

Interim financial report
as of June 30, 2022





Public limited company with capital of €12,977,026.50
Headquarters: 3, rue Blaise Pascal – 22300 Lannion
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Interim financial report as of June 30, 2022

This is a translation into English of the interim financial report of the Company issued in French and it is available on the website of the Issuer.

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1.1_Declaration by the persons responsible for the interim report

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

Lannion, July 27, 2022

Didier Brédy, Chairman and Chief Executive Officer of Ekinops

1.2_Interim Management Report

1.2.1_Ekinops business in the first six months of the year

In the first half of 2022, revenue totaled €63.3 million, a €12.5 million increase, compared to the €50.8 million generated in the first half of 2021. This robust performance reflected growth of 25% compared to the first half of 2021 and 20% compared to the second half of 2021, with H2 traditionally being the higher contributor. At mid-year 2022, the Group is therefore well ahead of its full-year target growth of at least equal to the level recorded in 2021 (+12%) and is tending instead towards a target growth of 15%.

The healthy interim performance was driven by growth in all of the group's business lines (Optical Transport, Access, and Software & Services). However, robust momentum in the Optical Transport business line especially stood out. Driven by the success of 200 Gb/s and 400 Gb/s WDM solutions, the Optical Transport business line witnessed a sustained growth of 31% compared to H1 2021.

Revenue generated by the sales of software and related services, which are key factors for margin improvement, jumped 47% and represented 15% of the Group's revenue for first-half 2022. The successes of Software Defined Network (SDN) solutions, Virtual Network Functions (VNFs), and the Services business, including SixSq's activities, enabled and fostered this revenue jump of 47%.

First-half gross profit came to €33.5 million, bringing the consolidated gross margin to 52.9%.

First-half 2022 EBITDA stood at €10.8 million, for a consolidated EBITDA margin of 17.0%.

Operating profit was €4.2 million versus €1.9 million in H1 2021.

After accounting for €0.9 million in financial income and a tax gain of €0.2 million, H1 2022 net income rose more than 225% to €5.2 million, compared to €1.6 million in H1 2021.

1.2.2_Situation in Ukraine

The outbreak of the Ukraine crisis on February 24, 2022 led the Group to clarify that it has no significant business in any of the directly affected countries (Ukraine, Russia, Belarus).

As such, there has been no significant impact on the Group's operations so far. The Group nevertheless remains cautious as to the potential impact this major crisis may have on its own customers and any knock-on effects.

1.2.3_Subsequent events after the interim closing

No significant events occurred after the interim closing period.

1.2.4_Expected business trends for Ekinops through the end of the year

Following an already robust 2021, the H1 2022 results reflected faster growth and further high profitability, with Ekinops' outperforming both its markets and main competitors.

These strong results testify to Ekinops' ability to capture investments from operators and enterprises and match their needs with Ekinops' equipment and solutions in a difficult economic context. More specifically, the half-year period showed strong traction in all business lines, with the Group ensuring delivery of all equipment and solutions on time, despite the components crisis.

The Company nevertheless remains vigilant concerning this unprecedented crisis, which is continuing into 2022 and appears set to remain very present over coming quarters. However, the crisis has had no major impact on business for the Group, which maintains perfect control of its supply chain and has demonstrated its agility in terms of sourcing and stock management since the start of the crisis.

At the end of this first half, Ekinops is confident it can achieve its full-year target for growth of at least as high as the 2021 level (+12%), and tending towards 15%.

At the same time, Ekinops remains active on the external growth front and continues to explore all acquisition opportunities that could create value for the company.

1.2.5_Information on risks and uncertainties for the second half of the year

The risk factors presented in the Universal Registration Document (URD) published by Ekinops and filed with the AMF on April 8, 2022 have not changed significantly, whether in terms of their nature or their scale.

1.2.6_Main transactions with related parties

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

1.3_Interim consolidated financial statements

1.3.1_Condensed consolidated statement of financial position

(€k)

	Notes	06/30/2022	12/31/2021
ASSETS			
Goodwill	6.1	29,618	29,418
Intangible assets	6.2	21,551	23,197
Tangible assets	6.3	4,089	3,735
Non-current financial assets	6.5	1,260	1,172
Rights of use	6.6	3,941	4,581
Other non-current assets	6.5	11,986	10,307
Deferred tax assets		2,935	2,844
Total non-current assets		75,379	75,254
Inventories	6.7	17,801	19,033
Trade receivables and related accounts	6.8	34,006	24,218
Other current assets	6.9	8,064	6,380
Derivative instrument assets	6.9	111	26
Cash and cash equivalents	6.10	41,409	45,392
Total current assets		101,391	95,048
TOTAL ASSETS		176,771	170,304
LIABILITIES			
Issued capital	6.11	13,081	12,916
Share premiums		112,995	112,954
Consolidated reserves–Group share		(22,618)	(28,469)
Translation reserves		(2,868)	(3,423)
Profit (loss) for the period–Group share		5,213	4,812
Shareholders' equity (Group share)		105,805	98,791
Total shareholders equity		105,805	98,791
Non-current financial debt	6.12	15,188	16,771
Non-current lease liabilities	6.6	2,399	2,972
Non-current provisions	6.15	1,181	1,210
Commitments to personnel	6.14	3,010	3,147
Other non-current liabilities		1,358	937
Deferred tax liabilities		409	1,145
Total non-current liabilities		23,545	26,181
Current financial debt	6.12	10,877	11,860
Current lease liabilities	6.6	1,646	1,753
Current provisions	6.15	1,388	1,682
Trade payables and related accounts	6.16	17,967	16,154
Current tax payable	6.16	1,378	984
Other current liabilities	6.16	14,164	12,899
Total current liabilities		47,421	45,333
TOTAL LIABILITIES		176,771	170,304

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

1.3.2 Consolidated statement of comprehensive income

(€k)

	Notes	06/30/2022	06/30/2021
Revenue	7.1	63,301	50,783
Cost of sales		(29,836)	(23,017)
Gross margin		33,465	27,766
Research and development costs	7.2	(13,480)	(11,974)
Marketing and sales costs	7.2	(10,621)	(9,122)
General and administrative expenses	7.2	(5,231)	(4,761)
Current operating profit (loss)		4,133	1,909
Other operating income and expenses		30	(88)
Operating income		4,163	1,821
Net borrowing costs	7.5	(164)	(147)
Other financial income and expenses	7.5	1,017	237
Pre-tax profit		5,016	1,912
Tax expense	7.6	197	(306)
Net profit for the period		5,213	1,606
Attributable to Ekinops SA shareholders	7.7	5,213	1,606
Attributable to non-controlling interests		-	-
Basic earnings per share (€/share)	7.7	0.20	0.06
Diluted earnings per share (€/share)		0.20	0.06
EBITDA	7.8	10,780	9,358

Other components of consolidated comprehensive income

(€k)

	06/30/2022	06/30/2021
Net profit for the period	5,213	1,606
Other recyclable components of comprehensive income:	577	325
Currency translation adjustments, net of taxes	577	325
Currency translation adjustments	577	325
Tax effect	-	-
Other non-recyclable components of comprehensive income:	267	159
Actuarial gains and losses, net of taxes	271	58
Actuarial gains (losses) on commitments to personnel	271	58
Tax effect	-	-
Financial instruments, net of taxes	(4)	101
Change in fair value of financial hedging instruments	85	101
Tax effect	(89)	-
Total other comprehensive income	844	484
Comprehensive income	6,057	2,090
Attributable to Ekinops SA shareholders	6,057	2,090
Attributable to non-controlling interests	-	-

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

1.3.3_Condensed statement of changes in consolidated shareholders' equity

(€k)

	Number of shares	Capital	Share premium	Reserves and retained earnings	Translation reserves	Shareholders' equity, Group share	Non-controlling interests	Total shareholders' equity
At 01/01/2021	25,462,005	12,731	112,252	(30,768)	(3,273)	90,941	-	90,941
Net profit for the period	-	-	-	1,606	-	1,606	-	1,606
Other comprehensive income	-	-	-	159	325	484	-	484
Comprehensive income	-	-	-	1,765	325	2,090	-	2,090
Treasury shares	-	-	-	(46)	-	(46)	-	(46)
Options exercised and bonus shares issued	265,613	133	330	(83)	-	380	-	380
Share-based payments	-	-	-	1,152	-	1,152	-	1,152
Other	-	-	-	-	-	-	-	-
At June 30, 2021	25,727,618	12,864	112,582	(27,980)	(2,947)	94,519	-	94,519
At 01/01/2022	25,832,666	12,916	112,954	(23,657)	(3,423)	98,791	-	98,791
Net profit for the period	-	-	-	5,213	-	5,213	-	5,213
Other comprehensive income	-	-	-	267	577	844	-	844
Comprehensive income	-	-	-	5,480	577	6,057	-	6,057
Treasury shares	-	-	-	(5)	-	(5)	-	(5)
Options exercised and bonus shares issued	330,256	165	41	(137)	(23)	46	-	46
Share-based payments	-	-	-	914	-	914	-	914
Other	-	-	-	-	-	-	-	-
At 06/30/2022	26,162,922	13,081	112,995	(17,405)	(2,868)	105,804	-	105,805

1.3.4_Condensed consolidated statement of cash flows

(€k)

	Notes	06/30/2022	06/30/2021
Net profit for the period		5,213	1,606
Elimination of amortization (excluding rights of use) and provisions	7.4	4,450	5,092
Elimination of rights of use (IFRS 16)	6.6	893	831
Elimination of share-based payment expenses (IFRS 2)	6.11	914	1,152
Elimination of other items with no cash impact		(841)	(34)
Cash flow after taxes and net borrowing costs		10,629	8,647
Elimination of other non-operating items	6.15	135	53
Elimination of tax expense (income)	7.7	(197)	306
Neutralization of financial interest related to lease liabilities	6.6	48	61
Neutralization of borrowing costs disbursed	7.6	107	115
Cash flow before taxes and net borrowing costs		10,722	9,182
Impact of change in working capital requirements	6.17	(8,271)	(4,341)
Taxes paid		(293)	(268)
Cash flows from operating activities		2,158	4,573
Acquisition of tangible and intangible assets	6.4	(2,735)	(2,070)
Change in loans, advances, and security deposits	6.5	(37)	(28)
Cash flows from investing activities		(2,772)	(2,098)
Change in share capital and share premiums	6.11	48	381
Trading in treasury shares		(5)	(46)
Issue of new loans	6.12	19	1,085
Loan repayments	6.12	(3,118)	(2,253)
Financial interest paid	6.12	(107)	(114)
Repayment of lease liabilities	6.6	(934)	(875)
Financial interest related to rent liabilities	6.6	(48)	(62)
Change in debt arising from factoring		525	(2,970)
Change in other financial debt		0	(340)
Cash flows from financing activities		(3,620)	(5,194)
Impact of foreign exchange rate fluctuations	6.10	250	39
Net increase (decrease) in cash and cash equivalents		(3,983)	(2,680)
Opening cash and cash equivalents		45,392	49,635
Closing cash and cash equivalents		41,409	46,955

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

1.4_Notes to the condensed interim consolidated financial statements

Note 1_General information

Ekinops SA, registered at 3, rue Blaise Pascal 22300 Lannion, France, is the consolidating entity of the Ekinops Group.

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

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

- the “Ekinops 360” platform to meet the needs of metropolitan, regional, and long-distance networks based on a simple, highly integrated architecture for network layer 1 (transport);
- “OneAccess” solutions to offer a wide range of physical and virtualized deployment options for layers 2 and 3 (access and routers); and
- “Hybrid” solutions, that help service providers manage their networks using software through a series of software management services and tools.

Note 2_Highlights in H1 2022

Ekinops generated consolidated revenue of €63.3 million in first-half 2022, compared to €50.8 million in first-half 2021.

The Company nevertheless remains vigilant concerning this unprecedented crisis, which is continuing into 2022 and appears set to remain very present over coming quarters. So far, it has nevertheless had no major impacts on the Group’s business.

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

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

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

The condensed interim consolidated financial statements at June 30, 2022, were examined by the Board of Directors of Ekinops on July 27, 2022.

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

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

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

Note 3 Accounting principles, rules and methods

3.1 Accounting principles

The Group's condensed consolidated financial statements for the six-month period ended June 30, 2022 were prepared in accordance with the provisions of IAS 34 on interim financial reporting and on the basis of IFRS and interpretations published by the *International Accounting Standards Board* (IASB) as adopted in the European Union and mandatory as of January 1, 2020.

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

- to update the accounting and financial information contained in the latest consolidated financial statements reported as of December 31, 2021; and
- to include new accounting and financial information on significant events and transactions occurring during the period.

These notes therefore discuss significant events and transactions that occurred in the first six months of the year and should be read in conjunction with the consolidated financial statements at December 31, 2021.

Standards, amendments, and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after January 1, 2022

Amendments to IFRS 3
Amendments to IFRS 16
Amendments to IFRS 37

References to the conceptual framework
Proceeds before intended use
Onerous contracts - Cost of fulfilling a contract

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

Standards, amendments, and interpretations applied beginning on June 1, 2022, not adopted by the European Union

None.

3.2 Judgments and estimates

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

They are inseparable from the information presented in the consolidated financial statements included in the Group's Financial Report published for the 2021 financial year.

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

The accounting principles used for the preparation of the condensed interim consolidated financial statements comply with IFRS and interpretations as adopted by the European Union and applicable as of June 30, 2022, which are available on the website of the European Commission:

<https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/>

These accounting principles are identical to those applied for the preparation of the 2021 annual consolidated financial statements.

Standards, amendments, and interpretations applied beginning on June 1, 2022, not adopted by the European Union

None.

3.3 Scope and methods of consolidation

The Group created the subsidiary Ekinops Canada on February 9, 2022, which was not included in the scope of consolidation as of June 30, 2022, as it was not of significant value.

Note 4_Information on the seasonal or cyclical nature of Group business

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

Note 5_Management of financial risk

Risk factors are the same as those identified in the 2021 Universal Registration Document.

Note 6_Notes to the consolidated statement of financial position

6.1_Goodwill

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

(€k)	Ekinops France	Ekinops Brasil	SixSq	Total
Net value at 01/01/2021	27,523	826		28,349
Acquisitions			1,061	
Translation adjustments	-		8	
Net value at December 31, 2021	27,523	826	1,069	29,418
Translation adjustments	-	145	54	199
Net value at 06/30/2022	27,523	971	1,123	29,618

The resulting goodwill recognized upon consolidation of SixSq is in the process of being allocated to a cash generating unit. The measurement of the identifiable assets acquired at fair value is also being analyzed.

6.2_Intangible assets

(€k)	Developed technologies	Customer relations	Order book	Development costs	Ongoing development costs	Licenses and other intangible assets	Total
Gross value at 12/31/2021	30,341	8,997	1,021	11,694	2,120	4,512	58,684
Capitalization of development costs	-	-	-	863	649	-	1,512
Acquisitions	-	-	-	-	-	99	99
Reclassifications/ implementation	-	-	-	(290)	290	-	0
Impact of currency fluctuations	921	-	-	100	-	2	1,023
Gross value at 06/30/2022	31,262	8,997	1,021	12,367	3,059	4,613	61,318
Accumulated depreciation at 12/31/2021	(19,184)	(3,825)	(1,021)	(6,982)	0	(4,476)	(35,488)
Allowance for the period	(2,537)	(450)	-	(905)	-	(72)	(3,964)
Impact of currency fluctuations	(265)	-	-	(27)	-	(24)	(316)
Accumulated amortization at 06/30/2021	(21,986)	(4,275)	(1,021)	(7,914)	0	(4,572)	(39,768)
Net value at December 31, 2021	11,157	5,172	0	4,712	2,120	36	23,196
Net value at 06/30/2022	9,276	4,722	0	4,453	3,059	41	21,551

6.3_Tangible assets

(€k)	Plant and machinery	Office furniture and equipment, computer hardware	Tangible assets in progress	Total
Gross value at 12/31/2021	13,034	7,162	-	20,195
Acquisition	748	227	-	975
Disposal	-	-	-	-
Impact of foreign exchange rate fluctuations	121	76	-	197
Gross value at 06/30/2022	13,903	7,465	-	21,367
Accumulated depreciation at 12/31/2021	(10,626)	(5,834)	-	(16,460)
Allowance for the period	(435)	(291)	-	(726)
Decrease	-	-	-	-
Disposal	-	-	-	-
Impact of foreign exchange rate fluctuations	(59)	(35)	-	(94)
Accumulated depreciation at 06/30/2022	(11,120)	(6,159)	-	(17,279)
Net value at 12/31/2021	2,408	1,328	-	3,735
Net value at 06/30/2022	2,783	1,306	-	4,089

6.4_Reconciliation of investments with the statement of cash flows

(€k)	06/30/2022	06/30/2021
Acquisition of intangible assets	(1,611)	(1,301)
Acquisition of tangible assets	(975)	(687)
Change in fixed asset payables	(149)	(83)
Total	(2,735)	(2,070)

6.5_Financial 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 12/31/2021	653	520	1,172	10,307	10,307
Increase	10	73	83	1,679	1,679
Decrease	-	-	0	-	0
Currency fluctuations	5	-	5	-	0
Gross value at 06/30/2022	668	593	1,260	11,986	11,986
Accumulated impairment losses at 12/31/2021	-	-	-	-	-
Allowances for the period	-	-	-	-	-
Accumulated impairment losses at 06/30/2022	-	-	-	-	-
Net value at 12/31/2021	653	520	1,172	10,307	10,307
Gross value at 06/30/2022	668	593	1,260	11,986	11,986

6.6_Rights of use and lease liabilities

6.6.1_Rights of use

(€k)	12/31/2021	New contracts and change of period	Amortization/ Depreciation	Translation adjustments	06/30/2022
Rights of use - Technical equipment	217	-	(29)	-	188
Rights of use - Buildings	3,484	38	(637)	62	2,946
Rights of use - Vehicles	881	154	(227)	-	807
Net value of rights of use	4,581	192	(893)	62	3,941

6.6.2_Lease liabilities

(€k)	12/31/2021	New contracts and change of period	Reclassification	Lease liability repayments	Translation adjustments	06/30/2022
Lease liabilities - Technical equipment	16		(16)			0
Lease liabilities - Buildings	2,456	38	(560)		32	1,966
Lease liability - Vehicles	499	152	(229)		12	433
Total Non-current	2,971	190	(806)	0	44	2,399
Lease liabilities - Technical equipment	93		16	(45)		64
Lease liabilities - Buildings	1,251		560	(662)	15	1,164
Lease liability - Vehicles	409		229	(226)	5	417
Total Current	1,753		806	(934)	20	1,646
Total	4,723	190	0	(934)	64	4,045

6.7_Inventories

(€k)	12/31/2021	Change	Allocations to provisions for inventory impairment	Writeback of inventory impairment provision	Impact of foreign exchange rate fluctuations	06/30/2022
Components inventories	10,976	1,329				12,305
Finished product inventories	10,658	(3,225)				7,433
Gross values	21,633	(1,896)	0	0	0	19,738
Impairment losses - Components	(1,857)		(30)	398		(1,489)
Impairment losses - Finished products	(744)		(7)	306	(3)	(448)
Accumulated impairment losses	(2,600)	0	(37)	704	(3)	(1,937)
Net values	19,033	(1,896)	(37)	704	(3)	17,801

6.8_Trade receivables and related accounts

(€k)	12/31/2021	Change	Impact of foreign exchange rate fluctuations	06/30/2022
Trade receivables and related accounts	25,185	9,322	412	34,919
Accumulated impairment losses	(967)	54		(913)
Net values	24,218	9,376	412	34,006

6.9_Other current assets

(€k)	12/31/2021	Change	Reclassifications and other changes	06/30/2022
Forward exchange purchases	26	85	-	111
Derivative instrument assets	26	85	-	111
Corporate and value added tax (CVAE) receivables	474	53	13	539
Tax credits (CIR, CII, CICE)	2,965	(1,142)	-	1,823
Other tax and social security receivables	2,349	1,236	19	3,604
Prepaid expenses	698	895	16	1,609
Other	39	846	(239)	646
Gross values	6,525	1,888	(192)	8,221
Accumulated impairment losses	(146)	(11)	-	(157)
Net values	6,406	1,962	(192)	8,175

6.10_Cash and cash equivalents

(€k)	12/31/2021	Change	Impact of foreign exchange rate fluctuations	06/30/2022
Cash	45,392	(4,233)	250	41,409
Cash equivalents	-	-	-	-
Cash and cash equivalents	45,392	(4,233)	250	41,409
Bank overdraft facilities	-	-	-	-
Total net cash position	45,392	(4,233)	250	41,409

6.11_Capital

6.11.1_Issued capital

At June 30 2022, the capital of the parent consisted of 26,162 922 fully paid up common shares with a nominal unit value of €0.50.

Date	Type of transaction	Capital	Number of shares created	Nominal value
At 12/31/2020		€12,731,003	25,462,005	€0.50
2021	Capital increase following exercise of options and issue of bonus shares	€185,331	370 ,661	€0.50
At 12/31/2021		€12,916,333	25,832,666	€0.50
First-half 2022	Capital increase following exercise of options and issue of bonus shares	€165,128	330,256	€0.50
At 06/30/2022		€13, 081,461	26,162, 922	€0.50

6.11.2_Share subscription warrants and stock options

a) Stock options (OSA)

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Ending new potential shares	Strike price (€)	Remaining contractual life	Expense recognized at 06/30/2022 (€K)	Expense recognized at 06/30/2021 (€K)
06/19/2014	179,228	-	(310)	-	178,918	5.07	2.0 years	-	-
05/19/2016	3,317	-	-	-	3,317	2.65	3.9 years	-	-
07/29/2019	81,334	-	-	(6,667)	74,667	3.66	7.1 years	(1)	(30)
05/27/2021	90,000	-	-	(7,500)	82,500	6.53	8.9 years	(53)	(2)
Total stock options (OSA)	353,879	0	(310)	(14,167)	339,402	N/A	N/A	(54)	(32)

b) Startup warrants (BCE)

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Ending new potential shares	Strike price (€)	Remaining contractual life	Expense recognized at 06/30/2022 (€K)	Expense recognized at 06/30/2021 (€K)
12/20/2012	22,103	-	0	0	22,103	3.80	0.5 years	-	-
02/25/2013	255,750	-	(14,818)	0	240,932	4.31	0.7 years	-	-
Total founder warrants (BCE)	277,853	-	(14,818)	0	263,035	N/A	N/A	-	-

c) Bonus share allocations (AGA)

	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	372,628	-	(315,128)	-	57,500
07/16/2019	0	-	-	-	0
03/02/2021	406,666	-	-	-	406,666
05/27/2021	269,334	-	-	-	269,334
05/25/2022	0	59,750	-	-	59,750
Bonus shares awarded (AGA)	1,048,628	59,750	(315,128)	0	793,250

d) 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	Ending new potential shares	Expense recognized at 06/30/2022 (€K)	Expense recognized at 06/30/2021 (€K)
OSA	353,879	0	(310)	(14,167)	339,402	(54)	(32)
BCE	277,853	-	(14,818)	0	263,035	-	-
AGA	1,048,628	59,750	(315,128)	0	793,250	(860)	(1,120)
Grand total	1,680,360	59,750	(330,256)	(14,167)	1,395,687	(914)	(1,152)

6.12_Financial debt

a) Change in financial debt

(€k)	12/31/2021	Increases	Repayments	(Discounting)/ Undiscounting	Other changes	Translation adjustments	06/30/2022
Bank loans	14,028				(1,446)	2	12,584
Bank loans/CIR financing	2,586						2,586
Conditional advances and interest-free loans	160				(160)		0
Discounting of advances and interest-free loans	(3)			3			0
Miscellaneous financial debt	0	19					19
Total non-current financial debt	16,771	19	-	-	(1,606)	2	15,189
Bank loans	4,355		(1,902)		1,446	4	3,902
Bank loans/CIR financing	2,214		(870)				1,345
Conditional advances and interest-free loans	506		(346)		160		320
Discounting of advances and interest-free loans	0						0
Factoring debt	4,525	14,000	(13,475)				5,050
Miscellaneous financial debt	260						260
Total current financial debt	11,860	14,000	(16,593)	0	1,606	4	10,877
Total financial debt	28,631	14,019	(16,593)	-	-	-	26,065

b) Breakdown of financial debt by interest rate

(€k)	06/30/2022	Fixed rate	Variable rate
Non-current financial debt	15,188	12,602	2,586
Current financial debt	10,877	4,483	6,395
Total financial debt	26,065	17,085	8,981

6.13_Information on net debt

a) Breakdown of debt by currency

(€k)	06/30/2022	EUR	USD	AUD	Other currencies
Bank loans	16,504	16,410	-	-	94
Bank loans/CIR financing	3,931	3,931	-	-	-
Conditional advances and interest-free loans	320	320	-	-	-
Discounting of advances and interest-free loans	0	0	-	-	-
Factoring debt	5,050	5,050	-	-	-
Miscellaneous financial debt	260	260	-	-	-
Financial debt	26,065	25,971	-	-	94
Cash and cash equivalents	(41,409)	(41,409)	-	-	-
Net debt/(Cash and cash equivalents)	(15,344)	(15,438)	-	-	94

b) Breakdown of debt by maturity

(€k)	06/30/2022	less than					
		1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Bank loans	16,504	3,902	3,798	3,939	3,141	900	824
Bank loans/CIR ⁽¹⁾ financing	3,931	1,345	2,586	-	-	-	-
Conditional advances and interest-free loans	320	320	-	-	-	-	-
Discounting of advances and interest-free loans	0	-	-	-	-	-	-
Factoring debt	5,050	5,050	-	-	-	-	-
Miscellaneous financial debt	260	260	-	-	-	-	-
Financial debt	26,065	10,877	6,384	3,939	3,141	900	824
Cash and cash equivalents	(41,409)	(41,409)	-	-	-	-	-
Net debt/(Cash and cash equivalents)	(15,344)	(30,532)	6,384	3,939	3,141	900	824

(1) The repayment of bank loans for CIR financing is simultaneous with the payments received from the tax authorities.

6.14_Commitments to personnel

a) Change in net commitment recognized on the balance sheet

(€k)	06/30/2022	12/31/2021
Starting actuarial debt	3,147	3,384
Cost of services rendered	114	256
Use (retirement)		(300)
Financial cost	13	10
Actuarial losses (gains)	(271)	(221)
Effect of foreign exchange rate fluctuations	7	17
Ending actuarial debt	3,010	3,147

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

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

b) Actuarial assumptions

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

Actuarial assumptions	06/30/2022	12/31/2021
Retirement age	65	65
Discount rate	2.70%	0.95%
Employer contribution rates	47.0%	47.0%
Rate of salary increases	3.00%	2.30%
Employee turnover		
< 25 years	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	2.0%-10%	2.0%-10%
45 - 50 years	2.00%	2.00%
50-55 years	2.00%	2.00%
Over 55 years	0.00%	0.00%
Mortality table	TGHF05	TGHF05

6.15_Provisions

(€k)	12/31/2021	Allowances	Reclassification	Writeback used	Writeback not used	06/30/2022
Provisions for disputes	830			-	-	830
Provisions for social and tax risks	130	-		-		130
Provisions for other risks and charges	250	73	(102)			221
Provisions for liabilities and charges						
Non-current portion	1,210	73	(102)	0	0	1,181
Provision for warranty	1,022	329		(315)	-	1,036
Provisions for disputes	200	-			-	200
Provisions for other risks and charges	460		102	(410)		152
Provisions for liabilities and charges						
Current portion	1,682	329	102	(725)	-	1,388
Total	2,892	402	0	(725)	0	2,569

6.16_Other current liabilities

(€k)	12/31/2021	Change	Reclassifications and other changes	06/30/2022
Trade payables	16,154	1,791	21	17,967
Trade payables	16,154	1,791	21	17,967
Corporate taxes payable	984	384	11	1,378
Corporate taxes payable	984	384	11	1,378
Debts on acquisitions of tangible and intangible assets.	22	(13)		9
Taxes and social security contributions payable	10,486	864	120	11,297
Deferred income	1,867	638	105	2,610
Other	523	(292)	17	248
Total other current liabilities	12,899	1,197	241	14,164

6.17_Change in working capital requirement

(€k)	06/30/2022	06/30/2021
Net (increase)/decrease in inventories	1,229	(347)
Net (increase)/decrease in trade receivables	(9,322)	(3,284)
Increase/(decrease) in trade payables	1,813	1,763
Net (increase)/decrease in other business related WCR items	(1,991)	(2,473)
(Increase)/decrease in working capital requirement	(8,271)	(4,341)

The increase in trade receivables is linked to the significant growth in sales.

Note 7_Notes to the income statement

7.1_Income from ordinary activities

a) By type

(€k)	06/30/2022	06/30/2021
Sales of produced goods	53,666	46,113
Sales of produced services	9,635	4,670
Total revenue	63,301	50,783

b) By geographic region

(€k)	06/30/2022	06/30/2021
North and South America	12,829	8,646
Europe - Middle East - Africa - Asia-Pacific	50,472	42,136
Total revenue	63,301	50,783

7.2_Type of allocated expenditure by function

a) Details of research and development costs

(€k)	06/30/2022	06/30/2021
Payroll expenses	(12,462)	(10,810)
Allowances for amortization/depreciation and provisions	(4,543)	(4,400)
Business travel and trips	(144)	(25)
Professional fees and consulting	(309)	(363)
Outside personnel	(1,216)	(935)
Equipment and property rentals and rental charges	(108)	(54)
Supplies, equipment, maintenance	(1,269)	(1,082)
Tax credit	1,725	1,725
Subsidies	859	285
Capitalization of development costs	1,621	1,238
Allocation of manufacturing costs to cost of sales	2,816	2,538
Other	(451)	(90)
Total research and development costs	(13,480)	(11,974)

b) Details of sales and marketing expenses

(€k)	06/30/2022	06/30/2021
Payroll expenses	(7,670)	(7,253)
Outside personnel	(360)	(320)
Business travel and trips	(351)	(114)
Professional fees and consulting	(545)	(376)
Equipment and property rentals and rental charges	(52)	(48)
Supplies, equipment, maintenance	(250)	(174)
Trade fairs	(125)	(16)
Allowances for amortization/depreciation and provisions	(696)	(788)
Other	(572)	(33)
Total marketing and sales expenses	(10,621)	(9,122)

c) Details of general and administrative expenses

(€k)	06/30/2022	06/30/2021
Payroll expenses	(2,371)	(1,777)
Payment in shares	(1,316)	(1,801)
Professional fees and consulting	(773)	(432)
Outside personnel	(22)	(4)
Supplies, equipment, maintenance	(542)	(238)
Insurance	(138)	(145)
Bank charges	(109)	(62)
Equipment and property rentals and rental charges	(1)	(9)
Allowances for amortization/depreciation and provisions	206	(572)
Subsidies	175	503
Other income/expense	(340)	(225)
Total general and administrative expenses	(5,231)	(4,761)

7.3_Breakdown of personnel costs and headcount

a) Breakdown of personnel costs by function

(€k)	06/30/2022	06/30/2021
Total research and development costs	(12,472)	(10,810)
Total marketing and sales expenses	(7,670)	(7,253)
Total general and administrative expenses	(3,687)	(3,570)
Total payroll expenses	(23,829)	(21,634)

b) Breakdown of personnel expenses by type

(€k)	06/30/2022	06/30/2021
Salaries and wages	(16,691)	(14,661)
Social security contributions and payroll taxes	(5,698)	(5,053)
Cost of services rendered	(125)	(119)
Payment in shares	(1,316)	(1,801)
Total payroll expenses	(23,829)	(21,634)

c) Headcount

(in units)	06/30/2022	06/30/2021
Salaried personnel	466	432
Seconded personnel	43	38
Total headcount	509	470

7.4_Allocations to amortization/depreciation provisions, net of reversals

(€k)	06/30/2022	06/30/2021
Allowances for amortization – Intangible assets	(977)	(884)
Allowances for amortization – Developed technologies and Customer relations	(2,987)	(2,897)
Allowances for depreciation – Tangible assets	(726)	(573)
Allocations to amortization - Rights of use	(893)	(831)
Net allowance for provisions for liabilities and charges of the "Current operating profit (loss)"	366	(596)
Cost of services rendered and impact of IAS19	(114)	133
Subtotal (EBITDA)	(5,331)	(5,648)
IAS 19 financial cost	(13)	-
Net allowance for provisions for liabilities and charges in "Other operating income (expense)"	-	(275)
Subtotal (SCF)	(5,343)	(5,923)
Net allowance for writebacks of provisions on inventories	667	(471)
Net allocation to writeback provisions for other current assets	-	-
Total	(4,676)	(6,394)

7.5_Cost of net debt and other financial income/expense

a) Net borrowing costs

(€k)	06/30/2022	06/30/2021
Interest expenses	(161)	(138)
Effect of undiscounting	(3)	(9)
Net borrowing costs	(164)	(147)

b) Other financial income and expenses

(€k)	06/30/2022	06/30/2021
Currency gains (losses)	1,021	292
Other financial income and expenses	(5)	(55)
Other financial income and expenses	1,017	237

7.6_Tax expense

(€k)	06/30/2022	06/30/2021
Current income taxes	(624)	(243)
Change in deferred taxes	821	(63)
Tax expense	197	(306)

7.7_Earnings per share

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

(€k/units)	06/30/2022	06/30/2021
Net income attributable to Ekinops SA shareholders	5,213	1,606
Weighted average number of outstanding shares:	26,162,922	25,519,232
> Weighted average number of common shares	25,950,592	25,534,985
> Weighted average number of treasury shares	(31,864)	(15,753)
Basic earnings per share (€/share)	0.20	0.06

7.8_EBITDA⁽¹⁾

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

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

(€k)	First-half 2022	Full-year 2021	Second-half 2021	First-half 2021
Current operating profit (loss)	4,133	3,444	1,535	1,909
Amortization, depreciation and provisions	2,344	5,436	2,685	2,751
Allocations to amortization - Developed technologies and customer relations	2,987	5,813	2,916	2,897
Income and expenses related to share-based payments*	1,316	2,849	1,048	1,801
EBITDA	10,780	17,542	8,184	9,358

*Including €402,000 in employer contributions ("social fixed-rate charge" related to share-based payments).

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

Note 8_Segment information

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

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

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

This information is presented in Note 7.1.

Note 9_Off-balance-sheet items

9.1_Other commitments

The Group outsources the manufacturing of its equipment to its industrial partners. Orders for manufacturing finished products are launched on the basis of firm customer orders. In addition, the Group orders components or semi-finished products from these same subcontractors in order to be able to demonstrate commercial responsiveness. The Group therefore has a commitment to take back these inventories up to a certain limit. The amount of this commitment was estimated at €11.8 million at June 30, 2022.

Note 10_Main transactions with related parties

During the interim period there were no substantial changes to recorded related-party transactions (compared with those in the financial statements for the 2021 financial year) likely to interfere with the analysis of the 2022 interim financial statements.

Note 11_Subsequent events after the interim closing

No significant events occurred after the interim closing period.

1.5_Report by the Statutory Auditors on the interim financial information

Period from January 1, 2022 to June 30, 2022

To the shareholders of Ekinops

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

- performed a limited review of the company's condensed consolidated interim financial statements for the period from January 1, 2022 to June 30, 2022, as appended to this report;
- checked the information provided in the interim business report.

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

Conclusion on the financial statements

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

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

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

Specific verification

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

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

Angers and Paris La Défense, July 27, 2022

The Statutory Auditors

Altonéo Audit

Julien Malcoste

Deloitte & Associés

Frédéric Neige

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