024 meeting, confirmed, in light of the criteria retained by the Rules of Procedure of the Board of Directors (i.e. Directors are considered Independent if they do not have any significant financial, contractual or family relationship (excluding shareholders with minority stakes), with the Company, its group or general management such that this could alter independence of judgement"), the independence of two Directors, namely Mrs Nayla Khawam and Mrs Lori Gonnu.

The Board considers that the four other Directors cannot be characterized as independent within the meaning of the criteria mentioned above.

2.5.2.1.4 Principle of gender balance within the Board of Directors

The Board ensures that its composition complies with legal requirements, in particular with regard to diversity and balanced representation of women and men.

At present, three women hold seats on the Company's Board of Directors of the total six members (i.e. a 50% balance between men and women). The composition of the Company's Board of Directors therefore complies with Article L. 22-10-3 of the French Commercial Code, under which the proportion of Directors of each gender may not be less than 40% in companies whose shares have been admitted to trading on a regulated market since January 1, 2017.

2.5.2.1.5 Changes to the composition of the Board of Directors submitted for approval to the Combined General Meeting of May 23, 2024

None.

2.5.2.2 Conditions of preparation of the work of the Board of Directors

The Board of Directors adopted a Code of Conduct on February 28, 2013 (the "**Code of Conduct**"), the purpose of which is to define the terms and conditions governing the functioning and organization of the Board of Directors.

The Code of Conduct was amended in 2016 to take account of the latest legislative amendments stemming from the entry into force of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (the market abuse regulation or MAR), on the one hand, and the update of the Middlenext Code, on the other hand.

The Board of Directors' meeting of June 27, 2017 decided to amend the Code of Conduct to notably include new provisions mainly related to (i) the terms and conditions governing calling Board meetings, timelines for the transmission of documents and information to Directors, the minimum number of meetings per year and (ii) the removal of the non-compete clause for Directors representing investors (notably in the equity investment business which is governed by its own professional code of conduct).

On May 28, 2020, the Code of Conduct was amended by the Board of Directors to authorize it to make decisions by written consultations in line with the conditions set by the regulation.

The Company noted the update to the Middlenext Code and notably the eighth and new guideline, and the Board of Directors' Meeting of October 12, 2021 decided to amend the Code of Conduct notably to include new provisions mainly related to the creation of an ESG Committee to comply with said eighth guideline of the Middlenext Code.

The Board of Directors meeting of January 25, 2024 also decided to update the Rules of Procedure by detailing the missions of the ESG, Strategy and Ethics Committees.

The Chairman and CEO organizes and manages the work of the Board of Directors, ensures that the Directors are apt to carry out their mandate and notably that they have all the information and documents necessary to carry out their mandate, and ensures that representatives of employee representative bodies are regularly invited and have all the information and documents necessary to carry out their mandates.

The Board of Directors has set up four internal Committees with the role of assisting it in certain specific missions. The mission of these committees is to provide strategic support and decision-making assistance to the Board. These Committees meet as often as necessary.

2.5.2.2.1 The Remuneration Committee

The main mission of this Committee is to make recommendations to the Board of Directors relative to remuneration, pension and health insurance plans, benefits in kind and various pecuniary rights, including, as appropriate, the allocation of company founder share subscription warrants, stock options or bonus shares the Company may grant to the Chairman and CEO and possibly to other employed members of the Board of Directors, and to recommend the general policy governing the allocation of share warrants, stock options and bonus shares in the Company.

The Remuneration Committee is composed of the following three members:

- Mr Hugues Lepic, as representative of Aleph Golden Holdings Sarl, member and Chairman of the Remuneration Committee;
- Mrs Nayla Khawam, member of the Remuneration Committee; and
- Mrs Lori Gonnu, member of the Remuneration Committee.

In 2023, the Remuneration Committee met twice.

At the meetings of the Remuneration Committee, items covered included the level of remuneration of employees of the Company (fixed remuneration and performance-based bonuses) as well as the remuneration policy relative to corporate officers, the fixed and variable remuneration of the management team and the Directors and the allocation of stock options.The Remuneration Committee made its recommendations to the Board of Directors on these topics.

2.5.2.2.2 The Audit Committee

The main purpose of this Committee is to safeguard the exactness and faithfulness of the individual and consolidated financial statements of the Company (validation of accounting methods), to analyze and validate SACC assignments, to ensure the monitoring of the process of compiling financial information, to ensure the monitoring of the efficiency of internal control and risk management systems and to ensure the exactness of information provided to shareholders and markets.

The meetings of this Committee also provide an opportunity for its members to discuss their work directly with the Statutory Auditors.

The Audit Committee differs from other committees in that it has financial and auditing powers. The Committee is focused on the financial skills of the directors who are its Chairman and members.

The Audit Committee is composed of the following two members:

- Mrs Nayla Khawam, member and Chair of the Audit Committee; and
- Mrs Charlotte Corbaz, as representative of Bpifrance Participations, member of the Audit Committee.

In 2023, the Audit Committee met three times.

During the Committee meetings, the main subjects covered were the following:

- review of financial statements as of December 31, 2022;
- review of financial statements as of June 30, 2023;
- review of related-party agreements;
- review of the procedures implemented to ensure the faithfulness and reliability of the information;
- review of annual reports;
- review of Statutory Auditors' assignments.

2.5.2.2.3 The Strategy Committee

The main purpose of this Committee is to advise the Company on development strategy and on external growth.

This Committee, created by the decision of the Board of Directors' meeting of June 13, 2018, is composed of the following four members:

- Mr Hugues Lepic, member and Chairman of the Strategy Committee;
- Ms Charlotte Corbaz, member of the Strategy Committee;
- Mr Didier Brédy, member of the Strategy Committee; and
- Mr François-Xavier Ollivier, member of the Strategy Committee.

The Strategy Committee did not meet in 2023, the subject of external growth and R&D having been directly addressed by the Board of Directors.

2.5.2.2.4 The Environmental, Social and Governance Committee (ESG)

The main purpose of this newly-created Committee following the decision of the Board of Directors of October 12, 2021, is to provide all advice and support to the Board of Directors and/or to make recommendations in terms of Corporate Social Responsibility and ESG criteria (Environmental, Social and Governance) and notably to examine the link between Group strategy, the way in which the Group takes account of sustainable development considerations in the definition of its strategy, the main risks and opportunities faced in terms of environmental issues, company policies and the range of information published by the Company and the Group on societal and environmental concerns.

Following the decision of the Board of Directors on October 12, 2021, the ESG Committee is composed of the following three members:

- Mrs Lori Gonnu, member and Chair of the ESG Committee;
- Ms Charlotte Corbaz, member of the ESG Committee; and
- Mr Didier Brédy, member of the ESG Committee.

In 2023, the ESG Committee met six times.

The Committee's main responsibility is to set the Group's CSR objectives and, as such, is responsible for making proposals to the Board of Directors, while also examining the orientations of human resources and diversity policies.

At the meetings of the ESG Committee the following topics were covered:

- the Group's ESG targets;
- Preparation of the Non-Financial Performance Statement;
- work on the Bilan Carbone® carbon assessment.
- diversity and human resources policy.

With her experience in innovation, deployment and business growth, Ms. Gonnu knows and anticipates entrepreneurial challenges, including Corporate Social Responsibility issues, and is a spokesperson for them on the Board. As the creator of SFR Group's international division, the Chairwoman of the Committee is committed to and contributes her expertise on subjects such as the Group's positioning as a benchmark employer, the Group's responsibility towards third parties by integrating social and environmental criteria into its best practices and the Group's impact on the environment.

Bpifrance, represented by Ms. Corbaz, places environmental, social and governance issues at the heart of its mission. Made aware through the implementation of training and the multiplication of ESG actions, Charlotte brings ESG know-how directly linked to the exemplarity of the Bpi.

As Chairman and CEO of the Group, Mr. Brédy directly transmits the messages of social and environmental responsibility to the Group's employees and, in this capacity, communicates the strategic importance of the well-being of employees and climate issues, for which he fervently supports the implementation of environmental objectives.

2.5.2.2.5 Composition of the Board of Directors and its Committees at the time of publication of this registration document in compliance with the third guideline of the Middlenext Code

Names	Independent Director	Initial appointment on	Directorship expires	Audit Committee	Remuneration Committee	Strategy Committee	ESG Committee
Mr. Didier Brédy **Chairman and CEO**	**No**	**2005**	**Period ended December 31, 2024**	**No**	**No**	**Member**	**Member**
	Experience and expertise contributed: Before joining Ekinops, Didier Brédy managed the software and services division of Ingenico, the leading provider of secure transaction and payment systems. Before that, he was General Manager of Ivex, a US start-up which provided internet-based video solutions and was sold to a Nasdaq-listed acquirer in 2001. He also held the position of VP marketing at Truevision (Nasdaq: TRUV) in Silicon Valley, after managing marketing strategy at Pacific Data Products, a successful Californian venture in multimedia. Didier began his career in 1989 at Xerox, in Silicone Valley as product range manager. Didier Brédy is a graduate of the Télécom ParisTech (ENST) and holds an MBA from the San José University, California.						
Mr François-Xavier Ollivier **Director**	**No**	**2003**	**Period ended December 31, 2024**	**No**	**No**	**Member**	**No**
	Experience and expertise contributed: François-Xavier Ollivier is one of the co-founders of the Company. With more than 36 years experience in the telecommunications sector, François-Xavier has carried out development work which led to 15 patents in the optical transmission area. Before forming EKINOPS in 2003, François-Xavier was vice-president in charge of Product Development at Corvis-Algety in Lannion (France). He was also R&D manager of the submarine and terrestrial Cable division of Alcatel at Lannion and Paris notably responsible for global coordination of pre-development activities for the "optical networks" division.						
Lori Gonnu **Director**	**YES**	**2017**	**Period ended December 31, 2025**	**No**	**Member**	**No**	**Chairman**
	Experience and expertise contributed: Lori Gonnu has held numerous positions of responsibility worldwide in the telecommunications industry for more than 20 years. She notably created the international division of French mobile operator SFR in 1996 and was their Executive Director until 2009. She also held a seat on the Management Committee of the GSM Association (the global association of mobile operators) for more than 10 years, steering innovative global initiatives. In 2011, she founded Boldair Consulting International, specialized in growth opportunities for telecommunications companies, in particular in M2M and IOT areas as well as in mergers and acquisitions.						
Aleph Golden Holdings Sarl represented by Mr Hugues Lepic **Director**	**No**	**2017**	**Period ended December 31, 2025**	**No**	**Chairman**	**Chairman**	**No**
	Experience and expertise contributed: The purpose of Aleph Capital is to support ambitious companies to enable them to accelerate their development and unlock their growth potential. Aleph Capital invests in partnership with the management teams it supports sustainably to implement their development strategies. Founded by Mr Hugues Lepic, formerly head of all investment activities of Goldman Sachs in Europe ("Goldman Sachs Capital Partners"), Aleph Capital invests in Europe in telecoms, media and technology sectors, financial institutions and energy.						

Names	Independent Director	Initial appointment on	Directorship expires	Audit Committee	Remuneration Committee	Strategy Committee	ESG Committee
Nayla Khawam **Director**	**YES**	**2014**	**Period ended December 31, 2024**	**Chairman**	**Member**	**No**	**No**
	Experience and expertise contributed: Nayla Khawam has extensive expertise in the telecommunications industry and held numerous top management positions within the Orange group from 1983 until she retired. Nayla Khawam was the Executive Director of the "Orange Wholesale France" division, with the purpose of offering telecommunication solutions (offerings covering interconnections, transmission networks, unbundling, etc.) to fixed-line operators and access to the Orange mobile network for mobile operators (MVNOs, etc.). Nayla Khawam also held the position of CEO of Orange Jordan, where she supervised and rolled out the first 3G network in the Kingdom of Jordan, and contributed to extending Orange Labs, which supplies innovative services to 27 countries via Jordan, and concluded terrestrial fiber optic cable agreements, JADI and RCN, to provide an alternative route for data and voice traffic in the region and with Europe and Asia.						
Bpifrance Participations SA, represented by Mrs Charlotte Corbaz **Director**	**No**	**2017**	**Period ended December 31, 2025**	**Member**	**No**	**Member**	**Member**
	Experience and expertise contributed: Equity investments by Bpifrance are carried out by Bpifrance Investissement. Bpifrance, subsidiary of the Caisse des Dépôts, and the State, and a trusted corporate partner, offers companies support, from the outset up to stockmarket listing, with loans, warranty and equity. Furthermore, Bpifrance offers help and enhanced support form innovation, external and export growth in partnership with Business France and Coface. Bpifrance offers companies a complete range of financing solutions at every key stage of their development and an offering tailored to regional specificities. With close to 50 regional sites (90% of decisions made regionally), Bpifrance is a tool that optimizes economic competitiveness at the service of companies. With Bpifrance, companies benefit from the expertise of a powerful, local and efficient contact to meet all of their financing, innovation and investment needs.						

2.5.2.3 Conditions governing the organization of the work of the Board

2.5.2.3.1 Organizational

The functioning of the Board of Directors is governed by the provisions of the Company's Code of Conduct, in compliance with the ninth guideline of the Middlenext Code.

As well as the Board of Directors obligatory meetings (to approve the annual and interim financial statement), Board meetings are called depending on business requirements.

The Code of Conduct determines that the Board shall meet at least six (6) times per year.

In 2023, the Board of Directors of the Company met six (6) times on the following dates:

- January 26, 2023
- March 6, 2023
- March 22, 2023
- May 24, 2023
- July 17, 2023
- July 26, 2023
- October 10, 2023
- November 30, 2023
- December 22, 2023

The attendance rate for Directors at meetings in 2023 was 91%, with the lowest individual rate at 78%.

The high level of attendance of Directors at Board Meetings is a strong indicator of the commitment of its members, who on their appointment are also informed of the governance rules applicable to the Company since each of them is provided with a copy of the Board's Code of Conduct, which refers to the Middlenext Code and its guidelines and vigilance points.

The main topics covered during the meetings this year, excluding legal topics, were financial, commercial, operational and strategic.

2.5.2.3.2 Board of Director Meetings

The Board of Directors is called to meet by the Chairman, or, in his name, any person designated by him, or, where appropriate, by a temporary Director delegated to carry out the functions of Chairman.

Pursuant to the provisions of Article L. 823-17 of the French Commercial Code, the Statutory Auditors are invited to all Board of Director meetings which examine or approve the interim or annual financial statements.

Representatives of the Social and Economic Committee are invited to attend all Board of Director meetings.

2.5.2.3.3 Minutes of meetings

The minutes of each meeting are established by the Chairman and CEO who submits them for approval to the next Board meeting. They are recorded in the minutes register once they have been signed by the Chairman and a Director.

In fiscal 2023, the Board made a certain number of decisions notably the examination of the financial statements, the approval of the budget and the examination of the work of the Committees.

2.5.2.3.4 Director information

All Directors receive the documents and information necessary for the completion of their tasks.

2.5.2.3.5 Assessment of Board work

The thirteenth guideline of the Middlenext Code enables Board of Director members to express their opinion, once a year, on the functioning of the Board of Directors and on the preparation of its work upon invitation from the Chairman of the Board. The issue of assessing the work of the Board was the subject of an analysis based on a self-assessment questionnaire for the Board and its Committees, submitted to Directors in December 2023. A summary of the answers was carried out and reveals that the Directors are satisfied with the functioning of the Board. Members continue to welcome contact with management. Points of vigilance relate especially to the continued pursuit of ESG commitments, the analysis of Annual General Meeting voting and the finalization of a succession plan.

2.5.2.4 Diversity policy

In application of Article L. 22-10-10 of the French Commercial Code, the table below describes the diversity policy applied within the Board of Directors, indicating the criteria considered, the goal set by the Board of Directors, the terms and conditions governing their implementation as well as the outcomes obtained during fiscal 2023:

	Objectives	Terms and conditions of implementation and outcomes obtained
Board of Directors	Equal representation of women and men	**Representation of women** Ratio over the past two years > 50% (3 out of 6)
	Best balance possible thanks to the desire to achieve complementarity among profiles in terms of nationality, expertise and experience	Foreign national or double nationality Directors > 50% (3 out of 6) **Expertise/Experience** (number of Directors out of the total) > Sector expertise: 3 out of 6 > Management of growth SMEs: 3 out of 6 > Stable presence on the Boards of Directors of listed, international companies: 2 out of 6
	Independent directors	2 out of 6, i.e. one-third of the Directors
	Average age of Directors	60 years

The composition of the Audit Committee and the Remuneration Committee and majority presence of women on both of these bodies, as well as within the ESG Committee (in their roles as Director or Censor) reflects the desire to ensure balanced gender representation on the Company's management bodies.

The Company and the Board of Directors are also aware of the necessity of diversity in positions of responsibility. Considering the Company's area of business, where the presence of women is moderate, this is a persistent obstacle in achieving gender balance at all levels of the organization. Thus, today, 14% of women hold positions of responsibility.

Nevertheless, the Board of Directors is particularly vigilant on this point, and each promotion or recruitment is an opportunity for the Company and its managers to apply gender balance criteria as far as possible and based on the candidates who present themselves.

To favor this diversity, the Company ensures that, in the search for candidates for open positions, there are women candidates for every opportunity to improve the representation of women within the Group. To reinforce its commitment in this respect, the Company implemented gender balance agreements in 2021, and a variable portion of the remuneration applicable to the Chairman-CEO integrates a criteria which factors in this commitment.

2.5.3 Remuneration of corporate officers

The report of corporate governance notably presents: (i) the remuneration policy applicable to the Chairman and CEO and sole executive corporate officer as well as that for members of the Board of Directors ("**non-executive corporate officers**") for 2024, as well as (ii) the fixed, variable and exceptional components of their total remuneration and all benefits in kind attributable to executive and non-executive officers in respect of the past year.

In accordance with Article L. 22-10-8 of the French Commercial Code, the principles of determination, breakdown and allocation of fixed, variable and exceptional remuneration items making up total remuneration and benefits of any kind attributable to corporate officers are presented hereafter and shall be submitted for approval to the General Meeting of May 23, 2024 within the framework of the ex ante vote on the two draft resolutions presented in paragraphs 2.5.3.1.3 and 2.5.3.1.5 hereafter.

2.5.3.1 Remuneration policy applicable to corporate officers in respect of fiscal 2024

2.5.3.1.1 General principles

It is the role of the Remuneration Committee, composed for two-thirds of Independent Directors, to issue recommendations to the Board of Directors regarding remuneration policy and the remuneration of the Chairman and CEO and the other corporate officers.

The Remuneration Committee met on February 15, 2024, to determine its recommendations for the remuneration policy for corporate officers in respect of 2024, as well as the level of attainment of objectives regarding the variable component and the remuneration of the Chairman and CEO in respect of 2023.

While ensuring the coherence of the rules to determine this remuneration with the annual performance assessment of Group's managers, which it compares with the performance of the Company. It also takes into account the alignment of these targets with strategy and societal issues.

At its March 15, 2024 meeting, the Board of Directors approved the remuneration policy applicable to corporate officers on the recommendation of the Remuneration Committee, in line with social criteria, its contribution to the sustainability of the Company and its role within the commercial strategy of the Group.

In line with these recommendations, the Board of Directors considers the remuneration and employment conditions of employees as well as the principles of exhaustiveness, balance, comparability, coherence, legibility, control and transparence, which are recommended by the Middlenext Code for the remuneration of executive corporate officers.

The Company has implemented a remuneration policy that aims to motivate and inspire employees to make a strong contribution to reaching the Group's strategic objectives (variable component of remuneration) and to ensure long-term performance (choice of targets).

The Board of Directors ensures that the remuneration policy applicable to corporate officers is defined in reference to the Group's growth and development strategy providing an incentive to reach growth targets.

Regarding the remuneration policy of Directors, the same rules and criteria governing the allocation of the overall amount approved by the Ordinary General Meeting have been applicable since 2014. The remuneration only refers to Independent Directors and is set at a fixed annual amount each year. Payment of this remuneration is based on effective attendance at Board Meetings in payment of the work carried out by each Independent Director and attendance, in the interests of the Company. The breakdown of this remuneration policy which remains unchanged compared with a year earlier is presented in paragraph 2.5.3.1.2 hereafter.

The remuneration policy determined for the executive corporate officer is directly linked to Group strategy; it aims to support and serve its development needs. The Board of Directors wanted to align the remuneration criteria for the Chairman and CEO with the criteria reflecting the development of the Company and linked to the performance of the Company.

The fixed remuneration of the Chairman and CEO was set based on the responsibilities assumed and taking into account the level of remuneration of CEOs of comparable companies.

The variable remuneration of the Chairman and CEO for fiscal 2024, as for fiscal 2023, refers to economic parameters based on quantifiable objectives reflecting the Group's performance and the personal contribution of the Chairman and CEO.

The performance indicators retained enable the assessment of the real performance of the Company and reflect the Company's long-term value creation.

Lastly, in the event of the departure of the Chairman and CEO from the Company or the appointment of another Chairman and CEO during the year, it has been decided that the principles of remuneration defined within the framework of the remuneration policy approved by the Board of Directors shall continue to apply as well as the amount of the fixed remuneration and/or the variable or exceptional component payable shall be calculated on a *pro rata temporis* basis for the relevant Director.

The correlation between the remuneration of the Chairman and CEO and the performance of the Company guarantees the relevance of the remuneration of the former and contributes to fostering balanced and sustainable growth. The breakdown of this remuneration policy is presented in paragraph 2.5.3.1.3 hereafter.

In line with Article L. 22-10-8 of the French Commercial Code, when the Board of Directors rules on the determination or the allocation of cash items, of any kind, or makes commitments corresponding to remuneration items, indemnification or benefits due or likely to fall due resulting from the assumption, termination or change of his functions or after exercising his functions, for the benefit of the Chairman and CEO, the Chairman and CEO does not take part in the discussions of the Board of Directors nor on the vote relative to the relevant item or commitment.

2.5.3.1.2 Board member remuneration policy

Overall remuneration amount allocated to the Board of Directors by the General Meeting of shareholders and criteria governing its allocation to the different members of the Board of Directors

The overall annual envelop of remuneration allocated to the Board of Directors as remuneration for the activity of the members of the Board of Directors is determined by a vote of the General Meeting of Shareholders of the Company.

The General Meeting of Shareholders of June 19, 2014 set, from fiscal 2014, at €50,000 gross, the maximum amount of annual remuneration to be allocated to the Directors in respect of their remuneration (previously referred to as attendance fees) until it decides otherwise.

The criteria governing the remuneration allocated in this way to the Board of Directors is based on the Director's Independent status and their effective attendance at Board Meetings. As a result, only Independent Directors receive remuneration related to the remuneration envelope allocated by the General Meeting, unless they decide to waive their rights to such remuneration. Furthermore, only remuneration proportional to their attendance at meetings of the Board of Directors shall be paid within the limit of a maximum amount of €23,000 gross per Independent Director.

In this respect, Mrs Nayla Khawam and Mrs Lori Gonnu, Independent Directors, receive remuneration for their attendance at Board meetings as part of the overall remuneration envelope allocated by the General Meeting of Shareholders to the Board of Directors.

Exceptional remuneration

In line with Article L. 22-10-15 of the French Commercial Code, the Board of Directors can allocate exceptional remuneration for assignments or specific tasks given to its members.

This remuneration is determined by the Board of Directors taking into account the term and complexity of the assignment after consultation with the Remuneration Committee and subject to compliance with the procedure governing regulated agreements in Article L. 225-38 of the French Commercial Code.

For information purposes, it is noted that this option was not used during fiscal 2023[1].

Remuneration in shares

No allocation is planned for the benefit of Directors in their role as Directors.

The remuneration policy for Directors with respect of fiscal 2024 is summarized hereafter:

Director remuneration policy [2] for fiscal 2024

Remuneration	For Independent Directors only
	Remuneration of a maximum overall amount of €50,000 gross allocated in remuneration of attendance at Board of Director meetings during the year
Variable remuneration	None
Multi-year variable cash remuneration	None
Exceptional remuneration	None
Options, bonus shares or other allocations of securities	None
	No allocation is planned for the benefit of Directors in their role as Directors.
Benefits in kind	None

[2] The remuneration policy applicable to Mr Didier Brédy, in his role as Chairman and CEO is defined in paragraph 2.5.3.1.4 hereafter.

The Company reimburses Board members for expenses incurred in carrying out their assignments.

It should be noted that the remuneration policy applicable to members of the Board of Directors in respect of fiscal 2022 was 93% approved by a vote of the General Meeting on May 25, 2023.

Information regarding Mr François-Xavier Ollivier

Mr François-Xavier Ollivier left the Company as an employee in June 2023, and was remunerated in respect of his employment contract until he retired. The former items present in respect of his employment contract are no longer applicable in respect of fiscal 2024.

2.5.3.1.3 Resolution submitted for approval to the General Meeting of shareholders

In line with Article L. 22-10-8 of the French Commercial Code, we set out the draft resolutions to be presented for approval to the next General Meeting called to approve the financial statements for the year ended December 31, 2023.

This is the tenth resolution presented for approval to the General Meeting of May 23, 2024, reproduced below:

"Tenth resolution

Approval of the remuneration policy applicable to the Directors for the year 2024.

The General Meeting,

having met the quorum and majority conditions for General Meetings,

having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, as included in the Company's 2023 universal registration document

approves, *pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy applicable to Directors as described."*

2.5.3.1.4 Remuneration policy applicable to the Chairman and CEO

In line with Article L. 22-10-8 of the French Commercial Code, the current remuneration policy decided by the Board of Directors on March 4, 2024 is based on the guidelines of the Middlenext governance Code and the recommendations of the Remuneration Committee, which submitted its report to the Board of Directors.

The decision-making process applied for the determination of the remuneration policy is also applicable to revisions and implementation.

(1) *It being noted that the remuneration with respect of the new regulated agreement between Mr Ollivier and the Company does not apply for the fiscal year ended December 31, 2023.*

In the event of the appointment of another Chairman and CEO during the year, it has been decided that the principles of remuneration defined within the framework of the remuneration policy approved by the Board of Directors shall continue to apply as well as the amount of the fixed remuneration and/or the variable or exceptional component payable shall be calculated on a *pro rata temporis* basis for the relevant Director.

2.5.3.1.4.1 Fixed remuneration

The Chairman and Chief Executive Officer will receive a fixed annual remuneration of €324,000 payable monthly in twelfths, which reflects his responsibility, level of experience and skills. The fixed remuneration is identical to the previous year.

2.5.3.1.4.2 Annual variable remuneration

The Chairman and CEO also benefits from variable remuneration of €170,000, which can increase to a maximum of €335,750 if objectives are exceeded, as decided by the Board of Directors upon recommendations of the Remuneration Committee relative to quantitative and qualitative criteria, compensating his individual contribution to reaching the Company's strategic objectives, paid in cash.Among these performance criteria, it is up to the Board of Directors, upon recommendations of the Remuneration Committee, at the end of fiscal year 2024 (or early in 2025) to determine the level of attainment of the individual objectives of the Chairman and CEO. The variable remuneration has not changed for fiscal 2024.

The performance criteria on which the amount of variable remuneration attributable to the Chairman and CEO are based are set out in the table hereafter "**Description of the remuneration policy applicable to the Chairman and CEO in respect of fiscal 2024**."

2.5.3.1.4.3 Exceptional remuneration

In the event of a clearly exceptional performance or in the event of very special circumstances (for example relative to their importance for the Company, the implications they can have or the difficulties they could lead to), the Board of Directors could make a motivated explicit decision to allocate exceptional remuneration to the Chairman and CEO.

It should be noted that exceptional and variable remuneration items allocated in respect of the year to the Chairman and CEO shall be conditional on approval by the General Meeting held the subsequent year of these remuneration items in line with the conditions defined in Article L.22- 10-34 of the French Commercial Code.

2.5.3.1.4.4 Deferred commitments for the benefit of the CEO linked to the termination of his functions

Termination benefit

The Board of Directors meeting of June 19, 2014 decided that the Chairman should obtain a termination benefit in the event of his removal from office, it being noted that this shall not be payable in the event of gross negligence or serious misconduct, or if the Chairman leaves the Company voluntarily or if he retires. The breakdown of the terms and conditions applicable to this termination benefit are presented below.

This commitment was reiterated by the Board of Directors meeting of March 6, 2023, and by the General Meeting of May 24, 2023.

The termination benefit payable to the Chairman in the event of non-renewal of his term of office as Chairman of the Company is determined based on the compound annual growth rate (hereafter CAGR) over the past three years, with the CAGR being determined according to the following formula:

CAGR = [(Revenue (Y)/Revenue (Y-3))^(1/3) -1]*100

Or:

Revenue (Y) = Consolidated revenue of the last available financial year (Y)

Revenue (Y-3) = Consolidated revenue of the financial year Y-3

- If the CAGR over the past three financial years is less than 5%, then the termination benefit shall be equal to 50% of the overall remuneration (fixed, variable and exceptional) paid to the Chairman over the last 12 months;
- If the CAGR over the past three years is between 5% and 10%, then the termination benefit shall be equal to 75% of the overall remuneration (fixed, variable and exceptional) paid to the Chief Executive Officer over the past 12 months;
- If the CAGR over the past three years is in excess of 10%, then the termination benefit shall be equal to 100% of the overall remuneration (fixed, variable and exceptional) paid to the Chief Executive Officer over the past 12 months.

Based on the CAGR observed over the past three years, the termination benefit shall be equal to 100% of the overall remuneration (fixed, variable and exceptional) paid to the Chief Executive Officer over the past 12 months.

Non-compete clause indemnity

The Chairman and CEO does not benefit from a non-compete clause indemnity.

Complementary pension scheme

The Chairman and CEO does not benefit from a supplementary pension plan.

2.5.3.1.4.5 Remuneration in respect of the annual overall envelope allocated by the General Meeting of shareholders to the Board of Directors

The Chairman and CEO does not receive remuneration in respect of the remuneration envelope allocated by the General Meeting of shareholders to the Board of Directors.

2.5.3.1.4.6 Benefits of any kind likely to be granted to the Chairman and CEO in respect of his position

The Chairman and CEO benefits from the use of a mobile phone.

The Chairman and CEO benefits from a company vehicle.

The Chairman and CEO benefits from healthcare insurance for company managers and directors.

The remuneration policy applicable to the Chairman and CEO in respect of fiscal 2024, effective from July 1, 2024, to be submitted to the General Meeting for approval, is summarized in the following table:

Description of the principles and total remuneration and benefits attributable to the Chairman and CEO in respect of fiscal 2024

Fixed remuneration	Fixed remuneration of an annual amount of €324,000 which is paid in 12 monthly installments
Variable remuneration	Variable remuneration in the amount of €170,000 (representing 52% of the fixed remuneration excluding exceeding objectives) and based on three quantitative criteria and three qualitative criteria presented below: **Criteria 1.** Based on generating consolidated revenue for fiscal 2024 as set by the Board of Directors: > Weighting: 35% of the variable annual remuneration, i.e. variable remuneration equal to €59,500 before the accelerator in respect of criteria 1, capped at €148,750. **Criteria 2.** Based on generating EBITDA for fiscal 2024 (excluding restructuring costs), as set by the Board of Directors: > Weighting: 30% of the variable annual remuneration, i.e. variable remuneration equal to €51,000 before the accelerator in respect of criteria 2, capped at €102,000 **Criteria 3.** Based on generating consolidated net profit for fiscal 2024, as set by the Board of Directors: > Weighting: 10% of the variable annual remuneration, i.e. variable remuneration equal to €17,000 before the accelerator in respect of criteria 3 **Criteria 4.** Based on completing external growth projects for fiscal 2024, as set by the Board of Directors > Assessment based on the decision of the Board of Directors > Weighting between 10% and 20% of the annual variable remuneration, i.e. an amount of variable compensation equal to a maximum of €34,000 for criterion 4. **Criteria 5**. Based on overall performance in respect of projects linked to the Group's ESG policy in the following areas: > Reduce the Group's carbon footprint > Audit the first version of the CSRD report > Increase in the representation of women. > Audit of ESG practices of suppliers by an independent auditor > Assessment based on the decision of the Board of Directors > Weighting: between 5% and 10% of the annual variable remuneration, i.e. an amount of variable compensation equal to a maximum of €17,000 for criterion 5 **Criteria 6**. Based on the performance of the R&D department in delivering products in line with company strategy >Weighting: 10% >Assessment based on the decision of the Board of Directors This variable remuneration could be increased to a maximum of €335,750 in the event of exceeding objectives (representing 103.6% of fixed remuneration).

Description of the principles and total remuneration and benefits attributable to the Chairman and CEO in respect of fiscal 2024	
Exceptional remuneration	The Board of Directors has the option to pay exceptional remuneration to the Chairman and CEO, within the limit of a maximum amount equal to 50% of the total remuneration (fixed and variable) payable in respect of fiscal 2024 excluding the case of exceeding objectives, i.e. €247,000, in exceptional circumstances such as a clearly exceptional and significant performance in respect of the usual financial, commercial or strategic performance of the Company and/or Group for which the achievement would not have been taken into account in the definition of objectives and indicators retained for the determination of the variable remuneration of the Chairman and CEO and warranting the payment of exceptional remuneration for the period considered. The allocation of exceptional remuneration can only take place following an explicit, motivated decision by the Board of Directors upon a prior positive recommendation from the Remuneration Committee. Its payment is conditional on approval of the decision by the ordinary Annual General Meeting of shareholders.
Options, bonus shares or other allocations of securities	Such remuneration is not applicable in respect of 2024.
Remuneration in respect of the role of Director	The Chairman and CEO does not receive any remuneration for his role as a Director.
Benefits in kind	The Chairman and CEO benefits from the use of a mobile phone. The Chairman and CEO benefits from healthcare insurance for company managers and directors. The Chairman and CEO benefits from a company vehicle.
Termination benefit	The Chairman and CEO receives a termination benefit in the event of his removal from office, the amount of which is determined based on a quantitative objective.
Non-compete clause indemnity	The Chairman and CEO does not benefit from a non-compete clause indemnity (detailed in paragraph 2.5.3.1.4).
Complementary pension scheme	The Chairman and CEO does not benefit from a supplementary pension plan.

In line with Article L. 22-10-34 of the French Commercial Code, it should be noted that exceptional and variable remuneration items allocated in respect of fiscal 2024 to the Chairman and CEO shall be conditional on approval by the General Meeting held the subsequent year of these remuneration items in accordance with the conditions defined in Article L. 22-10-34 of the French Commercial Code.

It should be noted that the remuneration policy applicable to members of the Board of Directors in respect of fiscal 2023 was 71% approved by a vote of the General Meeting on May 24, 2023.

2.5.3.1.5 Resolution submitted for approval to the General Meeting of shareholders

In line with Article L. 22-10-8 of the French Commercial Code, we provide details of the draft resolution submitted for approval to shareholders.

This is the ninth resolution presented for approval to General Meeting of May 23, 2024, reproduced hereafter:

"Ninth resolution

Approval of the remuneration policy applicable to the Chairman and CEO Directors for the year 2024.

The General Meeting,

having met the quorum and majority conditions for General Meetings,

having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, as included in the Company's 2023 universal registration document

approves, *pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy applicable to the Chairman and CEO as described."*

2.5.3.2 Information relative to total remuneration and benefits of any kind paid or allocated during the past year to corporate officers

In line with Article 22-10-34 I and II of the French Commercial Code, the ordinary annual General Meeting called to approve the financial statements for the year ended December 31, 2023 shall, as part of the ex post say on pay vote on:

(i) information relative to the remuneration of corporate officers, in accordance with paragraph I of Article L. 22- 10-9 of the French Commercial Code and in particular the information presented in paragraphs 2.5.3.2.1 and 2.5.3.2.2 and 2.5.3.2.3 below, with the draft resolution presented in paragraph 2.5.3.2.1.2; and on

(ii) fixed variable and exceptional remuneration making up total remuneration and all benefits of whatever nature paid or attributed in respect of the previous year via a distinct resolution relative to the executive corporate officer as presented in paragraph 2.5.3.2.2.2.

2.5.3.2.1 Total remuneration and benefits of any kind paid to members of the Board of Directors

2.5.3.2.1.1 Remuneration paid in respect of the year to December 31, 2023 to the members of the Board of Directors

For fiscal 2023, the overall annual envelope of remuneration allocated by the General Meeting of shareholders to the Board of Directors was allocated to Mrs Nayla Khawam for a gross amount of €20,470 in remuneration and a gross amount of €23,000 allocated to Mrs Lori Gonnu in remuneration.

This remuneration was attributed in proportion to the attendance rate at Board of Director meeting during 2023 of each of these two Independent Directors, i.e. attendance at Board of Directors' meetings of 89% during fiscal 2023 for Mrs Lori Gonnu and Mrs Nayla Khawam and attendance of 100% for Mrs Lori Gonnu. It should be noted that the average attendance of all Board members was 91% during fiscal 2023.

This allocation complies with the remuneration policy applicable to Directors applied by the Company which only remunerates Independent Directors for their roles as Directors (unless they decide to forego such remuneration) and based on their involvement in the work of the Board of Directors.

No Director received remuneration and/or benefits of any kind from the Company or any entity included in the scope of consolidation, within the meaning of Article L. 233-16 of the French Commercial Code.

- Remuneration of Mr François-Xavier Ollivier in respect of his employment contract dated March 21, 2003 with the Company

In respect of the past year, and until he retired on June 30, 2023, Mr François-Xavier Ollivier received gross annual remuneration of €251,920, excluding benefits in kind, increased by a variable component and which was approved by the General Meeting of May 28, 2020 in its fourth resolution.The Board of Directors' meeting of March 22, 2023, on recommendations from the Remunerations Committee, observed that objectives were attained and set the variable portion at €176,920. He also received a retirement indemnity for a gross amount of €72,722, which corresponds to the regulatory conventional indemnity in the Metallurgy sector.

The remuneration items of non-executive corporate officers are presented in the summary table below.

SUMMARY TABLE OF REMUNERATION OF EACH CORPORATE OFFICER IN LINE WITH THE MIDDLENEXT CODE RECOMMENDATIONS

Table of attendance fees and other remuneration awarded to non-executive corporate officers

	FY 2023		FY 2022	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
François-Xavier Ollivier - Director				
Remuneration awarded by the General Meeting				
Other remuneration[1]	-	€255,865	€290,541	€243,784
Retirement indemnity	-	€72,722		
Total	**-**	**€328,587**	**€290,541**	**€243,784**
Nayla Khawam				
Remuneration awarded by the General Meeting				
Other remuneration	€20,470	€23,000	€23,000	€19,090
Total	**€20,470**	**€23,000**	**€23,000**	**€19,090**
Aleph Golden Holdings Sarl				
represented by Hugues Lepic				
Remuneration awarded by the General Meeting				
Other remuneration	-	-	-	-
Total	**-**	**-**	**-**	**-**
Bpifrance Participations				
represented by Charlotte Corbaz				
Remuneration awarded by the General Meeting				
Other remuneration	-	-	-	-
Total	**-**	**-**	**-**	**-**
Lori Gonnu				
Remuneration awarded by the General Meeting				
Other remuneration	€23,000	€23,000	€23,000	€23,000
Total	**€23,000**	**€23,000**	**€23,000**	**€23,000**
Total	**€43,470**	**€374,587**	**€285,874**	**€196,000**

(1) Remuneration via a work contract. The total of other remuneration paid includes both the fixed portion of remuneration amounting to €75,000 per year from June 30, 2023 and the variable portion of €132,920 set by the Board of Directors at its March 2, 2023 meeting and a variable portion amounting to €44,000 in respect of 2024. Thus, Mr François-Xavier Ollivier also benefited from benefits in kind for an amount of €3,945.

2.5.3.2.1.2 Resolution submitted for approval to the General Meeting of shareholders

In line with Article L. 22-10-9 and L.22-10-34 of the French Commercial Code, we provide details of the draft resolution submitted for approval to shareholders.

This is the seventh draft resolution to be submitted for approval to the General Meeting of May 23, 2024, reproduced hereafter:

"Seventh resolution

Approval of the compensation items mentioned in Article L. 22-10-9 I of the French Commercial Code, pursuant to Article L. 22-10-34 of the French Commercial Code, for the year 2023.

The General Meeting,

having met the quorum and majority conditions for General Meetings,

having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, as included in the Company's 2023 universal registration document

***approves**, in application of Article L. 22-10-34 II of the French Commercial Code, the information mentioned in Article L.22-10-9 I of the French Commercial Code, as* presented.

2.5.3.2.2 Information relative to total remuneration and benefits of any kind paid or allocated during the past year to the executive corporate officer

2.5.3.2.2.1 Items of fixed, variable and exceptional remuneration paid in respect of the year ended December 31, 2023 or granted in respect of the same year to the Chairman and CEO

Pursuant to Article L. 22-10-34 of the French Commercial Code, the General Meeting of shareholders of May 23, 2024 will be requested to vote on the draft resolution relative to the remuneration items paid or allocated in 2023 in respect of the same year to Mr Didier Brédy, Chairman and CEO.

During the fiscal year to December 31, 2023, the following remuneration items were paid or allocated to Mr Didier Brédy, Chairman and CEO, in accordance with the principles and criteria approved by the General Meeting of May 24, 2023:

Remuneration items paid or allocated in respect of the past fiscal year	Amount or carrying value submitted for approval to the General Meeting of May, 23, 2024 in accordance with the approval of principles and criteria by the General Meeting of May 24, 2023	Comments
Fixed remuneration	€324,000	Monthly payment of one 12th each month.
Variable remuneration	€38,760 (to be paid)	The variable remuneration of Mr Brédy is based on quantitative and qualitative criteria(1) and is capped at 110% of the fixed remuneration
Multi-year cash remuneration	None	Mr Brédy does not benefit from any variable multiyear remuneration
Exceptional remuneration	None	Mr Brédy does not benefit from any exceptional remuneration in respect of fiscal 2023
Options, bonus shares or other allocations of securities	None	
Remuneration allocated by the General Meeting of shareholders to the Board of Directors	None	Mr Brédy does not receive remuneration as part of the envelope allocated by the General Meeting of shareholders to the Board of Directors
Valuation of benefits in kind	€1,388 (carrying valuation)	Mr Brédy benefits from the use of a mobile phone
	€7,088	Mr Brédy benefits from a company car
	€13,019	Mr Brédy benefits from healthcare insurance for company managers and directors
Non-compete clause indemnity	None	Mr Brédy does not benefit from a non-compete clause indemnity
Complementary pension scheme	None	Mr Brédy does not benefit from a supplementary pension plan

(1) The performance criteria relative to the variable remuneration of Mr Brédy are detailed in the paragraph below and are in accordance with the principles and criteria of determination, allocation and granting of fixed, variable and exceptional items composing the total remuneration of the Chairman and CEO in respect of fiscal 2023 as approved by the General Meeting of May 24, 2023.

Mr Brédy does not receive any other remuneration and/or benefits of any kind from the Company or any entity included in the scope of consolidation, within the meaning of Article L. 233-16 of the French Commercial Code.

As Mr Brédy did not leave the company, his “ex ante” termination benefit approved by the General Meeting of May 24, 2023 was not paid to him.

Breakdown of the variable remuneration of Mr Brédy in respect of fiscal 2023:

The variable remuneration in respect of fiscal 2023 attributable to Mr Brédy was set at a maximum amount of €356,400 gross (representing 110% of the fixed remuneration) pursuant to the decision by the Board of Directors dated March 6, 2023, the allocation of which is conditional on the achievement of three quantitative and two qualitative criteria, the details of which are provided below:

Variable remuneration in respect of fiscal 2023		
Criteria	**Weighting**	**Level of attainment**
Criteria 1. Realization of consolidated revenue in fiscal 2023	Weighting: 35% of the variable annual remuneration, i.e. variable remuneration equal to €59,500 before the accelerator in respect of criteria 1, capped at €148,750.	**Quantifiable criteria:** Profit (loss): €129.1m Level of attainment: 7.9% i.e. €4,760
Criteria 2. The attainment of EBITDA for fiscal 2023	Weighting: 35% of the variable annual remuneration, i.e. variable remuneration equal to €59,500 before the accelerator in respect of criteria 2, capped at €119,000.	**Quantifiable criteria:** Profit (loss): €18.58m Level of attainment: 0%
Criteria 3. Based on generating consolidated net profit for fiscal 2023, as set by the Board of Directors:	Weighting: 10% of the variable annual remuneration, i.e. variable remuneration equal to €17,000 before the accelerator in respect of criteria 3.	**Quantifiable criteria:** Profit (loss): €3.63m Level of attainment: 0%
Criteria 4. Based on completing external growth projects for fiscal 2023, as set by the Board of Directors	Weighting between 10% and 20% of the annual variable remuneration, i.e. an amount of variable compensation equal to a maximum of €34,000 for criterion 4.	**Qualitative criteria:** The Board of Directors, on recommendation of the Remuneration Committee and taking account of the targets reviewed and the setting up of a financing line dedicated to external growth, validated the external growth objective to the extent of 10%, i.e. €17,000.
Criteria 5. Based on overall performance in respect of projects linked to the Group's ESG policy	Weighting: 10% of the variable annual remuneration, i.e. variable remuneration equal to €17,000 before the accelerator in respect of criteria 5.	**Qualitative criteria:** Objectives set: - Reduce the Group's carbon footprint - Staff anti-corruption training - Audit of ESG practices of five major suppliers by an independent auditor. - Increase in the representation of women in the Group's management. Result: the four sub-objectives were attained Level of attainment: the Board of Directors, on recommendation of the ESG Committee validated criteria 5 to the extent of 10%, i.e. €17,000

In respect of the fiscal year ended December 31, 2023, and in accordance with the principles and criteria recalled above, the Board of Directors, after debate and having been made aware of the proposals of the Remuneration Committee, in line with the attainment of the performance criteria mentioned above, set the variable remuneration of Mr Brédy, Chairman and CEO in respect of fiscal 2023, at a total of €38,760 (versus €259,225 in respect of 2022).

It is recalled that the payment of variable and exceptional remuneration, allocated in respect of the fiscal year to the Chairman and CEO shall be conditional on the approval by the ordinary General Meeting of shareholders of the Company of May 23, 2024 in the eight resolution relative to the remuneration items paid or allocated in respect of 2023 to Mr Brédy by virtue of his position, the draft resolution being presented below.

A summary table of the remuneration paid to the Chairman and CEO and the indemnities or benefits to which he is entitled are presented in paragraph 2.2.2 of this report.

It is noted that the remuneration of the executive corporate officer of the Company in respect of fiscal 2023, as presented in this report, complies with the Company's remuneration principles and criteria adopted for the same year.

The latest General Meeting of May 24, 2023, in its eleventh resolution, in compliance with prevailing law, approved the principles of determination, breakdown and allocation of fixed, variable and exceptional remuneration items making up total remuneration and the benefits of any kind attributable to corporate officers in respect of the fiscal year ended December 31, 2023.

The Company did not deviate from the procedure relative to remuneration policy nor did it apply any practice or exception to this policy.

2.5.3.2.2.2 Resolution submitted for approval to the General Meeting of shareholders

In line with Article L. 22-10-9 and L.22-10-34 of the French Commercial Code, we provide details of the draft resolution submitted for approval to shareholders.

This is the eighth draft resolution to be submitted for approval to the General Meeting of May 23, 2024, reproduced hereafter:

"Eighth resolution

Approval of fixed, variable and exceptional items of total remuneration and benefits of all kinds paid in respect of the fiscal year ended December 31, 2023, or allocated in respect of the same fiscal year to Mr Didier Brédy, Chairman and CEO.

The General Meeting,

having met the quorum and majority conditions for General Meetings,

having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, as included in the Company's 2023 universal registration document

***approves**, in application of Article L.22-10-34I of the French Commercial Code, the fixed, variable and exceptional items of total remuneration and benefits of all kinds paid or allocated in respect of the fiscal year ended December 31, 2023 to Mr Didier Brédy, Chairman and CEO."*

2.5.3.2.3 Ratio between the remuneration of the Chairman and CEO and Company employees' average and median Remuneration and annual remuneration, performance and CEO-to-worker pay ratio.

Article L. 22-10-9 of the French Commercial Code requires that companies with shares admitted for trading on a regulated market, present the following items:

(i) information relative to the ratio between the level of remuneration of the Chairman and CEO, on the one hand, and the average remuneration on a full-time equivalent basis of employees in the Company other than corporate officers, on the other.

The ratios are presented for the last five financial years, in accordance with paragraphs 6 and 7 of Article L. 22-10-9 I of the French Commercial Code and are drawn up based on remuneration paid by Ekinops SA to all of the Company's 67 employees, and include:

- fixed remuneration;
- variable remuneration;
- exceptional remuneration;
- the allocation of stock options, bonus shares, recorded at their IFRS carrying value;
- benefits in kind.

The allocation of stock options or bonus shares corresponding to long or medium-term remuneration. As a result, the ratios presented below factor in these items or not, where appropriate.

	2018	2019	2020	2021	2022	2023
Remuneration ratio (including allocations of options and bonus shares)						
Ratio - average wage	9.6	19.5	13.0	21.3	19.3	17.2
Ratio - median wage	11.4	27.3	16.8	26.9	25.4	21.2
Remuneration ratio (allocations of options and bonus shares)						
Ratio - average wage	7.3	8.9	8.5	7.8	8.1	9.8
Ratio - median wage	8.5	10.9	10.2	8.4	9.7	11.7
Remuneration excluded (€k)	156	770	300	928	809	480

Furthermore, the Company has decided to compare the remuneration of the Chairman and CEO (excluding the allocation of stock options, bonus shares) with the French minimum wage, in accordance with the guidelines of the Middlenext Code.

	2018	2019	2020	2021	2022	2023
Ratio - minimum wage	22.8	27.9	25.0	22.1	24.9	28.2

(ii) Information on annual trends in employee remuneration other than corporate officers over the last five years.

	2018	2019	2020	2021	2022	2023
as a % of the average employee wage vs period Y-1	-18%	11%	-11%	8%	7%	-8%
as a % of the average employee wage vs period Y-1	-7%	-5%	-4%	11%	3%	-2%

(iii) Information on the trend in performance of the Company over the past five fiscal years

	2018	2019	2020	2021	2022	2023
Consolidated revenue trends (in %) vs period Y-1	146%	11%	-1%	12%	23%	1%
Basic earnings per share (€/share)	(0.03)	0.07	0.13	0.19	0.46	0.14

2.6 MAIN FEATURES OF THE PROCEDURES IMPLEMENTED BY THE GROUP FOR INTERNAL CONTROL AND RISK MANAGEMENT

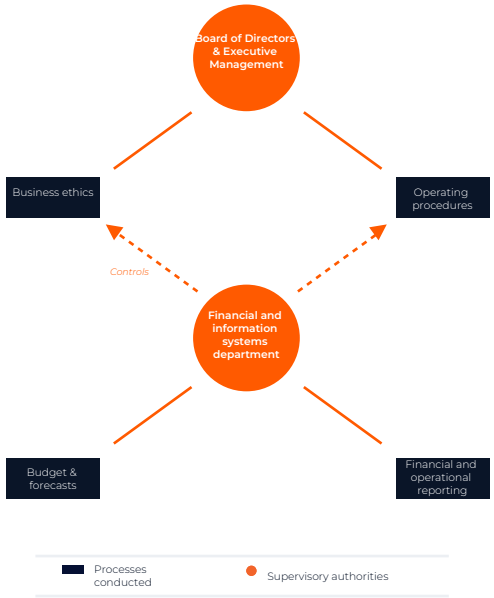
The internal control mechanism implemented by the Group has the objective of increasing the efficiency of its operations and the efficient use of its resources. It is based on the reference framework for risk management and internal control for small and mid-cap companies published by the AMF in July 2010 and in its February 2016 report and is implemented using various measures which ensure:

- compliance with laws and regulations applicable to companies within the Group;
- the effective application of directives, policies and internal procedures and best practices defined by Group executive management;
- the protection of Group assets;
- the reliability and fairness of financial information and the financial statements submitted to company bodies and published.

As with any system of control, it cannot provide an absolute guarantee that risks will be eliminated, but this measure, implemented by the Board of Directors, Management and staff, means it can be reduced considerably.

The Group organizes its internal control system via:

- specific organizational modes;
- policies and procedures.



Main functions involved in the steering of the measure

The Board of Directors and General Management

The Board of Directors ensures the monitoring of the overall functioning of the Group.It approves the organization and, via the Audit Committee, intervenes in the internal control system.The Audit Committee plays an important role in the identification of risks and in suggesting measures to improve management rules.

General Management defines the overall organization of the system and its functioning on a daily basis within the company. It is responsible for general management, clearly defines roles and responsibilities of the personnel involved in the system, and carries out regular monitoring of the latter via meetings and/or weekly reports.

General Management uses all the means of communication in-house (email, displays, regular meetings with representatives of personnel, Company information meetings, departmental meetings, etc.) to explain the internal control approach, staff responsibilities, procedures and rules to comply with both at the Group level and at the level of each company.

Financial and information systems department

With approval of General Management, the financial department carries out the following main assignments:

- supporting operating departments (sales, reporting, production, etc.) in their strategic choices, to ensure Group growth with the level of risk under control;
- producing the Group's consolidated financial statements and the individual parent company accounts of Ekinops SA and its subsidiaries within the timeframes necessary for the requirements of financial markets and legal obligations while guaranteeing that the financial statements provide a fair image of the company in accordance with the accounting and reporting principles adopted by the Group;
- completing the reporting cycle: weekly, monthly and quarterly to enable management to measure Group performance on a regular basis;
- producing the necessary documentation for financial communication and summary management report for the Board of Directors;
- monitoring changes in legal, tax and stockmarket legislation to ensure new rules are applied within the Group;
- designing and implementing the methods, procedures and account and management benchmarks;
- introducing necessary changes to accounting and management information systems to increase the efficiency of its tasks.

The different functions carried out by the Finance department are divided between the different members to reduce any risk of fraud or error.

Risk management systems

Ethical and anti-corruption policy

Since 2021, the Group has implemented an ethical policy which defines the rules governing the principles to be applied by all Group employees, directors, managers, and other representatives of the Group to guide their behavior in all circumstances and in all countries.

Among other things, this policy recommends the approach to be applied in the fight against corruption.

The Board of Directors has defined a whistleblower procedure in order to strengthen the Group's commitment in this respect.

Thus, a risk report was carried out and strengthened policy actions were introduced, notably thanks to anti-corruption training provided to all Group personnel.

Code of conduct

The principles and stockmarket code of conduct are subject to a procedure and an internal information notice is distributed to all Group staff with the purpose of raising staff awareness of the principles governing behavior that must be adopted by insider personnel, in particular during so-called "blackout" periods. The Group also reviews its list of permanent insider staff which it keeps up to date.

Budget processes and internal forecasts

The budget process enables the definition of Group growth objectives but also to determine the thresholds applied to maintaining control of spending and investments which are monitored by the Finance department for each department throughout the year.

The budget is set annually with an update at the start of the second half of the year. It is broken down in detail for each organizational department and enables managers to monitor their commitments in terms of spending and investments.

Process of production of financial information and reporting

The accounting department ensures the monitoring of the coherence of company financial statements and carries out the necessary tax and company declarations. To prepare the tax declarations, the Group is assisted by specialist chartered accountants.

The Group applies IAS/IFRS accounting standards for the preparation of its consolidated financial statements. Their preparation is carried out under the responsibility of the Finance department.

As part of their legal assignment, the Statutory Auditors intervene (i) at the end of the first half with a limited review of the consolidated accounts; and (ii) for the end-of-year account closing, with an audit of the individual and consolidated financial statements and the regulatory documentation.

They also provide an Audit which complements the internal assessment process. Monitoring the implementation of their recommendations is the responsibility of Executive Management.

Furthermore, the Group draws up a regular schedule for financial reporting and internal management which is based on the type of reports issued, the related timelines and those responsible for them. The periodic nature of these reports depends on the information contained therein. Among other things, reports can be on:

- revenue and current orders;
- monitoring flows and bank balances;
- customer receivables due;
- analysis of margins;
- quarterly financial statements;
- budget monitoring of spending;
- the level of inventories;
- changes in the headcount.

Regular business reporting is submitted to the Board of Directors, to which reporting on confirmed, completed and planned investments is also submitted.

Operating procedures

Apart from financial reporting and to limit business risk, the Group has implemented a number of internal procedures which, generally, are aimed at ensuring, according to the principle of separation of roles, both the transparency and reliability of information provided by all of the departments. They also play a key role in the optimum use of Group resources, as well as in ensuring the protection of its assets. These procedures notably include:

- professional travel and reimbursing expense notes;
- RMA (returns due to quality);
- HR (payroll processes, recruitment and assessments);
- inventories management;
- investment approval rules;
- procurement approval and payment rules.

Several of these procedures are regularly updated, notably in the event of upgrades to management tools.

Oversight, control and evolution of the system

Oversight, and risk control and the prevention of fraud are carried out in several ways:

- analysis of performance indicators and deviations from budget;
- immediate transmission of alerts on attempts at fraud;
- monitoring and regular review of the extent of insurance coverage;
- control and limitation of levels of access to strategic and/or sensitive information as well as to information systems and bank accounts;
- periodic review of inventories of company assets with detailed analysis of deviations observed.
- specific training on cybersecurity.

The Group aims to make its internal control system dynamic. It is in a constant state of evolution in line with business trends and its environment. As a result, existing procedures are regularly revised to keep up with new types of risk and to adapt management and control best practices.

This constant improvement process for the control system covers several key points to monitor over the coming years, notably;

- enhancement of financial production to enrich the analysis and optimization recommendations of strategic and operating management;
- transmission of existing and upcoming procedures on a single media accessible to all Group employees to ensure systematic application;
- greater in-house communication on risk types and control measures.

Lastly, the Group invests in modern tools such as robotization and AI, the deployment of a new information system, etc. to enable it to enhance the quality of audit procedures.

3

2023 Non-financial performance statement

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3.1 NFPS – INTRODUCTION

Although there were no major changes in the global political backdrop to alter the risk environment in terms of ESG (Environmental, Social and Governance), 2023 saw a marked economic slowdown during the second half of the year, in particular for the Group's access products market.

From a climate perspective, 2023 was the hottest year ever recorded since 1850, when the first global temperatures were recorded, at close to 1.5°C on average higher than levels before 1900, and each day of 2023 was at least 1°C hotter than levels seen over the 1850-1900 period (source: European Copernicus climate change program). This observation can only encourage Ekinops to accelerate its reduction of greenhouse gases.

In this context, the Group continued its efforts in terms of ESG under the impetus of the Committee in charge within the Board of Directors.

The main new actions undertaken during the year were:

- life cycle analysis conducted on a product representative of the "Access" range;
- the first "Communication on Progress" posted online on the UN Global Compact site.
- the extension of anti-corruption training to all Group employees;
- obtaining ISO 27001 certification for the management of Group information security.

3.2 BUSINESS MODEL

Ekinops' business model is presented in Chapter 1.5 of the Universal Registration Document.

3.3 EKINOPS' ESG GOVERNANCE

Established following the decision by the Board of Directors of October 12, 2021, the Group Ekinops ESG Committee is responsible for ESG governance. It is made up of three members: Mrs. Lori Gonnu, Independent Directors and Chair of the Committee, represented by Mrs. Charlotte Corbaz, and the Chairman and CEO, Mr. Didier Brédy. The Chief Financial Officer and the Head of ESG participate in the meetings and prepare them. The Committee met six times in 2023.

The main missions of the Ekinops Group ESG Committee accomplished in 2023, were to:

- define the company ESG policy and objectives;
- validate the analysis of ESG risks;
- propose to the Remuneration Committee the ESG objectives to be taken into account for the calculation of the variable remuneration of the Chairman and Chief Executive Officer;
- select key performance indicators and monitor their evolution;
- validation of annual ESG reports (NFPS, Communication on Progress - CoP - of the UN Global Compact).

The ESG objectives considered for the calculation of Chairman-CEO's variable compensation were redefined in 2023 and now cover:

- reducing the Group's carbon footprint;
- anti-corruption training for all employees (2-year program);
- increase the representation of women in the Group's management;
- third-party assessment of ESG practices of five suppliers selected based on their importance and the assessment of social and environmental risks.

3.4 RISKS FOR EKINOPS

The main risks identified and addressed in the NFPS over the previous three years are renewed for the formulation of this 2023 NFPS. Nevertheless, as the economic and social backdrop is changing, the breakdown of these risks, the reasonable diligence procedures presented in the table in section 3.5 hereafter have been adjusted, and a table ranking these risks based on their relevant ESG component, their probability of occurrence and the severity of impacts is presented below. On a possible scale of 1 to 25 (25 corresponding to the highest risks with both the highest probability of occurrence and the highest potential impact), the risk identified by Ekinops obtained a score of between 4 and 16, the majority of them having scores between 8 and 12.

Risk	ESG component score	A-Probability of risk (from 1 low to 5 high)	B-Impact if occurrence (from 1 low to 5 high)	Relevant A x B
Recruitment and retention of key employees	Social	4	4	16
Low level of diversity (age, sex, etc.)	Social	5	2	10
Disruption risks due to excessive absences	Social	1	4	4
Risk linked to dependency on one customer	Governance	3	5	15
Risk related to the reliability of suppliers and supplies	Responsible purchasing	3	4	12
Risk suppliers may have insufficient ESG policy	Responsible purchasing	2	4	8
Risk of Ekinops' ESG performance being considered insufficient	Governance	2	4	8
Corruption risk concerning stakeholders	Governance	2	5	10
Data security incident risk	Governance	2	5	10
Excessive CO_2 emissions	Environment	4	4	16
Packaging and non-recyclable products	Environment	2	4	8
Hard-to-repair products	Environment	2	4	8
Non-use of recycled materials when possible	Environment	4	2	8
Product end-of-life pollution	Environment	3	4	12

The rating scale as well as the scores allocated to each risk were defined by the Group's ESG manager in 2023. This table is the first stage of the risk hierarchy. It is subject to validation by the ESG Committee and the Group Chief Financial Officer. With a view to being more precise in the future, the Group committed end-2023 to a risk revision program and the construction of a hierarchical double materiality matrix, with the company's internal and external stakeholders, which will enable the Ekinops group to review all of the risks likely to impact its sustainability, in line with new European and French regulatory requirements stemming from the CSRD (Corporate Sustainability Reporting Directive). This matrix should be finalized at the end of the first half of 2024.

✓ *Human Resource Management Risks*

Recruitment

In 2023, the acquisition of new talents remained a priority. The Human Resources department created and filled a position of recruitment manager right at the start of the year which made a strong contribution to accelerating new hires.

The job market remained fiercely competitive, particularly for R&D engineers with expertise in the technologies required to develop the Group's products and solutions, and for specialist sales representatives. Particularly close attention was paid to employee sentiment, notably with the "Pulse" anonymous surveys to discover their expectations and identify their motivation criteria.

Work environment

An essential component of employee efficiency and loyalty, the work environment is the subject of particular close attention. The Ekinops Group enables teleworking for all eligible positions and authorizes up to three days of teleworking for relevant employees.

Improvements to the premises of several sites also contributed to boosting the Group's attractiveness in 2023:

- the move to the Vélizy-Villacoublay site at Massy, to more "eco-responsible" premises, better served by rail transport and with better insulation, was completed in early March 2023. To ensure better adjustment to teleworking, the site offers interchangeable work stations with double screens, to combine comfort with efficiency;
- at the same time, our US subsidiary, enjoying strong growth, leased new premises to extend its site in Rockville. A technical site has been installed in a space dedicated to customer support;
- our Indian subsidiary also moved site in 2023, to a more modern and attractive work environment.

At the two sites in Massy and Rockville, a sports center is available on site to employees who wish to avail of the service at preferential conditions.

The development work at the new site in Lannion is continuing and the move to the new premises is planned for the first half of 2024.

Diversity and parity

Efforts to promote diversity and parity have continued, with the representation of women in the workforce continuing to increase beyond the 20% target set for fiscal year 2022 and 2023. This proportion is still far from parity and efforts must be continued, bearing in mind, however, the low representation of women in the engineering and technology sales professions, which constitutes a challenge for the goal of parity for both Ekinops and its main competitors.

Training

Training remains an essential component of the mission of Group Equinops' Human Resources and Management. It is a crucial tool to mitigate the risks linked to all ESG components: Social (employee skills development), Governance (anti-corruption, data security), Responsible Purchasing and the Environment. Efforts are focused on the two areas: "know-how", with training in building or acquiring business skills (for example: use of specialist software, new technologies, languages, etc.) and "know-how-to-be" (for example: anti-corruption, IT security) to enable everyone to be able to behave appropriately in a complex and ever-changing work environment.

✓ ***Risks linked to customers and suppliers***

The Group's main external stakeholders, customers and suppliers, play an essential role in Ekinops' business and represent significant CSR challenges.

Customers

Relevant customer risks include the following:

- business over-dependence on a single customer or project, which could put the Group in a vulnerable position if the customer in question were to change their strategy;
- risk that a case of corruption may damage the reputation of Ekinops;
- risk of not meeting the ever-increasing expectations of customers, in particular in Europe, in terms of ESG commitments from their suppliers with increasingly demanding requirements in terms of reducing CO_2 emissions and responsible purchasing;
- risk of a breach of digital data security and/or personal data security.

Suppliers

While the supply crisis eased in 2023, supply deadlines have not yet returned to levels seen before the Covid crisis. Ekinops pays particularly close attention to the following risks:

- rising delivery times;
- dependency on a single supplier;
- ESG commitment and performance shortfalls by a supplier, jeopardizing the potential performance and/or reputation of Ekinops.

✓ ***Environmental risks***

Overall vision

The solutions offered by Ekinops to its customers are based on electronic equipment and software. The comprehensive carbon reports carried out in the past three years show that the main environmental impact of these solutions stems from carbon emissions linked to the electricity consumed by the equipment sold during their usage.

The 2023 Bilan Carbone® carbon assessment indicates a marked reduction in emissions compared with the previous year for all of Scopes 1, 2, and 3 (in particular for future emissions of products sold). Several factors contributed to this improvement: (i) the move of the poorly insulated Vélizy site to Massy, had a favorable impact on electricity consumption; (ii) the product mix changed, with, overall less future Scope 3 downstream emissions thanks to the decline in quantities for the Access product line. The ratio €/ $kgCO_2e$ of a Transport product is equal to around five (5) times that of an Access product. In other words, sales of Optical Transport products increase revenue five times faster than carbon emissions, compared with Access products. Lastly, an increase in sales of services and software had a positive impact on this trend.

The improvement in the carbon intensity factor in countries where Ekinops generates sales, stemming from their efforts to decarbonize their electricity, also contributed to reducing Group carbon emissions in 2023.

Impact of production operations

In 2023, all of the production sites for products sold by Ekinops Group were ISO 14001 certified, guaranteeing a responsible approach by Group entities and sub-contractors involved in manufacturing the electronic cards and optical modules and their assembly.

Production and assembly operations of optical and electronic components have a low environmental impact (no on-site pollution, strict compliance with European standards).

Impact of supplies

The life cycle analysis carried out in 2023 on a representative product enabled the identification of the impact of Ekinops' products at each stage of the value chain, and notably, all the operations upstream of production of the electronic cards, up to now less well-known.

The life cycle analysis also revealed a significant environmental impact from the components and raw materials of which they are made, even in very small quantities: (for example, gold in naked printed circuits, silicon components) either owing to the conditions of extraction of these constituents or their end-of-life impact, notably in the event of incineration.

3.5 POLICIES, DUE DILIGENCE PROCEDURES AND INDICATORS

Risk	Policy	Due diligence procedures	KPIs
Human resources management			
Recruitment, retention, and development of employees with key skill sets. Low level of diversity (age, sex, etc.).	> Recruitment and retention policy > Training and upskilling policy > Policy of supporting initiatives to attract young women to high-tech sectors > Teleworking arrangements > Gender balance agreement	> Responsible recruitment > Improving the work environment > Training budget > Systematic examination of women candidates > Establishing actions following the identification of employees at risk. Succession plan > Defining company values > Teleworking charter	**HR-1**: Change in Group headcount **HR-2**: Change in turnover by region. **HR-3**: Average headcount age and seniority **HR-4**: Change in employee training activity and hours of training provided, training rate **HR-5**: Percentage of women hires and headcount **HR-6:** Group absenteeism rate
Customers, purchases and supply management			
Dependency on a customer project Corruption risk Risk of Ekinops' ESG performance being considered insufficient Risk of breach of security on digital data or personal data Risk linked to the reliability of suppliers and supplies	> Project and customer diversification > Code of conduct, whistleblowing procedure > Group commitment to ESG > IT security policy, compliance with the GDPR[1] > Development of the software solutions offering. > Supplier charter	> Review of commitments for the largest contracts > Staff anti-corruption training > Regulatory monitoring, risk mapping, Bilan Carbone®, Life cycle analysis, ISO 14001 > ISO 27001 training in data security > Careful selection, contracts, double source detection > Third-party ESG assessment of suppliers	**C-1**: Relative weight of key accounts in revenue terms **C-2**: Average delivery times **C-3**: Share of software and service sales **C-4**: Percentage of revenue from ISO 9001-certified production **F-1**: Relative weight of key suppliers/total annual procurement **F-2**: Average supplier delivery time and delay (excluding EMS) change vs. previous year
Environmental management			
CO_2 emissions, particularly those related to electricity consumption of products Packaging and non-recyclable products Raw materials with a high environmental impact Hard-to-repair or non-repairable products Use of non-recycled materials when recycling is possible Product end-of-life pollution	> Commitment to complying with applicable environmental regulations > Commitment to reducing the environmental impact of our products throughout their life cycle to protect the ecosystem > Commitment to minimizing the environmental impact of our sales, marketing, and research and development activities	> Deployment and maintenance of an ISO 14001-certified environmental management system to implement the policy and achieve environmental objectives > Group carbon footprint assessment > Product life cycle assessment, identification and analysis of ecodesign environmental aspects > Determination of a greenhouse gas emission reduction trajectory compatible with the Paris Agreements. > Elimination of plastics from packaging	**E-1**: Percentage of production from ISO 14001-certified EMS **E-2**: Group energy consumption/revenue **E-3**: Carbon footprint per product **E-4**: Average annual electricity consumption of sold products **E-5**: Percentage of recycled and recyclable material used in products **E-6**: Number of tons of CO_2 emitted per million euros (€) of revenue

(1) General Data Protection Regulation.

3.5.1 Human resources

3.5.1.1 Our HR policy

The Ekinops group is fully aware that its success depends on the commitment and skill sets of its employees. Thus, the Group's HR policy strives to maintain an efficient and fulfilling work environment with particular attention paid to the candidate and then employee experience.

Business development requires sustained recruitment in all company positions, with a focus on the Research and Development (R&D) teams which already represent more than 50% of the Group's headcount.

With an increasing number of software positions in its product technology segment, Ekinops must attract and retain talent in a tense and competitive job market.

To achieve this, the Group focuses its efforts on three motivational principles:

- the appeal of the positions, supported by ambitious targets in a workplace that aspires towards collective excellence;
- an adapted work environment, equipped with computer hardware, development tools and efficient means of communication made available in pleasant and functional premises and allowing great flexibility in terms of teleworking;
- an attractive compensation and benefits package with mobility encouraged within the Group, both nationally and internationally, since R&D teams are located throughout Europe, America, and Asia.

Ekinops makes every effort to maintain a supportive, cooperative workplace that champions work-life balance for its employees.

One of the Group's cornerstone values is its ability to listen to its employees through constructive social dialog, whereby employees can express their opinions either through their elected representatives or individual interviews offered regularly by line managers who address their main concerns: workload, safety, health, remuneration, and training. The HR team, which now has cross-cutting competencies for the Group, was strengthened further in 2023 with the arrival of a recruitment manager dedicated to the search for rare talents. The Group employee satisfaction survey carried out at the end of 2022 was complemented by a survey on their level of engagement, also in an anonymous manner. Remote sessions are also organized every quarter with General Management to review the Group's activity and answer questions.

3.5.1.2 Due diligence procedures and indicators

Recruitment

Group recruitments accelerated in 2023, with the Research & Development department representing the largest portion, as always. The efficiency of these hires was satisfactory as more than 87% of the new employees were still part of the headcount at year-end.

KPI HR-1 : Change in Group headcount

This indicator illustrates the effectiveness of the Group's recruitment policy; monitoring recruitment by sex makes it possible to measure the results of efforts to increase the number of women employees.

	At 12/31/2021	At 12/31/2022	At 12/31/2023	Change 2023/2022
Women employees	89	97	112	15.46%
Men employees	396	407	439	7.86%
Total headcount	485	504	551	9.33%
Annual FTE headcount	**465**	**493**	**532**	**7.91%**

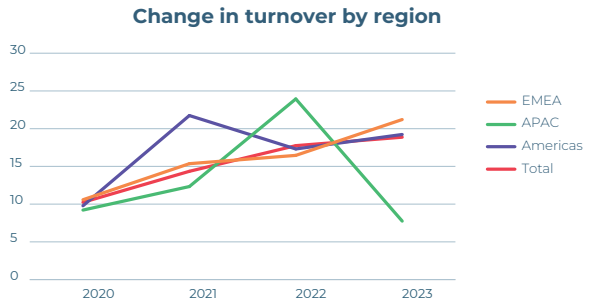
The FTE (full-time equivalent) headcount represents the average annual headcount, factoring in part-time contracts (two part-time contracts equate to one FTE) and the time spent during the year on hires and departures.

Total headcount (employees + subcontractors) increased by 47 persons during the year to reach 551 persons at the end of 2023, the FTE workforce corresponds to 532 persons for the year.

It should be noted that the gradual increase in the number of women employees was twice that of the number of men employees, which is in line with the Group's objective.

KPI HR-2: Change in turnover by region

The turnover rate refers to the average of entries/departures relative to overall headcount and provides an indication of employee renewal.



The components of this indicator (workforce entries and departures) must be analyzed to interpret their variations. An increase was observed in 2023 in all regions except the Asie-Pacific (APAC) region, which was high in 2022, but declined sharply in 2023. This reflects the increase in Group hires with the exception of the Indian and Australian subsidiaries whose headcounts remained relatively stable in 2023.

KPI HR-3: Average headcount age and seniority

This indicator measures the average age and average seniority of Group employees.

	At 12/31/2021		At 12/31/2022		At 12/31/2023	
Sex	**Seniority**	**Age**	**Seniority**	**Age**	**Seniority**	**Age**
Women	8.1	43.2	8.0	42.9	8.2	42.9
Men	8.6	45.3	8.8	45.6	8.7	46.4
All	8.5	44.9	8.6	45.0	8.6	45.7
Target	**> 7**	**< 45**	**> 7**	**< 45**	**> 7**	**< 45**

2023 showed both a slight increase in average seniority compared to 2022, and a slight increase in average age, reflecting a degree of stability in the teams.

Skill management based on training

The success of online training in 2021 led the company to continue the experiment thereafter and even expand it to other topics with other organizations and platforms.This type of training does not require a group of employees to synchronize their schedules, it is fully compatible with telecommuting, it allows everyone to progress at their own pace with the possibility of repeating the same modules several times. As such, new user licenses were subscribed in 2023 with the training operator, mainly technical, selected since 2021. In addition, training licenses for all staff were taken out with two other operators for anti-corruption (in compliance with the Sapin 2 law) and IT security as part of the ISO 27001 certification obtained by the Group in 2023. The ambitious anti-corruption training plan initiated in 2022 with the training of management, sales, pre-sales and purchasing, considered to be the most at risk, continued in 2023 with all Group employees, in line with the announced plan.

HR-4 KPI: Change in employee training activity and hours of training provided (Ekinops Group)

	2021	2022	2023
Number of Group training sessions	1,221	1,127	913
Total number of Group training hours	4,757	3,437	4,240
Total cost of Group training	€115,095	€127,157	€116,871
Change vs. previous year	n.a.	10.5%	-8.1%
Employee training rate	n.a.	n.a.	> 89%

The number of trainings in 2023 was down 9.5% with the number of training hours up 26.7%. All employees using computers followed training on data security as part of the ISO 27001 certification obtained by Group Ekinops in 2023. The anti-corruption training program for all employees continued throughout the year with nearly all employees trained over 2022-2023.

The rate of training (percentage of employees having followed at least one training program during the year) was in excess of 89% for 2023.

HR-5 KPI: Percentage of women hires and headcount (Ekinops Group)

As already mentioned in the section on risks, the legitimate objectives of parity in terms of headcount are difficult to achieve for a company like Ekinops because of the very high under-representation of women in high-tech professions. Indeed, according to a 2024 report from the Ministry of Higher Education and Research on key gender balance figures, in France in 2022, 29% of engineering graduates in France were women (compared with 27% in 2010). Furthermore, representation of women varies depending on the specialization considered; the percentage of women masters university graduates in 2021-2022 was just 23% for computing, but as high as 55% for chemistry. For specializations in electronics, computing and telecoms, which are of greater interest to Ekinops, the percentage is between 23% and 26% (versus 18% to 20% in 2011-2012).

	2021	2022	2023	Target
Percentage of women in headcount	19.4%	20.5%	21.0%	> 20%
Change/previous year	10.7%	8.2%	2.4%	
Percentage of women in employees recruited	26.9%	27.4%	25.7%	> 25%

Ekinops had set itself the target of exceeding the threshold of 20% female representation in the workforce and 25% in recruitment. These objectives were both reached in 2022, and the company continued to make progress in 2023, with 21.5% of women employees in the Group and women making up 28.6% of new hires in 2023.

Ekinops renewed its partnership with the ADA Lovelace challenge in 2023, an initiative organized by digital players in Lannion that encourages high school girls to take up careers in technology and software development by inviting them to participate in a team programming competition. Students from 10th to 12th grade (senior year) are tasked with developing Web microservices on a theme chosen by a jury of women computer programmers. This local initiative appears to be particularly important as science courses must be chosen in high school. It is particularly difficult to catch up on skills for later reorientation in this field.

HR-6 KPI: Group absenteeism

Absenteeism is calculated by dividing the total number of absent hours for sickness and work accidents by the theoretical number of hours worked.

A high number of absences may signal potential unrest within the Group, particularly if the indicator is trending upwards.

	2020	2021	2022	2023	Target
Group absenteeism	2.65%	1.73%	1.82%	2.26%	< 2%

In 2023, the Group absenteeism rate increased to 2.26% exceeding the 2% threshold for the first time. This rate is nevertheless still very low. It does not cause concern at this stage, but warrants attention to detect any potential long-term trend and identify the causes.

3.5.2 Customers, suppliers and the supply chain

3.5.2.1 Our customer policy

Of still relatively modest size compared with its direct competitors, the Group must generate growth while respecting the sustainability criteria imposed by climate change. This development is necessary to be able to supply solutions to the biggest international operators. The latter are all committed to progress in terms of environmental and governance responsibility and require commitments from their suppliers which are coherent with their own. In the tender bids issued in 2023, the main European communication service providers announced that the assessment of suppliers in terms of ESG represents 20% and sometimes 25% of the overall score. Similarly, in 2023, part of the operators who are already regular Group customers completed ESG assessments, obtained from third-party evaluators like EcoVadis, for more in-depth dialog. Work groups on environmental, social, governance and responsible purchasing issues were held throughout the year.

This dialog enabled Ekinops to highlight the actions carried out in 2023 to address the concerns of its customers and reduce related risks, and included:

- anti-corruption training for all personnel;
- Comprehensive Bilan Carbone® reports carried out annually on Scopes 1, 2 and 3 for all of the Group since 2021;
- Life cycle analysis conducted on a product representative of the "Access" range;
- ISO 14001 certification of all production sites (Ekinops Group and EMS);
- ISO 27001 certification of the Group for data security;
- supplier charter and assessment of a selection of them by EcoVadis.

Furthermore, this dialog also promotes reflection by operators on future actions that could, for example reduce consumption of products using specific software via different management of these produces by the operator in its network.

- Ekinops commitment in terms of ESG was recognized by operator Orange, the Group's leading customer which named it "*Best Partner for Sustainability*".

3.5.2.2 The procurement policy

An ESG approach conducted at the Ekinops level alone would not make much sense, as a large part of the social and environmental challenges materialize at the supply chain level. Purchasing policy is a determining factor in the Group's ESG commitment. It is therefore necessary to ensure that human rights and the environment are respected throughout the supply chain, all this in a context of scarcity of supply, high costs and delivery times which are sometimes abnormally long.

Supplies fall into three main categories:

- component purchases and raw materials for production;
- capital expenditure;
- general expense purchases for the operation of services of Group companies;

Supplies for production represent the main part in value terms, with, on the one hand, EMS, third party companies that manufacture our equipment, and, on the other hand, suppliers of components for the Group's factory located in Belgium and certain components that the EMS do not supply themselves.

It is also the most critical part in terms of quality and CSR, financial impact, flow management and safety for the Group.

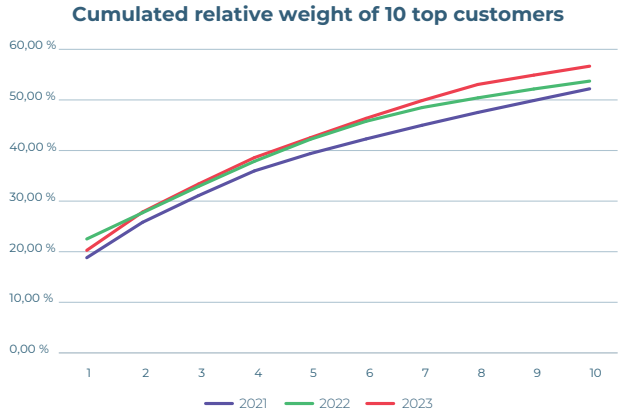
Ekinops' procurement policy therefore aims to:

- guarantee compliance with the rules for proper business conduct (ESG and anticorruption):
  - answering an anticorruption and ESG compliance questionnaire;
  - pledging to comply with the Ekinops group's Supplier Charter;
  - obtaining ISO 14001 certification for EMS;
  - Third-party ESG assessment of suppliers (EcoVadis);
- ensure cost control of sold products:
  - enforcing competitive bidding for EMS and other suppliers;
  - sharing experience with development teams;
  - Sale of software-based solutions only;
- secure supplies:
  - searching for and maintaining alternative sources;
  - negotiating safety inventories at suppliers;
  - committing to delivery times with late penalties for EMS;
- perform quality assurance:
  - overseeing strict selection and warranty commitment from suppliers and notably EMS;
  - meeting ISO 9001 certification requirements where applicable;

3.5.2.3 Due diligence procedures and indicators

C-1 KPI: Relative weight of key accounts in revenue terms

The following chart shows the percentage of total revenue achieved with Ekinops' 10 key accounts. The objective of this KPI is to measure the risk of dependency of the company on its main customers in the event that one of them decides to change supplier.

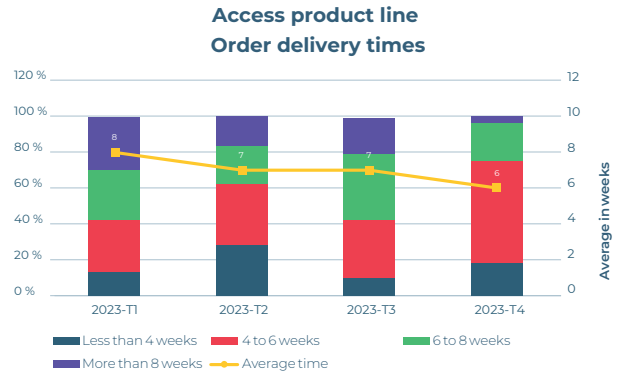


The 2023 graph indicates greater concentration of Group business with the top 10 customers who make up close to 60% of business, compared with 53% in 2022. The weight of Orange, the Group's leading customer, remains unchanged compared with 2022. It is interesting to note that in 2023, for the first time, there are more customers for Broadband Optical Transport products than for Access products among the Group's Top 10 customers.

C-2 KPI: Average delivery times

✓ Access products

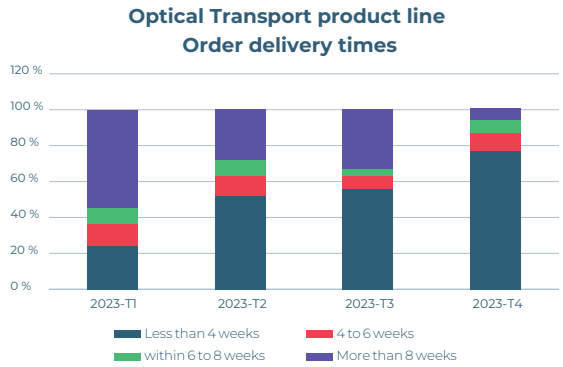
A marked slowdown in sales of Access products was seen in the second half of 2023. The supply crisis reached a peak in 2022 and is easing gradually. On average, customers were delivered within 6 weeks during the fourth quarter of the year.



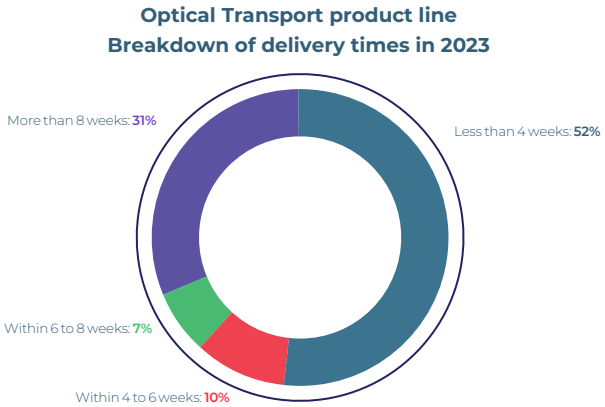
- The table shows a return to an almost normal situation at year-end with 75% of deliveries completed in less than 6 weeks during the fourth quarter.

✓ Optical transport products

During the first quarter of 2023, delivery times were impacted by a catch-up in accumulated delays over the second half of 2022 owing to the component crisis.This catch-up continued during the second quarter, albeit to a lesser extent. From the third quarter, delivery times return to levels more in line with the Ekinops Group's usual performance. Despite the negative impact of the first quarter in 2023, around 70% of orders were delivered in less than 8 weeks, in line with the Group's objective.



The breakdown of delivery times for orders delivered in 2023 is shown below:



C-3 KPI: Share of software and service sales

In line with the strategy, the share of services and software continued to increase in sales, reaching 16.6% in 2023. This development contributed to the relative reduction in the Group's greenhouse gas emissions in 2023.

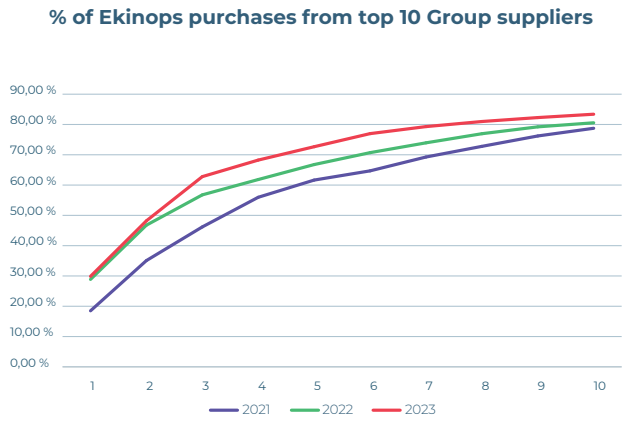
Type of sales	2021	2022	2023
Services and software	13.4%	15.5%	16.6%
Equipment	86.6%	84.5%	83.4%
Total	**100.0%**	**100.0%**	**100.0%**

C-4 KPI: Share of sold products from ISO 9001-certified entities

2021	2022	2023
100.0%	100.0%	100.0%

All the Group's products are manufactured in an ISO 9001-certified environment.

F-1 KPI: Respective weight of the top 10 suppliers



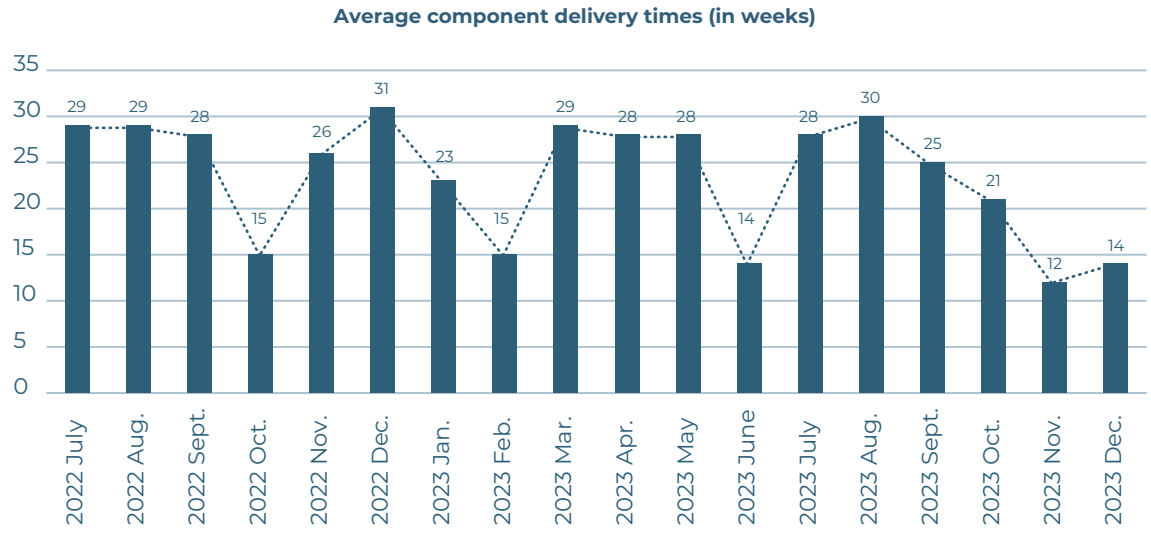
The Group's main suppliers are the EMS and, in particular for the Louvain plant, the main suppliers of electronic, optical and mechanical components (cabinets and chassis). The charts show a high concentration of purchases, increasing in 2023 with more than 80% of the Group's production purchases from the 10 largest suppliers and 30% with the first of these, a manufacturing subcontractor (EMS). However, none of the Group's product lines is dependent on a single production site, which means it is possible to have a fallback solution in the event of a disaster affecting production at one site.

To coordinate the supply of components to the Group's plant, logistics contracts are drawn up with lead suppliers to ensure a readily available inventory of electronic components in response to changing customer demand for products. Most of our electronic components can be sourced from multiple distributors with Ekinops able to switch orders from one distributor to another without delay in the case of market tensions. Furthermore, Ekinops sets up buffer inventories at the distributor or manufacturer for the most critical or single-source components. The Group's policy is to avoid this type of component wherever possible, but for certain high-technology functions such as specialist processors or xDSL chipsets, often the only sources available are not interchangeable, thereby forcing the Group to select a single supplier at the product design stage.

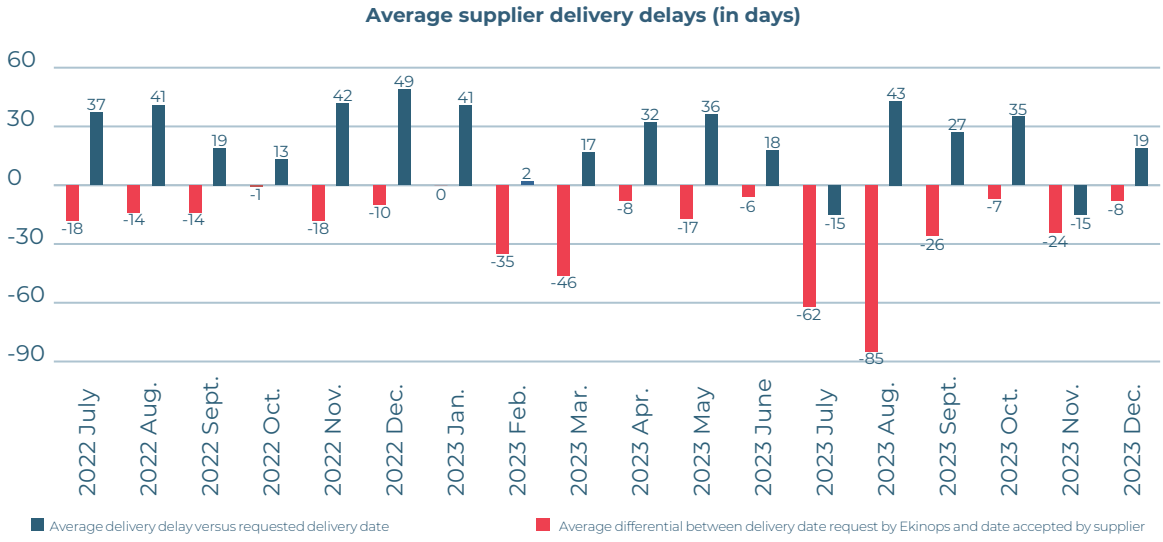
F-2 KPI: Average delivery time of component suppliers (excluding EMS) by delivery month, average delay versus requested delivery date on purchase order

This indicator specifically targets suppliers of electronic components excluding EMS (assembly plants for electronic cards), as the objective was originally to monitor the impact of the Covid crisis since 2020 on component delivery times, which mostly come from plants located in Asia where production capacity had been hard hit.

The first graph below shows the supply lead times for component suppliers over the 18 months to end-2023. Noteworthy is the encouraging trend over the last two months of 2023, with a return to normal supply delivery times, of 12 to 16 weeks, as was the case before the pandemic.



The second graph indicates month by month the average difference between the delivery date requested by Ekinops and that accepted by the supplier, and also the supplier delay compared with the previously accepted date.



We can observe an improvement at the end of 2023, with in particular orders in November 2023 for which, on average, suppliers announced delivery dates 15 days earlier than those requested by Ekinops.

3.5.3 Environment

3.5.3.1 The Ekinops environmental policy

Ekinops is committed to a continuous improvement process to limit the environmental impact of its activities and services by controlling its energy consumption, reducing its products' electricity consumption, preserving natural resources, applying responsible ecodesign, recycling its waste, preventing pollution, minimizing its emissions, training its employees and making them aware of environmental respect and hence seeking to reduce its carbon footprint.

Ekinops' environmental management policy is based on a risk treatment strategy that aims to minimize the environmental impact of its products and the processes associated with their manufacture over their entire life cycle.

In 2023, the Ekinops group decided to step up its efforts in favor of the environment. First key stage:

- a life cycle analysis was carried out in the second half of the year on a product representative of the Access range.

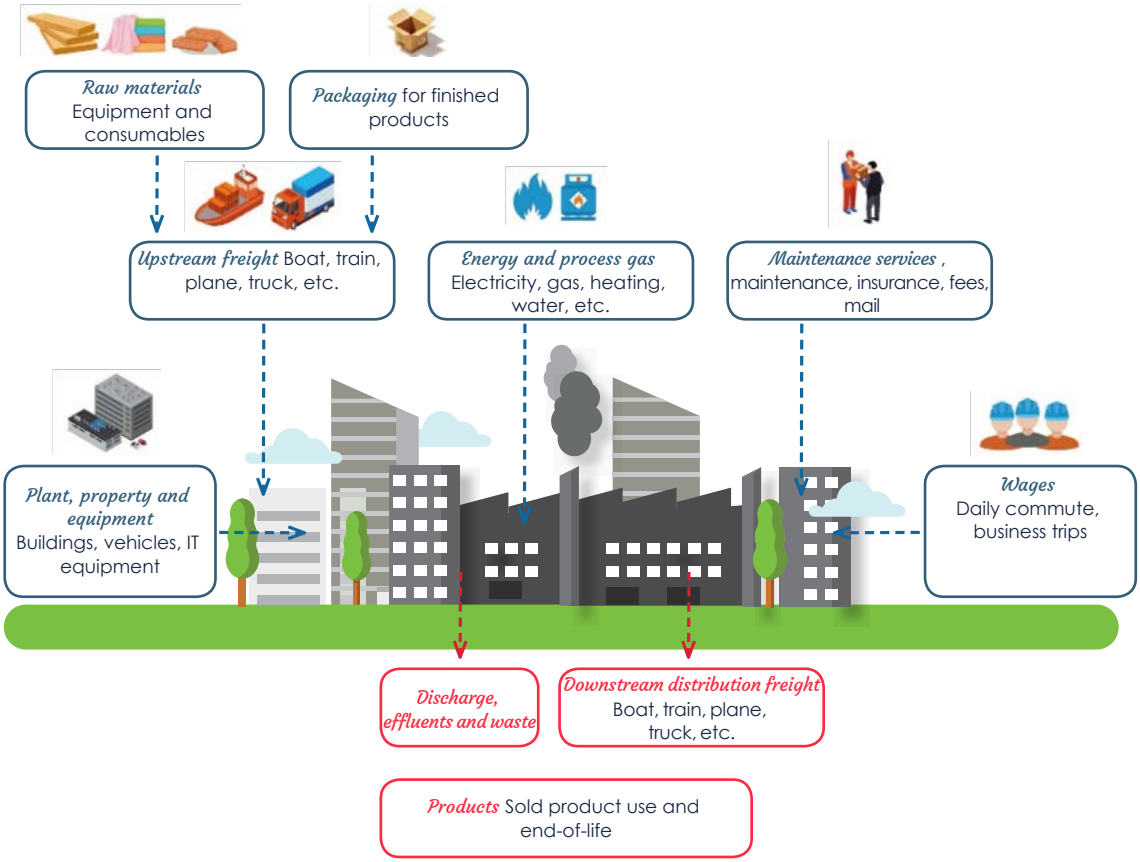
Furthermore, the ESG Committee of the Board of Directors also validated structuring projects for 2024 at end-2023:

- establishing a low-carbon trajectory for the Ekinops Group;
- carrying out a double materiality analysis, to enable the identification of the environmental risks inherent in the Group's activities;
- launch of a multi-year assessment program for the Group's main suppliers.

In early 2024, Ekinops carried out its third Bilan Carbone® assessment in respect of fiscal 2023. The area of intervention was maintained for all of the Group and for all three "Scopes[1]".

The results of this report show a marked improvement in the main emission categories linked to energy consumption of products during their usage (Scope 3 downstream).

Scope of assessment of the CO_2 footprint of the Ekinops Group



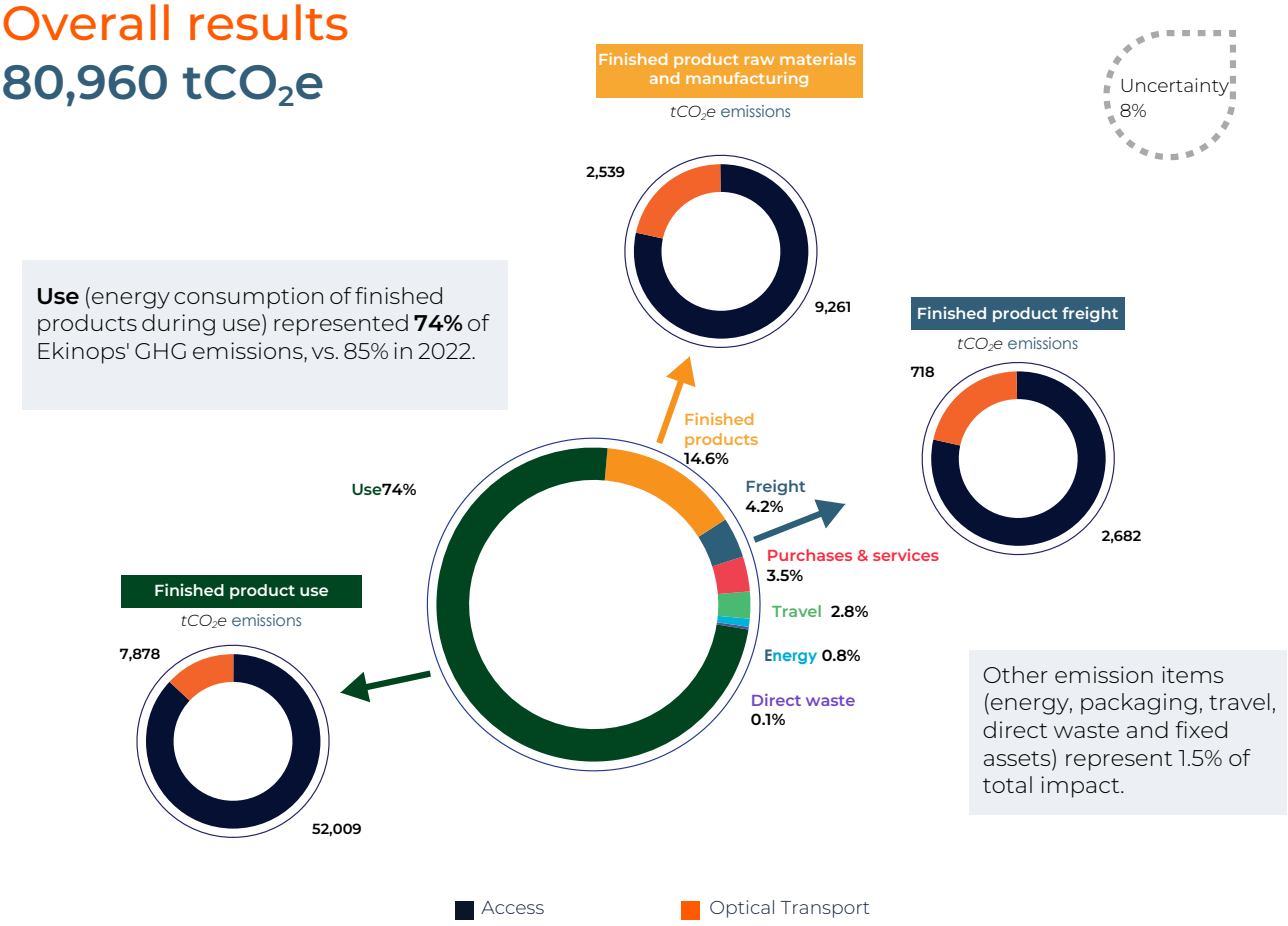
(1) The Greenhouse Gas Protocol (GHG Protocol) *subdivided greenhouse gas emissions of an entity into 3 Scopes: Scope 1 for the entity's direct GHG emissions, Scope 2 for indirect emissions linked to energy consumed by the entity (electricity consumption from production emitting GHGs for example) and Scope 3 for all indirect emissions stemming from activities of the entity with its suppliers (upstream), partners and customers (downstream).*

3.5.3.2 Due diligence procedures and indicators

Environmental risk for Ekinops relates mainly to the life cycle of equipment products. Throughout the product life cycle - from design to end-of-life - several aspects can have an environmental impact, but, of those that Ekinops can control, the most important representing 80% of emissions in 2023, is the electricity consumption of products sold that will run continuously for several years. It is for this reason that, in 2023, a first life cycle analysis was carried out on a product representative of the Access range. Taking account of this life cycle analysis enabled a reduction in the carbon footprint of the related product in the 2023 Bilan Carbone® (carbon assessment). As a result, life cycle analyses for other products are being considered for the future.

Ekinops' 2023 Bilan Carbone®) shows a decline of 40% in absolute terms compared with 2022, a performance which should be considered in light of revenue growth was 1% over the period. A significant portion of this outcome can be attributed to the decline in sales of the Access product line. It also benefited from a significant improvement in the carbon intensity of countries where Ekinops generates sales, stemming from their efforts to decarbonize their electricity. Lastly, changes in the geographical breakdown of sales contributed significantly to this decline. To a lesser extent, the relocation program for certain sites to new more energy efficient premises (in France: Vélizy to Massy, and in Bangalore, India) also contributed to better control of the Group's other energy consumption.

Overall results
80,960 tCO_2e



Ekinops responsibility as a producer is naturally shared with its suppliers, notably for electronic chips and its customer operators which use these products in their networks. The ecodesign approach, which enables better performances, reduces the environmental impact of products sold, and, for the energy factor, seeks to continuously improve performance of telecommunication networks. Nevertheless, the constant miniaturization of electronic chips enables the reduction of energy lost via the joule effect in electronic components and leads to a correlated decline in the energy consumption of products of equivalent or higher performance.

The Group is also pursuing efforts to minimize other impacts by reducing and recycling waste (packaging, Waste Electrical and Electronic Equipment – WEEE , etc.), using, as far as possible, recyclable and/or recycled materials and avoiding water and energy waste.

Product design: ecodesign

The R&D, production and procurement teams are made aware of notions concerning the limited use of hazardous substances (RoHS compliance) and substances with a high environmental risk (REACH compliance). The latest awareness training session was delivered in 2019.

In the design phase, the Ekinops teams select, as far as possible, environmentally-friendly (or recycled) raw materials that can in turn be easily recycled. Design rules for simple mechanical constructions foster both manufacturability and ease of disassembly.

As regards its Access range, Ekinops provides its recycling partners with all disassembly instructions as well as the list and location of any components requiring special treatment. Ekinops has set a target for at least 90% of its products to have disassembly instructions so that its customers can manage recycling of its products as autonomously as possible.

Product manufacture

✓ *Energy/resource consumption at manufacturing facilities*

Ekinops tracks and analyzes its gas, electricity, and water consumption data. Gas and water[1] consumption is monitored weekly, to address any risk of over-consumption as quickly as possible. Moreover, the annual review of the environmental management system provides an opportunity to report on the analysis of consumption data as well as longer term consumption trends. Action plans are implemented where appropriate and whenever significant discrepancies from KPI's on plant targets are identified.

The Group also discusses the topic of moderate energy consumption as part of awareness-raising campaigns intended for all Leuven site employees. Initiatives include posters, training, and internal inspection visits.

The installation of PV panels in 2021 on part of the premises of the Louvain building enabled a decline in consumption at the site every year since then.

The Group purchases electricity from an energy provider that opts for renewables, supplying 100% green power generated by solar and wind sources. Ekinops plans to replace the conventional lighting fixtures of its Louvain warehouse with LED technology were postponed to 2024.

✓ *Waste management*

The Louvain production unit has 17 different waste collection circuits, paper, plastic wrap, metals, hard plastics, electronic components, batteries, and light bulbs, with the goal of minimizing the environmental impact of our production activities. Waste sorting is assessed on a quarterly basis during internal audits and environmental inspection visits.

Product use

Ekinops' new generation access products are in line with the energy savings and energy efficiency directives implemented at a European level to improve the environmental performance of energy products (Directive 2009/125/CE "Energy related Products"). The increasing proportion of sales of this generation of product played a role in reducing the carbon footprint generated in 2022 and 2023.

Furthermore, new functionalities enabling a reduction in the power consumption of products were introduced for certain new products in the Access range in 2023. We can mention, for example, the possibility of cutting off power to the Wi-Fi component of the router. These functionalities will gradually bear fruit in the coming years thanks to growth in sales of these new products.

Product end-of-life

Ekinops fully complies with the provisions of the WEEE Directive (Directive 2012/19/EU on Waste Electrical and Electronic Equipment). In countries where regulations require, the amounts of Ekinops products market authorized, collected, and recycled are reported periodically to a national environmental organization.

Ekinops takes care to inform the users of its products on subjects related to regulations with appropriate markings on its products (crossed wheelie bin symbol) and by an environmental clause in the user product guide of its Access range.

(1) It should be noted that water consumption at the Group's plants and by its sub-contactors is not representative of the consumption of water used in the entire production chain for Ekinops products. Indeed, soldering of components to electronic cards and the assembly of products are stages that do not consume water.

KPI E-1: Percentage of finished product purchases in 2023 from ISO 14001-certified EMS

Product line	2020	2021	2022	2023
Optical Transport	45.40%	46.70%	100.00%	100.00%
Access	100.00%	100.00%	100.00%	100.00%

This indicator was stable in 2023. This indicator reach 100% in 2022 thanks to the obtaining of the ISO 14001 certification by the last of Ekinops Group's EMS which had not been certified up to then.

KPI E-2: Group energy consumption per €m of revenue

Total energy consumption of Group offices and plants declined, at a faster pace than in previous years (-17%). Electricity consumption declined (2,330 MWh in 2022, 1,835 MWh in 2023, i.e. -21%), particularly the sites at Massy-Vélizy (move of premises during the year), Lannion et Leuven (650 MWh to 575 MWh, -12%). However, the consumption of natural gas at the Leuven site increased (296 MWh to 344 MWh, +16%).

In 2023, Ekinops Group started a relocation program for certain main sites to move to more energy efficient buildings: Vélizy to Massy, and Bangalore. This program is bearing fruit and will continue in 2024 with the relocation of the Lannion site (Group headquarters).

Given low growth in Group revenue in 2023, the E-2 indicator declined sharply to 16,882 kWh/€m, down by 18%.

	2022	2023	Difference %
Total energy consumption (kWh)	2,626,948	2,179,449	-17%
Revenue (€m)	127.6	129.1	1%
KPI E-2 (kWh/€m)	20,587	16,882	-18%

KPI E-3: CO_2 emissions per sold product

Ekinops 2023 Bilan Carbone®
Results on 02/14/2024

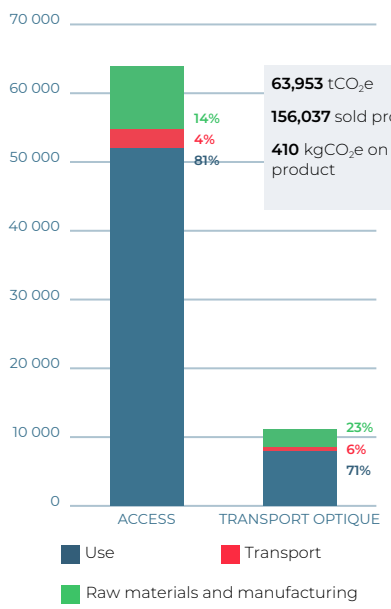
Manufacturing and the raw materials used in access and optical transport products have less climate impact than use at the customer's premises.The volume of material (weight) is limited.

As such, there is minimal transportation of finished products.

On the manufacturing side, the decrease observed was due to lower sales of active products and accessories, while Ekinops sold more active Optical Transport products.The manufacturing impact of Access products was reduced for certain references, notably with the calculation of an ACV on the ONE 521 model.

Use emissions were proportionally lower than in 2022.This stemmed mainly from the decline in GHG emissions from electricity consumption worldwide (e.g. France, 79gCO_2e/kWh to 52; Australia 841 to 710; Spain 238 to 96).

Access & Optical Transport 2023
tCO_2e **emissions**



63,953 tCO_2e
156,037 sold products
410 $kgCO_2e$ on average per product

11,134 tCO_2e
7,260 sold products
1,534 $kgCO_2e$ on average per product

Uncertainty **8%**

KPI E-4: Average annual electricity consumption of sold products

	2022			2023			Difference %
	Total MWh/year	Number of products	Average/ product/year (in kWh)	Total MWh/ year	Number of products	Average/ product/year (in kWh)	2023 vs 2022
Access	30,479	212,961	143,12	28,766	156,037	184,35	29%
Optical Transport	1,855	6,391	290,25	3,959	7,260	545,32	88%
Group	32,334	219,352	147.41	32,725	163,297	200.40	36%

This indicator measures average annual electricity consumption at our customers.We consider only products effectively consuming energy excluding accessories.For Access products, therefore, all voice or data routers EADs, uCPEs and OVPs are counted.For optical transport products all of the chassis and the active cards which complement them each count as a product (amplifiers, multiplexers, Roadm, excluding accessories, passive optical modules and ventilators).

This indicator is very important, as it measures by far the biggest contributor category to Ekinops' carbon footprint, with 80% of emissions in 2023.We note that average electricity consumption per product increased for the two product lines: by 29% for Access and 88% for Transport, i.e. more than 36% for the Group as a whole.

Optical transport products

For the Optical transport range, this was largely due to increased sales in 2023 of 200G and especially 400G cards, as well as OTN products, which consume more energy than the average product. The growing bandwidth requirements of operators' networks will continue to drive sales of 400G cards. But a new generation of 400G cards launched at the end of 2023, with lower power consumption, will limit the impact on average product consumption in the years to come.

In addition in 2023, sales of accessory equipment such as energy converters grew by more than 160%. Although these represent less than 2% of the products delivered to our customers, they account for around 25% of energy consumption. Demand for this type of equipment should remain strong in 2024 and 2025.

Access products

For the Access range, it should be noted that around 80% of the drop in the quantities of products delivered to our customers in 2023 came from products that consume less electricity. This means that the most electricity-intensive products accounted for a higher share of the product mix delivered in 2023, and automatically implies an increase in the average value of electricity consumption per product. This change in the product mix reflects Ekinops' move upmarket towards higher value-added products.

KPI E-5: Percentage use of recyclable materials

To date, the use of recyclable and recycled materials in Ekinops products exclusively concerns packaging (cardboard) and mechanics (metals in cabinets and chassis, plastic cabinets).

The percentages of recyclable materials in the Access products of the indicator are calculated in relation to total product mass.

Product line	% recyclable materials
Access	>75%

KPI E-6: Number of tons of CO_2 emitted per million euros (€) of revenue

In 2023, Ekinops Group emissions, including the energy consumption of products during their entire life cycle, represented 604 tons of CO_2 for every million euros (€) of revenue made (tCO_2e/€m). The value of this indicator for 2022 stood at 1,046 tCO_2e/€m i.e. a decline of 40%. Changes in this indicator in future years will enable the assessment over a longer timeframe of the actions taken and of the increase in the portion of services and software in revenue.

	2022	2023	Difference %
CO_2 (tCO_2e) emissions	134,114	80,960	-40%
Revenue (€m)	127.6	129.1	1%
KPI E-6 (tCO_2e/€m of revenue)	1,046	627	-40%

3.6 HUMAN RIGHTS, TAX EVASION, CORRUPTION

3.6.1 Respect for human rights

If we add international labor standards, the first six of the 10 principles of the United Nations Global Compact cover human rights. By signing up to this Pact in July 2022, Ekinops wanted to publicly show its commitment to upholding rights and ensuring they are upheld by its partners.

Through its geographical locations, the Ekinops group illustrates the diversity of its nationalities and its culture. It strives to promote with its employees the fundamental principles of the World Labor Organization and works to uphold human rights within its organization.

Ekinops is also committed to strict compliance with the laws and social regulations in force wherever it operates. Its local partners (service providers, trade unions etc.) help it to stay informed of legal changes to take into account in each country.

Respect for human rights also requires exemplary behavior in the fight against all types of discrimination. With this in mind, Ekinops combats all forms of discrimination in its hiring process and on a daily basis in the management of its teams and business activities.

By signing the Ekinops "supplier charter", the Group's partners commit to upholding human rights within their own organizations and supply chains.

3.6.2 Anticorruption and tax evasion policy

The Group ensures the fairness of its practices internally through a number of measures (memos, training, procedures, etc.) in an effort to promote a values-dominated corporate culture among all employees, including the prevention of corruption and conflicts of interest.

Ekinops imposes that all its employees lead by example when it comes to behaving with integrity, especially in terms of the fight against corruption and tax evasion. No financial engineering aimed at circumventing local tax regulations has been implemented by Ekinops.

It is through the strict respect of these values and guiding principles that the Group intends to achieve strong and sustainable growth, both for itself and all its stakeholders.A training program for all Group personnel on the risks of conflicts of interests and anticorruption was implemented for 2022 and 2023.

Furthermore, employees are kept informed of internal regulations on share trading, which focus on insider trading, and are also educated in information security.

Each new employee is presented with a Code of Share Trading, and employees who have access to highly confidential information through their position must also be included on the list of permanent insiders, which is sent to the Autorité des marchés financiers (French Financial Markets Authority – AMF).

Ekinops also encourages its employees to be vigilant in terms of digital security (Internet access, social networks, etc.) by raising awareness of the risk of phishing and providing targeted online training.

In its supplier relationships, Ekinops adheres to ISO standards and is setting up a system for selecting and evaluating external service providers. A decision was taken in 2022 to have suppliers most at risk assessed by an external organism.

The Group's Code of Conduct has been communicated to all Group employees since 2021, and is systematically presented to new employees recruited at Ekinops. The supplier charter evolved in 2022 to include a more explicit mention of the Group's requirements in terms of "conflict minerals".

The Ethics Committee was created by a decision of the Board of Directors of January 28, 2021, whose purpose is to collect and process alerts that are reported via the internal alert system introduced by the Board. Committee members are nominated by the Chairman of the Board. Appointees are as follows:

- a personnel representative (ESC);
- a Group Legal Practitioner;
- a Director.

No alerts were received during the year.

3.6.3 Mandatory themes

The following themes do not feature among the main non-financial risks selected by Ekinops as a result of its risk analysis. As such, they are not considered as part of the Group's 2023 NFPS:

- combating food waste;
- combating food shortages;
- respecting animal welfare;
- providing responsible, fair, and sustainable food;
- the circular economy;
- the practice of physical activity and sport.
- an action plan aimed at reducing emissions by favoring use of river and rail transport, biofuels and electric mobility.
- promoting nation-army ties, and supporting enlistment in military reserves.

Ekinops' French, Belgian, Brazilian, Indian and Swiss subsidiaries have charters on the development of working from home, or teleworking, with the goal of creating a better work-life balance for employees.

Ekinops is committed to complying with local laws and regulations concerning the employment of disabled workers.

3.7 NOTE ON METHODOLOGY

Data reporting schedule

We have decided to use data from Ekinops' last three fiscal years, i.e., from January 1 through December 31 for 2021 to 2023.

Scope definition

The entities considered for the Group's reporting are as follows:

✓ ***Social data:***

- French entities of Ekinops France, represented by the sites of Vélizy-Villacoublay and then Massy (Greater Paris) and Sophia Antipolis – Valbonne (southeast France);
- Ekinops SA, located in Lannion (northwestern France);
- Ekinops Belgium;
- Ekinops Corporation for American employees;
- Ekinops Brasil;
- Ekinops Germany;
- Ekinops Spain;
- Ekinops India;
- Ekinops Australia Pty Ltd;
- SixSq (Switzerland).

Most indicators are consolidated at Ekinops Group level. Exceptions to this rule are indicated.

✓ ***Environmental data:***

Environmental risk mainly concerns the R&D, industrialization and manufacturing centers for Optical transport and Access products. The reporting scope applies to the entire Group, particularly in the calculation of its carbon assessment (Bilan Carbone®).

Definition of indicators

✓ ***Social indicators***

FTE average headcount

The average full-time equivalent "FTE" headcount is calculated by assigning each employee with a coefficient that matches their actual active time in the Group in 2023. This coefficient may be less than one in the following two scenarios:

- if the employee works part-time;
- if the employee was hired or left the Group during the year.

Employee turnover

Turnover ("TO") refers to the ratio between the sum of changes in personnel over the full year (workforce entries and departures) divided by two, and the number of active employees on January 1 of the reporting year.

Calculation method: TO = (Sum of hires + sum of departures)/headcount on January 1.

Headcount includes employees on direct contracts (permanent and fixed-term) as well as temporary workers. Headcount does not include service providers and interns.

Change in employee training activity and hours of training provided

It equals the number of training sessions and training hours provided between January 1 and December 31 of the reporting year. The average number of training hours per year per employee is deduced from this.

Absenteeism

Absenteeism is calculated by dividing the total number of days of absence for all employees by the theoretical number of days worked in the year.

The only days of absence selected are those for which the reason is sick leave or an occupational accident or illness.It excludes Paid Time Off (PTO) and days of rest provided by social legislation.

The theoretical number of working days is the number of days normally worked for an employee who is only absent to take PTO or days of rest (total number of days in a year minus public holidays and weekends).

✓ ***Environmental indicators***

Group energy consumption/revenue

This is the amount of energy (gas + electricity) consumed by all Ekinops Group facilities worldwide (estimated for some smaller sites for which the energy bill is included in rent), per million euros of revenue.

Carbon footprint per product

This indicator measures the average carbon footprint calculated from the carbon assessment (Bilan Carbone®) for products in each of the Group's two main product lines.

Average annual electricity consumption of sold products

Based on the power consumed by all the active products in each of the Group's product lines, this is the average consumption of one product in each of these lines over a year of continuous operation in kWh, in accordance with the usual calculation standards. The annual duration of continuous operation corresponds to 360 days out of 365.

✓ ***Data control and verification***

Ekinops entrusts the control of the Non-Financial Performance Statement (NFPS) to an independent third party who is tasked with verifying the sincerity of the social, environmental, and societal information.

3.8 INDEPENDENT THIRD-PARTY REPORT

Independent third-party report on the consolidated Statement of Non-Financial Performance

Period ended December 31, 2023

For the attention of the Annual General Meeting,

In our capacity as an independent third party (hereafter "ITP") of your Company (hereafter "Entity"), certified by COFRAC Inspection—the French Accreditation Committee—under number 3-2256 (Cofrac Accreditation Inspection scope available on www.cofrac.fr), we have performed procedures to issue a reasoned opinion expressing a moderate level of assurance on the historical information (observed and extrapolated) of the Non-Financial Performance Statement (NFPS). The NFPS was prepared in accordance with the procedures of the Entity (hereafter the "Reporting criteria") for the fiscal year ending on December 31, 2023 (hereafter the "Information" and the "Statement" respectively), presented in the Group's Management Report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de Commerce).

Conclusion

Unreserved conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and the information we obtained, we have not identified any material misstatements that cause us to believe that the Non-Financial Performance Statement does not comply with the applicable regulatory provisions and we believe that the Information, taken as a whole, is presented fairly in accordance with the Reporting criteria.

Comments

Without challenging the above concluding remarks and in compliance with the provisions of Article A. 225-3 of the French Commercial Code, we have the following comments:

- absence of a procedure formalizing the entire process of preparing the Non-Financial Performance Statement;
- the process for selecting and approving the main risks results presented is not formalized;
- the policies are not all formalized and do not systematically mention objectives, organization, resources, responsibilities, scope;
- the results presented are not systematically accompanied by numerical objectives;
- improvements to add in the establishment and control of certain information were identified.

Preparation of the Non-Financial Performance Statement

The lack of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of Information allows for different, but acceptable, measurement techniques that may affect comparability across entities and may also apply over time.

As a result, the Information should be read and understood with reference to the Reporting criteria, the material items of which are presented in the Statement.

Limits inherent in the preparation of data

As indicated in the Statement, data may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain data are sensitive to methodological choices, assumptions and/or estimates applied to them and presented in the Statement.

Entity responsibility

The Board of Directors is responsible for:

- selecting and determining relevant criteria for the preparation of Information;
- preparing a Statement in compliance with the legal and regulatory provisions, which contains a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied to these risks as well as the results of these policies, including KPI's and, moreover, the information provided in Article 8 of the (EU) Regulation 2020/852 (Green Taxonomy);
- and implementing an Internal Control procedure which it deems necessary to enable the preparation of Information that is free from material misstatements, whether due to fraud or error.

The Statement was prepared by applying the Entity's Reporting criteria as noted above.

ITP responsibility

Based on our work, it is our responsibility to provide a reasoned opinion expressing a moderate level of assurance on:

- the compliance of the Statement with the provisions provided in Article R.225-105 of the French Commercial Code;
- the sincerity of the historical information (observed and extrapolated) provided pursuant to paragraph 3 of sections I and II of Article R.225105 of the French Commercial Code, which specifically refers to results of policies and includes KPI's and initiatives focused on the main risks.

Considering that it is our responsibility to draw an independent conclusion on the Information as prepared by Management, we are not permitted to be involved in the preparation of this Information, as it could compromise our independence.

We are not responsible for commenting on the following items:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly concerning the information provided in Article 8 of (EU) Regulation 2020/852 (Green Taxonomy), the Vigilance Plan, and anticorruption and tax evasion policy);
- the sincerity of the information provided by Article 8 of (EU) Regulation 2020/852 (Green Taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards

Our work described below was carried out in compliance with the provisions of Articles A.2251 et seq. of the French Commercial Code, and with the professional standards of the Compagnie nationale des Commissaires aux Comptes, the French National Association of Statutory Auditors, in regard to this verification process, and international standard ISAE 3000 (revised).[1]

Independence and Quality Assurance

Our independence is defined by the provisions provided in Article L. 822-11 of the French Commercial Code. Furthermore, we have implemented a quality assurance system that includes policies and documented procedures to ensure compliance with laws and regulations that apply to the professional ethics and professional standards of the French National Association of Statutory Auditors in regard to this process.

Means and resources

Our work drew on the expertise of two people and took place between January and February 2024 for a total of two weeks.

We conducted a set of around 10 interviews with individuals responsible for preparing the Statement, representing Finance, Human Resources, Environment, Research & Development, Production and Procurement Departments.

(1) ISAE 3000 (revised) - Assurance engagements other than audits or review of historical information.

Nature and scope of our work

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the procedures we have performed in the application of our professional judgment enable us to draw a conclusion expressing a moderate level of assurance:

- we have reviewed the activities of all the companies included in the scope of consolidation and the description of the main risks;
- we have assessed the relevance of the Reporting criteria in addition to its completeness, reliability, neutrality, and understandability, taking into account industry best practices where appropriate;
- we have verified that the Statement addresses each information category provided in section III of Article L. 225-102 1 from a social and environmental standpoint as well as the respect for Human rights and compliance with anticorruption and tax evasion policy;
- we have verified that the Statement presents the information provided in section II of Article R.225-105 where relevant to the main risks, and where appropriate, includes an explanation for the reasons for the absence of information required by paragraph 2, section III, of Article L.225-102-1;
- we have verified that the Statement presents the business model and a description of the main business risks of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products and services, as well as policies, initiatives and results, including KPI's intended for the main risks;
- we have consulted sources of documentation and conducted interviews so as to:
  - assess the process for selecting and approving the main risks and the consistency of the results, including the selected KPI's, with the main risks and policies presented; and
  - to corroborate the qualitative information (initiatives and results) which we deemed most important, as presented in Appendix 1. Our work was conducted at the level of the consolidating entity. For other risks, work has been carried out at the level of the consolidating entity and in a selection of entities;
- we have verified that the Statement addresses the consolidated scope, i.e., all the entities included within the scope of consolidation in compliance with Article L.233-16 with the previously cited limits of the Statement;
- we have reviewed the Internal Control and Risk Management procedures implemented by the Entity as well as assessing the collection process aimed at ensuring the completeness and sincerity of the Information;
- regarding the KPI's and other quantitative results we considered most important, as presented in appendix 1, we implemented:
  - analytical procedures consisting of verifying the correct consolidation of the data collected as well as the consistency in their trends;
  - detailed tests through surveys and other selection methods, which consisted of verifying the correct application of definitions and procedures and reconciling data for supporting documentation. This work was conducted with a selection of contributing entities [1] and includes between 10% and 20% of the consolidated data selected for these tests;
- we have assessed the overall consistency of the Statement compared with our knowledge of all the companies included in the scope of consolidation.

The procedures performed for a moderate assurance assignment are less extensive than those required for a reasonable assurance assignment conducted in accordance with the professional standards of the French National Association of Statutory Auditors. A higher-level assurance assignment would have required more extensive verification work.

Le Bouscat, March 20, 2024

Independent third party,

PKF Arsilon Conseil

Iris Chabrol

Chartered accountant

Partner

(1) Ekinops SA, Ekinops India.

Appendix 1

Data considered most important

Quantitative nature of data relative to fiscal 2023:

- Change in employee training activity and hours of training provided and cost
- Group absenteeism rate
- Relative weight of key suppliers/total annual procurement
- Group energy consumption/revenue
- Carbon footprint per product
- percentage of recyclable material used in products (uncertainty inherent in compiling information on the basis of supplier declarations)
- Number of tons of CO_2 emitted per million euros (€) of revenue

4

Consolidated financial statements

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4.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(€k)	Notes	12/31/2023	12/31/2022
Goodwill	4.1	28,505	28,457
Intangible assets	4.2	17,050	21,058
Tangible assets	4.3	7,377	5,077
Non-current financial assets	4.5	1,570	1,432
Rights of use	4.6	6,653	6,805
Other non-current assets	4.5	11,059	11,028
Deferred tax assets	5.7	6,624	5,958
Total non-current assets		**78,839**	**79,816**
Inventories	4.7	25,931	24,993
Trade receivables and related accounts	4.8	29,984	29,905
Other current assets	4.9	10,682	8,638
Cash and cash equivalents	4.10	47,177	39,355
Total current assets		**113,773**	**102,891**
TOTAL ASSETS		**192,612**	**182,707**

LIABILITIES

(€k)	Notes	12/31/2023	12/31/2022
Issued capital	4.11	13,401	13,216
Share premiums		114,415	114,004
Consolidated reserves - Group share		(9,349)	(21,595)
Translation reserves		(2,709)	(4,073)
Income for the period - Group share		3,628	12,022
Equity capital - Group share		119,386	113,576
Total shareholders' equity		**119,386**	**113,576**
Non-current financial debt	4.12	16,933	10,419
Non-current leasing liabilities	4.6	5,621	5,527
Non-current provisions	4.14	1,060	1,321
Employee commitments	4.15	2,939	3,136
Other non-current liabilities	4.16	1,167	721
Deferred tax liabilities	5.7	163	200
Total non-current liabilities		**27,883**	**21,325**
Current financial debt	4.12	9,629	11,008
Current lease debt	4.6	1,333	1,412
Current provisions	4.14	1,221	1,195
Derivative instruments liabilities	4.17	2	208
Trade payables and related accounts	4.17	18,217	17,732
Tax expense	4.17	576	2,176
Other current liabilities	4.17	14,367	14,073
Total current liabilities		**45,344**	**47,805**
TOTAL LIABILITIES		**192,612**	**182,707**

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

4.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€k)	Notes	12/31/2023	12/31/2022
Revenue	**5.1**	**129,097**	**127,617**
Cost of sales		(61,783)	(59 996)
Gross margin		**67,314**	**67,622**
Research and development costs	**5.2**	(28,022)	(25,232)
Sales and marketing costs	**5.2**	(23,445)	(21,952)
General and administrative expenses	**5.2**	(10,785)	(11,187)
Current operating income		**5,061**	**9,251**
Other operating income and expenses	**5.5**	(1,427)	(464)
Operating income/(loss)		**3,634**	**8,787**
Net cost of debt	**5.6**	(1,020)	(338)
Other financial income and expenses	**5.6**	750	1,571
Pre-tax profit		**3,364**	**10,020**
Tax expense	**5.7**	265	2,002
Net income for the period		**3,628**	**12,022**
Attributable to Ekinops SA shareholders	**5.8**	3,628	12,022
Attributable to non-controlling interests		-	-
Basic earnings per share (€/share)	**5.8**	**0.14**	**0.46**
Diluted earnings per share (€/share)	**5.8**	**0.13**	**0.45**
EBITDA	**11**	**18,585**	**22,570**

OTHER COMPREHENSIVE INCOME

(€k)	12/31/2023	12/31/2022
Net income for the period	**3,628**	**12,022**
Other recyclable components of comprehensive income	**237**	**(648)**
Currency translation adjustments, net of taxes	237	(648)
Other non-recyclable components of comprehensive income	**511**	**(65)**
Actuarial gains and losses, net of taxes	355	149
Financial instruments, net of taxes	156	(214)
Total other comprehensive income	**748**	**(712)**
Comprehensive income	**4,376**	**11,310**

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

4.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€k)	Number of shares	Capital	Share premium	Reserves and retained earnings	Translation reserves	Equity capital - Group share	Non-controlling interests	Total shareholders' equity
At 01/01/2022	**25,832,666**	**12,916**	**112,954**	**(23,301)**	**(3,426)**	**99,143**	**-**	**99,143**
Net income for the period	-	-	-	12,022	-	12,022	-	12,022
Other comprehensive income	-	-	-	(65)	(648)	(712)	-	(712)
Comprehensive income	**-**	**-**	**-**	**11,957**	**(648)**	**11,310**	**-**	**11,310**
Treasury shares	-	-	-	78	-	78	-	78
Options exercised and bonus shares issued	598,420	299	1,050	(158)	-	1,191	-	1,191
Share-based payments	-	-	-	1,852	-	1,852	-	1,852
At 12/31/2022	**26,431,086**	**13,216**	**114,004**	**(9,573)**	**(4,073)**	**113,576**	**-**	**113,576**
At 01/01/2023	**26,431,086**	**13,216**	**114,004**	**(9,573)**	**(4,073)**	**113,576**	**-**	**113,576**
Net income for the period	-	-	-	3,628	-	3,628	-	3,628
Other comprehensive income	-	-	-	511	237	748	-	748
Comprehensive income	**-**	**-**	**-**	**4,139**	**237**	**4,376**	**-**	**4,376**
Treasury shares	-	-	-	(41)	-	(41)	-	(41)
Options exercised and bonus shares issued	370,630	185	412	(136)	-	461	-	461
Share-based payments	-	-	-	1,014	-	1,014	-	1,014
At 12/31/2023	**26,801,716**	**13,401**	**114,415**	**(4,596)**	**(3,836)**	**119,387**	**-**	**119,386**

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

4.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(€k)	Notes	12/31/2023	12/31/2022
Net income for the period		**3,628**	**12,022**
Elimination of depreciation, amortization and provisions (excluding rights of use)	5.4	9,980	9,196
Elimination of amortization of rights of use (IFRS 16)	4.6.1	2,209	1,896
Elimination of share-based payment expenses	4.11.2	1,014	1,852
Elimination of deferred taxes	5.7	(898)	(4,224)
Elimination of other items with no cash impact		229	348
Cash flow after tax and cost of net financial debt		**16,162**	**21,090**
Elimination of tax expense (income)	5.7	632	2,222
Neutralization of financial interest related to lease liabilities		243	112
Neutralization of borrowing costs disbursed		777	223
Cash flow before tax and cost of net debt		**17,814**	**23,647**
Impact of change in working capital requirement	4.18	(3,286)	(13,630)
Tax paid		(999)	(623)
Cash flows from operating activities		**13,529**	**9,394**
Acquisitions of tangible and intangible assets	4.4	(8,032)	(7,173)
Disposals of tangible and intangible assets		-	11
Change in loans, advances, and security deposits	4.5	(157)	(246)
Cash flows from investing activities		**(8,189)**	**(7,408)**
Change in share capital and share premiums	3	461	1,191
Trading in treasury shares	3	(41)	78
Issue of new loans	4.12	13,169	37
Loan repayments	4.12	(6,441)	(6,884)
Financial interest paid		(777)	(223)
Repayment of rent liabilities	4.6	(2,023)	(1,903)
Financial interest related to rent liabilities		(243)	(112)
Change in debt arising from factoring	4.12	(1,596)	(106)
Change in other financial debt	4.12	-	(260)
Cash flows from financing activities		**2,508**	**(8,182)**
Impact of currency fluctuations	4.10	(26)	159
Increase (decrease) in cash and cash equivalents		**7,822**	**(6,037)**
Opening cash and cash equivalents		39,355	45,392
Closing cash and cash equivalents		47,177	39,355

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

4.5 NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

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Note 1 - General presentation

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 "Ekinops360" 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 (access and routers);
- "Hybrid" 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).

On March 4, 2024, the Board of Directors approved and authorized the publication of the consolidated annual financial statements of Ekinops SA covering the 12-month period ending December 31, 2023.

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

COMPANY IDENTIFYING INFORMATION

Company name	Ekinops
Explanation for the change in name	N/A
Country of registered office	France
Legal form	French public limited company (SA)
Country of incorporation	France
Address of registered office	3 rue Blaise Pascal - 22300 Lannion
Address of principal establishment	3 rue Blaise Pascal - 22300 Lannion
Description of the business	Telecommunications equipment manufacturers
Name of the parent company	Ekinops
Name of Group parent	Ekinops

Note 2 - Significant events

At the end of 2023, Ekinops reported consolidated revenue of €129.1 million, up 1% compared with the previous year.

Continuing on from 2022, sales of Optical transport solutions continued their robust growth trend, marking a further jump of 27% in 2023, particularly in the France and EMEA (Europe - excluding France - Middle East and Africa) regions, thanks to the success of WDM solutions and new customer wins, notably in Eastern Europe.

Meanwhile, Access solutions recorded a 15% decline over the year, with a 25% fall in the second half alone. Apart from demanding comparison with 20% full-year growth in 2022, the business was penalized by (i) the slowdown in demand and greater reluctance on the part of contractors to invest; (ii) a high level of equipment inventories among major operators; and (iii) more difficult and costly access to financing for operators.

The contribution from Software & Services continued to increase, accounting for 17% of Group revenue in 2023 vs. 15% a year earlier. In the second half of 2023, Software & Services represented 20% of Group sales for the first time. Over the full year, revenue generated by Software & Services rose by 12%, driven by sales of network virtualization solutions, SD-WAN and services.

In July 2023, the Group secured new financing for an amount of €100 million, to provide the Company with the financial resources to support its development and realize its external growth strategy. As part of its Corporate Social Responsibility (CSR) approach, Ekinops, in agreement with its banking partners, has decided to link this new financing to its **ESG** (Environmental, Social and Governance) **performance.**

Note 3 - Accounting methods and principles

3.1 General principles

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

3.2 Financial reporting framework

The main accounting methods applied when preparing the consolidated financial statements are described below. Unless otherwise indicated, these methods were applied consistently to all of the periods presented.

Pursuant to Regulation 1126/2008 of the European Council adopted on November 3, 2008, the Ekinops group's consolidated financial statements at December 31, 2023, were prepared in accordance with international accounting standards as approved by the European Union as of December 31, 2023, and mandatory as of that date.

International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards), and their interpretations issued by IFRIC (International Financial Reporting Interpretations Committee) and SIC (Standing Interpretations Committee).

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

Standards, amendments, and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after January 1, 2023

Amendments to IAS 1 and to the presentation of practices in IFRS 2	Amendments to IAS 1 "disclosure of accounting policies"
Amendments to IAS 8	Amendments to IAS 8 "Accounting Estimates"
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction
	International tax reform - Pillar 2 rules model
IFRS 17	Insurance contracts

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

Standards, amendments and interpretations adopted by the European Union and non-applicable as of December 31, 2023

Amendments to IAS 1	Amendments to IAS 1 "Classification of liabilities as current or non-current and non-current liabilities with covenants".
Amendments to IFRS 16	Lease liability in a sale and leaseback

The Group does not anticipate any significant impact linked to the application of these new texts.

3.3 Valuation rules and methods

3.3.1 Scope

The Group controls all its subsidiaries, which are therefore fully consolidated.

The table below presents the information relating to all entities included in the scope of consolidation as of the end of each financial year.

		2023			2022		
Company	**Country**	**Percentage of interest**	**Consolidation method**	**Number of months of activity**	**Percentage of interest**	**Consolidation method**	**Number of months of activity**
Ekinops SA	France	Parent	FC*	12 months	Parent	FC	12 months
Ekinops Corp	United States	100%	FC	12 months	100%	FC	12 months
Ekinops France SA	France	100%	FC	12 months	100%	FC	12 months
Ekinops Belgium	Belgium	100%	FC	12 months	100%	FC	12 months
Ekinops India	India	100%	FC	12 months	100%	FC	12 months
Ekinops Australia	Australia	100%	FC	12 months	100%	FC	12 months
Ekinops España	Spain	100%	FC	12 months	100%	FC	12 months
Ekinops Brasil	Brazil	100%	FC	12 months	100%	FC	12 months
Ekinops Deutschland	Germany	100%	FC	12 months	100%	FC	12 months
SixSq	Switzerland	100%	FC	12 months	100%	FC	12 months
Ekinops Canada	Canada	100%	FC	12 months	100%	FC	11 months

**FC: Fully consolidated*

3.3.2 Consolidation method

The financial statements of subsidiaries cover the same reference period as those of the parent company using the same accounting methods.

All intra-group balances, intra-group transactions, and unrealized income, expenses, and gains that are included in the book value of assets from internal transactions are fully eliminated.

Companies in which the Group directly or indirectly exercises sole control are fully consolidated.

3.3.3 Translation methods

a) Translation of financial statements of foreign subsidiaries

The operating currency of foreign companies is the local currency.

The financial statements of foreign companies using a currency different from the Group's consolidated reporting currency are translated using the "closing rate" method.

Their balance sheet items are translated at the exchange rate prevailing at the end of the financial year, and income statement items are translated at the average rate of the period. The resulting translation differences are recorded in translation differences in the consolidated reserves.

b) Transactions in foreign currencies

Transactions in foreign currencies are translated into euros at the exchange rate in force on the day of the transaction. At the end of each period, monetary financial assets and liabilities denominated in a foreign currency are translated using the rate prevailing on that date.

The resulting exchange losses and gains are recognized in other financial income and expenses on the income statement, with the exception of foreign exchange differences relating to monetary items meeting the definition of net investment in a foreign activity. These items are recognized in other comprehensive income and are recognized in profit or loss on disposal of the net investment.

3.3.4 Judgments and estimates

In order to prepare the financial statements in accordance with IFRS, the Group's Management had to make assumptions, judgments, and estimates that could affect the amounts presented as assets and liabilities and the amounts presented as expenses and income for the period as of the date of preparation of the financial statements.

The main significant estimates made by the Group's Management include:

- fair value measurement of stock options (stock option plans, founder warrants, bonus share, and share warrants) granted to founders, managers, employees of the Group, and certain service providers. The measurement of this fair value results from models requiring the use of calculation assumptions (volatility, staff turnover, exercisability period, etc.);
- valuation of employee benefits, especially end-of-career benefits;
- valuation of provisions and especially the warranty provision;
- estimate of repayment flows of repayable grants and advances;
- valuation of deferred taxes;
- goodwill impairment tests;
- accounting treatment of leases in the application of IFRS 16.

The Group's Management makes these estimates and assessments on an ongoing basis according to the going-concern assumption, its experience, and the information available as of the closing date. These estimates may be revised if the circumstances on which they were based change or if new information becomes available. Consequently, actual results may differ substantially from these estimates.

3.3.5 Goodwill

In accordance with the provisions of the revised IFRS 3–Business Combinations, goodwill represents the difference between:

- the price for acquisition of control;
- The amount of the non-controlling interest in the acquisition determined at fair value at the date of acquisition (full goodwill method); and
- and, the net amount of assets acquired and liabilities assumed, measured at fair value at the date of acquisition.

Costs directly attributable to business combinations are recognized as expenses on the income statement in "Other operating income (expense)." Impairment losses recognized in respect of goodwill are irreversible.

The recognized goodwill is not amortized but undergoes at least one annual impairment test to determine whether an impairment loss must be recognized. For impairment testing purposes, goodwill is allocated to Cash-Generating Units (CGU): a CGU is the smallest identifiable group of assets whose continued use generates cash inflows that are independent of cash inflows generated by other assets or groups of assets. The Group conducts impairment tests at the end of each year or whenever an indication of impairment loss is identified in order to estimate the recoverable amount of the CGU. The recoverable amount is the greater of the net fair value of the asset and its value in use (present value of cash flows expected from use of the CGU). An impairment loss is recognized for a CGU if the recoverable amount is less than the carrying amount. This impairment loss must first be allocated to the CGU's goodwill.

Impairment tests carried out for the 2023 financial year did not lead to the recognition of any impairment loss.

Badwill (negative goodwill) is recognized directly to earnings the year of the acquisition under "other operating income and expenses".

3.3.6 Intangible assets

In accordance with IAS 38–Intangible Assets, only items whose cost can be reliably estimated and by which future economic benefits are likely to accrue to the Group are recognized as intangible assets.

Intangible assets are valued according to the amortized cost method (historical cost as of the initial recognition date plus subsequent amortizable expenses and minus accumulated amortization and recognized impairment losses).

They primarily consist of:

- licenses to use software/software packages, amortized on a straight line basis over their anticipated lives, between 1 and 6 years;
- Development costs.

The allocation of the acquisition prices of OneAccess France, Ekinops Brasil and SixSq carried out respectively in 2018, 2020 and 2022, led to the determination of the fair value of intangible items, with the following amortization periods:

Developed technologies	6-7 years
Customer relations	10 years
Order book	1 year

Development costs

The Group capitalizes development costs when they meet all the conditions defined by IAS 38:

- the technical feasibility of completing the intangible asset for use or sale;
- the intention to complete the asset for its use or sale;
- the ability to use or sell the produced asset;
- the ability of the asset to generate future economic benefits;
- the current or future availability of the technical, financial, or other resources necessary to carry out the project;
- the ability to reliably measure the expenditure attributable to this asset during its development phase.

Capitalized development costs include costs related to external service providers as well as the gross salaries and social security contributions of the employees who participated in the project, measured on the basis of the time spent plus a share of indirect costs. Research costs are systematically recorded as expenses.

The amortization of development costs begins from the date of marketing of the equipment or deployment of the software. Development costs are amortized on a straight-line basis over their estimated useful life.

Development costs for which amortization has not begun as of the end of the financial year are presented as "Ongoing development costs."

Residual values and useful lives are reviewed at each close and are adjusted where appropriate.

3.3.7 Tangible assets

Tangible assets are valued at their acquisition cost (purchase price and incidental costs) or at their production cost for certain tangible assets produced internally. This capitalized production mainly concerns demonstration equipment.

Tangible assets are depreciated on a straight-line basis according to their useful life:

Technical facilities	10 years
Equipment and tools	3-10 years
Office and IT equipment	3-5 years
Demo equipment and development	4 years
Improvements	5-10 years

Depreciable residual values and useful lives are reviewed at each close and are adjusted where appropriate.

3.3.8 Asset impairment

In accordance with the provisions of IAS 36–Impairment of Assets, where an event or change in market conditions presents a risk of impairment for an intangible or tangible asset, its carrying amount is reviewed to ensure that it remains below its recoverable amount. The recoverable amount is the higher value between the fair value minus the costs of sale and the value in use. Value in use is measured by discounting future cash flows to be generated by the continued use of the asset and its ultimate disposal. The recoverable amount at the closing date takes into account, in particular, the commercial evolution of products as well as technological developments.

If the recoverable amount is less than the carrying amount, an impairment loss corresponding to the difference between these two values is immediately recognized in net income.

An impairment loss recognized for a tangible or intangible asset that has a fixed useful life may be reversed if the recoverable amount again exceeds the carrying amount. However, the reversal may not exceed the initially recognized impairment loss.

3.3.9 Rights of use and lease liabilities

IFRS 16 – "Leases" became mandatory on January 1, 2019.

IFRS 16 requires lessees to recognize for all their leases an asset representing the right to use the underlying asset and a liability for the obligation to pay the associated rents.

As of the effective date of the lease, the right of use is measured according to the cost model, including: the initial amount of the liability, the initial direct costs incurred in entering into the lease, and an estimate of the costs of dismantling or restoring the leased asset according to the terms of the lease. The right-of-use asset is depreciated on a straight-line basis over the term of the lease or the useful life of the leased asset if there is reasonable assurance that ownership will be transferred.

As of this date, this lease liability is measured at amortized cost using the effective interest rate (EIR) model and corresponds to the effective date of the lease at the present value of future payments over the term of the lease (fixed rents, variable rents based on a rate or index, residual value guarantees, call option strike price if reasonably certain, termination or non-renewal penalties). The lease term is defined lease by lease and corresponds to the non-cancelable period of the commitment taking into account the optional periods reasonably certain to be exercised.

Subsequently, the debt and the right to use the underlying asset must be reassessed to take into account the following situations:

- revision of the lease term;
- any change related to the assessment of the reasonably certain (or not) nature of the exercise of an option;
- reassessment of residual value guarantees;
- revision of the rates or indices on which rents are based,
- rent adjustments.
- The Group applies the following simplification measures provided for in the standard:
- Exclusion of short-term leases that do not include an option to purchase,
- Exclusion of leases on low-value assets.

Rents related to these leases are then directly recognized as operating expenses.

The Group has leases mainly for buildings (production center, offices) as well as for vehicles.

3.3.10 Inventories

Inventories are measured at the lower value between their cost price and their net realizable value. Net realizable value represents the estimated selling price under normal operating conditions minus marketing costs. The cost price is determined using the weighted average unit cost method.

The gross value of inventories of components includes the purchase price, customs duties, other taxes, and directly attributable handling, transport, and other costs.

The cost price of finished goods includes the cost of materials, the cost of direct labor, and a share of indirect production costs.

A provision for impairment is established on a case-by-case basis if the value in use is less than the book value. This is particularly the case when inventories are recorded for an amount greater than the amount that the company expects to obtain from their sale or use. The recoverable amount of inventories may also be allocated if those inventories are damaged, if they have become fully or partially obsolete, or if their selling price has declined.

Estimates of net realizable value take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm the conditions existing at the end of the period.

3.3.11 Financial assets (excluding financial derivatives)

Financial assets, excluding cash and financial instruments, consist of loans and receivables. Loans and receivables are non-derivative financial assets not listed on an active market and with income that is determined or can be determined. They are included in current assets, except for assets with a term expiring more than 12 months after the closing date. Loans are valued at the amortized cost using the effective interest method. The recoverable amount of loans and receivables is reviewed where there is any indication that the asset may have suffered an impairment loss and at least at each close. If the recoverable amount is less than the carrying amount, an impairment loss is immediately recognized on the consolidated statement of net income.

Management regularly reviews and assesses the recoverable amount of trade receivables. If the recoverable amount is less than the net book value, a provision for impairment or a loss on bad debt is recognized in net income. This credit risk assessment is based on past experience in debt collection and payment defaults, the age of receivables where the due date has been exceeded, and the granted payment conditions. A due date is deemed to have been exceeded when payment has still not been made as of the date fixed by contract.

3.3.12 Cash and cash equivalents

Cash mainly includes liquidity in current account balances. Cash equivalents include short-term investments that are highly liquid and present a risk of a change in value considered negligible. Investments with an initial maturity of more than three months without the possibility of an early exit and restricted bank accounts (frozen accounts) are excluded from cash and cash equivalents.

Cash equivalents are measured at fair value, and changes in fair value are recognized on the consolidated statement of net income.

Bank overdraft facilities are included in current financial debt.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash and cash equivalents as defined above, net of current bank overdrafts.

3.3.13 Financial derivatives

The Group may need to use financial instruments in particular to reduce its exposure to risks of exchange rate fluctuation.

Financial derivatives are initially recognized at fair value at the inception date and are subsequently revalued at each closing date. The recognition of profits and losses at fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedged item.

a) Cash flow hedging

This is intended to protect against exposure to the variability of future cash flows relating to a particular risk associated with either an asset or liability recorded on the balance sheet or a highly probable future transaction, which may affect net income.

The Group applies cash flow hedge accounting only when the following conditions are met:

- there is internal documentation on the implemented hedging.
- the transaction being hedged is highly probable and involves exposure to changes in cash flow that could affect net income.

For hedging instruments documented as cash flow hedges, changes in value are recorded in equity for their effective portion; the ineffective portion is recorded on the income statement.

b) Fair value hedging

This is intended to protect against exposure to changes in the fair value of an asset, liability, or firm commitment (or an identified portion of an asset, liability, or firm commitment), which may be attributed to a specific risk and will have an impact on net income.

For hedging instruments documented as fair value hedging or not documents, changes in value are recorded on the income statement.

3.3.14 Measurement and recognition of other financial liabilities

Other financial liabilities are initially recognized at fair value at the transaction date. They are subsequently valued at the amortized cost using the effective interest method. The effective interest rate is the rate that equalizes the expected future cash outflows at the current net book value of the financial liability to deduct its amortized cost.

3.3.15 Conditional advances, subsidies, and tax credits

The Group receives a number of subsidies or conditional advances. Subsidies are recognized where there is reasonable assurance that:

- the Group will comply with the conditions attached to the subsidies and,
- the subsidies will be received.

A forgivable loan subject to conditions is treated as a government subsidy when there is reasonable assurance that the company will meet the conditions for forgiveness of the loan. Otherwise, it is classified in financial debt and measured at amortized cost. Any difference between the amortized cost of the loan and its nominal value is recognized in subsidy income and spread over the during of the financed project.

A government subsidy receivable as immediate financial support to the company without future related costs is recognized as income in the year during which the receivable is acquired. Where the purpose of the subsidy is to offset the expense, it is recognized as a deduction from that expense.

Tax credits related to operating expenses are recognized in operating income net of the expenses to which they relate.

The research tax credit (CIR) is presented as a deduction from “Research and development costs” on the consolidated statement of net income.

3.3.16 Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets, the Group recognizes provisions only if the following three conditions are met:

- an entity has a present obligation (legal or constructive) to a third party as a result of a past event;
- it is probable that an outflow of resources representing economic benefits will be necessary to discharge the obligation;
- and, the amount of the obligation can be estimated reliably.

The determination of risk exposure and the recognition and measurement of provisions involve a significant amount of judgment and estimation. These judgments and estimates are inherently subject to change, particularly if new information or new assessment factors become available.

Where the Group expects partial or full repayment of the provision, for example as a result of an insurance policy, accrued income may be recognized as an asset on the balance sheet if the repayment is virtually certain.

If the impact is significant, the provisions are discounted at a rate that reflects the risks specific to the liabilities. At each subsequent closing, the increase in the provision resulting from the lapse of time leads to the recognition of an "undiscounting" expense on the income statement.

When the provision is used, the provision writeback is credited to the expense account in which the expenditure covered by the provision was recorded. When the provision writeback reflects the extinguishment of the expected risk without an associated expenditure, the writeback is credited to provision allowance account.

Provision for warranty

A provision is established for expenses to be incurred in future years for warranties on equipment sold. This provision was established on the basis of historical data on warranties and by weighting possible exits according to their probability. The incurred costs include labor, travel, and spare parts.

According to the Group's forecasts, most of the provision will be consumed in the following financial year.

3.3.17 Employee benefits

Certain employees of the Group are eligible for pension benefits provided by law:

- retirement compensation paid by the Company upon retirement (defined-benefit plan);
- payment of retirement pensions by social security agencies, funded by contributions from companies and employees (defined-contribution scheme).

Pension plans, similar compensation, and other employee benefits that are analyzed as defined-benefit plans (a plan in which the Company guarantees a defined amount or benefit level) are recognized on the balance sheet on the basis of an actuarial valuation of obligations as of the closing date minus, where applicable, the fair value of the related plan assets dedicated to them.

This actuarial valuation is based on the projected unit credit method. This method takes into account, on the basis of actuarial assumptions, the employee's expected length of service, the future compensation level, life expectancy, and employee turnover. The obligation is discounted using, where appropriate, an appropriate discount rate for each country where the obligations are located. It is recorded in proportion to the years of service of the employees.

Changes in actuarial assumptions are recorded in equity for the year.

The income statement incorporates the cost of services rendered, which shows the increase in obligations related to the acquisition of an additional year of service, and an interest expense that reflects the "undiscounting" of the obligations.

Contributions relating to defined-contribution plans are recognized in social security contributions on the income statement of the period to which they relate.

3.3.18 Current liabilities

Current liabilities are liabilities to be settled or negotiated in the normal operating cycle or within twelve months of the end of the financial year.

3.3.19 Share-based payment transactions

Since its creation, the Company has put in place several compensation plans settled in equity instruments (stock option plans, share warrants, startup warrants, and bonus shares) granted to the founders, directors, and certain employees of the Group. In accordance with IFRS 2 – Share-based Payment, these equity instrument awards are measured at fair value at the grant date. Fair value is determined using the most appropriate valuation model based on the characteristics of each plan.

The fair value determined at the grant date is recognized in payroll expenses on a straight-line basis on each milestone in the vesting period, with a corresponding increase in equity.

At each closing date, the Group reviews the number of options that may become exercisable. Where applicable, the impact of a revision of the estimate is recognized in the consolidated statement of net income with a corresponding adjustment in equity.

- **Stock warrants, founder warrants, and stock options:**

  The fair value of services received in consideration for the award of such instruments is definitively measured by reference to the fair value of such instruments at their grant date and to the number of instruments for which the vesting conditions will be satisfied at the end of the vesting period. To carry out this assessment, the Group uses a binomial mathematical valuation model. During the vesting period, the determined total fair value is spread on a straight-line basis over the entire vesting period of the plan in question, it being specified that plans classified as "graded vesting" are treated as independent plans. The expense related to these instruments is recognized in profit or loss in payroll expenses with a corresponding increase in shareholders' equity. When the options are exercised, the strike price received by the Group is recorded in cash with an offset in shareholders' equity.

  Bonus shares

- Bonus share plans are within the scope of IFRS 2, like share-based payments settled with equity instruments. Bonus shares are valued at their grant date. Fair values are spread on a straight-line basis over the plan's vesting period in payroll expenses with a corresponding increase in shareholders' equity.

3.3.20 Recognition of revenue from ordinary business activities

Revenues generated by the Group come from the sale of equipment and service contracts.

a) Equipment sales

Equipment marketed by the Group is generally sold on the basis of customer purchase orders containing fixed and determinable prices, with no right of return or significant post-delivery obligations outside the general terms and conditions of sale. Income is recognized at the time of the transfer of control that occurs when the property is transferred to customers.

The Group considers that the contractual promise made to the customer under the warranty regarding the operation of equipment does not meet the definition of a separate performance obligation because it does not give rise to an "additional service." As such, warranty costs will continue to be recognized in accordance with IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets."

b) Software sales

The Group's software solutions enable service providers to manage their networks remotely.

The software sales model is based on two pillars:

- perpetual sale: the customer becomes the owner of the software for an unlimited period. Income is recognized in full upon transfer of control;
- the sale of software for a fixed period: the customer benefits from the right to use the software for a period defined in the contract. Income is linearized over the effective term of the contract. The share of service contracts not relating to the current financial period is recognized in contract liabilities.

c) Delivery of services

Delivered services relate mainly to maintenance contracts, warranty extensions, and installation services.

Revenue from installation services is recognized over the period during which the services are rendered.

Revenue corresponding to service contracts (mainly maintenance and warranty extension) is recognized on a straight-line basis over the effective duration of the contracts. The share of service contracts not relating to the current financial period is recognized in contract liabilities.

3.3.21 Cost of sales

The cost of sales primarily consists of:

- purchases of components, optical modules, and other products necessary for production of the sold goods;
- delivery of services of third parties for the manufacture, assembly, installation, and maintenance of the sold goods;
- customs duties, transport costs, and other taxes directly attributable to these purchases;
- direct and indirect costs allocated to the product manufacturing process.

3.3.22 Operating income/(loss)

Operating profit (loss) includes all income and costs directly related to the Group's activities, whether such income and expenses are recurring or result from decisions or one-off operations.

For easier reading of the income statement and the performance of the Group, unusual and significant items at the consolidated level are identified on the operating profit (loss) line entitled "Other income and expenses."

Other operating income and expenses, excluded from current operating profit (loss), include:

- restructuring costs;
- impairment losses recognized mainly through impairment testing of cash-generating units (CGU) and goodwill;
- direct costs related to business combinations;
- disputes not arising from the Group's operational activity.

3.3.23 Taxes

Current and prior-year tax assets and liabilities are valued at the amount expected to be recovered from or paid to tax authorities. The tax rates and regulations used to determine these amounts are those adopted or substantially adopted as of the closing date.

Deferred taxes are determined using the liability method for:

- all temporary differences between the tax base and the accounting base for assets and liabilities, except goodwill.
- tax losses that can be carried forward.

Tax assets are recognized only if it is likely that the Group will have future tax benefits against which they can be applied.

The assessment of the Group's ability to recover these assets takes into account, in particular, forecasts of future taxable profits as well as the history of results for tax purposes in previous years.

The Group has opted to present the company value-added contribution (CVAE) as a tax expense.

3.3.24 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the Group's shareholders by the average number of common shares outstanding during the period.

Diluted earnings per share are determined by adjusting the net profit or loss for the period attributable to the Group's shareholders by the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. If the consideration of deferred equity instruments (share warrants, stock options) for calculation of diluted earnings per share creates an anti-dilution effect, these instruments are not taken into account.

Treasury shares deducted from shareholders' equity are not taken into account in the calculation of basic and diluted earnings per share.

Note 4 - Notes to the consolidated statement of financial position

4.1 Goodwill

The goodwill stems from these acquisitions:

- OneAccess (September 2017);
- Ekinops Brasil (July 2019);

(€k)	OneAccess	Ekinops Brasil	Total
Net value at 12/31/2022	**27,523**	**934**	**28,457**
Translation adjustments	-	48	48
Net value at 12/31/2023	**27,523**	**982**	**28,505**

Determination of the recoverable amount of goodwill

The goodwill was subject to an annual impairment test using the method described in Chapter 3.3.5 - Goodwill. Assets which were separate in the past (Ekinops, OneAccess and OTN) are currently difficult to disassociate. As a result, considering a single cash generation unit is appropriate.

The result of these impairment tests did not give rise, as at December 31, 2023, to the recognition of an impairment loss.

The parameters used to determine the recoverable amount are:

Methodology	Discounted cash flows
Growth rate to infinity	2%
Discounting rate	9.5%

The projection horizon is 5 years and includes a terminal value.

A sensitivity of net cash flows is retained. The analysis leads to a change in the parameters of the growth rate to infinity by (1%) and the discount rate by +4.5%.

4.2 Intangible assets

(€k)	Developed technologies	Customer relations	Order book	Development costs	Development costs in progress	Licenses and other intangible assets	Total
Gross value at 12/31/2022	**33,363**	**8,997**	**1,021**	**12,408**	**4,186**	**4,696**	**64,671**
Capitalization of development costs	-	-	-	1,340	2,031	234	3,605
Reclassifications	-	-	-	4,336	(4,598)	182	(80)
Disposals/retirement of assets	-	-	-	(229)	(35)	(36)	(300)
Impact of currency fluctuations	474	-	-	19	-	-	493
Gross value at 12/31/2023	**33,837**	**8,997**	**1,021**	**17,874**	**1,584**	**5,076**	**68,389**
Accumulated depreciation at 12/31/2022	**(24,860)**	**(4,725)**	**(1,021)**	**(8,351)**	**-**	**(4,656)**	**(43,613)**
Allowance for the period	(4,427)	(900)	-	(2,258)	-	(118)	(7,703)
Reclassifications	-	-	-	(154)	-	234	80
Decrease for the period	-	-	-	70	-	36	106
Impact of currency fluctuations	**(192)**	**-**	**-**	**(5)**	**-**	**(11)**	**(208)**
Accumulated depreciation at 12/31/2023	**(29,479)**	**(5,625)**	**(1,021)**	**(10,698)**	**-**	**(4,515)**	**(51,338)**
Net value at 12/31/2022	**8,503**	**4,272**	**-**	**4,057**	**4,186**	**40**	**21,058**
Net value at 12/31/2023	**4,358**	**3,372**	**-**	**7,176**	**1,584**	**561**	**17,050**

4.3 Tangible assets

(€k)	Plant and machinery	Office furniture and equipment, computer hardware	Tangible assets in progress	Total
Gross value at 12/31/2022	**15,407**	**7,735**	**-**	**23,141**
Acquisition	1,876	2,462	205	4,543
Disposal/retirement of assets	-	(473)	-	(473)
Impact of currency fluctuations	**26**	**(20)**	**-**	**6**
Gross value at 12/31/2023	**17,310**	**9,704**	**205**	**27,218**
Accumulated depreciation at 12/31/2022	**(11,729)**	**(6,335)**	**-**	**(18,064)**
Allowance for the period	(1,473)	(724)	-	(2,197)
Decrease for the period	-	419	-	419
Impact of currency fluctuations	**(12)**	**16**	**-**	**4**
Accumulated depreciation at 12/31/2023	**(13,214)**	**(6,626)**	**-**	**(19,838)**
Net value at 12/31/2022	**3,679**	**1,400**	**-**	**5,077**
Net value at 12/31/2023	**4,096**	**3,078**	**205**	**7,377**

In the first quarter, the Ekinops France SA subsidiary moved to a new site in Massy (France), which led to an increase in tangible assets for an amount of €1.5 million.

4.4 Reconciliation of investments with the statement of cash flows

(€k)	12/31/2022	12/31/2023
Acquisition of intangible assets	(4,147)	(3,605)
Acquisition of tangible assets	(3,018)	(4,543)
Change in fixed asset supplier debt	(8)	116
Total	**(7,173)**	**(8,032)**

4.5 Non-current financial assets & other non-current assets

(€k)	Security deposit	Other	Non-current financial assets	Non-current share of CIR research tax credit receivables	Other non-current assets
Gross value at 12/31/2022	**830**	**603**	**1,432**	**11,028**	**11,028**
Increase	133	74	207	3,049	3,049
Decrease	(50)	-	(50)	-	-
Reclassifications	-	-	-	(3,018)	(3,018)
Currency fluctuations	(6)	(13)	(19)	-	-
Gross value at 12/31/2023	**907**	**664**	**1,570**	**11,059**	**11,059**
Net value at 12/31/2022	**830**	**603**	**1,432**	**11,028**	**11,028**
Net value at 12/31/2023	**907**	**664**	**1,570**	**11,059**	**11,059**

4.6 Rights of use and lease liabilities

During the second quarter of 2023, the Group concluded two new commercial leases, leading to an increase in rights of use and lease liabilities linked to the buildings for an amount of €1.9 million. The latter stem from the decision to move the premises of the Ekinops Corporation and Ekinops India subsidiaries.

The reduction in the building's right of use and lease liability of €0.6m relates for €0.4m to the move of the future head office, which will take place in the second quarter of 2024.

4.6.1 Rights of use

(€k)	12/31/2022	Contract ends	New contracts and changes over the period	Amortization/ Depreciation	Translation adjustments	12/31/2023
Rights of use - Technical equipment	160	-	-	(43)	-	116
Rights of use - Buildings	6,000	(572)	1,927	(1,656)	(31)	5,668
Rights of use - Vehicles	645	(161)	895	(510)	-	869
Net value of rights of use	**6,805**	**(733)**	**2,822**	**(2,209)**	**(31)**	**6,653**

4.6.2 Lease liabilities

(€k)	12/31/2022	Contract ends	New contracts and changes over the period	Reclassifications	Lease liability repayments	Translation adjustments	12/31/2023
Lease liabilities - Buildings	5,263	(572)	1,846	(1,477)	-	(24)	5,036
Lease liabilities - Vehicles	264	(161)	959	(477)	-	-	585
Total non-current	**5,527**	**(733)**	**2,805**	**(1,954)**	**-**	**(24)**	**5,621**
Lease liabilities - Technical equipment	16	-	-	-	(16)	-	-
Lease liabilities - Buildings	987	-	-	1,477	(1,500)	(10)	954
Lease liabilities - Vehicles	409	-	-	477	(507)	-	379
Total current	**1,412**	**-**	**-**	**1,954**	**(2,023)**	**(10)**	**1,333**
Total	**6,940**	**(733)**	**2,805**	**-**	**(2,023)**	**(34)**	**6,953**

Schedule of lease liabilities

(€k)	12/31/2023	less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	more than 5 years
Lease liabilities - Buildings	5,990	954	1,016	902	758	529	1,830
Lease liabilities - Vehicles	964	379	243	184	114	44	-
Financial debt	**6,953**	**1,333**	**1,259**	**1,086**	**872**	**573**	**1,830**

4.7 Inventories

Revenue growth in the Transport product line had an impact on DWDM finished product inventory levels, which increased by €3 million to meet customer demand. The decline in sales in the Access product line led to the recognition of a provision for impairment risk for obsolete component inventories.

(€k)	12/31/2022	Change	Allowance for inventory impairment provision	Writeback of inventory impairment provision	Impact of currency fluctuations	12/31/2023
Components inventories	17,154	(1,451)	-	-	-	15,703
Finished product inventories	9,613	5,586	-	-	(16)	15,183
Gross values	**26,767**	**4,135**	**-**	**-**	**(16)**	**30,886**
Impairment losses–Components	(1,414)	-	(3,576)	171		(4,819)
Impairment losses - Finished products	(360)	-	(43)	268	(1)	(136)
Accumulated impairment losses	**(1,774)**	**-**	**(3,619)**	**439**	**(1)**	**(4,955)**
Net values	**24,993**	**4,135**	**(3,619)**	**439**	**(17)**	**25,931**

4.8 Trade receivables and related accounts

(€k)	12/31/2022	Change	Impact of currency fluctuations	12/31/2023
Trade receivables and related accounts	30,279	253	(171)	30,360
Accumulated impairment losses	(374)	(3)	1	(376)
Net values	**29,905**	**250**	**(170)**	**29,984**

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 €8,447k.

4.9 Other current assets

(€k)	12/31/2022	Change	Reclassifications and other changes	12/31/2023
Corporate tax, CVAE receivable	571	252	(23)	800
Tax credits (CIR, CII, CICE)	3,407	(3,407)	3,494	3,494
Other taxes and social security receivables	2,570	974	(16)	3,528
Prepaid expenses	1,082	950	16	2,048
Other	1,174	(417)	245	1,002
Gross values	**8,804**	**(1,648)**	**3,716**	**10,872**
Accumulated impairment losses	(166)	(24)	-	(190)
Net values	**8,638**	**(1,672)**	**3,716**	**10,682**

Following implementation of the external growth financing line, the Group records the corresponding fees and commissions on a straight-line basis over the period of availability of this line and its estimated utilization. This has resulted in a significant increase in prepaid expenses.

4.10 Cash and cash equivalents

(€k)	12/31/2022	Change	Impact of currency fluctuations	12/31/2023
Cash	39,355	7,848	(26)	47,177
Cash equivalents	-	-	-	-
Cash and cash equivalents	**39,355**	**7,848**	**(26)**	**47,177**
Bank overdraft facilities	-	-	-	-
Total net cash position	**39,355**	**7,848**	**(26)**	**47,177**

4.11 Capital and equity instruments

4.11.1 Share capital and share premiums

As of December 31, 2023, the capital of the parent company, Ekinops S.A., consisted of 26,801,716 fully paid-up common shares with a nominal unit value of €0.50.

Type of transaction	Capital	Number of shares created	Nominal value
At 12/31/2021	**€12,916,333**	**25,832,666**	**€0.50**
Capital increases following exercise of options	€141,646	283,292	€0.50
Issue of bonus shares	€157,564	315,128	€0.50
At 12/31/2022	**€13,215,543**	**26,431,086**	**€0.50**
Capital increases following exercise of options	€49,399	98,797	€0.50
Issue of bonus shares	€135,917	271,833	€0.50
At 12/31/2023	**€13,400,858**	**26,801,716**	**€0.50**

4.11.2 Share-based payments

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	Strike price	Remaining contractual life	Expense recognized at 12/31/2023 (€K)	Expense recognized at 12/31/2022 (€k)
06/19/2014	1,593	-	(74,975)	-	101,618	€5.07	0.5 year	-	-
07/29/2019	62,500	-	(10,167)	-	52,333	€3.66	5.6 years	-	(3)
05/27/2021	67,500	-	(1,875)	(5,000)	60,625	€6.53	7.4 years	(31)	(78)
07/26/2023	-	17,000	-	-	17,000	€7.14	9.6 years	(14)	-
Total stock options (OSA)	**306,593**	**17,000**	**(87,017)**	**(5,000)**	**231,576**	**N/A**	**N/A**	**(44)**	**(81)**

a) Startup warrants (BCE)

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Closing new potential shares	Strike price	Remaining contractual life	Expense recognized at 12/31/2023 (€K)	Expense recognized at 12/31/2022 (€k)
02/25/2013	15,810	-	(11,780)	(4,030)	-	€4.31	-	-	-
Total founder warrants (BCE)	**15,810**	**-**	**(11,780)**	**(4,030)**	**-**	**N/A**	**N/A**	**-**	**-**

b) Awarded bonus shares (AGA)

	Starting new potential shares	Awarded during the period	Acquired during the period	Canceled or lapsed during the period	Closing new potential shares	Expense recognized at 12/31/2023 (€K)	Expense recognized at 12/31/2022 (€k)
06/13/2018	57,500	-	(57,500)	-	-	-	(84)
03/02/2021	406,666	-	(214,333)	-	192,333	(556)	(1,135)
05/27/2021	269,334	-	-	(33,334)	236,000	(239)	(447)
05/25/2022	54,750	-	-	-	54,750	(175)	(105)
Total bonus shares awarded (AGA)	**788,250**	**-**	**(271,833)**	**(33,334)**	**483,083**	**(969)**	**(1,771)**

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	Closing new potential shares	Expense recognized at 12/31/2023 (€K)	Expense recognized at 12/31/2022 (€k)
Stock options (OSA)	306,593	17,000	(87,017)	(5,000)	231,576	(44)	(81)
Startup warrants (BCE)	15,810	-	(11,780)	(4,030)	-	-	-
Bonus shares awarded (AGA)	788,250	-	(271,833)	(33,334)	483,083	(969)	(1,771)
Grand total	**1,110,653**	**17,000**	**(370,630)**	**(42,364)**	**714,659**	**(1,014)**	**(1,852)**

The total number of potential new shares represents less than 2.7% of the issued capital at the balance sheet date.

4.12 Financial debt

a) Change in financial debt

(€k)	12/31/2022	Increases	Repayments	Other changes	Translation adjustments	12/31/2023
Bank loans	10,382	7,800	-	(3,808)	3	14,377
Bank loans/CIR financing	-	5,151	-	(2,831)	-	2,320
Miscellaneous financial debt	37	218	-	(19)	-	236
Total non-current financial debt	**10,419**	**13,169**	**-**	**(6,658)**	**3**	**16,933**
Bank loans	3,726	-	(3,577)	3,808	2	3,959
Bank loans/CIR financing	2,586	-	(2,587)	2,831	-	2,829
Conditional advances and interest-free loans	277	-	(277)	-	-	-
Factoring debt	4,419	22,500	(24,096)	-	-	2,823
Miscellaneous financial debt	-	-	-	19	-	19
Total current financial debt	**11,008**	**22,500**	**(30,538)**	**6,658**	**2**	**9,629**
Total financial debt	**21,427**	**35,669**	**(30,538)**	**-**	**5**	**26,561**

The Group received financing amounting to €7.8 million within the framework of the French government's "*Relance*" initiative which includes a net debt/EBITDA covenant. Given the Group's negative net debt (net cash position), see 4.13 b) below, the Group is not at risk in relation to this covenant.

Factoring debts correspond 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 Group also benefited from prefinancing for the CIR research tax credit for 2020 and 2021. The repayment of these loans will occur at the same time as the liquidation of the receivable by tax authorities.

Bank loans include €5.9m in government-backed loans.

b) Breakdown of debt by maturity

(€k)	12/31/2023	less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	more than 5 years
Bank loans	18,336	3,959	3,369	1,932	900	2,326	5,850
Bank loans/CIR* financing	5,149	2,829	2,320			-	-
Factoring debt	2,823	2,823	-	-	-	-	-
Miscellaneous financial debt	255	19	9	28	99	100	-
Financial debt	**26,561**	**9,629**	**5,698**	**1,960**	**999**	**2,426**	**5,850**

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

c) Breakdown of financial debt by interest rate

(€k)	12/31/2023	Fixed rate	Variable rate
Non-current financial debt	16,933	14,613	2,320
Current financial debt	9,629	3,977	5,652
Total financial debt	**26,561**	**18,590**	**7,972**

The Group uses interest-rate hedging contracts for all variable-rate financial debt, except for factoring debt, which is short-term.

4.13 Information on net debt

Net debt corresponds to current and non-current financial debt minus cash and cash equivalents.

Breakdown of debt by currency

(€k)	12/31/2023	EUR	USD	AUD	Other currencies
Bank loans	18,336	18,336	-	-	-
Bank loans/CIR financing	5,149	5,149	-	-	-
Factoring debt	2,823	2,823	-	-	-
Miscellaneous financial debt	255	255	-	-	-
Financial debt	**26,561**	**26,562**	**-**	**-**	**-**
Cash and cash equivalents	(47,177)	(42,757)	(2,470)	(959)	(991)
Net debt/(Cash and cash equivalents)	**(20,616)**	**(16,194)**	**(2,470)**	**(959)**	**(991)**

4.14 Provisions

(€k)	12/31/2022	Allowances	Writeback used	Writeback not used	Reclassifications	12/31/2023
Provisions for disputes	832	218	-	(270)	-	780
Provisions for social risks	135	-	-	-	-	135
Provisions for other liabilities and charges	354	78	-	-	(287)	145
Provisions for liabilities and charges - non-current portion	**1,321**	**296**	**-**	**(270)**	**(287)**	**1,060**
Provision for warranty	819	525	(418)	-	-	926
Provisions for disputes	-	57	-	-	-	57
Provisions for social risks	-	-	-	-	-	-
Provisions for other liabilities and charges	376	-	(425)	-	287	238
Provisions for risks and charges - current portion	**1,195**	**582**	**(843)**	**-**	**287**	**1,221**
Total	**2,516**	**878**	**(843)**	**(270)**	**-**	**2,281**

4.15 Employee commitments

a) Change in net commitment recognized on the balance sheet

(€k)	12/31/2023	12/31/2022
Starting actuarial debt	**3,136**	**3,147**
Cost of services rendered	260	248
Cost of past services	28	
Use (retirement)	(107)	(123)
Financial cost	107	27
Actuarial losses (gains)	(474)	(149)
Impact of currency fluctuations	(11)	(13)
Ending actuarial debt	**2,939**	**3,136**

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

As specified in the accounting rules and methods, all actuarial gains or losses are recognized in equity. The cost of services rendered is recorded as an operating expense, and the financial cost is recorded in other financial income and expense.

b) Actuarial assumptions

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

Actuarial assumptions	12/31/2023	12/31/2022
Retirement age	65 years	65 years
Discounting rate	3.17%	3.77%
Employer contribution rates	47.0%	47.0%
Rate of salary increases	2.00%	4.00%
Employee turnover		
> 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 years	2 - 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

c) Sensitivity of the net commitment to the discount rate

The following table examined the sensitivity of the end-of-career compensation plan to the discount rate. Amounts expressed in thousands of euros correspond to the valuation of the actuarial debt at the end of two financial years presented in the event of an increase or decrease in the discount rate:

End-of-career compensation commitment sensitivity analysis (€k)	Decrease of 1 points	Decrease of 0.25 points	Increase of 0.25 points	Increase of 1 point
12/31/2023	**3,209**	**3,006**	**2,881**	**2,711**
12/31/2022	**3,450**	**3,213**	**3,069**	**2,873**

4.16 Other non-current liabilities

(€k)	12/31/2022	Change	Reclassifications and other changes	12/31/2023
Contract liabilities–portion at more than one year	721	446	-	1,167
Total other non-current liabilities	**721**	**446**	**-**	**1,167**

4.17 Other current liabilities

(€k)	12/31/2022	Change	Reclassifications and other changes	12/31/2023
Financial instruments	208	-	(206)	2
Derivative instruments liabilities	**208**	**-**	**(206)**	**2**
Trade payables	17,732	483	2	18,217
Trade payables	**17,732**	**483**	**2**	**18,217**
Corporate taxes payable	2,176	(115)	(1,485)	576
Corporate taxes payable	**2,176**	**(115)**	**(1,485)**	**576**
Debt on acquisitions of tangible and intangible assets	14	116		130
Taxes and social security contributions payable	11,980	(187)	(34)	11,759
Contract liabilities–portion at less than one year	1,931	724	(211)	2,444
Other debts	147	(294)	180	33
Total other current liabilities	**14,073**	**359**	**(65)**	**14,367**

4.18 Impact of change in working capital requirements

(€k)	12/31/2022	12/31/2023
Net (incr.)/decr. in inventories	(5,945)	(955)
Net (incr.)/decr. in trade receivables	(5,468)	(250)
Net incr./(decr.) in trade payables	1,544	483
Net (incr.)/decr. in other items	(3,762)	(2,564)
(Incr.)/decr. in WCR	**(13,630)**	**(3,286)**

4.19 Categories of financial assets and liabilities

The following tables show the Group's categories of financial assets and liabilities as of the end of the presented financial years.

a) Financial assets

	12/31/2023			
(€k)	Balance sheet value	Amortized cost	Fair value through profit & loss	Fair value
Non-current financial assets	**1,570**	**1,570**	**-**	**1,570**
Trade receivables and related accounts	29,984	29,984	-	29,984
Other current assets*	1,002	1,002	-	1,002
Derivative instrument assets	-	-	-	-
Cash and cash equivalents	47,177	-	47,177	47,177
Total	**79,733**	**32,556**	**47,177**	**79,733**

*Excluding tax and social security receivables and prepaid expenses

b) Financial liabilities

	12/31/2023			
(€k)	Balance sheet value	Amortized cost	Fair value through profit & loss	Fair value
Financial debt	**26,561**	**26,561**	**-**	**26,561**
Debts on acquisition of securities	-	-	-	-
Trade payables and related accounts	18,217	18,217	-	18,217
Derivative instruments liabilities	2	-	2	2
Other liabilities*	163	163	-	163
Total	**44,943**	**44,941**	**2**	**44,943**

*Excluding tax and social security payables and deferred income.

c) Fair value hierarchy

Financial instruments are presented in three categories according to a hierarchy of fair value determination methods:

- Level 1: fair value calculated using rates/prices quoted on an active market for identical assets and liabilities;
- Level 2: fair value calculated using valuation techniques based on observable data such as prices of similar assets or liabilities or parameters quoted on an active market;
- Level 3: fair value calculated using valuation techniques based in whole or in part on unobservable data such as prices on an inactive market or valuation on the basis of multiples for unlisted securities or an agreement between the parties.

(€k)	Level 1 category	Level 2 category	Level 3 category
Derivative instrument liabilities	-	2	-
Debts on acquisitions of securities	-	-	-
Total	**-**	**2**	**-**

Financial instruments consist of hedging contracts on the US dollar/euro exchange rate.The fair value of financial assets was valued on the basis of market parameters.

Note 5 - Notes to the income statement

5.1 Income from ordinary activities

a) By type

(€k)	12/31/2023	12/31/2022
Sales of goods produced	107,639	108,426
Sales of services produced	21,459	19,192
Total revenue	**129,097**	**127,617**

b) By geographic region

(€k)	12/31/2023	12/31/2022
North America	31,722	29,838
Europe - Middle East - Africa - Asia-Pacific	97,376	97,779
Total revenue	**129,097**	**127,617**

5.2 Type of allocated expenditure by function

a) Details of research and development costs

(€k)	12/31/2023	12/31/2022
Payroll costs	(26,776)	(25,450)
Allocations to amortization/depreciation provisions	(13,605)	(9,425)
Travel expenses	(444)	(388)
Professional fees and consulting	(1,059)	(774)
Rental and lease expenses	(349)	(129)
Operational subcontracting and external personnel	(3,756)	(2,805)
Supplies, equipment, maintenance	(2,561)	(2,259)
Tax credit	(4,947)	(4,638)
Subsidies	(4,231)	(3,075)
Capitalization of development costs	(3,373)	(3,721)
Manufacturing costs allocated to costs of sales	9,249	6,052
Disposal/retirement of assets	(497)	(791)
Other	(775)	(698)
Total research and development costs	**(28,022)**	**(25,232)**

b) Details of sales and marketing expenses

(€k)	12/31/2023	12/31/2022
Payroll costs	(17,267)	(15,663)
Outside personnel	(791)	(801)
Business travel and trips	(1,260)	(1,041)
Professional fees and consulting	(768)	(1,044)
Rental and lease expenses	(113)	(45)
Supplies, equipment, maintenance	(624)	(1,087)
Fairs, promotions, and advertising	(701)	(402)
Allocations to amortization/depreciation provisions	(1,746)	(1,572)
Other	(175)	(297)
Total marketing and sales expenses	**(23,445)**	**(21,952)**

c) Details of general and administrative expenses

(€k)	12/31/2023	12/31/2022
Payroll expenses – Excluding payments in shares	(5,190)	(5,345)
Payroll expenses – Payments in shares	(1,441)	(2,254)
Professional fees and consulting	(1,459)	(1,626)
Supplies, equipment, maintenance	(1,127)	(762)
Outside personnel	(89)	(105)
Insurance	(303)	(268)
Bank charges	(221)	(214)
Rental and lease expenses	(129)	(142)
Allocations to amortization/depreciation provisions	(81)	(82)
Other	(745)	(390)
Total general and administrative expenses	**(10,785)**	**(11,187)**

5.3 Payroll expenses and Group headcount

a) Breakdown of personnel costs by function

(€k)	12/31/2023	12/31/2022
Total research and development costs	(26,776)	(25,450)
Total marketing and sales expenses	(17,266)	(15,663)
Total general and administrative expenses	(6,631)	(7,599)
Total payroll costs	**(50,673)**	**(48,712)**

b) Breakdown of personnel expenses by type

(€k)	12/31/2023	12/31/2022
Salaries and wages	(36,490)	(34,141)
Social security contributions and payroll taxes	(12,560)	(12,192)
Cost of services rendered	(182)	(125)
Share-based payments	(1,441)	(2,254)
Total payroll costs	**(50,673)**	**(48,712)**

c) Group headcount

(in units)	12/31/2023	12/31/2022
Salaried personnel	500	453
External and subcontractors	51	51
Total headcount	**551**	**504**

The Group is continuing to recruit especially to strengthen its R&D teams in order to meet customer expectations.

5.4 Amortization/depreciation and provisions: allowances and writebacks

(€k)	12/31/2023	12/31/2022
Allocations to amortization - Intangible assets	(2,376)	(1,935)
Allocations to amortization - Developed technologies and customer relations	(5,327)	(6,346)
Allocations to amortization - Tangible assets	(2,197)	(1,713)
Allocations to amortization - Rights of use	(2,209)	(1,896)
Net allocation to provisions for risks and contingencies in "Current operating income"	208	950
Cost of services rendered	(181)	(125)
Sub-total (EBITDA)	**(12,082)**	**(11,066)**
IAS 19 financial cost	(107)	(27)
Sub-total (EBITDA)	**(12,189)**	**(11,093)**
Net allowance for writebacks of provisions on inventories	(3,180)	829
Total allowances for amortization/depreciation and provisions, net of writebacks	**(15,369)**	**(10,264)**

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.

The increase in rights of use allocations stems from the subscription of new IFRS16-eligible leasing contracts.

To cover the risk on older-generation products, in particular the OS5 range, the Group increased the obsolescence risk provision for inventory in this range.

5.5 Other operating income and expenses

(€k)	12/31/2023	12/31/2022
Ad hoc consulting fees	(426)	(572)
Fees - information system integration	(1,138)	-
Other	137	109
Total	**(1,427)**	**(464)**

To standardize its management tools, in early 2023 the Group began rolling out a new information and management system covering all its functional areas. This deployment will continue throughout 2024

5.6 Financial profit (loss)

a) Net borrowing cost

(€k)	12/31/2023	12/31/2022
Interest expenses	(1,020)	(335)
Effect of undiscounting		(3)
Net cost of debt	**(1,020)**	**(338)**

The increase in interest expense is due to several factors: the subscription of a new €7.8 million loan; the revaluation of the discount rate in accordance with IFRS 16; and expenses linked to the new syndicated financing line.

b) Other financial income and expenses

(€k)	12/31/2023	12/31/2022
Currency gains (losses)	140	2,134
Cash flow	702	
Other financial income and expenses	(92)	(563)
Other financial income and expenses	**750**	**1,571**

The Group generated financial income stemming from interest rate hedging in first-half 2023.

5.7 Taxes

a) Breakdown of tax expense recorded for the presented financial years

(€k)	12/31/2023	12/31/2022
Current income tax	(633)	(2,222)
Change in deferred taxes	898	4,224
Tax expense	**265**	**2,002**

b) Tax analysis

(€k)	12/31/2023	12/31/2022
Pre-tax income (expense)	3,364	10,020
Group theoretical tax rate	*-25.00%*	*-25.00%*
Theoretical tax expense at the Group's rate	**(841)**	**(2,505)**
Effect of tax credits (CIR)	1,246	1,160
Effect of share-based payments	(254)	(463)
Use or recognition of temporary differences previously not recognized	815	4,305
Deficits and other net temporary differences not recognized	(326)	(410)
CVAE and other levies included in income tax	(268)	(153)
Other permanent differences	(120)	39
Differences in rates related to foreign tax jurisdictions	12	29
Recognized tax income	**265**	**2,002**

c) Deferred taxes

Balance at December 31, 2022	**5,758**
> *- deferred tax assets*	*6,624*
> *- deferred tax liabilities*	*(163)*
Change reflected in profit (loss)	898
Impact of currency fluctuations	(194)
Balance at December 31, 2023	**6,462**

The potential tax savings that would result from the application of tax loss carryforwards, not recognized as of December 31, 2023, total €13 million.

5.8 Earnings per share

Below is information on earnings and shares used to calculate basic and diluted earnings per share for all activities.

a) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit accruing to the Company's shareholders by the weighted average number of common shares outstanding during the year.

(€k/units)	12/31/2023	12/31/2022
Net income attributable to Ekinops SA shareholders	3,628	12,022
Weighted average number of outstanding shares:	26,658,444	26,120,284
> *- weighted average number of common shares*	*26,697,883*	*26,157,673*
> *- weighted average number of treasury shares*	*(39,439)*	*(37,389)*
Basic earnings per share (€/share)	**0.14**	**0.46**

b) Diluted earnings per share

(€k/units)	12/31/2023	12/31/2022
Net income attributable to Ekinops SA shareholders	3,628	12,022
Weighted average number of outstanding shares	26,658,444	26,120,284
Weighted average number of potential shares	441,409	579,515
Diluted earnings per share (€/share)	**0.13**	**0.45**

Note 6 - Segment information

The presented information is based on the internal reporting used by Management to evaluate the performance of the various segments. The benchmark sector indicator is current operating income. The Group is managed on the basis of a single segment and does not distinguish between autonomous geographical segments.

However, with regard to the monitoring of revenue, the Group distinguishes two main areas: North America and Europe/Middle East/Africa/Asia-Pacific. This information is provided in Note 5.1.

Note 7 - Related-party disclosures

The amounts of remuneration set out below were granted to the CEO and the members of the Board of Directors of the Company. They were recorded as expenses during the presented financial years:

(€k)	12/31/2023	12/31/2022
Compensation and benefits in kind	(896)	(734)
Share-based payments	(492)	(887)
Benefits in kind - GSC (company business manager guarantee)	(24)	(20)
Directors' fees	(43)	(46)
Total	**(1,456)**	**(1,686)**

Note 8 - Exposure to financial risks

8.1 Currency risk

The Group is subject to currency risks arising from purchases from component suppliers and commercial relations with its customers and its subsidiaries located outside the eurozone.

The Group's main currency risk exposure comes from the US dollar (USD).

The Group's net foreign currency position as of December 31, 2023, is as follows:

(€k)	Trade receivables	Trade payables	Obligation in foreign currencies	Obligation in foreign currencies	Hedging instruments	Net position after hedging
	(a)	(b)	(c)	(d) = (a) - (b) +/- (c)	(e)	(f) = (d) - (e)
USD	6,924	6,746	-	178	1,000	(822)
AUD	0	11	-	(11)	- 0	(11)
Other	596	232	-	364	- 0	364
Total	**7,520**	**6,989**	**-**	**531**	**1,000**	**(469)**

To date, hedging transactions (through hedging contracts with different maturities) only involve purchases in US dollars.

The Group is therefore mainly exposed to currency risk from the US dollar (USD). As a result of the translation of these subsidiaries into the reporting currency (euro), a 10% increase or decrease in the US dollar against the euro would have had the following impacts on the consolidated statement of net income and the consolidated statement of changes in shareholders' equity:

(€k)	12/31/2023	
USD/EUR	-10%	+10%
Impact on net income	(141)	141
Impact on shareholders' equity	81	(81)

8.2 Credit risk

The maximum exposure to credit risk at the end of each financial year is represented by the book amount of the assets presented in the following table:

(€k)	12/31/2023	12/31/2022
Non-current financial assets	1,570	1,432
Other non-current assets	11,059	11,028
Trade receivables and related accounts	29,984	29,905
Other current assets	10,682	8,638
Cash and cash equivalents	47,177	39,355
Total	**100,471**	**90,358**

- Receivables related to government subsidies and the research tax credit present a credit risk deemed insignificant in view of the Company's history.
- Credit risk related to cash, cash equivalents, and current financial instruments is not significant in view of the quality of the financial institutions party to the contracts.

With regard to trade receivables, there is a credit risk since a possible loss may occur if a customer fails to honor commitments on time. This credit risk related to receivables is limited due to, in particular, the quality of the Group's aged balance. The following table illustrates the aging of trade receivables and the related provisions for impairment losses:

	12/31/2023			12/31/2022		
(€k)	Gross	%	Impairment losses	Gross	%	Impairment losses
Not yet due	24,918	82%		25,603	85%	
Past due for 30 days or less	1,158	4%		2,598	9%	
Past due for 31 to 60 days	2,065	7%		613	2%	
Past due for 61 to 90 days	865	3%		204	1%	
Past due for 91 to 180 days	619	2%		722	2%	
Past due for more than 180 days	735	2%	(376)	540	2%	(375)
Total	**30,360**	**100%**	**(376)**	**30,280**	**100%**	**(375)**
Net value:			**29,984**			**29,905**

Note 9 - Off-balance-sheet items

a) Commitments to sub-contractors

The Group subcontracts a large part of the production of its equipment to its 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 relating to inventories of components and semi-finished products is estimated at €8.3m as of December 31, 2023.

b) Earnout - SixSq

The agreement to acquire SixSq contains an earnout clause subject to achievement of a certain revenue level in 2024.

At present, the Group feels that these conditions will not be met and no provision had thus been funded for this liability at end-December 2023.

The Group plans to regularly revise this estimate.

Note 10 - Subsequent events

There are no significant events to report.

Note 11 - EBITDA[1]

The Group has opted to communicate this metric in view of (i) its significance for the analysis of financial performance, and (ii) the vesting terms applicable to the Group's employee bonus share and stock option plans.

The Group thus defines its EBITDA as current operating profit (loss) restated for (i) allowances for amortization/depreciation and provisions and (ii) calculated expenses and income related to share-based payments.

(€k)	FY 2023	FY 2022
Current operating income	**5,061**	**9,251**
Amortization, depreciation and provisions	6,755	4,720
Amort., depr. of developed technologies and customer relations	5,327	6,346
Share-based payments	1,441	2,254
EBITDA	**18,585**	**22,570**

Note 12 - Statutory Auditors' fees

(€k)	Statutory Auditors	Other services	Total
> *Deloitte*	*129*	*3*	*132*
- issuer	*52*	*-*	*52*
> *Altonéo*	*34*	*-*	*34*
- issuer	*34*	*-*	*34*
> Total	**162**	**3**	**166**

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

4.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended December 31, 2023

To the shareholders of Ekinops,

Opinion

In accordance with our appointment as Statutory Auditors by the General Meeting, we audited the accompanying consolidated financial statements of Ekinops for the period ended December 31, 2023.

We certify that the consolidated financial statements were prepared in accordance with the IFRS framework as adopted by the European Union and provide a true and fair view of the results of the operations for the period ended as well as of the financial position and assets and liabilities of the consolidated entities at the end of said period.

The opinion set out below is consistent with the terms of our report to the Audit Committee.

Basis of the opinion

Audit standards

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

Our responsibilities under these standards are set out in the section entitled "Responsibilities of the Statutory Auditors in auditing consolidated financial statements" of this report.

Independence

We carried out our audit in accordance with the rules on independence set out in the French Commercial Code and the Code of Ethics for Statutory Auditors over the period from January 1, 2023 to the date on which our report was issued, and in particular we did not provide any services prohibited by Article 5 (1) of EU Regulation no. 537/2014.

Basis for assessment - Key audit matters

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code on the basis for our assessment, we make you aware of key audit matters pertaining to risks of material misstatements that, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the period, along with our responses to these risks.

The resulting assessments fed in to the audit of the consolidated financial statements as a whole and to forming our opinion as set out above. We do not express any opinion on the components of these consolidated financial statements taken separately.

Measurement of goodwill

(Notes 3.3.5 "Goodwill" and 4.1 "Goodwill" to the consolidated financial statements)

Description of risk

At December 31, 2023, the book value of the goodwill on the balance sheet was €28.5m, as against a balance sheet total of €192.6m. They were allocated to a single CGU which is comprised of the Group as a whole.

Management ensures that at the end of each reporting period the book value of this goodwill does not exceed the recoverable amount. The process of impairment testing done by Management thus incorporates a significant level of judgment and assumptions, involving in particular:

- future cash flow forecasts;
- the perpetual growth rate used for projections;
- the discount rate (WACC) applied to estimated cash flows.

We consider the measurement of goodwill to be a key audit matter in light of the materiality in the Group's financial statements, the judgments and assumptions required to determine their recoverable amount.

Our response

We examined the compliance of the methodology used by Ekinops with current accounting standards.

Our work in particular consisted of:

- a critical review of the model to measure the recoverable amount: discounted cash flows;
- an analysis of assumptions used by Management and in particular:
  - the future cash flow projections through comparison with available information such as market outlooks, past achievements and most recent estimates (assumptions, budgets, strategic plans where applicable) by Management and independent financial analysts;
  - the discount rate (WACC) through comparison with our estimate of a range of rates using the MEDAF approach that incorporates a relevant comparable sample in the view of our analysts;
  - the perpetual growth rate through comparison with market analyses.

We obtained and reviewed the sensitivity analyses undertaken by Management, which we compared with our own calculations, to assess the impact of a change in these assumptions on the recoverable amount of this goodwill and the need to recognize an impairment loss if necessary.

Specific checks

In line with professional standards applicable in France, we also carried out the specific checks required by law and regulation on the information pertaining to the Group provided in the management report of the Board of Directors.

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

Other checks or information required by law and regulation

Format of presentation of the annual financial statements intended for inclusion in the annual financial report

We also checked, in accordance with professional standards governing the work of Statutory Auditors on annual and consolidated financial statements presented using the European Single Electronic Format, compliance with this format defined by Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018 in the presentation of the annual financial statements intended for inclusion in the consolidated financial report referenced in Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the CEO. In the case of the consolidated financial statements, our work includes checking the compliance of the tagging of these financial statements with the format defined by the aforementioned regulation.

In light of our work, we conclude that the presentation of the consolidated financial statements intended for inclusion in the annual financial report complies, in all material respects, with the European Single Electronic Format.

Owing to the technical limits inherent in the macro-tagging of the consolidated financial statements using the single European electronic format, it is possible that the content of certain tags in the notes accompanying the financial statements may not be reproduced in an identical way to how they are presented in the current report.

It is not our responsibility to check that the consolidated financial statements that will actually be included by your Company in the annual financial report filed with the AMF actually correspond with those on which we worked.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Ekinops by the General Meeting of February 25, 2013 for Deloitte & Associés and of January 3, 2003 for Altonéo Audit.

At December 31, 2023, Deloitte & Associés was in its 12th straight year as Statutory Auditors and Altonéo Audit in its 21st year, including 11 years since the Company's securities were admitted to trading on a regulated market.

Responsibilities of Management and of those tasked with corporate governance regarding the consolidated financial statements

Management is responsible for drawing up consolidated financial statements that give a true and fair view, in line with the IFRS framework as adopted by the European Union, along with establishing whatever internal controls it feels are necessary to prepare consolidated financial statements that are free from material misstatements, whether due to fraud or errors.

When preparing consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, where necessary presenting in these financial statements the relevant information on the going concern basis and for applying this basis except where there are plans to liquidate the Company or cease operating.

The Audit Committee is responsible for monitoring the process for preparing financial information and for effectively monitoring the internal control and risk management systems, and where necessary the internal audit system, with respect to the procedures used to prepare and process accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors regarding the auditing of the consolidated financial statements

Objective and audit approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatements. Reasonable assurance is a high level of assurance although there can be no guarantees that an audit done in accordance with professional standards will systematically identify any material misstatement. Misstatements may stem from fraud or errors and are considered material when it can be reasonably expected that, taken on their own or together, they could influence the financial decisions made by users of the financial statements on the basis thereof.

As stated in Article 823-10-1 of the French Commercial Code, our statutory auditing of the financial statements in no way guarantees the viability or quality of the management of your Company.

In the course of an audit done in accordance with professional standards applicable in France, the Statutory Auditors exercise their professional judgment throughout the audit. Furthermore:

- They identify and assess the risks that the consolidated financial statements contain material misstatements, whether caused by fraud or error, define and implement audit procedures in response to these risks, and gather whatever evidence they feel is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement caused by fraud is higher than a material misstatement caused by error, because fraud implies collusion, falsification, deliberate omissions, false statements or the circumvention of internal control;

- They review the relevant internal controls for the audit in order to define the appropriate audit procedures in the circumstances, and not with a view to expressing an opinion as to the effectiveness of internal control;
- They assess the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates made by Management, along with the information on them provided in the consolidated financial statements;
- They assess the appropriateness of Management's application of the going concern basis and, based on the audit evidence collected, whether or not there is a significant uncertainty regarding the events or circumstances likely to imperil the Company's ability to continue as a going concern. This assessment is based on the audit evidence collected up to the date of its report, it nevertheless being recalled that subsequent circumstances or events may imperil the going concern basis. If they conclude that there is significant uncertainty, they draw the attention of readers of their report on the information provided in the consolidated financial statements to this uncertainty or, of such information is not provided or is not relevant, they issue a qualified opinion or decline to certify;
- They assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying transactions and events such that they provide a true and fair view;
- with respect to the financial information pertaining to consolidated entities, they collect whatever audit evidence they feel is sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, oversight and carrying out of the audit of the consolidated financial statements as well as for the opinion expressed on these financial statements.

Report of the Audit Committee

We provide the Audit Committee with a report that in particular presents the scope of the audit work and the work program undertaken, along with the findings of our work. We also make it aware, where necessary, of significant weaknesses in internal control that we identified in the procedures pertaining to the preparation and processing of accounting and financial information.

The report to the Audit Committee includes, among other things, the risks of material misstatements that we feel are most significant for the audit of the consolidated financial statements for the period and that in this respect constitute key audit matters, which we are required to detail in this report.

We also provide the Audit Committee with the declaration required under Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as specified in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where necessary, we discuss with the Audit Committee risks impacting our independence and the safeguards put in place.

Paris and Paris La Défense, March 25, 2024

The Statutory Auditors

Altonéo Audit	**Deloitte & Associés**
Julien Malcoste	Frédéric Neige

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5.1 ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

5.1.1 Statement of financial position

BALANCE SHEET ASSETS

				12/31/2023	12/31/2022
(€k)	Notes	Gross	Amort., depr. & impair.	Net	Net
Intangible assets	1	12,024	6,297	5,727	4,914
Tangible assets	1	11,640	8,504	3,136	2,518
Financial assets	2	71,857	97	71,760	71,789
Non-current assets		**95,521**	**14,898**	**80,623**	**79,222**
Inventories and work in progress	3	14,900	1,690	13,210	8,646
Advances and down-payments to suppliers	4	10	-	10	16
Customers	4	17,801	-	17,801	11,041
Other receivables	4	30,818	-	30,818	15,511
Prepaid expenses	8	858	-	858	197
Treasury shares	5	68	-	68	78
Cash & cash equivalents	5	18,322	-	18,322	15,604
Current assets		**82,777**	**1,690**	**81,087**	**51,095**
Accruals and other assets		636	-	636	77
TOTAL ASSETS		**178,934**	**16,588**	**162,346**	**130,393**

BALANCE SHEET LIABILITIES

		12/31/2023	12/31/2022
(€k)	Notes	Net	Net
Capital		13,401	13,216
Additional paid-in capital		114,415	114,003
Other reserves and retained earnings		(22,553)	(31,193)
Profit (loss) for the period		2,853	8,776
Shareholders' equity	**9**	**108,116**	**104,801**
Proceeds from issues of equity securities		46	-
Provisions for liabilities and charges	11	2,132	1,893
Loans and financial debt	10	38,082	3,981
Trade payables and related accounts	10	10,486	15,393
Taxes, social security contributions and similar payables	10	2,153	3,232
Deferred income	8	1,031	817
Accruals and other liabilities		300	276
TOTAL LIABILITIES		**162,346**	**130,393**

INCOME STATEMENT

(€k)	Notes	12/31/2023	12/31/2022
Revenue	**1**	**64,153**	**49,930**
Other operating income	1	5,074	6,002
Operating reversals and expense transfers		746	1,814
Operating income		**69,973**	**57,745**
Purchases and changes in inventories		(28,840)	(22,473)
Outside services	2	(26,864)	(21,329)
Taxes and duties		(272)	(240)
Payroll costs	6	(7,788)	(7,523)
Other operating expenses		(889)	(768)
Operating allowances		(3,413)	(2,089)
Operating expenses		**(68,066)**	**(54,423)**
Operating profit (loss)		**1,907**	**3,322**
Financial income		1,648	2,109
Financial expenses		(1,435)	(545)
Financial allowances and reversals		(559)	3,427
Financial profit (loss)	**3**	**(346)**	**4,991**
Pre-tax current profit (loss)		**1,561**	**8,313**
Non-recurring income		61	42
Non-recurring expenses		(272)	(274)
Non-recurring profit (loss)	**4**	**(211)**	**(232)**
Current tax	5	(22)	(854)
Research Tax Credit	5	1,525	1,549
Net profit (loss) for the period		**2,853**	**8,776**

5.1.2 Highlights of the year and subsequent events

Founded in 2003, the Company designs, develops and markets optical transponders that are designed to convert electrical impulses into optical signals transmitted through optical fibers.

Highlights of the year

Full-year sales were ahead of the target set for the Optical Transport segment. 2023 was marked by a number of commercial successes, both in the United States and in Europe. A multi-year contract was signed with German operator Deutsche Glasfaser to modernize and unify their optical transport network based on the Ekinops360 platform.

Subsequent events

No subsequent event needs to be disclosed as of the date of this report.

5.1.3 Notes to the Ekinops financial statements

The financial year runs for 12 months, from January 1, 2023 to December 31, 2023.

The notes or tables below form an integral part of the annual financial statements.

All the figures below are in thousands of euros unless specified otherwise.

Accounting principles and general conventions

(French Commercial Code – Article R. 123-196 (1) and (2); French General Chart of Accounts Article 531-1/1)

The annual financial statements are prepared in accordance with Generally Accepted Accounting Principles in France as per the provisions of the general chart of accounts, corresponding to regulation no. 2014-03 of the French Accounting Standards Board as amended.

The general accounting conventions were applied, in line with the precautionary principle, on the basis of these underlying assumptions:

- going concern;
- consistency of accounting policies from one period to the next;
- and in accordance with general rules governing the preparation and presentation of annual financial statements.

The basic method used to measure items recognized in the financial statements is the historical cost method.

Management estimates

In the course of preparing the financial statements, it is necessary to make estimates and assumptions that may affect the amounts and information provided in these financial statements.

These estimates are made by Management on a going concern basis and are prepared based on available information on the reporting date of the financial statements. These estimates may change in light of events or information that call into question the circumstances in which they were prepared and, if necessary, a sensitivity analysis may be carried out if significant. Actual results may thus differ from these estimates.

These estimates and judgements primarily involve the following items:

- the measurement of capitalized research and development costs in light of expected future economic benefits;
- the measurement of financial assets and related receivables;
- the measurement of provisions and pension liabilities.

Intangible assets

Research and development costs

Intangible assets mainly consist of project development costs.

Equipment development costs are capitalized, offset by capitalized production, once the criteria for capitalization are satisfied.

The criteria for capitalizing development costs are as follows:

- technical feasibility of the asset;
- intention to complete the asset and use or sell it;
- ability to use or sell the asset;
- ability to reliably measure the asset's expenses.
- likelihood that the intangible assets will generate economic benefits;
- availability of financial resources to complete the asset;
- ability to reliably measure the asset's expenses.

These development costs include gross salaries and social security charges for employees who worked on these applications and are calculated pro rata to the time they worked on them plus a proportion of the indirect costs. The costs of service providers involved on these projects are also factored in.

Depreciation and amortization begins as from the moment the equipment is marketed.

Development costs for which amortization has not begun as of the end of the financial year are presented as "Ongoing development costs."

The useful life of these development costs is estimated at four years, and the equipment is depreciated and amortized on a straight-line basis over this period.

At each reporting date, an impairment loss is recognized where the asset value falls below the net book value. The asset value is calculated on the basis of the value in use on the reporting date and takes account of changes in the equipment's commercial performance plus technological developments.

Patents, software

Software is measured at acquisition cost (purchase price and incidental costs).

Depreciation and amortization is calculated on a straight-line basis over the anticipated life:

Software	1 to 6 years
Patents	3 years

Tangible assets

Tangible assets are measured at their acquisition cost (purchase price and incidental costs) or at their production cost for certain items produced internally (primarily demo equipment) for which production has been capitalized.

Depreciation and amortization is calculated on a straight-line basis over the anticipated life:

Technical facilities	10 years
Equipment and tools	4 years
Office and IT equipment	3 years
Demo equipment and development	4 years
Office equipment	5 years
Improvements	10 years

Financial assets

Financial assets are recognized at their historical acquisition cost or their contribution value.

Equity securities and related receivables are estimated at year-end, and a provision for impairment is recognized if there is a significant difference between the value in use and the acquisition value.

The value in use of the equity securities and related receivables is assessed independently by the investee and reflects any unrealized losses on the assets owned. The value in use is determined on the basis of the proportion of shareholders' equity of the subsidiary or the discounting of forecast cash flows.

Other financial assets are recognized in the balance sheet at their acquisition cost less incidental costs. When the value in use falls below the gross amount, a provision for impairment is recognized for the difference.

Inventories

Inventories are measured at the lower of cost and their net realizable value. The cost is the cost price. This is calculated using the weighted average unit cost method.

Inventories purchased in foreign currencies are measured at the historical rates. When determining the cost price, the following items are added to inventories:

- the purchase price plus forwarding costs, calculated on the basis of shipping costs, customs and other purchase costs;
- direct production and handling expenses.

A provision for impairment is funded on a case-by-case basis if the asset value is less than the book value. This is particularly the case when inventories are recorded for an amount greater than the amount that the company expects to obtain from their sale or use. The cost of inventories may also not be recoverable if those inventories are damaged, if they have become fully or partially obsolete, or if their selling price has declined.

Estimates of net realizable value take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm the conditions existing at the end of the period.

Trade receivables and related accounts

Receivables are measured at their nominal/face value. Allowances for the impairment of receivables are measured specifically based on the risk of non-payment.

Other receivables and payables

Other receivables and payables are recognized at their nominal/face value. Provisions for impairment are funded for receivables showing risks of non-payment.

Cash & cash equivalents

Cash & cash equivalents consists of readily available cash resources.

Readily available cash resources denominated in foreign currencies are translated into euros at the closing rate prior to the reporting date.

Investment securities are measured at their acquisition cost. When the asset value of these securities, determined on the basis of the likely trading value, namely their net asset value at the reporting date, falls below their acquisition cost, a provision for impairment is recognized for the difference.

Translation differences were recognized directly in profit (loss) for the period under foreign exchange gains and losses.

Provisions for liabilities and charges

Provisions for liabilities and charges are funded in line with the accounting principles and CRC Regulation 00-06 on liabilities.

Funded provisions for liabilities and charges represent liabilities that meet the following criteria:

- the amount or timing is not specifically determined;
- the negative economic impact for the Company, namely that this liability looks like an obligation for the Company to a third party that is likely or certain to result in an outflow of resources to said third party, without at least equivalent consideration being expected from it;
- the obligation giving rise to the funding of the provision for liabilities and charges originates during the period and exists at the reporting date.

The provisions are measured, on a case-by-case basis, having regard to the risk and the grounds for the claims.

Provision for warranty

A provision is established for expenses to be incurred in future years for warranties on equipment sold.

The incurred costs include labor, travel, and spare parts.

Provision for retirement indemnities

The Company has been funding retirement indemnities that it must pay to an employee who is retiring. A provision is funded for the entitlements accruing having regard to the length of service of the employee, the likelihood they will retire at the company and, as the case may be, the present value of the funds paid over to the recognized bodies. The calculation is based on an actuarial method that factors in staff turnover, wage increases and age at retirement.

The actuarial assumptions at December 31, 2023 were as follows:

Actuarial assumptions	**12/31/2023**	**12/31/2022**
Retirement age	65 years	65 years
Discounting rate	3.17%	3.77%
Employer contribution rates	47.0%	47.0%
Rate of salary increases	2.00%	4.00%
Employee turnover		
Under 25	10.0%	10.0%
25-30 years	10.0%	10.0%
30-35 years	25.0%	25.0%
35-40 years	15.0%	15.0%
40-45 years	2.0%	2.0%
45-50 years	2.0%	2.0%
50-55 years	2.0%	2.0%
Over 55 years	0.0%	0.0%
Mortality table	**TGHF05**	**TGHF05**

The income statement includes expenses for the period relating to the increase in the obligation, the financial cost, the actuarial gains and losses as well as past service cost.

Subsidies

Subsidies received are recognized in shareholders' equity if they are for capitalized development projects, and in the income statement for projects that have not been capitalized.

Subsidies recognized in shareholders' equity are reversed in tandem with the depreciation and amortization of the asset to which they relate.

Foreign currency transactions and translation adjustments

Payables, receivables, cash & cash equivalents denominated in foreign currencies are recognized on the balance sheet at their exchange value using the closing rate for the period. The difference resulting from the discounting of foreign currency payables and receivables at this final closing rate is carried on the balance sheet under "Translation adjustments".

A provision for liabilities is funded for all non-offset unrealized foreign exchange losses.

Revenue recognition

The revenue generated by the Company includes both the sale of equipment for optical telecommunications networks and service contracts:

- Sale of equipment: the equipment marketed by the Company is generally sold on the basis of customer purchase orders containing fixed and determinable prices, with no right of return or significant post-delivery obligations outside the general terms and conditions of sale.Revenue is recognized when the risk is transferred.Where sales are preceded by shipping the equipment to client sites for testing, revenue is recognized once the client approval period is over;
- Revenue from service activities: delivered services relate mainly to maintenance contracts, warranty extensions, and installation services. Revenue from installation services is recognized over the period during which the services are rendered. Revenue corresponding to service contracts (mainly maintenance and warranty extension) is recognized on a straight-line basis over the effective duration of the contracts. The share of service contracts not relating to the current financial period is recognized in deferred income.

5.1.4 Notes to the statement of financial position and income statement

Notes to the statement of financial position

Note 1 - Tangible assets and intangible assets

Gross values

(€k)	Gross value at the start of the period	Increases	Reclassifications	Reductions	Gross value at the end of the period
Intangible assets					
Development costs	5,140	3	4,424	(232)	9,335
Development costs in progress	4,011	2,032	(4,424)	(35)	1,584
Assets in progress	-	-	-	-	-
Patents and software	1,084	20	-	-	1,104
Subtotal	**10,236**	**2,055**	**-**	**(267)**	**12,024**
Tangible assets					
Plant and machinery	8,983	1,290	-	-	10,273
Other fixtures, fittings and facilities	188	184	-	-	372
Office and IT equipment, furniture	724	119	-	-	843
Assets in progress	-	152	-	-	152
Subtotal	**9,895**	**1,745**	**-**	**-**	**11,640**
Total	**20,131**	**3,800**	**-**	**(267)**	**23,664**

Depreciation & amortization

(€k)	Gross value at the start of the period	Increases	Reductions	Gross value at the end of the period
Intangible assets				
Development costs	4,303	1,008	(71)	5,240
Patents and software	1,018	38	-	1,056
Subtotal	**5,322**	**1,046**	**(71)**	**6,297**
Tangible assets				
Plant and machinery	6,659	1,012	-	7,671
Other sundry fixtures, fittings and facilities	144	18	-	162
Office and IT equipment, furniture	575	96	-	671
Subtotal	**7,378**	**1,126**	**-**	**8,504**
Total	**12,700**	**2,172**	**(71)**	**14,801**

Net values

(€k)	Start of the period	Changes during the period	End of the period
Intangible assets			
Development costs	837	3,258	4,095
Development costs in progress	4,011	2,427	1,584
Patents and software	66	(18)	48
Subtotal	**4,914**	**813**	**5,727**
Tangible assets			
Plant and machinery	2,323	279	2,602
Other sundry fixtures, fittings and facilities	43	167	210
Office and IT equipment, furniture	148	24	172
Assets in progress	-	152	152
Subtotal	**2,514**	**622**	**3,136**
Total	**7,428**	**1,435**	**8,863**

Note 2 - Financial assets

(€k)	Gross value at the start of the period	Increases	Reductions	Gross value at the end of the period
Financial assets				
Ekinops Corp. securities	97	-	-	97
Ekinops France securities	60,388	-	-	60,388
Ekinops Brasil securities	11,089	-	-	11,090
Loans and other financial assets	311	-	(29)	282
Gross value	**71,885**	**-**	**(29)**	**71,857**
Financial assets				
Ekinops Corp. securities	97	-	-	97
Provision	**97**	**-**	**-**	**97**
Financial assets				
Ekinops France securities	60,389	-	-	60,388
Ekinops Brasil securities	11,090	-	-	11,090
Loans and other financial assets	311	-	(29)	282
Net value	**71,789**	**-**	**(29)**	**71,760**

All allowances and reversals are recognized during the period under financial income (expense).

Note 3 - Inventories

Inventories break down as follows:

(€k)	12/31/2023	12/31/2022
Gross inventory	14,900	9,485
Inventory impairment	(1,690)	(838)
Net value of inventories	**13,210**	**8,646**

As a result of market trends that have left some products with no sales prospects, and since some products are reaching the end of their useful life, the Group increased its inventory write-downs.

Note 4 - Schedule of receivables

(€k)	Gross amount	Up to 1 year	Over 1 year
Non-current assets			
Loans and other financial assets	282	-	282
Current assets			
Trade receivables and related accounts	17,801	17,801	-
Social security and other social welfare bodies	138	138	-
Tax credits	4,021	1,181	2,840
Other taxes, duties and similar levies	2,165	2,165	-
Advances and down-payments to suppliers	10	10	-
Current accounts	24,493	24,493	-
Prepaid expenses	858	858	-
Total	**49,769**	**46,646**	**3,122**

The Research Tax Credit relate to receivables arising in 2022 and 2021.

Sundry receivables mainly consist of financial current accounts vis-à-vis other Group companies.

Following the €100m financing facility obtained, the associated fees and commissions are recorded as prepaid expenses on a straight-line basis over the term of the loan.

Note 5 - Cash & cash equivalents

(€k)	12/31/2023	12/31/2022
Bank accounts	18,322	15,507
Market making agreements	68	176
Total	**18,390**	**15,682**

In April 2013, the Company signed a liquidity contract with the bank Gilbert Dupont so that it could engage in market making for Ekinops securities. At the outset of the agreement, Ekinops made €100,000 in cash available for the agreement. An additional contribution of €150,000 was made on April 6, 2021. At December 31, 2023, cash available in the account at Gilbert Dupont set aside for the agreement amounted to €118,047. The number of treasury shares stood at 11,678 with a total value of €68,433.

Note 6 - Accrued income

(€k)	12/31/2023	12/31/2022
Trade receivables and related accounts	-	946
State	853	-
Other receivables	125	-
Total	**978**	**946**

Note 7 - Accrued liabilities

(€k)	12/31/2023	12/31/2022
Trade payables and related accounts	2,266	7,805
Taxes and social security contributions payable	1,495	2,070
Total	**3,761**	**9,874**

Note 8 - Prepaid expenses and deferred income

Prepaid expenses	12/31/2023	12/31/2022
Operating expenses	858	197
Total	**858**	**197**

Following the €100m financing facility obtained, the associated fees and commissions are recorded as prepaid expenses on a straight-line basis over the term of the loan.

Deferred income	12/31/2023	12/31/2022
Operating income	1,031	817
Total	**1,031**	**817**

Deferred income solely consists of revenue from service (maintenance) activities that is deferred in the accounting rules and methods.

Note 9 - Share capital

Share capital and share premiums

At December 31 2023, the capital of the parent consisted of 26,801,716 fully paid up common shares with a nominal unit value of €0.50.

The table below shows the changes in the capital of Ekinops SA over the two periods presented:

Type of transaction	Capital	Number of shares created	Nominal value
At 12/31/2021	**€12,916,333**	**25,832,666**	**€0.50**
Capital increases following exercise of options	€141,646	283,292	€0.50
Capital increases following bonus share awards	€157,564	315,128	€0.50
At 12/31/2022	**€13,215,543**	**26,431,086**	**€0.50**
Capital increases following exercise of options	€49,399	98,797	€0.50
Capital increases following bonus share awards	€135,917	271,833	€0.50
At 12/31/2023	**€13,400,858**	**26,801,716**	**€0.50**

Change in shareholders' equity

Shareholders' equity changed as follows:

(€k)	12/31/2023	12/31/2022
Shareholders' equity at the end of the previous period prior to appropriation of earnings	**96,025**	**91,361**
Appropriation of earnings of prior periods to shareholders' equity by the General Meeting	8,776	3,474
Shareholders' equity at the beginning of the period	**104,801**	**94,835**
Changes during the period:		
Change in share capital	185	299
Changes in premiums, reserves, retained earnings	277	891
Shareholders' equity at the end of the period before earnings	**105,263**	**96,025**
Profit (loss) for the period	**2,853**	**8,776**
Shareholders' equity at the end of the period including earnings, prior to appropriation	**108,116**	**104,801**

Securities giving access to the capital

Stock options (OSA)

The table below shows, for all outstanding options, the movements, strike price, fair value of the underlying on the grant date and remaining life:

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Closing new potential shares	Exercise price	Remaining contractual life
06/19/2014	176,593	-	(74,975)	-	101,618	€5.07	0.5 year
07/29/2019	62,500	-	(10,167)	-	52,333	€3.66	5.6 years
05/27/2021	67,500	-	(1,875)	(5,000)	60,625	€6.53	7.4 years
07/26/2023	-	17,000	-	-	17,000	€7.14	9.6 years
Total stock options (OSA)	**306,593**	**-**	**(87,017)**	**(5,000)**	**231,576**	**N/A**	**N/A**

Founder warrants (Bons de création d'entreprise)

The table below shows, for all outstanding founder warrants, the movements, strike price, fair value of the underlying on the grant date and remaining life:

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Closing new potential shares	Exercise price	Remaining contractual life
02/25/2013	15,810	-	(11,780)	(4,030)	-	€4.31	N/A
Total founder warrants (BCE)	**15,810**	**-**	**(11,780)**	**(4,030)**	**-**	**N/A**	**N/A**

Bonus share awards

The table below details all bonus share awards in the process of vesting:

	Starting new potential shares	Awarded during the period	Acquired during the period	Canceled or lapsed during the period	Closing new potential shares
06/13/2018	57,500	-	(57,500)	-	-
03/02/2021	406,666	-	(214,333)	-	192,333
05/27/2021	269,334	-	-	(33,334)	236,000
05/25/2022	54,750	-	-	-	54,750
Total bonus shares awarded (AGA)	**788,250**	**-**	**(271,833)**	**(33,334)**	**483,083**

Summary of movements

	Starting new potential shares	Awarded during the period	Exercised or acquired during the period	Canceled or lapsed during the period	Closing new potential shares
Stock options (OSA)	306,593	17,000	(87,017)	(5,000)	231,576
Startup warrants (BCE)	15,810	-	(11,780)	(4,030)	-
Bonus shares awarded (AGA)	788,250	-	(271,833)	(33,334)	483,083
Grand total	**1,110,653**	**17,000**	**(370,630)**	**(42,364)**	**714,659**

Note 10 - Schedule of payables

(€k)	Gross amount	Up to 1 year	From 1 to 5 years	Over 5 years
Loans and financial debt	38,082	27,717	10,365	-
Trade payables and related accounts	10,486	10,486	-	-
Employee-related liabilities	987	987	-	-
Social security and other social welfare bodies	792	792	-	-
Other taxes, duties and similar levies	174	174	-	-
Amounts payable on non-current assets and related accounts	130	130	-	-
Other debts	71	71	-	-
Deferred income	**1,030**	**1,030**	**-**	**-**
Total	**51,752**	**41,387**	**10,365**	**-**

Financial debt includes €26.2m of intra-group debt.

Note 11 - Provisions (excluding non-current assets)

(€k)	Start of the period	Allowances during the period	Reductions		End of the period
			Reversals used	Reversals not used	
Provisions for liabilities and charges					
Provisions for guarantees given to customers	642	289	-	(202)	729
Provisions for foreign exchange losses	77	635	-	(76)	636
Provisions for pensions and obligations	490	-	-	(131)	359
Provisions for other liabilities and charges	684	75	(351)	-	408
Subtotal	**1,893**	**999**	**(351)**	**(409)**	**2,132**
Impairment losses					
o/w inventories and work in progress	838	877	(25)	-	1,690
Subtotal	**838**	**877**	**(25)**	**-**	**1,690**
Total	**2,732**	**1,876**	**(376)**	**(409)**	**3,822**
o/w operating profit (loss)	*2,655*	*1,241*	*(376)*	*(333)*	*3,187*

Notes to the income statement

Note 12 - Operating income

Revenue by category

(€k)	12/31/2023	12/31/2022
Sales of goods produced	40,628	33,482
Sales of services produced	23,525	16,448
Total	**64,153**	**49,930**

Revenue by region

(€k)	12/31/2023	12/31/2022
France	15,420	11,178
Other	48,733	38,752
Total	**64,153**	**49,930**

Other operating income

(€k)	12/31/2023	12/31/2022
Capitalized production R&D	2,747	3,568
Subsidies	1,744	1,396
Other income	583	1,037
TOTAL	**5,074**	**6,002**

Subsidies

During the period, the Company received financing as part of development projects, both collaborative and not. These subsidies were recognized in the income statement. The revenue from these subsidies is recognized in the income statement based on the progress of the research project.

Embrace grant: the Company obtained a grant from the Brittany Region of €217,441 for the Embrace project: "The development of an optical transport system offering greater bandwidth". The program was initially scheduled to last 36 months from January 2, 2021 to January 2, 2024. The duration of the program has been extended to 46 months, running from January 2, 2021 to November 2, 2024.

NGOpt grant: the Company obtained a grant from BPI France of €1,427,691 for the NGOpt project: "Strengthen a French player in the optical transport sector and achieve independence and sovereignty in the supply of transport networks for 5G traffic and beyond". The program was initially scheduled to last 36 months from April 7, 2021 to April 1, 2024.

Doper grant: the company received a grant from Bpifrance of €5,848 for the Doper project: "Deployment of ultra-fast and reconfigurable optical engines for optical transport". The program was initially scheduled to last 24 months from January 1, 2021 to December 31, 2022. A six-month extension was obtained, bringing the end of the program to January 1, 2025.

Simbade grant: the company received a grant from Bpifrance of €45,575 for the Simbade project: "Development of new doped fiber optical amplifiers to extend the use of current optical fibers on the O, E and S bands". The program was initially scheduled to last 36 months from May 1, 2022 to May 1, 2025.

In short, the amounts pertaining to these subsidies were as follows:

(€k)	Overall grant	Progress at 12/31/2023	Revenue recognized in 2023
Embrace	562	81%	217
NGOpt	3,626	95%	1,427
Doper	63	37%	6
Simbade	210	28%	46
Total	**4,460**		**1,696**

Note 13 - Other external purchases and expenses

(€k)	12/31/2023	12/31/2022
General subcontracting	125	149
Maintenance and repairs	414	330
Insurance	186	150
Transport of equipment, groupage	726	477
Finance leases, rental and lease expenses	275	260
Fees and contract employees	1,685	1,325
Travel and entertainment	311	225
Group chargebacks	22,246	16,692
Other external expenses	896	1,721
Total	**26,864**	**21,329**

Note 14 - Financial profit (loss)

(€k)	12/31/2023	12/31/2022
Interest income	1,567	397
Foreign exchange gains	81	1,712
Total financial income	**1,648**	**2,109**
Foreign exchange losses	(59)	(321)
Interest expenses	(1,376)	(224)
Total financial expenses	**(1,435)**	**(545)**
Net allowances for impairment of securities and related receivables	(635)	(77)
Net allowances for provisions for foreign exchange losses	76	3,503
Total financial allowances and reversals	**(559)**	**3,427**
Financial profit (loss)	**(346)**	**4,991**

Note 15 - Tax

Current tax

The income tax payable for the period ended December 31, 2023 amounted to €21,394.

Research and innovation tax credit

The research tax credit recognized for 2023 amounted to €1,525,808.

Increase/reduction in future tax liabilities

In terms of reducing future tax liabilities, the balance of tax loss carryforwards was €40,255k at December 31, 2023.

Note 16 - Headcount at December 31, 2023

	2023	2022
Senior management	72	63
Supervisors and technicians	6	8
Employees	6	5
Seconded	13	12
Total	**96**	**88**

Note 17 - Remuneration of executive officers

The remuneration of the executive officer for 2023 is estimated at €591,332.

Note 18 - Related-party transactions

All the sums below relate to the Ekinops Corporation, Ekinops France and Ekinops Brasil subsidiaries.

Items relating to affiliates and shareholdings

Line items	Amount
Shareholdings	71,576
Other financial income	1,135

Note 19 - Statutory Auditors' fees

(€k)	12/31/2023	12/31/2022
Deloitte & Associés	**52**	**49**
> *Statutory auditing*	*52*	*49*
> *Special assignments*	-	-
Altoneo Audit	**34**	**32**
> *Statutory auditing*	*34*	*32*
> *Special assignments*	-	-
TOTAL	**85**	**81**

Other information

Off-balance-sheet items

✓ *Lease commitments*

The material lease commitments are those relating to real estate leases, the minimum future payments for which are set out in the table below:

(€k)	less than 1 year	1 to 5 years	more than 5 years	Total
Operating leases - Minimum future payments	**144**	**277**	**202**	**623**

✓ *Other commitments*

The Group outsources the manufacturing of its equipment to its partners. Orders for manufacturing finished products are launched on the basis of firm customer orders. In addition, the Company orders components or semi-finished products from these same subcontractors in order to be able to demonstrate commercial responsiveness. The Company therefore has a commitment to take back these inventories up to a certain limit.

The amount of this commitment relating to inventories of components and semi-finished products is estimated at €7.3m as of December 31, 2023.

Table of subsidiaries and shareholdings

Table of subsidiaries and shareholdings	Share capital	Reserves and retained earnings	Percentage of capital owned	Gross value of securities owned	Net value of securities owned	Loans and advances granted	Guarantees and endorsements given by the Company	Revenue (excl. tax) for the period ended	Profit (loss) for the period ended	Dividends received
A) Detailed information on subsidiaries and shareholdings										
Subsidiaries (over 50% of the capital owned)										
Ekinops Corp. (United States)	US$102k	-US$3,468k	100%	€97k	-€k	-USDk		USD34,279k	USD1,999k	
Ekinops France	€3,161k	€42,710k	100%	€60,389k	€60,389k	€3,066k		€87,975k	€1,667k	
Ekinops Brasil	BRL42,398k	-BRL20,256k	100%	€11,090k	€11,090k	€740k		BRL12,125k	-BRL5,417k	
Shareholdings (10 to 50% of the capital owned)										

5.2 STATUTORY AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended December 31, 2023

To the shareholders of Ekinops,

Opinion

In accordance with our appointment as Statutory Auditors by the sole Partner and General Meeting, we audited the accompanying annual financial statements of Ekinops for the period ended December 31, 2023.

We certify that the annual financial statements were prepared in accordance with generally accepted accounting principles in France and provide a true and fair view of the results of the operations for the period ended as well as of the Company's financial position and assets and liabilities at the end of said period.

The opinion set out below is consistent with the terms of our report to the Audit Committee.

Basis of the opinion

Audit standards

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

Our responsibilities under these standards are set out in the section entitled "Responsibilities of the Statutory Auditors in auditing annual financial statements" of this report.

Independence

We carried out our audit in accordance with the rules on independence set out in the French Commercial Code and the Code of Ethics for Statutory Auditors over the period from January 1, 2023 to the date on which our report was issued, and in particular we did not provide any services prohibited by Article 5 (1) of EU Regulation no. 537/2014.

Basis for assessment - Key audit matters

Pursuant to the provisions of Articles L.823-9 and R. 823-7 of the French Commercial Code on the basis for our assessment, we make you aware of key audit matters pertaining to risks of material misstatements that, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the period, along with our responses to these risks.

The resulting assessments fed in to the audit of the annual financial statements as a whole and to forming our opinion as set out above. We do not express any opinion on the components of these annual financial statements taken separately.

Measurement of equity securities and related receivables

(Notes "Accounting principles and general conventions - Financial assets" and 2 "Financial assets" to the financial statements of the parent company)

Risk identified

At December 31, 2023, the value of the equity securities and related receivables, recognized at acquisition cost, was €71.8m. €0.1m in impairment was recognized on these assets.

At each reporting date, Management carries out an impairment test leading to the recognition of an impairment loss if the value in use of the equity securities is less than their book value. The measurement of the value in use of the equity securities is done using a multi-criterion approach (results of the subsidiary over the period, budgets and growth outlook, operating performance trend, operating cash-flow of the subsidiary at the reporting date), or is determined on the basis of the proportion of shareholders' equity.

We consider the measurement of the equity securities and related receivables to be a key audit matter because of:

- their materiality in the Ekinops financial statements;
- the judgments and assumptions required to determine their value in use, based on the use of forecasts, which are by their nature uncertain, as part of the multi-criterion approach;
- the judgments and assumptions needed to determine the recoverable amount of receivables.

Our response

We checked that the methodology used by Ekinops is justified for each equity security line. Our work in particular consisted of:

- reviewing the process used by the Company to measure the value in use of the equity securities and the recoverable amount of the related receivables along with the controls put in place;
- where necessary, checking that the shareholders' equity used matches the financial statements of the entities, comparing the proportion of shareholders' equity of the subsidiaries with the net book value of the securities and related receivables;
- where necessary, assessing the reasonableness of the data and assumptions on which the value in use estimate is based, in particular comparing the latter with the data used for the purposes of the goodwill impairment test;
- assessing whether the related receivables are recoverable in light of the analyses done on the equity securities;
- checking the appropriateness of the financial information provided in the notes to the financial statements of the parent company.

Specific checks

In line with professional standards applicable in France, we also carried out the specific checks required by law and regulation.

Information provided in the management report and in the other documents on the financial position and the annual financial statements sent to shareholders

We have no comments on the fairness and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the other documents on the financial position and the annual financial statements sent to shareholders.

We certify as to the fairness and consistency with the annual financial statements of the information on payment periods referenced in Article D. 441-6 of the French Commercial Code.

Corporate governance report

We certify that the report of the Supervisory Board on corporate governance contains the information required pursuant to Articles L.225-37-4 of the French Commercial Code.

With respect to the information provided pursuant to Article L. 22-10-9 of the French Commercial Code on the remuneration and benefits paid or awarded to corporate officers and to the commitments made to them, we checked its consistency with the financial statements or the data used to prepare these financial statements and where necessary, with the information collected by your Company from companies controlled by it that are within the scope of consolidation. In light of this work, we certify the accuracy and fairness of this information. In light of this work, we certify the accuracy and fairness of this information.

Other checks or information required by law and regulation

Format of presentation of the annual financial statements intended for inclusion in the annual financial report

We also checked, in accordance with professional standards governing the work of Statutory Auditors on annual and consolidated financial statements presented using the European Single Electronic Format, compliance with this format defined by Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018 in the presentation of the annual financial statements intended for inclusion in the consolidated financial report referenced in Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the CEO. In the case of the consolidated financial statements, our work includes checking the compliance of the tagging of these financial statements with the format defined by the aforementioned regulation.

In light of our work, we conclude that the presentation of the consolidated financial statements intended for inclusion in the annual financial report complies, in all material respects, with the European Single Electronic Format.

Owing to the technical limits inherent in the macro-tagging of the consolidated financial statements using the single European electronic format, it is possible that the content of certain tags in the notes accompanying the financial statements may not be reproduced in an identical way to how they are presented in the current report.

It is not our responsibility to check that the consolidated financial statements that will actually be included by your Company in the annual financial report filed with the AMF actually correspond with those on which we worked.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Ekinops by the General Meeting of February 25, 2013 for Deloitte & Associés and of January 3, 2003 for Altonéo Audit.

At December 31, 2023, Deloitte & Associés was in its 12th straight year as Statutory Auditors and Altonéo Audit in its 21st year, including 11 years since the Company's securities were admitted to trading on a regulated market.

Responsibilities of Management and of those tasked with corporate governance regarding the annual financial statements

Management are responsible for drawing up annual financial statements that give a true and fair view, in line with generally accepted accounting principles in France, along with establishing whatever internal controls it feels are necessary to prepare annual financial statements that are free of material misstatements, whether due to fraud or errors.

When preparing annual financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, where necessary presenting in these financial statements the relevant information on the going concern basis and for applying this basis except where there are plans to liquidate the Company or cease operating.

The Audit Committee is responsible for monitoring the process for preparing financial information and for effectively monitoring the internal control and risk management systems, and where necessary the internal audit system, with respect to the procedures used to prepare and process accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors regarding the auditing of the annual financial statements

Objective and audit approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free from material misstatements. Reasonable assurance is a high level of assurance although there can be no guarantees that an audit done in accordance with professional standards will systematically identify any material misstatement. Misstatements may stem from fraud or errors and are considered material when it can be reasonably expected that, taken on their own or together, they could influence the financial decisions made by users of the financial statements on the basis thereof.

As stated in Article 823-10-1 of the French Commercial Code, our statutory auditing of the financial statements in no way guarantees the viability or quality of the management of your Company.

In the course of an audit done in accordance with professional standards applicable in France, the Statutory Auditors exercise their professional judgment throughout the audit. Furthermore:

- They identify and assess the risks that the annual financial statements contain material misstatements, whether caused by fraud or error, define and implement audit procedures in response to these risks, and gather whatever evidence they feel is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement caused by fraud is higher than a material misstatement caused by error, because fraud implies collusion, falsification, deliberate omissions, false statements or the circumvention of internal control;
- They review the relevant internal controls for the audit in order to define the appropriate audit procedures in the circumstances, and not with a view to expressing an opinion as to the effectiveness of internal control;
- They assess the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates made by Management, along with the information on them provided in the annual financial statements;
- They assess the appropriateness of Management's application of the going concern basis and, based on the audit evidence collected, whether or not there is a significant uncertainty regarding the events or circumstances likely to imperil the Company's ability to continue as a going concern. This assessment is based on the audit evidence collected up to the date of its report, it nevertheless being recalled that subsequent circumstances or events may imperil the going concern basis. If they conclude that there is significant uncertainty, they draw the attention of readers of their report on the information provided in the annual financial statements to this uncertainty or, of such information is not provided or is not relevant, they issue a qualified opinion or decline to certify;
- They assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events such that they provide a true and fair view.

Report of the Audit Committee

We provide the Audit Committee with a report that in particular presents the scope of the audit work and the work program undertaken, along with the findings of our work. We also make it aware, where necessary, of significant weaknesses in internal control that we identified in the procedures pertaining to the preparation and processing of accounting and financial information.

The report to the Audit Committee includes, among other things, the risks of material misstatements that we feel are most significant for the audit of the annual financial statements for the period and that in this respect constitute key audit matters, which we are required to detail in this report.

We also provide the Audit Committee with the declaration required under Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as specified in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where necessary, we discuss with the Audit Committee risks impacting our independence and the safeguards put in place.

Paris and Paris La Défense, March 25, 2024

The Statutory Auditors

Altonéo Audit	**Deloitte & Associés**
Julien Malcoste	Frédéric Neige

5.3 OTHER INFORMATION

5.3.1 Commentary on the results

In the period ended December 31, 2023, Ekinops SA posted revenue of €64,153k compared with €49,930k in the previous period.

Operating profit amounted to €1,907k compared with €3,322k in the previous period.

After factoring in financial expenses (€346k), non-recurring expenses (€211k), tax expenses (€22k), and a research tax credit of €1,525k, the accounting net profit was €2,853k compared with €8,776k in the previous period.

5.3.2 Activities and results of the subsidiaries and controlled companies

Ekinops Corp.

The Company wholly owns Ekinops Corporation incorporated in the State of Delaware (USA) 1209 Orange Street – Wilmington - DE 19801. This subsidiary solely focuses on marketing the Group's products and services within the Americas (primarily the US).

In 2023, Ekinops Corp. generated revenue of USD34,279k compared with USD31,242k in 2022.

Ekinops Corp. generated a profit of USD1,999k in 2023 compared with a profit of USD1,677k in 2022.

Ekinops Brasil

This company had 25 employees on December 31, 2023, compared with 29 employees on December 31, 2022. It carries out research and development for the "OTN" technology on behalf of the Group. Ekinops Brasil generated revenue of BRL12.1m over the period, identical to the 2022 level of BRL12.1.

Ekinops France

The Company currently owns 100% of the capital and voting rights of Ekinops France, a Société Anonyme with a capital of €3,160,612, with its registered office at Bâtiment South Station, 27-29 avenue Carnot - 91300 Massy, registered as number 439 441 999 with the Companies Register. Évry

Annual revenue amounted to €87,975k compared with €92,183k during the previous period.

Operating profit was €382k for 2023, compared with €6,440k in 2022.

The financial expense stood at €2,669k.

Following a non-recurring expense (€31k), a research tax credit of €3,421k and income tax expense (€64k), net profit amounted to €1,038k.

Ekinops France has the following subsidiaries:

Name	Country	Share capital	Value per share	Number of shares	Number of shares held by the Company
Ekinops Belgium NV	Belgium	€1,400,000	€1	1,400,000	1,399,999
Ekinops India PVT Ltd	India	INR100,000	INR10	10,000	9,900
Ekinops Australia Pty Ltd	Australia	$100	$1	100	100
Ekinops Espana Srl	Spain	€3,000	€1	3,000	3,000
Ekinops Deutschland Gmbh	Germany	€25,000	€1	25,000	25,000
SixSq	Switzerland	CHF100,000	CHF1	100,000	100,000

	Revenue		Profit (loss)	
(€k)	**2023**	**2022**	**2023**	**2022**
Ekinops Belgium NV	16,483	31,068	286	549
Ekinops India PVT Ltd	3,140	3,182	167	218
Ekinops Australia Pty Ltd	2,468	4,686	(25)	96
Ekinops Espana Srl	743	717	79	24
Ekinops Deutschland Gmbh	1,999	1,531	196	43
SixSq	129	234	(972)	(514)

5.3.3 Acquisition of shareholdings

In 2023, Ekinops SA acquired no significant shareholding in companies with their registered office in France.

5.3.4 Disposal of shareholdings

We inform you that the Company disposed of no shareholding over the past year.

5.3.5 Share disposals undertaken to regularize cross-shareholdings

We inform you that the Company did not have to dispose of any shares to unwind cross-shareholdings prohibited by Articles L.233-29 and L. 233-30 of the French Commercial Code.

5.3.6 Regularization of cross-shareholdings

None.

5.3.7 Trading by the Company in its own shares (purchase by the Company of its own shares to allocate them to its employees)

The Company undertook no trading it its own shares.

5.3.8 Dividends paid over the past three periods

In accordance with the provisions of Article 243 A of the French General Tax Code, we specify that no dividends were distributed over the past three periods and that there are no plans to distribute dividends for the period ended, this period accordingly not giving rise to any relief.

5.3.9 Information on payment periods

	Article D. 441-4 I 1: invoices received that are past due but not paid on the reporting date						Article D. 441-4 I 2: invoices sent that are past due but not paid on the reporting date					
(€k) - Excl. tax	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payment tranches												
Number of invoices concerned	400					96	158					32
Total amount of invoices concerned	7,844	275	49	225	2	550	16,774	332	39	54	583	1,007
Percentage of total amount of purchases over the period	14%	0%	0%	0%	0%	1%						
Percentage of revenue over the period							26%	1%	0%	0%	1%	2%
(B) Invoices excluded from (A) relating to disputed payables and receivables that have not been recognized												
Number of invoices excluded	None						None					
Total amount of invoices excluded	None						None					
(C) Reference payment terms used (contractual or statutory period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Reference payment terms used to calculate late payments	Contractual period						Contractual period					

5.3.10 Lavish spending and expenses that cannot be deducted for tax purposes

In accordance with the provisions of Article 223 C of the French General Tax Code, we inform you that the annual financial statements for the period ended show €31,259 in excess depreciation on vehicles.

5.3.11 Anti-competitive practices (Article L. 464-2 al. 5 of the French Monetary and Financial Code)

The Company is not currently subject to any proceedings or sanction pertaining to anti-competitive practices.

5.3.12 Results over the past five periods

(in €)	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
CAPITAL AT THE END OF THE PERIOD					
Share capital	13,400,858	13,215,543	12,916,333	12,731,003	12,063,839
Number of common shares outstanding	26,801,716	26,431,086	25,832,666	25,462,005	24,127,677
Maximum number of future shares to be created					
> through the conversion of bonds					
> through the exercise of subscription rights	714,659	1,100,653	1,680,360	1,405,569	2,797,023
OPERATIONS AND RESULTS					
Revenue excluding tax	64,152,740	49,929,644	39,433,782	29,353,018	24,769,353
Profit (loss) before tax, employee profit-sharing and amortization, depreciation and provisions	4,590,289	4,106,930	3,966,819	2,617,528	198,187
Income taxes	1,504,414	694,638	581,619	1,064,491	1,164,702
Employee profit-sharing for the period		-	-	-	-
Profit (loss) after tax, employee profit-sharing and amortization, depreciation and provisions	2,853,640	8,775,621	3,474,082	3,241,123	1,492,134
Profit (loss) distributed	-	-	-	-	-
EARNINGS PER SHARE					
Profit (loss) after tax, employee profit-sharing but before amortization, depreciation and provisions	0.23	0.21	0.18	0.15	0.06
Profit (loss) after tax, employee profit-sharing and amortization, depreciation and provisions	0.11	0.33	0.13	0.13	0.06
Dividend distributed to each share	-	-	-	-	-
HEADCOUNT					
Average headcount of employees during the period	96	88	72	73	71
Wage bill during the period	5,256,864	5,063,116	4,190,906	3,798,258	4,472,814
Sums paid in respect of employee benefits during the period	2,528,720	2,460,054	2,427,366	1,616,223	1,882,584

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Share capital and ownership structure

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6.1 SHARE CAPITAL

At the date of submission of this document, the Company's capital amounted to €13,497,024.5 broken down into 26,994,049 ordinary, fully paid up shares with a nominal unit value of €0.50 each.

6.1.1 Securities not representing capital

None.

6.1.2 Company share buybacks

As was the case for the Combined General Meetings of May 19, 2016, May, 12, 2017, June 13, 2018, May 21, 2019, May 28, 2020, May 27, 2021 and May 25, 2022, the Combined General Meeting of the Company held on May 24, 2023 authorized the Board of Directors, with the thirteenth resolution, to carry out a share buyback program in accordance with the provisions of Article L. 22-10-62 et seq of the French Commercial Code, the provisions of Regulation (EU) No. 596/2014 of the European Parliament and the Council of April 16, 2014, the provisions of the general Regulation of the French financial markets authority (the AMF) and market practices approved by the AMF. According to the following provisions:

Maximum number of shares that can be purchased:

- the number of Company shares purchased during the buyback program cannot exceed 10% of the shares making up the Company's share capital, at whatever time, this percentage being applied to the adjusted capital based on transactions impacting it prior to the date of the current General Meeting, it being noted that when the shares are purchased to promote liquidity in the Company share in accordance with the conditions defined by the French financial markets Authority, the number of shares being included in the calculation of the limit of 10% mentioned above corresponds to the number of shares purchased, minus the number of shares resold during the authorized period.
- the number of shares that the Company holds at whatever time cannot exceed 10% of the share capital of the Company on the date under consideration.

Objectives of share buybacks:

- to make a market and boost liquidity in the Company's shares with an investment services provider acting independently within the framework of a liquidity contract in compliance with the market practice recognized by the French financial markets authority; and/or
- honor the obligations of the share subscription, bonus share and company savings plans or any other form of allocation or transfer of shares to employees and/or the corporate officers mentioned above, in accordance with the conditions and the applicable French or foreign legal and regulatory terms and conditions; and/or
- to transfer ownership of shares at the time of exercise of the rights attached to securities giving access to the share capital; and/or
- to cancel all or some of the shares so purchased; and/or
- to conserve the shares and subsequently remit them in payment or exchange in the context of a merger, demerger or contribution; and/or
- to carry out any operation in accordance with the regulations in force; and/or
- more generally, to carry out any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a case, the Company would inform its shareholders by way of a press release.

Maximum purchase price: €18 per share, excluding expenses and commissions and potential adjustments, to take account of capital transactions.

Maximum amount of funds that can be allocated to the share buyback: €48.6m

Within the framework of the liquidity contract concluded with Gilbert Dupont, the following movements took place during fiscal 2023:

- purchase of 331 657 shares for an overall amount of €2,403,808 at an average share price of €7.25;
- sale of 329,302 shares for an overall amount of €2,344,824 at an average share price of €7.12.

At December 31, 2023, the Company held 11,678 shares in treasury at a carrying amount of €68,433, within the framework of the liquidity contract concluded with Gilbert Dupont, which, on the same date, showed a cash balance in the liquidity account of €118,047, 82.

The Company reminds that on April 1, 2021, the Company transferred a further €150,000 to Bourse Gilbert Dupont.

6.1.3 Description of the new share buyback program to be submitted for approval to the General Meeting of shareholders of May 23, 2024

The Board of Directors requests the General Meeting of shareholders on May 23, 2024, in the eleventh resolution as part of its ordinary business, to renew the authorization granted to it in previous years to carry out a share buyback in application of the provisions of Articles L. 22-10-62 et seq of the French Commercial Code, the provisions of Regulation (EU) No. 596/2014 of April 16, 2014, the provisions of the general Regulation of the French financial markets authority (the AMF) and market practices approved by the AMF.

Targets of the share buyback program

- to make a market and boost liquidity in the Company's shares with an investment services provider acting independently within the framework of a liquidity contract in compliance with the market practice recognized by the French financial markets authority; or
- honor the obligations of the share subscription, bonus share and company savings plans or any other form of allocation or transfer of shares to employees and/or the corporate officers mentioned above, in accordance with the conditions and the applicable French or foreign legal and regulatory terms and conditions; and/or
- to transfer ownership of shares at the time of exercise of the rights attached to securities giving access to the share capital; or
- to cancel all or part of the shares so purchased, in application of the 23rd resolution of the Extraordinary Shareholders' Meeting of May 23, 2024; and/or
- to conserve the shares and subsequently remit them in payment or exchange in the context of a merger, demerger or contribution; and/or
- to carry out any operation in accordance with the regulations in force; and/or
- more generally, to carry out any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a case, the Company would inform its shareholders by way of a press release.

Maximum share of capital, maximum number of shares which the Company proposes to acquire at a maximum purchase price

- The number of Company shares purchased during the buyback program cannot exceed 10% of the shares making up the Company's share capital, at whatever time, this percentage being applied to the adjusted capital based on transactions impacting it prior to the date of the current General Meeting, it being noted that when the shares are purchased to promote liquidity in the Company share in accordance with the conditions defined by the French financial markets Authority, the number of shares being included in the calculation of the limit of 10% mentioned above corresponds to the number of shares purchased, minus the number of shares resold during the authorized period.
- The number of shares that the Company holds at whatever time cannot exceed 10% of the share capital of the Company on the date under consideration.
- The maximum number of shares that can be purchased as part of the new share buyback program shall be set at 10% of the total number of shares.
- The maximum purchase price for shares within the framework of the share buyback program cannot exceed €18 per share, i.e. for indicative purposes, using the existing capital base.
- The number of shares acquired by the Company with a view to their conservation and subsequent remittance in payment or exchange within the framework of a merger, demerger or contribution transaction may not exceed 5% of its capital.

Term of the share buyback program

This authorization is valid for a period of 26 months, and shall replace the authorization of the same kind granted by the General Meeting of shareholders of May 24, 2023, pursuant to the thirteenth resolution on ordinary business.

6.1.4 Securities giving access to a share of the capital

At the date of this document, securities giving access to the capital are the following:

6.1.4.1 Founder share warrants

At present, there are no outstanding stock purchase warrants, the last plan having expired on February 25, 2023.

6.1.4.2 Stock options

The main features of the stock option plans in favor of Company employees are presented in the table below:

Title of the plan	SO Plan 2014	SO Plan 2014 US 2	SO Plan 2019 US	SO Plan 2021	SO Plan 2023
Date of General Meeting	03/21/2013	03/21/2013	07/29/2019	05/27/2021	05/24/2023
Date of the Board Meeting ruling on the allocation of stock options	06/19/2014	07/24/2014	07/29/2019	05/27/2021	07/26/2023
Total number of stock options granted [1]	243,350	46,190	150,000	90,000	17,000
of which subscribed by corporate officers:					
of which Didier Brédy	*62,000*	-	-	-	-
of which François-Xavier Ollivier	-	-	-	-	-
Number of non corporate officer beneficiaries	61	12	17	12	4
Start of strike period for stock options	01/01/2015 [2]	01/01/2017[2]	(3)	(4)	(5)
Date of expiry of stock options	06/18/2024	07/23/2024	07/29/2029	05/27/2031	07/26/2033
Strike price of stock options[1]	€5.07	€5.07	€3.66	€6.53	€7,14
Total number of shares potentially created [1]	**95,418**	**6,200**	**52,333**	**60,625**	**17,000**

(1) Considering the nominal division by two (2) on February 25, 2013 and the adjustment decisions taken by the Board of Directors following the capital increases with maintenance of preferential subscription rights.

(2) The right to exercise these stock options is governed by performance criteria and remaining employed by the company when the options are exercised which can be in the amount of one-third of the options granted on: January 1, 2015, January 1, 2016 and January 1, 2017.

(3) The right to exercise these stock options is conditional on remaining employed by the company when the options are exercised which can be in the amount of one-third of the options granted on: July 29, 2020, July 29, 2021 and July 29, 2022.

(4) The right to exercise these stock options is conditional on remaining employed by the company when the options are exercised which can be in the amount of one-quarter of the options granted on: May 27, 2022, May 27, 2023, May 27, 2024 and the remaining quarter on May 27, 2025.

(5) The right to exercise these stock options is conditional on remaining employed by the company when the options are exercised which can be in the amount of one-third of the options granted on: July 26, 2024, July 26, 2025 and July 26, 2026

6.1.4.3 Share warrants

At present, there is no longer any outstanding share warrant plan.

6.1.4.4 Bonus shares

Title of the plan	AGA (06.18)	AGA (03.21)	AGA (05.21) Tr 1	AGA (05.21) Tr 2	AGA (05.22)
Date of the Board Meeting to decided on the allocation of bonus shares	06/13/2018	03/02/2021	05/27/2021	05/27/2021	05/25/2022
Total number of bonus shares authorized	1,055,000	212,666*	269,334*	194,000*	59,750
Total number of bonus shares allocated	1,055,000	212,666	269,334	194,000	59,750
of which subscribed by corporate officers:					
> *of which Didier Brédy*	-	-	*128,000*	*97,000*	-
> *of which François-Xavier Ollivier*	-	-	-	-	-
Number of non corporate officer beneficiaries (of the warrant allocation)	11	6	6	-	9
Start date for exercising bonus share rights	(1)	(2)	(3)	(4)	(5)
Expiry date of the bonus share allocations	(1)	(2)	(3)	(4)	(5)
Number of shares already subscribed/allocated (3)	1,005,000	117,333	-	-	-
Total number of bonus share allocations awarded or lapsed	50,000	-	33,334	-	5,000
Remaining total number of bonus shares allocated	-	95,333	236,000	97,000	54,750
Total number of shares that can be subscribed	-	95,333	236,000	97,000	54,750

(*) Within the limit of a maximum amount of 2% of the share capital on the day of the decision of the Board of Directors.

(1) The Board of Directors' meeting on June 13, 2018, awarded 1,055,000 bonus shares to certain Group employees. The vesting of these bonus shares is conditional on remaining employed by the company on the one hand, and attaining a performance criteria (revenue and profitability targets) on the other.

(2) The Board of Directors' meeting of March 2, 2021, awarded 212,666 bonus shares to certain Group employees. The vesting of these bonus shares is conditional on (i) for allocations of bonus shares 03-2021, remaining employed by the Company, and the attainment of a performance condition relative to revenue between the fiscal year ended December 31, 2021 and December 31, 2022, and (ii) for allocations of bonus shares 03-2021 BIS, remaining employed by the Company and the attainment of a performance condition relative to revenue between fiscal year ended December 31, 2022 and the fiscal year ended December 31, 2023.

(3) The Board of Directors' meeting on May 27, 2021, awarded 269,334 bonus shares to certain Group employees. The vesting of these bonus shares is conditional, for allocations of bonus shares 05-2021, on an average annual growth rate in revenue for the years ending December 31, 2022, December 31, 2023 and December 31, 2024.

(4) The Board of Directors' meeting on May 27, 2021, awarded 194 000 bonus shares to certain Group employees. Is conditional for bonus shares 05-2021 BIS Tr1 on remaining employed by the Company, and the attainment of a performance condition relative to revenue between the fiscal year ended December 31, 2021 and December 31, 2022, and (ii) for bonus shares 05-2021 BIS Tr2, on remaining employed by the Company and the attainment of a performance condition relative to minimum revenue growth of 10% between the fiscal year ended December 31, 2022 and the fiscal year ended December 31, 2023.

(5) The Board of Directors' meeting on May 25, 2022, awarded 59,750 bonus shares to certain Group employees. The vesting of these bonus shares is conditional on remaining employed with the company and attaining a performance criterion.

6.1.4.5 Summary of existing dilutive instruments

Full exercise of all securities outstanding at present giving access to the capital would lead to the creation of 714,659 new shares, generating maximum dilution of 2.60% of the fully diluted capital and voting rights (2.67% before dilution).

	Number of potential new shares
Startup warrants (BCE)	-
Stock options	231,576
Bonus shares awarded (AGA)	483,083
Total	**714,659**

6.1.5 Authorized capital

The resolutions governing issues with authorization of powers granted to the Board of Directors and which remain valid at the date of the current document are summarized in paragraph 2.5.1.7.

6.1.6 Information on the capital of any member of the Group with the option or conditional or unconditional agreement to apply an option

None.

6.1.7 History of the share capital

6.1.7.1 Change in capital since creation of the Company

Date	Type of transaction	Capital	Share premium	Contribution premium	Number of shares created	Number of shares composing the share capital	Nominal value	Share capital
01/21/2003	Constitution	€40,000			40,000	40,000	€1.00	€40,000
03/21/2003	Issuance of category P shares	€60,000	€2,940,000		60,000	100,000	€1.00	€100,000
10/21/2003	Issuance of category P shares	€10,000	€490,000		10,000	110,000	€1.00	€110,000
05/14/2004	Exercise of Tranche 2 share warrants	€70,000	€3,430,000		70,000	180,000	€1.00	€180,000
10/11/2007	Issuance of category P2 shares	€561,665	€7,863,310		561,665	741,665	€1.00	€741,665
10/11/2007	Conversion of convertible bonds OC1 (03.06)	€67,649	€947,086		67,649	809,314	€1.00	€809,314
10/11/2007	Conversion of convertible bonds OC1 (03.06)	€67,005	€938,070		67,005	876,319	€1.00	€876,319
10/11/2007	Redemption of bonds redeemable in shares ORA 1 (12.06)	€136,410	€1,909,740		136,410	1,012,729	€1.00	€1,012,729
10/11/2007	Redemption of bonds redeemable in shares ORA 2 (12.06)	€133,938 €	€1,875,132		133,938	1,146,667	€1.00	€1,146,667
06/22/2010	Issuance of P3 category shares	€508,475	€5,491,530		508,475	1,655,142	€1.00	€1,655,142
06/22/2010	Redemption of ORA redeemable bonds in P3 shares	€255,431	€2,758,655		255,431	1,910,573	€1.00	€1,910,573
06/27/2012	Definitive vesting of bonus shares	€80,000			80,000	1,990,573	€1.00	€1,990,573
02/25/2013	Division of nominal value by 2				1,990,573	3,981,146	€0.50	€1,990,573
04/30/2013	Issuance for cash (IPO)	€551,458	€6,187,353		1,102 915	5,084,061	€0.50	€2,542,031
11/20/2013	Exercise of founder warrants (BCE)	€1,500	€16,200		3,000	5,087,061	€0.50	€2,543,531
11/25/2013	Exercise of founder warrants (BCE)	€350	€3,780		700	5,087,761	€0.50	€2,543,881
20/12/2013	Exercise of founder warrants (BCE)	€200	€2,160		400	5,088,161	€0.50	€2,544,081
01/2014	Exercise of stock options	€2,600	€28,080		5,200	5,093,361	€0.50	€2,546,681
02/2014	Exercise of stock options	€2,300	€24,840		4,600	5,097,961	€0.50	€2,548,981
03/03/2014	Cash issuance (*Equity Line*)	€25,000	€562,500		50,000	5,147,961	€0.50	€2,573,981
03/13/2014	Exercise of share warrants	€500	€5,400		1,000	5,148, 961	€0.50	€2,574,481
03/2014	Exercise of stock options	€200	€2,160		400	5,149,361	€0.50	€2,574,681
04/04/2014	Cash issuance (*Equity Line*)	€25,000	€517,500		50,000	5,199,361	€0.50	€2,599,681
05/2014	Exercise of stock options	€233	€2,885		466	5,199,827	€0.50	€2,599,914
06/25/2014	Cash issuance (*Equity Line*)	€25,000	€350,500		50,000	5,249,827	€0.50	€2,624,914
08/15/2014	Cash issuance (*Equity Line*)	€25,000	€293,500		50,000	5,299,827	€0.50	€2,649,914
09/22/2014	Cash issuance (*Equity Line*)	€25,000	€194,000		50,000	5,349,827	€0.50	€2,674,914
10/09/2014	Cash issuance (*Equity Line*)	€19,732	€125,887		39,463	5,389,290	€0.50	€2,694,645
08/04/2015	Cash issuance (*Equity Line*)	€50,000	€463,000		100,000	5,489,290	€0.50	€2,744,645
10/30/2015	Cash issuance (*Equity Line*)	€55,269	€498,522		110,537	5,599,827	€0.50	€2,799,914
12/10/2015	Cash issuance (*Equity Line*)	€25,000	€200,000		50,000	5,649,827	€0.50	€2,824,914
12/15/2015	Cash issuance (*Equity Line*)	€10,000	€80,000		20,000	5,669,827	€0.50	€2,834,914
12/16/2015	Cash issuance (*Equity Line*)	€30,000	€240,000		60,000	5,729,827	€0.50	€2,864,914
12/18/2015	Cash issuance (*Equity Line*)	€20,000	€163,600		40,000	5,769,827	€0.50	€2,884,914
07/2016	Cash issuance (*Equity Line*)	€40,000	€371,800		80,000	5,849,827	€0.50	€2,924,914
08/2016	Cash issuance (*Equity Line*)	€102,500	€1,224,550		205,000	6,054,827	€0.50	€3,027,414
11/08/2016	Cash issuance	€652,786	€7,193,702		1,305,572	7,360,399	€0.50	€3,680,200
12/2016	Exercise of stock options	€2,299	€20,277		4,598	7,364,997	€0.50	€3,682,499
01/2017	Exercise of stock options	€1,200	€12,168		2,400	7,367,397	€0.50	€3,683,699
03/2017	Exercise of stock options	€1,200	€11,851		2,400	7,369,797	€0.50	€3,684,899
04/2017	Exercise of stock options	€6,355	€41,943		12,710	7,382, 507	€0.50	€3,691,254
08/02/2017	Cash issuance	€1,765,680	€13,066,032		3,531,360	10,913,867	€0.50	€5,456,934
09/29/2017	Cash issuance (reserved for BPI and ALEPH)	€2,857,143	€21,142,858		5,714,286	16,628,153	€0.50	€8,314,077
09/29/2017	Share issuance	€2,307,297		€26,044,865	4,614,594	21,242,747	€0.50	€10,621,374
05/19/2018	Definitive vesting of bonus shares (AGA 2016)	€143,207			286,414	21,529,161	€0.50	€10,764,581
05/2019	Exercise of stock options	€5,038	€21,661		10,075	21,539,236	€0.50	€10,769,618
06/11/2019	Cash issuance	€1,076,458	€6,170,734		2,152,916	23,692,152	€0.50	€11,846,076
07/16/2019	Exercise of share warrants	€201,736			403,471	24,095,623	€0.50	€12,047,812
12/2019	Exercise of stock options	€16,027	€68,916		32,054	24,127,677	€0.50	€12,063,839
06/2020	Definitive vesting of bonus shares (AGA 2018)	€232,782			465,563	24,593,240	€0.50	€12, 296,620
12/2020	Exercise of stock options	€434,383	€2,839,133		868,765	25,462,005	€0.50	€12, 731,003
2021	Exercise of stock options	€101,926	€721,517		203,852	25,665,857	€0.50	€12,832,929
2021	Definitive vesting of bonus shares	€83,405			166,809	25,832,666	€0.50	€12,916,333
2022	Definitive vesting of bonus shares	€157,564			315,128	26,147,794	€0.50	€13,073,897
2022	Exercise of stock options	€141,646	€1,065,299		283,292	26,431,086	€0.50	€13,215,543
2023	Definitive vesting of bonus shares	€135,917			271,833	26,702,919	€0.50	€13,351,460
2023	Exercise of stock options	€49,399	€430,952		98,797	26,801,716	€0.50	€13,400,858
2024	Definitive vesting of bonus shares	€96,166,5			192,333	26,994,049	€0.50	€13,497,024.5
Total		**€13,497,024.5**	**€93,008,782**	**€26,044,865**	**26,994,049**	**26,994,049**	**€0.50**	**€13,497,024.5**

6.1.7.2 Change in share capital breakdown

Shareholders	% of capital 12/2019	% of capital 12/2020	% of capital 12/2021	% of capital 12/2022	% of capital 12/2023
Didier Brédy	1.2%	1.6%	1.2%	1.3%	1.6%
François Xavier Ollivier	0.1%	0.7%	0.7%	0.3%	0.1%
Bpifrance Participations	13.3%	12.6%	12.4%	12.1%	11.8%
Aleph Golden Holdings Sarl	13.3%	12.6%	12.4%	12.1%	11.9%
Sub-total Board of Directors	**27.8%**	**27.4%**	**26.7%**	**25.8%**	**25.5%**
Treasury stock (liquidity contract)	0.0%	0.0%	0.1%	0.1%	0%
TempoVest Fund	7.1%	-	-	-	-
Free float	65.0%	72.5%	73.3%	74.1%	74.5%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The main historical changes stem from the following transactions:

2014

- issuance of 10,666 shares per year from stock options;
- issuance of 1,000 shares per fiscal year from share warrants;
- issuance of 289,463 shares within the framework of equity line financing;
- sales on the market.

2015

- issuance of 380,537 shares within the framework of equity line financing;
- sales on the market.

2016

- issuance of 285,000 shares within the framework of equity line financing;
- issuance of 1,305,572 shares within the framework of the capital raising of October 2016;
- sales on the market.

2017

- issuance of 3,531,360 new shares as part of the August 2017 capital raising (capital increase with maintenance of preferential subscription rights);
- issuance of 5,714,286 shares within the framework of the September 2017 capital raising (capital increase reserved for Aleph Golden Holding Sarl and Bpifrance Participations);
- issuance of 4,614,594 new shares for the benefit of former shareholders of OneAccess as remuneration for their equity contributions;
- sales on the market.

2018

- issuance of 286,414 shares following the definitive vesting of bonus shares (AGA 2016).

2019

- issuance of 42,129 shares via the exercise of stock options;
- issuance of 2,152,916 new shares as part of the July 2019 capital raising (capital increase via private placement);
- issuance of 403,471 shares following the exercise of share options by the former shareholders of OneAccess; with the framework of the earn-out.

2020

- issuance of 868,765 shares via the exercise of stock options and founder warrants.
- issuance of 465,563 shares following the attainment of performance criteria of the bonus share plan of June 13, 2018.

2021

- issuance of 203,852 shares via the exercise of stock options and founder warrants.
- issuance of 166,809 shares following the attainment of the performance conditions of the bonus share allocation plan.

2022

- issuance of 315,128 shares following the attainment of performance criteria of the bonus share plan of June 13, 2018.
- issuance of 283,292 shares via the exercise of stock options and founder warrants.

2023

- issuance of 271,833 shares following the attainment of the performance conditions of the bonus share allocation plan.
- issuance of 98,797 shares via the exercise of stock options and founder warrants.

6.2 MAIN SHAREHOLDERS

6.2.1 Breakdown of the share capital and voting rights on December 31, 2023

To the Company's knowledge, the capital as of December 31, 2023, breaks down as follows:

Shareholders	Number of shares as of 12/31/2023	As a % of the share capital	Number of voting rights as of 12/31/2023	As a % of total voting rights
Bpifrance Participations	3,175,000	11.8%	6,150,000	18.1%
Aleph Golden Holdings Sarl	3,200,000	11.9%	6,400,000	18.8%
Didier Brédy	423,287	1.6%	728,979	2.1%
François-Xavier Ollivier	21,000	0.1%	21,373	0.1%
Sub-total Board of Directors	**6,819,287**	**25.5%**	**13,300,352**	**39.1%**
Treasury stock (liquidity contract)	11,678	0%	-	-
Free float	19,970,751	74.5%	20,673,856	60.9%
Total	**26,801,716**	**100.0%**	**33,974,208**	**100.0%**

At the date of this document, the breakdown of capital and voting rights did not undergo any significant change.

6.2.2 Main shareholders not represented on the Board of Directors

Main shareholders represented on the Board of Directors.

6.2.3 Voting rights of the main shareholders

Refer to paragraph 6.2.1 of this document

6.2.4 Control of the Company

At the date of this document, no shareholder holds a de facto or presumed controlling stake in the Company, as no one shareholder has more than 19% of the capital and/or voting rights.

As a result, the Company has not introduced measures to guard against control being exercised abusively.

6.2.5 Agreement which could lead to a change in control

No particular item of the incorporation statement, the bylaws, the charter nor the regulations of the issuer can be used to delay, defer or impede a change in control.

6.3 ARTICLES OF INCORPORATION AND BYLAWS

6.3.1 Company purpose (Article 2 of the bylaws)

The purpose of the Company, directly or indirectly, both in France and abroad, is:

- to develop, market and support, in France and abroad, subsystems and optical transmission systems;
- and, more generally, all operations, of whatever nature, be they legal, economic, financial civil or commercial, related to the purpose indicated above or all other similar or related purposes to favor, either directly or indirectly, the goal pursued by the Company, to expand and support its development.

6.3.2 Statutory provisions and other provisions relative to the members of the administrative and management bodies

6.3.2.1 Board of Directors

✓ ***Composition of the Board (Article 13 of the bylaws)***

The Company is governed by a Board of Directors made up of three (3) members at least and eight (8) members at most.

The Directors are appointed in accordance with the legal and regulatory provisions in force.

The Directors may be physical or legal persons. The latter must, upon nomination, appoint a permanent representative who is subject to the same conditions and obligations and must assume the same responsibilities as if they were appointed as Director in their own right, without prejudice to the responsibility of the legal person represented. This position of permanent representative is granted for the term of office of the legal person represented; it must be renewed each time this position is to be renewed.

If the legal person revokes the position of its representative, it is required to notify this revocation to the Company, without delay, by registered letter, as well as indicating the name of the new permanent representative. The same is true in the event of death, resignation or extended unavailability of the permanent representative.

✓ ***College of Censors (Article 14 of the bylaws)***

It may be made up of a college of Censors composed of members appointed by the Board of Directors.

The Censors are appointed for a limited or unlimited term. They may be revoked at any time by the body having appointed them.

Each Censor is invited to all Board of Director meetings, as is each Director. They receive all of the information disclosed to Directors, at the date of the Board meetings or within the regulatory timeframe. The censors do not take part in decisions of the Board of Directors, they do not have a casting vote nor are they considered in quorum and majority calculations. They have no management, supervisory or audit functions and cannot replace Directors or General Managers.

✓ ***Term of office - Renewal - Cooptation (Article 15 of the bylaws)***

The term of office of Directors is set at three (3) years.

The functions of Director expire at the end of the Ordinary General Meeting of shareholders called to approve the financial statements of the past year and held during the year of expiry of the term of office of said Director.

Directors are eligible for re-election. However, the Executive Management functions expire automatically at the end of the calendar year during which they reach their seventy-fifth (75th) birthday.They may be dismissed at any time by decision of the Annual General Meeting. In the event of a vacancy arising from the death or resignation of one or more Directors, the Board of Directors may make provisional appointments between two General Meetings. These appointments are subject to ratification by the next Annual General Meeting. In the absence of ratification, the deliberations and actions previously taken by the Board remain valid.

When the number of Directors falls below the legal minimum, the remaining Directors must immediately convene the ordinary General Meeting of shareholders to increase the number of Directors on the Board.

✓ ***Office (Article 16 of the bylaws)***

The Board of Directors elects from among its members a Chairman who must be a physical person. It sets the term of office of the Chairman's functions, which cannot exceed those of a Director, and which may be ceased at any time.

The Chairman is re-eligible. The Board of Directors may revoke his term of office at any time.

The term of office of the Chairman is set by the decision of his appointment; by default, it is equal to his term of office as Director. It expires at the end of the Ordinary General Meeting of shareholders called to approve the financial statements of the past year and held during the year of expiry of the term of office of the Chairman. [...]

✓ ***Deliberations (Article 17 of the bylaws)***

The Board of Directors meets either at the Company's head office, or at any other location indicated by the issuer of the invitation notice, and, as often as is in the interests of the Company, upon invitation from its Chairman or a Director delegated to fulfill the functions of Chairman of the Board of Directors.

Furthermore, if the Board does not meet for more than two months, Directors representing at least one-third of the Board may, by indicating the agenda of the meeting, request the Chairman to convene it. [...] The Board Meetings are chaired by the Chairman of the Board of Directors or a Director delegated to fulfill the functions of Chairman of the Board of Directors, or, in their absence, by the oldest Director present at the meeting, or by a Director chosen by the Board at the start of the meeting.

Any Director may be represented in legal form by another Director, with the effect of voting in their stead at a meeting set by the Board, each Director only being allowed to hold one proxy for each meeting.

However, to validate deliberations, the presence of at least one-half of the Directors is required.

Decisions taken at the majority vote of members presented or represented; in the event of a tied vote, the Chair of the meeting has the casting vote.

Except if this possibility is prohibited by law, the Board of Directors may set down in its code of conduct that, for quorum and majority calculations, Directors attending the meeting via videoconference or telecommunication means enabling their identification and guaranteeing their effective participation, in application of the relevant regulatory provisions.

In addition to the previous stipulations, in accordance with applicable legal and regulatory provisions, the Board of Directors may make the following decisions by written consultation:

- cooptation following (i) a death, (ii) a resignation, (iii) when the number of Directors falls below the minimum level defined by the Company's bylaws or (iv) when the gender balance is no longer complied with;
- authorizations relative to commitments, sureties and guarantees given by the Company;
- amendments to the bylaws with a view to ensuring their compliance with legal and regulatory provisions, conditional on the approval of said amendments by the next Extraordinary General Meeting;
- Invitation to the General Meeting of shareholders;
- Transfer of head office within the same department.

In this case, the members of the Board of Directors are consulted individually by any written means, at the initiative of the Chairman of the Board of Directors, in accordance with the terms and conditions governing the implementation of this written consultation, as approved and defined in the Board of Directors' Code of Conduct.

✓ ***Powers of the Board (Article 19 of the bylaws)***

- **Principles**

The Board of Directors determines the business strategy of the Company and monitors its implementation.

The Board of Directors has the powers to decide on or authorize bond issues.

In accordance with the powers explicitly granted by General Meetings of shareholders, and within the limits of the purpose of the Company, it deals with any matter impacting the proper functioning of the Company and, via its deliberations, manages relevant business matters.

In its relationships with third parties, the Company is committed even by actions of the Board of Directors that are not directly related to its corporate purpose, unless it can be proven that the third party was aware that the action went beyond this purpose and could not ignore it given the circumstances, it being ruled out that merely publishing the bylaws is sufficient proof.

The Board of Directors carries out the controls and checks that it considers appropriate.

Each Director must receive the necessary information to complete their tasks and can receive from Executive Management all documents considered useful.

The Board of Directors can allocate permanent or temporary assignments to one or several of its members or to any designated person chosen outside its ranks, as it sees fit.

It can decide to create committees to review topics that the Board itself or the Chairman submits for review.

The Board of Directors defines the composition and roles assigned to these committees who carry out their functions under its authority.

- **Role of the Chairman of the Board of Directors**

The Chairman of the Board of Directors organizes and manages the work of the Board, and reports to the General Meeting and executes its decisions. He monitors the smooth functioning of the Company's administrative and management bodies and ensures that the Directors are able to complete their tasks.

6.3.2.2 Executive Management

✓ ***Principles of organization (Article 21 of the bylaws)***

In compliance with legal provisions, General Management of the company is either the responsibility of the Chairman of the Board of Directors, or another physical person appointed by the Board of Directors with the title of Chief Executive Officer.

The choice between these two means of applying Executive Management is made by the Board of Directors which must inform shareholders and third parties in accordance with regulatory requirements. Deliberations during Board of Directors' meetings relative to the choice of how Executive Management is executed are carried out with majority voting of the Directors present or represented.

Changes to how Executive Management is organized does not lead to changes to the Company's bylaws.

✓ ***Chief Executive Officer (Article 22 of the bylaws)***

- **Appointment – Revocation**

Based on the choices made by the Board of Directors in accordance with the provision of the Article below, Executive Management is assumed by the Chairman of the Board of directors, or by any other physical person appointed by the Board of Directors appointed as Chief Executive Officer.

When the Board of Directors decides to separate the two functions of Chairman of the Board of Directors and Chief Executive Officer, it appoints a Chief Executive Officer, defines his term of office, his remuneration, and, where appropriate, the limits applicable to his powers.

The Executive Management functions expire automatically at the end of the calendar year during which he reaches his seventy-fifth (75th) birthday.

When, during his term of office, this age limit is reached, the Chief Executive Officer shall be deemed outgoing and a replacement Chief Executive Officer shall be appointed.

The position of Chief Executive Officer can be revoked at any time by the Board of Directors. If this revocation is decided without genuine cause, it can lead to the payment of damages, except when the Chief Executive Officer also assumes the functions of Chairman of the Board of Directors.

When Executive Management of the Company is assumed by the Chairman of the Board of Directors, the legal provisions and the current company bylaws relative to Executive Management apply.

- **Powers**

The Chief Executive Officer, whether this function is assumed by the Chairman of the Board of Directors or by another person, is granted all the widest powers to act in all circumstances on behalf of the Company.

He can execute these powers within the limits of the corporate purpose and subject to the legal limits explicitly applicable to General Meetings and the Board of Directors.

The CEO represents the Company in its dealings with third parties.

The Company is committed even by actions of the Chief Executive Officer that are not directly related to its corporate purpose, unless it can be proven that the third party was aware that the action went beyond this purpose and could not be ignored given the circumstances, it being understood that merely publishing it in the bylaws is not sufficient proof.

The Board of Directors may limit the powers of the Chief Executive Officer, but this limitation is not binding for third parties.

✓ ***Deputy Chief Executive Officers (Article 23 of the bylaws)***

Upon a proposal by Chief Executive Officer, the Board of Directors may appoint one or several physical persons charged with assisting the Chief Executive Officer as Deputy Chief Executive Officers.

The maximum number of Deputy Chief Executive Officers that can be appointed is set by law. [...]

In agreement with the Chief Executive Officer, the Board of Directors determines the extent and the term of the powers granted to Deputy Chief Executive Officers.

Regarding third parties, the Deputy Chief Executive Officer(s) have the same powers as the Chief Executive Officer.

The Board of Directors determines the remuneration of the Deputy Chief Executive Officers. [...]

6.3.3 Rights, privileges and restrictions attached to Company shares

6.3.3.1 Voting rights (Article 31 of the bylaws)

The voting rights attached to shares are proportional to the stake they represent in the Company's capital, and each share gives rise to one voting right subject to the application of legal and regulatory provisions and in particular those of Articles L.22-10-46 and L. 225-124 of the French Commercial Code.

Any shareholder may cast their vote by postal mail according to the legal and regulatory terms and conditions in force.

Shareholders who do not wish to personally attend the General Meeting may notify their designation of a proxy or the revocation of a proxy electronically in accordance with the legal and regulatory provisions in force and subject to the conditions indicted in the meeting and invitation notices.

Furthermore, based on a decision by the Board of Directors mentioned in the meeting and invitation notices, shareholders may, under the conditions and within the timeframe set by law and the regulations in force, vote by postal mail or by email.

When this is the case, an electronic signature may take the form of a process complying with the conditions defined in the last sentence of the second paragraph of Article 1316-4 of the French Civil Code and, more generally, by the legal and regulatory provisions in force.

If the Board of Director so decides at the time of issuance the invitation to the General Meeting, shareholders may also participate in the General Meeting via video conference or by any other means of telecommunication which enables their identification, in accordance with legal and regulatory provisions applicable at the time and shall be considered present for quorum and majority calculations.

6.3.3.2 Rights to dividends and earnings (Article 11 of the bylaws)

Each share give rights, as a portion of the company's assets and earnings, to a proportional share of the capital which it represents. [...]

6.3.3.3 Lapsing of dividends

Dividend payments which remain unclaimed after a period of five years from the date of payment shall be waived to the State (Article L. 1126-1 of the General Code of property of public persons).

6.3.3.4 Rights to a liquidation bonus (Article 42 of the bylaws)

[...] After extinction of liabilities, the remaining assets are first used to repay shareholders the amount of capital paid in and non amortized. The surplus, if any, is shared between shareholders in line with their holdings. [...]

6.3.3.5 Limits on voting rights

None.

6.3.3.6 Identifiable bearer securities (Article 9 of the bylaws)

Fully paid up shares are bearer or holder, at the choice of the shareholder, conditional on the legal and regulatory provisions in force.

Shares are recorded in an account in accordance with the conditions and according to the terms and conditions provided for by the legal and regulatory provisions in force.

Shares subscribed in cash are issued and paid up under the conditions provided for by the legal and regulatory provisions in force.

The Company keeps itself informed of the composition of its shareholder base in accordance with the conditions provided for by the legal and regulatory provisions in force. In this respect, the Company may make use of all of the legal and regulatory provisions available in terms of identification of the holders of securities giving rise, either immediately or at a later date, to voting rights in General Meetings, and notably the provisions of Article L.228-2 of the French Commercial Code.

Therefore, the Company can notably request at any time, in accordance with the legal and regulatory conditions in force, from the central custodian which is responsible for managing the securities issuance account, in exchange for remuneration at its expense, information concerning the holders of securities giving rise, either immediately or at a later date, to voting rights in General Meetings, as well as the number of securities held by each of them and, where appropriate, the restrictions which may apply to such securities.

6.3.3.7 Company share buybacks

Refer to paragraph 6.1.2.

6.3.4 Terms and conditions governing changes to shareholder rights (Article 35 of the bylaws)

The Extraordinary General Meeting [...] may [...] via a unanimous vote of the shareholders, increase the shareholders' commitments, except for transactions resulting from an exchange or consolidation of shares duly decided and performed. [...]

6.3.5 General Meetings of shareholders

✓ ***Composition and convening of General Meetings (Article 28 of the bylaws)***

The duly constituted General Meeting represents all shareholders. Its deliberations, carried out in accordance with the law and the Company's bylaws, are binding for all shareholders, even those who are absent, incapable of attending or dissident.

The General Meeting is for all shareholders, regardless of the number of shares held.

General Meetings, either ordinary or extraordinary, or special according the nature of the resolutions presented, may take place at any time of the year.

General Meetings are convened and deliberate in accordance with the conditions provided for by the law and regulations in force.

Meetings take place at the Company's head office or any other locations indicated in the convening notice.

✓ ***Prior communication rights (Article 29 of the bylaws)***

Any shareholder has the right to access to the necessary documents required to make an informed decision on the Company's management and operations.

The nature of these documents and the conditions of their communication of availability are determined by law.

This prior communication right, which is exercised in accordance with legal conditions, is enjoyed by shareholders as well as bare owners and beneficiaries.

✓ ***Admission and representation conditions (Article 30 of the bylaws)***

Any shareholder, regardless of the number of shares held, may take part in the General Meetings, either attending personally, or being represented by proxy or may vote by postal mail, in accordance with the legal and regulatory terms and conditions in force.

The right to take part in General Meetings is subordinate on registering shareholdings in an equity account, or in the Company's bearer shareholder register, or in a bearer shareholder register managed by an authorized intermediary. Regarding bearer shares, registration in an equity register is confirmed by a statement of account issued by the authorized intermediary.

These formalities must be completed at the latest on the second working day preceding the General Meeting at midnight, Paris time, in accordance with the applicable legal and regulatory conditions.

✓ ***Office - Attendance register - Minutes (Article 32 of the bylaws)***

The General Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the oldest Director present at the meeting; by default, by a director specially delegated for this purpose by the Board of Directors. By default, again, the General Meeting itself elects its Chair.

In the event of being convened by the Statutory Auditors, by a legal representative or by liquidators, the General Meeting is chaired by the person or persons who convened it.

The functions of scrutineer are fulfilled by the two members of the General Meeting, present and accepting, who obtain the greatest number of votes.

The Office designates the secretary who may be chosen from outside the group of shareholders.

At each General Meeting an attendance register is kept which includes all of the particulars required by law.

This attendance register, duly initialed by the shareholders present and their representatives and to which is appended the powers delegated to each representative, and, where appropriate, the postal voting forms, is validated by the Office of the General Meeting.

The minutes of the deliberations of the General Meeting and the copies of extracts of these minutes are drawn up and certified compliant with the regulations in force.

✓ ***Agenda (Article 33 of the bylaws)***

The agenda of the General Meeting is drawn up by the issuer of the convening notice and cannot be modified in the event of a second convening notice.

However, one or more shareholders representing at least the fraction of share capital provided for by law, may, in the appropriate legal form and within the legal timeline, require the inclusion of draft resolutions on the agenda.

The General Meeting may only rule on matters that are included on the agenda.Nevertheless, the General Meeting may, in all circumstances, revoke one or several Directors and carry out their replacement.

✓ ***Ordinary General Meeting (Article 34 of the bylaws)***

The Ordinary General Meeting is the meeting called to make any decisions that do not modify the bylaws.

It takes place at least once a year, in accordance with the legal and regulatory timeframes in force, to approve the individual financial statements and, where appropriate, to approve the consolidated financial statements for the previous financial year.

The Ordinary General Meeting is convened and deliberates in accordance with the quorum and majority conditions defined by the provisions governing it and exercises the powers assigned to it by law.

✓ ***Extraordinary General Meeting (Article 35 of the bylaws)***

The Extraordinary General Meeting has the sole authority to change the bylaws and any of their stipulations. However, unless by a unanimous vote of the shareholders, it cannot increase the shareholders' commitments, except for transactions resulting from an exchange or consolidation of shares duly decided and performed.

The Extraordinary General Meeting is convened and deliberates in accordance with the quorum and majority conditions prescribed by the provisions governing it exercising the powers granted to it by law.

✓ ***Special General Meetings (Article 36 of the bylaws)***

Special General Meetings bring together holders of a given category of share.The decision of the Extraordinary General Meeting covering changes to rights relative to a given category of share only become final after approval of such modifications by the Special General Meeting for the shareholders of the relevant share category.

The Special Extraordinary General Meeting is convened and deliberates in accordance with the quorum and majority conditions prescribed by the provisions governing it exercising the powers granted to it by law.

✓ ***Quorum and majority (Article 37 of the bylaws)***

The Ordinary, Extraordinary and Special General Meetings deliberate subject to the quorum and majority conditions prescribed by the relevant applicable legal provisions.

Deemed present and authorized to personally attend the General Meeting, both for the calculation of quorum and majority conditions, the shareholders who may take part in the General Meeting via video conference or any other means of telecommunication enabling their identification in accordance with the regulatory conditions in force.

6.3.6 Provisions enabling the delay, deferral, or prohibiting a change of control

The Company bylaws do not contain provisions to delay, deferral, or prohibit a change of control.

6.3.7 Crossing statutory thresholds

None.

6.3.8 Specific stipulations governing changes to the share capital

There are no specific stipulations in the Company's bylaws governing changes to the capital base.

6.4 INFORMATION AND LEGAL HISTORY OF THE GROUP

✓ ***Company name***

The Company's name is: Ekinops

✓ ***Place and registration number of the Company***

Ekinops is registered under number 444 829 592 with the Saint-Brieuc (formerly Guingamp) commercial registry as of January 21, 2003.

Legal Entity Identifier (LEI): 969500Y8FMHV2BHC0C87.

✓ ***Date of formation and term***

The Company was formed for a term of 99 years ending on January 21, 2102, excluding early dissolution or extension.

✓ ***Company head office, legal form, laws governing activities***

Initially created as a simplified joint-stock company, it was transformed into a French public limited company (Société Anonyme) by a decision of the General Meeting of shareholders held on February 25, 2013.

The Company, governed by French law, is mainly subject to the operating provisions included in Articles L. 225-1 et seq of the French Commercial Code.

The Company's head office is located at: 3 rue Blaise Pascal - 22300 Lannion

The Company's details are as follows:

- **At Lannion:**

Telephone number: (+33) 2 96 05 00 30

Fax: (+33) 2 96 48 62 39

Email: contact@ekinops.com

Website: www.ekinops.com

6.5 INFORMATION ON SHAREHOLDINGS

See paragraph 1.2.2 of this document.

6.6 REGULATED AGREEMENTS

6.6.1 Intra-Group transactions

Rebillings between the Company and its subsidiaries are subject to non-regulated agreements which have been concluded on an arm's length basis.

6.6.2 Transactions involving related parties

Remuneration policy applicable to the Chairman-CEO

Refer to information presented in paragraph 2.5.3.2.2 of this document.

Mr François-Xavier Ollivier's work contract

This agreement will not be renewed as Mr Francois-Xavier Ollivier retired in June 2023.

Regulated agreements

Refer to information presented in paragraph 2.5.1.5 of this document.

6.6.3 Special Report of the Statutory Auditors on regulated agreements

General Meeting to approve the financial statements for the fiscal year ended December 31, 2023

To the shareholders of Ekinops,

As the Company's Statutory Auditors, we present our report on regulated agreements.

It is our role to present to you, based on the information that has been provided to us, the features, main terms and conditions as well as the reasons related to the Company's interest in the agreements concluded by the Company that we have been made aware of or that we have discovered during the course of our assignment, without expressing an opinion on their appropriateness nor seeking to identify the existence of other such agreements. It is our responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the relevance related to the conclusion of these agreements with a view to their approval.

Furthermore, it is our role, where appropriate, to disclose to you the information provided for in Article R. 225-31 of the French Commercial Code relative to the execution, during the past year, of the agreements already approved by the General Meeting.

We have applied the due diligences we deemed necessary in respect of the professional practices issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this assignment.

These procedures consisted in verifying the consistency of the information we were provided with the source documents.

Agreements presented for approval to the General Meeting

In accordance with article L.225-40 of the French Commercial Code, we have been advised of the following agreements and commitments entered into during the past year which were authorized by your Board of Directors.

With François-Xavier Ollivier Director of Ekinops SA.

The Board of Directors, on recommendations from the Audit Committee, on November 30, 2023, authorized the Company to conclude an agreement with Mr François-Xavier Ollivier, Director, subject to approval of the Annual General Meeting, and for a maximum amount of €70,000 for a one-year period as of December 29, 2023, for his technical expertise and his assistance with strategic M&A projects.

No services were invoiced in the year under review.

Agreements already approved by the General Meeting

In application of Article R. 225-30 of the French Commercial Code, we were informed of the execution of the following agreements, which were already approved by the General Meeting in previous years, remained current during the past year.

With Didier Brédy, Chairman and CEO of Ekinops SA.

The Board of Directors, at its meeting on March 6, 2023, approved the renewal of the commitment relative to the termination benefit likely to be payable to Mr Didier Brédy, Chairman and CEO, in the event of his removal from office, it being noted that this termination benefit shall not be payable in the event of gross misconduct or if the Chief Executive Officer decides to leave the Company.

The amount of the benefit payable shall be set by the Board of Directors in accordance with the economic performance of the Group, i.e. based on the compound annual growth rate of Group revenue (hereafter "CAGR") over the past three fiscal years, according to the following terms and conditions:

- if the CAGR over the past three financial years is less than 5%, then the termination benefit shall be equal to 50% of the overall remuneration (fixed, variable and exceptional) paid to the Chairman over the last 12 months;
- if the CAGR over the past three years is between 5% and 10%, then the termination benefit shall be equal to 75% of the overall remuneration (fixed, variable and exceptional) paid to the Chief Executive Officer over the past 12 months;
- if the CAGR over the past three years is in excess of 10%, then the termination benefit shall be equal to 100% of the overall remuneration (fixed, variable and exceptional) paid to the Chief Executive Officer over the past 12 months.

Based on the CAGR observed over the past three years, the termination benefit shall be equal to 100% of the overall remuneration (fixed, variable and exceptional) paid to the Chief Executive Officer over the past 12 months.

Angers and Paris La Défense, March 25, 2024

The Statutory Auditors

Altonéo Audit

Julien Malcoste

Deloitte & Associés

Frédéric Neige

6.7 EMPLOYEES

6.7.1 Operational chart at the date of this document

Didier Brédy

Chairman & CEO

Philippe Moulin

Director of Operations

Sylvain Quartier

Ekinops Marketing CEO

Kevin Antill

Chief Revenue Officer North America

Frank Dedobbeleer

Chief Revenue Officer EMEA & APAC

Dmitri Pigoulevski

Group Chief Financial Officer

6.7.2 Biographies of Company management

- **Didier Brédy (61), Chairman and Chief Executive Officer**

Refer to chapter 2.1.1.3 "Biographies of the Directors".

- **Philippe Moulin (61), Director of Operations**

Philippe joined the Company in October 2006. He contributes strong leadership, extensive international experience, including more than 18 years in service automation and in telecom industries, 14 in strategic management positions.Before taking up his role as Director of Company Operations and Managing Director of OneAccess Belgium NVl, he spent four years as the Chairman and CEO of Kings Products and Solutions Inc (Urmet group), world leader in multimedia kiosks. He also held positions at Ascom Monetel where he was Marketing Director of the Multimedia Terminals division.

Philippe is an engineering graduate from the Institut des Sciences et Techniques in Grenoble and is qualified in Finance and Accounting having attended the Wharton School of the University of Pennsylvania.

- **Dmitri Pigoulevski (54), Group Chief Financial Officer**

Dmitri has extensive experience in financial and operational management in banking, industry and service sectors.

Before joining Ekinops, he offered his M&A consulting services to various companies in France and started up an e-commerce company in Eastern Europe. He also held the position of Financial Director at Agrogénération, a start-up specialized in agricultural production as well as different positions in strategic financial management at Trader Media East and Valeo in France.

He began his career in the banking industry in Eastern Europe where he was in charge of cash generation and expansion.

Dmitri is a graduate in finance and accounting and holds an MBA from the HEC business school. Dmitri is a chartered accountant and member of the ACCA (Association of Chartered Certified Accountants in the UK).

- **Kevin Antill (58) Chief Revenue Officer North America**

Kevin Antill has more than 20 years experience in the telecommunications industry, successfully building, managing and expanding sales organizations.Before joining Ekinops, Kevin spent four years at Sorrento Networks as Vice-President in charge of Global Sales, 10 years at Carrier Access Corporation as Vice-President in charge of strategic accounts and Vice-President sales North America. Before that he worked at Walker and Associates for 10 years, notably as Vice-President in charge of sales for the last four years.Kevin began his career at the North Pittsburgh Telephone Company.

- **Frank Dedobbeleer (61), Chief Revenue Officer EMEA & APAC**

Frank Dedobbeleer joined OneAccess as Sales Director in December 2012 with overall responsibility for sales and has more than 20 years experience in sales management in the telecom industry. Before joining OneAccess, Frank held sales management and development positions at major players including Cisco Systems, BT Global Services, Lucent Technologies and, more recently, TE Connectivity, where he was Business Director EMEA, India, Russia, for telecom network solutions. Frank speaks English, French and Flemish fluently and holds an engineering and computing diploma from VUB (Brussels).

- **Sylvain Quartier (54), Ekinops Marketing CEO**

Before joining Ekinops, Sylvain worked for 17 years at InfoVista, where he held various positions in R&D and product strategy, as Vice President and member of the Executive Committee.

Sylvain's previous industry experience encompasses a variety of engineering, sales and product management roles, including Product Manager at TraceOne, a global leader in collaborative and SaaS solutions for industry. Sylvain holds a master's degree in information systems and networks from the École d'ingénieurs en technologies de l'information et du numérique (EFREI) in Paris, France.

6.7.3 Number and breakdown of staff

At the end of the reference period, the Groups headcount changed as follows:

Headcount end of period	2023	2022	2021
R&D/Manufacturing	378	343	333
Marketing/Sales functions/Support	118	109	103
Management, administration	55	52	49
TOTAL	**551**	**504**	**485**

6.7.4 Employee shareholdings in the Company

To the Company's knowledge, Company shares held by employees make up around 1.9% of the share capital.

6.7.5 Profit sharing and incentive contracts

The Group has adopted the principle of combining profit-sharing and legal participation for all French employees.

The agreement is designed to complement existing statutory profit-sharing agreements.

Consequently, profit-sharing is calculated net of the profit-sharing reserve.

6.7.6 Measures implemented for the benefit of employees

The Company has made securities available to Group employees, dependent on the approval of resolutions at Group shareholders' meetings, giving them rights to a portion of the share capital (free shares, stock options, founder warrants), as described in note 6.1.4 of this document.

6.7.7 Proposed bonus share issue plan

At the Annual General Meeting on May 23, shareholders will be asked to authorize the Company to grant free shares representing 1% of the share capital for a vesting period of three years, based on the Group's sales performance.

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Additional information

7.1 Person responsible for the Universal Registration Document 202
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7.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Persons responsible for information contained in this document

Mr Didier Brédy

Chairman and CEO

Declaration by the persons responsible for the Universal Registration Document

I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

I hereby certify that, to my knowledge, the financial statements have been drawn up in accordance to the applicable accounting standards and represent and true and fair image of the earnings of the Company and all of the companies included in the scope of consolidation, and that the management report presented on page 213 provides a faithful representation of business and earnings trends and of the financial situation of the Company and all of the companies included in the scope of consolidation, and that it describes the main risks and uncertainties which it faces.

Didier Brédy

Chairman and CEO

March 25, 2024

7.2 LEGAL AUDITORS OF THE FINANCIAL STATEMENTS

✓ Altonéo Audit represented by Mr Julien Malcoste

15, rue des Bordagers - Changé – CS 92107 53063 Laval Cedex 9

Altonéo Audit was appointed Statutory Auditor by the General Meeting held on April 30, 2009, for six fiscal years, expiring at the end of the General Meeting called to approve the financial statements for the year ending on December 31, 2014.

The renewal of the assignment for a further six fiscal years, expiring at the end of the General Meeting called to approve the financial statements for the year ending on December 31, 2020 was approved by the General Meeting of May 21, 2015.

The renewal of the assignment for a further six fiscal years, expiring at the end of the General Meeting called to approve the financial statements for the year ending on December 31, 2026 was approved by the General Meeting of May 27, 2021.

Altonéo Audit is a member of the national audit body in Antwerp.

✓ Deloitte & Associés represented by Mr Frédéric Neige

6, place de la Pyramide - 92908 Paris La Défense Cedex.

Deloitte & Associés were appointed Statutory Auditors by the General Meeting held of February 25, 2013 for a period of six fiscal years, from the fiscal year ended December 31, 2012 and expiring at the end of the General Meeting called to approve the financial statements for the year ended December 31, 2017.

The renewal of the assignment for a further six fiscal years, expiring at the end of the General Meeting called to approve the financial statements for the year ending December 31, 2023 was approved by the General Meeting of June 13, 2018.

Deloitte & Associés is a member of the national audit body in Versailles.

7.3 INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND DECLARATIONS OF INTERESTS

None.

7.4 DOCUMENTS AVAILABLE TO THE PUBLIC

Copies of this document are available free of charge at the company's headquarters located at 3, rue Blaise Pascal, 22300 Lannion, France. This document can also be viewed on the company's website (www.ekinops.com) and on the AMF website (www.amf-france.org).

The bylaws, the minutes of the General Shareholders' Meetings and other Company documents, as well as historical financial data and any assessments or statements made by experts at the request of the company, which should be made available to shareholders pursuant to prevailing legal provisions, can be consulted free of charge at the Company's headquarters.

Regulated information within the meaning of the AMF's General Regulation is also available on the Company's website (www.ekinops.com).

The Company has chosen to provide quarterly financial information.

7.5 CROSS-REFERENCE TABLE

The cross-reference table below refers to the list of mandatory information required for Universal Registration Documents (URD), as standardized by appendix I of Regulation 2019/980 of March 2019 amending the prospectus Regulation EU 2017/1129.

		Paragraph	Page
1	**PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERT REPORTS AND APPROVAL FROM THE RELEVANT AUTHORITIES**		
1.1	Identify all persons responsible for the information contained in the registration Document, or a portion of this information, in which case the relevant portion should be indicated. When the persons responsible are physical persons, including members of management, administrative or supervisory bodies of the issuer, their name and function must be indicated; in the case of legal persons, the entity's names and head office should be indicated.	7.1	202
1.2	Provide a declaration from the person responsible for the registration Document declaring that the information it contains, to their knowledge, is a fair reflection of the facts and that it does not contain any omissions likely to alter its import. Where appropriate, provide a declaration from the persons responsible of certain portions of the registration Document declaring that the information contained therein for which they are responsible is, to their knowledge, a fair reflection of the facts and that these portions do not contain any omissions likely to alter its import.	7.1	202
1.3	When a declaration or report is attributed to a person acting as an expert and is included in the registration Document, provide the following information regarding this person: a) their name; b) their professional address; c) their qualifications; d) where appropriate, any significant interest it has in the issuer. If the declaration or the report was produced at the request of the issuer, indicate that this declaration or report has been included in the registration Document with the consent of the person having approved the content of this portion of the registration Document for the purposes of the prospectus.	7.3	203
1.4	When the information comes from a third party, provide a declaration confirming that this information has been faithfully reproduced and that, to the best of the knowledge of the issuer, the issuer has checked such information based on the information published by this third party, and that no facts have been omitted which would render the information reproduced inexact or misleading. Furthermore, indicate the source(s) of this information.	7.3	203
1.5	Provide a declaration indicating that: a) the Universal Registration Document was filed on with the French Financial Markets Authority, AMF, as the competent authority under (EU) Regulation 2017/1129, without prior approval in accordance with Article 9 of the Regulation; b) the Universal Registration Document can be used for the purposes of a public offering of securities or the admission of securities for trading on a regulated market if it is approved by the French Financial Markets Authority as well as any potential amendments, and a note relative to the securities and the related approved summary in accordance with regulation (EU) 2017/1129.		2
2	**LEGAL AUDITORS OF THE FINANCIAL STATEMENTS**		
2.1	Provide the name and address of the legal auditors of the financial statements of the issue, for the period covered by the historical financial information (also indicate registration with a professional body).	7.2	203
2.2	If the legal controllers have resigned, were removed from their functions or were not renewed in their functions during the period covered by the historical financial information, provide details of this information, if significant.	N/A	N/A

		Paragraph	Page
3	**RISK FACTORS**		
3.1	Provide a description of the significant risks specific to the issuer, broken down into a limited number of categories, in the section titles "risk factors". In each category, the greatest risk to which the issuer is exposed should be presented first after an assessment carried out by the issuer, the offeror or the person who requests the admission to trading on a regulated market, based on their negative impact on the issuer and the probability they will materialize. These risks should be corroborated by the content of the Universal Registration Document.	1.6	48
4	**INFORMATION RELATIVE TO THE ISSUER**	**6.4**	**195**
4.1	Indicate the legal and commercial name of the issuer.		
4.2	Indicate the place of registration of the issuer, its registration number and its legal entity identifier (LEI).		
4.3	Date of incorporation and length of life of the issuer when this is not unlimited.		
4.4	Indicate the location of the head office and the legal form of the issuer, the legislation governing its activities, the country in which it is registered, the address and telephone number of the company head office (or its main business location, if different from the company's head office) as well as its website, if in existence, with a disclaimer indicating that the information presented on the website is not part of the prospectus, except if this information is included in the prospectus for reference purposes.		
5	**PRESENTATION OF ACTIVITIES**		
5.1	Main activities.	1.3.1/1.3.9	24/35
5.1.1	Describe the nature of business carried out by the issuer and its main activities including key related factors, mentioning the main categories of products sold and/or services provided during the period covered by the historical financial statements.	1.3.3	26
5.1.2	Mention all important products and/or services launched on the market and, to the extent that the development of new products or services has been publicly announced, indicate the state of progress.	1.3.3	26
5.2	Main markets. Describe the main markets on which the issuer operates, breaking down total revenue by type of business and geographical market, for each fiscal year of the period covered by the historical financial information.	1.3.4	29
5.3	Indicate the key events in the development of the activities of the issuer.	1.2.1	22
5.4	Strategy and objectives. Describe the strategy and objectives of the issuer, both in financial and non-financial terms (where appropriate). This description takes account of prospects and future challenges faced by the issuer.	1.3/1.6	24/48
5.5	If it has an impact on the activities or the profitability of the issuer, provide the information, in summary form, on the extent of the dependence of the issuer regarding patents or licenses, or industrial, commercial or financial contracts or new manufacturing processes.	1.3.9	35
5.6	Indicate the items on which are based any issuer declaration regarding its competitive position.	1.3.5	33
5.7	Investments.		
5.7.1	Describe the significant investments (including the amounts involved) carried out by the issuer during each fiscal year of the period covered by the historical financial information, up to the date of the registration Document.	1.3.10	37
5.7.2	Describe all significant investments made by the issue which are current or for which firm commitments have already been made, including their geographic breakdown (domestically and internationally) and how they are financed (internally or externally).	1.3.10.2	37
5.7.3	Provide information regarding the joint ventures and undertakings in which the issuer holds a capital stake likely to have a significant impact on the valuation of its assets and liabilities, its financial situation and/or its earnings.	N/A	N/A
5.7.4	Describe any environmental issue that could impact the use, made by the issuer, of its tangible assets.	3.5.3.1	104

		Paragraph	Page
6	**ORGANIZATIONAL STRUCTURE**		
6.1	If the issuer is part of the group, provide a summary description of the group and the place of the issuer. This description can be an organizational chart, or one can be included, if this contributes to clarifying the organizational structure of the group.	1.2.2	23
6.2	Provide a list of the significant subsidiaries of the issuer, including their names, countries of origin or business as well as the percentage stake held, and, if different, the percentage of voting rights that it represents.	1.2.2	23
7	**EXAMINATION OF THE FINANCIAL SITUATION AND EARNINGS**		
7.1	Financial situation.		
7.1.1	Considering that this information is not included elsewhere in the registration Document and that said information is necessary to understand the activities of the issuer overall, provide a faithful presentation of earnings generated by activities as well as its situation for each fiscal year and the intermediate period for which financial information is required, by indicating the origin of the significant changes which occurred. This description consists in providing a balanced and exhaustive analysis of changes in the activities and earnings of the issuer, as well as its situation in terms of volumes and the complexity of these activities. Where necessary for the understanding of trends in earnings or the financial situation of the issuer, this analysis should include key financial performance indicators and, where appropriate, non-financial performance indicators, relative to the specific nature of the activities operated by the Company. This analysis shall, where appropriate, contain references to the amounts reported in the full-year financial statements as well as additional explanations relative to these amounts.	1.4.3	38
7.1.2	Considering that this information is not included elsewhere in the registration Document and considering that this information is essential to understand the activities of the issuer overall, the description must provide indications relative to: a) probable future trends in the issuer's activities; b) the issuer's activities in terms of research and development.	1.4.3	38
7.2	Operating income (expense)	1.4.3	38
7.2.1	Mention the important factors, including unusual or exceptional events or new developments with a significant impact on the operating revenue of the issuer, and indicate the extent to which the latter is impacted.	1.4.3	38
7.2.2	When the historical financial information reveals significant changes in net revenue or net income, explain the reasons for these changes.	1.4.3	38
8	**CASH FLOW AND CAPITAL**	**1.4.6**	**42**
8.1	Provide information regarding the capital of the issuer (short and long term).	1.4.6	42
8.2	Indicate the source and amount of issuer cash flows and describe these cash flows	1.4.6	42
8.3	Provide information on financing needs and the financial structure of the issuer.	1.4.6	42
8.4	Provide information relative to any restrictions on the use of capital having a significant impact or potentially having a significant impact, either directly or indirectly, on the activities of the issuer.	1.4.6	42
8.5	Provide information regarding anticipated sources of financing necessary to meet commitments mentioned in point 5.7.2.	1.4.6	42
9	**REGULATORY ENVIRONMENT**		
9.1	Provide a description of the regulatory environment in which the issuer operates and which may have a significant impact on its activities, and indicate any measure or factor of an administrative, economic, budgetary, monetary or political nature that has or could potentially have a significant impact, either directly or indirectly, on the activities of the issuer.	1.6	48

		Paragraph	Page
10	**INFORMATION ON TRENDS**	**1.4.4/1.4.5**	**41**
10.1	Provide a description:		
	a) of the main recent trends impact production, sales and inventories as well as costs and selling prices between the end of the last fiscal year and the date of the registration Document;	1.1.1/1.1.2	20/21
	b) of any significant change in the Group's financial performance which occurred between the end of the latest fiscal year for which financial information has been reported and the date of the registration Document, or provide an appropriate negative declaration.	1.4.4/1.4.5	41
10.2	Indicate any trend, uncertainty, constraint, any commitment or event of which the issuer is aware and which could reasonably be expected to have a significant impact on the issuer's prospects, at least for the current year.	1.4.4/1.4.5	41
11	**EARNINGS FORECASTS OR ESTIMATES**	**N/A**	**N/A**
11.1	When an issuer publishes earnings forecasts or estimates (which are still current and valid), these must be included in the registration Document. If the forecast or estimate of earnings has been published or is still in the process of being published but is no longer valid, provide a declaration reflecting this, as well as an explanation of the reasons why this forecast or estimate is no longer valid. Such lapsed forecasts or estimates are not subject to the requirements provided for in points 11.2 and 11.3.		
11.2	When an issuer decides to include a new earnings forecast or estimate, or an earnings forecast or estimate previously published in compliance with point 11.1, this forecast or estimate must be clear and without ambiguity and contain a declaration stating the main assumptions on which it is based.		
	The forecast or estimate must comply withe following principles:		
	a) assumptions relative to factors that may impact the members of administrative, management or supervisory bodies must be clearly differentiated from assumptions relative to factors that are totally beyond their influence;		
	b) assumptions must be reasonable, easily understandable by investors, specific and precise and not linked to the general accuracy of the forecasts underlying the forecast;		
	(c) in the case of a forecast, the assumptions draw investor attention to the uncertain factors that could materially change the outcome of the forecast.		
11.3	The prospectus contains a declaration stating that forecasts or estimates of income were drawn up based on:		
	a) comparable historical financial data;		
	b) the issuers standard accounting practices.		
12	**ADMINISTATIVE MANAGEMENT AND SUPERVISORY BODIES AND EXECUTIVE MANAGEMENT**		
12.1	Provide the name, professional address and function, within the issuer, of the following persons, including indications of the main activities they carry out beyond the issuer's scope of activity when such activities are significant for the former:	2.1.1	54
	a) members of the administrative, management and supervisory bodies;		
	b) partner shareholders, in the case of a limited joint stock partnership (Société en commandite par actions);		
	c) founders, in the case of a Company that was founded less than five years ago;		
	d) any Executive Director the name of whom may be mentioned to prove that the issuer benefits from the appropriate expertise and experience to carry out its own business.		
	Indicate the nature of any existing family relationship between any of the persons mentioned in points a) to d).		
	For each of the members of an administrative, management or supervisory body and for each of the persons indicated in points b) and d) of the first paragraph, provide detailed information in respect of their expertise and relevant experience in terms of management, as well as the following information:	2.1.1	54

		Paragraph	Page
	a) the name of any Company or Limited Partnership in which this person held a position on an administrative, management or supervisory body or a shareholder partner position, at any time during the previous five years (indicate also whether or not the person still holds this position). It is not necessary to list all of the subsidiaries of the issuer in which the person is also a member of an administrative, management or supervisory body; b) details of any condemnation for fraud handed down during at least the past five years; c) details of any bankruptcy, sequestration, liquidation or bankruptcy protection of a company relative to the persons mentioned in points a) to d) of the first paragraph who held one or more of these positions during at least the past five years; d) details of any case and/or public official sanction pronounced against these persons by statutory or regulatory authorities (including designated professional bodies). Indicate also of these persons have at least in the past five years been stripped of their rights by a court to carry out their duties as member of an administrative, management or supervisory body of an issuer, or rights to participate in the management or the execution of the issuer's business. If no such information is to be disclosed, provide an explicit declaration in this respect.		
12.2	Conflicts of interest at the level of administrative, management and supervisory bodies and Executive Management. Potential conflicts of management between the duties of any one of the persons mentioned in point 12.1 and the issuer and their private interests and/or other duties should be clearly indicated. In the case of absence of conflicts of interest, an explicit declaration in this respect should be made. Indicate any arrangement or agreement concludes with the main shareholders or with customers, suppliers or others, by virtue of which any one of the persons mentioned in point 12.1 was selected as a member of an administrative, management or supervisory body or as a member of Executive Management. Provide details of any restrictions accepted by the persons mentioned in point 12.1 regarding the sale, within a certain timeframe, of securities held by the issuer.	2.1.2	57
13	**REMUNERATION AND BENEFITS**		
	Regarding the last full fiscal year, indicate, for each person mentioned in point 12.1, first paragraph, in points a) and d);		
13.1	Indicate the amount of remuneration paid (including any conditional or deferred remuneration) and the benefits in kind granted by the issuer and its subsidiaries for whatever kind of services provided to them by said person.	2.2	57
	This information must be supplied on an individual basis, unless individual information is not required in the country of origin of the issuer and if the issuer does not report such information otherwise.	2.2	57
13.2	The total amounts provisioned or reported elsewhere by the issuer or its subsidiaries in respect of payment of pensions, retirement benefits or other similar benefits.	2.3	61
14	**FUNCTIONING OF ADMINISTRATIVE AND MANAGEMENT BODIES**		
	For the issuer's last financial year, and excluding contrary indications, provide the following information regarding any person mentioned in point 12.1, first paragraph, point a):		
14.1	The date of expiry of the current term of this person, where appropriate, and the period during which the person remained in office.	2.1.1	54
14.2	Information regarding the service contract linking the members of the administrative, management or supervisory bodies of the issuer or any one of its subsidiaries and providing for the granting of benefits upon expiry of such a contract, or a relevant declaration certifying the absence of such benefits.	6.6.2	196
14.3	Information regarding the Audit Committee and the Remuneration Committee, including the names of the members of these committees and a summary of the assignment by virtue of which they exist.	2.1.3	57

		Paragraph	Page
14.4	A declaration indicating if the issuer complies or otherwise, with corporate governance regime(s) applicable to it. If the issuer is not in compliance, a declaration in this respect should be provided, explaining the reasons for this non-compliance.	2.5.1.1	63
14.5	Significant impacts on corporate governance, including future changes to the composition of administrative and management bodes and committees (insofar as this has already been decided by management and/or the General Meeting of shareholders).	2.5.2.1.5/ 2.5.2.2	70
15	**EMPLOYEES**		
15.1	Indicate either the number of employees at the end of the period covered by the historical financial data, or their average number during each financial year during the period, until the date of registration Document (as well as changes to this number if they are significant) and, if possible, and if this information is significant, the breakdown of employees by main business category and by location. If the issuer employs a significant number of temporary employees, also indicate the average numbers of these employees during the most recent financial year.	6.7.3	199
15.2	Shareholdings and stock options For each of the persons mentioned in point 12.1, paragraph one, points a) and d), provide the most recent information possible regarding their shareholdings in the capital of the issuer and any outstanding options on the capital.	2.4	62
15.3	Describe any agreement providing for employee shareholdings in the capital of the issuer.	6.7.4	199
16	**MAIN SHAREHOLDERS**		
16.1	To the extent that this information is known to the issuer, provide the name of any person who is not a member of an administrative, management or supervisory body which holds, directly or indirectly, a percentage of the share capital or voting rights in the issuer for which national legislation requires declarations to be made, as well as the amount of shares thus held at the date of the registration Document. If no such person exists, provide an explicit declaration in this respect.	6.2	188
16.2	Indicate if the main shareholders of the issuer hold different voting rights, or provide an appropriate declaration indicating the absence of such voting rights.	6.2	188
16.3	Insofar as this information is known to the issuer, indicate if the former is owned or controlled, either directly or indirectly, and by whom; describe the nature of this control and the measures implemented to avoid abusive use of such control.	6.2	188
16.4	Describe any agreement, known to the issuer, the implementation of which, at a future date, could change the control exercised on it.	6.2	188
17	**MAIN TRANSACTIONS WITH RELATED PARTIES**	**6.6**	**196**
17.1	Details of transactions carried out with related parties linked to the issuer during the period covered by the historical financial data until the date of the registration Document must be disclosed in accordance with the relevant standard adopted by virtue of regulation (EU) No. 1606/2002, if it applies to the issuer. If this is not the case, the following information must be provided: a) the nature and amount of the transactions which, considered individually or together, are significant for the issuer. When transactions with related parties have not been concluded on an arm's length basis, explain why. Regarding outstanding loans including guaranties of any type, indicate the outstanding amount; b) the amount and percentage relative to the transaction with the related party for which the issuer records revenue.	6.6	196
18	**FINANCIAL INFORMATION REGARDING THE ASSETS AND LIABILITIES, THE FINANCIAL SITUATION AND THE EARNINGS OF THE ISSUER**		
18.1	historical financial information;	4/5	117/155
18.1.1	Provide audited historical financial information for the last three financial years (or for any shorter period during which the issuer has been active) and the audit report drawn up for each of these financial years.		

		Paragraph	Page
18.1.2	Change of reporting date. If the issuer has changed its reporting date over the period for which the historical financial information has been requested, audited historical financial information covering a period of at least 36 months, or the entire period of activity of the issuer if shorter.	N/A	N/A
18.1.3	Accounting principles. The financial information must be drawn up in compliance with international financial information standards, as adopted by the Union in accordance with regulation (EU) No. 1606/2002. If regulation (EU) No. 1606/2002 does not apply, the financial information must be drawn up in compliance with: a) the national accounting standards of a member state for EEE issuers, as provided for in Directive 2013/34/EU; b) national accounting standards of non-EU countries equivalent to regulation (EU) No. 1606/2002 for issuers from non-EU countries. If the national accounting standards of non-EU countries are not equivalent to regulation (EU) No. 1606/2002, the financial statements must be restated in accordance with said regulation.	4	117
18.1.4	Change of financial reporting framework. The latest audited historical financial information, including comparable information relative to the previous year, must be drawn up and presented in compliance with the financial reporting framework to be adopted for the next annual financial statements to be published by the issuer, in accordance with accounting standards, methods and legislation applicable to these annual financial statements. Changes within the financial reporting framework applicable to the issuer do not require restatement of audited financial statements solely for the purposes of the prospectus. However, if the issuer plans to adopt a new financial reporting framework with the next financial statements to be published, it must present at least one full set of financial statements (within the meaning of IAS 1 Presentation of financial statements, as defined by regulation (EU) No. 1606/2002), including comparable information, in a form corresponding to the financial reporting framework to be adopted in the next annual financial statements to be published by the issuer, in accordance with the accounting standards, methods and legislation applicable to these annual financial statements.	N/A	N/A
18.1.5	When they are drawn up in accordance with national accounting standards, the audited financial information such include at least: a) the balance sheet; b) the income statement; c) a statement indicating all changes in the share capital or changes in the share capital other than those resulting from capital transactions with the owners and distributions to the owners; d) the statement of cash flows e) the accounting methods and accompanying notes.	N/A	N/A
18.1.6	The consolidated financial statements. If the issuer draws up annual financial statements both on an individual bases and a consolidated basis, include at least the annual consolidated financial statements in the registration document.	4.1	118
18.1.7	Date of the latest financial information. The balance sheet date of the latest financial year for which financial information has been audited must not be dated: a) more than 18 months before the date of the registration Document, if the issuer includes therein audited interim financial statements; b) no more than 16 months before the date of the registration Document, if the issuer includes therein unaudited interim financial statements.	4	117
18.2	Interim financial statements and others.		

		Paragraph	Page
18.2.1	If the issuer has published quarterly or interim financial information since the date of its latest audited financial statements, these must be included in the registration Document. If this quarterly or interim financial information has been audited or reviewed, the audit report or review should also be included. If this is not the case, specify. If it is drawn up more than nine months after the date of the latest audited financial statements, the registration Document must contain interim financial information, possibly unaudited (in which case this should be specified), covering at least the first six months of the financial year. Interim financial information is drawn up in accordance with the provisions of regulation (EU) No. 1606/2002. For issuers to whom regulation (EU) No. 1606/2002 does not apply, the interim financial information must contain comparable financial statements covering the same period of the previous year, with the presentation of a closing balance sheet fulfilling the requirement concerning the comparable balance sheet in accordance with the financial reporting framework applicable.		
18.3	Audit of historical annual financial information.	4.6	151
18.3.1	Historical annual financial information must be subject of an independent audit. The auditors' report must be drawn up in accordance with Directive 2014/56EU of the European Parliament and the Council (537/2014) and regulation (EU) No. 537/2014 of the European Parliament and the Council (4).	4.6	151
	When Directive 2014/56/EU and regulation (EU) No. 537/2014 do not apply:	N/A	N/A
	a) historical annual financial information must be audited or present the certification that, for the purposes of the registration Document, they give a faithful presentation, in accordance with the audit standards applicable in a member State or an equivalent standard;		
	b) if the audit reports on historical financial information were rejected by legal auditors or if they contain reserves, modified opinions, limitations on liability, or observations, these reserves, modifications, limitations or observations must be fully reproduced together with an explanation.		
18.3.2	Indicate what other information in the registration Document has been audited by the legal auditors.	N/A	N/A
18.3.3	When the financial information included in the registration Document is not taken from the audited financial statements of the issuer, indicate the source and specify that they have not been audited.	N/A	N/A
18.4	Pro forma financial information.	N/A	N/A
18.4.1	In the event of a significant change in gross values, describe the way in which the transaction had an impact on the assets, the liabilities and the earnings of the issuer, if it had been carried out at the start of the period covered or at the specified date. This requirement would normally be met by the inclusion of pro forma financial information. Pro forma financial information must be presented in accordance with Note 20 and must include all the data mentioned therein. The information must be accompanied by a report drawn up by independent accountants or legal auditors.		
18.5	Dividend policy.	1.4.7	45
18.5.1	Describe the issuer's policy in terms of dividend distribution and any applicable restrictions. If the issuer has not set any policy in this respect, include a relevant declaration indicating the lack of policy in this respect.		
18.5.2	For each year covered by the historical financial statements, provided the amount of the dividend per share, potentially adjusted, for comparison purposes, when the number of shares of the issuer has changed.		
18.6	Legal and arbitrage procedures.	1.6.11	52
18.6.1	Indicate, for a period covering at least twelve months, all administrative, legal and arbitrage procedures (including ongoing procedures or potential procedures of which the issuer is aware) which could have or has recently had significant impacts on the financial situation or profitability of the issuer and/or the Group, or provide the appropriate negative declaration.		
18.7	Significant change in the issuer's financial situation.	1.4.4	41

		Paragraph	Page
18.7.1	Describe any significant change in the Group's financial performance which occurred between the end of the latest fiscal year for which audited financial information or interim financial information has been reported, or provide an appropriate negative declaration.	1.4.5	41
19	**ADDITIONAL INFORMATION**		
19.1	Share capital.	6.1	182
	Provide the information referred to in points 19.1.1 to 19.1.7 in the historical financial information at the most recent balance sheet date:		
19.1.1	Indicate the amount of issued capital, for each share category:		
	a) the issuer's total authorized capital;		
	b) the number of shares issued and fully paid up and the number of shares issued but not fully paid up;		
	c) the nominal value per share, or the fact that the shares do not have a nominal value; as well as		
	d) a comparison between the number of shares outstanding at the start and at the end of the financial year.		
	If more than 10% of the capital has been paid up with assets other than cash during the period covered by the historical financial information, specify.		
19.1.2	Indicate if there are securities which do not represent the share capital, their number and their main features.		
19.1.3	Indicate the number, carrying amount and nominal value of shares held by the issuer itself or on its own behalf, or by its subsidiaries.		
19.1.4	Indicate the amount of convertible securities, or exchangeable or with subscription warrants attached and indicate the terms and conditions governing conversion, exchange or subscription.		
19.1.5	Provide information on the conditions governing any acquisition rights and/or any obligation attached to the authorized but not issued capital, or on any company aiming to carry out a capital increase.		
19.1.6	Provide information on the capital of any member of the Group with the option or conditional or unconditional agreement to apply an option and the details of such options, including the identity of the persons to whom they apply.		
19.1.7	Provide a history of the share capital for the period covered by the historical financial information, highlighting any changes which took place.		
19.2	Articles of incorporation and bylaws.	6.3	189
19.2.1	Where appropriate, indicate the company registry and the registration number; provide a summary of the issuer's corporate purpose and indicate where the latest up-to-date version of the articles of incorporation and bylaws can be found.		
19.2.2	When several share categories exist, describe the rights, privileges and restrictions attached to each category.		
19.2.3	Provide a summary description of all provisions of the act of incorporation, the bylaws, the charter or code of conduct of the issuer which would have the impact of deferring or preventing a change of control.		
20	**MATERIAL CONTRACTS**	**1.4.2**	**38**
20.1	Summarize, for the two years preceding the publication of the registration Document, each material contract (other than contracts concluded within the framework of normal activities) concluded by the issuer or any other member of the Group.		
	Summarize any other contract (other than contracts concluded within the framework of normal activities) concluded by any member of the Group and containing provisions leading an obligation for a member of the Group or a significant right for the whole of the Group, at the date of the registration Document.		
21	**AVAILABLE DOCUMENTS**		
21.1	Provide a declaration indicating that, during the validity of the registration Document, the following documents can, where appropriate, be consulted:	7.4	203
	a) the most up-to-date version of the incorporation act and the bylaws of the issuer;		
	b) any report, mail or other documents, reviews and declarations drawn up by an expert at the request of the issuer, for which a portion is included or referred to in the registration Document.		
	Indicate the address of the website on which the documents can be consulted.		

7.6 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT AND THE MANAGEMENT REPORT

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- either to prohibit the managers from selling the bonus shares granted to them before the termination of their functions		
- or, to set the amount of bearer shares that they are required to hold until the end of their term of office (indicating the fraction set)		
> In the event of the allocation of stock options, indicate the information on which the Board of Directors made the decision:	N/A	N/A
- or to prohibit managers from exercising their options before the expiry of their terms of office		
- or to require them to hold in bearer form until the expiry of their terms in office all or part of the shares granted from previously exercised options (indicating the fraction thereby set)		
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- list of holders of any securities with special control rights and the description of such securities		
- control mechanisms provided for in a possible employee shareholder system, when controlling rights are not exercised by the latter		
- agreements between shareholders of which the Company is aware and which could lead to restrictions on transfers of shares and on exercising voting rights		
- rules applicable to the appointment and replacement of members of the Board of Directors or the Management Board as well as changes to the Company bylaws		
- the powers of the Board of Directors, in particular regarding the issuance or buyback of shares		
- the agreements concluded by the Company which have been modified or which expire in the event of change of control of the Company, except if this disclosure, excluding legal disclosure obligations, would severely impact its interests		
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7.7 GLOSSARY

A

Aggregation of signals

Regrouping signals to homogenize them.

ATM

"*Asynchronous Transfer Mode*" Recent network technology enabling simultaneous transfer on the same line of voice and data.

ASIC

"*Application Specific Integrated Circuit*": dedicated circuit for a specific application and therefore not reprogrammable.

B

Bandwidth

Frequency interval (in hertz) for which the amplitude response of a system corresponds to a benchmark level, therefore at which the system is considered reliable. This term is also used in the area of digital transmission to indicate the speed of a communication channel, owing to the fact that this speed stems directly from the maximum frequency at which the canal can be used to reliably transmit an electric signal.

C

CLEC

"*Competitive Local Exchange Carriers*": local telecom operator in the US, new market arrival.

Coherence

This technology demodulates both amplitude and the phase of the signal at the level of the receiver and, thanks to a very high speed signal processing, enables compensation of transmission imperfections owing to chromatic dispersion and dispersion of polarization modes. This enables full performance compatibility at 100G with the 10G. The equipment component which manages this functionality is the optical issuer/receiver interphase called MSA 100G.

CPE

"Customer Premises Equipment", customer equipment used to connect to an operator/internet service provider.

D

DWDM

"*Dense Wavelength Data Multiplexing*": technology which increases available bandwidth on a portion of optical fiber via the use of simultaneous signals of different wavelengths.

(E)

EAD

Ethernet Access Device. Ethernet carrier equipment.

EMS

"*Electronics Manufacturing Services*": sub-contractors of electronics products (printed circuits). Customers are often referred to as OEMs (original equipment manufacturers).

Ethernet

The packet switching network protocol, which sends the same signal to all the devices connected to the same network. This technology, known for its simplicity, was used by local networks before the development of the internet. Its evolutionary benefits means that it has now become one of the most widely used high-speed network protocol, thanks notably to its integration in the OSI model (it is used on the first two layers of the OSI model, physical and data connections, combined under standard IEE 802).

F

FPGA

"*Field-Programmable Gate Array*": type of integrated circuit dedicated to a single application, and therefore reprogrammable.

FTP

"*File Transfer Protocol*": protocol for file transfers.

I

ILEC

"*Incumbent Local Exchange Carriers*": local telecom operator in the US, already established on the market.

M

MEF

Metro Ethernet Forum.

MSA

"*Multi Supplier Agreement*": agreement with multiple suppliers relative to the optical module. Telecom equipment makers require their suppliers to adopt the same optical module specifications or MSA which guarantees equivalent performance between all suppliers.This enables equipment manufacturers to avail of several fully compatible sources of procurement.

Multiplexing

A technique that consists of transmitting two or more packets of information via one transmission media.Optical multiplexing (optics is the branch of physics which involves light and its relationship with vision) does not break up signals in time (time is a concept developed to represent change in the world: the Universe is never constant, the elements of which it is made up change, transform and evolve...), but rather by frequency.In more simple terms, several colors are transmitted simultaneously on one single optical fiber.This means notably that the fiber transmission capacity can be increased (a fiber is an elementary, vegetable or animal formation, with a filament aspect, generally presented in the form of a cluster) for current fiber options without significantly increased costs.

O

OEM

"*Original Equipment Manufacturer*": maker of original equipment. Purchases parts that cannot be marketed as they are and resells the assembled parts under its own brand.

ONH

"*Optical Network Hub*": optical network equipment.

OTN

Optical Transport Networking, OTN technology enables switching of data traffic to optical fibers to optimize network bandwidth.

P

Protocol

Set of standards necessary to enable cooperation between distant entities, in particular to establish and maintain information exchanges between these entities.

Q

QoS

"*Quality of Service*". Ability to transmit under good conditions, a specific type of data traffic, in terms of availability, speed, transmission times, packet loss rates, etc.

R

ROADM

"*Reconfigurable Add/Drop Multiplexer*". Equipment technology enabling network configuration changes in real time, based on its status or the needs of the customer. This system enables the addition of flexibility to the network infrastructure and in turn optimizes operating costs.

S

SDH

"*Synchronous Digital Hierarchy*".High speed digital data transmission protocol, equivalent to the level 1 OSI layer model.Technique originally designed to manage circuit communications, typically telephone communications.However, since the 2000s, the volume of packet-type data has overtaken the quantity of telephone type data, leaving SDH somewhat unsuitable for the new services required today.

SDN

Software Defined Networking.

SD-WAN

Software-Defined WAN.

SONET

"*Synchronous Optical Network*". Corresponds to SDH for the United States.

T

TCP/IP

"*Transmission Control Protocol/Internet Protocol*". Protocol suite. This acronym stems from the names of the two main protocols of the protocol suite, i.e. the TCP and IP protocols. TCP/IP represents a certain way in which all of the rules of internet communication and is based on the concept of IP addresses, i.e. the fact of providing an IP address to each network machine to enable transmission of packets of data.

V

VNF

Virtual Network Function, software application providing network service.

W

WAN

Wide Area Network, telecommunications network covering a vast geographical zone, the biggest WAN is the internet.

WDM

"*Wavelength Division Multiplexing*". Technique used in optical telecommunications which enables the transmission of several different bandwidths via a single fiber optic, by mixing at input using a multiplexer (MUX), and by separating them on arrival using a demultiplexer (DEMUX).

Technologie CWDM

"*Coarse Wavelength Division Multiplexing*": technology based on the progress made regarding laser emitters and receivers. Enables multiplexing of signals using a single fiber and taking advantage of the bandwidth of the signal. The channels are spread further apart (20 nm versus 0.4 to 1.6 nm) which, with DWDM and the speed is therefore less rapid. However, CWDM is less expensive than DWDM.

DWDM technology

"*Dense Wavelength Division Multiplexing*": multiplexing of signals within a single fiber which enables an increase in the available bandwidth on the fiber optic.

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