Universal Registration Document

2022

Connect the future

EKINOPS

2022
REVENUE

€127.6m

REVENUE GENERATED BY INTERNATIONAL MARKETS

64%

EBITDA

€22.6m

504 EMPLOYEES

> 50%
ENGINEERS IN R&D

23% OF REVENUE
INVESTED IN R&D

OPTICAL TRANSPORT SOLUTIONS

VOICE & DATA ACCESS SOLUTIONS

SOFTWARE-DEFINED SOLUTIONS

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

Strategic areas to think Bigger

INTERVIEW WITH DIDIER BRÉDY

Chairman and CEO

Against a disrupted economic backdrop, Ekinops managed to generate 23% growth in revenue in 2022, significantly outperforming the market. To what do you attribute this performance?

Indeed, after a record year in 2021 when we exceeded the €100m mark in terms of revenues (+12%), we managed to accelerate growth in 2022, - despite ongoing supply difficulties for certain electronic components.

All business lines reported strong growth: Access reported annual sales growth of 20%, a noteworthy performance in a global market reporting single-digit growth. Optical transport was up 29%, with 200 Gb/s and 400 Gb/s products which perfectly meet operator needs, particularly in North America.

In these business lines, the portion of revenue generated by Software and Services continued to increase to more than 38%, driven by software sales which facilitate the virtualization of network functions. These activities represented 15% of Group revenue in 2022.

Profitability was once again resilient, with a record EBITDA margin of 17.7%, and strong growth in net income in 2022.

Despite the global components crisis, our gross margin expanded 20% in 2022, reflecting not only our sound management of the supply chain, but also our ability to pass on some of the pricing pressure in our equipment selling prices.

At the same time, sound control of our operating costs enabled us to once again report a record EBITDA margin: 17.7%, after 16.9% in 2021 and 15.9% in 2020. As a result, EBITDA in 2022 was up 29%, without holding back the investment in recruitment and R&D necessary for the Group's development and growth.

Current operating margin came out at 7.2%, versus 3.3% a year earlier. Adjusted for post-allocation intangible asset acquisition prices, the adjusted EBIT margin came to 12.2%.

All told, our net income rebounded 133% in 2022, to reach €12.0m, i.e. a net margin also at a new record of 9.4%.

Ekinops announced its "Bigger" strategic plan. What are its targets and its main strategic orientations?

We have set ourselves some ambitious development targets for the years to come, and, in a global market dominated by major multinational players, our aim is to get bigger and bigger as fast as possible. We have launched our Bigger strategic plan, built on four main strategic areas.

The first is external growth, with plans to carry out one or more acquisitions to strengthen our R&D clout and extend our customer base to accelerate growth.

From a commercial perspective, we have placed the accent in recent years on strengthening our positions with our customers. The second strategic ambition of the Bigger program is to win new major customer accounts. In time, Ekinops plans to become the benchmark player in the telecoms network universe, active with the biggest global telecom operators and supporting the deployment of their most strategic networks and technologies.

The third strategic ambition covers technology: in a constantly changing telecommunications market, Ekinops plans to become a major player in several business lines: Edge (processing network data from the periphery of the network to the heart of companies), Metro networks (OTN and WDM) and Cloud platforms to supervise networks and deliver new services in PaaS (Platform as a Service) mode, for example. In these three areas, we aim to offers service providers both equipment and a greater range of software and services which generate regular and recurring revenue streams.

Lastly, our final area of focus is ESG (Environmental, Social and Governance); to rise to the challenges of growth and creating sustainable value. Reducing the environmental impact is now a central subject for our customers and we will continue to develop to make our equipment and solutions less energy consuming. In this respect, we are extremely proud to have been recognized by Orange Business Services as Best Partner for Sustainability in 2022.
With "Bigger", we will also continue to reinforce our commitments to human resources, notably in terms of gender parity and societal responsibility. These commitments are reflected in precise and concrete targets which we will continue to apply to the global activities of the Group.

What are your ambitions for 2023?

Buoyed by strong demand at the start of 2023, we have set ourselves the target of generating annual revenue growth of more than 12% and an EBITDA margin of between 15% and 19%.

Our ambition is also to complete at least one external growth transaction during the year. We plan to favor non-dilutive financing, leveraging our surplus cash position, with net cash of €20.5m, and our significant capacity to assume financial debt.

Beyond financial objectives, we will continue to pursue and reinforce our ESG actions. More than ever in 2023, Ekinops aims to affirm its positions as a benchmark employer and a committed and responsible corporate citizen vis-à-vis all of its stakeholders: customers, employees, partners and shareholders!

BUSINESS

Ekinops' mission is to provide open, trusted 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

With its open, trusted and innovative connectivity, Ekinops is a leading provider of open, interoperable telecommunication solutions designed for service providers (telecom operators and companies) throughout 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 for 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 integrated 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, VOICE & DATA ACCESS AND SOFTWARE-DEFINED SOLUTIONS

Ekinops' portfolio of solutions and services breaks down into three perfectly complementary brands:

EKINOPS360	High-capacity optical transport and OTN switch solutions
ONEACCESS	Voice & data access solutions
COMPOSE	Software-defined solutions

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

Ekinops 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). Over half of the Group's more than 500 employees work at Ekinops' multinational R&D hubs in Lannion, Sophia-Antipolis, Vélizy-Villacoublay (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.

CONNECT THE FUTURE: EMPOWERING TOMORROW'S NETWORKS

BUSINESS

2022: A YEAR OF MANY TRANSITIONS FOR EKINOPS

2022 was marked by the extreme agility of the Group in tackling the global electronic components crisis. Ekinops made much effort to serve its customers, by anticipating demand and reallocating components. A strategy which enabled it to serve customers faster than its main rivals (better average delivery times on all ranges).

In the network access market, Ekinops obtained the Microsoft Direct Routing certification for Teams and its SBC (Session controller/Session border Controller). After the market launch of its 5G router (One-5G), validation at operators is progressing rapidly. Ekinops also extended the MEF 3.0 certification of all of its EADs (Ethernet Access Devices) based on the OneOS6 operating system (unique EAD/router middleware). This certification is a commercial advantage as illustrated by the adoption of the model 1651 by US customer Stratus which already uses the Group's optical transport solutions.

In its "Compose" activities, Ekinops carried out its first SD-WAN deployments, with growing interest for the portfolio built around virtualization and Edge computing, notably with the launch of the App vEndor program on the SixSq marketplace, and the continued integration of Nuvia.io with OneOS6.

In terms of transport, in 2022, Ekinops signed a major commercial partnership with Fujitsu FNC. Fujitsu integrated Ekinops' compact OTN range (ETSc) in its optical transport portfolio, along with Virtuora® (SDN FNC controller). The first customer laboratory demonstrations have been completed. The Group also finalised the integrations with the Célestis application of ETSc platforms ("c" for compact), and launched its first 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. Once again in 2022, Ekinops demonstrated its significant agility in the conception of several new existing WDM re-designs, or replacement components to manage the components shortage and to able to continue to deliver to customers in record time ("re-spin" tactic). The rising share of services related to optical transport indicates that operators seek the expertise and assistance of Ekinops for the deployement or update of their networks. 2022 was the best year on record in terms of volumes shipped and revenue for the Group's optical transport activity.

2022 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).

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.

Today, Ekinops successfully sells its solutions to 16 service providers and telecom operators in the Global Top 30, and 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 and 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.) – optical transport and network access markets are growing mechanically.

Thanks to its voluntary and ambitious innovation policy enabling the deployment of efficient and optimized solutions, since its creation, Ekinops has managed to enjoy steady growth and gain market share.
Despite having generated growing revenue of €127.6m in 2022, of which 64% was generated in international markets, Ekinops is still of relative modest size in markets dominated by a few multinationals.

Ekinops's main competitors on the optical transport market are 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.

Recent upheavals in the macroeconomic backdrop, between the pandemic and the electronic component supply crisis, have fuelled reflection on safety and sustainability of suppy in strategic sectors, including the telecommunications sector.

Ekinops' French identity, its supply chain control and its agility in terms of sourcing and mangement 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 AND 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 MEC (Multi-Access Edge Computing).

The Group is largely involved in institutional research projects at an international level enabling the integration of experts (doctorate/PhD profiles, for example) 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 10-fold 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 organisations 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 and its Vendor App which enables easy integration of business applications.

INTERNATIONAL

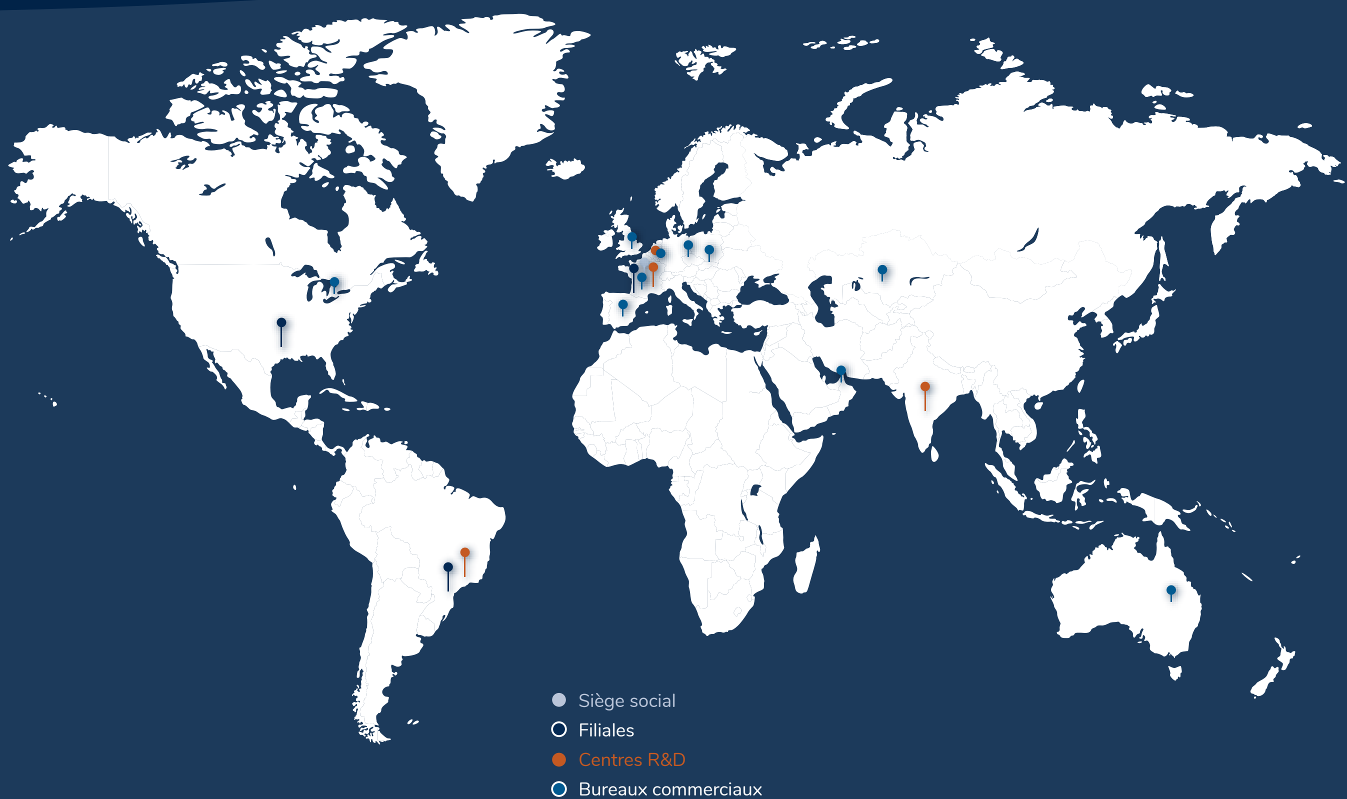
Founded in 2003 in Lannion (France), the cradle of French telecommunications, Ekinops is proud of its French and European identity and manufacturing. But with more than 60% of its business generated from international markets, the Group has a truly global footprint and strong international experience.

Ekinops' head office is located in Lannion (France), which is also home to its optical transport R&D activities. The Ekinops group has 10 subsidiaries around the world: Ekinops France in Vélizy-Villacoublay (France), Ekinops Corp. in Rockville, Maryland (United States), Ekinops Brasil in Campinas (Brazil), and 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, Vélizy-Villacoublay (Massy in 2023), 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, Russia, the United Arab Emirates, Canada, Kazakhstan and the United Kingdom.

Thanks to its global presence, Ekinops provides support services to its customers worldwide 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.



GOVERNANCE

The management team defines and executes the Ekinops vision and strategy

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.

Didier Brédy
Chairman and Chief Executive Officer

François-Xavier Ollivier
Deputy Managing Director

Dmitri Pigoulevski
Group Chief Financial Officer

Philippe Moulin
Group Chief Operating Officer

Vincent Munière
Group Chief Technology Officer & VP R&D

Kevin Antill
Group Sales VP North America

Frank Dedobbeleer
Group Senior VP Sales EMEA & APAC

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

Long committed to an ESG (Environmental, Social and Governance) approach, Ekinops has made this a key focus of its strategy and development, to meet the challenges of sustainable value creation.

Steered by the ESG Committee created in 2021, the Ekinops ESG policy is built around three key commitments: limiting the environmental impact of its activities, being an employer of choice, and being a responsible company towards its stakeholders.

The unprecedented year in 2022, hit by the war in Ukraine and its consequences in terms of energy and supply, was a busy year for Ekinops from an ESG perspective: our first carbon assessment and the implementation of actions to reduce our emissions, signing of the United Nations Global Compact in favor of human rights, continued action to promote equality within the Group and ever-greater vigilance in preventing corruption and conflicts of interest.

ENVIRONMENTAL IMPACT

The second edition of the Group's carbon assessment completed in early 2023, in respect of 2022, enabled the Group to measure the actions carried out throughout the past year in terms of reducing emissions. The results confirm marked improvement on all indicators.

The 2022 Bilan Carbone® (carbon assessment) indicated a 17% reduction in emissions in absolute terms compared with 2021, whereas, at the same time, activity increased by 23%. CO_2 equivalent tons emitted in relation to revenue generated (tCO2e/€m) were down 33%.

These results stem from a marked decline in energy consumption of equipment sold, of around 32%, better control of Group energy spending, down 0.3%, and a greater portion of software and services sales with a lower carbon footprint.

BEING AN EMPLOYER OF CHOICE

Recruiting talent and promoting employee engagement, wellness and quality of life at work are at the heart of the Group's human resources policy.

In 2022, Ekinops continued to pursue its actions to promote diversity and equality. As a result, the percentage of women employed by the Group increased at a faster pace, 9%, than total headcount (+4%). End-2022, women made up 20.5% of the total headcount, exceeding the 20% target set for the year, versus 17.5% three years earlier.

A local example of its commitment: in 2022, Ekinops renewed its partnership with the 'École Nationale Supérieure des Sciences Appliquées et de Technologie (ENSSAT) for the ADA Lovelace challenge, a national initiative aimed at encouraging female high school students to pursue careers in technology and software development.

At end-2022, Ekinops carried out a satisfaction survey with all of Group employees, the results of which will steer actions in 2023.

BEING A RESPONSIBLE COMPANY

Being a corporate citizen which behaves in an ethical and responsible manner: this is Ekinops' ambition in societal terms.

WE SUPPORT

Respectful of the rights of all, in 2022, the Group signed up to the United Nations Global Compact, the global greatest initiative in terms of corporate sustainable development. In this way, Ekinops demonstrates its commitment to human rights and the environment and promotes these values with its stakeholders.

By virtue of principle 10 of this charter, companies are encouraged to act against corruption in all its forms. Ekinops has embarked on an ambitious training program for all of its employees on anti-corruption, busines ethics and conflicts of interests, with campaigns organized in 2022 and 2023.

In its relationships with its suppliers, Ekinops leverages its ISO standards and, in 2022, introduced an assessment system by an external body for its suppliers at greatest risk. The supplier charter also evolved in 2022 to more explicitly express the Group's requirements in terms of conflicts of interest[1].

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

[1]Conflict minerals are raw materials or minerals (tin, tantalum, tungsten and gold) from regions of the world suffering conflict which impacts the extraction and trade in these materials.

In the Gaïa Rating campaign 2022, Ekinops' overall rating was 82/100, for an average benchmark rating applicable to Ekinops' sector of activity (66 companies in the IT sector) of 54/100. Ekinops improved its rating again, gaining 10 points compared with 2020 and 30 points compared with 2019.

Ekinops ESG policy was also recognized with the award of a Silver medal from EcoVAdis and a 63/100 rating for 2021/2022, higher than the benchmark average, placing the Group among the Top 15 best-performing companies in its sector.

2022 IN FIGURES

INCOME STATEMENT

€m (IFRS)	12/31/2022	12/31/2022[1]	Change (%)
FY 2023	**127.6**	**103.6**	*+23%*
Gross margin	**67.6**	**56.5**	*+20%*
% of revenue	***53.0%***	***54.5%***	
EBITDA[2]	**22.6**	**17.6**	*+29%*
% of revenue	***17.7%***	***16.9%***	
Current operating income	**9.3**	**3.4**	*+172%*
Operating income	**8.8**	**3.4**	*+160%*
Consolidated net income	**12.0**	**5.2**	*+133%*

ASSETS

€m (IFRS)	12/31/2022	12/31/2022[1]
Non-current assets	**79.8**	**75.8**
including goodwill	***28.5***	***28.4***
o/w intangible assets	***21.1***	***24.8***
o/w rights of use	***6.8***	***4.6***
Current assets	**63.5**	**49.7**
o/w inventories	*25.0*	*19.0*
o/w trade receivables	*29.9*	*24.2*
Cash & cash equivalents	**39.4**	**45.4**
TOTAL	**182.7**	**170.9**

LIABILITIES

€m (IFRS)	12/31/2022	12/31/2022[1]
Shareholders' equity	**113.6**	**99.1**
Financial borrowings	**18.9**	**23.8**
o/w bank loans	*14.5*	*19.3*
o/w factoring debt	*4.4*	*4.5*
R&D tax credit pre-financing	**2.6**	**4.8**
Trade payables	**17.7**	**16.2**
Lease liabilities	**6.9**	**4.7**
Other liabilities	**23.0**	**22.3**
TOTAL	**182.7**	**170.9**

Thursday, April 13, 2023
Q1 2023 revenue

Wednesday, May 24, 2023
Annual General Meeting

Tuesday, July 11, 2023
Q2 2023 revenue

Thursday, July 27, 2023
H1 2023 revenue

Wednesday, October 11, 2023
Q3 revenue 2023

Wednesday, January 10, 2024
FY 2023 revenue

All press releases are published after Euronext Paris market close.

(1) The Group finalised the allocation of the acquisition price of SixSq in H2 2022. The 12/31/2021 column factors in this impact.

(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

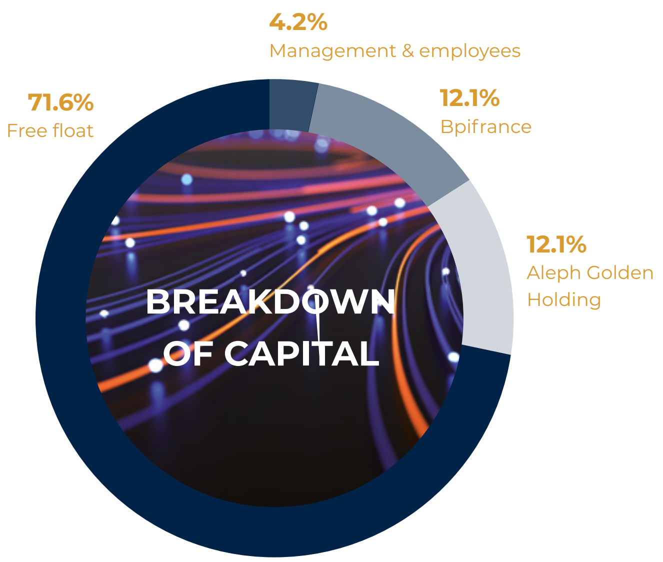
STOCK MARKET INDICATORS
Data at December 31, 2022

Stock price: €8.40
Market capitalization: €222m
Market: Euronext (Compartment B)
ISIN code: FR0011466069
Ticker symbol: 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

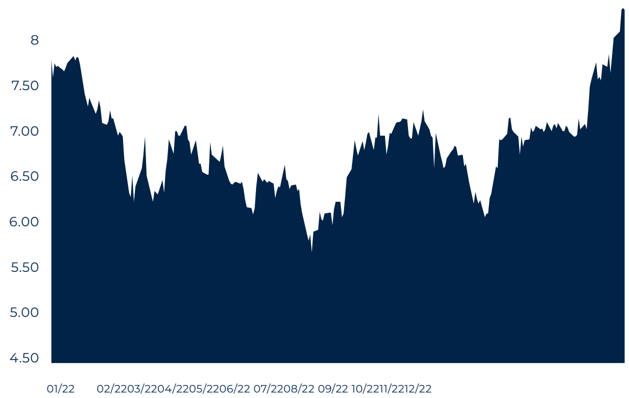
Firm	Analyst
Bryan Garnier	Thomas Coudry
CIC Market Solutions	Alexandre Plaud
Gilbert Dupont	Yann de Peyrelongue
IDMidCaps	Pierre Dinet
TP ICAP Midcap	Gilbert Ferrand
Portzamparc	Augustin Socie
Oddo BHF	Nicolas Thorez



% of shares held
(26,431,086 at December 31, 2022)

Price chart
From January 1 to December 31, 2022

2022 high: €8.42
2022 low: €5.72



Public limited company with capital of €13,250,183-
Head office: 3, rue Blaise Pascal – 22300 Lannion
444 829 592 RCS Saint-Brieuc

Universal Registration Document (URD)

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of this Universal Registration Document was filed on April 6, 2023 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.

This Universal Registration Document, including the Annual Financial Report, is available free of charge at the Company's head office, and an official reproduction has been establised in ESEF (European Single Electronic Format) *and is available on the AMF website (www.amf-france.org) and the company's website (www.ekinops.com).*

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

Contents

Items from the Annual Financial Report are identified in the table of contents with the AFR symbol

AFR

NOTES

In this document, the terms:

- "Company" refers to Ekinops SA;
- "Group" refers to all the entities within 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, 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;
- the consolidated financial statements for the year ended December 31, 2020 and the related Statutory Auditor report presented respectively in sections 4.1 and 4.2 of the 2020 Universal Registration Document filed with the French Financial Markets Authority, AMF, on March 26, 2021 under registration number D. 21-0198;
- the items of the management report relative to the 2020 financial statements included in the 2020 Universal Registration Document filed with the AMF on March 26, 2021 under registration number D. 21-0198.

1

Presentation of the company and businesses

1.1_SELECTED FINANCIAL INFORMATION

1.1.1_Highlights of the year 2022

At the end of 2022, Ekinops reported consolidated revenue of €127.6 m, up 23% compared with the previous year on a constant consolidation basis.

The steady growth generated by the Group in 2022 was driven by stong demand at all of its business lines, notably for Optical Transport products (+29% in 2022), with the confirmed success of the 200 Gb/s and 400 Gb/s WDM solutions, particularly in North America.

Access solutions, for their part, reported annual growth of 20%, driven notably by the strong recovery in business in France.

The contribution from Software & Services continued to increase, accounting for 15% of Group revenue in 2022. For the year as a whole, revenue generated by Software & Services surged by more than 38%, driven by sales of software which facilitates the virtualization of network functions and by services.

The Group experienced pressure on logistics and the supply chain, which were particularly pronounced at year-end. Difficulties in delivering certain orders at the end of the year, orders which will be met early in 2023 without causing major issues for customers, also led to a shortfall of a few million euros in terms of billings in Q4. In parallel, commercial activity and order intake remained very dynamic at the end of the year.

√ Commercial aspects

2022 was marked by still dynamic growth internationally, amounting to +17%. International business accounted for 64% of total revenue in 2022 (vs. 67% over 2021).

In North Amercia, business continued to enjoy strong growth, with business volumes amounting to €29.8 m, after €19.1 m in 2021, representing strong growth of +56%. Ekinops benefited from steady demand for its optical transport products in the region. The Group generated 23% of its sales in North America in 2022 (versus 18% in 2021).

The Asia-Pacific region was also on a very strong growth trajectory in 2022, reporting +38% over the year. The Group generated 7% of business in this region last year (vs. 6% in 2021).

The EMEA zone (Europe - excluding France - Middle East and Africa) reported revenue of €43.5 m, down a slight 2% compared to the previous year, mainly due to a demanding base effect (note that the EMEA region reported the strongest regional growth in 2021, at +29%). Ekinops generated 34% of business from the EMEA region (vs. 43% in 2021).

In France, the Company returned to steady growth. In its domestic market, Ekinops sales amounted to €45.9 m in 2022, reflecting strong growth of 36% (vs. -0.3% in 2021), making up 36% of total Group revenue (vs. 33% in 2021). This growth was the result of a strong increase in sales to the Group's historical customers.

√ Operational aspects

In its Access activities, Ekinops continued the promotion of a new equipment platform based on Advanced RISC Machine (ARM) chips with the market launch of "Ethernet Access Devices" for One1647, which obtained MEF3.0 certification, as well as new very competitive multi-Gbps products (One2560 and One2561). Ekinops also invested heavily in its OneOS6 operating system with major new software versions, offering numerous new functionalities and significant gains in terms of scalability of voice and data.

In its Compose activities, 2022 saw the conquest of new customers, both for access virtualization solutions as well as for the SD-WAN solution, with notably the signature of a major customer in the French market. 2022 also saw the commercial launch of several virtualization and SD-WAN solutions. Ekinops also finalized the transfer of a first application to the Azure cloud, and initiated preparatory work on the launch of a new PaaS ("Platform as a Service") offering for several management solutions.

In the Transport activities, Ekinops continued the launch of its second generation OTN products, called ETSc ('c' for Compact), with a second chassis, an optimized card line for low capacity (1 to 100 Gbps), an OTN switching card with 2 Tbps capacity and numerous additional functions. The partnership signed with Fujitsu Network Communications in September 2021 saw the integration in 2022 of the Ekinops ETSc range in the FNC (Virtuora) management system and the first demonstration with a major North American operator. Ekinops continued the efforts initiated in 2021, implementing several new deigns of existing WDM cards or replacing components, to cope with certain component supply difficulties and to be able to continue to make customer deliveries in record time. Ekinops also finalized a new 400G transponder, joined the strategic consortium NEL (NTT Electronics Laboratories) which enables the Company to commit to the development of the future 1 Tbps transponder, while also continuing to enrich its Celestis network manager with new key functionalities.

1.1.2_Progress achieved/Difficulties encountered

Despite the global economic backdrop which was hard hit by electronic component supply difficulties but also by the start of a major armed conflict just ouside the European Union, Ekinops enjoyed numerous commercial successes in 2022, with the strong increase in its FlexRAte 400G and 600G sales, the acquisition of numerous new "greenfield" customers, with deployment to be staggered over the next few years. Ekinops also chalked up significant commercial successes in mid-range and 5G routers, big contract wins for its virtualization solution, but also a major new contact for its SD-WAN solution. Ekinops has a broad range of products which are constantly evolving and continues to offer innovative and very competitive technical solutions.

Ekinops managed the component crisis particularly skillfully by anticipating its needs well in advance, thanks to its significant agility and control of its production chain. This enabled maintenance of customer deliveries throughout the year, to support growth against a particularly hostile backdrop, notably with strong upward pressure on the cost of certain components.

2022 saw the continuation of several R&D transformation projects, in particular around the Agile method, DevSecOps, security by design and test automation. For example, this enabled the delivery in record time of a SD-WAN solution adapted to the needs of a demanding customer with a complex configuration.

1.2_COMPANY PRESENTATION AND DEVELOPMENTS

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 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 São 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, through 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 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 in terms of data processing 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 10 principles, in four areas: human rights, labor standards, environment and the fight against corruption.

2003
Creation of Ekinops
Launch of 1st multi-services router (voice & data)

2006-09
Launch of Ekinops360
Launch of 1st EADs
1st large-scale rollout in the United States

2010-12
100G module (*backbone*) 1 RU
Acquisition of WAN optimization technology

2013-14
Euronext IPO
MEF certification
Launch of 1Gb routers

2015
New 200G solutions (Access and Metro)
SDN interoperability
Delivery of 1st VNFs

2016
New FlexRate module
2 million routers sold

2017
Acquisition de OneAccess
pCPE Netconf/yang

2018
Launch of PM Crypto
Launch of 10G EAD

2019
Acquisition of OTN technology

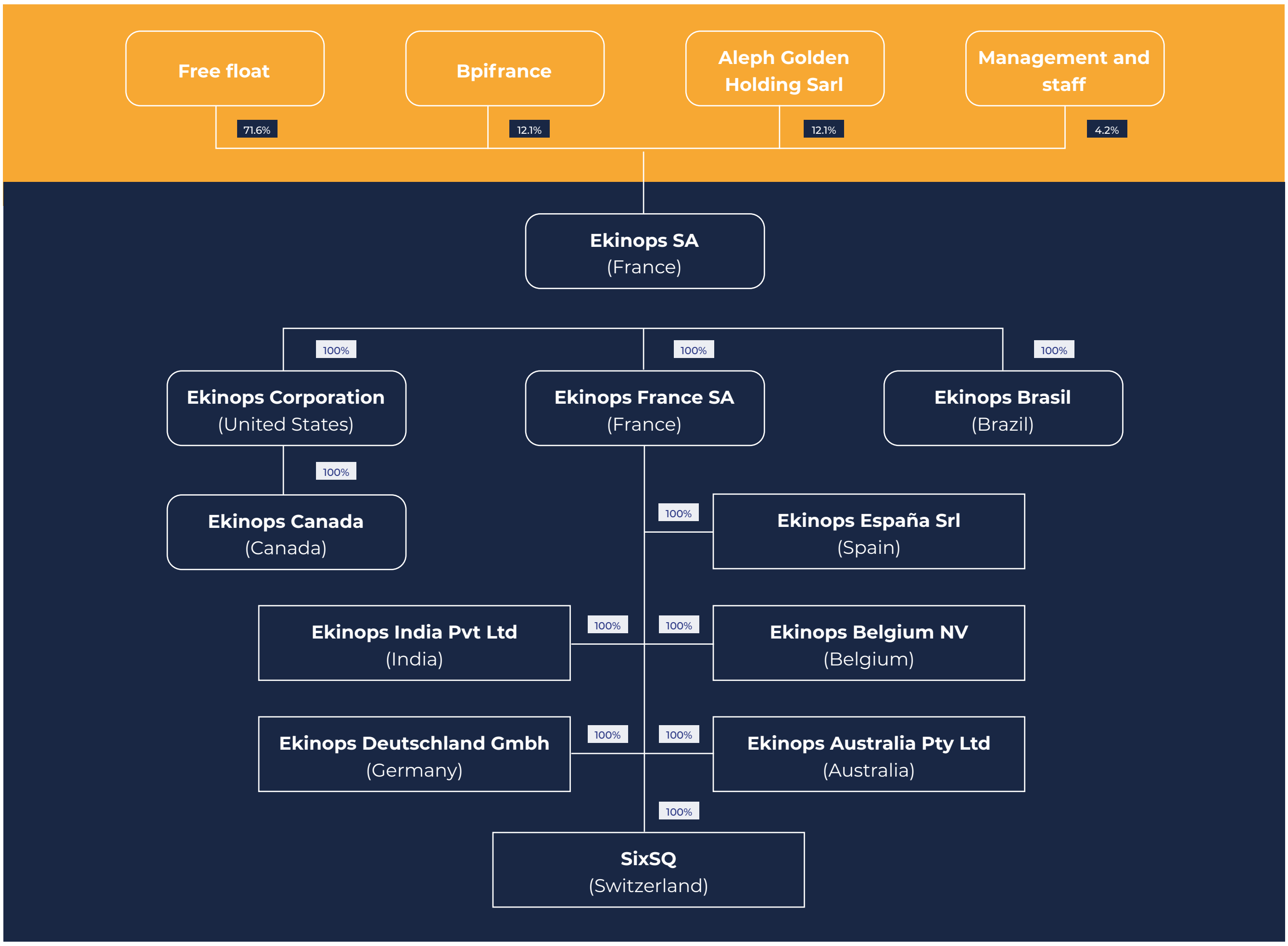
2020
Launch of Compose and SD-WAN Home Office Connect

2021
Acquisition of SixSq

2022
Adhesion to UNGC

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

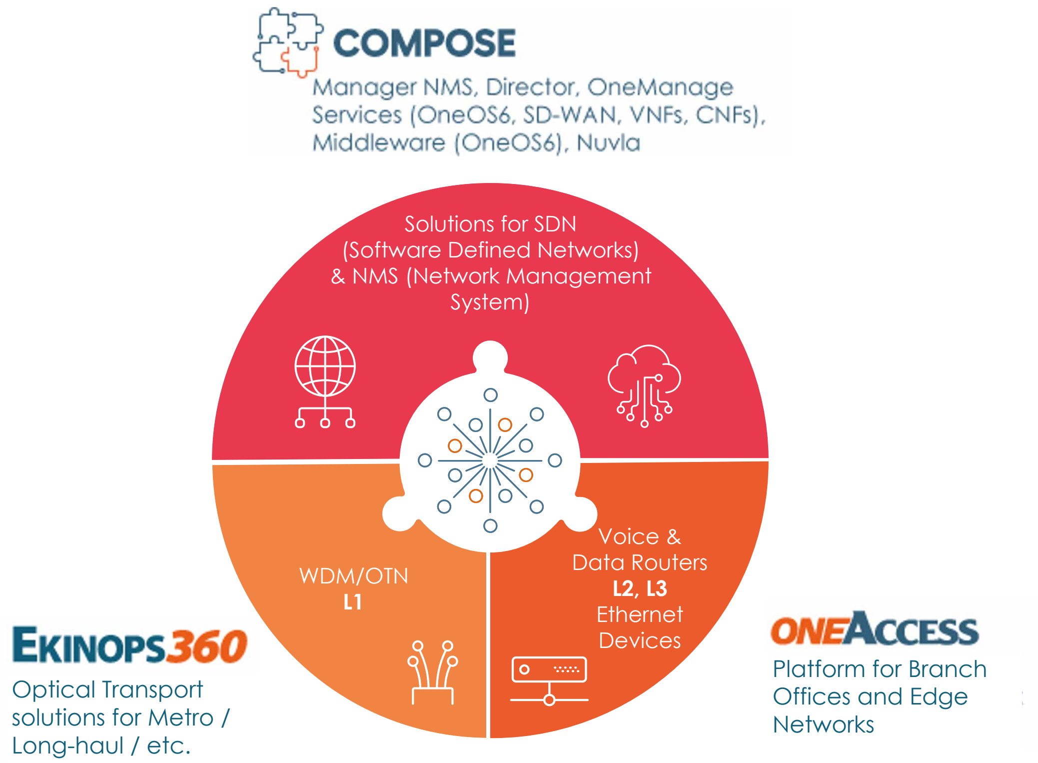
The Ekinops group does not own any property. Its main fixed assets are laboratory equipment, as well as the industrial equipment at its Ekinops Belgium subsidiary.

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.

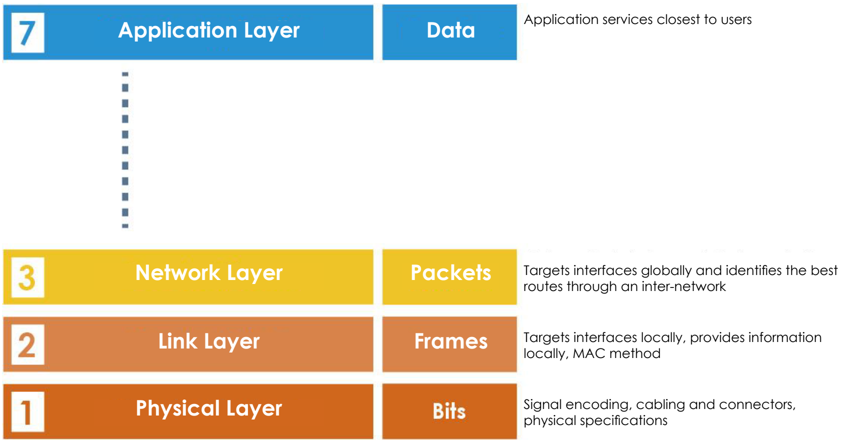


1.3.2_Positioning within telecommunications networks

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 Layers

1. Optical transport over fiber (Layer 1/L1)
2. Switching/Ethernet services (Layer 2/L2)
3. Routing/IP Services (Layer 3/L3

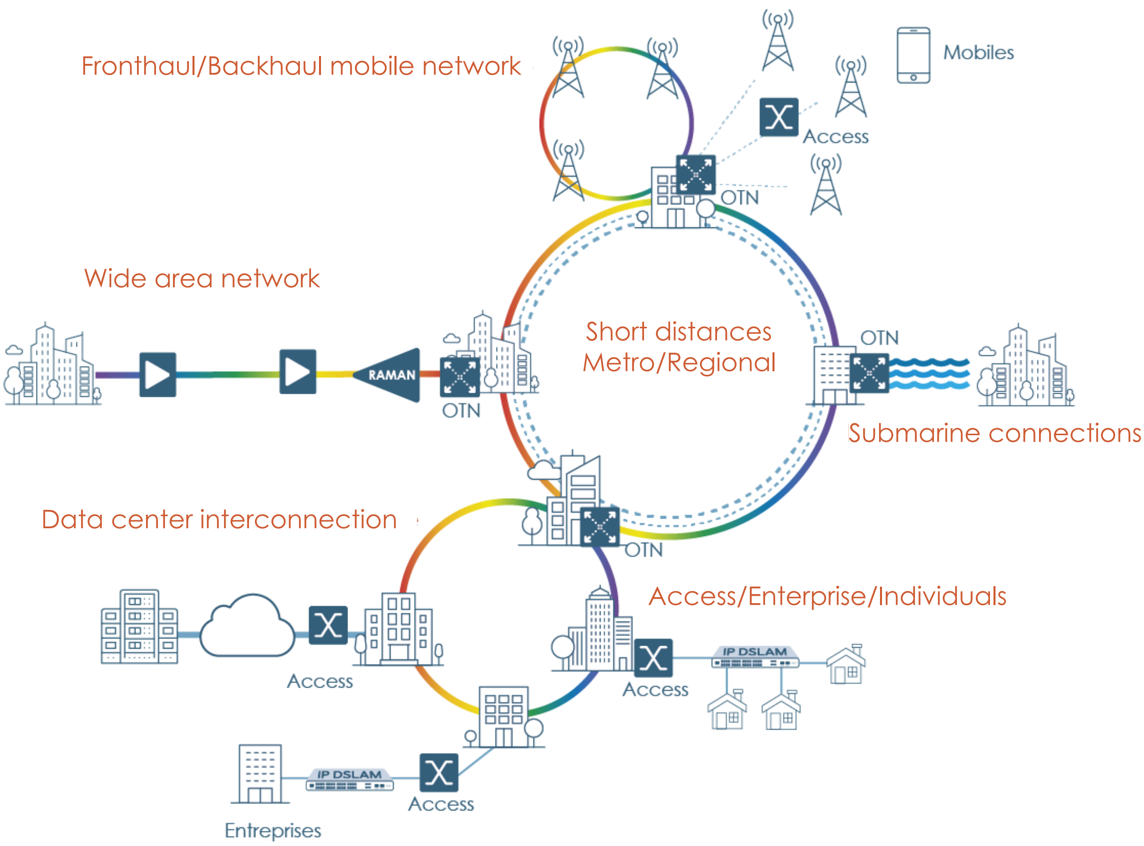


The level 1 physical layer is itself segmented into geographic/distance criteria and allows for high capacity transport of data:

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
Clients	Telecom operators and service providers		
Markets	Metro & Longhaul	Edge & Access	Network management and virtualization
Solutions	CWDM/DWDM products Transponders & Muxponders ROADMs OTN & Packet Switching	Ethernet Access Devices Data & voice enterprise routers uCPE	Virtualization & VNFs SD-WAN NMS Edge Computing
Services	Support, Network design, Consulting, Security audit, Certification, etc.		

1.3.3.1_The optical transport range (Ekinops360 brand)

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.);
- 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.

Since it acquired the Optical Transport Network (OTN) technology, Ekinops has also supplied Ekinops Transport Switch (ETS) products, which are used to switch data traffic over optical fibers. They significantly optimizing 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.

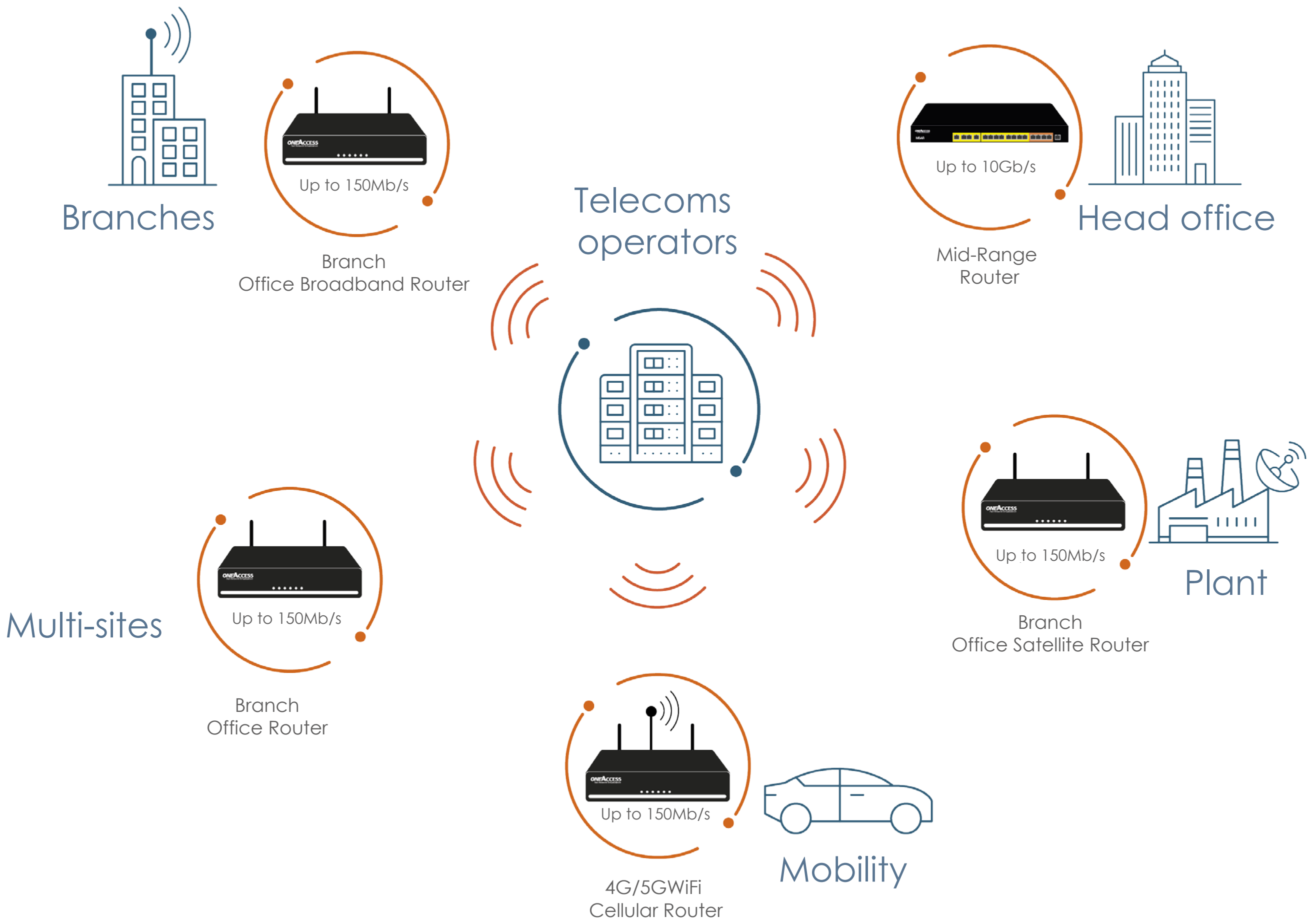
1.3.3.2_Routing range (OneAccess brand)

The OneAccess brand consists of integrated products, i.e., software and hardware, divided into three major families: routers; Ethernet access devices (EADs), for services that do not cover IP; and virtualized platforms and functions.

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

These so-called access 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, 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 thirdparty equipment into a multi-service platform.

√ Virtualization

What makes the OneOS6 operating system unique is that it can be used not only on the above-mentioned physical platforms, but also:

- on white-box platforms; the OneAccess white box is called OVP;
- as separate virtualized functions commonly known as VNFs, such as vRouter;
- as containerized functions, such as Nuvia.io marketplace business applications;
- as a component of original equipment manufacturer (OEM) solutions.

√ 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, along with a one-box approach.

√ 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 a Multi-Access Edge Computing solution (MEC) 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:

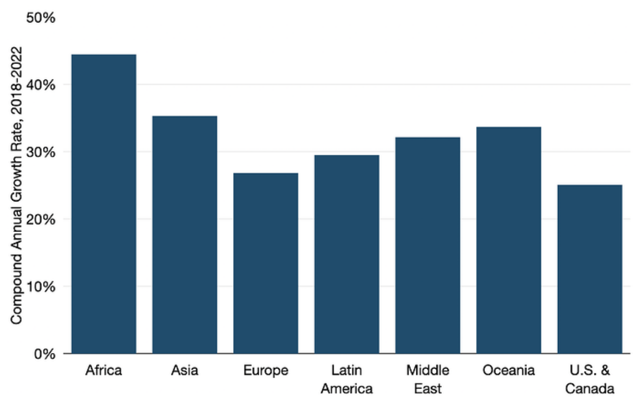
- very strong growth, reflecting exponential data managmenet needs (speed, less latency, performance, security);
- intense competition between the different players with varied profiles and key national interests;
- fundamental technological trends which model the requirements of customers at the heart 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 28% in 2022, 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 2018[1].

Strong growth in capacity, visible across all regions. Top of the list: Africa, with 44% CAGR (compound annual growth rate) between 2018 and 2022. Next comes Asia, generating 35% CAGR over the same period.

International Internet Bandwidth Growth by Region



(1) Source Telegeography - 2022 (https://blog.telegeography.com/internet-traffic-and-capacity-remain-brisk).

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 increse, 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 stimulus and financing programmes have been launched throughout the world to promote the expansion and modernisation 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: the switch from traditional telephony to IP telephony, reduced investments in their own servers and datacenters in favor of cloud solutions, the replacement of in-house software with software-as-a-service (SaaS) applications; the use of MPLS WAN and internet access at the same site, and the continued development of flexible ways of working (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 processs 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 the following 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 alo 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, independance 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 WAN)

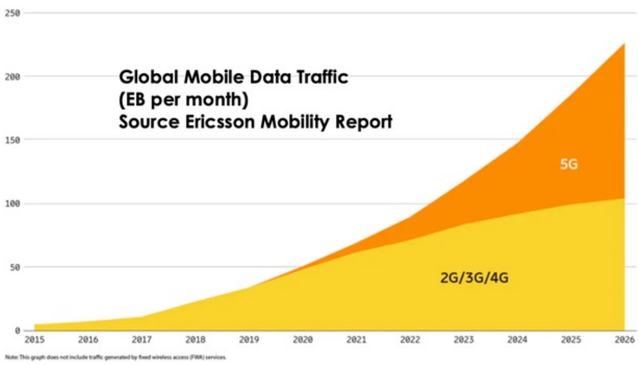
The SD-WAN (Software-Defined WAN) is very dynamic, with 30% CAGR (compound annual growth rate), it expanded from €475m in 2017 to €1.5 bn in 2021. The market should reach $4.9 bn (around €4.58 bn) by 2024.[1]

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.

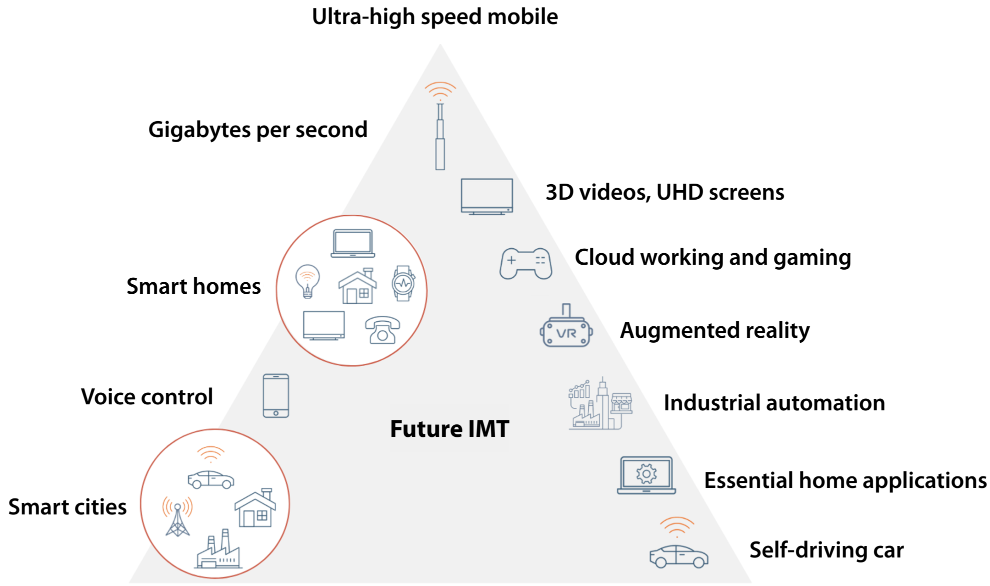
For the Group, SD-WAN is a strong opportunity and a limited threat. It is true that SD-WAN partially overlaps with the router market, but creates a need for universal CPEs (uCPEs) where Ekinops has a competitive offering and is positioned as an accelerator in introducing multi-vendor SD-WAN offerings. 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.

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.

√ 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.

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.

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.

- **Fujitsu (FNC)**

The combination of Ekinops' OTN products with Fujitsu's Virtuora® provides a best-in-class next-generation solution for North American operators.

- **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 many competitive advantages:

- openness and simplicity: with no lock-ins and agnostic solutions (multi-orchestrator, multi-access), Ekinops approaches the customer relationship collaboratively;
- open, interoperable and compatible multi-vendor transport and access solutions;
- optical transport solution programmability (WDM and OTN) which optimizes costs and manufacturing processes;
- operator-specialized network functions supported by a broad portfolio of access platforms (multi-service routers, white box, Ethernet platforms) and a portfolio of pre-integrated or independent virtualized functions;
- more than three million routers sold: a plus for operators migrating to future services, such as SD-WAN;
- true service migration and deployment flexibility when implementing network virtualization;
- a culture of operator and service provider expertise;
- a strong European identity, a key factor amid tensions with US/Chinese suppliers;
- the ability to forge strategic partnerships to develop an offering with a more software and services-oriented product mix.

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 both product lines.

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

- zone EMEA & APAC : Frank Dedobbeleer (VP Sales Senior EMEA & APAC) ;
- zone US: Kevin Antill (VP Sales Americas).

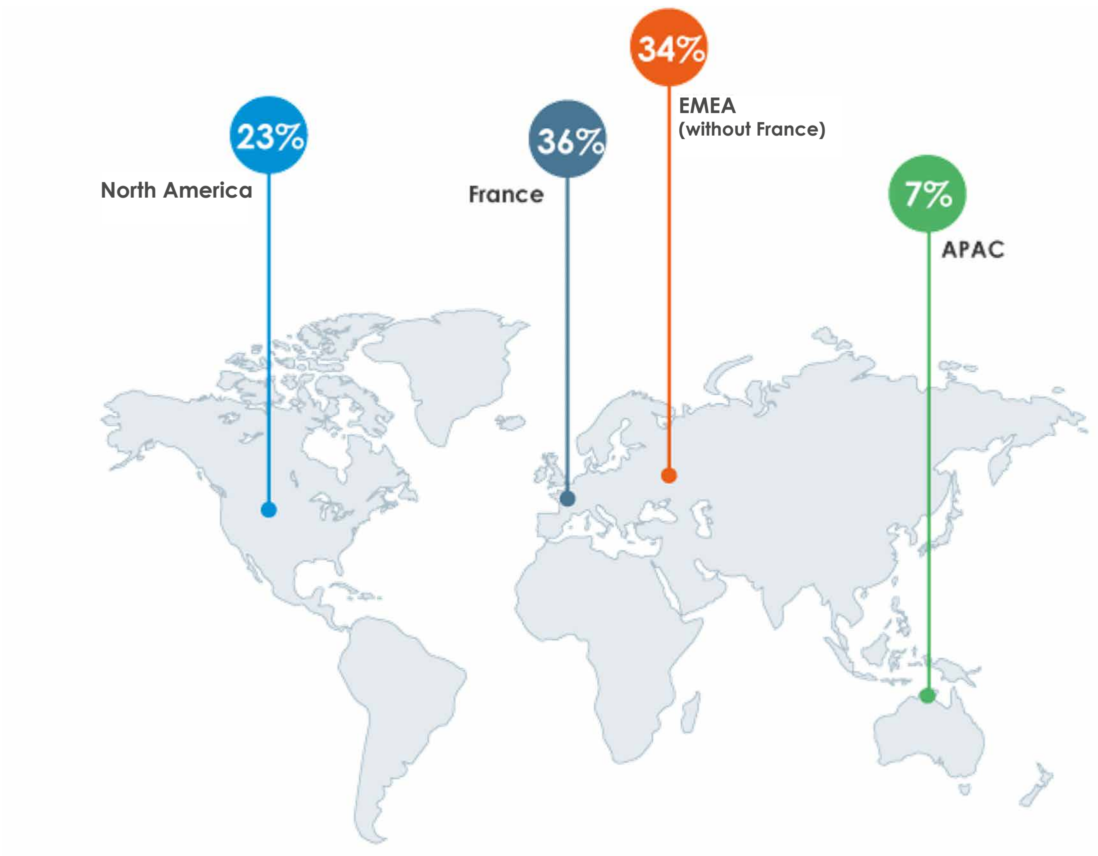
In addition, the Group also has indirect marketing channels in about 10 countries through distribution partners. The Group also has two partnerships with OEMs (Original Equipment Manufacturers) who resell Ekinops products under their own brand.

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 base of customers in Europe, Africa, Asia-Pacific (APAC) and the United States.

Geographical breakdown of global sales (at end-2022)



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. Ekinops operates under a fabless mode for its optical transport portfolio and some of its OneAccess brand products and is backed by its 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 Hungary's largest industrial group called Videoton. VTAE is an EMS specializing in electronic assembly for the automotive sector, industry and telecoms. It makes 50 million products every year. All business processes are ISO 9001, IATF 16949, ISO 14001 and ISO 50001 certified.

To maintain control over the product's cost price, Ekinops selects and negotiates directly with the manufacturers and suppliers of strategic components. This is the case, in particular, for the optical components and modules used in the product solutions.

The Group's operational structure is presented in paragraph 6.7.1 of this Universal Registration Document, along with the biographies of key members of the company's management team. Ekinops' overall dependence on patents, licenses, industrial, marketing and financial contracts, and new manufacturing processes is 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, 2022, the R&D department had 265 employees in France, Belgium, Brazil and India.

In this respect, the Group benefits from financing linked to the Research Tax Credit scheme in France. The amount of the research tax credit (CIR) for fiscal year 2022 was €4.6 m.

Ekinops belongs to a number of professional organizations, including the global "Images et réseaux" 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, 2022

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

Investments	FY 2022	FY 2021
Consolidated data, IFRS (€k)	12 months audited	12 months audited
Intangible assets	4,147	3,101
Tangible assets	3,018	1,861
Total	**7,165**	**4,962**

Investments in intangible assets of €4,147k related mainly to business development costs.

Investments in tangible assets of €3,018k mainly concerned technical and research equipment.

1.3.10.2_Main investments in progress

The investments made since December 31, 2022 are similar in nature to those described above.

√ Main investments planned

At this time, the Group does not plan to make any significant investments in the coming years with those whom the Group has already made firm commitments.

1.4_ANALYSIS AND COMMENTARY ON BUSINESSES DURING THE PERIOD

1.4.1_Information about the Company's businesses

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

1.4.2_Material contracts

Within the meaning of Annex 1 of Delegated Regulation (EU) 2019/980

In the last two years, the Group has not entered into any contracts (i) other than contracts entered into in the ordinary course of business or (ii) containing any provision under which the Group has any obligation or entitlement which is material to 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, 2022 (as included in Chapter 4 of this document), December 31, 2021 and December 31, 2020 (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 2020 and 2021

The Group finalized the SixSq purchase price allocation during the 2022 financial year. The numbers presented below, in respect of 2021, include this impact which is detailed in Chapter 4 of this document.

1.4.3.2.1_Revenue and other income from the business

At the end of 2022, Ekinops reported consolidated revenue of €127.6m, up 23% compared with the previous year on a constant consolidation basis.

The steady growth generated by the Group in 2022 was driven by stong demand at all of its business lines, notably for Optical Transport products (+29% in 2022), with the confirmed success of the 200 Gb/s and 400 Gb/s WDM solutions, particularly in North America.

Access solutions, for their part, generated annual growth of 20%, driven notably by the strong recovery in business in France.

The contribution from Software & Services continued to increase, accounting for 15% of Group revenue in 2022. For the year as a whole, revenue generated by Software & Services surged by more than 38%, driven by sales of software which facilitates the virtualisation of network functions and by services.

The Group experienced pressue on logistics and the supply chain which were particularly intense at the end of the year. Difficulties in delivering certain orders at the end of the year, orders which will be met early in 2023 without causing major issues for customers, also led to a shortfall of a few million euros in terms of billings in Q4. In parralel, commercial activity and order intake remained very dynamic at the end of the year.

(€k)	12/31/2022	12/31/2021
Sales of produced goods	108,426	92,049
Sales of produced services	19,192	11,518
Total	**127,617**	**103,567**

(€k)	12/31/2022	12/31/2021
North and South America	29,838	19,069
Europe, Middle East and Africa	97,779	84,498
Total	**127,617**	**103,567**

1.4.3.2.2_Operating income

√ Cost of sales

Gross margin was up 19.6% to €67.6m. This represented 53.0% of revenue, within the long-term normative range targeted by the Group (52% to 56%).

(€k)	12/31/2022	12/31/2021
Cost of sales	59,996	47,103
Gross margin	**53.0%**	**54.5%**

√ Gross margin as % of revenue

(€k)	12/31/2022	12/31/2021
Payroll expenses	25,450	21,475
Allowances for amortization/depreciation and provisions	9,425	10,153
Operational subcontracting and outside personnel personnel	2,805	2,146
Rental and lease expenses	129	88
Supplies, equipment, maintenance	3,406	2,200
Professional fees and consulting	774	943
Tax credit	(4,638)	(2,943)
Subsidies	(3,075)	(1,600)
Capitalized development costs	(3,721)	(2,923)
Allocation of manufacturing costs to cost of sales	(6,052)	(5,397)
Travel expenses	388	131
Other	341	79
Total	**25,232**	**24,352**

In its Access activities, Ekinops pursued the development of the new hardware platform based on ARM (Advanced RISC Machine) chips, with the launch on the *Ethernet Access Devices* market of One1647, which obtained MEF3.0 certification, as well as very competitive new multi-Gbps products (One2560 and One2561). Ekinops also invested heavily in its OneOS6 operating system with major new software versions, offering numerous new functionalities and significant gains in terms of scalability of voice and data.

In its Compose activities, 2022 saw the conquest of new customers, both for access virtualization solutions as well as for the SD-WAN solution, with notably the signature of a major customer in the French market. 2022 also saw the commercial launch of several virtualization and SD-WAN solutions. Ekinops also finalized the transfer of a first application to the *Cloud* Azure, and initiated preparatory work on the launch of a new PaaS ("Platform as a Service") offering for several management solutions.

In the Transport activities, Ekinops continued the launch of its second generation OTN products, called ETSc ('c' for Compact), with a second chassis, an optimized card line for low capacity (1 to 100 Gbps), an OTN switching card with 2 Tbps capacity and numerous additional functions. The partnership signed with Fujitsu Network Communications in September 2021 saw the integration in 2022 of the Ekinops ETSc range in the FNC (Virtuora) management system and the first demonstration with a major North American operator. Ekinops continued the efforts initiated in 2021, implementing several new deigns of existing WDM cards or replacing components, to cope with certain component supply difficulties and to be able to continue to make customer deliveries in record time. Ekinops also finalized a new 400G transponder, joined the strategic consortium NEL (NTT Electronics Laboratories) which enables the Company to commit to the development of the future 1 Tbps transponder, while also continuing to enrich its Celestis network manager with new key functionalities.

√ Marketing and sales costs

(€k)	12/31/2022	12/31/2021
Payroll expenses	15,663	14,841
Outside personnel	801	760
Business travel and trips	1, 041	426
Professional fees and consulting	1,044	556
Rental and lease expenses	45	102
Supplies, equipment, maintenance	1 087	289
Fairs, promotions, and advertising	402	92
Allowances for amortization/depreciation and provisions	1 572	1,260
Other	297	207
TOTAL	**21,952**	**18,532**

2022 was marked by still dynamic growth internationally, amounting to +17%. Intenational business accounted for 64% of total revenue in 2022 (vs. 67% over 2021).

In North Amercia, business continued to enjoy strong growth, with business volumes amounting to €29.8 m, after €19.1 m in 2021, representing strong growth of +56%. Ekinops benefited from steady demand for its optical transport products in the region. The Group generated 23% of its sales in North America in 2022 (vs. 18% in 2021).

The Asia-Pacific region was also on a very strong growth trajectory in 2022, reporting +38% over the year. The Group generated 7% of business in this region last year (vs. 6% in 2021).

The EMEA zone (Europe - excluding France - Middle East and Africa) reported revenue of €43.5m in 2022, down a slight 2% compared to the previous year, mainly due to a demanding base effect (note that the EMEA region reported the strongest regional growth in 2021, at +29%). Ekinops generated 34% of business from the EMEA region (vs. 43% in 2021).

In France, the Company returned to stronger growth. In its domestic market, Ekinops sales amounted to €45.9m in 2022, reflecting strong growth of 36% (vs. -0.3% in 2021), making up 36% of total Group revenue (vs. 33% in 2021). This growth was the result of a strong increase in sales to the Group's historical customers.

√ General and administrative expenses

(€k)	12/31/2022	12/31/2021
Payroll expenses – Excluding payments in shares	5,345	3,975
Payroll expenses – Payments in shares	2,254	2,849
Professional fees and consulting	1,626	1,151
Supplies, equipment, maintenance	762	675
Outside personnel	105	19
Insurance	268	258
Bank charges	214	136
Rental and lease expenses	142	56
Allocations to amortization/depreciation provisions	82	980
Other	390	82
TOTAL	**11,187**	**10,182**

√ Operating income

Group EBIT came out at €8,787 k for 2022, after €3,380 k in 2021.

1.4.3.3_Net income

After the net financial expenses of (€338 k), other financial income and expenses of €1,571 k, and tax income of €2,002 k, consolidated net income stood at €12,022 k.

√ Net income and net earnings per share

Consolidated net income was €12,022 k for 2022 versus €5,168 k in 2021.

Net earnings per share issued (weighted average number of shares outstanding) were €0.146 and €0.20 respectively per share for the fiscal years ending on December 31, 2022 and 2021.

1.4.4_Projected trends, future outlook and significant events

Fiscal 2022 illustrated the Group's ability to conquer market share thanks to its differentiated offering in different business segments and its ability to satisfy needs in a timely manner for its customers.

Backed by these strengths, Ekinops has set ambitious growth targets for the coming years, built around four strategic areas with a program baptised [1] "Bigger"

- **"Bigger" on the external growth front:** as it operates in a global market dominated by large multinationals, Ekinops is looking to accelerate its growth through acquisitions with a view to scaling up its R&D firepower, increasing its customer base and continuing on its sharp growth trajectory. One of the Group's objectives in 2023 is to complete at least one transaction during the year favoring a non-dilutive source of financing.
- **"Bigger" in terms of the customer portfolio:** One of Ekinops' growth priorities is its positioning with major international customers, to provide support in their strategic network and technological developments. This ambition will result in increased sales with existing key accounts and the acquisition of new major customers.

  Over time, Ekinops aims to be a reference brand in the telecom universe, working with the largest telecom operators worldwide.

(1) -

- **"Bigger" in technological terms in Edge, Metro and the Cloud:** in recent years, Ekinops has chosen to provide innovative, open and interoperable solutions for telecommunication networks. Transformation of the telecommunication market in recent years requires this type of technology, with
  - **I.** increasing levels of data processing at the edge of the network (Edge), such as routing, voice, SD-WAN, etc.;
  - **II.** a growing need for optimized optical transport solutions for metro networks (combining OTN and WDM);
  - **III.** cloud solutions and platforms to manage and supervise networks and deliver new services such as PaaS (Platform as a Service).

As a pioneer in virtualization, which can be used to uncouple software and platforms, and as a result of its commercial success in this technological segment, Ekinops intends, over the coming years, to become a major player in these three areas by supplying service providers with equipment and, increasingly, software and services that are regular and recurring sources of revenue.

- **"Bigger" in terms of ESG (Environment, Social and Governance):** to address the challenges of long-term value creation and in order to generate sustainable growth, Ekinops is intending to strengthen and accelerate its ESG actions that are focused on three key initiatives: (i) limiting the environmental impact of its business activities through energy efficient solutions; (ii) becoming a leading and engaged employer to ESG, and (iii) acting as a responsible corporate citizen with its stakeholders. These commitments take the form of precise concrete objectives applicable to all aspects of the Group's business activities.

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 4.9 and 4.10 to the consolidated financial statements prepared in accordance with IFRS and presented in Chapter 4 of this document.

At December 31, 2022, Cash and cash equivalents held by the Group totaled €39,355k versus €45,392k at December 31, 2021.

(€k)	12/31/2022	12/31/2021
Cash and cash equivalents	39,355	45,392
Total	**39,355**	**45,392**
Bank loans	(6,312)	(6,569)
BPI loans	(277)	(506)
Factoring loan	(4,419)	(4,525)
Other financial debt	-	(260)
Financial debt - current portion (A)	***(11,008)***	***(11,860)***
Bank loans	(10,382)	(16,614)
BPI loans	-	(157)
Other financial debt	(37)	-
Financial debt - non-current portion (B)	***(10,419)***	***(16,771)***
Financial debt (A) + (B)	(21,427)	(28,631)
Net cash position	**17,928**	**16,761**

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 2022, issues of bonus shares and the exercise of stock options increased capital by €1.4m.

Date	Type of transaction	Gross amount raised (in €)
	Gross amount raised at 12/31/2019	**€126,060,585**
2020	Exercise of stock options	€3,273,515
06/2020	Definitive vesting of bonus shares (AGA 2018)	€232,782
	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**

√ Research tax credit financing (CIR)

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

The amount of receivables was €4,638k for fiscal year 2022 versus €2,943k for fiscal year 2021.

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 2021, the amounts outstanding are as follows:

(€k)	Subsidy amount	Balance receivable at 12/31/2022
EMBRACE project	562	393
NGopt project	3,626	2,719
Dopper project	63	63
Simbade project	210	210
5Genesis project	268	29
5Geneva-2 project	973	973
5G Opera project	334	334
Total	**6,036**	**4,721**

√ Bank loans

Bank loans totaled €14.1m at December 31, 2022. 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 €4.4m at December 31, 2022. This contract was used to finance trade receivables for a volume of €30.0m over the period.

1.4.6.3_Cash flow

√ Cash flows from operating activities

The Group's operational activity generated positive cash flow of €9,394k in 2022 versus €12,500k in 2021 en 2021.

(€k)	12/31/2022	12/31/2021
Net income	**12,022**	**5,168**
> elimination of depreciation, amortization and provisions	9,196	9,195
> elimination of IFRS 16 amortization and provisions	1,896	1,694
> elimination of other items with no cash impact	(3,876)	(2,566)
> expenses relating to share-based payments	1,852	2,149
Cash flow after net borrowing costs and taxes	**21,090**	**15,640**
> elimination of change in earnout fair value	-	-
> elimination of tax expense (income)	2,222	991
> elimination of borrowing costs disbursed	335	400
Cash flow before net borrowing costs and taxes	**23,647**	**17,031**
> impact of change in WCR	(13,630)	(3,988)
> tax paid	(623)	(543)
Cash flows from operating activities	**9,394**	**12,500**

√ Cash flows from investing activities

Cash used in investing activities for the fiscal years ended December 31, 2022 and December 31, 2022 was €7,408k and €6,100k, respectively.

(€k)	12/31/2022	12/31/2021
Acquisition of tangible and intangible assets	(7,173)	(5,045)
Change in loans and advances granted	(246)	(65)
Disposal of assets	11	-
Acquisition of consolidated company securities	-	(991)
Cash flows from investing activities	**(7,408)**	**(6,100)**

Change in acquisitions of assets was significantly affected by the share of capitalized development costs. These totaled €3,721k and €2,923k in fiscal years 2022 and 2021, respectively.

(€k)	12/31/2022	12/31/2021
Research and development (expenditure)	25,232	24,352
Development costs (capitalized)	3,721	2,923
TOTAL	**28,953**	**27,275**

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)	12/31/2022	12/31/2021
Capital increase	1,191	806
Trading in treasury shares	78	(95)
Issue of new loans	37	3,139
Loan repayments	(6,884)	(8,839)
Financial interest paid	(223)	(284)
Repayment of lease liabilities	(1,903)	(1,787)
Financial interest related to rent liabilities	(112)	(116)
Change in debt arising from factoring	(106)	(3,239)
Change in other financial debt	(260)	(360)
Cash flows from financing activities	**(8,182)**	**(10,775)**

1.4.6.4_Information about borrowing conditions and financing structure

See details in paragraph 1.4.6.1 above. See also Notes 4.10 and 4.11 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., €39,355k, 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.

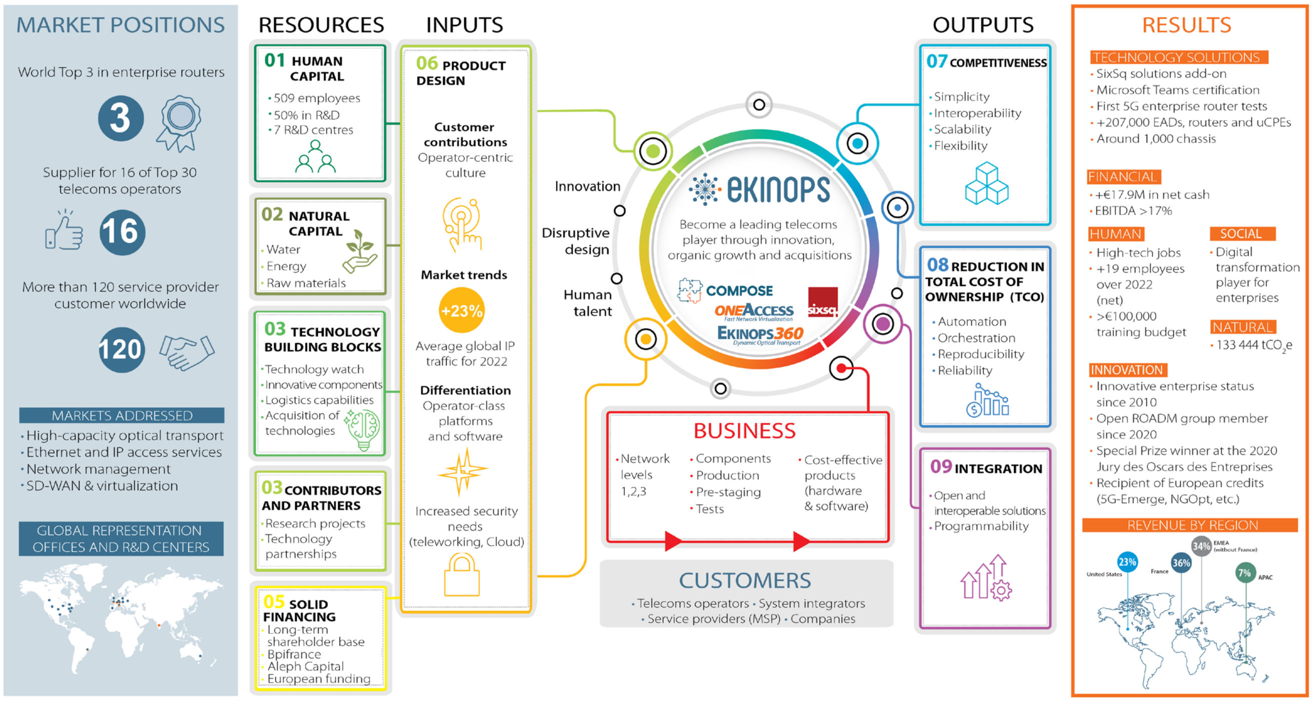
It does not plan to establish a dividend payment policy in the short term given the stage of the Group's development.

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 ESG strategy into the Group's business strategy.

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

EKINOPS' 2022 BUSINESS MODEL



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.

A 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	2	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 customers 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 engineeers, 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. Over the course of 2021, it became more difficult for the Group to source certain electronic components. These issues ultimately had very little impact on business activity as Ekinops successfully controlled the supply chain, passed component pricing tensions onto equipment sales prices, and increased the share of software and services in its business mix.

Although component sourcing is currently under control, a continued shortage of critical components could increase the Group's exposure to this risk and have a material adverse impact on its 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.

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, 2022, is as follows:

(€k)	Trade receivables (a)	Trade payables (b)	Obligation in foreign currencies (c)	Obligation in foreign currencies (d) = (a) – (b) +/- (c)	Hedging instruments (e)	Net position after hedging (f) = (d) – (e)
USD	10, 393	9,766	-	627	4 ,200	(3,573)
AUD	562	7	-	554	–	554
Other	156	163	-	(7)	–	(7)
Total	**11 ,111**	**9, 936**	**-**	**1, 175**	**4 ,200**	**(3 ,025)**

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)	12/31/2022	
USD/EUR	-10%	+10%
Impact on net income	(138)	138
Impact on shareholders' equity	227	(227)

In addition, during 2022, the risk of an imbalance of flows resulted in the following figures: receipts in USD totaled 45.2m, while total disbursements over the same period represented USD 58.6m. 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 appraoch 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 has been the Group's business model since its founding. However, new business models could be implemented in the future 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

As of the date of filing of this Universal Registration Document, 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

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	Chief Executive Officer	CEO of Ekinops	11/22/2005	(2)
François-Xavier Ollivier	Director	Deputy CEO	Director	21/03/2003	(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)
BPI France 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) Appointed at the close of the General Meeting of September 29, 2017 for a term of six financial years ending at the close of the General Meeting held to approve the financial statements for the year ending December 31, 2022.

(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 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 ;
- Hugues Lepic: 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
	French Tech Brest+	Director
	Anticipa Technopole	Director
	Ekinops Corp. (USA)	Director
Aleph Golden Holdings Sarl *represented by Hugues Lepic*	Aleph Capital Partners LLP	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
	APNF	Chair
BPI France 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
Hugues Lepic *mandate as permanent representative*	Ineroute Communications Holdings SA	Director (2015-2018)
	DARAG Group Limited	Director (2019-2020)
Nayla Khawam	Brittany THD	Director (2016-2020)
	Auvergne THD	Director (2016-2020)
	Alliance THD	Chair (2016-2019)
	Orange Egypt	Director (2013-2019)
Charlotte Corbaz	VI Technology SAS	Director
mandate as permanent representative	Gensight	Director
Lori Gonnu	MOMAC BV	Director

2.1.1.3_Biographies of the Directors

Didier Brédy (60 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 (64 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 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 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 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 (70 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 (68 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, which specializes in growth opportunities for telecommunications companies, in particular in M2M, and IOT, 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 and the Environmental Social and Governance 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 2022	FY 2021
Didier Brédy, Chairman and Chief Executive Officer		
Remuneration granted in respect of the fiscal year (broken down in table 1)	€571,398	€502,073
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	-	€573,016
Valuation of other long-term remuneration plans	-	-
Total	**€571,398**	**€1,075,089**

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

Summary table of remuneration of each corporate officer	FY 2022		FY 2021	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Didier Brédy, Chairman and Chief Executive Officer				
Fixed remuneration (1)	€300,000	€300,000	€300,000	€300,000
Annual variable remuneration (2)	€259,225	€189,900	€189,900	€121,500
Remuneration granted in respect of directorship	-	-	-	-
Stock-options	-	-	-	-
Issue of bonus shares(3)	-	-	€573,016	
Benefits in kind	€12,173	€12,173	€12,173	€12,173
Total	**€571,398**	**€502,073**	**€1,075,089**	**€433,673**

(1) Annual fixed remuneration with respect of the CEO mandate set by the General Meeting of May 27, 2021.

(2) The variable remuneration of the Chairman and CEO is set annually by the Board of Directors. Variable remuneration in respect of fiscal 2022 can only be paid after approval of the 2023 General Meeting called to approve the 2022 financial statements.

(3) Value of the shares at the time granted, with the amounts corresponding to the portion of the expense booked to the consolidated accounts for fiscal year. The definitive acquisition of these bonus shares is conditional on still being employed by the company, and on attainment of a performance criteria relative to growth in Group consolidated revenue over two or three years, while these shares cannot be sold before the end of this period, subject to a bearer lock-up period covering 10% of the shares definitively acquired during the term of the directorship.

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 2022		FY 2021	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
François-Xavier Ollivier - Director				
Remuneration awarded by the General Meeting				
Other remuneration[1]	€290,541	€243,784	€243,784	€150,000
Total	**€290,541**	**€243,784**	**€243,784**	**€150,000**
Nayla Khawam				
Remuneration awarded by the General Meeting	€23,000	€19,090	€19,090	€23,000
Other remuneration				
Total	**€23,000**	**€19,090**	**€19,090**	**€23,000**
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	€23,000	€23,000	€23,000	€23,000
Other remuneration				
Total	**€23,000**	**€23,000**	**€23,000**	**€23,000**
Total	**€336,541**	**€285,874**	**€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 €150,000 per year from July 1, 2020 and the variable portion of €132,920 set by the Board of Directors at its March 22, 2023 meeting. François-Xavier Ollivier also benefited from benefits in kind amounting to €7,621.

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, 2022

None.

2.2.5_Table No. 5: stock options exercised by each corporate officer during the fiscal year ended December 31, 2022

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
Didier Brédy	BCE 2013	86,800	€4.31
François-Xavier Ollivier	BCE 2012	20,243	€3.80
	BCE 2013	86,800	€4.31

2.2.6_Table 6: bonus shares granted to each corporate officer during the year ended December 31, 2022

None.

2.2.7_Table No. 7: bonus shares vested for each corporate officer during the year ended December 31, 2022

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	2018-16 bonus shares	178,888	(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

	2022				2021			
	Founder warrants (BCE)	**Bonus shares**	**Stock-options**	**Share warrants (BSA)**	**Founder warrants (BCE)**	**Bonus shares**	**Stock-options**	**Share warrants (BSA)**
Date of Board meeting		May 25				March 2 and May 27		
Average weighted price		-				-		
Number of rights granted to the top 10 non-executive corporate officers (overall number)	-	59,750	-	-	-	332,000	-	-
Number of rights granted/vested/exercised by the Group's top 10 non-executive corporate officers, with the greatest number of rights (overall number)	63,240	108,741	21,869	-	119,270	51,560	73,189	-

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 December 31, 2022							

(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 Didier Brédy, refer to the note "Principles governing the determination of remuneration for corporate officers" 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 01/01/2022	Number of shares bought or subscribed, AGA	Number of shares sold	Number of shares at 12/31/2022
Didier Brédy	Chairman and CEO	319,692	270,688	247,798	342,582
François-Xavier Ollivier	Director	170,062	27,499	109,638	87,923
Lori Gonnu	Director				-
Nayla Khawam	Director				-
Aleph Golden Holdings	Director	3,200,000			3,200,000
Bpifrance Participation	Director	3,200,000			3,200,000
Total		**6,889,754**	**298,187**	**357,436**	**6,830,505**

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

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	342,582	1.3%	648,274	1.9%	40,000 SO stock options (2014) giving rights to subscribe to 62,000 shares 57,500 bonus shares (2018) giving rights to subscribe to 57,500 shares, 128,000 AGA bonus shares (05.2021) giving rights to subscribe to 128,000 shares 194,000 AGA bonus shares (05.2021 bis) giving rights to subscribe to 194,000 shares
François-Xavier Ollivier - Director	87,923	0.3%	90,296	0.3%	30,000 SO stock options (2014) giving rights to subscribe to 46,500 shares 22,000 bonus shares (03/2021) giving rights to subscribe to 22,000 shares
Bpifrance Participations Director *represented by Charlotte Corbaz*	3,200,000	12.1%	6,175,000	18,4%	None
Aleph Golden Holdings Director *represented by Hugues Lepic*	3,200,000	12.1%	6,400,000	19,0%	None
Nayla Khawam Director	-	-	-	-	-
Lori Gonnu Director	-	-	-	-	-

(1) The breakdown of securities is provided in paragraph 6.1.3 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 22, 2023.

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	Partially(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	OUI
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 and is currently in the process of being applied. The Board of Directors Meeting of March 7, 2022 having decided to assess training requirements based on the ideas expressed by the Directors following a survey. The Director training plan is currently being validated.

(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.

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.

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 informationfinancière et opérationnelle disclosed by the Company.

Executive Management

Chairman and CEO

	Date of first appointment	Date of expiry of directorship
Didier Brédy	February 25, 2013	December 24, 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 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

None

2.5.1.5.2 Agreements concluded between a corporate offer or a shareholder holding more than 10% of the share capital of the company and a company controlled by 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 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.

The termination benefit for the Chairman and CEO authorized by the Board of Directors' meeting of March 25, 2019 was approved by the eleventh resolution of the General Meeting of May 21, 2019.

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 6, 2023 called to approve the financial statements for the year ended December 31, 2022. 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 plans to annually assess agreements relative to ordinary business concluded under normal conditions for the past year, for those that extend over several years, and those to be modified, and has set up an assessment procedure for regulated agreements and current agreements concluded under normal conditions.

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 shall provide 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.

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 25, 2022 (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 25, 2022 to November 25, 2023	Within the limit of an autonomous ceiling of 10% of the capital of the company. For a price that may not exceed €15	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	Within the limit of a blanket 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	Blanket ceiling*: > €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	Within the limit of the blanket ceiling 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
AGM, May 25, 2022 (21st resolution)	Capital increase within the framework of an employee shareholder plan with shareholder preferential subscription rights	26 months from May 25, 2022	Within the limit of the autonomous ceiling of: > a nominal amount per issue of €500,000 in 10,000,000 shares at a nominal unit value of €0.50 per share > €2,000,000 in securities giving access to the capital	None
AGM of May 27, 2021 (13th resolution)	Increase in the number of shares to be issued in the event of a capital increase with maintenance of shareholder preferential subscription rights	14 months from May 27, 2021 to July 27, 2022	Within the limit of 15% of the initial issuance In the event of an issue with maintenance of preferential subscription rights, these amounts are considered within the ceiling of the 12th resolution of AGM of May 27, 2021	None

** Blanket ceiling for the 19th and 20th resolutions of the AGM of May 25, 2022*

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 of May 27, 2021 (14th resolution)	Authorization to be granted to the Board of Directors to issue bonus shares	26 months from May 27, 2021 to July 27, 2023	Autonomous ceiling of 2% of the share capital at the time of the decision to issue the bonus shares	Used by the General Meeting of May 27, 2021, allocation of 463,344 bonus shares[1]
AGM of May 27, 2021 (15th resolution)	Capital increase within the framework of an employee shareholder plan with shareholder preferential subscription rights	26 months from May 27, 2021 to July 27, 2023	Within the limit of an autonomous ceiling of: > a nominal amount per issue of €500,000 in 10,000,000 shares at a nominal unit value of €0.50 per share > €2,000,000 in securities giving access to the capital	None
		18 months from May 28, 2020 to November 28, 2021		
AGM of May 28, 2020 (19th resolution)	Authorization granted to the Board of Directors to issue share warrants without shareholder preferential subscription rights or to purchase Company shares from employees of the Company or the companies or entities related to the Company within the meaning of Article L. 225-180 of the French Commercial Code as well as to corporate officers covered by Article L. 225-10-57 of the French Commercial Code	38 months from May 28, 2020 to July 28, 2023	Autonomous ceiling of 200,000 shares with a nominal unit value of €0.50	Used by the Board of Directors' meeting of May 27, 2021, allocation of 90,000 stock options[2]
AGM of May 21, 2019 (19th resolution)	Authorization to be granted to the Board of Directors to issue bonus shares	38 months from May 21, 2019 to July 21, 2022	Autonomous ceiling of 2% of the share capital at the time of the decision to issue the bonus shares	Used by the Board of Directors' meeting of February 3, 2021, allocation of 212,666 bonus shares[3]

(1) Pursuant to the decision of May 27, 2021, the Board of Directors makes use of the authorization granted to it by the General Meeting of May 27, 2021, and decides to grant a total number of 463,334 bonus shares to the employees of the Company and its subsidiaries, as well as to Mr Didier Brédy, Chairman and CEO of the Company, for 322,000 bonus shares. The vesting of these bonus shares is conditional on remaining employed with the company and attaining a performance criterion related to growth in consolidated Group revenue. The breakdown of such usage is provided in the tables in the notes.

The remaining balance available from this authorization is an amount of 53,319 bonus shares to be granted at a nominal value of fifty cents (€0.50) each, i.e. a potential capital increase balance amounting to €26,659.50 based on the share capital as of December 31, 2021 and conditional on compliance with applicable legal and regulatory limits.

(2) The exercise of these options is conditional on, first, remaining employed by the Company, and, second, the attainment of a performance criteria relative to consolidated Group revenue growth. The breakdown of such usage is provided in the tables in the notes.

(3) Pursuant to the decision of May 2, 2021, the Board of Directors makes use of the authorization and decides to grant a total number of 212,666 bonus shares to the employees of the Company and its subsidiaries, as well as 22,000 bonus shares to Mr François-Xavier Ollivier, Company Director in respect of his work contract. The vesting of these bonus shares is conditional on remaining employed with the company and attaining a performance criterion related to growth in consolidated Group revenue. The breakdown of such usage is provided in the tables in the notes.

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, 2021 are described below.

Shareholders	Number of shares at 12/31/2022	As a % of the share capital	Number of voting rights as of 12/31/2021	As a % of total voting rights
Bpifrance Participations	3,200,000	12.1%	6,175,000	18.4%
Aleph Golden Holdings Sarl	3,200,000	12.1%	6,400,000	19.0%
Didier Brédy	342,582	1.3%	648,274	1.9%
François-Xavier Ollivier	87,923	0.3%	90,296	0.3%
Sub-total Board of Directors	**6,830,505**	**25.8%**	**13,313,570**	**39.6%**
Free float	19,600,581	74.2%	20,298,291	60.4%
Total	**26,431,086**	**100.0%**	**33,611,861**	**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.
- 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

As of March 22, 2023, 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

- 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:

- François-Xavier Ollivier, born in 1958, of French nationality 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 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 pre-development activities for the "optical networks" division.

- Aleph Golden Holdings, represented by Hugues Lepic, born in 1965, of French nationality.

  Aleph is an investment company based in London, founded by Hugues Lepic, formerly head of all investment activities of Goldman Sachs Capital Partners in Europe.

  Aleph Capital 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 capital 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 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 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.

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 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.

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 terms of office of Nayla Khawam, Didier Brédy and François-Xavier Ollivier were renewed for a period of three years at the Annual General Meeting of May 25, 2022, in accordance with the amendments to the Articles of Association adopted at the time of the Annual General Meeting, which the Combined General Meeting of May 21, 2019, reduced the term of office of Directors from six years to three years.

It is noted that this shortening of the directorship term does not impact current existing directorships (i.e. the directorships of Bpifrance Participations, Aleph Golden Holdings Sarl and Lori Gonnu) which continue to run for their original term, i.e. to the end of the Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2022.

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 of this document the list of all of the directorships and positions currently held as of December 31, 2022 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 33.33%). 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 2.5.2.14 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 Censor

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:

- Aymeric Georges-Picot 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 22, 2023 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 Nayla Khawam and 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 24, 2023

Directorships of Aleph Capital and Bpifrance, as well as of Lori Gonnu, for a period of three years will expire at the end of the General Meeting of 24 May 2023 called to approve the financial statements for the year ending 31 December 2022.

The Combined General Meeting of May 24, 2023 shall be requested to renew all of these directorships for a term of three years.

Furthermore, it is noted that Mrs Lori Gonnu is also a member of the ESG Committee and a member of the Remuneration Committee. The Board of Directors, based on a proposal by the Remuneration Committee, has decided to renew her appointment, under the condition precedent and with effect from the renewal of her term as Director, for the same term as her directorship.

It should also be noted that Charlotte Corbaz is also a member of the Audit Committee, the ESG Committee and the Strategic Committee. The Board of Directors, based on a proposal by the Remuneration Committee, has decided to renew her appointment, under the condition precedent and with effect from the renewal of her term as Director, for the same term as her directorship.

If the General Meeting of May 24, 2023 approves all of the resolutions presented, at the end of the meeting, the Board of Directors will be composed of six Directors. Of these Directors, two shall be qualified as independent, i.e. Nayla Khawam and Lori Gonnu. The rate of Director independence within the Board of Directors is therefore 33.33%. Furthermore, with three women Directors out of the six members composing the Board of Directors, the gender ratio is 50/50.

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 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 up whenever 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:

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

In 2022, 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 bonus shares and 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:

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

In 2022, the Audit Committee met twice.

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

- review of financial statements as of December 31, 2021;
- review of financial statements as of June 30, 2022;
- review of related-party agreements;
- review of the procedures implemented to ensure the faithfulness and reliability of the information;
- review of annual reports..

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:

- Hugues Lepic, member and Chairman of the Strategy Committee;
- Charlotte Corbaz[1], member of the Strategy Committee;
- Didier Brédy, member of the Strategy Committee; and
- François-Xavier Ollivier, member of the Strategy Committee.

In 2022, the Strategy Committee met four times.

At the meetings of the Strategy Committee, the following topics were covered:

- external growth plans and validation of potential targets;
- R&D development strategies.

2.5.2.2.4 The Environmental, Social and Governance Committee (ESG)

This 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:

- Lori Gonnu, member and Chair of the ESG Committee;
- Charlotte Corbaz[2], member of the ESG Committee; and
- Didier Brédy, member of the ESG Committee.

(1) *Mrs. Corbaz replaced Mrs. Ferrere in 2022, who was not a member of the Board of Directors, but participated in Board meetings as a non-voting member*

(2) *Mrs. Corbaz replaced Mrs. Ferrere in 2022, who was not a member of the Board of Directors, but participated in Board meetings as a non-voting member.*

In 2022, the ESG Committee met six times.

The Committee's main responsibility is to set the Group's ESG 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;
- the preparation of the Non-Financial Performance Statement;
- work on the 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 Charlotte 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, Didier 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 appoint-ment on	Direc-torship expires	Audit Committee	Remuneration Committee	Strategy Committee	ESG Committee
Mr. Didier Brédy Chairman and CEO	No	2013	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	Non	2013	2024	No	No	Member	No
	Experience and expertise contributed: François-Xavier Ollivier 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.						
Mrs Lori Gonnu Director	Yes	2017	2022	No	Member	No	Chair

Names	Independent Director	Initial appoint-ment on	Direc-torship expires	Audit Committee	Remuneration Committee	Strategy Committee	ESG Committee
	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 is represented by Mr Hugues Lepic, Director	No	2017	2022	No	Chair	Chair	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.						
Mrs Nayla Khawam Director	Yes	2014	2024	Chair	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.). Nayal 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	2022	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 1.

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 2022, the Board of Directors of the Company met seven (7) times on the following dates:

> January 27, 2022
> March 7, 2022
> May 25, 2022
> July 20, 2022
> July 27, 2022
> October 11, 2022
> December 1, 2022

The attendance rate for Directors at meetings in 2022 was 98%.

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 2022, 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 provides for 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 2022. 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 efforts in drawing up medium- and long-term strategies, formalization of the induction procedure for new Directors and formalization of a succession plan, as well as the annual review of conflicts of interest.

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 2022:

	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%
	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% **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	59.5 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 Independent Director) 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 strengthen its commitment in this respect, the Company implemented gender balance agreements in 2021, in addition, a variable portion of the compensation of the Chairman and Chief Executive Officer takes into account 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 2023, 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 24, 2023 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 2023

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 16, 2023, to determine its recommendations for the remuneration policy for corporate officers in respect of 2023, as well as the level of attainment of objectives regarding the variable component and the remuneration of the Chairman and CEO in respect of 2022.

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 22, 2023 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 2023, as for fiscal 2022, refers to 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 2.5.3.1.4 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, Nayla Khawam and 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 2022.

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 2023 is summarized hereafter:

Director remuneration policy (1) for fiscal 2023	
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(2)
Benefits in kind	None

(1) The remuneration policy applicable to Didier Brédy, in his role as Chairman and CEO is defined in paragraph 2.5.3.1.4 hereafter.

(2) Within the framework of the allocation of bonus shares, only Didier Brédy, Chairman and CEO and François-Xavier Olliver, in his role as Company employee, are likely to be allocated bonus shares. For further details on potential allocations of bonus shares to Didier Brédy, please refer to the remuneration policy applicable to him as determined by the Board of Directors in a decision related to him.

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 99% approved by a vote of the General Meeting on May 25, 2022.

Information regarding François-Xavier Ollivier

François-Xavier Ollivier only received remuneration pursuant to his employment contract, the items provided above are presented for information purposes only.

Employment contract duration

François-Xavier Ollivier, Deputy CEO and Director, is linked to the Company by an employment contract signed on March 21, 2003 which came into force on April 1, 2003. For information purposes only, pursuant to this employment contract, François-Xavier Ollivier received a gross annual remuneration of €150,000 plus a variable remuneration component linked to the attainment or otherwise of individual half-yearly objectives set by the Board of Directors upon recommendations from the Remuneration Committee, François-Xavier Ollivier also benefits from the use of a company vehicle. This employment contract may be terminated with a notice period of six months without any other conditions applicable.

2.5.3.1.3 Resolution submitted for approval to the General Meeting of shareholders

In line with Article L. 20-10-8 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, 2022.

This is the eighth resolution presented for approval to the General Meeting of May 24, 2023, reproduced below:

"Twelfth resolution

Approval of the remuneration policy applicable to the Directors for the year 2023.

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Meetings,

having considered the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code as included in the Company's 2022 universal registration document,

***approves**, pursuant to Article L. 22-10-8 of the French Commercial Code, the Directors' remuneration policy 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 22, 2023 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.

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.

2.5.3.1.4.2 Annual variable remuneration

The Chairman and Chief Executive Officer will also receive variable compensation in the amount of €170,000, which may be increased to a maximum of €356,400 if targets are exceeded, 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 2023 (or early in 2024) to determine the level of attainment of the individual objectives of the Chairman and CEO.

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 2023**."

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. 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 7, 2022, and by the General Meeting of May 25, 2022, when Didier Brédy's directorship was renewed.

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 Chief Executive Officer is entitled to a company car, but did not make use of it in fiscal year 2022.

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 2023 and effective from July 1, 2023, 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 2023	
Fixed remuneration	Fixed remuneration of an annual amount of €300,000 which is paid in 12 monthly installments
Variable remuneration	Variable remuneration in the amount of €170,000 (representing 50% of the fixed remuneration excluding exceeding objectives) and based on three quantitative criteria and two qualitative criteria presented below: **Criteria 1.** Based on generating consolidated revenue for fiscal 2023 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 2022 (excluding restructuring costs), as set by the Board of Directors: > Weighting: 35% of the variable annual remuneration, i.e. variable remuneration equal to €59,500, capped at before the accelerator in respect of criteria 2, capped at €119,000. **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. **Criteria 4.** Based on completing external growth projects for fiscal 2023, 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 €35,000 for criteria 4. **Criteria 5.** Based on overall performance in respect of projects linked to the Group's ESG policy in the following areas: > Reduction of the Group's carbon footprint in respect of 2022, 2023, 2024. > Staff anti-corruption training. > Increase in the representation of women in the Group's management. > Audit of ESG practices of five major suppliers by an independent auditor. > Assessment based on the decision of 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 5. This variable remuneration could be increased to a maximum of €356,400 in the event of exceeding objectives (representing 110% of fixed remuneration).
Multi-year variable cash remuneration	The Chairman and CEO does not benefit from any multi-year variable remuneration.
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 2023 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 2023.
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 2023 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 2022 was 97.05% approved by a vote of the General Meeting on May 25, 2022.

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 eleventh resolution presented for approval to the General Meeting of May 24, 2023, reproduced below:

"Eleventh resolution

Approval of the items of the remuneration policy applicable to the Chairman and CEO and sole executive corporate officer, in respect of fiscal 2023.

The General Meeting, having met the quorum and majority conditions for General Meetings,

having been made aware of the content of the report of the Board of Directors relative to corporate governance in application of Article L. 225-37 of the French Commercial Code, describing items of remuneration policy applicable to the executive corporate officer,

approves*, in application of Article L. 22-10-8 II of the French Code of Commerce, the remuneration policy applicable to the Chairman and CEO in respect of fiscal year 2023, as presented in the Board of Directors' corporate governance report mentioned above and presented in paragraph 2.5.3.1.4 of the Board of Directors' corporate governance report included in the Company's 2022 Universal Registration Document".*

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 L. 22-10-34 of the French Commercial Code, the ordinary annual General Meeting called to approve the financial statements for the year ending on December 31, 2022 shall, as part of the ex post say on pay vote on:

(a) 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

(b) 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 2.5.6.3.2.2.2.

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, 2022 to the members of the Board of Directors

For fiscal 2022, the overall annual envelope of remuneration allocated by the General Meeting of shareholders to the Board of Directors was allocated to Nayla Khawam for a gross amount of €23,000 in remuneration and a gross amount of €23,000 allocated to Lori Gonnu in remuneration.

This remuneration was attributed in proportion to the attendance rate at Board of Director meeting during 2022 of each of these two Independent Directors, i.e. attendance at all of the Board of Directors meetings during fiscal 2022 for Lori Gonnu and Nayla Khawam.

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 special assignments were allocated to any Directors during the past year.

No Director received 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.

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

In respect of the past year, François-Xavier Ollivier received gross annual remuneration of €150,000, 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 form the Remuneration Committee, noted the achievement of targets and set the variable component at €132,920.

The remuneration items of the non-executive corporate officers are presented in paragraph 2.2.3 of this document.

2.5.3.2.1.2 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 twelfth resolution presented for approval to the General Meeting of May 24, 2023, reproduced below:

Twelfth resolution

Approves 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 2022.

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary 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 2022 universal registration document,

approves, *pursuant to Article L. 22-10-34 of the French Commercial Code, the information referred to 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, 2022 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 24, 2023 will be requested to vote on the draft resolution relative to the remuneration items paid or allocated in 2022 in respect of the same year to Didier Brédy, Chairman and CEO.

During the fiscal year to December 31, 2022, the following remuneration items were paid or allocated to Didier Brédy, Chairman and CEO, in accordance with the principles and criteria approved by the General Meeting of May 25, 2022:

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, 24, 2023 in accordance with the approval of principles and criteria by the General Meeting of May 25, 2022	Commentaires
Fixed remuneration	€300,000	Monthly payment of one 12th each month
Variable remuneration	€259,225 (to be paid)	The variable remuneration of Mr Brédy is based on quantitative and qualitative criteria (1) and is capped at 90% of the fixed remuneration
Multi-year variable cash remuneration	None	Mr Brédy does not benefit from any variable multiyear remuneration
Exceptional remuneration	None	Mr Brédy does not benefit form any exceptional remuneration in respect of fiscal 2022
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	€1,161 (carrying valuation)	Mr Brédy benefits from the use of a mobile phone
	€0	Mr Brédy is entitled to a company car, but did not make use of it in fiscal year 2022
	€12,173	Mr Brédy benefits from healthcare insurance for company managers and directors
Termination benefit	€489,900(2)	Mr Brédy receives a termination benefit in the event of his removal from office, the amount of which is determined based on a quantitative objective(3)
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 2022 as approved by the General Meeting of May 25, 2022.

(2) Estimated termination benefit due to Mr Brédy in the event of removal from office.

(3) The information relative to this termination benefit is presented in paragraph 2.5.3.1.4.

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. 233.19 of the French Commercial Code.

Breakdown of the variable remuneration of Mr Brédy in respect of fiscal 2022

The variable remuneration in respect of fiscal 2022 attributable to Mr Brédy was set at a maximum amount of €270,000 gross (representing 90% of the fixed remuneration) pursuant to the decision by the Board of Directors dated March 2, 2021, the allocation of which is conditional on the achievement of two quantitative and one qualitative criteria, the details of three quantitative criteria and two qualitative criteria, which are provided below:

Variable remuneration in respect of fiscal 2022	
Criteria	**Weighting**
Criteria 1. Realization of consolidated revenue in fiscal 2022	Weighting: 35% of the annual variable remuneration in respect of fiscal 2022, , i.e. variable remuneration equal to a maximum of € after the accelerator in respect of criteria 1.105 000
Criteria 2. The attainment of EBITDA for fiscal 2022	Weighting: 35% of the annual variable remuneration in respect of fiscal 2022, i.e. variable remuneration equal to a maximum of €99,225 after the accelerator in respect of criteria 2.
Criteria 3. Based on generating consolidated net profit for fiscal 2022, as set by the Board of Directors	Weighting: 10% of the variable annual remuneration, i.e. variable remuneration equal to €15,000 before the accelerator in respect of criteria 3.
Criteria 4. Based on completing external growth projects for fiscal 2022, as set by the Board of Directors	Weighting: 10% or 20% of the annual variable compensation due for the year 2022, i.e. an amount of variable compensation equal to €25,000 under criteria 4.
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 €15,000 before the accelerator in respect of criteria 5.

In respect of the fiscal year ended December 31, 2022, 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 2022, at a total of €259,225 (versus €189,900 in respect of 2021).

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 24, 2023 in the ninth resolution relative to the remuneration items paid or allocated in respect of 2022 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 document.

It is noted that the remuneration of the executive corporate officer of the Company in respect of fiscal 2022, 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 25, 2022, 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, 2022.

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. 22-10-8 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 24, 2023, reproduced hereafter:

"Ninth 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, 2022, or allocated in respect of the same fiscal year to Didier Brédy, Chairman and CEO.

The General Meeting, having met the quorum and majority conditions for General Meetings,

having been made aware of the content of the report of the Board of Directors relative to corporate governance in application of Article L. 225-37 of the French Commerical Code,

***approved,** in application of Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional items composing the total remuneration and benefits of all kinds paid during the fiscal year ended December 31, 2022 or allocated in respect of the same fiscal year to Didier Brédy, by virtue of his position as Chairman and CEO, as presented in the above-mentioned Board of Directors' corporate governance report and presented in paragraph 2.5.3.2.2.1 of the Board of Directors' corporate governance report included in the 2022 Universal Registration Document".*

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 the Company, 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
Remuneration ratio (including allocations of options and bonus shares)					
Ratio - average wage	9.6	19.5	13.0	21.3	19.3
Ratio - median wage	11.4	27.3	16.8	26.9	25.4
Remuneration ratio (allocations of options and bonus shares)					
Ratio - average wage	7.3	8.9	8.5	7.8	8.1
Ratio - median wage	8.5	10.9	10.2	8.4	9.7
Remuneration excluded (€k)	156	770	300	928	809

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
Ratio - minimum wage	22.8	27.9	25.0	22.1	24.9

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

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

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

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

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

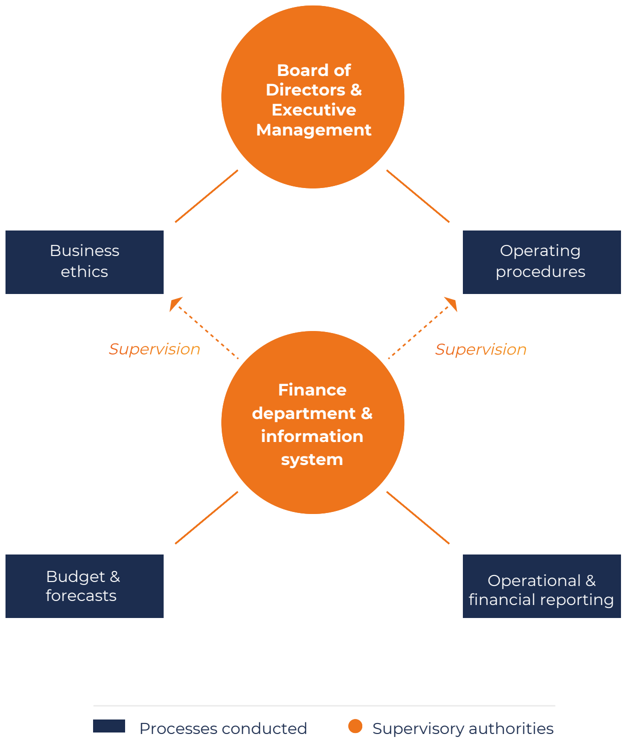
The internal control mechanism implemented by the Group has the objective of increasing the efficiency of its operations and the efficient use of its resources. It is based on the reference framework for risk management and internal control for small and mid-cap companies published by the AMF in July 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 its ethical policy which defines the rules governing the principles to be applied by directors, managers, employees 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 to strengthen the Group's commitment in this respect. Furthermore, the most exposed personnel were also trained in the fight against corruption during 2022.

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:

- submitting 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 SIRH, robotization, new ERPs, etc. to enable it to enhance the quality of audit procedures.

3

2022 Non-Financial Performance Statement

3.1_NFPS INTRODUCTION

2022 was marked by the return of a major conflict to the European continent, with the Ukrainian crisis taking over from Covid-19 and amplifying the supply chain crisis for both electronic components and a number of other energy, mineral and agricultural resources, inevitably with major inflationary repercussions.

In this difficult context, the Ekinops Group continued its efforts in terms of Corporate Social Responsibilty (ESG) under the impetus of the ESG Committee within the Board of Directors.

The main new actions undertaken during the year were:

- an in-depth analysis of the 2021 carbon assessment (*Bilan Carbone*®) and the search for actions to reduce the Group's emissions;
- adherence to the UN Global Compact, which was officially recognized;
- anti-corruption training for all personnel exposed;
- ensuring the Group's compliance with data security requirements;
- a satisfaction survey of all staff.

3.2_BUSINESS MODEL

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

3.3_EKINOPS ESG GOVERNANCE

Established following the decision by the Board of Directors of October 12, 2021, the Ekinops ESG Committee is responsible for ESG governance. It is made up of three members: Lori Gonnu, Independent Directors and Chair of the Committee, Bpifrance represented by Charlotte Corbaz, and the Chairman and CEO, Didier Brédy. The Chief Financial Officer and the Head of ESG participate in the meetings and prepare them. The Committee met six times in 2022.

The main missions of the Ekinops Group ESG Committee accomplished in 2022, 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 compensation of the Chairman and Chief Executive Officer;
- select key performance indicators and monitor their evolution;
- validate the annual ESG reports (NFPS, Communication on progress (CoP) in the UN Global Compact).

For example, the ESG objectives that counted towards the Chairman and CEO's variable remuneration in 2022 included anti-corruption training for the Group's workforce (a two-year program), reducing the average electricity consumption of products (main sources of emission in the carbon assessment *Bilan Carbone*®), developing a plan to improve gender parity and diversity, and ensuring the Group's adherence to the UN Global Compact.

3.4_RISKS FOR EKINOPS

The three main risks identified and addressed in the 2020 and 2021 NFPS are renewed for the formulation of this 2022 NFPS.

Human Resource Management Risks

In 2022, this risk was most evident in the challenges of talent retention and recruitment. Indeed, the Ekinops group especially needs to recruit new engineers for research and development and for pre- and post-sales support in order to underpin its growth.

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. Ekinops' recruitment efforts have attracted new talent, but a significant part of the arrivals were offset by departures of staff at the end of their careers or having resigned.

Aware of the importance of the working environment for its appeal, in 2022, the Group implemented major projects to relocate the French sites of Vélizy-Villacoublay and Lannion, which employ 194 people, i.e. nearly 40% of the Group's total workforce, to more modern premises with better access. A sports center is located at the new site in Massy (department 91) and is accessible to employees on preferential terms. In addition, recognizing the effectiveness of the solutions that enabled telecommuting during the Covid-19 crisis, the company decided to allow three days of work from home per week for all employees in compatible positions. Efforts to promote diversity and parity have continued, with the representation of women in the workforce exceeding 20%, the target set for fiscal year 2022. 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.

Beyond its mission of attracting and retaining talent, Human Resources management must also ensure that Ekinops, employees maintain their level of competence and acquire the corporate values to always behave appropriately in a complex and changing work environment.

With this in mind, in 2022 Ekinops recruited a Human Resources Director for the entire Group and set up a specialized tool for managing skills, positions and individual objectives.

In addition to the technical and language training usually provided, an ambitious training program on anti-corruption and IT security was launched for 2022 (for the most exposed employees) and 2023 (for the entire Group not trained during 2022).

Stakeholder, customer and supplier risks

In 2021, a decision was made to extend monitoring of procurement and supply risks to other stakeholders, and notably customers.

Relevant customer risks include the following:

- business over-dependence on a single project, which could put the Group in a vulnerable position if the customer in question were to change their strategy;
- sustaining margins for the hardware share of equipment sold, linked to the return of inflation when this cannot be fully passed on through sales prices;
- an increased level of demand from customers concerning the ESG performance of their suppliers, including in terms of data security.

The Group has always prioritized working with reliable suppliers. The supply chain crisis, particularly severe since the war in Ukraine, has increased the impact of supplier defaults and Ekinops is particularly monitoring the following risks:

- rising delivery times;
- dependency on a single supplier;
- ESG commitment and performance shortfalls by a supplier.

Environmental risks

The solutions offered by Ekinops to its customers are based on electronic equipment and software. The main environmental impact of these solutions comes from the material part, i.e. the equipment.

In 2022, all Ekinops Group production sites were ISO 14001 certified, guaranteeing a responsible approach by the Group's facilities and subcontractors. However, it is well known that the manufacture of electronic components, upstream of the product manufacturing sites, has a strong environmental impact, particularly in terms of water, energy and scarce mineral resources consumption, and that products containing these components present a significant risk of soil pollution if they are not properly recycled at the end of their life.

A life cycle assessment (LCA) will help refine the mapping of environmental risks related to the manufacturing and recycling of manufactured products sold by Ekinops. This analysis will be conducted for the Access Series router products in Q1 2023.

With regard to the generation of greenhouse gases, the Ekinops Group carbon assessment (*Bilan Carbone®*) carried out in 2021 showed the preponderance of electricity consumption by products during their period of use. Ekinops has therefore initiated reflections on ways to reduce this consumption and renewed a full carbon assessment for the Group in 2022.

The results showed a clear reduction in emissions in absolute terms, despite growth in sales volumes over the year for each of the Access and Optical Transport ranges. This good result exceeded the targets set by the Group and stemmed from the replacement of older, more energy-intensive products by the most recent product ranges for many operator customers.

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.) Disruption risks due to Covid-19-related absences	> Recruitment and retention policy > Training and upskilling policy > Teleworking arrangements > M/F workplace equality agreement	> Recruitment/retention > Training budget > Skill mapping database > Establishing actions following the identification of employees at risk. Succession plan > Defining company values > Teleworking charter and barrier gestures	1. Change in Group headcount 2. Change in turnover by region 3. Average headcount age and seniority 4. Change in employee training activity and hours of training provided 5. Percentage of women hires and headcount 6. Group absenteeism rate
Customers, purchases and supply management			
Dependency on a customer project Reliability of suppliers and supplies ESG and anticorruption concerning stakeholders	> Project and customer diversification > Sales price renegotiation and software solutions development > Careful supplier sourcing with multiple options wherever possible > Group commitment to ESG and anticorruption	> Review of commitments for strategic contracts > Integration of revised price clauses in customer contracts > Electronic tracking system supervision (IT support ticket system) > Obsolete component and dual source procedure > Monitoring of ESG and anticorruption regulations and expectations, risk mapping, staff training	1. Relative weight of key accounts in revenue terms 2. Average delivery time by EMS (Electronic Manufacturing Services) 3. Share of software and service sales 4. Percentage of revenue from ISO 9001-certified production 5. Relative weight of key suppliers/ total annual procurement 6. Average supplier delivery time and delay (excluding EMS) change vs. previous year
Environmental management			
Product power consumption Packaging and non-recyclable products Hard-to-repair or non-repairable products Use of non-recycled materials Pollution in production process	> 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 > Product life cycle assessment, identification and analysis of ecodesign environmental aspects > Removal of plastics from packaging > Use of recycled and recyclable materials as soon as practicable (casing) > Group carbon footprint assessment	1. Percentage of production from ISO 14001-certified EMS 2. Group energy consumption/ revenue 3. Carbon footprint per product 4. Average annual electricity consumption of sold products 5. Percentage of recycled and recyclable material used in products 6. Number of tons of CO2 emitted per million euros (€) of revenue

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. In this spirit, the Group's HR policy seeks to maintain a top-performing and fulfilling workplace.

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 de swith mobility encouraged within the Group, both nationally and internationally, since R&D teams are located throughout Europe, South America, and Asia.

Ekinops makes every effort to maintain a supportive 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 strengthening of the HR team, which now has cross-functional responsibility for the Group, and the new management tools introduced in 2022 will help to manage this dialog even more effectively in the context of business and workforce growth. An employee satisfaction survey was conducted in the fourth quarter using an online tool that guarantees the anonymity of responses. The results will help guide certain actions in 2023. Remote sessions are also organized every two months with General Management to review the Group's activity and answer questions.

3.5.1.2_Due diligence procedures and indicators

Recruitment

In line with trends from 2018 to 2021, Ekinops recruited extensively in 2022, as always mostly for the R&D department. However, there were also a large number of departures and growth in headcount over the period remained lower than forecast.

HR-1 KPI: 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.

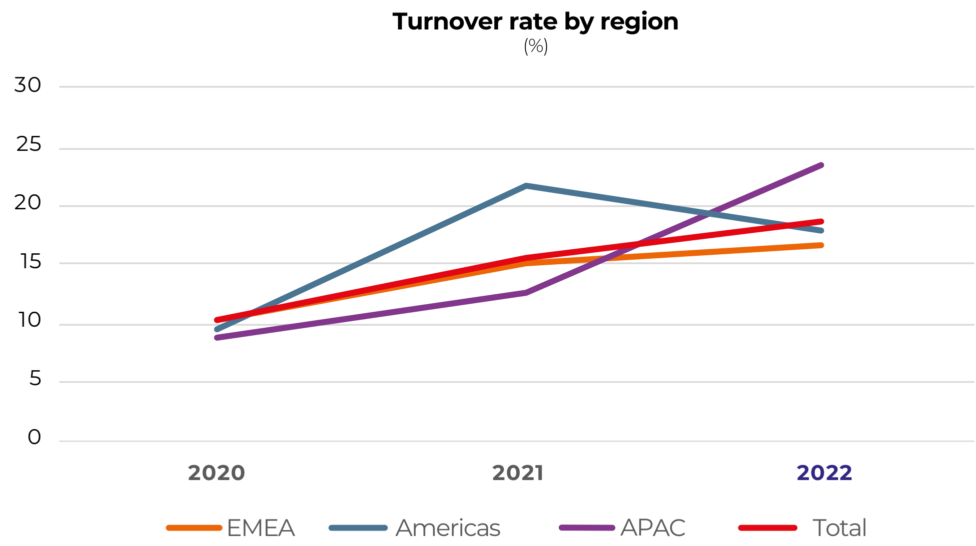
	12/31/2020	12/31/2021	12/31/2022	Change 2022/2021
Women employees	80	89	97	+8.99%
Men employees	377	396	407	+2.78%
Total headcount	457	485	504	+3.92%
Annual FTE headcount	**451**	**465**	**493**	**+6.02%**

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 19 persons during the year to reach 504 persons at the end of 2022, the FTE workforce corresponds to 493 persons for the year.

HR-2 KPI: 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 APAC region, which had a fairly low headcount, was grouped together with India. For comparative purposes, 2021 and 2020 have been restated in the same way.



The components of this indicator (workforce entries and departures) must be analyzed to interpret their variations. In 2022, a significant increase was noted in all regions except for the Americas, which was already high in 2021. This trend can be explained by a significant number of departures in 2022, including end-of-career departures, but above all by increased tension on the labor market in our competitive sector, which reduced the effect of the numerous recruitments of the period.

For all voluntary departures other than retirement, the Human Resources department set up departure interviews in order to understand the motivations of departing employees and to take them into account in order to improve talent retention.

HR-3 KPI: Average headcount age and seniority

This indicator measures the average age of Group employees. For high-tech companies such as Ekinops, this should reflect the balance required between the experience of older employees and the contribution from younger talents capable of challenging established ideas. The indicator was supplemented in 2022 by average seniority, which makes it possible to assess the stability and average experience of the workforce.

Sex	12/31/2020		12/31/2021		12/31/2022	
	Seniority	Age	Seniority	Age	Seniority	Age
Women	n.a.	45.9	8.1	43.2	8.0	42.9
Men	n.a.	45.8	8.6	45.3	8.8	45.6
All	**n.a.**	**45.9**	**8.5**	**44.9**	**8.6**	**45.0**

2022 showed a slight increase in average seniority compared to 2021, 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 in 2022 and even expand it to other topics and suppliers. 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 2022 with the training operator, mainly technical, selected in 2021.

In addition, training licenses for all staff were taken out with two other operators for anti-corruption and IT security (phishing awareness modules). The ambitious anti-corruption training program for 2022 has been fully implemented with the training of the most exposed employees and contractors: sales and pre-sales teams, purchasing teams, management positions. The program will continue in 2023 with the objective of training all Group personnel.

HR-4 KPI: Change in employee training activity and hours of training provided (Ekinops Group)

	2020	2021	2022
Number of Group training sessions	n.a.	1,221	1,127
Total number of Group training hours	n.a.	4,757	3,437
Total cost of Group training	n.a.	€115,085	€127,157
Change vs. previous year			+10.5%

The number of training courses was down by 7.7% for a more significant decrease of 27.7% in the number of hours, which can be explained as follows:

In 2022, most of the training effort was focused on anti-corruption for half of the workforce and IT security; these two online courses were shorter than the courses taken in 2021 by all of the R&D teams in a new development method (agile method).

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, while the overall rate of women in engineering studies stood at around 28% in 2022 (and 5% less five years earlier), the figure varies according to the specialty chosen, from just 15% for mechanics to near parity in biology and chemistry, with the electronics, IT and telecoms specialisations, which interest Ekinops the most, standing at 15-20%.

	2019	2021	2022	Target
Percentage of women in headcount	17.5%	19.4%	20.5%	>20%
Change/previous year	-	+10.7%	+8.22%	-
Percentage of women in employees recruited	-	26.9%	27.4%	>25%

Ekinops had set itself the target of exceeding the threshold of 20% female representation in the workforce and 25% in recruitment. These targets were both met in 2022, with even a slight increase in the share of women hires compared to 2021.

Ekinops renewed its partenariat with the ADA Lovelace challenge in 2022, an initiative, organized by IT 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, given that it is particularly difficult to catch up on skills for later reorientation in this field.

HR-6 KPI: Group absenteeism rate

Absenteeism is calculated by dividing the total number of absent hours for sickness 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.

Group absenteeism	2020	2021	2022	Target
	2.65%	1.73%	1.82%	<2%

The absenteeism rate showed no real change on the 2022 level.

3.5.2_Dependence on customers and supplies

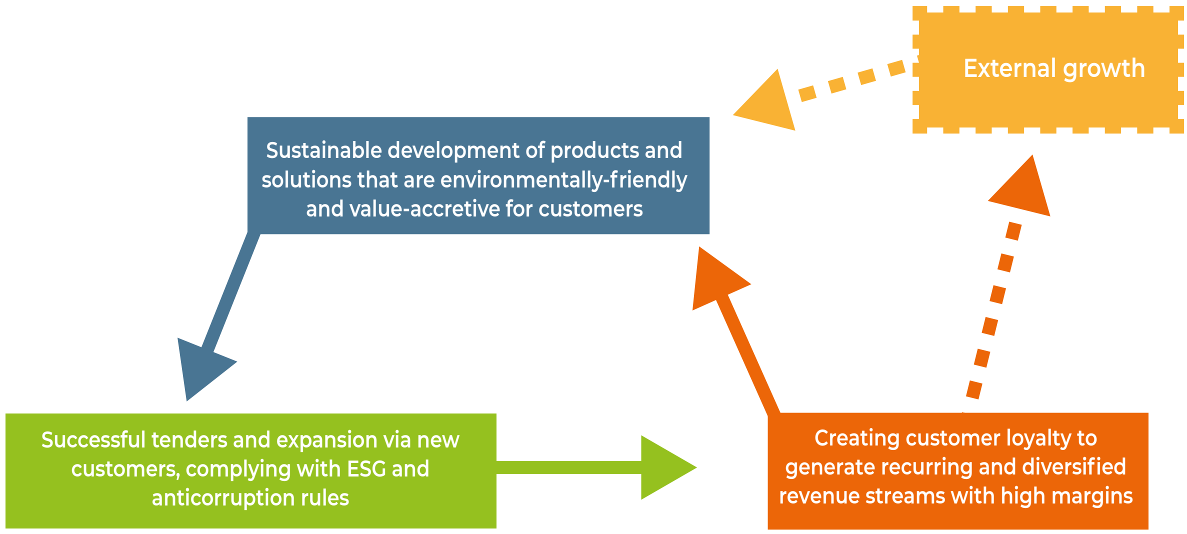
3.5.2.1_Our customer policy

Ekinops has the growth ambitions required to win market share with the largest key account operators. This overall growth is supported by new account wins, organic growth, and at times, by acquisitions.

In all cases, customer loyalty is paramount, whether in the high-capacity optical transport business where sales are generally linked to projects, or in the access products business where the decision to deploy an Ekinops solution for an “Enterprise” offering is reflected in recurring orders depending on the operator’s commercial success.

For several years, we have observed a significant strengthening of ESG concerns at our operator customers, a phenomenon which is gaining traction every year. This leads to closer monitoring of the ESG commitment of their suppliers via questionnaires, performance assessments by specialized companies, an increase weighting of ESG criteria in the assessment of replies to calls for tenders and requests for results of carbon assessments or analysis of product life cycles.

This shift is a further reason for Ekinops to strengthen its commitment in terms of sustainable development, which should enable it win new accounts while also boosting the recurring portion of business with existing customers. The maintenance of a high contribution margin is necessary to finance the development of products and solutions that are respectful of nature and still competitive, as illustrated by the following diagram:



In more specific terms:

- the success of calls for tender and winning new accounts depends on:
  - > effective pre-prospecting and good screening of opportunities;
  - > company credibility in all selection criteria, namely:
    - quality and performance of the provided solution;
    - ability to produce and deliver on time;
    - services provided;
    - increasingly, a positive ESG assessment of Ekinops and its solutions;
- client retention and the generation of recurring and diversified revenue streams are based on:
  - > the ability to sell a maintenance and support offering for the hardware sold, and particularly for the software;
  - > the sale of software solutions in the new areas of SDN (Software Designed Network) with offersCompose (SD-WAN, vSBC, Nuvla.io, OneOS6-LIM, etc.), included in the form of renewable annual licenses.

Whereas we were hoping for a return to normality in 2022 after the difficulties of the Covid-19 crisis, the war in Ukraine and the continuation of the pandemic in China exacerbated the global crisis in electronic component supplies. Beyond its impact on manufacturing lead times, this crisis has caused a significant increase in materials costs and a widespread rise in inflation.

Part of the cost increases incurred were passed on to prices and the increase in the share of software solutions in the Ekinops Group's sales enabled margins to be maintained at a satisfactory level.

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. The procurement policy is an essential part of 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 approaching or even exceeding one year.

Supplies fall into three main categories:

- component purchases and raw materials for production;
- capital expenditure;
- general and operating expenses of the Group's companies;
- supplies for production represent the main part, 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.

It is also the most critical part in terms of quality and CSR, financial impact, flow management and safety for the Group.

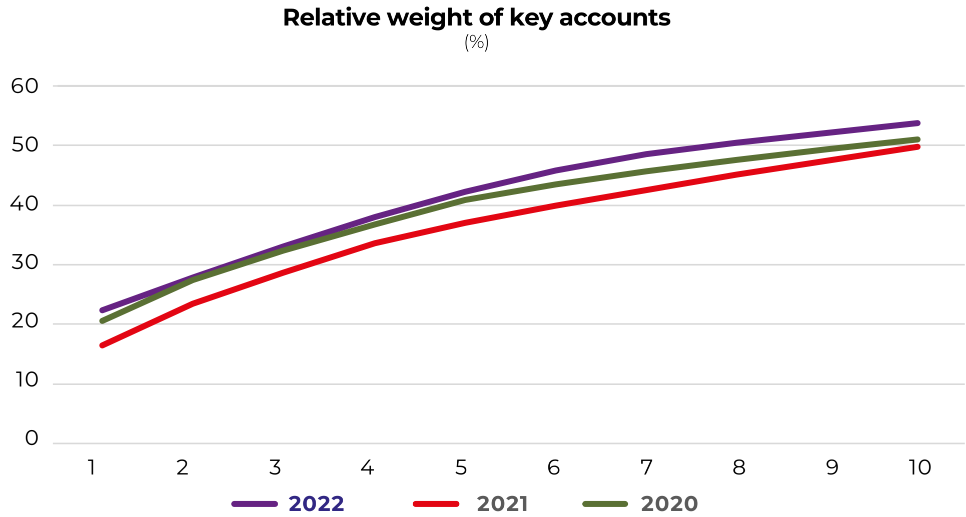
Ekinops' procurement policy therefore aims to:

- 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;
  - > auditing suppliers deemed to have a higher level of ESG risk;
- ensure cost control of sold products:
  - > enforcing competitive bidding for EMS and other suppliers;
  - > sharing experience with development teams;
- 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. As the objective of this KPI is to measure the company's risk of dependence on a customer's decision to change supplier, Ekinops decided in 2022 to account for the activity of Orange's foreign or French subsidiaries separately from Orange SA, the Ekinops Group's largest customer. Indeed, the other Orange Group subsidiaries are completely independent in their purchasing decisions for their various projects. The data presented in the curves reflect this change including the years 2021 and 2020 which have been restated accordingly.



The 2022 curve does not show any particular variation from that of the previous year, apart from a rise in the weight of the Group's largest client to 22.3% compared with 16.3% in 2021. It is interesting to note that in 2022, for the first time, the Group's top 10 customers had as many customers for Access products as for Broadband Optical Transport products.

C-2 KPI: Average delivery times

Ekinops managed to deliver its customers and grow its sales despite the ongoing supply crisis. However, this success should not mask current difficulties that are force us to order components almost a year in advance, as opposed to three months in normal times.

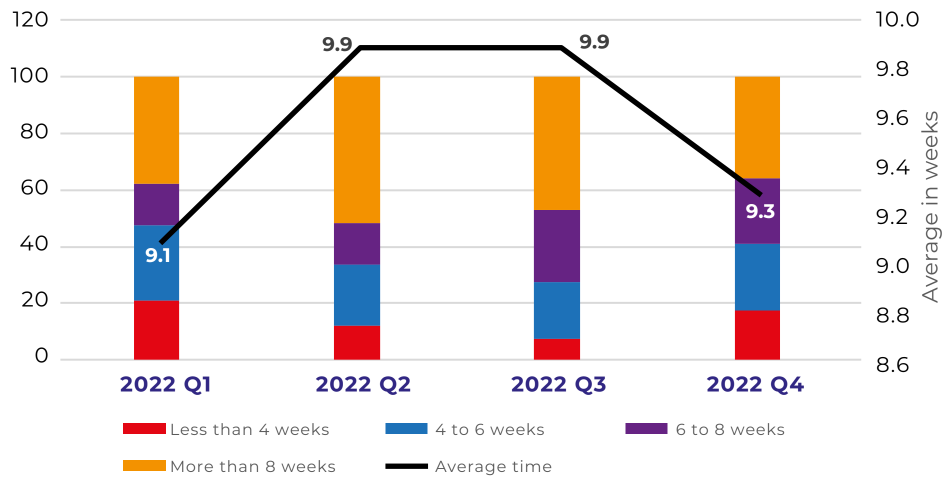
Constructive dialogue with our main customers has enabled us to pass on some of the price increases and to obtain customer orders at a much earlier stage.

Access products

The average production lead time for Access routers deteriorated slightly in the second and third quarters, with average times of 10 weeks and nearly 50% of orders shipped after more than eight weeks, although the situation reversed at the end of the year with a return to the lead times seen in Q1.

The table illustrates a slightly deteriorated performance (nine-day average delay) for deliveries from the Ekinops plant. This did not have an impact on customers and resulted from the highly active engagement of supply and production teams in the current market environment.

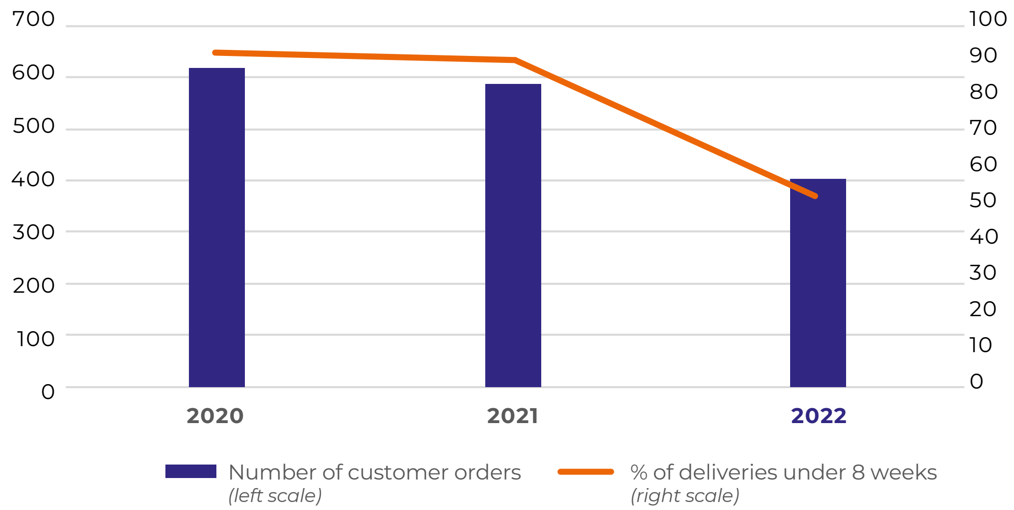
Access product line: production lead time



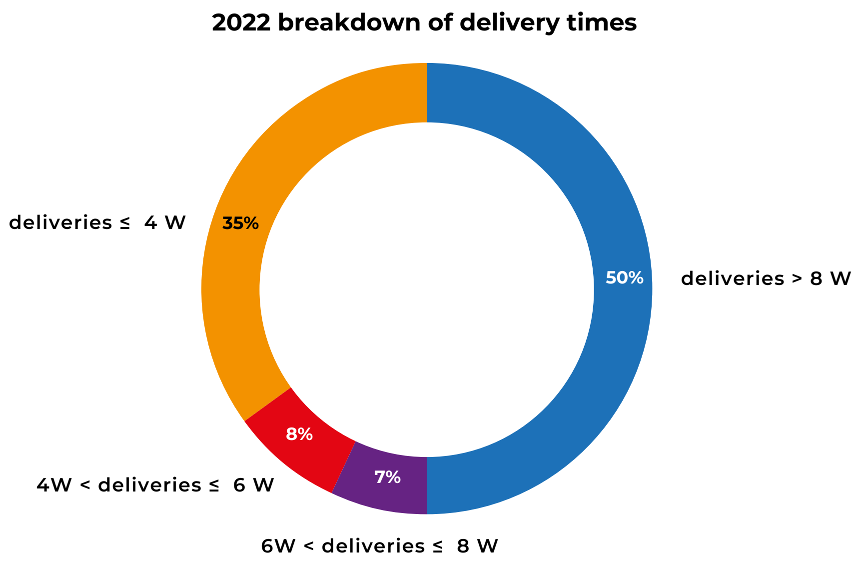
Transport products

Whereas the stocks built at the start of the Covid crisis enabled the transport business to maintain unchanged customer delivery times until 2021, with more than 90% of orders delivered in less than eight weeks, the chart below shows that in 2022, the components shortage, aggravated by the Ukrainian conflict and the slowdown in China, prompted a fall in this rate to just 50% of Transport product orders delivered within eight weeks.

Delivered customer orders



The breakdown of delivery times for orders delivered in 2022 is shown below:



Note that while this increase in delivery times in fiscal 2022, for the above-mentioned reasons, was a cause for concern, it affected the entire industry in the same way and has therefore not weakened the competitive position of Ekinops, which was able to continue delivering its customers.

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, topping the 15% mark in 2022. This development should also enable a relative reduction in the Group's greenhouse gas emissions.

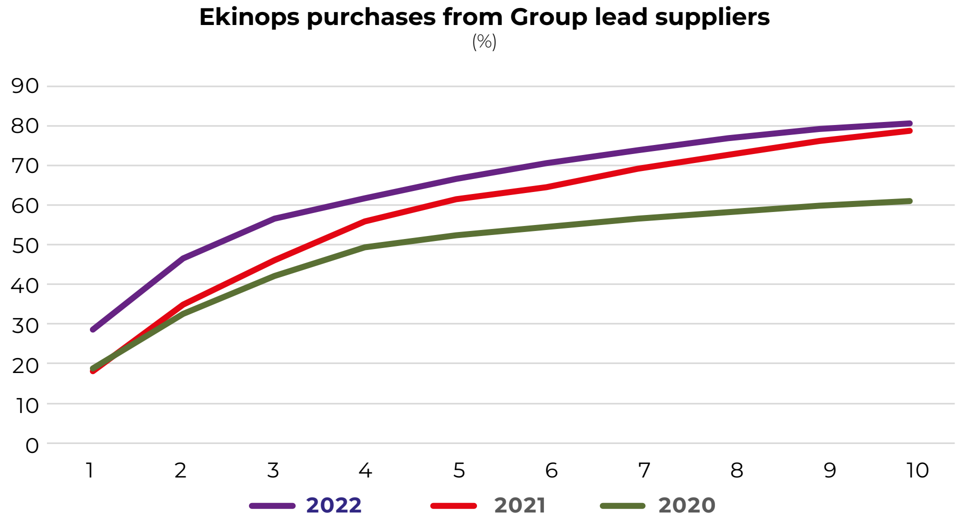
Type of sales	2022	2021	2020
Services and software	15.5%	13.4%	10.3%
Equipment	84.5%	86.6%	89.7%
Total	**100.0%**	**100.0%**	**100.0%**

C4 KPI: Share of sold products from ISO 9001-certified entities

2022	2021	2020
100%	100%	100%

All the Group's products are manufactured in an ISO 9001-certified environment.

S-1 KPI: Respective weight of the top 10 suppliers

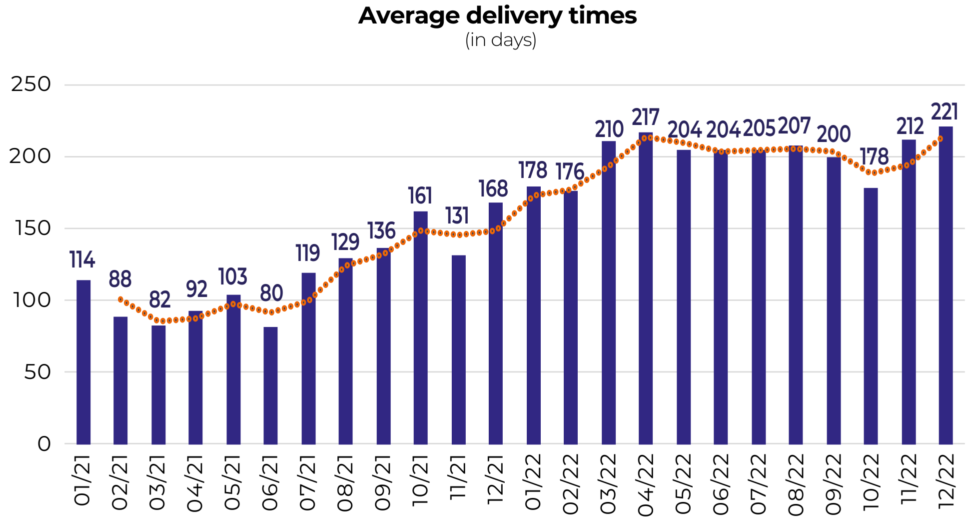


The Group's main suppliers are EMS, and especially for the Leuven plant, suppliers of electronic, optical and mechanical components (cabinets and chassis). The charts show a hight concentration of purchases in 2022 with more than 80% of the Group's production purchases from the 10 largest suppliers and nearly 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.

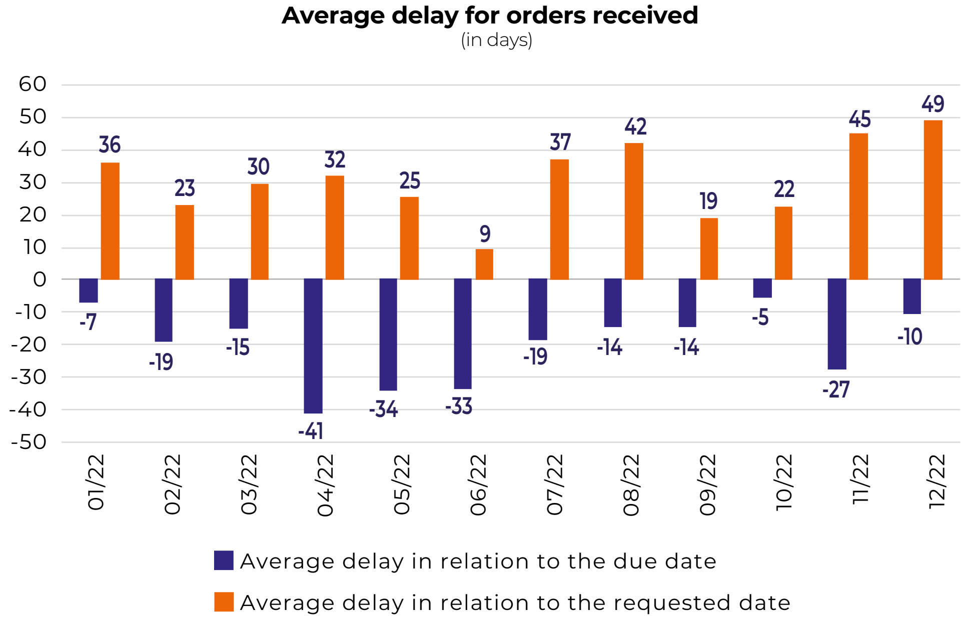
To coordinate the supply of components to the Group's plant, logistics contracts are normally drawn up with lead suppliers to ensure a readily available inventory of electronic components in response to changing customer demand for products. Most of the Group's electronic components can be sourced from 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 restraint wherever possible, but for certain high-technology functions such as xDSL chipsets, often the only sources available are not interchangeable, thereby forcing the Group to select a single supplier at the product design stage.

S-2 KPI: Average delivery time of component suppliers (excluding EMS) by delivery month, average delay versus requested delivery date on purchase order.

The chart below allows us to measure the increase in procurement time from component suppliers. This timeframe doubled between the beginning of 2021 and the end of 2022, from an average of about 100 days to over 200 days in 2022.



This indicator shows that Ekinops' suppliers deliver on average only four to seven weeks after the initial date requested by Ekinops, yet on average before the date announced when the order was received.



3.5.3_Environment

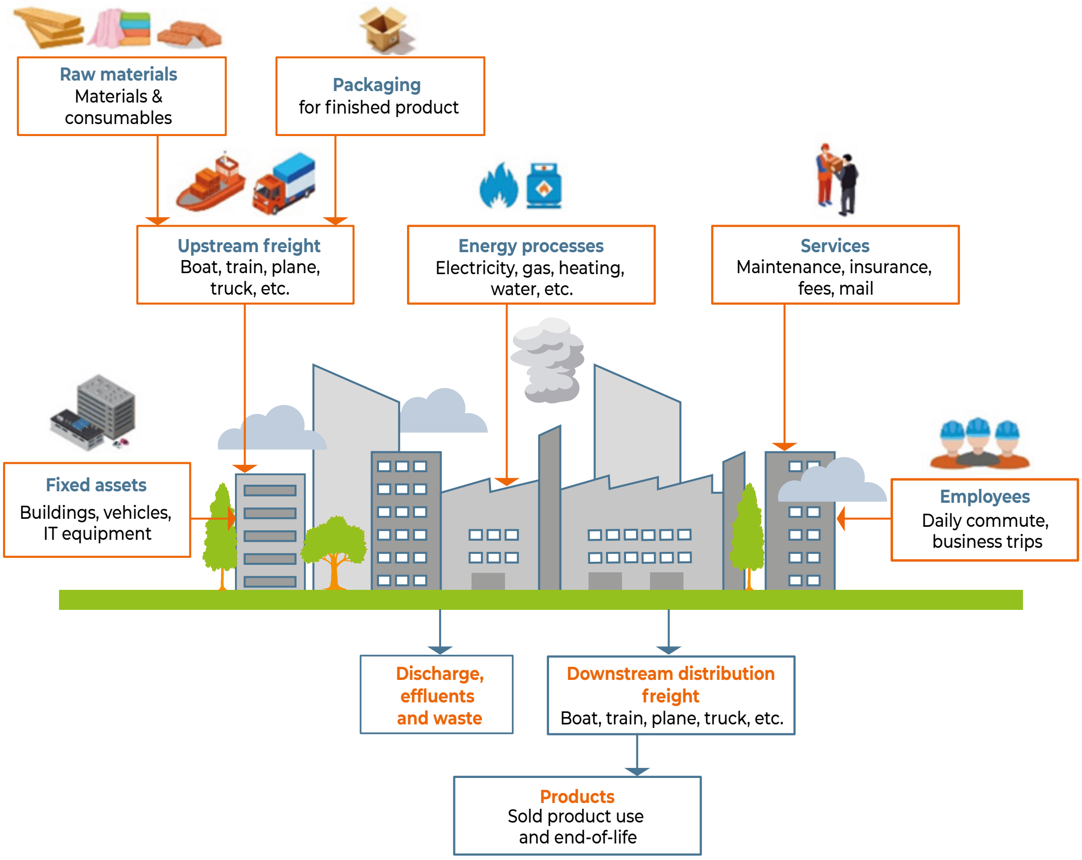
3.5.3.1_The Ekinops environmental policy

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.

The Ekinops Group's design and production sites at Lannion and Louvain already apply this policy and have obtained and maintain their ISO 14001 certification. The Lannion site successfully passed the renewal audit in 2022. The R&D sites are committed to an ecodesign approach which has enabled reduction of consumption for the most recent products. Ekinops carried out its second carbon assessment in early 2023 in respect of 2022, after the previous year's assessment, calculated on 2021. The initial scope was maintained for all of the Group and the three Scopes[1]. The results of this report show a clear improvement, for each of the Group's two product lines, in the main emission categories linked to the consumption of energy produced during their use (Scope 3 downstream).

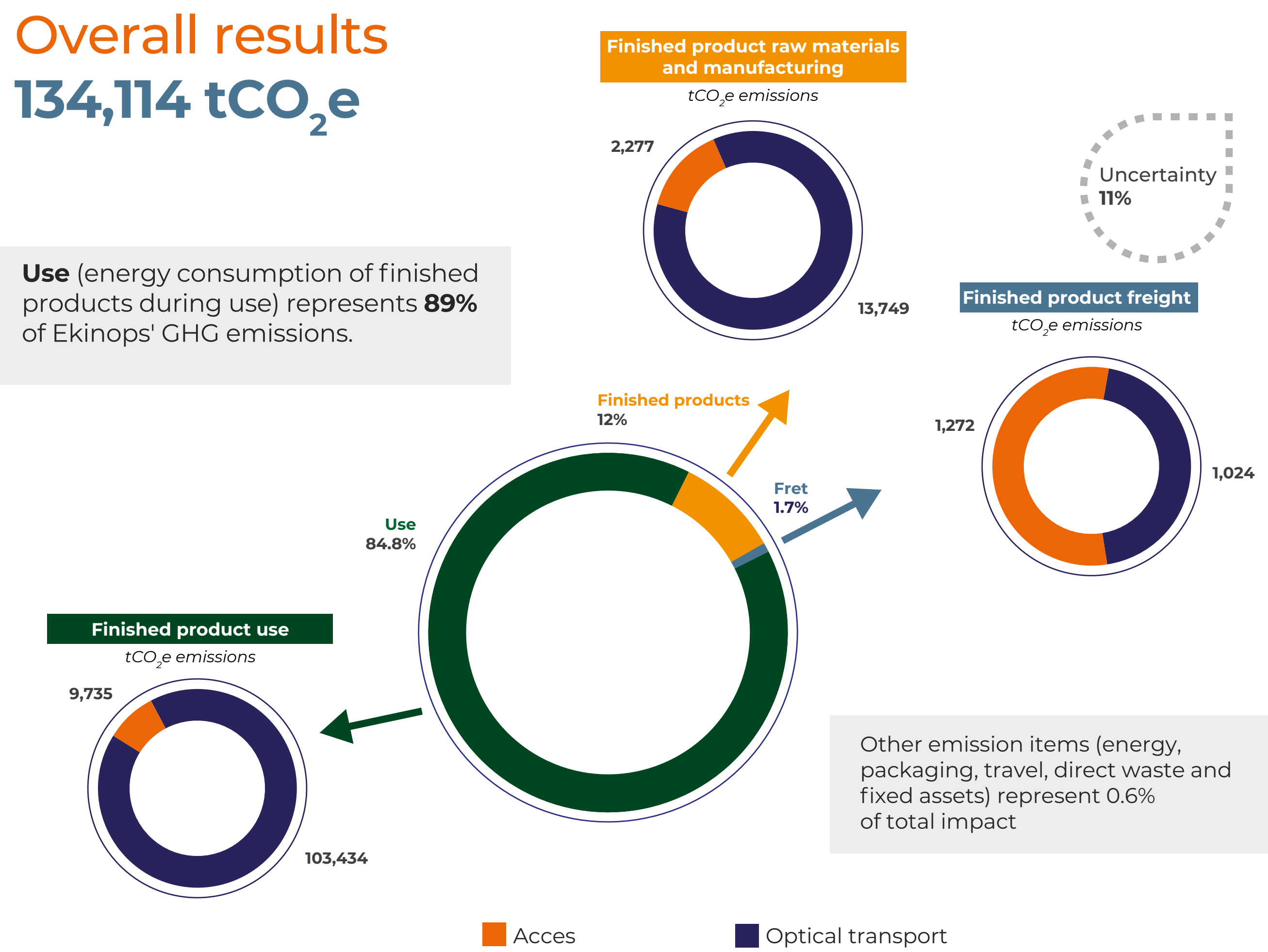
Ekinops Group CO_2 footprint scope of assessment



(1) *The Greenhouse Gas Protocol (GHG Protocol subdivided the greenhouse gas (GHG) emissions of an entity into 3 Scopes: Scope 1 for the entity's direct GHG emissions, Scope 2 for indirect emissions related to the energy consumed by the entity (e.g. electricity consumption whose production emits GHGs) and Scope 3 for all indirect emissions generated by the entity at its suppliers (upstream), partners and customers (downstream).*

3.5.3.2_Due diligence procedures and indicators

The environmental risk for Ekinops mainly concerns the life cycle of Ekinops products. Note that Ekinops designs, manufactures and commercializes telecoms and network equipment. 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 85% of emissions in 2022, is the power consumption of products sold that will run continuously for several years.



Ekinops' 2022 carbon assessment (*Bilan Carbone®*) shows a decline of 17.3% in absolute terms compared with 2021, a performance which should be considered in light of revenue growth in excess of 23% over the period.

This result stems from a decline in the consumption of products sold, tight control of other Group energy consumption and a greater portion of sales of software and services with a smaller carbon footprint. It should also be noted that while growth in revenue came to 23.2% in 2022, volumes of products sold increased by 7.7% for the Transport product line and by 6.3% for the Access product line.

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. 90% of its products to have disassembly instructions so that its customers can manage recycling of its products as autonomously as possible.

KPI E-1: Percentage of finished product purchases in 2022 from ISO 14001-certified EMS

Product line	2022	2021	2020
Transport	100.0%	46.7%	45.4%
Access	100.0%	100.0%	100.0%

This indicator progressed to reach 100% in 2022 thanks to the obtaining, at the start of the year, 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 estimated Group consumption in 2022: electricity + gas 2,626,948 kWh versus 2635,800 kWh in 2021, i.e. a decline of 0.33% in absolute terms. This decline in internal energy consumption as part of scopes 1 and 2 of Ekinops' carbon assessment may appear negligible, but this remains a sound performance in light of the volumes produced by the Group's plant, its staff and the integration of a new site in Geneva (SixSq) which had only been included for November and December in 2021.

Given the 23% growth in Group revenue in 2022, the E-3 indicator declined sharply to 20,587 kWh/€m, down more than 19%.

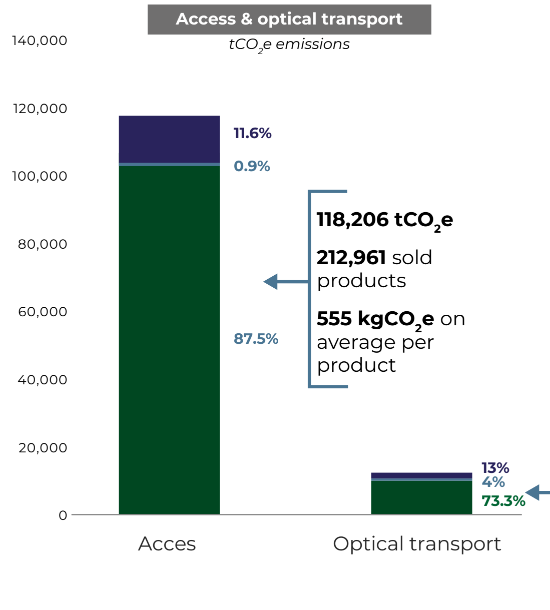
Ekinops Group	2022	2021	Difference%
Total energy consumption (kWh)	2,626,948	2,635,800	-0.33%
Revenue (€m)	127.6	103.6	+23.2%
KPI E-2 (kWh/€m)	20,587	25,442	-19.1%

KPI E-3: CO_2 emissions per sold product

Finished product impact

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.



13,285 tCO_2e

6,391 sold products

2,079 $kgCO_2e$ on average per product

Use | Transport | Raw materials and manufacturing

Why **0%** vs. **4%** for transport?

1. On average, optical transport products weigh more than access products.

2. 60% of optical transport products are sold outside Europe, vs. 9% of access products.

KPI E-4: Average annual electricity consumption of sold products

	2022			2021 reminder			
	Total MWh/ year	Number of products	Average/ product/year	Total MWh/ year	Number of products	Average/ product/year	Difference%
Access	30,479	212,961	143.1 kWh	42,017	200,289	210 kWh	-31.8
Transport	1,855	6,391	175.9 kWh	2,672	5,936	295 kWh	-35.5
Group	32,334	219,352	147.4 kWh	44,689	206,225	217 kWh	-32.1

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 cartes which complement them each count as a product (amplifiers, multiplexers, Roadm, excluding accessories, passive optical modules and ventilators).

This counting method was fine tuned in 2022 which led to a change in the 2021 value for the indicator for Transport products.

This indicator is very important, as it measures by far the biggest contributor category to Ekinops' carbon footprint, with 85% of emissions in 2022. We can note that average electricity consumption per product declined for the two product lines: by 31.8% for Access and 35.5% for Transport, i.e. more than 32% for the Group as a whole. Part of the difference stems from more fine tuned measurement of actual product consumption during 2022, with the 2021 carbon assessment having been calculated on theoretical maximum consumption. The remainder of the difference stems from growth in annual sales of more recent products with much lower electricity consumption than products of older design.

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 in 2022.

The Group purchases electricity from an energy provider that opts for renewables, supplying 100% green power generated by solar and wind sources. In 2022, Ekinops plans to replace the conventional lighting fixtures of its Leuven warehouse with LED technology.

Waste management

The Leuven 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. Furthermore, other avenues to reduce the carbon footprint are currently being investigated and could, thanks to developments in the software, reduce the consumption of Access products already installed by customers.

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.

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 and recycled materials in the indicator are calculated in relation to total product mass.

Product line	% recyclable materials
Access	> 75%[1]

(1) Review conducted on a representative "Access" product type.

The Group plans to change its procurement contracts in 2023 for recyclable products to impose a minimum rate of use of recycled materials.

KPI E-6: Number of tons of CO_2 emitted per million euros of revenue

In 2022, Ekinops Group emissions, including the energy consumption of products during their entire life cycle, represented 1,046 tons of CO_2 for every million euros (€) of revenue made (tCO_2/€m). The value of this indicator for 2021 stood at 1,557 tCO_2e/€m i.e. a decline of 32.82%. Evolutions of 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.

(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, however, the manufacture of active electronic cards (semiconductor chips) is known for being a big consumer of water of around 16 liters per gram of material produced.

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 UN 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 championing the fundamental principles of the International Labor Organization among its employees and to ensuring respect for human rights within its organization. Ekinops relies in particular on its social partners (service providers, trade unions) to stay informed of legal developments and to strictly comply with the prevailing laws and regulations for 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 Ekinops 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 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.).

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 conflit 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.

The alerts processed during the year did not require an Ethics Committee meeting.

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 2022 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 via favoring use of river and rail transport, biofuels and electric mobility.

Ekinops' French and Belgian 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 between 2020 and 2022.

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 (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 (Geneva).

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 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 2022. 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 (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)/2/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.

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 line with normal calculation standards, the annual length 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

Fiscal year ended December 31, 2022

For the attention of the Annual General Meeting,

In our capacity as an independent third party (-hereafter "ITP") of your SCompany (hereafter "Entity"), certified by COFRAC—the French Accreditation Committee—under number 3-1789 (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, 2022 (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

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 lethe 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 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);
- as well as 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. 225-105 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. 225-1 et seq. of the French Commercial Code and with the professional standards of the French National Association of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*), 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 November 2022 and March 2023 for a total of two weeks.

We conducted a set of around 10 interviews with individuals responsible for preparing the Statement, representing Finance, Risk Management, Compliance, Human Resources, Health and Safety, Environment, and Procurement Departments.

(1) ISAE 300 (revised) - Assurance engagements other than audits or review of historical financial 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 enables 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 comprennentwhere 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;
- 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 20% and 100% 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 6 , 2023

Independent third party,

PKF Arsilon

Iris Chabrol
Chartered accountant
Partner

(1) Ekinops SA, Ekinops India.

Appendix 1

Data considered most important

Quantitative nature of data relative to fiscal 2022:

- Relative weight of key accounts in revenue;
- Average supplier delivery time and delay (excluding EMSs) change per delivery month, saverage delay compared with delivery date requested on purchase order;
- change in employee training activity and hours of training provided;
- carbon footprint per product sold;
- percentage of recycled and recyclable material used in products;
- number of tons of CO_2 emitted per million euros (€) of revenue;
- objective of 90% of products having client disassembly instructions.

4

Consolidated financial statements

4.1_CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€k)

ASSETS	Notes	12/31/2022	12/31/2021(1)
Goodwill	4.1	28 ,457	28,358
Intangible assets	4.2	21,058	24,840
Tangible assets	4.3	5,077	3,735
Non-current financial assets	4.5	1,432	1,172
Rights of use	4.6	6,805	4,581
Other non-current assets	4.5	11,028	10,307
Deferred tax assets	5.7	5,958	2,844
Total non-current assets		**79,816**	**75,837**
Inventories	4.7	24,993	19, 033
Trade receivables and related accounts	4.8	29 ,905	24 ,218
Other current assets	4.9	8,638	6 ,380
Derivative instrument assets	4.9	-	26
Cash and cash equivalents	4.10	39,355	45,392
Total current assets		**102,891**	**95, 048**
TOTAL ASSETS		**182,707**	**170,887**

LIABILITIES	Notes	12/31/2022	12/31/2021(1)
Issued capital	4.11	13, 216	12, 916
Share premiums		114,004	112,954
Consolidated reserves - Group share		(21,595)	(28,469)
Translation reserves		(4, 073)	(3 ,426)
Income for the period - Group share		12,022	5,168
Equity capital - Group share		113,576	99,143
Total shareholders' equity		**113,576**	**99,143**
Non-current financial debt	4.12	10 ,419	16, 771
Non-current leasing liabilities	4.6	5, 527	2, 972
Non-current provisions	4.14	1, 321	1, 210
Employee commitments	4.15	3 ,136	3, 147
Other non-current liabilities	4.16	721	937
Deferred tax liabilities	5.7	200	1,375
Total non-current liabilities		**21, 325**	**26, 411**
Current financial debt	4.12	11, 008	11, 860
Current lease debt	4.6	1, 412	1, 753
Current provisions	4.14	1 ,195	1, 682
Derivative instruments liabilities	4.17	208	-
Trade payables and related accounts	4.17	17, 732	16, 154
Tax expense	4.17	2, 176	984
Other current liabilities	4.17	14, 073	12, 899
Total current liabilities		**47, 805**	**45 ,333**
TOTAL LIABILITIES		**182,707**	**170,887**

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

(1) The Group finalized the SixSq purchase price allocation during 2022. The column 12/31/2021 includes this impact which is detailed in note 4.1 of this report.

4.2_CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€k)

	Notes	12/31/2022	12/31/2021(1)
FY 2023	5.1	127,617	103,567
Cost of sales		(59,996)	(47 ,103)
Gross profit		**67,622**	**56,463**
Research and development costs	5.2	(25 ,232)	(24 ,352)
Sales and marketing costs	5.2	(21,952)	(18,532)
General and administrative expenses	5.2	(11,187)	(10 ,182)
Current operating income		**9, 251**	**3, 397**
Other operating income and expenses	5.5	(464)	(17)
Operating income		**8, 787**	**3, 380**
Net cost of debt	5.6	(338)	(416)
Other financial income and expenses	5.6	1, 571	613
Pre-tax profit		**10, 020**	**3, 577**
Tax expense	5.7	2,002	1,591
Net income for the period		**12,022**	**5,168**
Attributable to Ekinops SA shareholders	5.8	12,022	5,168
Attributable to non-controlling interests		-	-
Basic earnings per share (€/share):	5.8	**0.46**	**0.20**
Diluted earnings per share (€/share):	5.8	**0.45**	**0.20**
EBITDA	**11**	**22,570**	**17,551**

Other comprehensive income

	12/31/2022	12/31/2021(1)
Net income for the period	**12,022**	**5,168**
Other recyclable components of comprehensive income	**(648)**	**(154)**
Currency translation adjustments, net of taxes	(648)	(154)
Currency translation adjustments	(648)	(154)
Tax effect	-	-
Other non-recyclable components of comprehensive income	**(65)**	**327**
Actuarial gains and losses, net of taxes	149	221
Actual gains (losses) on employee commitments	149	221
Tax effect	-	-
Financial instruments, net of taxes	(214)	106
Change in fair value of financial hedging instruments	(214)	106
Tax effect	-	-
Total other comprehensive income	**(712)**	**173**
Comprehensive income	**11, 310**	**5, 341**
Attributable to Ekinops SA shareholders	11, 310	5, 341
Attributable to non-controlling interests	-	-

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

(1) The Group finalized the SixSq purchase price allocation during 2022. The column 12/31/2021 includes this impact which is detailed in note 4.1 of this report.

4.3_CONSOLIDATED STATEMENT OF CHANGES IN 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 income for the period	-	-	-	4, 812	-	4, 812	-	4, 812
Other comprehensive income	-	-	-	327	(151)	176	-	176
Comprehensive income	**-**	**-**	**-**	**5,139**	**(151)**	**4 ,988**	**-**	**4 ,988**
Treasury shares	-	-	-	(95)	-	(95)	-	(95)
Options exercised and bonus shares issued	370,661	185	702	(81)	-	806	-	806
Share-based payments	-	-	-	2, 149	-	2, 149	-	2, 149
12/31/2021	**25,832,666**	**12, 916**	**112,954**	**(23,657)**	**(3, 423)**	**98,791**	**-**	**98,791**
Retrospective impact of the finalization of the final allocation prices for the SixSq acquisition	-	-	-	356	(3)	353	-	353
At 01/01/2022	**25,832,666**	**12, 916**	**112,954**	**(23 ,301)**	**(3 ,426)**	**99,143**	**0**	**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
12/31/2022	**26,431,086**	**13, 216**	**114,004**	**(9, 573)**	**(4, 073)**	**113,576**	**-**	**113,576**

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

4.4_CONSOLIDATED STATEMENT OF CASH FLOWS

(€k)

	Notes	12/31/2022	12/31/2021[1]
Net income for the period		**12,022**	**5,168**
Elimination of depreciation, amortization and provisions (excluding rights of use)	5.4	9 ,196	9, 591
Elimination of amortization of rights of use (IFRS 16)	4.6.1	1, 896	1, 694
Elimination of share-based payment expenses	4.11.2	1,852	2, 149
Elimination of deferred taxes	5.7	(4 ,224)	(2, 582)
Elimination of other items with no cash impact		348	(380)
Cash flow after tax and cost of net financial debt		**21,090**	**15, 640**
Elimination of tax expense (income)	5.7	2, 222	991
Neutralization of financial interest related to lease liabilities		112	116
Neutralization of borrowing costs disbursed		223	284
Cash flow before tax and cost of net debt		**23,647**	**17, 031**
Impact of change in working capital requirement	4.18	(13 ,630)	(3 ,988)
Tax paid		(623)	(543)
Cash flows from operating activities		**9, 394**	**12,500**
Acquisitions of tangible and intangible assets	4.4	(7, 173)	(5, 045)
Disposals of tangible and intangible assets		11	-
Acquisition of securities	4.16	-	(991)
Change in loans, advances, and security deposits	4.5	(246)	(65)
Cash flows from investing activities		**(7 ,408)**	**(6 ,100)**
Change in share capital and share premiums	3	1, 191	806
Trading in treasury shares	3	78	(95)
Issue of new loans	4.12	37	3, 139
Loan repayments	4.12	(6, 884)	(8 ,839)
Financial interest paid		(223)	(284)
Repayment of rent liabilities	4.6	(1 ,903)	(1 ,787)
Financial interest related to rent liabilities		(112)	(116)
Change in debt arising from factoring	4.12	(106)	(3 ,239)
Change in other financial debt	4.12	(260)	(360)
Cash flows from financing activities		**(8, 182)**	**(10 ,775)**
Impact of currency fluctuations		159	132
Increase (decrease) in cash and cash equivalents		**(6, 037)**	**(4, 243)**
Opening cash and cash equivalents		45,392	49, 635
Closing cash and cash equivalents		39,355	45,392

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

(1) The Group finalized the SixSq purchase price allocation during 2022. The column 12/31/2021 includes this impact which is detailed in note 4.1 of this report.

4.5_NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

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 “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);
- “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, Ekinops solutions allow them to migrate transparently to open, virtualized architectures.

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

Ekinops SA is listed for trading on compartment B of the Euronext Paris market (ISIN: FR0011466069; ticker: EKI).

On March 6, 2023, 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, 2022.

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 2022, Ekinops reported consolidated revenue of €127.6 million, up 23% compared with the previous year. The steady growth generated by the Group in 2022 was driven by stong demand at all of its business lines, notably for Optical Transport products (+29% in 2022), with the confirmed success of the 200 Gb/s and 400 Gb/s WDM solutions, particularly in North America. Access solutions, for their part, reported annual growth of +20%, driven notably by the strong recovery in business in France.

The contribution from Software & Services continued to increase, accounting for 15% of Group revenue in 2022. For the year as a whole, revenue generated by Software & Services surged by more than 38%, driven by sales of software which facilitates the virtualization of network functions and by services.

2022 was marked by an acceleration in the dynamic growth enjoyed in 2021, despite the persistence of difficulties in procurement of certain electronic components which is only just starting to ease. However, these difficulties had only a very limited impact on Group business thanks to tight control of the supply chain, the passing onto equipment sales prices of price tension in components, and the rise in the share of software and services in the business mix.

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, 2022, were prepared in accordance with international accounting standards as approved by the European Union as of December 31, 2022, 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, 2022

Amendments to IFRS 16	Tangible assets - Proceeds before intended use
Amendments to IAS 37	Provisions, Contingent Liabilities, and Contingent Assets - Loss-making contracts - contract execution costs
Amendments to IFRS 3	Business combinations - References to the conceptual framework

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, 2022

Amendments to IAS 1 and to the presentaion of practices in IFRS 2	Presentation of financial statements - Amendments to IAS 1 "Information to provide on accounting methods"
Amendments to IAS 8	Accounting methods - Amendments to IAS 8 "Definition of an accounting estimate"
Amendments to IAS 12	Income tax - Deferred taxation linked to assets and liabilities arising from a single transaction
IFRS 17	Insurance contracts

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.

During the year ended December 31, 2022, changes to the scope of consolidation related to the creation of Ekinops Canada in February 2022

The table below presents the information relating to all entities included in the scope of consolidation as of the end of each financial year.

		2022			2021		
Company	**Country**	**% interest**	**Consolidation method**	**Number of months of activity**	**% interest**	**Consolidation method**	**Number of months of activity**
Ekinops SA	France	Parent	FC(1)	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	2 months
Ekinops Canada	Canada	100%	FC	11 months	-	-	-

(1) 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, startup warrants, bonus share, and share warrants) qui peuvent être 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 acquiree determined at fair value at the date of acquisition (full goodwill method);
- 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 and expenses.” 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 2022 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. This new standard replaces existing standards regarding leases, in particular IAS 17 – “Leases,” IFRIC 4 – “Determining Whether an Arrangement Contains a Lease,” SIC-15 – “Operating Leases – Incentives,” and SIC-27 – “Evaluating the Substance of Transactions in the Legal Form of a Lease.”

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, as of the effective date of the lease, 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).

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.

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.

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) 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 (expense)

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

The Group finalized the SixSq purchase price allocation during the 2022 financial year. "December 31, 2021" columns presented in the following notes include this impact detailed in note 4.1.

4.1_Goodwill

The goodwill stems from these acquisitions:

- OneAccess (September 2017);
- Ekinops Brasil (July 2019);
- SixSq (November 2021).

(€k)	OneAccess	EkinopsBrasil	SixSQ	Total
Net value at 12/31/2020	**27,523**	**826**		**28,349**
Acquisitions	-	-	1,061	-
Translation adjustments	-	8	-	8
Net value at 12/31/2021	**27,523**	**835**	**1,061**	**29,419**
Allocation impact	-	-	(1 ,061)	-
Adjusted net value at 12/31/2021	**27,523**	**835**	**-**	**28,358**
Translation adjustments	-	99	-	99
Net value at 12/31/2022	**27,523**	**934**	**-**	**28 ,457**

The Group finalized the SixSq purchase price allocation during the second half of 2020 and, in particular, the determination of the fair value of developed technology.

Purchase price (A)	**1, 000**
Net accounting position acquired	(65)
Development costs	(507)
Developed technologies	2 ,206
Deferred tax liabilities	(238)
Fair value of net assets acquired (B)	**1, 396**
Badwill (A) - (B)	**(396)**

The current valuation indicates a net asset value of €1,396k, which is €1,000k higher than the acquisition price: The Group therefore recognized badwill, as of the acquisition date amounting to €396k, allocated to "other operating income and expenses".

Thus, the finalization of the acquisition price allocation had the following impact on financial data for 2021:

Reported shareholders' equity	**98,791**
Acquisition goodwill	(1 ,061)
Developed technologies	2 ,206
Capitalized development costs	(507)
Amortization of intangible assets	(55)
Deferred taxes	(238)
Change in deferred taxes	8
Retrospective impact	**353**
Shareholders' equity - restated	**99,143**

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 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 +1.5%.

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 12/31/2021	**32,536**	**8,997**	**1,021**	**10,887**	**2 ,120**	**4, 512**	**60, 073**
Capitalized development costs	-	-	-	1,279	2, 616	251	4,147
Reclassifications/ implementation	-	-	-	329	(329)	(66)	(66)
Disposals/retirement of assets	-	-	-	(125)	(221)		(346)
Impact of currency fluctuations	827	-	-	38	-	(1)	864
Gross value at 12/31/2022	**33,363**	**8,997**	**1,021**	**12,408**	**4,186**	**4,696**	**64,671**
Accumulated depreciation at 12/31/2021	**(19,244)**	**(3 ,825)**	**(1 ,021)**	**(6,666)**	**-**	**(4, 476)**	**(35,232)**
Allowance for the period	(5,446)	(900)		(1,768)	-	(167)	(8, 281)
Decrease for the period	-	-	-	86	-	(1)	85
Impact of currency fluctuations	(170)	-	-	(3)	-	(12)	(185)
Accumulated depreciation at 12/31/2022	**(24 ,860)**	**(4, 725)**	**(1 ,021)**	**(8 ,351)**	**-**	**(4 ,656)**	**(43, 613)**
Net value at 12/31/2021	**13,292**	**5,172**	**-**	**4, 221**	**2 ,120**	**36**	24,840
Net value at 12/31/2022	**8,503**	**4,272**	**-**	**4,057**	**4,186**	**40**	**21,058**

4.3_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**
Effect of business combinations	-	-	-	0
Acquisition	2,331	687	-	3,018
Disposal/retirement of assets	(59)	(103)	-	(162)
Reclassifications/implementation	13	(15)	-	(2)
Impact of currency fluctuations	88	4	-	92
Gross value at 12/31/2022	**15,407**	**7 ,735**	**-**	**23 ,141**
Accumulated depreciation at 12/31/2021	**(10, 626)**	**(5 ,834)**	**-**	**(16, 460)**
Effect of business combinations			-	-
Allowance for the period	(1,101)	(612)	-	(1,713)
Decrease for the period	37	95	-	132
Impact of currency fluctuations	(39)	17	-	(22)
Accumulated depreciation at 12/31/2022	**(11, 729)**	**(6 ,335)**	**-**	**(18 ,064)**
Net value at 12/31/2021	**2, 408**	**1, 328**	**-**	**3,735**
Net value at 12/31/2022	**3,679**	**1,400**	**-**	**5,077**

4.4_Reconciliation of investments with the statement of cash flows

(€k)	12/31/2021	12/31/2022
Acquisition of intangible assets	(3,101)	(4,147)
Acquisition of tangible assets	(1,861)	(3,018)
Change in fixed asset supplier debt	(83)	(8)
Total	**(5, 045)**	**(7, 173)**

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 12/31/2021	**653**	**520**	**1,172**	**10,307**	**10,307**
Increase	178	68	246	4,638	4,638
Decrease	-	-	-	-	-
Reclassifications	-	-	-	(3,917)	(3,917)
Currency fluctuations	(2)	16	14	-	-
Gross value at 12/31/2022	**830**	**603**	**1,432**	**11,028**	**11,028**
Accumulated impairment losses at 12/31/2021	**-**	**-**	**-**	**-**	**-**
Allowances for the period	-	-	-	-	-
Accumulated impairment losses at 12/31/2022	**-**	**-**	**-**	**-**	**-**
Net value at 12/31/2021	**653**	**520**	**1,172**	**10,307**	**10,307**
Net value at 12/31/2022	**830**	**603**	**1,432**	**11,028**	**11,028**

4.6_Rights of use and lease dliabilities

In Q4 2022, the Group signed a new commercial lease leading to an increase in rights of use and lease debt linked to buildings amounting to €4.7m.

This was the result of the decision to move the premises of the Ekinops France SA subsidiary from Vélizy (France, 78) to Massy (France, 91).

4.6.1_Rights of use

(€k)	12/31/2021	Effect of business combinations	New contracts and changes over the period	Depreciation and amortization	Translation adjustments	12/31/2022
Rights of use - Technical equipment	217	-	-	(57)	-	160
Rights of use - Buildings	3,484	(903)	4 ,751	(1,366)	35	6,000
Rights of use - Vehicles	881	(97)	334	(472)	-	645
Net value of rights of use	**4,581**	**(1 ,000)**	**5,085**	**(1 ,896)**	**35**	**6,805**

4.6.2_Lease liabilities

(€k)	12/31/2021	Effect of business combinations	New contracts and changes over the period	Reclassification	Lease liability repayments	Translation adjustments	12/31/2022
Lease liabilities - Technical equipment	16	-	-	(16)	-	-	0
Lease liabilities - Buildings	2,456	(903)	4 ,751	(1,073)	-	31	5,263
Lease liabilities - Vehicles	499	(99)	334	(470)	-	-	264
Total non-current	**2, 972**	**(1 ,002)**	**5,085**	**(1,559)**	**-**	**31**	**5, 527**
Lease liabilities - Technical equipment	93	-	-	16	(93)	-	16
Lease liabilities - Buildings	1,251		-	1,073	(1,340)	4	987
Lease liabilities - Vehicles	409	-	-	470	(470)	-	409
Total current	**1, 753**	**-**	**-**	**1,559**	**(1 ,903)**	**4**	**1, 412**
Total	**4,724**	**-**	**5,085**	**-**	**(1 ,903)**	**35**	**6,940**

Schedule of lease liabilities

(€k)	12/31/2022	less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Lease liabilities - Technical equipment	16	16	-	-	-	-	-
Lease liability – Buildings	6,250	987	564	871	703	634	2,477
Lease liabilities - Vehicles	673	409	203	61	10	4	-
Financial debt	**6,940**	**1, 412**	**767**	**932**	**713**	**638**	**2,477**

4.7_Inventories

(€k)	12/31/2021	Change	Allocations to provisions for inventory impairment	Writeback of inventory impairment provision	Impact of currency fluctuations	12/31/2022
Components inventories	10,976	6,178	-	-	-	17 ,154
Finished product inventories	10,658	(1,062)	-	-	18	9,613
Gross values	**21,633**	**5,116**	**-**	**-**	**18**	**26,767**
Impairment losses – Components	(1,857)	-	(611)	1,054	-	(1,414)
Impairment losses - Finished products	(744)	-	(205)	591	(2)	(360)
Accumulated impairment losses	**(2,600)**	**-**	**(816)**	**1,645**	**(2)**	**(1, 774)**
Net values	**19, 033**	**5,116**	**(816)**	**1,645**	**16**	**24,993**

4.8_Trade receivables and related accounts

(€k)	12/31/2021	Change	Impact of currency fluctuations	12/31/2022
Trade receivables and related accounts	25,185	4, 874	220	30,279
Accumulated impairment losses	(967)	594	(0)	(374)
Net values	**24 ,218**	**5 468**	**219**	**29 ,905**

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 €6,663k.

4.9_Other current assets

(€k)	12/31/2021	Change	Reclassifications and other changes	12/31/2022
Forward exchange purchases	26	(26)	-	-
Derivative instrument assets	**26**	**(26)**	**-**	**-**
Corporate tax, CVAE receivable	474	125	(27)	571
Tax credits (CIR, CII, CICE)	2,965	(2 ,966)	3,408	3,407
Other taxes and social security receivables	2,349	225	(4)	2,570
Prepaid expenses	698	383	1	1,082
Other	39	1,315	(180)	1,174
Gross values	**6,525**	**(919)**	**3,198**	**8, 804**
Accumulated impairment losses	(146)	(20)	-	(166)
Net values	**6,406**	**(965)**	**3,198**	**8,638**

4.10_Cash and cash equivalents

(€k)	12/31/2021	Change	Impact of currency fluctuations	12/31/2022
Cash	45,392	(6 ,196)	159	39,355
Cash equivalents	-	-	-	-
Total net cash position	**45,392**	**(6 ,196)**	**159**	**39,355**

4.11_Capital and equity instruments

4.11.1_Share capital and share premiums

As of December 31, 2022, the capital of the parent company, Ekinops S.A., consisted of 26,431,086 fully paid-up common shares with a nominal unit value of €0.50.

Type of transaction	Capital	Number of shares created	Nominal value
12/31/2020	**€12, 731,003**	**25,462,005**	**€0.50**
Capital increases following exercise of options	€101,926	203,852	€0.50
Issue of bonus shares	€83,405	166,809	€0.50
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
12/31/2022	**€13,215 ,543**	**26,431,086**	**€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 December 31, 2022 (€k)	Expense recognized at December 31, 2021 (€k)
06/19/2014	179,228	-	(2,635)	-	176,593	€5.07	1.5 years	-	-
05/19/2016	3 ,317	-	(3 ,317)	-	-	€2.65	N/A	-	-
07/29/2019	81,334	-	(12,167)	(6,667)	62,500	€3.66	7.7 years	(3)	(48)
05/27/2021	90,000	-	(3 ,750)	(18 ,750)	67,500	€6.53	8.4 years	(78)	(81)
Total stock options (OSA)	**353,879**	**-**	**(21,869)**	**(25,417)**	**306,593**	**N/A**	**N/A**	**(81)**	**(129)**

b) Founder 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 December 31, 2022 (€k)	Expense recognized at December 31, 2021 (€k)
12/20/2012	22,103	-	(21,483)	(620)	-	3.8 years	N/A	-	-
02/25/2013	255,750	-	(239,940)	-	15 ,810	4.3 years	0.2 year	-	-
Total founder warrants (BCE)	**277,853**	**-**	**(261,423)**	**(620)**	**15 ,810**	**N/A**	**N/A**	**-**	**-**

c) Bonus shares awarded (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 December 31, 2022 (€k)	Expense recognized at December 31, 2021 (€k)
06/13/2018	372,628	-	(315,128)	-	57,500	(84)	(826)
03/02/2021	406,666	-	-	-	406,666	(1 ,135)	(499)
05/27/2021	269,334	-	-	-	269,334	(447)	(267)
05/25/2022	-	59,750	-	(5 ,000)	54,750	(105)	(446)
Total bonus shares awarded (AGA)	**1, 048,628**	**59,750**	**(315,128)**	**(5 ,000)**	**788,250**	**(1,771)**	**(2,020)**

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.

d) Summary of movements and reconciliation of 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 December 31, 2022 (€k)	Expense recognized at December 31, 2021 (€k)
OSA	353,879	-	(21,869)	(25,417)	306,593	(81)	(129)
Founder warrants (BCE)	277,853	-	(261,423)	(620)	15 ,810	-	-
Bonus shares awarded (AGA)	1, 048,628	59,750	(315,128)	(5 ,000)	788,250	(1,771)	(2,020)
Grand total	**1,680,360**	**59,750**	**(598,420)**	**(31,037)**	**1 ,110, 653**	**(1,852)**	**(2,149)**

4.12_Financial debt

a) Change in financial debt

(€k)	12/31/2021	Increases	Repayments	(Discounting)/ Undiscounting	Other changes	Translation adjustments	12/31/2022
Bank loans	14,028	-	-	-	(3,651)	5	10 ,382
Bank loans/CIR financing	2,586	-	-	-	(2,586)	-	-
Conditional advances and interest-free loans	160	-	-	-	(160)	-	-
Discounting of advances and interest-free loans	(3)	-	-	3	-	-	-
Miscellaneous financial debt	-	37	-	-	-	-	37
Total non-current financial debt	**16, 771**	**37**	**-**	**3**	**(6,397)**	**5**	**10 ,419**
Bank loans	4,355	-	(4 ,281)	-	3,651	2	3,726
Bank loans/CIR financing	2,214	-	(2,214)	-	2,586	-	2,586
Conditional advances and interest-free loans	506	-	(389)	-	160	-	277
Discounting of advances and interest-free loans	-	-	-	-	-	-	-
Factoring debt	4,525	30,000	(30,106)	-	-	-	4,419
Miscellaneous financial debt	260	-	(260)	-	-	-	-
Total current financial debt	**11,860**	**30,000**	**(37,250)**	**-**	**6,397**	**2**	**11, 008**
Total financial debt	**28,631**	**30,037**	**(37,250)**	**3**	**-**	**7**	**21,427**

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 may use bank loans to pre-finance the CIR. The repayment of these loans takes place simultaneously with the liquidation of the debt by the tax authorities.

Bank loans include €8.3m in government-backed loans.

b) Breakdown of financial debt by interest rate

(€k)	12/31/2022	Fixed rate	Variable rate
Non-current financial debt	10 ,419	10 ,419	0
Current financial debt	11, 008	4 ,003	7,005
Total financial debt	**21,427**	**14 ,422**	**7,005**

4.13_Information on net debt

Net debt corresponds to current and non-current financial debt minus cash and cash equivalents.

a) Breakdown of debt by currency

(€k)	12/31/2022	EUR	USD	AUD	Other currencies
Bank loans	14,108	14,108	-	-	-
Bank loans/CIR financing	2,586	2,586	-	-	-
Conditional advances and interest-free loans	277	277	-	-	-
Discounting of advances and interest-free loans	-	-	-	-	-
Factoring debt	4,419	4,419	-	-	-
Miscellaneous financial debt	37	37	-	-	-
Financial debt	**21,427**	**21,427**	**-**	**-**	**-**
Cash and cash equivalents	(39,355)	(35,346)	(1,158)	(1,380)	(1,471)
Net debt/(Cash and cash equivalents)	**(17,928)**	**(13,919)**	**(1,158)**	**(1,380)**	**(1,471)**

b) Breakdown of debt by maturity

(€k)	12/31/2022	less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Bank loans	14,108	3,726	6 ,071	2,743	1,318	224	26
Bank loans/CIR financing[1]	2,586	2,586	-			-	-
Conditional advances and interest-free loans	277	277	-	-	-	-	-
Discounting of advances and interest-free loans	-	-	-	-	-	-	-
Factoring debt	4,419	4,419	-	-	-	-	-
Miscellaneous financial debt	37	-	-	-	-	-	37
Financial debt	**21,427**	**11, 008**	**6 ,071**	**2,743**	**1,318**	**224**	**63**
Cash and cash equivalents	(39,355)	(39,355)	-	-	-	-	-
Net debt/(Cash and cash equivalents)	**(17,928)**	**(28,347)**	**6 ,071**	**2,743**	**1,318**	**224**	**63**

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

4.14_Provisions

(€k)	12/31/2021	Allowances	Writeback used	Writeback not used	Reclassifications	12/31/2022
Provisions for disputes	830	2	-	-	-	832
Provisions for social risks	130	5	-	-	-	135
Provisions for other liabilities and charges	250	417	-	-	(313)	354
Provisions for liabilities and charges Non-current portion	**1, 210**	**424**	**-**	**-**	**(313)**	**1, 321**
Provision for warranty	1,022	302	(492)	(13)	-	819
Provisions for disputes	200	-	-	(200)	-	-
Provisions for social risks	-	-	-	-	-	-
Provisions for other liabilities and charges	460	-	(397)	-	313	376
Provisions for risks and charges - current portion	**1, 682**	**302**	**(889)**	**(213)**	**313**	**1 ,195**
Total	**2 ,892**	**726**	**(889)**	**(213)**	**-**	**2 ,516**

4.15_Employee commitments

a) Change in net commitment recognized on the balance sheet

(€k)	12/31/2022	12/31/2021
Starting actuarial debt	**3, 147**	**3 384**
Cost of services rendered	248	256
Use (retirement)	(123)	(300)
Financial cost	27	10
Actuarial losses (gains)	(149)	(221)
Impact of currency fluctuations	(13)	17
Ending actuarial debt	**3 ,136**	**3, 147**

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	12/31/2022	12/31/2021
Retirement age	65 years	65 years
Discounting rate	3.77%	0.95%
Employer contribution rates	47.0%	47.0%
Rate of salary increases	4.00%	2.30%
Employee turnover		
Under 25	10% - 15%	10% - 15%
25-30 years	10% - 20%	10% - 20%
30-35 years	20% - 25%	20% - 25%
35-40	15.00%	15.00%
40-45	2 - 10%	2 - 10%
45-50	2.00%	2.00%
50-55	2.00%	2.00%
> 55 years	0.00%	0.00%
Mortality table	TGHF05	TGHF05

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 point	Decrease of 0.25 points	Increase of 0.25 points	Increase of 1 point
12/31/2022	**3,450**	**3,213**	**3,069**	**2,873**
12/31/2021	3,493	3,230	3,072	2,858

4.16_Other non-current liabilities

(€k)	12/31/2021	Change	Reclassifications and other changes	12/31/2022
Contract liabilities – portion at more than one year	937	(216)	-	721
Total other non-current liabilities	**937**	**(216)**	**-**	**721**

4.17_Other current liabilities

(€k)	12/31/2021	Change	Reclassifications and other changes	12/31/2022
Forward exchange purchases	-	-	208	208
Derivative instruments liabilities	**-**	**-**	**208**	**208**
Trade payables	16, 154	1,544	34	17, 732
Trade payables	**16, 154**	**1,544**	**34**	**17, 732**
Corporate taxes payable	984	1,723	(531)	2, 176
Corporate taxes payable	**984**	**1,723**	**(531)**	**2, 176**
Debt on acquisitions of tangible and intangible assets	22	(8)	-	14
Taxes and social security contributions payable	10,486	1,312	183	11,980
Contract liabilities – portion at less than one year	1,867	(1)	65	1,931
Other debts	523	(393)	18	147
Total other current liabilities	**12, 899**	**908**	**265**	**14, 073**

4.18_Impact of change in working capital requirements

(€k)	12/31/2021	12/31/2022
Net (incr.)/decr. in inventories	(5,127)	(5,945)
Net (incr.)/decr. in trade receivables	(1,531)	(5,468)
Net incr./(decr.) in trade payables	3,525	1,544
Net (incr.)/decr. in other items	(855)	(3,762)
(Incr.)/decr. in WCR	**(3 ,988)**	**(13 ,630)**

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

(€k)	12/31/2022 Balance sheet value	Amortized cost	Fair value through profit & loss	Fair value
Non-current financial assets	1,432	1,432	-	1,432
Trade receivables and related accounts	29 ,905	29 ,905	-	29 ,905
Other current assets[1]	1,174	1,174	-	1,174
Cash and cash equivalents	39,355	-	39,355	39,355
Total	**71,866**	**32,511**	**39,355**	**71,866**

(1) Excluding tax and social security receivables and prepaid expenses.

(€k)	12/31/2021 Balance sheet value	Amortized cost	Fair value through profit & loss	Fair value
Non-current financial assets	1,172	1,172	-	1,172
Trade receivables and related accounts	24 ,218	24 ,218	-	24 ,218
Other current assets[1]	39	39	-	39
Derivative instrument assets	26		26	26
Cash and cash equivalents	45,392	-	45,392	45,392
Total	**70,847**	**25,429**	**45,418**	**70,847**

(1) Excluding tax and social security receivables and prepaid expenses.

b) Financial liabilities

(€k)	12/31/2022 Balance sheet value	Amortized cost	Fair value through profit & loss	Fair value
Financial debt	21,427	21,427	-	21,427
Trade payables and related accounts	17, 732	17, 732	-	17, 732
Derivative instruments liabilities	208	-	208	208
Other liabilities[1]	161	161	-	161
Total	**39,528**	**39,320**	**208**	**39,528**

(1) Excluding tax and social security payables and deferred income.

(€k)	12/31/2021 Balance sheet value	Amortized cost	Fair value through profit & loss	Fair value
Financial debt	28,631	28,631	-	28,631
Trade payables and related accounts	16, 154	16, 154	-	16, 154
Other liabilities[1]	545	545	-	545
Total	**45,330**	**45,330**	**-**	**45,330**

(1) 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
Financial derivatives - assets	-	208	-
Debts on acquisition of current securities	-	-	-
Total	**-**	**208**	**-**

Financial instruments consist of long-term contracts in US dollars. 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)	12/31/2022	12/31/2021
Sales of goods produced	108,426	92,049
Sales of services produced	19,192	11, 518
Total revenue	**127,617**	**103,567**

b) By geographic region

(€k)	12/31/2022	12/31/2021
North America	29,838	19,069
Europe - Middle East - Africa - Asia-Pacific	97 ,779	84,498
Total revenue	**127,617**	**103,567**

5.2_Details of expenditure allocated by function

a) Details of research and development costs

(€k)	12/31/2022	12/31/2021
Payroll costs	(25,450)	(21,475)
Allocations to amortization/depreciation provisions	(9,425)	(10,153)
Operational subcontracting and external personnel	(2,805)	(2,146)
Rental and lease expenses	(129)	(88)
Supplies, equipment, maintenance	(3,406)	(2,200)
Professional fees and consulting	(774)	(943)
Tax credit	4,638	2,943
Subsidies	3,075	1,600
Capitalized development costs	3,721	2,923
Manufacturing costs allocated to costs of sales	6,052	5,397
Travel expenses	(388)	(131)
Other	(341)	(79)
Total research and development costs	**(25 ,232)**	**(24 ,352)**

b) Details of sales and marketing costs

(€k)	12/31/2022	12/31/2021
Payroll costs	(15,663)	(14,841)
Outside personnel	(801)	(760)
Business travel and trips	(1 ,041)	(426)
Professional fees and consulting	(1,044)	(556)
Rental and lease expenses	(45)	(102)
Supplies, equipment, maintenance	(1,087)	(289)
Fairs, promotions, and advertising	(402)	(92)
Allocations to amortization/depreciation provisions	(1,572)	(1,260)
Other	(297)	(207)
Total marketing and sales expenses	**(21,952)**	**(18,532)**

c) Details of general and administrative expenses

(€k)	12/31/2022	12/31/2021
Payroll expenses – Excluding payments in shares	(5,345)	(3,975)
Payroll expenses – Payments in shares	(2,254)	(2,849)
Professional fees and consulting	(1,626)	(1,151)
Supplies, equipment, maintenance	(762)	(675)
Outside personnel	(105)	(19)
Insurance	(268)	(258)
Bank charges	(214)	(136)
Rental and lease expenses	(142)	(56)
Allocations to amortization/depreciation provisions	(82)	(980)
Other	(390)	(82)
Total general and administrative expenses	**(11,187)**	**(10 ,182)**

5.3_Payroll expenses and Group headcount

a) Breakdown of personnel costs

(€k)	12/31/2022	12/31/2021
Total research and development costs	(25,450)	(21,475)
Total marketing and sales expenses	(15,663)	(14,841)
Total general and administrative expenses	(7,599)	(6,824)
Total payroll costs	**(48,712)**	**(43,140)**

a) Breakdown of personnel costs by function

(€k)	12/31/2022	12/31/2021
Salaries and wages	(34,141)	(29,919)
Social security contributions and payroll taxes	(12,192)	(10,394)
Cost of services rendered	(125)	22
Share-based payments	(2,254)	(2,849)
Total payroll costs	**(48,712)**	**(43,140)**

c) Group headcount

(number)	12/31/2022	12/31/2021
Salaried personnel	453	449
External and subcontractors	51	36
Total headcount	**504**	**485**

5.4_Amortization/depreciation and provisions: allowances and writebacks

(€k)	12/31/2022	12/31/2021
Allocations to amortization - Intangible assets	(1,935)	(1,810)
Allocations to amortization - Developed technologies and customer relations	(6,346)	(5,873)
Allocations to amortization - Tangible assets	(1,713)	(1,287)
Allowances for amortization – Rights of use	(1 ,896)	(1,694)
Net allocation to provisions for risks and contingencies in "Current operating income"	950	(684)
Cost of services rendered	(125)	44
Sub-total (EBITDA)	**(11,066)**	**(11,304)**
IAS 19 financial cost	(27)	(10)
Net allocations to provisions for risks and contingencies in "Other operating income and expenses"	-	30
Sub-total (EBITDA)	**(11,093)**	**(11,284)**
Net allowance for writebacks of provisions on inventories	829	(870)
Total allowances for amortization/depreciation and provisions, net of writebacks	**(10,264)**	**(12,154)**

5.5_Other operating income and expenses

(€k)	12/31/2022	12/31/2021
Ad hoc consulting fees	(572)	(352)
SixSq acquisition price allocation impact	-	397
Other	109	(61)
Total	**(464)**	**(17)**

5.6_Financial income (expense)

a) Net cost of debt

(€k)	12/31/2022	12/31/2021
Interest expenses	(335)	(408)
Effect of undiscounting	(3)	(8)
Net cost of debt	**(338)**	**(416)**

b) Other financial income and expenses

(€k)	12/31/2022	12/31/2021
Currency gains (losses)	2,134	675
Other financial income and expenses	(563)	(62)
Other financial income and expenses	**1, 571**	**613**

5.7_Taxes

a) Breakdown of tax expense recorded for the presented financial years

(€k)	12/31/2022	12/31/2021
Current income tax	(2,222)	(991)
Change in deferred taxes	4,224	2,582
Tax expense	**2,002**	**1,591**

b) Tax analysis

(€k)	12/31/2022	12/31/2021
Pre-tax income (expense)	10, 020	3, 577
Group theoretical tax rate	*-25.00%*	*-26.50%*
Theoretical tax expense at the Group's rate	**(2,505)**	**(948)**
Effect of tax credits (CIR)	1,160	884
Effect of share-based payments	(463)	(444)
Use or recognition of temporary differences previously not recognized	4,305	2,645
Deficits and other net temporary differences not recognized	(410)	(235)
CVAE and other levies included in income tax	(153)	(293)
Other permanent differences	39	(131)
Differences in rates related to foreign tax jurisdictions	29	113
Recognized tax income	**2,002**	**1,591**

c) Deferred taxes

Balance at December 31, 2021	**1,469**
> *Deferred tax assets*	*2,844*
> *deferred tax liabilities*	*(1,375)*
Change reflected in profit (loss)	4,224
Impact of currency fluctuations	65
Balance at December 31, 2022	**5,758**

The potential tax savings that would result from the application of tax loss carryforwards, not recognized as of December 31, 2022, total €13.4 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)	12/31/2022	12/31/2021
Net income attributable to Ekinops SA shareholders	12,022	5,168
Weighted average number of outstanding shares:	26,120,284	25,673,645
> *Weighted average number of common shares*	*26,157,673*	*25,699,270*
> *Weighted average number of treasury shares*	*(37,389)*	*(25,625)*
Basic earnings per share (€/share)	**0.46**	**0.20**

b) Diluted earnings per share

(€k/units)	12/31/2022	12/31/2021
Net income attributable to Ekinops SA shareholders	12,022	5,168
Weighted average number of outstanding shares	26,120,284	25,673,645
Weighted average number of potential shares	579,515	736,217
Diluted earnings per share (€/share)	**0.45**	**0.20**

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)	12/31/2022	12/31/2021
Compensation and benefits in kind	(734)	(572)
Share-based payments	(887)	(1,073)
Benefits in kind - GSC (company business manager guarantee)	(20)	(20)
Attendance fees	(46)	(42)
Total	**(1,686)**	**(1,707)**

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, 2022, is as follows:

(€k)	Trade receivables (a)	Trade payables (b)	Obligation in foreign currencies (c)	Obligation in foreign currencies (d) = (a) - (b) +/- (c)	Hedging instruments (e)	Net position after hedging (f) = (d) - (e)
USD	10 393	9 766	-	627	4 200	(3 573)
AUD	562	7	-	554	-	554
Others	156	163	-	(7)	-	(7)
Total	**11 111**	**9 936**	**-**	**1 175**	**4 200**	**(3 025)**

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 sessubsidiaries 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:

(en K€)	31/12/2022	
USD/EUR	-10%	+10%
Impact résultat net	(138)	138
Impact capitaux propres	227	(227)

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)	12/31/2022	12/31/2021
Non-current financial assets	1,432	1,172
Other non-current assets	11,028	10,261
Trade receivables and related accounts	29 ,905	24 ,218
Other current assets	8,638	6,426
Cash and cash equivalents	39,355	45,392
Total	**90,358**	**87,469**

- 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:

	12/31/2022			12/31/2021		
(€k)	Gross	%	Impairment losses	Gross	%	Impairment losses
Not yet due	25,603	85%	-	22,096	88%	-
Past due for 30 days or less	2,598	9%	-	1,119	4%	-
Past due for 31 to 60 days	613	2%	-	400	2%	-
Past due for 61 to 90 days	204	1%	-	155	1%	-
Past due for 91 to 180 days	722	2%	-	109	0%	(12)
Past due for more than 180 days	540	2%	(375)	1,307	5%	(956)
Total	**30,280**	**100%**	**(375)**	**25,186**	**100%**	**(968)**
Net value:			**29 ,905**			**24 ,218**

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 €9.9m as of December 31, 2022.

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 2022.

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)	12/31/2022	12/31/2021
Current operating income	**9, 251**	**3, 397**
Amortization, depreciation and provisions	4,720	5,431
Amort., depr. of developed technologies and customer relations	6,346	5,873
Share-based payments	2,254	2,849
EBITDA	**22,570**	**17,551**

Note 12_Statutory Auditors' fees

(€k)	Statutory Auditors	Other services	Subtotal
Deloitte	125	3	**128**
> *- issuer*	*49*	-	***49***
Altonéo	32	-	**32**
> *- issuer*	*32*	-	***32***
TOTAL	**157**	**-**	**160**
> *- issuer*	*81*	-	***81***

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

4.6_STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended December 31, 2022

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, 2022.

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, 2022 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, 2022, the book value of the goodwill on the balance sheet was €28.5m, as against a balance sheet total of €182.7m. 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 notably 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;**
  - **lthe 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 Financial and Monetary Code, prepared under the responsibility of the Chairman and 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.

Furthermore, 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 the Company Ekinops by the General Meeting of February 25, 2013 for Deloitte & Associés and of January 3, 2003 for Altonéo Audit.

At December 31, 2022, Deloitte & Associés was in its 11th straight year as Statutory Auditors and Altonéo Audit in its 20th year, including 10 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 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 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 votre your Company.

DIn 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 31, 2023

The Statutory Auditors

Altonéo Audit	**Deloitte & Associés**
Julien Malcoste	Frédéric Neige

5

Financial statements of the parent company

5.1_ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

5.1.1_Statement of financial position

BALANCE SHEET ASSETS

(€k)	Notes	12/31/2022 Gross	12/31/2022 Amort. depr. & impair.	12/31/2022 Net	12/31/2021 Net
Intangible assets	1	10,236	5,322	4,914	3,133
Tangible assets	1	9,896	7,378	2,518	1,228
Financial assets	2	71,887	97	71,789	74,781
Non-current assets		**92,019**	**12,797**	**79,222**	**79,142**
Inventories and work in progress	3	9,485	838	8,646	7,232
Advances and down-payments to suppliers	4	16		16	
Customers	4	11,041		11,041	6,612
Other receivables	4	15,511		15,511	16,516
Prepaid expenses	8	197		197	86
Treasury shares	5	78		78	149
Cash & cash equivalents	5	15,604		15,604	5,352
Current assets		**51,933**	**838**	**51,095**	**35,948**
Accruals and other assets		77		77	23
TOTAL ASSETS		**144,029**	**13,636**	**130,393**	**115,112**

BALANCE SHEET LIABILITIES

(€k)	Notes	12/31/2022 Net	12/31/2021 Net
Capital		13, 216	12, 916
Additional paid-in capital		114,003	112,955
Other reserves and retained earnings		(31,193)	(34 ,510)
Profit (loss) for the period		8 ,776	3,474
Shareholders' equity	9	**104,801**	**94 ,835**
Provisions for liabilities and charges	11	1,893	1,875
Loans and financial debt	10	3, 981	5,389
Advances and down-payments from clients	10		
Trade payables and related accounts	10	15 ,393	9, 206
Taxes, social security contributions and similar payables	10	3, 232	2, 266
Deferred income	8	817	688
Accruals and other liabilities		276	853
TOTAL LIABILITIES		**130,393**	**115,112**

INCOME STATEMENT

(€k)	Notes	12/31/2022	12/31/2021
Revenue	1	49,930	39,434
Other operating income	1	6,002	3,154
Operating reversals and expense transfers		1,814	1,005
Operating income		**57,745**	**43,593**
Purchases and changes in inventories		(22,473)	(18,543)
Outside services	2	(21,329)	(12,730)
Taxes and duties		(240)	(273)
Payroll costs	6	(7,523)	(6,618)
Other operating expenses		(768)	(339)
Operating allowances		(2,089)	(2,672)
Operating expenses		**(54,423)**	**(41,176)**
Operating profit (loss)		**3,322**	**2,416**
Financial income		2,109	244
Financial expenses		(545)	(264)
Financial allowances and reversals		3,427	718
Financial profit (loss)	3	**4,991**	**698**
Pre-tax current profit (loss)		**8,313**	**3,114**
Non-recurring income		42	29
Non-recurring expenses		(274)	(251)
Non-recurring profit (loss)	4	**(232)**	**(222)**
Current tax	5	(854)	(165)
Research Tax Credit	5	1,549	748
Net profit (loss) for the period		**8 ,776**	**3,474**

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

2022 business was very robust, driven by strong sales momentum in optical transport solutions especially in the US.

Subsequent events

In February 2023, the Company was notified of an accounting audit notice for the period January 1, 2020 through December 31, 2021. As of the date of this document, the audit is ongoing.

No other 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 to December 31, 2022.

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;
- independence of financial years;

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, as certain items are 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.

Prepaid expenses

Prepaid expenses are at less than one year.

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

Since 2011, 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, 2022 were as follows:

Actuarial assumptions	12/31/2022	12/31/2021
Retirement age	65 years	65 years
Discounting rate	3.77%	0.95%
Employer contribution rates	47.0%	47.0%
Rate of salary increases	4.00%	2.30%
Employee turnover		
Under 25	10.0%	10.0%
25-30 years	10.0%	10.0%
30-35 years	25.0%	25.0%
35-40	15.0%	15.0%
40-45	2.0%	2.0%
45-50	2.0%	2.0%
50-55	2.0%	2.0%
> 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	4,841		424	(125)	5,140
Development costs in progress	2,214	2,443	(424)	(221)	4,011
Assets in progress	0				0
Patents and software	1,006	142		(63)	1,084
Subtotal	**8,061**	**2,584**	**0**	**-**	**10,236**
Tangible assets					
Plant and machinery	7,051	1,932			8,983
Other fixtures, fittings and facilities	168	20			188
Office and IT equipment, furniture	591	133			724
Subtotal	**7,811**	**2,085**	**0**	**-**	**9,896**
Total	**15,873**	**4,669**	**0**	**-**	**20,133**

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	3,931	458	(86)	4,303
Patents and software	997	22		1,018
Subtotal	**4,928**	**480**	**-**	**5,322**
Tangible assets				
Plant and machinery	5,934	726		6,660
Other sundry fixtures, fittings and facilities	133	11		144
Office and IT equipment, furniture	517	59		575
Subtotal	**6,583**	**795**	**-**	**7,378**
Total	**11,511**	**1,275**	**-**	**12,700**

Net values

(€k)	Position and changes during the period		
	Start of the period	Changes during the period	End of the period
Intangible assets			
Development costs	910	(73)	837
Development costs in progress	2,214	1,797	4,011
Patents and software	9	57	66
Subtotal	**3,133**	**1,781**	**4,914**
Tangible assets			
Plant and machinery	1,117	1,206	2,323
Other sundry fixtures, fittings and facilities	35	9	44
Office and IT equipment, furniture	74	75	149
Subtotal	**1,228**	**1,290**	**2,518**
Total	**4,361**	**3,071**	**7,432**

Note 2_Financial assets

(€k)	Value at the start of the period	Increases	Reductions	Value at the end of the period
Financial assets				
Ekinops Corp. securities	97			97
Ekinops France securities	60,433		(44)	60,389
Ekinops Brasil securities	11,090			11,090
Receivables related to Ekinops Corp. shareholdings	6,445		(6,445)	
Loans and other financial assets	293	18		311
Gross value	**78,358**	**18**	**-6,489.71**	**71,887**
Financial assets				
Ekinops Corp. securities	97			97
Ekinops France securities				
Ekinops Brasil securities				
Receivables related to Ekinops Corp. shareholdings	3,480		3,480	
Loans and other financial assets				
Provision	**3,578**	**-**	**3,480**	**97**
Financial assets				
Ekinops Corp. securities				
Ekinops France securities	60,433			60,389
Ekinops Brasil securities	11,090			11,090
Receivables related to Ekinops Corp. shareholdings	2,965		(9,926)	
Loans and other financial assets	293			311
Net value	**74,781**		**(9,926)**	**71,789**

The reduction in receivables relating to Ekinops Corporation shareholdings is due to the repayment of its debt during the year.

All allowances and reversals are recognized during the period under financial income (expense).

Note 3_Inventories

Inventories break down as follows:

(€k)	12/31/2022	12/31/2021
Gross inventory	9,485	8,960
Inventory impairment	(838)	(1,728)
Net value of inventories	**8,646**	**7,232**

Note 4_Schedule of receivables

(€k)	Gross amount	Up to 1 year	Over 1 year
Non-current assets			
Receivables related to Ekinops Corp. shareholdings	0		
Loans and other financial assets	311		311
Current assets			
Trade receivables and related accounts	11,041	11,041	
Social security and other social welfare bodies	151	151	
Tax credits	4,415	1,199	3,216
Other taxes, duties and similar levies	2,454	2,454	
Advances and down-payments to suppliers	16	16	
Current accounts	8,491	8,491	
Prepaid expenses	197	197	
Total	**27,077**	**23,550**	**3,527**

The Research Tax Credit and Job Competitiveness Tax Credit receivables relate to receivables arising in 2022, 2021, 2020 and 2019.

Sundry receivables mainly consist of financial current accounts vis-à-vis other Group companies.

Note 5_Cash & cash equivalents

(€k)	12/31/2022	12/31/2021
Bank accounts	15,507	5,403
Market making agreements	176	98
Total	**15,682**	**5,501**

In April 2013, the Company signed a market making agreement 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, 2022, cash available in the account at Gilbert Dupont set aside for the agreement amounted to €176,698. The number of treasury shares stood at 9,323 with a total value of €78,313.

Note 6_Accrued income

(€k)	12/31/2022	12/31/2021
Trade receivables and related accounts	946	1,398
Other receivables		
Total	**946**	**1,398**

Note 7_Accrued liabilities

(€k)	12/31/2022	12/31/2021
Trade payables and related accounts	7,805	5,092
Taxes and social security contributions payable	2,070	1,748
Total	**9,874**	**6,840**

Note 8_Prepaid expenses and deferred income

Prepaid expenses	12/31/2022	12/31/2021
Operating expenses	197	86
Total	**197**	**86**

Deferred income	12/31/2022	12/31/2021
Operating income	817	688
Total	**817**	**688**

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 2022, the capital of the parent consisted of 26,431,086 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
12/31/2020	**€12,731,002**	**25,462,005**	**€0.50**
Capital increases following exercise of options	€153,037	306,074	€0.50
Capital increases following bonus share awards	€32,294	64,587	€0.50
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
12/31/2022	**€13,215 ,543**	**26,431,086**	**€0.50**

Change in shareholders' equity

Shareholders' equity changed as follows:

(€k)	12/31/2022	12/31/2021
Shareholders' equity at the end of the previous period prior to appropriation of earnings	91,361	87,313
Appropriation of earnings of prior periods to shareholders' equity by the General Meeting	3,474	3,241
Shareholders' equity at the beginning of the period	94 ,835	90,555
Changes during the period:		
> Change in share capital	299	185
> Changes in premiums, reserves, retained earnings	891	621
Shareholders' equity at the end of the period before earnings	96,025	91,361
Profit (loss) for the period	8 ,776	3,474
Shareholders' equity at the end of the period including earnings, prior to appropriation	**104,801**	**94 ,835**

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	Strike price	Remaining contractual life
19/06/2014	179,228	-	(2,635)	-	176,593	€5.07	1.5 years
19/05/2016	3 ,317	-	(3 ,317)	-	-	€2.65	N/A
29/07/2019	81,334	-	(12,167)	(6,667)	62,500	€3.66	7.7 years
05/27/2021	90,000	-	(3 ,750)	(18 ,750)	67,500	€6.53	8.4 years
Total stock options (OSA)	**353,879**	**-**	**(21,869)**	**(25,417)**	**306,593**	**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	Strike price	Remaining contractual life
12/20/2012	22,103	-	(21,483)	(620)	-	3.8 years	N/A
02/25/2013	255,750	-	(239,940)	-	15 ,810	4.3 years	0.2 year
Total founder warrants (BCE)	**277,853**	**-**	**(261,423)**	**(620)**	**15 ,810**	**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	372,628	-	(315,128)	-	57,500
03/02/2021	406,666	-	-	-	406,666
05/27/2021	269,334	-	-	-	269,334
05/25/2022	-	59,750	-	(5 ,000)	54,750
Total bonus shares awarded (AGA)	**1, 048,628**	**59,750**	**(315,128)**	**(5 ,000)**	**788,250**

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
OSA	353,879	-	(21,869)	(25,417)	306,593
Founder warrants (BCE)	277,853	-	(261,423)	(620)	15 ,810
Bonus shares awarded (AGA)	1, 048,628	59,750	(315,128)	(5 ,000)	788,250
Grand total	**1,680,360**	**59,750**	**(598,420)**	**(31,037)**	**1 ,110, 653**

Note 10_Schedule of payables

(€k)	Gross amount	Up to 1 year	From 1 to 5 years	Over 5 years
Accrued interest and debt banks				
Loans and financial debt	3, 981	1,244	2,737	
Trade payables and related accounts	15 ,393	15 ,393		
Employee-related liabilities	1,464	1,464		
Social security and other social welfare bodies	855	855		
Other taxes, duties and similar levies	855	855		
Amounts payable on non-current assets and related accounts	14	14		
Other debts	14,574	14,574		
Deferred income	817	817		
Total	**37,954**	**35,218**	**2,737**	**-**

Note 11_Provisions (excluding non-current assets)

(€k)	Start of the period	Allowances during the period	Reductions Reversals used	Reversals not used	End of the period
Provisions for liabilities and charges					
Provisions for guarantees given to customers	672	302	(332)		642
Provisions for foreign exchange losses	23	77	(23)		77
Provisions for pensions and obligations	435	55			490
Provisions for other liabilities and charges	746	304	(366)		684
Subtotal	**1,875**	**738**	**(720)**	**0**	**1,893**
Impairment losses					
o/w inventories and work in progress	1,728	147	(1,037)		838
o/w trade receivables	48		(48)		0
Subtotal	**1,776**	**147**	**(1,085)**		**838**
Total	**3,651**	**886**	**(1,805)**		**2,732**
o/w operating profit (loss)		*809*	*(1,417)*		
o/w financial income (expense)		*77*	*(23)*		
o/w non-recurring profit (loss)					

Notes to the income statement

Note 12_Operating income

Revenue by category

(€k)	2022	2021
Sales of goods produced	33,482	29,472
Sales of services produced	16,448	9,961
Total	**49,930**	**39,434**

Revenue by region

(€k)	2022	2021
France	11,178	11,044
Other	38,752	28,390
Total	**49,930**	**39,434**

Other operating income

(€k)	2022	2021
Capitalized production R&D	3,568	1,581
Capitalized production capitalized property, plant and equipment	0	294
Subsidies	1, 396	906
Other income	1,037	373
Total	**6,002**	**3,154**

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 for €562k 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.

NGOpt grant: the Company obtained a grant from BPI France for €3,626k 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 €63k 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.

Simbade grant: the company received a grant from Bpifrance of €210k 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 12/31/2022	Revenue recognized in 2022
Embrace	562	43%	106
NGOpt	3,626	56%	1,254
Doper	63	28%	18
Simbade	210	7%	14
Total	**4,460**		**1,392**

Note 13_Other external purchases and expenses

(€k)	2022	2021
General subcontracting	149	60
Maintenance and repairs	330	518
Insurance	150	172
Transport of equipment, groupage	477	275
Finance leases, rental and lease expenses	260	303
Fees and contract employees	1,325	1,111
Travel and entertainment	225	98
Group chargebacks	16,692	9,623
Other external expenses	1,721	570
Total	**21,329**	**12,730**

Note 14_Financial profit (loss)

(€k)	2022	2021
Interest income	397	115
Foreign exchange gains	1,712	129
Total financial income	**2,109**	**244**
Foreign exchange losses	(321)	(106)
Interest expenses	(224)	(158)
Total financial expenses	**(545)**	**(264)**
Net allowances for impairment of securities and related receivables	(77)	(20)
Net allowances for provisions for foreign exchange losses	3,503	738
Total financial allowances and reversals	**3,427**	**718**
Financial profit (loss)	**4,991**	**698**

Note 15_Tax

Current tax

The income tax payable for the period ended December 31, 2022 amounted to €854,421.

Research and innovation tax credit

The research tax credit recognized for 2022 amounted to €1,549,059.

Increase/reduction in future tax liabilities

In terms of reducing future tax liabilities, the balance of tax loss carryforwards was €41,526k at December 31, 2022.

Note 16_Headcount at December 31, 2022

	2022	2021
Senior management	63	50
Supervisors and technicians	8	10
Employees	5	3
Seconded	12	9
Total	**88**	**72**

Note 17_Remuneration of executive officers

The remuneration of the executive officer for 2022 is estimated at €502,073.

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
Receivables related to shareholdings	0
Trade receivables	8,105
Other receivables	8,491
Trade payables and related accounts	7,974
Other financial income	386

Note 19_Statutory Auditors' fees

(€k)	2022	2021
Deloitte & Associés	49	48
> *Statutory auditing*	*49*	*48*
> *Special assignments*		
Altonéo Audit	32	31
> *Statutory auditing*	*32*	*31*
> *Special assignments*		
Total	**81**	**79**

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	> 5 years	Total
Operating leases - Minimum future payments	153	283	203	639
Total	**153**	**283**	**203**	**639**

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 €6.2m as of December 31, 2022.

Table of subsidiaries and shareholdings

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$5,147k	100%	€97k	-€k	US$0k		US$31,242	US$1,678	
Ekinops France	€3,161k	€34338k	100%	€60,389k	€60,389k	€6,695k		€92,183k	€8,372k	
Ekinops Brasil	BRL42,398k	-BRL15,125k	100%	€11,090k	€11,090k	€740k		BRL12,125k	-BRL5,131k	
Shareholdings (10 to 50% of the capital owned)										

5.2_STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Period ended December 31, 2022

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, 2022.

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, 2022 to the date on which our report was issued, and in particular ,we did not provide any services prohibited by Article 5 (1) of Règlement 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, 2022, the value of the equity securities and related receivables, recognized at acquisition cost, was €71.6m. €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 bykinops 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 estbased, 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 SSupervisory 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.

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 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. 4 51-1-2 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.

Furthermore, 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, 2022, Deloitte & Associés was in its 11th straight year as Statutory Auditors and Altonéo Audit in its 20th year, including 10 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 is 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 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 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 votre Société.

DIn 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 31, 2023

The Statutory Auditors

5.3_OTHER INFORMATION

5.3.1_Commentary on the results

In the period ended December 31, 2022, Ekinops SA posted revenue of €49,930k compared with €39,434k in the previous period.

Operating profit amounted to €3,322k compared with €2,416k in the previous period.

After factoring in financial income of €4,991k, a non-recurring loss of €232k, a tax charge of €854k, and a research tax credit of €1549k, the accounting net profit was €8,776k compared with €3,474k in the previous period.

5.3.2_Activities and results of the subsidiaries and controlled companies

Ekinops Corporation

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 2022, Ekinops Corp. generated revenue of US$31,242k compared with US$22,450k in 2021.

Ekinops Corp. generated a profit of US$1,677k in 2022 compared with a profit of US$1,193k in 2021.

Ekinops Brasil

This company had 29 employees on December 31, 2022, compared with 32 employees on December 31, 2021. 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 compared with BRL10.6m in 2021.

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 immeuble Le Chavez, 13 avenue Morane Saulnier – 78140 Vélizy-Villacoublay, registered as number 439 441 999 with the Companies Register in Versailles.

Annual revenue amounted to €92,183k compared with €72,477k the previous period.

Operating profit was €6,440k for 2022, compared with €3,169k in 2021.

The financial expense stood at €480k.

Following a non-recurring loss of €12k, a research tax credit of €3,089k and income tax expense of €665k, net profit amounted to €8,372k.

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 España 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

€k	Revenue		Profit (loss)	
	2022	2021	2022	2021
Ekinops Belgium NV	31,068	26,540	549	143
Ekinops India PVT Ltd	3,182	2,841	218	181
Ekinops Australia Pty Ltd	4,686	3,727	96	123
Ekinops España Srl	717	723	24	23
Ekinops Deutschland Gmbh	1,531	1,629	43	50
SixSq	234	191	(514)	(110)

5.3.3_Acquisition of shareholdings

In 2022, 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 in 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, did not give rise to any relief.

5.3.9_Information on payment periods

(€k) - Excl. tax	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					
	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	327					66	130					-
Total amount of invoices concerned	6,170	327	118	45	37	527	5,507	100	30		468	598
Percentage of total amount of purchases over the period	14%	1%	0%	0%	0%	1%						
Percentage of revenue over the period							11%	0%	0%	0%	1%	1%
(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 €31,014 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 €)	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Capital at the end of the period					
Share capital	13,215,543	12,916,333	12,731,003	12,063,839	10,764,581
Number of common shares outstanding	26 431,086	25,832,666	25,462,005	24,127,677	21,529,161
Number of preferred dividend shares outstanding					
Maximum number of future shares to be created					
> through the conversion of bonds					
> through the exercise of subscription rights	1,100,653	1,680,360	1,405,569	2,797,023	3,026,472
Operations and results					
Revenue excluding tax	49,929,644	39,433,782	29,353,018	24,769,353	21,089,838
Profit (loss) before tax, employee profit-sharing and amortization, depreciation and provisions	4,106,930	3,966,819	2,617,528	198,187	652,938
Income taxes	694,638	581,619	1,064,491	1,164,702	(1,184,000)
Employee profit-sharing for the period	-	-	-	-	-
Profit (loss) after tax, employee profit-sharing and amortization, depreciation and provisions	8,775,621	3,474,082	3,241,123	1,492,134	688,116
Profit (loss) distributed	-	-	-	-	-
Earnings per share					
Profit (loss) after tax, employee profit-sharing but before amortization, depreciation and provisions	0.21	0.18	0.15	0.06	0.09
Profit (loss) after tax, employee profit-sharing and amortization, depreciation and provisions	0.33	0.13	0.13	0.06	0.03
Dividend distributed to each share	-	-	-	-	-
Headcount					
Average headcount of employees during the period	88	72	73	71	68
Wage bill during the period	5,063,116	4,190,906	3,798,258	4,472,814	4,976,932
Sums paid in respect of employee benefits during the period	2,460,054	2,427,366	1,616,223	1,882,584	1,848,224

6

Share capital and ownership structure

6.1_SHARE CAPITAL

At the date of submission of this document, the Company's capital amounted to €13,250,183 broken down into 26,500,366 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 and May 27, 2021, the Combined General Meeting of the Company held on May 25, 2022 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; or
- to allocate or sell shares to employees or former employees and/or corporate officers or former corporate officers of the Company, and/or companies, in France and/or outside France, which are linked to it or will be linked to it in accordance with the conditions provided for in Article L. 225-180 of the French Commercial Code, notably within the framework of implementation of (i) any share subscription plan or (ii) the existing bonus share plan or (iii) any employee shareholding plan carried out based on existing shares or the company savings plan 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; or
- to transfer ownership of shares at the time of exercise of the rights attached to securities giving access to the share capital via redemption, conversion, exchange or presentation of a warrant or in any other manner, in compliance with the regulations in force.

Maximum purchase price: €15 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: €39m

Within the framework of the liquidity contract concluded with Gilbert Dupont, the following movements took place during fiscal 2022:

- purchase of 318,965 shares for an overall amount of €2,199,036 at an average share price of €7.09;
- sale of 328,219 shares for an overall amount of €2,272,913 at an average share price of €7.12.

At December 31, 2022, the Company held 9,323 shares in treasury at a carrying amount of €78,313, 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 €175,698.

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 24, 2023

The Board of Directors will ask the General Meeting of shareholders on May 24, 2023, in the thirteenth 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 érecognized by the French financial markets authority; or
- honour 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 éapplicable French or foreign legal and regulatory terms and conditions; 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, subject to the adoption by the Extraordinary Shareholders' Meeting of the fourteenth resolution below and on the terms indicated therein; 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 making up the share capital of the Company at that date, i.e. for indicative purposes, based on an existing capital base of 26,665,752 shares, the maximum number of shares that could be purchased is 2,666,575 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, taking the existing capital base, a theoretical authorized maximum investment of €48m.
- 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 18 months, and shall replace the authorization of the same kind granted by the General Meeting of shareholders of May 25, 2022, pursuant to the thirteenth resolution on ordinary business.

6.1.4_Securities giving access to a share of the capital

On December 31, 2022, securities giving access to the capital are the following:

6.1.4.1_Founder share warrants

At present, there are three allocations of founder warrants currently valid and the features of these are summarized in the table below.

Title of the plan	BCE (02.13)
Date of General Meeting	02/25/2013
Date of the Board Meeting to decide on the allocation of founder warrants (BCE)	02/25/2013
Total number of warrants granted(1)	345,030
of which subscribed by corporate officers:	
> *of which Didier Brédy*	-
> *of which François-Xavier Ollivier*	-
Number of non corporate officer beneficiaries (of the warrant allocation)	26
Start date for exercising the BCE warrants	04/01/2014
Expiry date of the BCE warrants	02/25/2023
Founder warrant strike price (1)	€4.31
Total number of shares potentially created (1)	15,810

(1) Considering the nominal value division by two on February 25, 2013 and pursuant to decisions taken by the Board of Directors following the capital increases with maintenance of preferential subscription rights.

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	Plan S2014	Plan S2014 US 2	Plan S2019 US	Plan S2021
Date of General Meeting	03/21/2013	03/21/2013	07/29/2019	05/27/2021
Date of the Board Meeting ruling on the allocation of stock options	06/19/2014	07/24/2014	07/29/2019	05/27/2021
Total number of stock options granted (1)	243,350	46,190	150,000	90,000
of which subscribed by corporate officers:				
> *of which Didier Brédy*	62,000	-	-	-
> *of which François-Xavier Ollivier*	46,500	-	-	-
Number of non corporate officer beneficiaries	61	12	17	12
Start of strike period for stock options	01/01/2015 (2)	01/01/2017 (2)	(3)	(4)
Date of expiry of stock options	06/18/2024	07/23/2024	07/29/2029	05/27/2031
Strike price of stock options(1)	€5.07	€5.07	€3.66	€6.53
Total number of shares potentially created (1)	170,393	6,200	62,500	67,500

(1) Considering the nominal division by two 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.

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 decide 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*	*57,500*	-	*128,000*	*194,000*	-
> *of which François-Xavier Ollivier*	-	*22,000*	-	-	-
Number of non corporate officer beneficiaries (of the allocation)	11	6	7	-	9
Start date for exercising bonus share rights	(1)	(2)	(3)	(3)	(4)
Expiry date of the bonus share allocations	(1)	(2)	(3)	(3)	(4)
Number of shares already subscribed/allocated (3)	947,500	-	-	-	-
Total number of bonus share allocations awarded or lapsed	50,000	-	-	-	5,000
Remaining total number of bonus shares allocated	57,500	212,666	269,334	194,000	54,750
Total number of shares that can be subscribed	57,500	212,666	269,334	194,000	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.

**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. As a result, 947,500 bonus shares were vested, the remainder to be vested at a later date.

(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 of May 27, 2021, 463 334awarded 463,334 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 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 au 31 décembre 2022 would lead to the creation of 1,110,653 new shares, generating a maximum dilution of 4.2% of the fully diluted capital and voting rights (4% before dilution).

	Number of potential new shares
Founder warrants (BCE)	15,810
Stock-options	306,593
Bonus shares awarded (AGA)	788,250
Total	**1,110,653**

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 2.5.1.6.

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 category P3 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
12/20/2013	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
01/2023	Definitive vesting of bonus shares	€28,750			57,500	26,488,586	€0.50	€13,244,293
2023	Exercise of stock options	€5,890	€49,123		11,780	26,500,366	€0.50	€13,250,183
Total		**€13,250,183**	**€92,626,953**	**€26,044,865**	**26,500,366**	**26,500,366**	**€0.50**	**€13,250,183**

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
Didier Brédy	1.2%	1.6%	1.2%	1.3%
François-Xavier Ollivier	0.1%	0.7%	0.7%	0.3%
Bpifrance Participations	13.3%	12.6%	12.4%	12.1%
Aleph Golden Holdings Sarl	13.3%	12.6%	12.4%	12.1%
Sub-total Board of Directors	**27.8%**	**27.4%**	**26.7%**	**25.8%**
Treasury stock (liquidity contract)	0.0%	0.0%	0.1%	0.1%
TempoVest Fund	7.1%	-	-	-
Free float	65.0%	72.5%	73.3%	74.1%
Total	**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 the performance conditions of the bonus share allocation plan;
- issuance of 283,292 shares via the exercise of stock options and founder warrants.

2023

- issuance of 57,500 shares following the attainment of the performance conditions of the bonus share allocation plan;
- issuance of 11,780 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, 2022

To the Company's knowledge, the capital as of December 31, 2022, breaks down as follows:

Shareholders	Number of shares at 12/31/2022	As a % of the share capital	Number of voting rights as of 12/31/2021	As a % of total voting rights
Bpifrance Participations	3,200,000	12.1%	6,175,000	18.4%
Aleph Golden Holdings Sarl	3,200,000	12.1%	6,400,000	19.0%
Didier Brédy	342,582	1.3%	648,274	1.9%
François-Xavier Ollivier	87,923	0.3%	90,296	0.3%
Sub-total Board of Directors	**6,830,505**	**25.8%**	**13,313,570**	**39.6%**
Treasury stock (liquidity contract)	9,323	0.0%	-	-
Free float	19,591,258	74.1%	20,298,291	60.4%
TOTAL	**26,431,086**	**100.0%**	**33,611,861**	**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

The main shareholders are 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 members at least and a maximum number authorized by the legal and regulatory provisions in force.

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 nor audit role, nor can they substitute for Directors and/or Executive Corporate Officers.

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. [...]

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 indicated 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 gives 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 66.1.2.

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.

Meetings take place at the Company's head office or any other locations indicated in the convening notice.

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, defer, 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 Gungamp) 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 and CEO

Refer to information presented in paragraph 2.5.3.2.2 of this document.

Mr François-Xavier Ollivier's work contract

Mr François-Xavier Ollivier, Deputy CEO and Director, is linked to the Company by an employment contract signed on March 21, 2003 which came into force on April 1, 2003. This employment contract may be terminated with a notice period of six months without any other conditions applicable.

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, 2022

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

We inform you that we are not aware of any agreement authorized and concluded during the past year to submit for approval to the General Meeting in application of the provisions of Article L. 225-38 of the French Commercial Code.

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 7 , 2021 (12th resolution), 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.

The appeal for the Company, as retained by the Board of Directors, is to have at its helm a competent and experienced person.

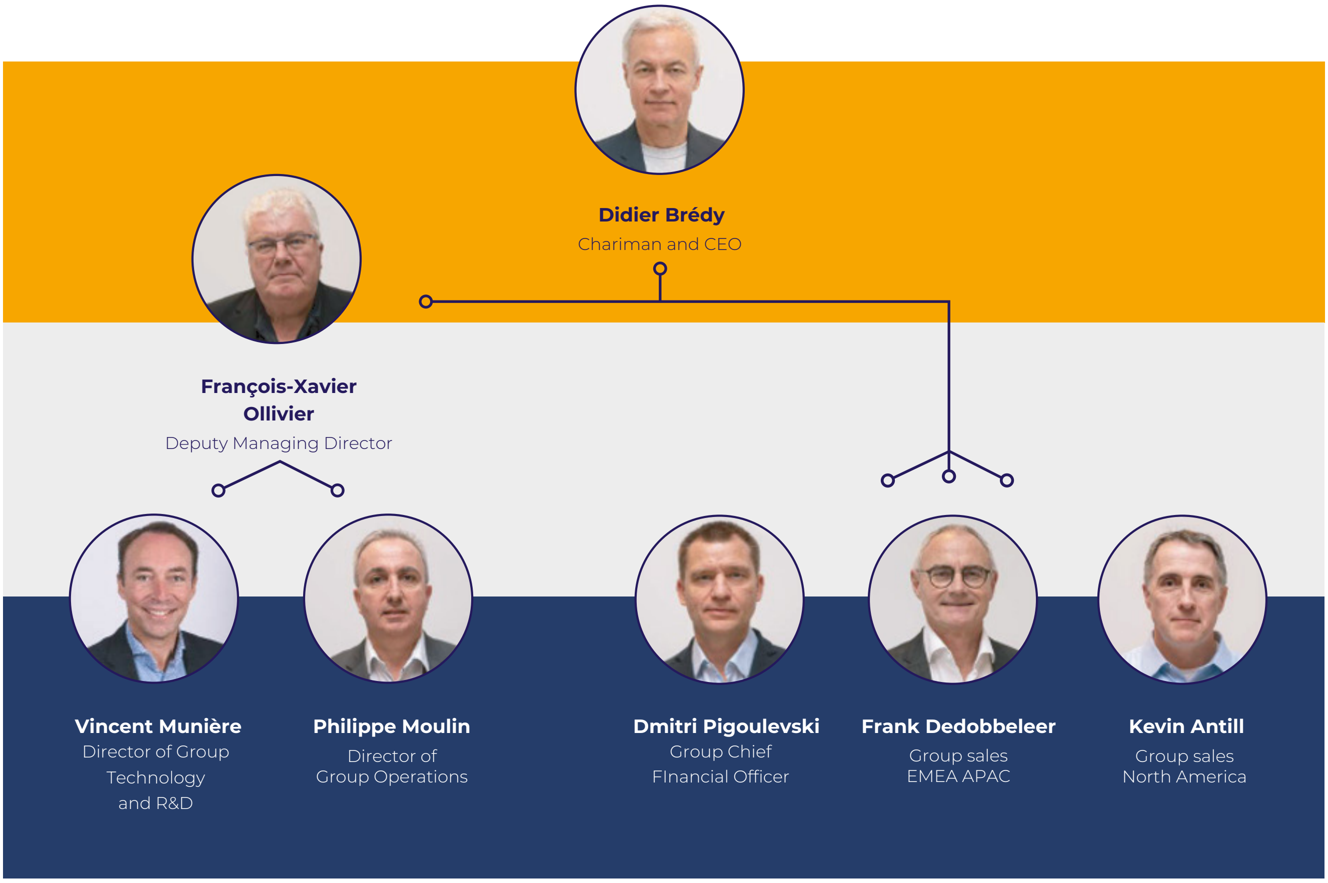
Angers and Paris-La Défense, March 31, 2023

The Statutory Auditors

Altonéo Audit	**Deloitte & Associés**
Julien Malcoste	Frédéric Neige

6.7_EMPLOYEES

6.7.1_Operational chart at the date of this document



6.7.2_Biographies of Company management

- **Didier Brédy** **(60), Chairman and Chief Executive Officer**

Refer to chapter 2.1.1.3 "Biographies of the Directors".

- **François-Xavier Ollivier** **(65), Co-founder and Deputy Managing Director**

Refer to chapter 2.1.1.3 "Biographies of the Directors".

- **Vincent Munière** (47), Chief Technical Officer and Vice-President in charge of R&D)

Vincent joined the Company after 12 years at SFR where he most recently held the position of SVP, Network Engineering & OSS (Operations Support System), at the head of a team of around 900 staff responsible for the management of network engineering and IT OSS. Before that, he spent a number of years at Alcatel-Lucent, notably as Director of network design, Head of the RAN competencies center, of network design and project manager of development of engineering systems (2000-2003). He was also head systems engineer at ICO Global Communications (1997-2000), based in London in the UK. Vincent Munière is a graduate from French engineering school Telecom Paris Tech (l'École Nationale Supérieure Des Télécommunications).

- **Philippe Moulin** (59), 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.

- **Frank Dedobbeleer** (60), Sales Director 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).

- **Kevin Antill** (57), Vice-President Sales, 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.

- **Dmitry Pigoulevski** (53), Group Chief Financial Officer

Dmitry 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. Dimitr is a chartered accountant and member of the ACCA (Association of Chartered Certified Accountants in the UK).

6.7.3_Number and breakdown of staff

At the end of the reference period, the Group headcount changed as follows:

Headcount end of period	2022	2021	2020
R&D/Manufacturing	343	333	316
Marketing/Sales functions/Support	109	103	99
Management, administration	52	49	45
Total	**504**	**485**	**460**

6.7.4_Employee shareholdings in the Company

To the Company's knowledge, Company shares held by employees make up around 1.5% of the share capital.

6.7.5_Profit sharing and incentive contracts

The Group has introduced a profit sharing agreement. This agreement covers all employees in France. The profit sharing shall exist provided the earnings generated by the company enable it to report a positive profit sharing reserve. The Group also has an employee incentive shareholding scheme.

6.7.6_Measures implemented for the benefit of employees

The Company has made securities available to all Group employees, 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.

7

Additional information

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 a true and fair image of the earnings of the Company and all of the companies included in the scope of consolidation. I further certify that the management report presented on page 215 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.

Le 6 avril 2023

Didier Brédy

Chairman and CEO

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 period of six fiscal years, expiring at the end of the General Meeting called to approve the financial statements for the year ending 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	204
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	204
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	205
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	205
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 Règlement(EU) Regulation 2017/1129, without prior approval in accordance with Article 9 of the Règlement; 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 Règlement(EU) 2017/1129.		14
2	LEGAL AUDITORS OF THE FINANCIAL STATEMENTS		
2.1	Provide the mane 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	205
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
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 this 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	45

		Paragraph	Page
4	INFORMATION RELATIVE TO THE ISSUER	6.4	197
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 wWebsite, if in existence, with a disclaimer indicating that the information presented on the wWebsite 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	22/33
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	24
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	24
5.2	Main markets.	1.3.4	27
	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.		
5.3	Indicate the key events in the development of the activities of the issuer.	1.2.1	20
5.4	Strategy and objectives.	1.3/1.6	22/32
	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.		
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	33
5.6	Indicate the items on which are based any issuer declaration regarding its competitive position.	1.3.5	31
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	35
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	35
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	107
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	21
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	21

		Paragraph	Page
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	36
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	36
7.2	Operating income (expense)	1.4.3	36
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	36
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	36
8	CASH FLOW AND CAPITAL	1.4.6	40
8.1	Provide information regarding the capital of the issuer (short and long term).	1.4.6	40
8.2	Indicate the source and amount of issuer cash flows and describe these cash flows	1.4.6	40
8.3	Provide information on financing needs and the financial structure of the issuer.	1.4.6	40
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	40
8.5	Provide information regarding anticipated sources of financing necessary to meet commitments mentioned in point 5.7.2.	1.4.6	40
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	45
10	INFORMATION ON TRENDS	1.4.4/1.4.5	39/40
10.1	Provided 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	18/19
	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	39/40
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	39/40

		Paragraph	Page
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: 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).	2.1.1	52
	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: 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.	2.1.1	52

		Paragraph	Page
12.2	Conflicts of interest at the level of administrative, management and supervisory bodies and Executive Management.	2.1.2	55
	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.		
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	LIndicate 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	56
	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	56
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	60
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	52
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	198
14.3	Information regarding the Audit Committee and the sRemunerations 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	55
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	62
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	70/71
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	202
15.2	Shareholdings and *stock options*	2.4	61
	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.		
15.3	Describe any agreement providing for employee shareholdings in the capital of the issuer.	6.7.4	202

		Paragraph	Page
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	190
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	190
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	190
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	190
17	MAIN TRANSACTIONS WITH RELATED PARTIES	6.6	198
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 Règlement(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	198
18	FINANCIAL INFORMATION REGARDING THE ASSETS AND LIABILITIES, THE FINANCIAL SITUATION AND THE EARNINGS OF THE ISSUER		
18.1	historical financial information;	4/5	119/157
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.		
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 Règlement(EU) No. 1606/2002. If Règlement(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 Règlement(EU) No. 1606/2002 for issuers from non-EU countries. If the national accounting standards of non-EU countries are not equivalent to Règlement(EU) No. 1606/2002, the financial statements must be restated in accordance with said Règlement.	4	119
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 Règlement(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

		Paragraph	Page
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	120
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	119
18.2	Interim financial statements and others.	N/A	N/A
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 Règlement(EU) No. 1606/2002. For issuers to whom Règlement(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	153
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 and (EU) RèglementNo. 537/2014 of the European Parliament and the Council..	4.6	153
	When Directive 2014/56/EU and Règlement(EU) No. 537/2014 do not apply: 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.	N/A	N/A
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

		Paragraph	Page
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	43
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	49
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	39
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	40
19	ADDITIONAL INFORMATION		
19.1	Share capital	6.1	184
	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.		

		Paragraph	Page
19.2	Articles of incorporation and bylaws	6.3	191
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 Règlement of the issuer which would have the impact of deferring or preventing a change of control.		
20	MATERIAL CONTRACTS	1.4.2	36
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: 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 wWebsite on which the documents can be consulted.	7.4	205

7.6_CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT AND THE MANAGEMENT REPORT

Headings	Paragraph	Page
5. Statement of non-financial performance	3	91
> Inclusion of the social and environmental consequences of the activity and societal commitments in favor of sustainable development and in favor of the fight against discrimination and the promotion of diversity	3	91
> Information relative to hazardous activities	N/A	N/A
6. Declaration of physical persons who take responsibility for the annual financial report	7.1	204
7. Statutory Auditors' report on the individual financial statements	5.2	179
8. Statutory Auditors' report on the consolidated financial statements	4.2	121

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.

CWDM technology

"*Coarse Wavelength Division Multiplexing*": technology based on the progress made regarding laser emitters and receivers. Enables mutiplexing 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.En revancheCWDM is less expensive than DWDM.

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.

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.

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 multipl-e 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*".p Protocol suite. This acronym stems from the names of the two main protocols of the protocol suite, ie. 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).

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