

Universal
registration
document

2021



2021 REVENUE



67% of revenue generated by international markets



EBITDA

3 BUSINESSES

OPTICAL TRANSPORT SOLUTIONS

VOICE & DATA ACCESS SOLUTIONS

SOFTWARE-DEFINED SOLUTIONS



485
EMPLOYEES



> 50%
R&D ENGINEERS

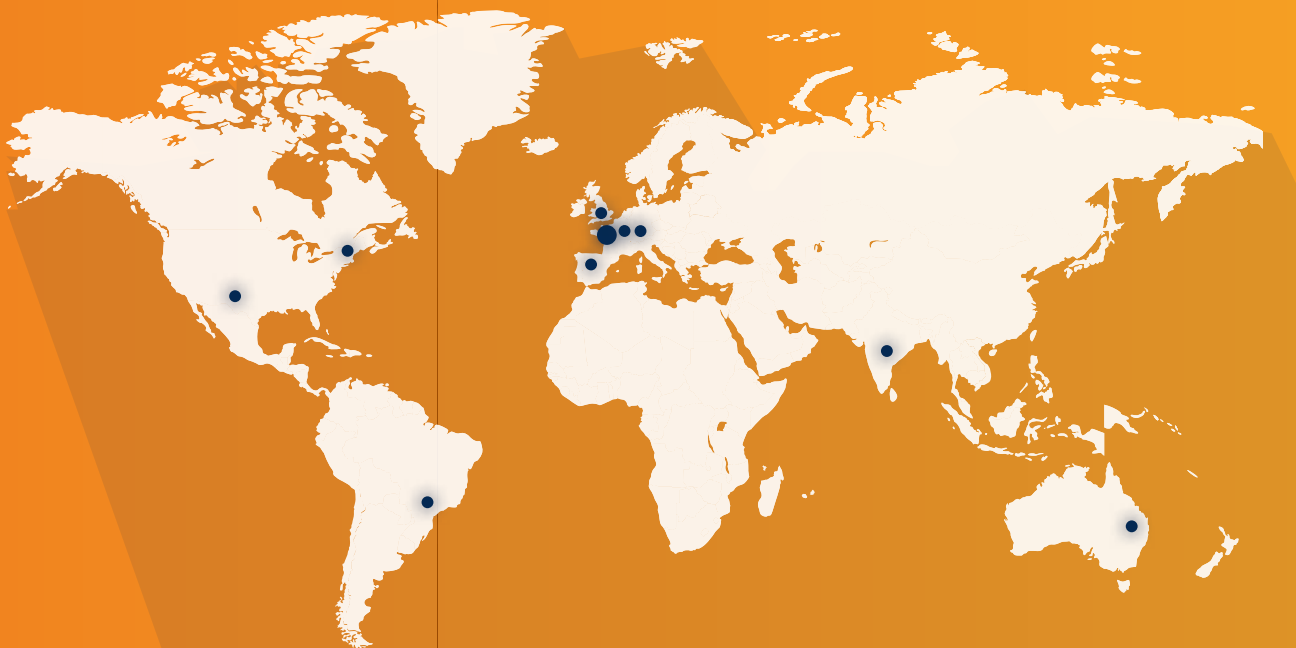


23%
OF REVENUE
INVESTED IN R&D

Empowering next-generation networks

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





Our goal:
to better 2021
and bring Ekinops
closer to 15% growth

02

INTERVIEW WITH DIDIER BRÉDY

Chairman and CEO

In 2021, Ekinops' revenue topped the €100m mark for the first time in its history. How do you view this performance?

2021 was another record year for Ekinops. After four consecutive quarters of double-digit growth, we exceeded the €100m threshold in annual revenue for the first time. Additionally, with our organic growth reaching 12%, we fully met our target of double-digit increases in revenue.

While all of our business lines grew in 2021, the sharp increase in optical transport products in both North America and EMEA especially stands out. When we bought the OTN (Optical Transport Network) technology in 2019, our aim was to triple sales of optical transport products within five years. In a little over two years, we have already doubled these sales and are now ahead of our target.

The 60% increase in software and services revenue in 2021 also attributes to our success. These activities now account for 14% of our revenue compared to just 10% in 2020. In short, this particular area offers great potential for improving future profitability.

This robust revenue growth was accompanied by a further surge in Ekinops' results, with EBITDA up 19% and net income up 52%. What were the main drivers behind this trend?

Our success in 2021 highlights the strength of our gross margin in 2021. Despite an increasingly complex market environment caused by the global supply crisis for certain electronic components, we maintained good control over our supply chain. This control, combined with our ability to pass some of the components price pressure on to our sales prices, enabled us to deliver a gross margin of 54.5% of revenue. This falls directly in line with our long-term target range.

On the profitability side, by keeping the rise in operating expenses under control we were able to achieve a record EBITDA margin of 16.9% in 2021.

Nevertheless we continued to grow, in particular with 25 new hires, mainly in R&D, to accompany our ongoing expansion.

After already doubling in 2020, net income surged by 52% in 2021 to set a record of nearly €5m.

The Group was able to strengthen its financial position in 2021 despite the acquisition it made at the end of the year

Year after year, Ekinops has improved its ability to generate cash flow. In 2021, we had an operating cash flow of €12.5m versus €7.2m in 2020.

We invested just over €6m in 2021, including the acquisition of SixSq. We also continued to reduce debt, with financial borrowings down to €23.8m at end-2021 from €31.6m in 2020.

At end-2021, our cash and cash equivalents totaled €45.4m. Ekinops maintained a strong net cash position of €21.6m, up €3.5m over one year.

This very sound financial position provides genuine clout to seize future value-creating acquisition opportunities for the company in different regions.

Indeed, at the end of 2021 you acquired Swiss start-up SixSq. What was the aim of this transaction?

We acquired 100% of the capital of SixSq in order to boost Ekinops' expansion in edge computing.

SixSq is a software-as-a-service (SaaS) provider. The Swiss start-up developed an ultra-innovative solution that allows businesses to take full advantage of the added value of edge by enabling smart data

processing directly on their sites as a complement to cloud computing.

Ekinops is thus stepping up its strategy to provide greater added value to telecom operators. We can now offer these operators a new way to monetize their presence on their enterprise customers' sites through our OneOS6 routers. In short, we will make artificial intelligence available to all companies and for different use cases, such as the Internet of Things (IoT), Industry 4.0, and smart retail.

What are Ekinops' goals for 2022?

In recent years, Ekinops' goal has been to deliver long-term double-digit organic growth in revenue. After two years of uncertainty caused by the health crisis, the market horizon is starting to brighten and Ekinops now aims to step up its development. My goal for 2022 is therefore to beat 2021's growth and move the company closer towards 15% growth.

To deliver this goal, we have several strategies. By strengthening our sales force across all regions, Ekinops intends to accelerate both commercial and marketing development in addition to new customer acquisition in 2022. At the same time, we intend to scale up investments and recruitment in R&D to expand our OTN range and continue to increase our software development expertise. Strengthened by the launch of the new ETSc compact platform, our major partnership with Fujitsu in North America and our SD-WAN solutions, we remain confident that reaching 15% growth is attainable.

Ekinops, therefore, aims to achieve higher organic growth in 2022 than in 2021. In terms of profitability, we are targeting an EBITDA margin between 14% and 18%. This margin factors in both the impacts of the still very present electronic components crisis in early 2022 and the human and technological investments required to prepare for our new growth cycle

BUSINESS

Empowering telecoms and enterprise networks

Optical transport, data and voice router and software-defined solutions

Ekinops is a leading supplier of innovative, open and 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 (Ethernet services, voice and data over IP, etc.), using physical or virtualized platforms.

Ekinops offers efficient, optimized and highly flexible solutions. They can be adjusted as closely as possible to needs in the core network of operators and in the offices of companies of all sizes.

Ekinops plays a role in its customers' success by providing high value-added software solutions.

Open, trusted and innovative network connectivity

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

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

Ekinops (EKI) has been listed on Euronext in Paris since 2013 and has a global organization. Its head office is located in Lannion (France), and 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. More than 50% of the Group's 485 employees work at Ekinops' multinational R&D hubs in Lannion, Sophia-Antipolis, Vélizy-Villacoublay (France), Campinas (Brazil), Louvain (Belgium) 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.

2021: a year of innovation for Ekinops

On the network access market, Ekinops launched a new hardware platform based on ARM chips (which are more cost-effective), with the introduction of a 5G router (One-5G) and a pipeline of new products based on this platform, for both the mid-range market (new 10Gbps equipment) and the Ethernet access devices market, with the 1647, a 1Gbps product based on the same OneOS6 operating system as the OneAccess routers. Ekinops also introduced new products optimized to support analogue line migration projects as well as projects to migrate its customers to OneOS6.

In its Compose activities, Ekinops accelerated its SD-WAN and virtualization software development. With the acquisition of the SixSq start-up, a software-as-a-service (SaaS) provider for edge computing, Ekinops also now has an ultra-innovative solution that enables smart data processing directly on the company's site. This acquisition is a key step in the development of Ekinops' software business and is in line with its stated goal of increasing the share of services and software in revenue. The Ekinops and SixSq solutions are already integrated through the Ekinops virtualization offering (OneOS6-LIM).

On the transport side, Ekinops continued to integrate the OTN technology it acquired in 2019 by merging the WDM and OTN network managers into the Célestis application. Ekinops also finalized its second generation of OTN products, called ETSc ("c" stands for compact), with a first chassis and a 400Gbps line card. Ekinops either redesigned several existing WDM cards or replaced certain other components in order to manage the component shortage and continue to make deliveries to its customers in record time. Ekinops also launched several new WDM products, namely the 20 degrees ROADM, the new 32GFC transponder, and the design for a new 400G transponder, while continuing to add new features to its Célestis network manager.

These carrier 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.

In short, Ekinops empowers next-generation networks.



MARKETS

Fast-growing markets

Ekinops operates on very fast-growing markets, driven by the deployment of new networks and the rise in capacity of existing networks.

The optical transport and network access markets are growing quickly, with bandwidth consumption rising steadily around the world in view of new uses (5G, OTT services, IoT (Internet of Things), mobility, etc.). These structural growth factors have been supplemented in the last two years by factors related to the Covid-19 pandemic. More simply, the needs associated with new ways of working (remote work, videoconferencing, virtual trade fairs, etc.).

Although revenue rose to €103.6m in 2021, with 67% of that figure generated by international markets, Ekinops still has a relatively small presence on markets that are dominated by a few multinational groups. Ekinops' main competitors on the optical transport market are the equipment manufacturers Ciena, Huawei, Nokia and Adva (part of the Adtran group since mid-2021). Its main rivals in access are Cisco, Huawei, Juniper and Adtran.

Ekinops has adopted an innovation policy that promotes the discovery of efficient, optimized solutions. This has enabled it to grow at a steady pace and gain market share ever since its founding. Ekinops also leverages its French and European roots to win over operators on the "Old Continent."

Due in part to the pandemic, the concept of sovereign supply has prompted discussions about securing certain strategic sectors, including telecommunications. Ekinops' French identity is therefore a card to play with operators who need to find partners they can trust.

Ekinops is now
successfully
selling
its solutions to
16 of the top 30
service providers
and telecom
operators
worldwide
and to more than a
third of the top 100.

05

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

With its OneAccess brand, Ekinops is currently the world no. 3 in the branch office equipment market*.

Ekinops is now very well positioned to support service providers who embrace the new SDN (Software-Defined Networking) and NFV (Network Function Virtualization) deployment models.

*Source Omdia - Enterprise Routers Market Tracker - 3Q21 Data.

THE LONG-TERM TRENDS SHAPING INNOVATION

INNOVATION AND R&D



06

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.

The Group's customers are facing steadily increasing demands, such as non-linear video and 5G, which call for a tenfold increase in capacity between 2018 and 2025 while requiring significant investments in capex.

Service providers have no choice but to accelerate their transformation, and the Group is investing to provide solutions that can shape these transformations, particularly in automation, SDN (software-defined networks), virtualization and MEC (multi-access edge computing).

More Internet traffic, more virtualization

The expectations for 5G are sky-high. 5G promises to make traffic/speed at least 10 times faster, reduce latency by a factor of 10 and sharply increase connection density. Ekinops is working with its operator partners to make 5G a backbone network that can carry enterprise connectivity services (WAN). The Group now provides equipment and integrated software for layers 1, 2 and 3.

Convergence of access functions and WAN/cloud services into the edge network: edge computing

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 acquisition of SixSq fits into this strategy.

INTERNATIONAL FOOTPRINT

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.

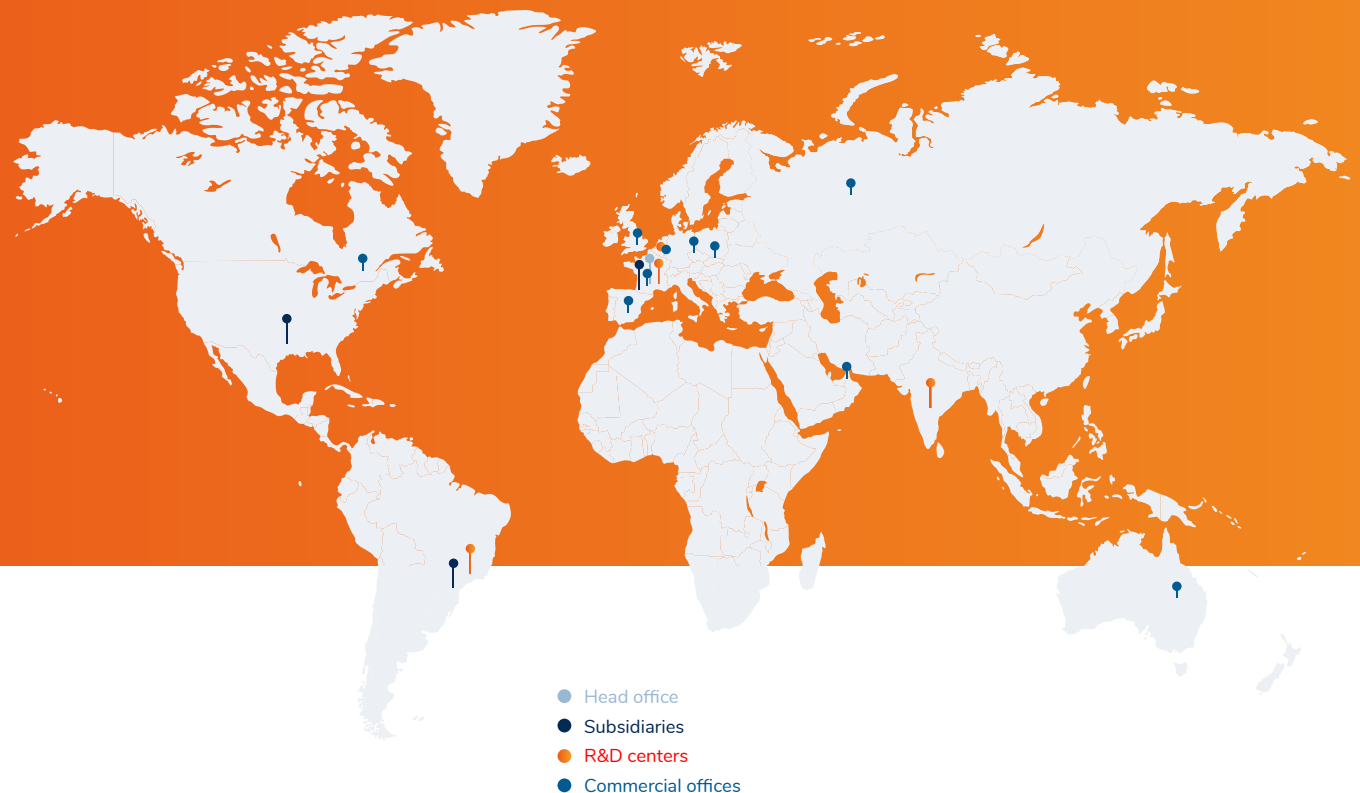
Ekinops' head office is located in Lannion (France), which is also home to its optical transport R&D activities. The Ekinops group has eight subsidiaries around the world: Ekinops France in Vélizy-Villacoublay (France), Ekinops Corp. in Rockville, Maryland (United States), Ekinops Brasil in Campinas (Brazil), and entities in Germany, Spain, Australia, India and Belgium. The Group has overall sales representation in 15 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.

Ekinops' research and development activities span six R&D sites: four in EMEA (Lannion, Sophia-Antipolis, Vélizy-Villacoublay and Louvain), one in Brazil (Campinas) and one in India (Bangalore).

The Group also has a manufacturing and assembly 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.



MANAGEMENT



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

CORPORATE RESPONSIBILITY

Ekinops' ESG (Environmental, Social and Governance) policy is built around **three strategic priorities:**

Being an employer of choice

Ekinops considers the Group's main asset to be its employees. As part of its human resources policy, the Group seeks to maintain and develop its employees' skills, ensure good working conditions, protect their well-being and health, and build loyalty through an attractive mobility and remuneration policy.

Developing a genuine corporate culture brings all employees together in the pursuit of a common goal, driven by the desire to grow the business and a commitment to work collectively.

Being a responsible company towards its stakeholders

To fulfill its responsibility commitments, Ekinops acts with transparency and integrity towards all its stakeholders (customers, suppliers, partners, etc.).

Ekinops therefore ensures that responsible systems and practices are in place, including the integration of social and environmental criteria into purchasing and subcontracting practices, the highest standards of conduct in combating corruption and tax evasion, the implementation of a code of conduct to prevent corruption and conflicts of interest, etc.

In its supplier relationships, Ekinops adheres to ISO standards and is setting up a system for selecting and evaluating external service providers.

Limiting the environmental impact of its activities

Ekinops' environmental and energy management policy is based on a risk management strategy that aims to minimize the environmental impact of its products and the processes associated with their manufacture over their entire life cycle.

The R&D, production and purchasing teams strive to limit the use of hazardous substances (RoHS compliance) and substances with a high environmental risk (REACH compliance). In the design phase, the Ekinops teams select environmentally-friendly (or recycled) raw materials that can in turn be easily recycled.

These priorities are detailed in the Statement of Non-Financial Performance on page 87.

The Group's ESG Committee was established in 2021. It is made up of three members of the Board of Directors, including the Chairman and CEO of Ekinops. This Committee is tasked with advising the Company and making recommendations on corporate social responsibility. It ensures that the Group anticipates the challenges and opportunities that lie ahead and identifies the non-financial risks associated with its business with the end-goal of creating sustainable and responsible value.

Ekinops also conducted its first carbon footprint evaluation in 2021.



Gaia Rating results, which were released in November 2021, recognized Ekinops' progress on ESG. Ekinops' overall rating in the 2021 campaign, based on data from 2020, was 71/100, an eight-point increase from the previous assessment (63/100). This improvement is consistent with Ekinops' goal to strengthen its ESG commitment.

Gaia Research evaluates companies based on guidelines for about 170 criteria for France, divided into four categories: Environment, Social and Governance and External Stakeholders. Leading asset management companies rely on Gaia ESG scores for their investment decisions and management processes.

2021 IN FIGURES

P&L

€m	2021	2020	Change (%)
Revenue	103.6	92.8	+12%
Gross margin	56.5	51.1	+10%
<i>% of revenue</i>	<i>54.5%</i>	<i>55.1%</i>	
EBITDA¹	17.6	14.8	+19%
<i>% of revenue</i>	<i>16.9%</i>	<i>15.9%</i>	
Current operating income	3.4	3.5	
Operating income/(loss)	3.0	3.3	
Consolidated net income (loss)	4.8	3.2	+52%

ASSETS

€m	12/31/2021	12/31/2020
Non-current assets	75.2	77.6
<i>o/w goodwill</i>	<i>29.4</i>	<i>28.3</i>
<i>o/w intangible assets</i>	<i>23.2</i>	<i>27.2</i>
Current assets	49.7	41.2
<i>o/w inventories</i>	<i>19.0</i>	<i>13.9</i>
<i>o/w trade receivables</i>	<i>24.2</i>	<i>22.3</i>
Cash & cash equivalents	45.4	49.6
TOTAL	170.3	168.5

LIABILITIES

€m	12/31/2021	12/31/2020
Shareholders' equity	98.8	90.9
Financial borrowings	23.8	31.6
<i>o/w bank loans</i>	<i>18.4</i>	<i>21.9</i>
R&D tax credit pre-financing	4.8	6.3
Trade payables	16.2	12.4
Lease liabilities	4.7	5.5
Other liabilities	22.0	21.8
TOTAL	170.3	168.5

Key takeaways

Gross margin of 54.5% of revenue, in line with the target range

Record EBITDA margin in 2021: 16.9%

Net income of €4.8m, up 52%

Financial calendar 2022

09

Tuesday, April 12, 2022
Q1 2022 revenue

Wednesday, May 25, 2022
Annual General Meeting

Monday, July 11, 2022
Q2 2022 revenue

Thursday, July 28, 2022
H1 2022 results

Tuesday, October 11, 2022
Q3 2022 revenue

Wednesday, January 11, 2023
FY 2022 revenue

Tuesday, March 7, 2023
2022 annual results

All press releases are published after Euronext Paris market close.

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

STOCK MARKET INDICATORS

10

STOCK MARKET INDICATORS

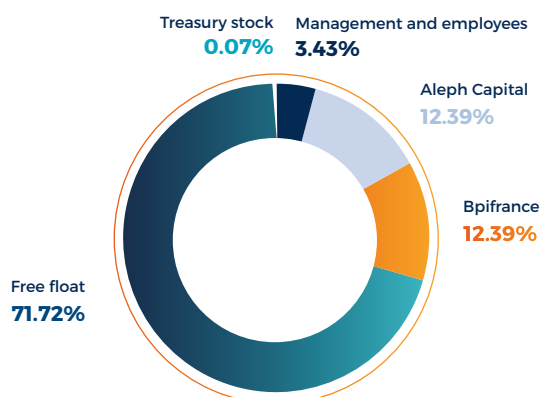
Data at December 31, 2021

Stock price: €7.74
 Market capitalization: €200m
 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

BREAKDOWN OF SHARE CAPITAL

% of shares held
 (25,832,666 at December 31, 2021)



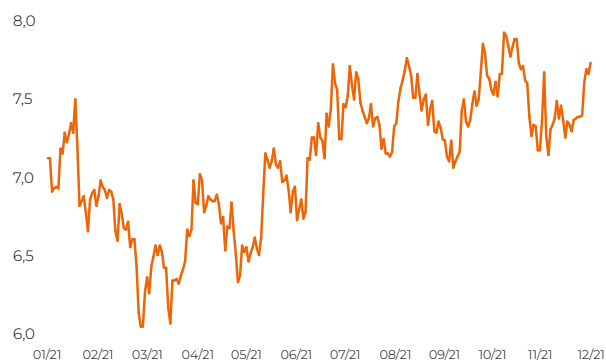
ANALYST COVERAGE

Firm	Analyst
Portzamparc	Augustin Socié
Bryan Garnier	Thomas Coudry
CIC Market Solutions	Alexandre Plaud
Gilbert Dupont	Antoine Laurent
IDMidCaps	Jean-Antoine Grau
Midcap Partners	Gilbert Ferrand
Oddo BHF	Hana Maalej

Price chart

From January 1 to December 31, 2021

2021 high: €7.93
 2021 low: €6.08





FULL-YEAR 2021



Public limited company with capital of €12,977,026.50
Headquarters: 3, rue Blaise Pascal – 22300 Lannion
444 829 592 RCS Saint-Brieuc

Universal registration document (URD)



The French language version of this Universal Registration Document was filed on April 8, 2022 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 document is available free of charge at the Company's headquarters, and an electronic version 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.

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NOTES

In this document, the terms:

- “Company” and “Ekinops” designate the company 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, 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;
- the consolidated financial statements for the year ended December 31, 2019 and the related Statutory Auditor report presented respectively in sections 4.1 and 4.2 of the 2019 Universal Registration Document filed with the French Financial Markets Authority, AMF, on April 3, 2020 under registration number D. 20-0255;
- the items of the management report relative to the 2019 financial statements included in the 2019 Universal Registration Document filed with the AMF on April 3, 2020 under registration number D. 20-0255.

1

● PRESENTATION OF THE COMPANY AND BUSINESSES

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1.1_Selected financial information

1.1.1_Highlights of the year 2021

Buoyed by strong business activity throughout 2021, for the first time in its history, Ekinops topped the €100m threshold to generate an annual consolidated revenue of €103.6m, an increase of 12%. The positive trend was fueled by growth in all the Group's businesses (transport, access and software), and notably by powerful sales momentum in optical transport solutions across all geographical regions.

Thanks to the success of the Software Defined Networks (SDN) and virtualization offering, and the contribution of two months of business from SixSq, the share of software and services continued to grow, accounting for over 14% of Group revenue in 2021 (compared with 10% in 2020). Full-year revenue generated by software and services rose by over 60%, consistent with Ekinops' targets.

In November 2021, Ekinops acquired the start-up SixSq, an SaaS (software-as-a-service) software publisher specializing in edge computing. Based in Geneva, Switzerland, SixSq has an ultra-innovative solution that allows companies to draw added value from edge computing. Complementary to cloud computing, the SixSq solution enables smart processing of data directly on the company's site.

Ekinops fully delivered its double-digit revenue growth target in 2021 despite persistent supply problems for 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.

√ Covid-19

Ekinops therefore maintained its growth path in 2021 despite the impact of the Covid-19 pandemic. During this time period, and in line with government measures in the countries where the Group has a physical presence, Ekinops implemented the necessary protocols to ensure the safety of its employees, stem the spread of the virus and limit its impact on business. The Group did not resort to short-time working measures over the past year. Of note, the Group benefited from a €0.5m subsidy in the first half of the year as part of the support measures implemented by the US government.

√ Commercial aspects

2021 was dynamic in terms of international growth, up 18% over the full year, with particularly robust levels in North America and the EMEA region (Europe (excluding France), Middle East and Africa). International business accounted for 67% of total revenue in 2021 (vs. 63% over 2020).

Business volumes totaled €19.1m in North America, for growth of 21% year on year (+25% in US dollars, or \$22.5m). This performance was driven by a strong increase in optical transport equipment sales and by access solutions, which confirmed their take-off in North America in 2021. North America accounted for 18% of Ekinops' total business activity in 2021 (vs. 17% in 2020).

The EMEA region posted revenue up 28% to €44.6m. This was driven by very strong growth in optical transport solutions and a solid performance in access. Ekinops' derived 43% of its total business activity from EMEA in 2021 (vs. 37% in 2020). Momentum was especially strong in Germany, where Ekinops has made substantial sales investments over recent half-year periods. Reflecting this success, the Group's no. 2 customer in 2021 was a German operator, which rolled out Ekinops' optical transport solutions for its fiber infrastructure across the country.

Asia-Pacific continued to suffer harshly from the consequences of the pandemic, with revenue down 28% for full-year 2021. However, the region has bottomed out, with H2 2021 revenue outstripping the H1 level by over 50%. The Asia-Pacific region accounted for 6% of Ekinops' total business activity in 2021 (vs. 9% in 2020).

Business in France was virtually stable (-0.3%) with revenue at €33.8m after the strong performance seen in 2020 (+9%). France accounted for 33% of Group business in 2021 (vs. 37% in 2020).

✓ Operational aspects

In its access activities, Ekinops launched a new hardware platform based on ARM chips, with the introduction of a 5G router and a pipeline of new products based on this platform, for both the mid-range market (new, very competitive 10Gbps equipment) and the Ethernet access devices market, with the future launch of the 1647 (1Gbps product based on the same operating system as the voice and data products). Ekinops also introduced new products optimized to support analogue line migration projects as well as projects to migrate its customers to OneOS6.

In the Compose activities, Ekinops won new customers for both its access virtualization and SD-WAN solutions during 2021. Ekinops stepped up its software development in these two areas and assisted several customers in their preparations for commercial launch.

In its transport activities, Ekinops continued to integrate the OTN technology it acquired in 2019 by merging the WDM and OTN network managers into the Célestis application. Ekinops also launched its second generation of OTN products, called ETSc ("c" stands

for compact), with a first chassis and a 400Gbps line card. Ekinops either redesigned several existing WDM cards or replaced certain other components in order to manage the component shortage and continue to make deliveries to its customers in record time. Ekinops also launched several new WDM products, namely the 20 degrees ROADM, the new 32GFC transponder, and the design for a new 400G transponder, while continuing to add new features to its Célestis network manager.

✓ Financial aspects

Ekinops' business held up well overall despite the health pandemic, and gross margin was in line with the Group's targets.

Control of the cost structure throughout the year helped maintain resilient profitability (EBITDA margin) over the full-year 2021.

As part of the "France Recovery" plan put in place by the French Government, the Group was awarded €3.6m in funding in the form of a government grant, to be received over the next three years to support the development of its NGOpt project. This project is intended to 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.

1.1.2_Progress and challenges

Although the global economy was hit hard by the Covid-19 crisis and the electronic components shortage, Ekinops enjoyed a number of commercial successes in 2021: the first sales of its FlexRate 600G solution, the acquisition of new greenfield customers with deployments phased over the next few years, and the agreement signed with a major player for the distribution of its OTN solution. Ekinops also notched up some important commercial successes in the mid-range routers segment, won significant contracts for its virtualization solution, and signed a major new contract for its SD-WAN solution. Ekinops has a broad and fast-evolving product range and continues to offer innovative and highly competitive technical solutions.

Ekinops managed the component crisis particularly well by broadly anticipating its needs, demonstrating great agility and adjusting its production capacity. It was therefore able to ensure customer deliveries throughout the year and support the business's growth in a particularly hostile environment.

Ekinops brought some of its R&D teams back on-site in 2021, while maintaining a high degree of remote work flexibility. Led by its CTO and VP R&D, Ekinops moved forward with several transformation initiatives: the agile method, DevSecOps, security by design and test automation. These projects improved R&D efficiency, the reliability of the roadmaps, the resiliency to cybersecurity threats and the quality of the products delivered.

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 carrier 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).

The Group owed its first successes to these two solutions which were marketed under the Ekinops360 brand. Its combination of performance, flexibility and scalability, all at a competitive price, proved attractive to operators and institutions alike.

After acquiring OneAccess in Q4 2017, the Group integrated its activities in 2018. Ekinops' offering was thus broadened to include routers and software marketed to telecoms operators. These integrated products (software and hardware) allow operators

to offer managed communication services using equipment installed at their enterprise customers' sites. The OneAccess brand products located on the companies' premises connect the operator's telecom network to the company's internal network.

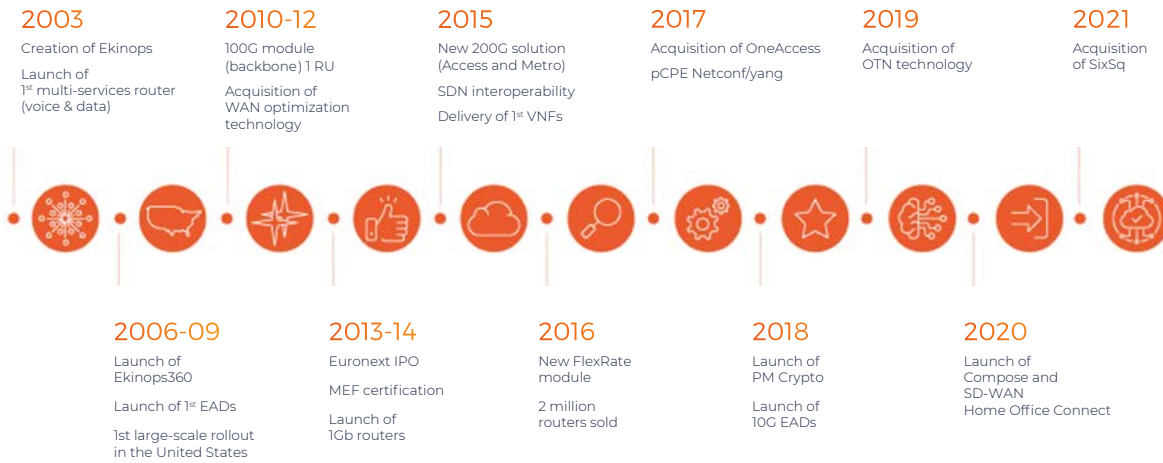
In 2019, the Group added OTN technology to its portfolio of optical transport products. Ekinops acquired Padtec's OTN technology, along with its R&D team of 25 engineers based in Campinas, near São Paulo in Brazil.

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.

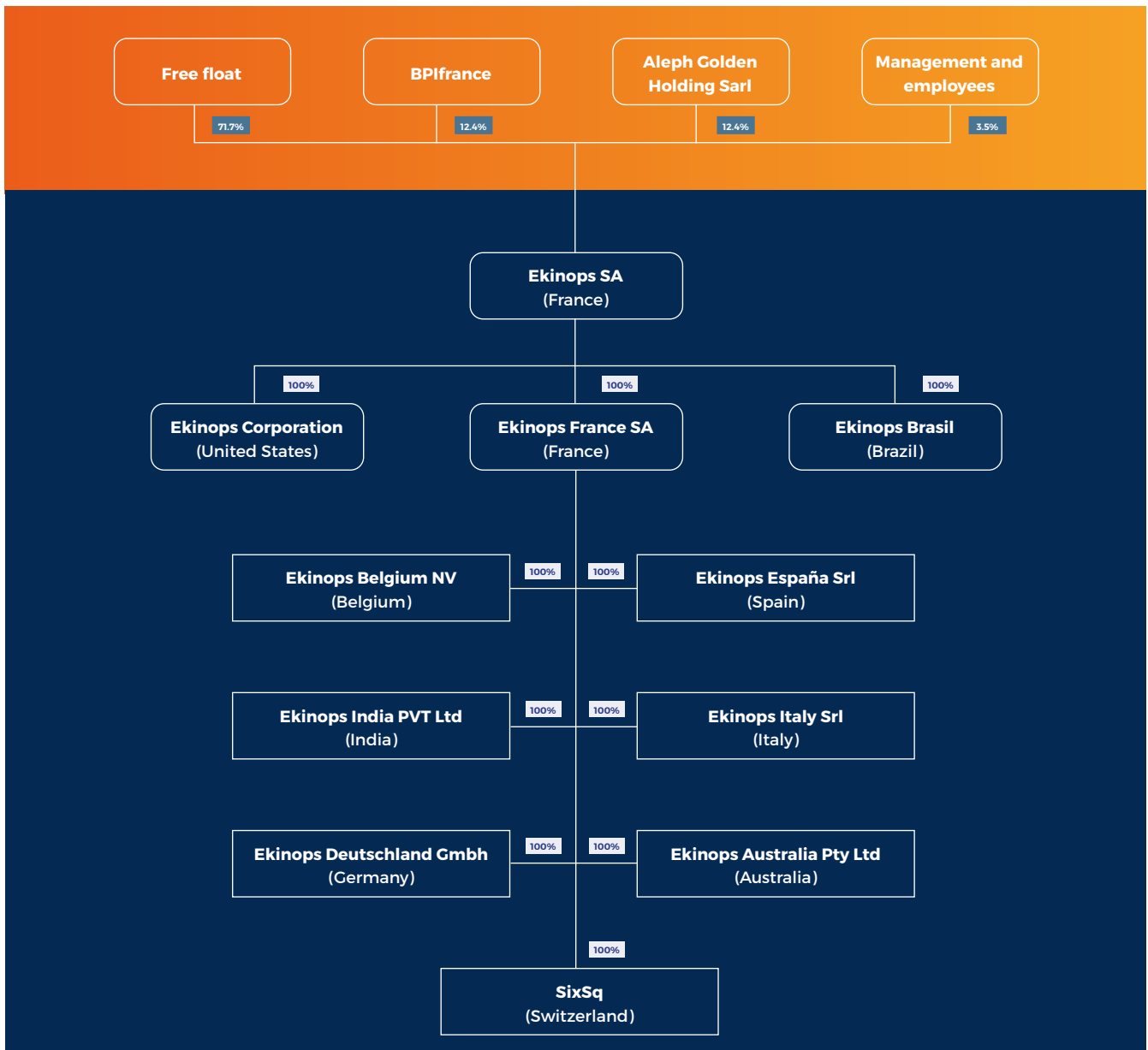
In 2020, Ekinops also pursued technology partnerships in order to build ties with operators (membership in the Open-ROADM consortium, for example) and strengthen the ecosystem of solutions around the Group (the Lanner partnership and LiveAction, for example). These technological and commercial partnerships contribute to the Group's operational efficiency and help expand its global reach.

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 November 2021, Ekinops acquired the SixSq start-up, a software-as-a-service (SaaS) provider for edge computing, which provides an ultra-innovative solution that complements cloud computing with data processed directly on the company's site.



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

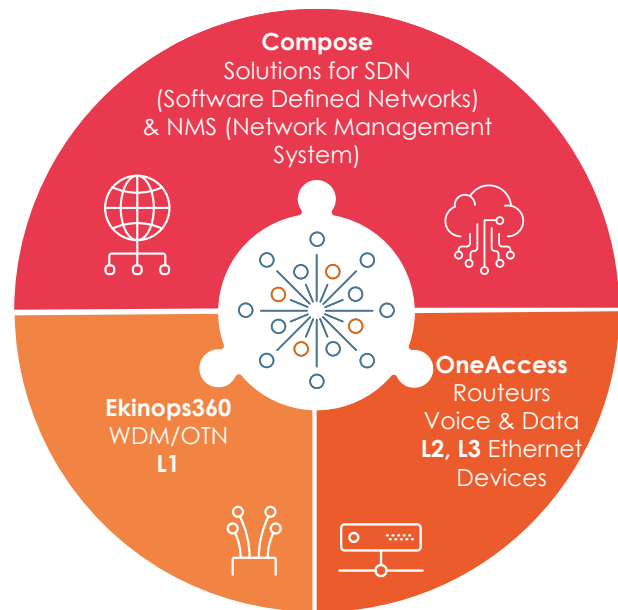
The Ekinops group does not own any property. Its main fixed assets are laboratory equipment, as well as the industrial equipment at its Ekinops Belgium subsidiary.

1.3_Description of businesses

1.3.1_General overview of the Company's businesses

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, to offer a wide range of physical and virtualized deployment options for layers 2 and 3 (access and routers);
- Compose, to make networks software-defined with a variety of management tools and services, including the scalable SD-WAN Xpress solution.



ONEACCESS
Fast Network Virtualization

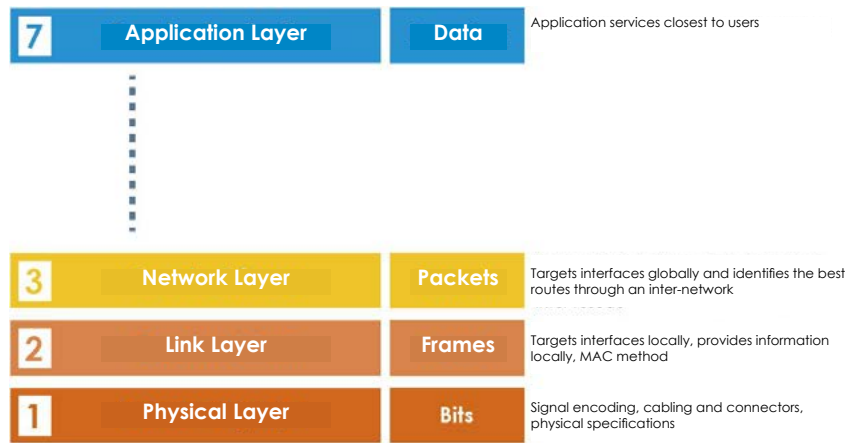
EKINOPS360
Dynamic Optical Transport

COMPOSE

1.3.2_Positioning within telecommunications networks

Ekinops operates at both the "physical layer," known as level 1, through the optical transport platforms, and at the "data link" and "network" layers (layers 2 and 3) with its routing solutions. The routers, which are installed on internal networks, offer managed telecommunications services.

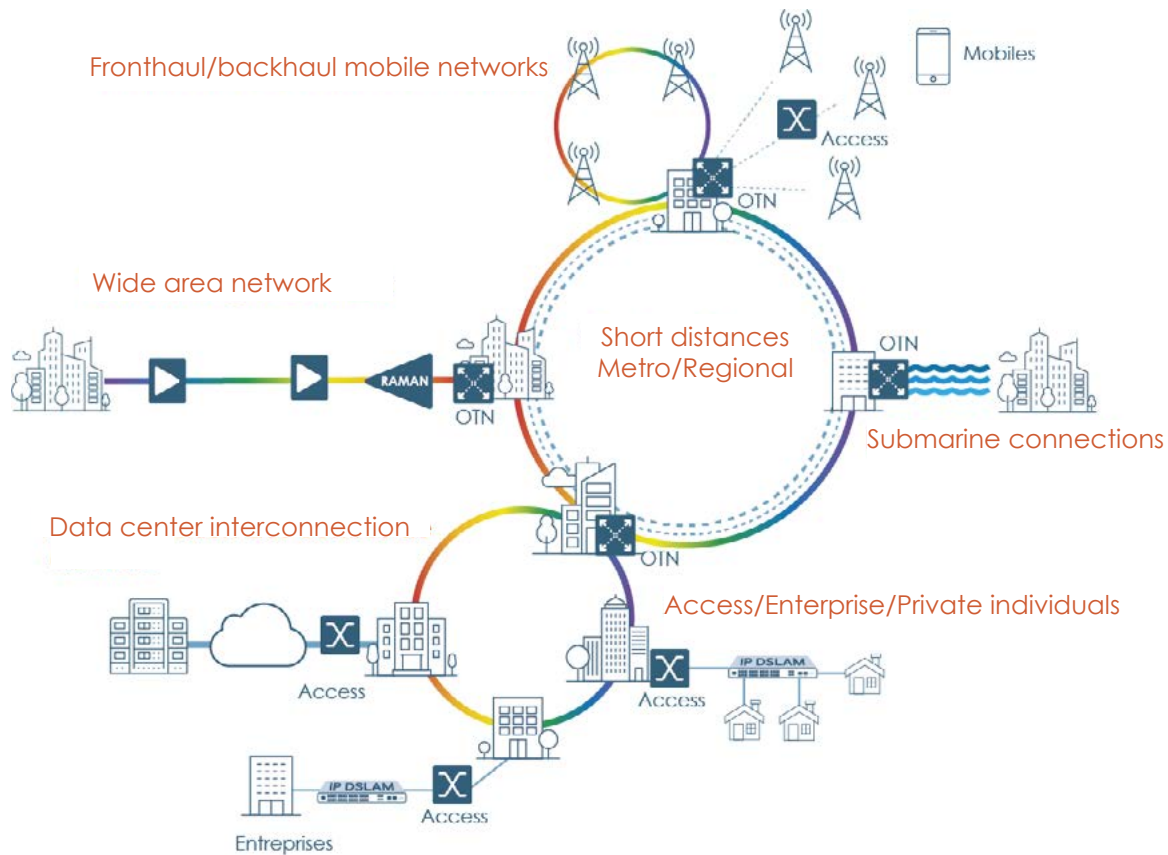




The level 1 physical layer is itself segmented into geographic/distance criteria and allows for high-capacity transport of data:

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



In combination, Ekinops' technical solutions provide a wide range of physical and virtualized deployment options for data transmission and enterprise services.

1.3.3_The market

The telecommunications market is supported by ever-increasing demand from businesses and consumers. Most companies have a “digital transformation” plan. They adopt communications technologies for two key reasons:

1. To modernize intra-company communications while controlling/reducing costs. 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 to optimize costs; and the continued development of flexible ways of working (such as the remote work trend accelerated by the pandemic).
2. To develop new income streams by boosting productivity. This could mean selling in regions where they previously had no presence, modernizing a plant with Internet of Things (IoT) software features, and automating their processes.

These examples all have one thing in common: high expectations that networks will be faster, more efficient and more virtualized.

The Group operates on a global market shaped by these expectations and characterized by:

- a high degree of heterogeneity;
- very strong growth to support the development of a services offering that generates exponential data management needs (speed, performance, security);
- fierce competition between a wide variety of players;
- underlying trends that are among the key challenges facing equipment manufacturers:
 - Virtualization
 - SD-WAN
 - 5G

Heterogeneity

Existing telecommunications networks are extremely heterogeneous in terms of infrastructure and services, as much of the existing equipment has been deployed over many years and was designed with different protocols (e.g., Ethernet, SONET/SDH, etc.) and different speeds. As a result, a wide variety of data formats coexist on the networks.

Equipment manufacturers must therefore find a way to aggregate these protocols to transport data quickly and seamlessly and make the platforms as flexible as possible so they can easily adapt.

Interoperability is a major challenge for operators for both optical transport and access services. It is absolutely necessary in the optical layer in order to benefit from automation and integrate legacy equipment into operators’ software-defined networks (SDN).

The same is true at the services level, as operators have to coordinate the different phases of migration (from analogue and ISDN to IP or, more recently, to virtualization).

Ekinops is firmly committed to openness and interoperability, as it demonstrated when it joined the Open-ROADM consortium in 2019.

Ekinops is also building an ecosystem of technology partners so it can supplement or adjust its offering to meet operators’ specific requirements.

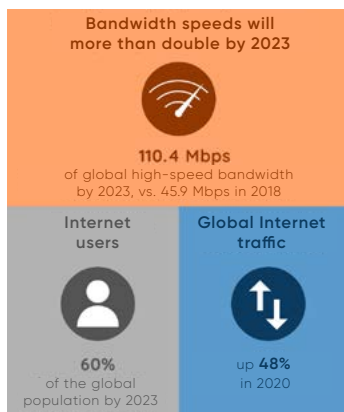
The Group works with:

- Dell EMC OEM Solutions (Dell Technologies group) and Lanner
 - The partnership aims to provide advanced virtualization solutions for the SD-WAN transformation.
- Intel
 - Ekinops has been recognized as a Gold Partner/ Solution Plus Partner in the Intel Winners’ Circle ecosystem program. Intel Networks Builder (INB) accelerates network transformation by developing and deploying tried-and-tested software-defined networks and network function virtualization solutions.
- Microsoft 365
 - The enterprise SBC (Session Border Controller) solution, included in the OneOS6 middleware, is certified for Microsoft Direct Routing. This means companies can benefit from all the services offered by the Microsoft Teams platform.

Growth: race for capacity driving the markets

The pandemic created soaring demand for bandwidth worldwide, with successive shifts to online working, online education and online entertainment. Internet traffic, for example, increased by 30% in France during the lockdown⁽¹⁾. This trend was already well underway with the proliferation of triple-play (video, voice, data), video-on-demand and cloud computing services, as well as mobile services.

Global Internet traffic growth rates more or less returned to normal in 2021, at 29% (after exceptional growth of 35% in 2020)⁽²⁾. This growth phenomenon is expected to continue in coming years, driven by the deployment of 5G, the impetus toward Internet of Things (IoT) applications, innovative changes in the mobility sector (including autonomous vehicles), artificial intelligence and the emergence of virtual and augmented reality technologies.

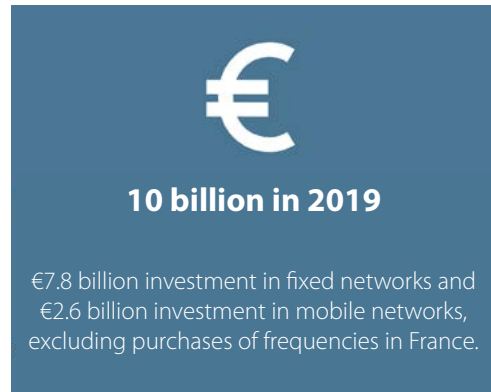


The correlation between the performance (speed) and flexibility of the networks and increased uses remains a key factor. Speed is indeed a critical catalyst for IP traffic, and the average global broadband speed should continue to grow to more than double from 45.9 Mbps in 2018 to 110.4 Mbps in 2023⁽³⁾.

To meet this growing demand for both capacity and speed, operators need to increase their networks' throughput, which they can do by investing in the proposed technological developments.

To limit the financial impact of these investments, equipment manufacturers like Ekinops should help operators⁽⁴⁾ create more efficient infrastructure and enable new levels of connectivity, as promised by NFV and SDN (virtualization).

At the same time, pressure on companies to reduce their telecoms infrastructure and service management costs is a source of potential growth for operators, driving them to develop competitive service offerings. This pressure is also prompting companies to consider business solutions such as those included in the SixSq offerings (edge computing).



Security has also become a key parameter for enterprise services. The sharp pandemic-related increase in the number of teleworkers clearly brought certain flaws and failures to light.

Ekinops should continue to benefit fully from these market trends through its range of equipment meeting future needs. The Group estimated its addressable market in 2021 at more than €7.5bn, a 50% increase from 2017 and providing it significant growth prospects.

(1) Report by US network specialist Netscout - August 2020.

(2) Source Telegeography - September 2021.

(3) Cisco Annual Internet Report (2018-2023) White Paper.

(4) 12/2020 report - Fédération française des télécoms.

Fierce competition

On the global market, competition is both international and very diverse in terms of size for optical transport and network access.

Market players can be divided into two main categories:

- major groups: Cisco (United States), Nokia (Finland), Huawei (China), Infinera (United States), Fujitsu (Japan), Ericsson (Sweden), Juniper (United States), NEC (Japan), Ciena (United States), and ZTE (China), which mainly target tier 1 operators;
- smaller entities: Fiberhome (China), Adva Optical Networking (now part of Adtran), Packet Light (Israel), Teldat (Spain), and AudioCodes (Israel/United States), which target operators of any size.

Huge political stakes influence the competitive landscape for telecoms equipment manufacturers given the critical security-related nature of both the media chosen (infrastructure) and the potential vulnerabilities of data systems (transmission).

Virtualization, cloud and disaggregation

Networks in the optical transport sector are generally proprietary and closed, which is an obstacle for operators in search of agility. The transition to cloud services and the rapid growth in bandwidth available to subscribers via the 5G and fiber access networks will require significant capacity and flexibility from the optical networks that connect datacenters, edge computing, access networks and base stations. Faster deployment of the network and “on-demand” bandwidth will also be core requirements, as will lower operating costs and a competitive supply chain.

The trend is therefore moving toward open systems that separate software from platforms (disaggregation). New technologies offering greater programmability, higher speeds of up to 600G and more flexible products are key.

Ekinops is already positioned for the first phase of network opening as it can work on deployments with multi-vendor modules (the “alien wavelength” principle). The Group has launched FlexRate modules to provide 600G.

SD-WAN (Software-Defined WAN)

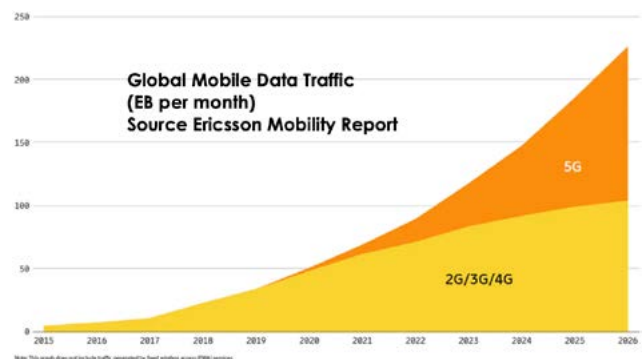
This is a fast-growing market showing a compound annual growth rate (CAGR) of 30%, rising from €475m in 2017 to €1.5bn in 2021. The market is expected to reach \$4.9bn by 2024⁽¹⁾.

Created for cloud computing, SD-WAN (software-defined wide area network) is a new way of designing enterprise network management to ensure continuous optimization. This technology employs a software environment to continuously manage the way all the links (ADSL, VDSL, optical fiber, 4G) are operated for each of the company’s network activities and for all of its sites at the application level.

The current SD-WAN offerings target companies that wish to break their dependence on operators and optimize their costs. Operators are preparing or have prepared for SD-WAN, in particular to address the large-business market, which is more likely to see the economic benefits of SD-WAN, more specifically in the context of multinational deployment.

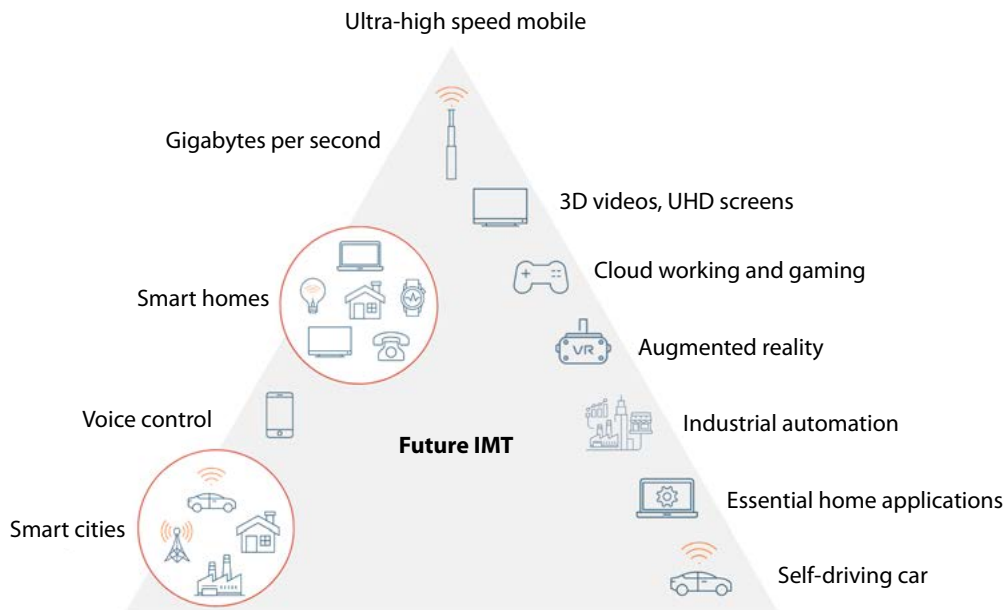
SD-WAN presents a tremendous opportunity and a limited threat for the Group. While SD-WAN does encroach on a segment of the routers market, it creates the need for universal CPEs (uCPEs) where Ekinops has a competitive offering and is positioned to accelerate the introduction of multi-vendor SD-WAN offerings. Ekinops has launched its own SD-WAN offering (SD-WAN Xpress) targeting operators and midsize companies, a volume segment where operators have been unable to find satisfactory offerings. The SD-WAN Xpress solution utilizes OneOS6 and is the first on the market natively developed from proven routing *middleware*. *It 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.*

How will 5G affect Ekinops?



(1) Source: Omdia.

Ekinops' two Transport and Access product portfolios position it well to meet the needs created by the 5G revolution. Deployments accelerated during the year, as shown in the previous chart. We have also identified additional use cases and types of services where 5G could be adopted, including for enterprise services, a key market for Ekinops' Access range.



Three categories of services supported by 5G – Source: ITU-T IMT-2000

The exponential increase in the number of towers needed to cover the territory will have a significant impact on the Group's transport infrastructure activity. The addition of layer 3 (routing) at the bottom of the 5G towers and the replacement of the routers currently installed at companies are additional factors in the improved market outlook for the network access activities.

1.3.4_Ekinops' offering

The Group's offering is built around three product families: optical transport, network access and 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.

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

1.3.4.1_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 chassis 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.

1.3.4.2_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.

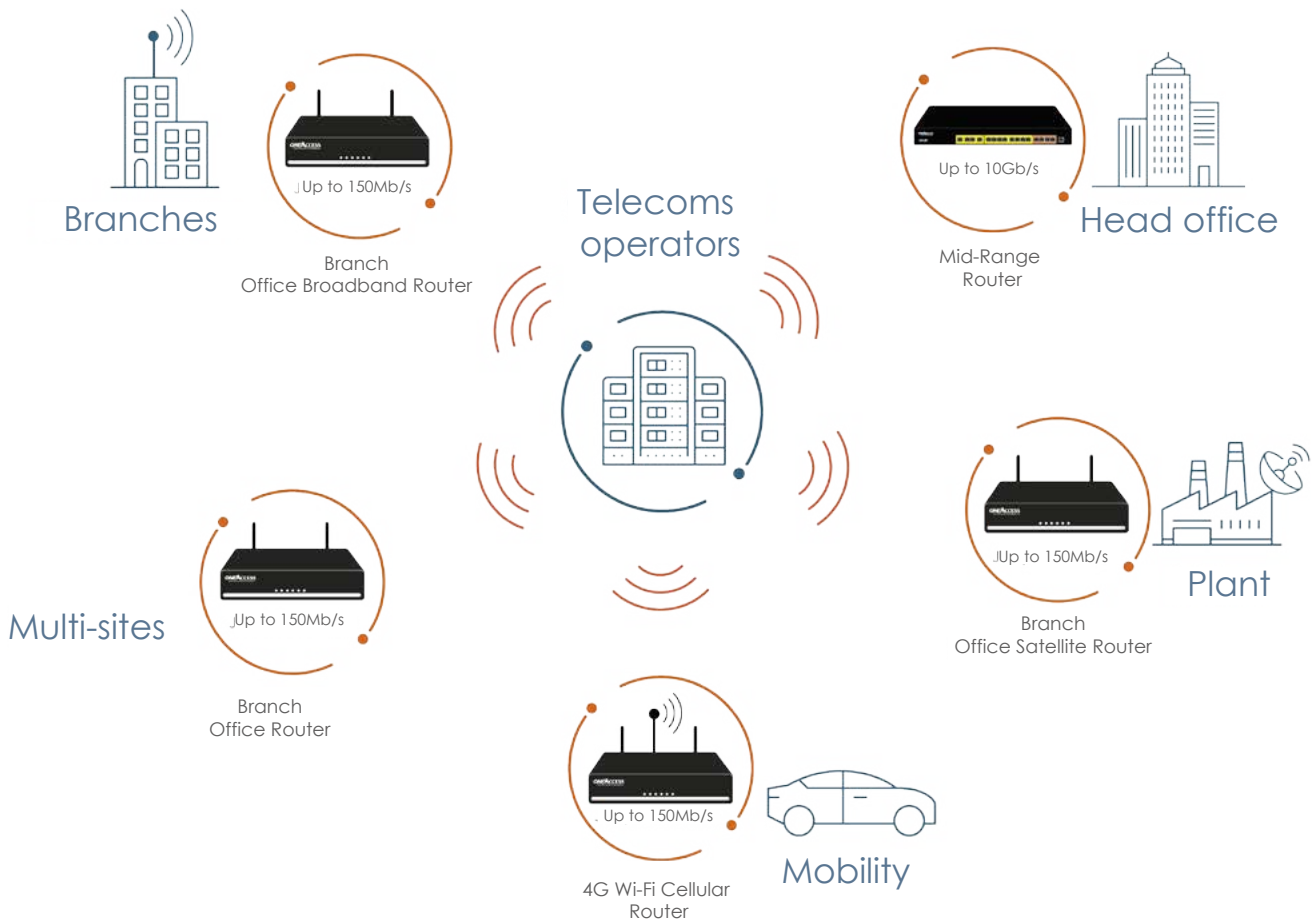
These products allow operators to offer managed communication services using equipment installed at their enterprise customers.

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, 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). This technology is also used to optimize bandwidth management and offer enhanced data protection mechanisms.

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.

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.



1.3.4.3_ 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). Compose also provides access to an Ekinops-certified ecosystem of about 30 of the most widely used VNFs on the market.

The brand was launched in 2020 and 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 suite.

√ OneOS6

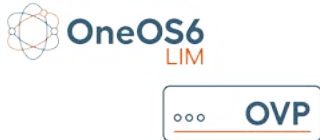
OneOS6 is the cornerstone of Compose. It is a modular software solution providing a full range of services that are compatible with all physical platforms (Ekinops or white boxes) and can be activated on demand. Fully open, OneOS6 transforms any of Ekinops' own or third-party equipment into a multi-service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



✓ Virtualization

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 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.



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 multi-vendor compatible 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 3 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.

✓ Edge computing

The newly added SixSq offering consists of the "Nuvla.io" marketplace, which hosts all types of business applications in container format in the cloud, and the NuvlaBox 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). The ultimate goal is to integrate the NuvlaBox software directly into the OneOS6 middleware. As such, all OneOS6 routers can carry business applications downloaded from the Nuvla.io marketplace, in particular for the Internet of Things (IoT), Industry 4.0, smart retail, etc.



1.3.6_Salesstructurefocusedondirectandmulti-rangedistribution

The Group has adopted a sales approach that fosters close relationships with operators and generates higher margins for its two product ranges. Since the end of 2017, the sales teams have been responsible for selling both product ranges.

To that end, the sales force covers the Group’s two strategic regions as follows:

- EMEA & APAC: Frank Dedobbeleer (Senior VP Sales EMEA & APAC);

- United States: Kevin Antill (VP Sales Americas).

The Group has indirect sales representation in about 10 countries through its distribution partners. Ekinops has also entered into two partnerships with original equipment manufacturers (OEMs), which resell Ekinops products under their own brand.

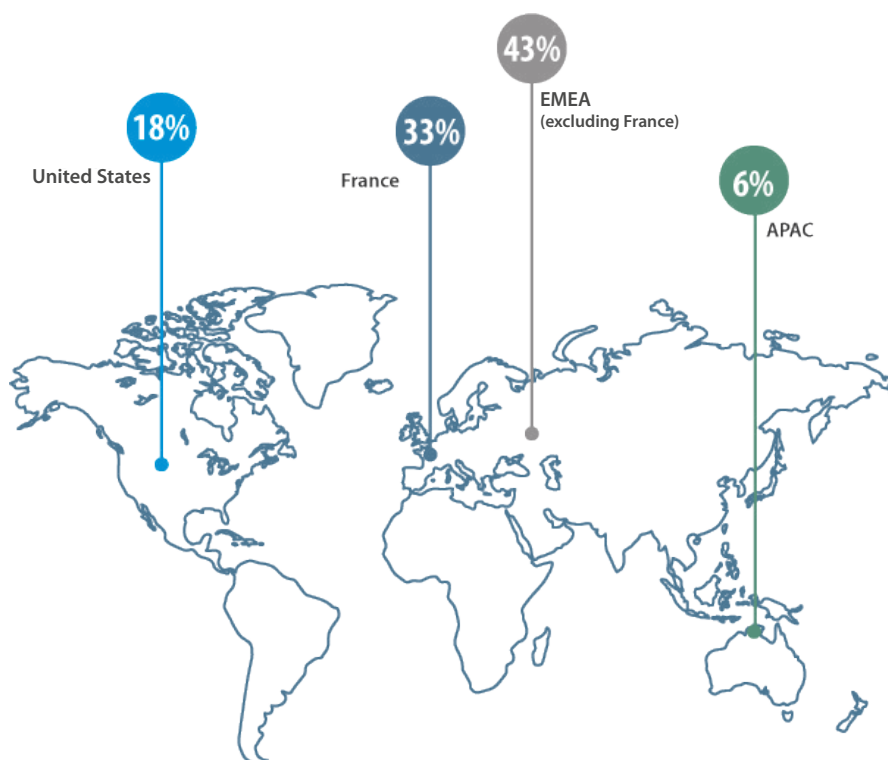
1.3.7_An installed base of internationally recognized customers

Ekinops’ sales strategy is based on its commitment to meeting the specific needs of customers by offering the most cost-effective equipment, ease of use and

exceptionally high reliability.

The Group has built a solid base of customers in Europe, Africa, Asia-Pacific (APAC) and the United States.

Geographic breakdown of global sales (at end-2021)



1.3.8_The choice of diversified production

Ekinops operates under a fabless model for its optical transport portfolio and some of its OneAccess brand products.

Based on technical documents provided by Ekinops, production is subcontracted to three partners (EMS: electronics manufacturing services):

- Asteelflash, an Ekinops partner since 2016, is the no. 20 EMS worldwide and the second-largest EMS in Europe with five production facilities in France;
- Novatech, an Ekinops partner since its founding in 2003, is a leading EMS in France. It has three production facilities in: Pont-de-Buis (Finistère), Lannion and Ploumilliau (Côtes-d'Armor). It is the subcontractor, from design to end-client delivery, for companies in a number of different sectors: aviation, industrial electronics, telecoms and medical;
- Videoton Automotive Electronics Ltd. (VTAE) end-2011, 120,000 routers per year located in Hungary, is part of Videoton, Hungary's largest industrial group (the parent company is rated AAA by Bisnode). Founded 25 years ago, 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.

With the OneAccess acquisition, the Group gained its own production plant through its Ekinops Belgium subsidiary. This is where new products are introduced and processes are validated. It also handles small production runs.

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. On December 31, 2021, the R&D department had 249 employees throughout France, Belgium, Brazil and India.

As such, the Group receives financing through the research tax credit mechanism in France. For fiscal year 2021, this tax credit was €2.9m.

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.

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 filed by the Company

The Company owns:

- the Ekinops trademark filed with the INPI (French patent office) on February 28, 2013;
- the OneAccess trademark 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, 2021

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

Investments	2021	2020
Consolidated data, IFRS (€k)	12 months audited	12 months audited
Intangible assets	3,101	2,583
Tangible assets	1,861	1,808
Total	4,962	4,391

Investments in intangible assets of €3,101k related mainly to business development costs.

Investments in tangible assets of €1,861k mainly concerned technical and research equipment.

1.3.10.2_ Main investments in process

The investments made since December 31, 2021 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 now a major player in optical transport, Ethernet services, and voice and data routing solutions, as well as in software solutions for telecom networks.

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, 2021 (as included in Chapter 4 of this document), December 31, 2020 and December 31, 2019 (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

1.4.3.2.1_Revenue and other income from the business

Buoyed by strong business activity throughout 2021, for the first time in its history, Ekinops topped the €100m threshold to generate an annual consolidated revenue of €103.6m, an increase of 12%. The positive trend was fueled by growth in all the Group's businesses (transport, access and software), and notably by powerful sales momentum in optical transport solutions across all geographical regions.

With the success of the Software Defined Networks (SDN) and virtualization offering, and the contribution of two

months of business from SixSq, the share of software and services continued to grow, accounting for over 14% of the Group's revenue in 2021 (compared with 10% in 2020). Full-year revenue generated by software and services rose by over 60%, consistent with Ekinops' targets.

In November 2021, Ekinops acquired the start-up SixSq, an SaaS (software-as-a-service) software publisher specialized in edge computing. Based in Geneva in Switzerland, SixSq has an ultra-innovative solution that allows companies to draw added value from edge computing. Complementary to cloud computing, the SixSq solution enables smart processing of data directly on the company's site.

Ekinops fully delivered its double-digit revenue growth target in 2021 despite persistent supply problems for 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.

Covid-19

Ekinops therefore maintained its growth path during 2021 despite the impact of the Covid-19 pandemic. Over that time, and in line with government measures in the countries where the Group has a physical presence, Ekinops implemented the necessary protocols to ensure the safety of its employees, stem the spread of the virus and limit its impact on business. The Group did not resort to short-time working measures over the past year. It should be noted that the Group benefited from a €0.5m subsidy in the first half of the year as part of the support measures implemented by the US government.

(€k)	12/31/2021	12/31/2020
Sales of produced goods	92,049	85,768
Sales of produced services	11,518	7,031
Total	103,567	92,800

(€k)	12/31/2021	12/31/2020
North and South America	19,069	15,739
Europe, Middle East and Africa	84,498	77,061
Total	103,567	92,800

1.4.3.2.2_Operating profit (loss)

Cost of sales

Gross margin was up 10.5% to €56.5m. This represented 54.5% of revenue, at the high end of the Group's long-term target range of 50-55%.

(€k)	12/31/2021	12/31/2020
Cost of sales	47,103	41,681
Gross margin	56,464	51,119
<i>Gross margin as % of revenue</i>	<i>54.5%</i>	<i>55.1%</i>

Research and development expenditure

(€k)	12/31/2021	12/31/2020
Payroll expenses	21,475	20,986
Allowances for amortization/depreciation and provisions	10,106	8,929
Operational subcontracting and outside personnel	2,146	1,541
Rental and lease expenses	88	168
Supplies, equipment, maintenance	2,200	1,874
Professional fees and consulting	943	818
Tax credit	(2,943)	(3,638)
Subsidies	(1,600)	(950)
Capitalization of development costs	(2,923)	(2,569)
Allocation of manufacturing costs to cost of sales	(5,397)	(5,246)
Travel expenses	131	111
Other	79	63
Total	24,305	22,086

In its access activities, Ekinops launched a new hardware platform based on ARM chips, with the introduction of a 5G router and a pipeline of new products based on this platform, for both the mid-range market (new, very competitive 10Gbps equipment) and the Ethernet access devices market, with the future launch of the 1647 (1Gbps product based on the same operating system as the voice and data products). Ekinops also introduced new products optimized to support analogue line migration projects as well as projects to migrate its customers to OneOS6.

In the Compose activities, Ekinops won new customers for both its access virtualization and SD-WAN solutions during 2021. Ekinops stepped up its software development in these two areas and assisted several customers in their preparations for commercial launch.

Sales and marketing costs

(€k)	12/31/2021	12/31/2020
Payroll expenses	14,841	13,427
Outside personnel	760	945
Business travel and trips	426	418
Professional fees and consulting	556	750
Rental and lease expenses	102	83
Supplies, equipment, maintenance	289	360
Fairs, promotions, and advertising	92	237
Allowances for amortization/depreciation and provisions	1,260	1,502
Other	207	283
Total	18,532	18,005

In terms of international growth, 2021 was a dynamic year for Ekinops. The company ended the full-year up 18%, with particularly robust levels in North America and the EMEA region (Europe (excluding France), Middle East and Africa). International business accounted for 67% of total revenue in 2021 (vs. 63% over 2020).

Business volumes totaled €19.1m in North America, with growth being 21% year on year (+25% in US dollars, or \$22.5m). The performance was driven by a continual strong increase in optical transport equipment sales and by access solutions, which confirmed their take-off in North America in 2021. North America accounted for 18% of Ekinops' total business activity in 2021 (vs. 17% in 2020).

The EMEA region posted revenue up 28% totaling €44.6m. This was driven by very strong growth in optical transport solutions and a solid performance in access. Ekinops' derived 43% of its total business activity from EMEA in 2021 (vs. 37% in 2020). Momentum was especially strong in Germany, where Ekinops has made substantial sales investments over recent half-

In its transport activities, Ekinops continued to integrate the OTN technology it acquired in 2019 by merging the WDM and OTN network managers into the Célestis application. Ekinops also launched its second generation of OTN products, called ETSc ("c" stands for compact), with a first chassis and a 400Gbps line card. Ekinops either redesigned several existing WDM cards or replaced certain other components in order to manage the component shortage and continue to make deliveries to its customers in record time. Ekinops also launched several new WDM products, namely the 20 degrees ROADM, the new 32GFC transponder, and the design for a new 400G transponder, while continuing to add new features to its Célestis network manager.

year periods. Reflecting this success, the Group's no. 2 customer in 2021 was a German operator, who rolled out Ekinops' optical transport solutions for its fiber infrastructure across the country.

Asia-Pacific continued to suffer harshly from the consequences of the pandemic, with revenue down 28% for full-year 2021. However, the region has bottomed out, with H2 2021 revenue outstripping the H1 level by over 50%. The Asia-Pacific region accounted for 6% of Ekinops' total business activity in 2021 (vs. 9% in 2020).

Business in France was virtually stable (-0.3%) with revenue at €33.8m after the strong performance seen in 2020 (+9%). France accounted for 33% of the Group's business in 2021 (vs. 37% in 2020).

General and administrative expenses

(€k)	12/31/2021	12/31/2020
Payroll expenses–Excluding payments in shares	3,975	4,004
Payroll expenses–Payments in shares	2,849	872
Professional fees and consulting	1,151	1,260
Supplies, equipment, maintenance	675	641
Outside personnel	19	91
Insurance	258	162
Bank charges	136	129
Rental and lease expenses	56	27
Allowances for amortization/depreciation and provisions	980	412
Other	82	(75)
Total	10,182	7,523

Ekinops' business held up well overall despite the health situation in terms of gross margin, which remained in line with the Group's targets.

Control of the cost structure throughout the year helped maintain resilient profitability (EBITDA margin) over the full-year 2021.

As part of the "France Recovery" plan put in place by the French Government, the Group was awarded €3.6m in funding in the form of a government grant, to be received over the next three years to support the development of its NGOpt project. This project is intended to 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.

1.4.4 Projected trends, future outlook and significant events

The Group has strong ambitions for 2022 after such a dynamic 2021 performance. This performance led to Ekinops topping the €100m mark in revenue for the first time and reaching a record EBITDA margin, which allowed the company to scale up.

Bolstered by the growing success of its Optical Transport Network (OTN) solutions and strengthened by the launch of the new ETSc compact platform solution at the beginning of the year and its proven leadership in virtualization and SD-WAN technologies in access, Ekinops is aiming to deliver even stronger organic growth in 2022.

Operating profit (loss)

The Group's operating profit (EBIT) was €3,031k for 2021, compared to €3,319k in 2020.

1.4.3.2.3 Net income

After net financial expenses of €416k, other financial income of €613k, and tax income of €1,584k, consolidated net income stood at €4,812k.

Net income and net earnings per share

Consolidated net income was €4,812k for 2021 versus €3,173k in 2020.

Net earnings per share issued (weighted average number of shares outstanding) were €0.19 and €0.13 respectively per share for the fiscal years ending on December 31, 2021 and 2020.

After two years of uncertainty caused by the health crisis and with the market horizon starting to brighten, Ekinops now aims to step up its development and put itself in a position to achieve organic growth of 15% in the medium term.

With this in mind, investments and recruitments are to be intensified in 2022. This intensification will specifically apply to R&D to consolidate the OTN range and SD-WAN solutions. Attention and effort will also be given to bolstering software support functions and in increasing sales and marketing following two years of underinvestment (business trips, trade shows, etc.) during the pandemic.

1.4.5 Subsequent events

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

Because of this, as of now, there has been no significant impact on the Group's operations. The Group nevertheless remains cautious as to the potential impact of this major crisis on its own clients and any knock-on effects.

No event after the reporting period thus needs to be disclosed.

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, 2021, "Cash and cash equivalents held by the Group" totaled €45,392k versus €49,635k at December 31, 2020.

(€k)	12/31/2021	12/31/2020
Cash and cash equivalents	45,392	49,635
Bank overdraft facilities		
Total	45,392	49,635
Finance lease liabilities	-	-
Bank loans	(6,569)	(5,991)
BPI loans	(506)	(603)
Factoring loan	(4,525)	(7,764)
Other financial debt	(260)	(550)
Financial debt - current portion (A)	(11,860)	(14,908)
Finance lease liabilities	-	-
Bank loans	(16,614)	(22,202)
BPI loans	(157)	(662)
Other financial debt	-	(71)
Financial debt - non-current portion (B)	(16,771)	(22,935)
Financial debt (A) + (B)	(28,631)	(37,843)
Net cash position	16,761	11,792

1.4.6.1.1 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;
- an interest-free loan from Bpifrance;
- "traditional" bank loans;
- factoring solutions;
- finance leases; and
- other public financing such as subsidies, grants and aid.

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

Capital financing

In 2021, issues of bonus shares and the exercise of stock options increased capital by €0.8m.

Date	Type of transaction	Gross amount raised
Gross amount raised at 12/31/2018		€118,500,016
	Exercise of stock options	€111,642
06/11/2019	Cash issue	€7,247,192
07/16/2019	Exercise of share subscription warrants	€201,736
Gross amount raised at 12/31/2019		€126,060,585
2020	Exercise of stock options	€3,273,515
06/2020	Vesting of bonus shares (2018 bonus share issue)	€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

Research tax credit financing

The Group benefits from the research tax credit (CIR) and innovation tax credit (CII) tax mechanisms.

The amount of receivables was €2,943k for fiscal year 2021 versus €3,638k for fiscal year 2020.

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

Interest-free innovation loan financing

As of the end of 2021, the Group had received three interest-free innovation loans from Bpifrance. Their characteristics are summarized below. These loans are tied to specific development projects.

	Nominal amount	Loan date	Rate	Repayment terms	Guarantees given	Outstanding balance at 12/31/2021
Bpifrance innovation loan 1	€750k	12/2013	0%	20 fixed quarterly payments of €37.5k starting on 12/31/2016	None	€38k
Bpifrance innovation loan 2	€740k	07/2014	0%	20 fixed quarterly payments of €37k starting on 09/31/2017	None	€148k
Bpifrance innovation loan 3	€1,600k	07/2016	0%	20 fixed quarterly payments of €80k starting on 03/30/2018	None	€480k

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 12/31/2021
EFFLAM project	323	3
SIFOM project	177	35
EMBRACE project	562	393
NGOPT project	3,626	2,719
5GENESIS project	268	40
UNICORE project	364	55
Total	5,319	3,245

Bank loans

Bank loans totaled €18.3m at December 31, 2021. The Group considered it prudent and helpful to take advantage of the “Covid” support measures for businesses, including government-backed loans. It has decided to extend the repayment of the government-backed loans over five years.

Factoring

The amount of debt with factoring institutions was €4.5m at December 31, 2021. This contract was used to finance trade receivables for a volume of €33.5m over the period.

1.4.6.2_FY 2021 Cash flow

Cash flows from operating activities

The Group’s operational activity generated positive cash flow of €12,500k in 2021 versus €7,235k in 2020.

(€k)	12/31/2021	12/31/2020
Net income	4,812	3,173
> elimination of depreciation, amortization and provisions	9,544	8,781
> elimination of IFRS 16 depreciation, amortization and provisions	1,694	1,633
> elimination of other items with no cash impact	(2,559)	(1,848)
> share-based payments expenses	2,149	872
Cash flow after cost of net financial debt and tax	15,640	12,611
> elimination of change in earnout fair value	-	-
> elimination of tax expense (income)	991	776
> elimination of cost of net financial debt	400	428
Cash flow before cost of net financial debt and tax	17,031	13,815
> impact of change in WCR	(3,988)	(5,599)
> taxes paid	(543)	(981)
Cash flows from operating activities	12,500	7,235

Cash flows from investing activities

Cash used in investing activities for the fiscal years ended December 31, 2021 and December 31, 2020 was €6,100k and €4,937k, respectively.

(€k)	12/31/2021	12/31/2020
Acquisition of tangible and intangible assets	(5,045)	(4,312)
Change in loans and advances granted	(65)	(15)
Disposal of assets	-	-
Acquisition of consolidated company securities	(991)	(609)
Cash flows from investing activities	(6,100)	(4,937)

Change in acquisitions of assets was significantly affected by the share of capitalized development costs. These totaled €2,923k and €2,569k in fiscal years 2021 and 2020, respectively.

(€k)	12/31/2021	12/31/2020
Research and development (expenditure)	24,305	22,086
Development costs (capitalized)	2,923	2,569
Total	27,228	24,655

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, 2021 generated negative net cash flow of €10,775k versus positive cash flow of €14,940k at December 31, 2020. Note that the funding stream in 2020 included €12m in government-backed loans.

(€k)	12/31/2021	12/31/2020
Capital increase	806	3,252
Trading in treasury shares	(95)	18
Issue of new loans	3,139	16,608
Loan repayments	(8,839)	(3,892)
Financial interest paid	(284)	(283)
Lease liability repayments	(1,787)	(1,645)
Financial interest related to lease liabilities	(116)	(145)
Change in debt arising from factoring	(3,239)	1,082
Change in other financial debt	(360)	(55)
Cash flows from financing activities	(10,775)	14,940

1.4.6.3_ Information about borrowing conditions and financing structure

See details in paragraph 1.4.6.11.4.6.1 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.

1.4.6.4_ Restrictions on the use of capital

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

1.4.6.5_ Sources of financing needed in the future

Based on its closing cash and cash equivalents, i.e., €45,392k, 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.

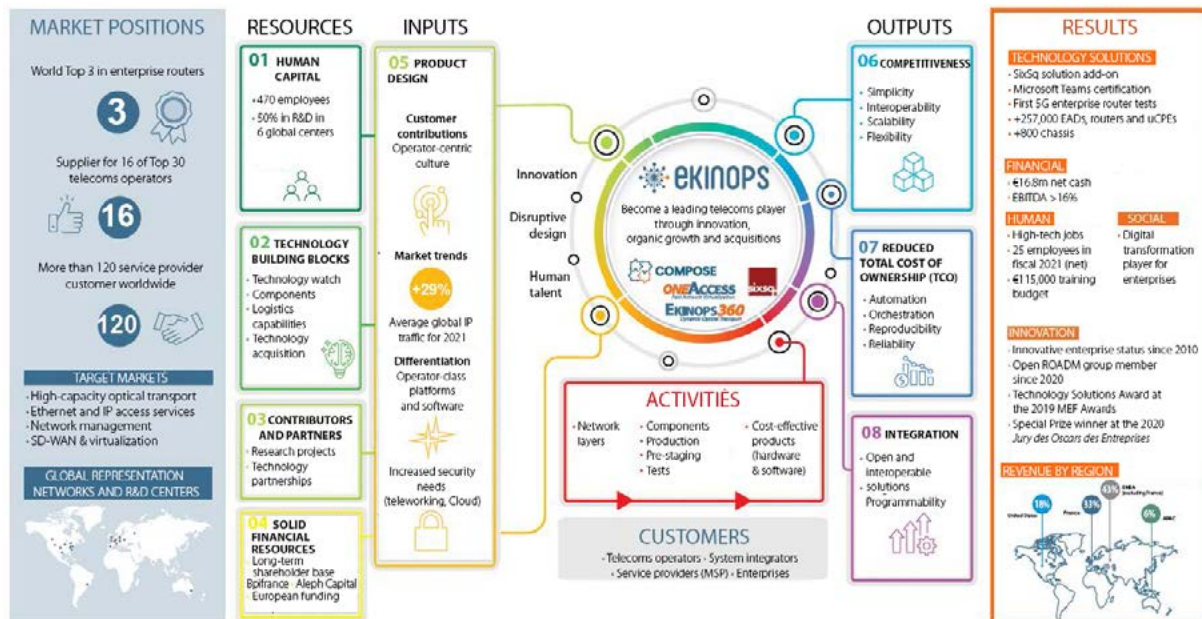
It does not plan to establish a dividend payment policy in the short term given the stage of the Group's development.

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' 2021 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
Currency risk	2	2
Environmental risk	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."

These risks are described below.

1.6.1_Risks related to the Covid-19 pandemic – decreasing

The risk related to the Covid-19 pandemic is not specific to the Group's business but, given its scale and duration, the Group believes it should be addressed first in the description of its risk factors.

For full-year 2021 and to date this risk has not had a very material impact on the Group's business. The nature of Group's business sector is such that it continues to see demand from its customers with no major changes.

In response to the Covid-19 pandemic, and in accordance with the instructions of the governments of the countries where the Group has a physical presence, Ekinops implemented the precautionary measures necessary to ensure the safety of its employees, help curb the spread of the virus, and minimize the impact of the situation on its business activity.

Given the nature of the Group's activity and the diversification of both its geographic footprint and its portfolio of products and customers, Ekinops believes that its pandemic risk remains limited.

1.6.2_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. Losing a key employee, whether due to retirement, poaching by a competitor or any other reason, could prevent the Group from executing its strategy, cause it to lose important

customers or adversely affect its activities and outlook. The Group's future success will also depend on its ability to attract, train, retain and motivate highly qualified employees and managers in a fiercely competitive environment due to the small pool of individuals that possess the technical skills needed to understand the Group's market. Any failure to attract, integrate or retain qualified personnel in order to meet its current and future needs could affect its growth.

The rate of employee turnover is currently fairly low, particularly within the R&D department, and the Group has thus far been able to retain its key managers and engineers. However, there can be no assurance that this situation will continue. 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.

1.6.3_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.

1.6.4_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. 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, 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.

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.

1.6.5 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.

1.6.6_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, 2021, is as follows:

(€k)	Trade receivables (a)	Trade payables (b)	Obligations in foreign currencies (c)	Obligations in foreign currencies (d) = (a) - (b) +/- (c)	Hedging instruments (e)	Net position after hedging (f) = (d) - (e)
USD	7,216	6,967	-	249	2,655	(2,406)
AUD	263	-	-	263	-	263
Other	25	255	-	(255)	-	(255)
Total	7,504	7,222	-	257	2,655	(2,398)

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 its 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)	12/31/2021	
USD/EUR	-10%	+10%
Impact on net income	(79)	79
Impact on shareholders' equity	342	(342)

In addition, during 2021, the risk of an imbalance of flows resulted in the following figures: receipts in USD totaled USD37.0m, while total disbursements over the same period represented USD45.5m. To limit this risk, the Group has established a hedging policy described above.

1.6.7_Environmental risk - increasing

The act of designing and producing Ekinops products has an impact on the environment as it creates waste (packaging, electric and electronic equipment waste) and consumes resources or energy.

The products and processes can therefore have a direct or indirect impact on climate change.

In addition, global environmental legislation is evolving and rapidly becoming more rigorous; any failure to understand regulatory requirements could have adverse impacts on product design and marketing.

Given the broader climate change context, the Group believes that environmental risk is becoming an increasingly important factor in the Group's risk management. To meet this growing challenge, the Group is taking a proactive approach to managing this risk. This approach is described in the chapter on Ekinops' 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

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2.1 Company administrative and management bodies

2.1.1 Composition of administrative and management bodies

At the date of this 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	End of directorship
Didier Brédy		Chairman and CEO	CEO of Ekinops	11/22/2005	(2)
François-Xavier Ollivier	Director	Deputy CEO	Director	03/21/2003	(2)
Aleph Golden Holdings Sarl <i>Represented by Hugues Lepic</i>	Director	-	CEO of Aleph Golden Holdings	09/29/2017	(3)
Nayla Khawam	Independent director ⁽¹⁾	-	Director	11/06/2014	(4)
BPI France Participations <i>Represented by Charlotte Corbaz</i>	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 21, 2019 renewed the directorships of Messrs 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 on 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 21, 2019 renewed the directorship of Mrs Nayla Khawam for a term of three years.

The professional addresses of the Directors are as follows:

- Didier Brédy: Ekinops, 13 av. Morane Saulnier, 78140 Vélizy Villacoublay, France;
- François Xavier Ollivier: Ekinops, 13 av. Morane Saulnier, 78140 Vélizy Villacoublay, 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

Directors	Other current directorships (or expiring during the year)	
	Company	Type of directorship
Didier Brédy	Ekinops Corp. (United States)	Chairman
	Ekinops Belgium	Chairman
	Ekinops España SL	Chairman and CEO
	Ekinops India	Director
	Ekinops France SA	Chairman and CEO
	SixSq	Director
François-Xavier Ollivier	Ekinops France SA	Director
	French Tech Brest+	Director
	Anticipa Technopole	Director
	Ekinops Corp. (United States)	Director
Aleph Golden Holdings Sarl <i>Represented by Hugues Lepic</i>	Aleph Capital Partners LLP	CEO
	Infinity Bidco Limited	Director
	Infinity Topco Limited	Director
Nayla Khawam	Sodetel	Director
	APNF	Chair
BPI France Participations <i>Represented by Charlotte Corbaz</i>	Vestiaire Collective	Director
	Withings	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

Directors	Positions held during the past five years but now expired	
	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 <i>Term as permanent representative</i>	Interoute Communications Holdings SA	Director (2015-2018)
	Darag Group Limited	Director (2019-2020)
Nayla Khawam	Brittany THD	Director (2016-2020)
	Auvergne THD	Director (2016-2020)
	Orange Egypt	Director (2013-2019)
	Alliance THD	Chair (2016-2019)
Charlotte Corbaz <i>Term as permanent representative</i>	VI Technology SAS	Director
	Gensight	Director
Lori Gonnu	Momac BV	Director

2.1.1.3_Biographies of the Directors



Didier Brédy (59 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 27 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 Mr. Hugues Lepic, formerly head of all Goldman Sachs’ investment activities in Europe (“*Goldman Sachs Capital Partners*”), Aleph Capital invests in Europe in the telecoms, media and technology sectors, financial institutions and energy.



Nayla Khawam (69 years) has extensive expertise in the telecommunications industry and held numerous top management positions within the Orange group between 1983 and 2020.

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, a subsidiary of the Caisse des Dépôts, and the State, a trusted corporate partner, offer companies support from the outset up to stockmarket listing, with loans, warranty, and equity. Furthermore, Bpifrance provides enhanced support for innovation, while also fostering external and export growth in partnerships 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 (67 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 Social

and Environmental Committee whose functioning is described in paragraph 2.5.2.2 of this document.

2.2_Remuneration and benefits of Executive Officers

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

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

Summary table of remuneration and stock options granted to each corporate officer		
	Full-year 2021	Full-year 2020
Didier Brédy, Chairman and Chief Executive Officer		
Remuneration awarded in respect of the fiscal year	€502,073	€413,673
Valuation of the multi-year variable remuneration awarded during the year	-	-
Valuation of stock options awarded during the year	-	-
Valuation of issuance of bonus shares	€573,016	€299,609
Valuation of other long-term remuneration plans	-	-
Total	€1,075,089	€713,282

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

Summary table of remuneration of each corporate officer				
	Full-year 2021		Full-year 2020	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Didier Brédy, Chairman and Chief Executive Officer				
Fixed remuneration ⁽¹⁾	€300,000	€300,000	€280,000	€280,000
Annual variable remuneration ⁽²⁾	€189,900	€121,500	€121,500	€169,000
Remuneration granted in respect of directorship	-	-	-	-
Stock-options	-	-	-	-
Issue of bonus shares ⁽³⁾	€573,016	-	€299,609	-
Benefits in kind	€12,173	€12,173	€12,173	€12,173
Total	€1,075,089	€433,673	€713,282	€461,173

(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 the fiscal year 2021 can only be granted after approval of the 2022 General Meeting called to approve the 2021 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 2021. 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. The breakdown of such usage is provided in the tables in the notes.

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				
	Full-year 2021		Full-year 2020	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
François-Xavier Ollivier - Director				
Remuneration awarded by the General Meeting				
Other remuneration ⁽¹⁾	€243,784	€150,000	€150,000	€206,280
Total	€243,784	€150,000	€150,000	€206,280
Nayla Khawam				
Remuneration awarded by the General Meeting	€19,090	€23,000	€23,000	€14,490
Other remuneration				
Total	€19,090	€23,000	€23,000	€14,490
Aleph Golden Holdings Sarl <i>represented by Hugues Lepic</i>				
Remuneration awarded by the General Meeting				
Other remuneration				
Total	-	-	-	-
Bpifrance Participations <i>represented by Charlotte Corbaz</i>				
Remuneration awarded by the General Meeting				
Other remuneration				
Total	-	-	-	-
Lori Gonnu				
Remuneration awarded by the General Meeting	€23,000	€23,000	€23,000	€17,250
Other remuneration				
Total	€23,000	€23,000	€23,000	€17,250

(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 for 2021 set by the Board of Directors at its March 7, 2022 meeting. In addition, it is recalled that Mr. François-Xavier Ollivier was definitively granted 9,167 bonus shares as part of Tranche 2 of the 2018 plan subject to performance criteria as of June 14, 2021 and 9,384 bonus shares as part of the 2019 bonus share performance plan on July 16, 2021. Furthermore, Mr. François-Xavier Ollivier also received benefits in kind amounting to a total of €7,396.

2.2.4 Table No. 4: stock options granted to each corporate officer by the Company or other company within the Group during the fiscal year to December 31, 2021

None.

2.2.5 Table No. 5: stock options exercised by each corporate officer during the fiscal year ended December 31, 2021

None.

2.2.6 Table No. 6: bonus shares awarded to each corporate officer during the fiscal year ended December 31, 2021

Beneficiaries	Date of plan ⁽¹⁾	Number of bonus shares awarded over the year	Valuation of shares based on the method applied to the consolidated financial statements ⁽²⁾	Date of acquisition	Vesting date	Performance conditions
Didier Brédy	05/27/2021 AGA - 05-2021	128,000	€126,819	46 months	03/27/2027 ⁽³⁾	Annual revenue growth for the years ending 12/31/2022, 12/31/2023 and 12/31/2024
Didier Brédy	05/27/2021 AGA 05-2021 BIS Tr1.	97,000	€223,099	24 months	05/27/2023 ⁽⁴⁾	Revenue growth between the year ending 12/31/2021 and the year ending 12/31/2022
	05/27/2021 AGA 05-2021 BIS Tr2	97,000	€223,099	34 months	03/27/2024 ⁽⁵⁾	Revenue growth between the year ending 12/31/2022 and the year ending 12/31/2023
François-Xavier Ollivier	03/02/2021	22,000	€60,742	24 months	03/02/2023	Minimum revenue growth between the year ending 12/31/2021 and the year ending 12/31/2022
Total		344,000	€633,758			

(1) Date of plan assignment (date of Board meeting)

(2) 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 2021.

(3) Conditional on a bearer lock-up period covering the full term of directorship of a quantity of vested shares acquired in respect of the AGA 05-2021 equal to 10% of the shares vested.

(4) Conditional on a bearer lock-up period covering the full term of directorship of a quantity of vested shares acquired in respect of the AGA 05-2021 BIS Tr1 equal to 10% of the shares vested.

(5) Conditional on a bearer lock-up period covering the full term of directorship of a quantity of vested shares acquired in respect of the AGA 05-2021 BIS Tr2 equal to 10% of the shares vested.

2.2.7 Table No. 7: bonus shares awarded to each corporate officer during the fiscal year ended December 31, 2021

Beneficiaries	Number and date of plan	Number of shares awarded	Award conditions
Didier Brédy	AGA 2018	121,389	(1)
François-Xavier Ollivier	AGA 2018	9,167	(1)
	AGA 2019	9,384	(1)

(1) The vesting of these bonus shares is conditional on remaining employed with the company and attaining the performance criteria (revenue and profitability targets).

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

	2021				2020			
	Founder warrants (BCE)	Bonus shares (AGA)	Stock-options (SO)	Share warrants (BSA)	Founder warrants (BCE)	Bonus shares (AGA)	Stock-options (SO)	Share warrants (BSA)
Date of Board meeting		03/02 & 05/27			-	-	-	-
Average weighted price		-						
Number of rights granted to the top 10 non-executive corporate officers (overall number)	-	332,000	-	-				
Number of rights granted/vested/exercised by the Group's top 10 non-executive corporate officers (overall number)	119,270	51,560	73,189	-	314,402	-	46,254	-

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		Indemnities or benefits 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⁾	02/25/2013							
Date of end of directorship	General Meeting called to approve the financial statements for the fiscal year ended 12/31/2021							

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

(2) Pursuant to the terms and conditions governing severance pay for Mr. Didier Brédy, refer to the note "Principles governing the determination of remuneration for corporate officers" in paragraph 3.1.2 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:

Identify	Position	Number of shares as of 01/01/2021	Number of shares bought or subscribed, AGA	Number of shares sold	Number of shares at 12/31/2021
Didier Brédy	Chairman and CEO	408,728	135,389	224,425	319,692
François-Xavier Ollivier	Director	178,820	18,551	27,309	170,062
Lori Gonnu	Director	-	-	-	-
Nayla Khawam	Director	-	-	-	-
Aleph Golden Holdings	Director	3,200,000	-	-	3,200,000
Bpifrance Participations	Director	3,200,000	-	-	3,200,000
Total		6,987,548	153,940	251,734	6,889,754

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's (see Table No. 2 above) authorization of the decision from the Board of Directors' meeting on October 21, 2005.

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

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				Securities giving access to the capital ⁽¹⁾
	Number	As a % of the share capital	Voting rights	As a % of total voting rights	
Didier Brédy, Chairman and Chief Executive Officer	319,692	1.2%	603,022	1.8%	56,000 BCE founder warrants (02.13) giving rights to subscribe to 86,800 shares 40,000 SO stock options (2014) giving rights to subscribe to 62,000 shares 236,388 AGA bonus shares (2018) giving rights to subscribe to 236,388 shares 128,000 AGA bonus shares (05.2021) giving rights to subscribe to 128,000 shares 194,000 AGA bonus shares (05.2021 2021 bis) giving rights to subscribe to 194,000 shares
François-Xavier Ollivier Director	170,062	0.7%	200,062	0.6%	6,530 BCE founder warrants (12.12) giving rights to subscribe to 20,243 shares 56,000 BCE founder warrants (02.13) giving rights to subscribe to 86,800 shares 30,000 SO stock options (2014) giving rights to subscribe to 46,500 shares 27,149 AGA bonus shares (2018) giving rights to subscribe to 27,149 shares 33,730 AGA bonus shares (2019) giving rights to subscribe to 33,730 shares 22,000 AGA bonus shares (03.2021) giving rights to subscribe to 22,000 shares
Bpifrance Participations Director <i>represented by Charlotte Corbaz</i>	3,200,000	12.4%	6,175,000	18.8%	None
Aleph Golden Holdings Director <i>represented by Hugues Lepic</i>	3,200,000	12.4%	6,400,000	19.5%	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 7, 2022.

2.5.1 Corporate Governance

2.5.1.1 Reference to the Middlednext Governance Code and implementation

Pursuant to the decision of the Board of Directors on February 28, 2013, the Company decided to refer to the Middlednext 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 Middlednext 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 Middlednext Code.

The Middlednext Code can be consulted at the Company headquarters. It is also available on the Middlednext website: https://www.middlednext.com/IMG/pdf/c17_-_cahier_14_middlednext_code_de_gouvernance_2021-2.pdf

The Middlednext 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 Middlednext Code.

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

Middlednext Code guidelines	Compliance
R1: "Board member" deontology	Partially ⁽¹⁾
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 ⁽²⁾
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	Partially ⁽³⁾
R16: Definition and transparency of remuneration of executive corporate officers	YES
R17: Preparation of "director" succession	Partially ⁽⁴⁾
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 applied subject to the attendance of Directors at General Meetings of the Company notably the last two General Meetings which, owing to the Covid-19 health crisis, were held behind closed doors.

(2) This guideline is expressed in the recently revised Middlednext 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.

(3) Aware of the importance of equality and diversity policies, the Company is committed to applying this guideline via policies already in place as well as over the long term. See section 2.5.2.

(4) 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 Middlednext 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 information disclosed by the Company.

Executive Management

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

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

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

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

2.5.1.3_Limits to the powers of the Chief Executive Officer

The Chairman and CEO has been granted all of the powers to act in all circumstances on behalf of the Company. Furthermore, he exercises these rights within

the limits of the company's corporate purpose and those that the law assigns to General Meetings of shareholders and the Board of Directors.

2.5.1.4_Terms and conditions governing shareholder participation at General Meetings.

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

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

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

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

Authorized agreements and commitments during the past year

None.

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.

Agreements and commitments already approved by the Board of Directors

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

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.

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 7, 2022 called to approve the financial statements for the year ended December 31, 2021. 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				Effective use of the powers or authorization
- Resolution	Content of the approval	Term	Ceiling	
AGM of 05/27/2021 (12 th resolution)	Capital increase with maintenance of preferential shareholder subscription rights	14 months from 05/27/2021 to 07/27/2022	Within the limit of a blanket ceiling of: > a nominal amount of the issue of €500,000 in 10,000,000 shares at a nominal unit value of €0.50 per share > €50,000,000 in securities giving access to the capital	None
AGM of 05/27/2021 (13 th 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 05/27/2021 to 07/27/2022	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 12 th resolution of AGM of 05/27/2021	None
AGM of 05/27/2021 (14 th resolution)	Authorization to be granted to the Board of Directors to issue bonus shares	26 months from 05/27/2021 to 07/27/2023	Blanket 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 05/27/2021 Issue of 463,334 bonus shares ⁽¹⁾
AGM of 05/27/2021 (15 th resolution)	Capital increase within the framework of an employee shareholder plan without shareholder preferential subscription rights	26 months from 05/27/2021 to 07/27/2023	Within the limit of a blanket ceiling of: > a nominal amount per issue of €500,000 in 10,000,000 shares at a nominal unit value of €5.50 per share > €2,000,000 in securities giving access to the capital	None
AGM of 05/28/2020 (12 th resolution)	Authorization to carry out a capital reduction with the cancellation of shares held in treasury following a share buyback	18 months from 05/28/2020 to 11/28/2021	Ten percent (10%) of the share capital of the Company per 24-month period	None
AGM of 05/28/2020 (13 th resolution)	Increase in the share capital, via the issuance of shares and/or securities, via a public offering excluding public offerings covered by Article L. 411-2 of the French Monetary and Financial Code, without shareholder preferential subscription rights	26 months from 05/28/2020 to 07/28/2022	Within the limit of the blanket ceiling of ⁽²⁾ : > 10% of the share capital or > €2,500,000 nominal > €25,000,000 in securities giving access to the capital	None

(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) Blanket ceiling for capital increases authorized by the 13th, 14th, 17th and 18th resolutions of the General Meeting of May 28, 2020.

Date of the General Meeting having issued the authorization or approval				Effective use of the powers or authorization
- Resolution	Content of the approval	Term	Ceiling	
AGM of 05/28/2020 (14 th resolution)	Increase in share capital, within the limit of 20% of the share capital per year, without shareholder preferential subscription rights, via a public offering reserved for qualified investors or a restricted circle of investors as provided for in paragraph 1 of Article L. 411-2-2 (I) of the French Monetary and Financial Code.	26 months from 05/28/2020 to 07/28/2022	Within the limit of the blanket ceiling of: > €2,500,000 nominal > €25,000,000 in securities giving access to the capital	None
AGM of 05/28/2020 (15 th resolution)	Capital increase without preferential subscription rights, via a public offering or private placement, with a view to setting the issue price according to the terms and conditions set by the General Meeting, within the annual limit of 10% of the share capital	26 months from 05/28/2020 to 07/28/2022	Within the limit of: > 10% of the share capital over a 12-month period > €10,000,000 in securities giving access to the capital These amounts beings considered within the corresponding ceiling depending on the relevant resolution ⁽¹⁾	None
AGM of 05/28/2020 (16 th resolution)	Increase in the number of shares to be issued in the event of a capital increase without shareholder preferential subscription rights	26 months from 05/28/2020 to 07/28/2022	Within the limit of 15% of the initial issuance These amounts are considered, in the event of the issuance without shareholder preferential subscription rights, as part of the corresponding ceiling depending on the resolution used ⁽²⁾	None
AGM of 05/28/2020 (17 th 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 05/28/2020 to 07/28/2022	Blanket ceiling ⁽³⁾ > €2,500,000 nominal > €25,000,000 in securities giving access to the capital	None
AGM of 05/28/2020 (18 th resolution)	Capital increase via issuance of shares with shareholder preferential subscription rights as remuneration for contributions in kind	26 months from 05/28/2020 to 07/28/2022	Within the limit of the blanket ceiling of: > €2,500,000 nominal amount which cannot exceed 10% of the share capital > €25,000,000 in securities giving access to the capital	None

(1) 13th or 14th resolution of the May 28, 2020 AGM.(2) 13th or 14th resolution of the May 28, 2020 AGM.(3) Blanket ceiling for capital increases authorized by the 13th, 14th, 17th and 18th resolutions of the General Meeting of May 28, 2020.

Date of the General Meeting having issued the authorization or approval				Effective use of the powers or authorization
- Resolution	Content of the approval	Term	Ceiling	
AGM of 05/28/2020 (19 th 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 05/28/2020 to 07/28/2023	Autonomous ceiling of 200,000 shares with a nominal unit value of €0.50	Used by the Board of Directors meeting of 05/27/2021 Allocation of 90,000 stock options ⁽¹⁾
AGM of 05/28/2020 (20 ^e resolution)	Capital increase via the issuance of share warrants without shareholder preferential subscription rights to a designated person	18 months from 05/28/2020 to 11/20/2021	Autonomous ceiling: > Issuance of a maximum 1,062,130 BEA warrants > nominal value of €531,065 via the issuance of 1,062,130 shares with a nominal unit value of €0.50	None
AGM of 05/28/2020 (21 st resolution)	Capital increase within the framework of an employee shareholder plan without shareholder preferential subscription rights	26 months from 05/28/2020 to 07/28/2022	Within the limit of a blanket ceiling of: > a nominal amount per issue of €500,000 in 10,000,000 shares at a nominal unit value of €5.50 per share > €2,000,000 in securities giving access to the capital	None
AGM of 05/21/2019 (15 th resolution)	Capital increase with maintenance of preferential shareholder subscription rights	26 months from 05/21/2019 to 07/21/2021	Within the limit of the autonomous ceiling of : > a nominal amount of the issue of €500,000 in 10,000,000 shares at a nominal unit value of €0.50 per share > €50,000,000 in securities giving access to the capital	None
AGM of 05/21/2019 (16 th resolution)	Increase in the number of shares to be issued in the event of a capital increase with maintenance of shareholder preferential subscription rights	26 months from 05/21/2019 to 07/21/2021	Within the limit of 15% of the initial issuance In the event of issuance with preferential subscription rights, these amounts are considered within the ceiling of the 15 th resolution of the AGM of 05/21/2019	None
AGM of 05/21/2019 (19 th resolution)	Authorization to be granted to the Board of Directors to issue bonus shares	38 months from 05/21/2019 to 07/21/2022	Blanket 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 03/02/2021 Allocation of 212,666 bonus shares ⁽²⁾

(1) 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.

(2) Pursuant to the decision of March 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	Capital	Number of voting rights	As % of total voting rights
Didier Brédy	319,692	1.2%	603,022	1.8%
François-Xavier Ollivier	170,062	0.7%	200,062	0.6%
Aleph Capital	3,200,000	12.4%	6,400,000	19.5%
Bpifrance Participations	3,200,000	12.4%	6,175,000	18.8%
Treasury shares (liquidity contract)	19,261	NM	-	-
Free float	18,923,651	73.3%	19,430,110	59.2%
Total	25,832,666	100.0%	32,808,194	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

2.5.2.1.1_ Composition of the Board of Directors

The Board of Directors of the Company is currently composed of the following six members:

- Mr. Didier Brédy (French, 59), Chairman and CEO;
- Mr. François-Xavier Ollivier (French, 64), Director;
- Mrs. Nayla Khawam (French, 69), Director;
- Aleph Golden Holdings Sarl, represented by Mr. Hugues Lepic (57), Director;
- Mrs. Lori Gonnu (French, 67), Director;
- Bpifrance Participations SA, represented by Mrs. Charlotte Corbaz (35), Director.

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

Mr. Didier Brédy and Mr. François-Xavier Ollivier were initially appointed by the General Meeting of February 25, 2013. Mrs. 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 Middlednext Code.

The directorships of Mrs. Nayla Khawam, Mr. Didier Brédy, and Mr. François-Xavier Ollivier were renewed for a period of three years at the Annual General Meeting of May 21, 2019, in compliance with the changes to the Company's by-laws approved by the same General Meeting, with the effect of reducing the term of office to three years for Directors, and expiring at the end of the General Meeting called to approve the financial statements for the year ended December 31, 2021.

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 Mrs. 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 Middlednext Code.

In compliance with the provisions of 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, 2021 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 2.5.2.1.4. hereafter. A summary table of the composition of the Board of Directors and the Committees is provided in paragraph 2.5.2.2.5

2.5.2.1.2_ Means of appointment, roles and prerogatives of the Censor (Independent Director)

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. Censors are appointed with or without limits to their terms of office. Their directorships can be revoked at any time by their appointing bodies.

Each Censor is invited to attend all of the meetings of the Board of Directors, as is the case for all Directors. They receive all of the information disclosed to the Directors, at the time of the Board of Directors' meetings or within the legal timeframe. Censors do not take part in the decisions taken by the Board of Directors, nor do they have casting votes, nor are they included in the calculation of quorum nor majority conditions. They

have no management, supervisory or audit functions and cannot replace Directors or General Managers.

The following two Censors attend Board Meetings without casting votes:

- Mrs. Maïlys Ferrere as Censor to the Board of Directors, appointed for an unlimited term;
- Mr. 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 Middlednext Code.

The third guideline of the Middlednext 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 Middlednext 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 7, 2022 meeting, confirmed, in light of the criteria retained by the Rules of Procedure of the Board of Directors (i.e. Directors are considered Independent if they do not have any significant financial, contractual or family relationship (excluding shareholders with minority stakes), with the Company, its Group or General Management such that this could alter independence of judgement"), the independence of two Directors, namely Mrs Nayla Khawam and Mrs Lori Gonnu.

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

2.5.2.1.4_Principle of gender balance within the Board of Directors

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 Board of Directors of the Company is therefore compliant with Article L. 22-10-3 of the French Commercial Code in terms of each gender being at least 40% represented on the Boards of companies with shares traded 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 25, 2022

The directorships of Mr. Didier Brédy, Mr. François-Xavier Ollivier and Mrs. Nayla Khawam for a term of three years shall expire at the end of the General Meeting of May 25, 2022 which will be called to approve the financial statement for the year ended December 31, 2021.

The Combined General Meeting of May 25, 2022 shall be requested to renew all of these directorships for a term of three years.

The term of office of the Chairman of the Board of Directors and CEO, Mr. Didier Brédy, will also expire at the end of the General Meeting of May 25.

The Board of Directors, based on a proposal by the Remuneration Committee, has decided to renew the appointment of the Chairman of the Board of Directors and CEO, under the condition precedent and with effect from the renewal of his term as Director, for the same term as his directorship.

Furthermore, it is noted that Mrs. Nayla Khawam is also Chair of the Audit 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.

If the General Meeting of May 25, 2022 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. Mrs. Nayla Khawam and Mrs. 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 into account 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 Middledenext Code, on the other.

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 Middledenext 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 Middledenext 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.

2.5.2.2.1_The Remuneration Committee

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

The Remuneration Committee is composed of the following three members:

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

In 2021, 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 Audit Committee is composed of the following two members:

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

In 2021, the Audit Committee met twice.

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

- review of financial statements as of December 31, 2020;
- review of financial statements as of June 30, 2021;
- review of related-party agreements;
- review of the procedures implemented to ensure the faithfulness and reliability of the information;
- for its assignment to approve the provision of services other than the certification of accounts (SACC) by the Statutory Auditor: implementation of a charter defining the rules of approval, delegation and monitoring of these assignments by the Audit Committee.

2.5.2.2.3_The Strategy Committee

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

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

- Mr. Hugues Lopic, member and Chairman of the Strategy Committee;
- Mrs. Maïlys Ferrere⁽¹⁾, member of the Strategy Committee;
- Mr. Didier Brédy, member of the Strategy Committee; and
- Mr. François-Xavier Ollivier, member of the Strategy Committee.

In 2021, 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 into account sustainable development considerations in the definition of its strategy, the main risks and opportunities faced in terms of environmental issues, company policies and the range of information published by the Company and the Group on societal and environmental concerns.

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

- Mrs. Lori Gonnu, member and Chair of the ESG Committee;
- Mrs. Maïlys Ferrere, member of the ESG Committee; and
- Mr. Didier Brédy, member of the ESG Committee.

In 2021, the ESG Committee met twice.

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

- the preparation of the Non-Financial Performance Statement;
- work on the *Bilan Carbone*[®] Carbon Report.

(1) Mrs Maïlys Ferrere is not a member of the Board of Directors, but takes part in Board Meetings as an independent Director (Censor).

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

Names	Independent Director	Initial appointment on	Directorship expires	Audit Committee	Remuneration Committee	Strategy Committee	ESG Committee
Mr. Didier Brédy Chairman and CEO	No	2013	2021	No	No	Member	Member
Experience and expertise contributed:							
<p>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.</p> <p>Didier Brédy is a graduate of the Télécom ParisTech (ENST) and holds an MBA from the San José University, California.</p>							
Mr. François-Xavier Ollivier Director	No	2013	2021	No	No	Member	No
Experience and expertise contributed:							
<p>François-Xavier Ollivier is one of the co-founders of the Company. With more than 30 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 and was notably responsible for global coordination of pre-development activities for the "optical networks" division.</p>							
Mrs. Lori Gonnu Director	Yes	2017	2022	No	Member	No	Chair
Experience and expertise contributed:							
<p>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.</p> <p>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.</p> <p>In 2011, she founded Boldair Consulting International which specialized in growth opportunities for telecommunications companies, in particular in M2M and IOT areas as well as in mergers and acquisitions.</p>							
Aleph Golden Holdings Sarl is represented by Mr. Hugues Lopic, Director	No	2017	2022	No	Chairman	Chairman	No
Experience and expertise contributed:							
<p>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 partnerships with the management teams it supports sustainably to implement their development strategies. Founded by Mr. Hugues Lopic, formerly head of all investment activities of Goldman Sachs in Europe ("<i>Goldman Sachs Capital Partners</i>"), Aleph Capital invests in Europe in telecoms, media and technology sectors, financial institutions and energy.</p>							
Mrs. Nayla Khawam Director	Yes	2014	2021	Chair	Member	No	No
Experience and expertise contributed:							
<p>Nayla Khawam has extensive expertise in the telecommunications industry and held numerous top management positions within the Orange group from 1983 until she retired.</p> <p>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.).</p> <p>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.</p>							

Names	Independent Director	Initial appointment on	Directorship expires	Audit Committee	Remuneration Committee	Strategy Committee	ESG Committee
Bpifrance Participations SA, represented by Mrs Charlotte Corbaz, Director	No	2017	2022	Member	No	No	No

Experience and expertise contributed:

Equity investments by Bpifrance are carried out by Bpifrance Investissement. Bpifrance, a subsidiary of the Caisse des Dépôts, and the State, a trusted corporate partner, offer companies support, from the outset up to stockmarket listing, with loans, warranty and equity. Furthermore, Bpifrance provides enhanced support for innovation, while also fostering external and export growth in partnerships 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 Middlednext 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 times per year.

In 2021, the Board of Directors of the Company met six times on the following dates:

- January 28, 2021
- March 2, 2021
- May 27, 2021
- July 28, 2021
- October 12, 2021
- December 2, 2021

The attendance rate for Directors at meetings in 2021 was 92%.

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 Middlednext 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.

According 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 2021, 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 Middlednext 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 2021. 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.

2.5.2.3.6_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 2021:

	Objectives	Terms and conditions of implementation and outcomes obtained
Board meeting	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/Expérience (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	58.5 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. As a result, at present, there are no women in the top 10% of positions with the most responsibilities.

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.

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 2022, 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 line 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 25, 2022 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 2022

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 the remuneration policy and the remuneration of the Chairman and CEO and the other corporate officers.

The Remuneration Committee met on February 17, 2022, to determine its recommendations for the remuneration policy for corporate officers in respect of 2022, as well as the level of attainment of objectives regarding the variable component and the remuneration of the Chairman and CEO in respect of 2021.

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 7, 2022 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 transparency, which are recommended by the Middlednext 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 2022, as for fiscal 2021, 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 2.5.3.1.3 hereafter.

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

2.5.3.1.2 Board member remuneration policy

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

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

The General Meeting of Shareholders of June 19, 2014

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

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

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

Exceptional remuneration

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

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

For information purposes, it is noted that this option was not used during fiscal year 2021.

Remuneration in shares

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

The remuneration policy for Directors with respect to fiscal year 2022 is summarized hereafter:

Director remuneration policy ⁽¹⁾ for fiscal 2022	
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 Mr. Didier Brédy, in his role as Chairman and CEO is defined in paragraph 3.1.3 hereafter.

(2) Within the framework of the allocation of bonus shares, only Mr. Didier Brédy, Chairman and CEO and Mr. François-Xavier Ollivier, in his role as Company employee, are likely to be allocated bonus shares. For further details on potential allocations of bonus shares to Mr. 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 year 2021 was 98.71% approved by a vote of the General Meeting on May 27, 2021.

Information regarding Mr. François-Xavier Ollivier

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

Employment contract duration

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. For information purposes only, pursuant to this employment contract, Mr. 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; Mr. 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 ending on December 31, 2021.

This is the twelfth resolution presented for approval to the General Meeting of May 25, 2022, reproduced below:

Twelfth resolution

Approval of items of remuneration policy applicable to non-executive corporate officers in respect of fiscal 2022

“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 non-executive corporate officers,

approves, in application of Article L. 22-10-8 II of the French Code of Commerce, the remuneration policy applicable to Directors in respect of fiscal year 2022, as presented in the Board of Directors' corporate governance report mentioned above and presented in paragraph 2.5.3.1.2 of the Board of Directors' corporate governance report included in the Company's 2021 Universal Registration Document”.

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 7, 2022 is based on the guidelines of the Middlednext 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 departure of the Chairman and CEO from the Company during the year, notably if the directorship of Mr. Didier Brédy is not renewed by the General Meeting of May 25, 2022, 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.

Fixed remuneration

The Chairman and CEO receives fixed annual remuneration of €300,000 payable in 12 monthly installments since July 1, 2020, which remains unchanged and reflect his responsibilities, level of experience and expertise.

Annual variable remuneration

The Chairman and CEO also benefits from variable remuneration of €150,000, which can increase to a maximum of €270,000 if objectives are exceeded, as decided by the Board of Directors upon recommendations of the Remuneration Committee relative to quantitative and qualitative criteria, compensating his individual contribution to reaching the Company's strategic objectives, paid in cash. Among these performance criteria, it is up to the Board of Directors, upon recommendations of the Remuneration Committee, at the end of fiscal year 2022 (or early in 2023) 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 2022."

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.

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 May 25, 2019, when Mr. Didier Brédy's directorship was renewed.

Regarding the prospect of the renewal of the mandate of Chairman and CEO Mr. Didier Brédy, and pending this renewal, the commitment was once again approved by the General Meeting of March 7, 2022, subject to the same conditions as initially applied, as presented below.

This commitment shall be published on the Company's website and submitted for approval to the General Meeting of May 25, 2022 in the tenth resolution.

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:

$$\text{CAGR} = \left[\frac{\text{Revenue (Y)}}{\text{Revenue (Y-3)}} \right]^{\frac{1}{3}} - 1 \times 100$$

Whereby

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 Chairman 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 Chairman over the past 12 months.

Based on the CAGR observed over the past three years, the termination benefit shall be equal to 75% of the overall remuneration (fixed, variable, and exceptional) paid to the Chairman 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.

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.

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

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

The Chairman and CEO benefits from a company vehicle.

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

The remuneration policy applicable to the Chairman and CEO in respect of fiscal year 2022, 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 2022	
Fixed remuneration	Fixed remuneration of an annual amount of €300,000 which is paid in 12 monthly installments
Variable remuneration	<p>Variable remuneration in the amount of €150,000 (representing 50% of the fixed remuneration excluding exceeding objectives) and based on three quantitative criteria and two qualitative criteria presented below:</p> <p>Criteria 1. Based on generating consolidated revenue for fiscal year 2022 as set by the Board of Directors</p> <ul style="list-style-type: none"> > Weighting: 35% of the variable annual remuneration, i.e. variable remuneration equal to €52,500 before the accelerator in respect of criteria 1. <p>Criteria 2. Based on generating EBITDA for fiscal year 2022 (excluding restructuring costs), as set by the Board of Directors</p> <ul style="list-style-type: none"> > Weighting: 35% of the annual variable remuneration, i.e. variable remuneration equal to €52,500 before the accelerator in respect of criteria 2. <p>Criteria 3. Based on generating consolidated net profit for fiscal year 2022, as set by the Board of Directors</p> <ul style="list-style-type: none"> > Weighting: 10% of the variable annual remuneration, i.e. variable remuneration equal to €15,000 before the accelerator in respect of criteria 3. <p>Criteria 4. Based on completing external growth projects for fiscal year 2022, as set by the Board of Directors</p> <ul style="list-style-type: none"> > Assessment based on the decision of the Board of Directors. > Weighting of 10% to 20% of the annual variable remuneration, i.e. variable remuneration equal to a maximum of €30,000 before the accelerator in respect of criteria 4. <p>Criteria 5. Based on overall performance in respect of projects linked to the Group's ESG policy in the following areas:</p> <ul style="list-style-type: none"> > Reduction of the Group's carbon footprint. > Staff anti-corruption training. > Action plan in favor of gender equality. > Signing up to a recognized ESG charter. > Assessment based on the decision of 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 5. <p>This variable remuneration could be increased to a maximum of €270,000 in the event of exceeding objectives (representing 90% of fixed remuneration).</p>
Multi-year variable cash remuneration	The Chairman and CEO does not benefit from any multi-year variable remuneration.
Exceptional remuneration	<p>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 2022 excluding the case of exceeding objectives, i.e. €225,000, 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.</p> <p>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.</p>
Options, bonus shares or other allocations of securities	Such remuneration is not applicable in respect of fiscal year 2022.
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	<p>The Chairman and CEO benefits from the use of a mobile phone.</p> <p>The Chairman and CEO benefits from healthcare insurance for company managers and directors.</p> <p>The Chairman and CEO benefits from a company vehicle.</p>
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.
Complementary pension scheme	The Chairman and CEO does not benefit from a supplementary pension plan.

In line with Article L. 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 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 year 2021 was 83.28% approved by a vote of the General Meeting on May 27, 2021.

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 25, 2022, reproduced below:

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, 2021 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 to the previous year via a distinct resolution relative to the executive corporate officer as presented in paragraph 2.5.6.3.2.2.2.

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 2022

"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 2022, 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 2021 Universal Registration Document".

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, 2021 to the members of the Board of Directors

For fiscal year 2021, the overall annual envelope of remuneration allocated by the General Meeting of shareholders to the Board of Directors was allocated to Mrs. Nayla Khawam for a gross amount of €19,090 in remuneration and a gross amount of €23,000 allocated to Mrs. Lori Gonnu in remuneration.

This remuneration was attributed in proportion to the attendance rate at Board of Director meetings during 2021 of each of these two Independent Directors, i.e. attendance at all of the Board of Directors meetings during fiscal year 2021 for Mrs. Lori Gonnu and at five out of six meetings for Mrs. 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 Mr. François-Xavier Ollivier in respect of his employment contract dated March 21, 2003 with the Company**

In respect of the past year, Mr. 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 7, 2022, on recommendations from the Remuneration Committee, noted the achievement of objectives and set the variable component at €93,784.

The remuneration items of non-executive corporate officers are presented in the summary table 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 accordance with Articles L. 22-10-9 and L. 22-10-34 of the French Commercial Code, we set out the draft resolutions submitted for shareholder approval.

This is the eighth draft resolution to be submitted for approval to the General Meeting of May 25, 2022, reproduced hereafter:

Eighth resolution

Approval of the information mentioned in Article L. 22-10-9 of the French Commercial Code relative to the remuneration paid in respect of the year ending on December 31, 2021 or granted in respect of the same fiscal year to corporate officers

“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,

approves, in accordance with Article L. 22-10-34 I of the French Commercial Code, the information mentioned in Article L. 22-10-9 I of the French Code of Commerce, as presented in the Board of Directors’ corporate governance report mentioned above and presented in paragraph 2.5.3.2.1 of the Board of Directors’ corporate governance report included in the Company’s 2021 Universal Registration Document”.

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, 2021 or granted in respect of the same year to the Chairman and CEO

In compliance with the provisions of Article L. 22-10-34 of the French Commercial Code, the General Meeting of shareholders of May 25, 2022 will be requested to vote on the draft resolution relative to the remuneration items paid or allocated in 2021 in respect of the same year to Mr. Didier Brédy, Chairman and CEO.

During the fiscal year to December 31, 2021, the following remuneration items were paid or allocated to Mr. Didier Brédy, Chairman and CEO, in accordance with the principles and criteria approved by the General Meeting of May 27, 2021:

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, 25, 2022 in accordance with the approval of principles and criteria by the General Meeting of May 27, 2021	
Fixed remuneration	€300,000	Monthly payment of one 12 th each month
Variable remuneration	€189,900 (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 from any exceptional remuneration in respect of fiscal year 2021
Options, bonus shares or other allocations of securities	€573,016 ⁽²⁾	Allocation of 322,000 bonus shares during fiscal year 2021 ⁽⁵⁾
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
	€12,173	Mr. Brédy benefits from healthcare insurance for company managers and directors
Termination benefit	€316,125 ⁽⁴⁾	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 ⁽⁵⁾
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 2021 as approved by the General Meeting of May 27, 2021.

(2) Value of shares when they are allocated corresponding to the share of charges recorded in the consolidated financial statements for fiscal 2021.

(3) The definitive vesting of these bonus shares is subject to remaining employed by the Company, on the one hand, and on the realization of a performance condition relative to growth in consolidated Group revenue assessed over two or three years and the bonus shares cannot be sold before the end of that period, subject to meeting a bearer conservation requirement covering 10% of the shares vested during the term of office. The breakdown of such usage is provided in the tables in the notes.

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

(5) 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. 233-16 of the French Commercial Code.

Breakdown of the variable remuneration of Mr. Brédy in respect of fiscal year 2021

The variable remuneration in respect of fiscal year 2021 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 which are provided below:

Variable remuneration in respect of fiscal 2021	
Criteria	Weighting
Criteria 1. Realization of consolidated revenue in fiscal 2021	Weighting: 40% of the annual variable remuneration, i.e. variable remuneration equal to a maximum of €67,200 after the accelerator in respect of criteria 1.
Criteria 2. The attainment of EBITDA for fiscal 2021	Weighting: 40% of the annual variable remuneration, in respect of 2021, i.e. variable remuneration equal to €100,200 after the accelerator in respect of criteria 2.
Criteria 3. Based on overall performance in respect of external growth plans and strategic, operational and ESG-related objectives of the Group	Weighting: 20% of the annual variable remuneration in respect of 2020, i.e. variable remuneration equal to €22,500 in respect of criteria 3.

In respect of the fiscal year ending on December 31, 2021, 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, at a total of €189,900 (versus €121,500 in 2020).

However, 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 25, 2022 in the ninth resolution relative to the remuneration items paid or allocated in respect of 2021 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 year 2021, 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 27, 2021, in its sixth 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 ending on December 31, 2021.

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 accordance with Articles L. 22-10-9 and L. 22-10-34 of the French Commercial Code, we set out the draft resolutions submitted for shareholder approval.

This is the ninth resolution presented for approval to General Meeting of May 25, 2022, 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 ending on December 31, 2021, or allocated in respect of the same fiscal year to Mr. Didier Brédy, Chairman and CEO

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

having 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,

approves, in accordance with 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 ending on December 31, 2021 or allocated in respect of the same fiscal year to Mr. 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 2021 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.

	2017	2018	2019	2020	2021
Remuneration ratio (including allocations of options and bonus shares)					
Ratio - average wage	10.4	9.6	19.5	13.0	16.9
Ratio - median wage	14.2	11.4	27.3	16.8	19.8
Remuneration ratio (allocations of options and bonus shares)					
Ratio - average wage	6.8	7.3	8.9	8.5	7.8
Ratio - median wage	8.3	8.5	10.9	10.2	8.4
Remuneration excluded (€k)	352	156	770	300	573

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 Middlednext Code.

	2017	2018	2019	2020	2021
Ratio - minimum wage	22.6	22.8	27.9	25.0	22.1

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

	2017	2018	2019	2020	2021
As a % of the average employee wage vs period Y-1	15%	-18%	11%	-11%	0%
As a % of the average employee wage vs period Y-1	6%	-7%	-5%	-4%	11%

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

	2017	2018	2019	2020	2021
Consolidated revenue trends (in %) vs period Y-1	89%	146%	11%	-1%	12%
Basic earnings per share (€/share)	(0.47)	(0.34)	(0.03)	0.07	0.13

2.6_Main features of the procedures implemented by the Group for internal control and risk management

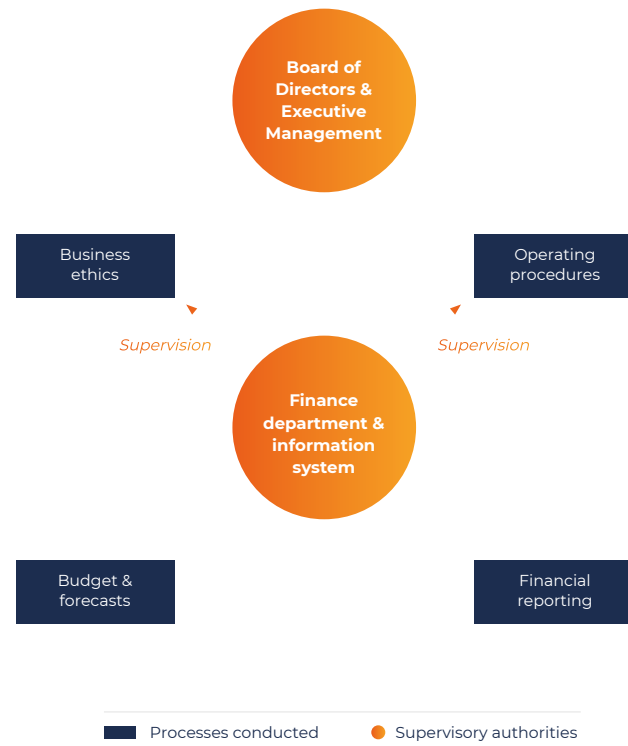
The internal control mechanism implemented by the Group has the objective of increasing the efficiency of both its operations and the use of its resources. It is based on the reference framework for risk management and internal control for small and mid-cap companies published by the AMF in July 2010.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

- 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. However, this measure, implemented by the Board of Directors, Management, and staff, means risks can be reduced considerably.

The Group organizes its internal control system via:

- specific organizational modes;
- policies and procedures.



Main functions involved in steering the internal control system

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 available 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 at both the Group level and at each subsequent level within the 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 while mitigating the level of risk;
- 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 also 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 different members to reduce the 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.

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 has also introduced a list of permanent insider staff which it keeps up to date.

Budget processes and internal forecasts

The budget process not only outlines the Group's growth objectives but also determines 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. These procedures aim to ensure, 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. This is true for the reimbursement of expenses, following the implementation of a dedicated Group-wide package.

Oversight, control and evolution of the system

Oversight, 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.

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.

3

● 2021 NON-FINANCIAL PERFORMANCE STATEMENT

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3.1_NFPS introduction

In 2021, the Covid-19 pandemic, which first devastated the globe in 2020, continued wrecking havoc with the onset of the third and fourth waves of the crisis.

Yet, with the work organization measures implemented in 2020 proving effective, Ekinops ambitiously resumed the roll-out of Group-wide policies designed to develop a forward-looking and environmentally-friendly organization despite the pandemic.

The past year was characterized by growing environmental concerns, particularly those surrounding global warming and resource depletion. These phenomena are reflected in more exacting customer expectations and requirements as well as heightened awareness on the part of other stakeholders such as job applicants and investors regarding their stance on Ekinops Group's ESG policy.

This trend led the Group to adapt its governance system by creating a ESG and Anticorruption Committee within the Board of Directors, assisted by an operational working group comprising executives with expertise in these areas. The first concrete initiatives were:

- the decision to conduct the Group's full carbon footprint assessment for fiscal year 2021. Calculation results and commitments for improvement will be presented in the 2022 NFPS;
- risk reassessment and a subsequent review of performance indicators for fiscal year 2022.

3.2_Business model

Ekinops' business model is presented in Chapter 1 of this Universal Registration Document.

3.3_Risks for Ekinops

The three main risks identified and addressed in the 2019 and 2020 NFPS are replicated in an effort to reconcile this work with the 2021 NFPS. Nevertheless, this year's statement presents a different assessment with further clarification due to environmental challenges and the Covid-19 crisis.

Since the beginning of the pandemic in 2020, the Ekinops group has shown remarkable resilience with effective organization and management of teleworking for 85% of compatible positions. This resulted in virtually no absenteeism at any of its sites worldwide compared to the pre-crisis situation. However, while the policy to anticipate supplies right from the start of the health crisis indeed paid off, the disruption experienced in 2020 by many suppliers, particularly in Asia, has required adaptive measures and seems to have triggered inflationary momentum that is difficult to predict over the medium.

Human Resource Management Risks, concerning the recruitment, retention, and development of employees with key skill sets:

The job market remains 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. This scenario manifests itself in different ways depending on the region. For instance, retention difficulties have been noted in the Indian market, while Europe is witnessing less mobility, making the need for hirings sparse in that region.

In 2021, the Group carefully reviewed discrimination risks, especially with regard to gender parity. While, for many years, the Board of Directors of the Group parent company—Ekinops SA—has been equally composed of men and women, the real challenge for gender parity lies in low women representation within the engineering and technology industries. To date, women staff represent approximately 1/5 of the Group's headcount, but in 2021, they accounted for more than 1/4 of hires and therefore trended upwards. It should also be noted that a comparable level of women under-representation can be found at Ekinops' main competitors.

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 customer project, which could put the Group in a vulnerable position if the customer were to change their strategy;
- risk to sustaining margins for the hardware share of equipment sold, linked to a potential return of inflation if this cannot be passed on through sales prices;
- stricter customer requirements concerning the ESG performance of their suppliers.

The Group has always prioritized working with reliable suppliers. In addition to standardized efforts to ensure the quality and safety of supplies, which is particularly important in the current context of electronic component and raw material shortages, the Ekinops group strives to select suppliers who uphold its values in terms of ESG and anticorruption. In 2021, this verification process was supported by a ESG questionnaire and membership to the Group's "Supplier Charter". In 2022, third-party assessments are under review for high-risk suppliers.

Environmental risks:

Ekinops' business as a telecoms equipment supplier consists of bringing to market high-performance equipment and software for operator and enterprise networks. From design to end-of-life, the environmental impact of produced hardware must be controlled in respect to waste creation as well as resource and energy consumption.

Ekinops decided to measure its carbon footprint from fiscal year 2021 onwards, entrusting an expert company with its carbon assessment (*Bilan Carbone*®) calculation for scopes 1 to 3. This initial assessment should help identify areas for improvement and set reduction targets with relevant performance indicators for fiscal year 2022 and the years ahead.

3.4_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	> Recruitment and retention policy	> Recruitment/retention	1. Average headcount FTE/fiscal year
Low level of diversity (age, sex, etc.)	> Training and upskilling policy	> Training budget	2. Change in number of departures and arrivals by region, turnover
Disruption risks due to Covid-19-related absences	> Teleworking arrangements	> Skill mapping database	3. Average headcount age
	> M/F workplace equality agreement	> Defining company values	4. Change in employee training activity and hours of training provided
		> Teleworking charter and barrier gestures	5. Percentage of women hires and headcount
			6. Change in payroll
			7. Change in absenteeism
Customers, purchases and supply management			
Dependency on a customer project	> Project and customer diversification	> Review of commitments for strategic contracts	1. Relative weight of key accounts in revenue terms
Reliability of suppliers and supplies	> Sales price renegotiation and software solutions development	> Integration of revised price clauses in customer contracts	2. Average delivery time by EMS
ESG and anticorruption concerning stakeholders	> Careful supplier sourcing with multiple options wherever possible	> Electronic tracking system supervision (IT support ticket system)	3. Share of software and service sales
	> Group commitment to ESG and anticorruption	> Obsolete component and dual source procedure	4. Percentage of revenue from ISO 9001-certified production
		> Monitoring of ESG and anticorruption regulations and expectations, risk mapping	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	> Commitment to complying with applicable environmental regulations	> Deployment and maintenance of an ISO 14001-certified environmental management system to implement the policy and achieve environmental objectives	1. Percentage of production from ISO 14001-certified EMS
Packaging and non-recyclable products	> Commitment to reducing the environmental impact of our products throughout their life cycle to protect the ecosystem	> Product life cycle assessment, identification and analysis of ecodesign environmental aspects	2. Group energy consumption/ revenue
Hard-to-repair or non-repairable products		> Removal of plastics from packaging	3. Carbon footprint per product
Use of non-recycled materials		> Use of recycled and recyclable materials as soon as practicable (casing)	4. Average annual electricity consumption of sold products
Pollution in production process	> Commitment to minimizing the environmental impact of our sales, marketing, and research and development activities	> Group carbon footprint assessment	5. Percentage of recycled and recyclable material used in products
			6. Number of tons of CO ₂ emitted per million euros (€) of revenue

3.4.1_Human resources

3.4.1.1_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 workplace, equipped with hardware, development tools, and effective communications platforms;
- attractive compensation with mobility encouraged within the Group, both nationally and internationally. Our 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. As an example, in response to concerns raised by Ekinops' Indian subsidiary in the context of a spike in the Covid-19 pandemic and hospitalizations, the Group's Management decided to increase the ceiling for compensation by 50% for the health insurance policy taken out for Ekinops India employees.

3.4.1.2_Due diligence procedures and indicators

Recruitment

In line with trends from 2018 to 2020, Ekinops substantially increased its new hires in 2021. More specifically, the Group created high-potential middle management positions for the R&D department aimed at implementing an ambitious policy focused on:

- deploying "agile" methodology for development projects;
- delivering consistency in processes between the access products and high-speed fiber-optical transport businesses;
- strengthening IT security, both in the design of products and software and for enterprise networks, aimed at obtaining ISO 27001 certification.

However, the ongoing health crisis prolonged recruitment timeframes in 2021 and slightly slowed the onboarding of new arrivals due to the Group's extensive use of teleworking as well as travel restrictions. To encourage employees to take part in recruitment, a bonus was created at Ekinops' R&D center in India to award employees who put forward a successful candidate.

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	Change
Women employees	80	89	+11.25%
Men employees	377	396	+5.03%
Total headcount	457	485	+6.13%
Annual FTE headcount	451	465	+3.10%

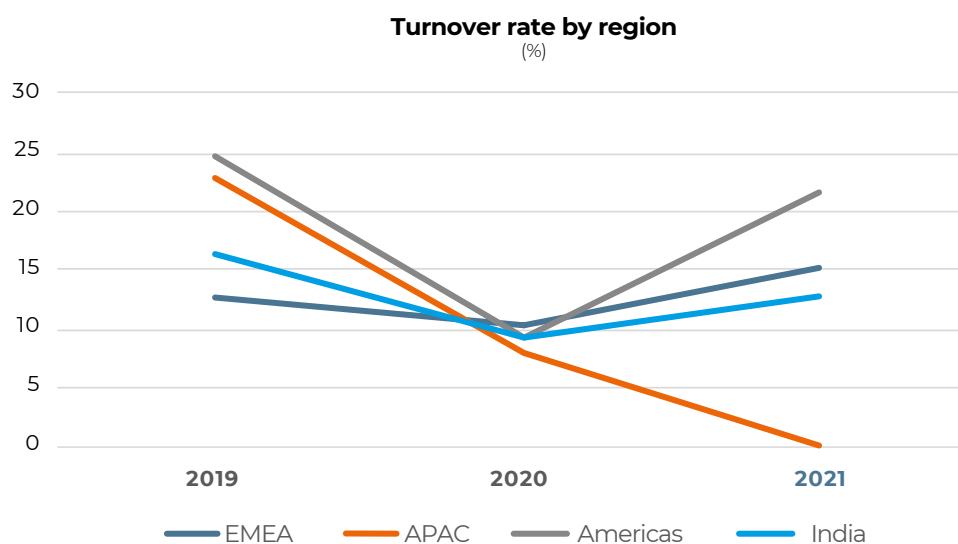
The FTE (full-time equivalent) headcount represents the average annual headcount, factoring in part-time contracts (two part-time contracts equate to one FTE) and the time spent during the year on hires and

departures.

As a result, although headcount increased by 28 during 2021, the FTE headcount only rose by 17.

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 rise in 2021 stemmed from an acceleration in new hires in 2021 versus 2020, except for the APAC region

where no change was reported in 2021 following the headcount decrease from six to five in 2020.

HR-3 KPI: Average headcount age

This indicator measures the average age of Group employees. For high-tech companies such as Ekinops, this should reflect the balance required between experience and expertise in the latest technologies that are shared across generations.

Sex	12/31/2020	12/31/2021
Women	45.9	43.8
Men	45.8	45.6
All	45.9	45.3

The Group's 2021 recruitment policy resulted in a reduction in the average age of employees by a year-and-a-half compared to end-2020. The average age of women employees was two years younger.

Skill management based on training

Faced with both the difficulty of organizing in-person training amid the ongoing Covid-19 pandemic, and the range of training required for R&D teams who constantly need to keep up with the latest technological innovations, during 2021 Ekinops experimented with an online training platform offering multiple beneficial tools, among which were:

- an extensive catalog with several modules covering the newest technologies;
- readily-accessible multilingual modules to the benefit of the Group’s foreign subsidiaries;

- the possibility for eligible employees to freely and individually select the date and time of their training sessions;
- an organization causing no health-related issues with participants able to follow courses while teleworking.

Naturally, this type of online learning course does not provide the interaction of a session led by a specialist, but the concept proved successful, receiving positive feedback from participants. It also helped make up much of the ground lost in 2020 due to the pandemic.

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

	2019	2020	2021
Number of training sessions in France	121	68	346
Number of Group training sessions	n.a.	n.a.	1,221
Change in France vs. previous year	+66%	-44%	+409%
Total number of training hours in France	2,500	875	1,189
Total number of Group training hours	n.a.	n.a.	4,757
Change in France vs. previous year	+66%	-68%	+36%
Total cost of training in France	€104,816	€32,824	€32,737
Total cost of Group training	n.a.	n.a.	€115,085
Change in France vs. previous year	+64%	-69%	-0%

HR-5 KPI: Percentage of women hires and headcount (Ekinops Group)

As already discussed in the section on risks, the legitimate targets for parity in terms of headcount are difficult to achieve for a company such as Ekinops because of chronic under-representation of women in high-tech professions. This holds particularly true in France.

Ekinops measures parity in recruitment on an annual basis with the goal of achieving better parity than headcount parity. As such, the Group is working to continuously improve parity achievement.

Percentage of women in Ekinops Group headcount in 2020	17.50%
Percentage of women in Ekinops Group headcount in 2021	19.38%
Percentage of women in employees recruited in 2021	26.92%

This demonstrates that the percentage of women in the Group headcount increased by 1.88% in 2021, i.e., by 10.74% in relative terms (1.88/17.50).

by Le Dantec High School in Lannion (northwestern France). The challenge organizes a team programming competition for female high school students. Students from 10th to 12th grade (senior year) are tasked with developing Web microservices on a theme chosen by a jury comprised of female computer programmers.

Ekinops sponsors a local initiative aimed at encouraging female high school students to pursue careers in technology and software development called ADA Lovelace. The “ADA Lovelace” challenge is organized

HR-6 KPI: Change in Ekinops Group payroll

Change in payroll vs. previous year	2020	2021
	+2.86%	+5.40%

The change in 2021 is consistent with the increase in headcount of approximately 6% and wage increases in India and Brazil.

HR-7 KPI: Absenteeism (Ekinops employees based in France)

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

In the current, unique context of the health crisis, a change in absenteeism compared to the 2019 baseline year signals the effectiveness of the measures adopted by Ekinops to protect its employees.

The table below shows that, based on the measures that Ekinops was able to implement in regard to teleworking and the organization of non-eligible production jobs, the Group managed the pandemic effectively.

Group absenteeism

2020	2021
2.65%	1.73%

3.4.2_Dependence on customers and supplies

3.4.2.1_Our customer policy

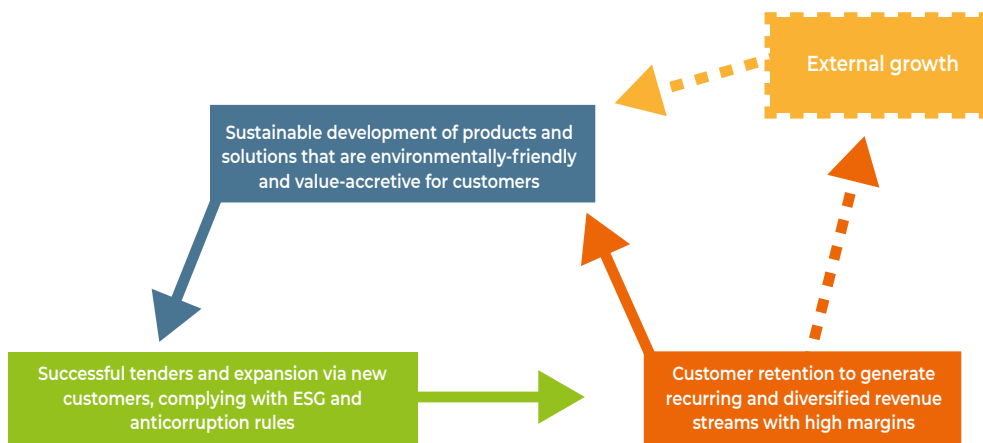
Ekinops possesses the growth ambitions required to win market share from the largest key account operators. This overall growth is supported by new account wins, organic growth, and at times, by acquisitions.

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.

In recent years, we have observed a growing number of ESG concerns on the part of our operator-customers,

and this trend accelerated in 2021. This is illustrated by the increased monitoring of their suppliers’ ESG commitments through questionnaires, performance assessment by expert companies and the rising number of ESG criteria included in the assessment of responses to calls for tenders.

This trend highlights yet another reason for Ekinops to step up its commitment to sustainable development as a way of winning new accounts while ensuring recurring revenue from existing customers and maintaining a high contribution margin to finance the development of competitive and environmentally-friendly products and solutions, 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 SDN (Software Designed Network) domains with the Group's SD-WAN and OVP offerings, which include renewable annual licenses.**

3.4.2.2_The procurement policy

The procurement policy is essential for the Group as it impacts profitability in the short term through the cost price of hardware sold. However, this policy also impacts the medium term through the quality of components selected and potentially in terms of image, if certain suppliers do not apply all the intended rules of ethical and environmental responsibility.

Supplies fall into three main categories:

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

Production supplies account for the main share, with EMS (electronics manufacturing services companies) on the one hand, and component suppliers for the Group's Belgium-based plant on the other.

Production supplies also represent the most critical share with regard to financial impact, flow management, safety, quality and ESG for the Group.

The electronic components supply chain suffered in 2021 due to the global health crisis. This crisis led to long lead times, which is discussed further on in this section, and a considerable increase in raw materials costs, raising concerns that this may be a sign of resumed inflation. Against this backdrop, a commercial strategy aimed at increasing the share of recurring revenue through services and software sold as part of a renewable annual subscription made perfect sense.

At the same time, a series of negotiations took place with customers to convince them to accept an immediate price increase and price review clauses in contracts. This is not always easy as for more than three decades, market players have experienced a steady decline in electronic equipment prices, for the same or better performances.

Ekinops' procurement policy therefore aims to:

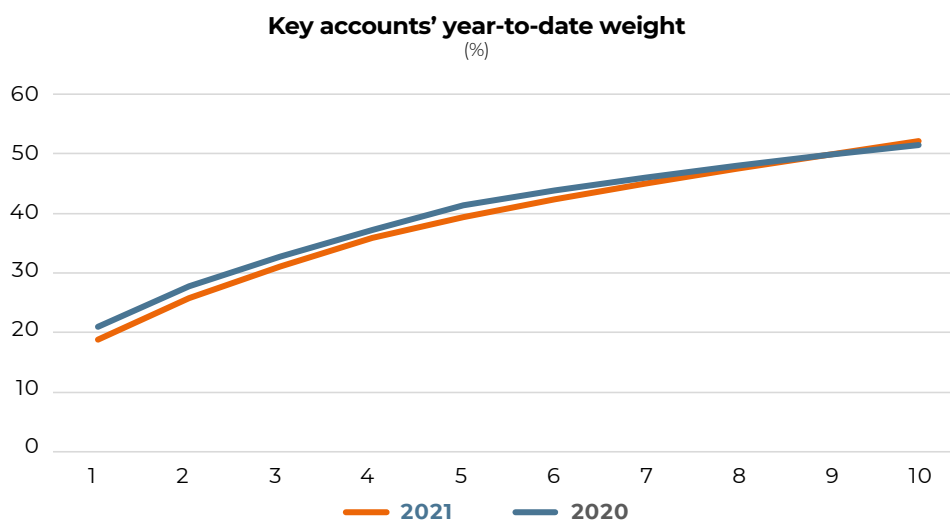
- ensure cost control of sold products:
 - **enforcing competitive bidding for EMS and other suppliers;**
 - **sharing experience with development teams;**
- secure supplies:
 - **searching for and maintaining alternative sources;**
 - **negotiating safety inventories at suppliers;**
 - **committing 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;**
- 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 (initiative scheduled for 2022).**

3.4.2.3_Due diligence procedures and indicators

C-1 KPI: Relative weight of key accounts

The following chart shows the percentage of total revenue achieved with Ekinops' key accounts. While the weight of the top 10 customers remains virtually unchanged at approximately 52%, the relative share of the Group's no. 1 key account decreased from 20.9% to

18.8% which is still high despite being obtained through various products and multiple projects. This trend is therefore beneficial for Ekinops which has reduced its dependency on this major incumbent operator with global reach.



C-2 KPI: Average delivery times

The Ekinops Group and its EMS partners had largely anticipated the current crisis in electronic components by placing orders several months in advance and increasing stocks. Nevertheless, a single late component (out of several thousand in a bill of materials) is enough to block production and some delivery delays were noted in the fourth quarter of 2021.

Access products

The production of enterprise routers and Ethernet access devices (EAD), comprising Ekinops' access range, is divided between the Group's plant and an EMS in Eastern Europe developing products on a large scale for a handful of key accounts. The latter decided to anticipate their orders in 2021, which explains the 12-week target with forecasts versus four/six weeks in normal operating conditions.

EMS	Average delivery times	Target
Ekinops plant	6.6 weeks	5.9 weeks
EMS	13 weeks	12 weeks ⁽¹⁾

(1) Extended to 12 weeks through anticipation of customer orders.

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

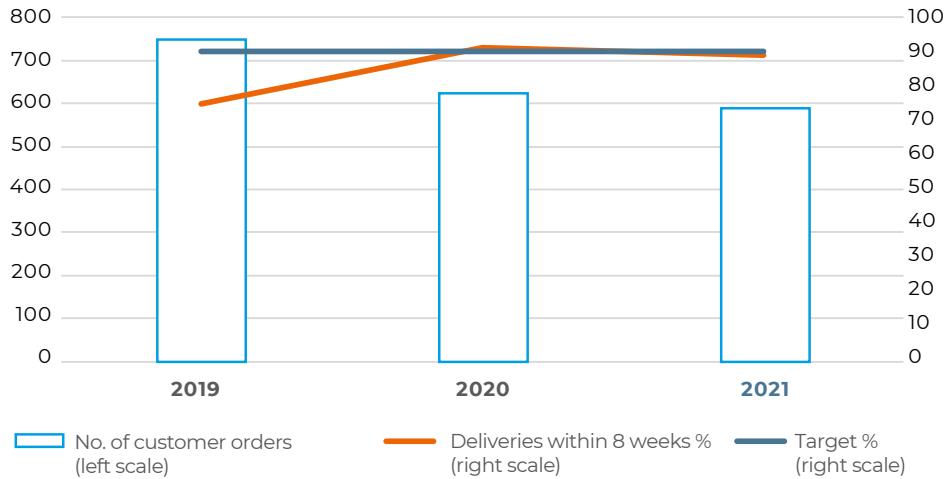
and resulted from the highly active engagement of supply and production teams in the current market environment.

Transport products

Despite the crisis and robust growth in sales of fiber optic transport products in 2020 and 2021, the performance of the Group's three EMS improved overall

on an average basis. Furthermore, the delivery target of less than eight weeks for 90% of orders was met over the past two years. A slight extension in delivery times was nevertheless noted during the fourth quarter of 2021.

Customer order deliveries



C-3 KPI: Share of software and service sales

In line with the strategy, the share of services and software increased in sales, topping the 14% mark in 2021.

Type of sales	2020	2021
Services and software	10.3%	14.3%
Equipment	89.7%	85.7%
Total	100.0%	100.0%

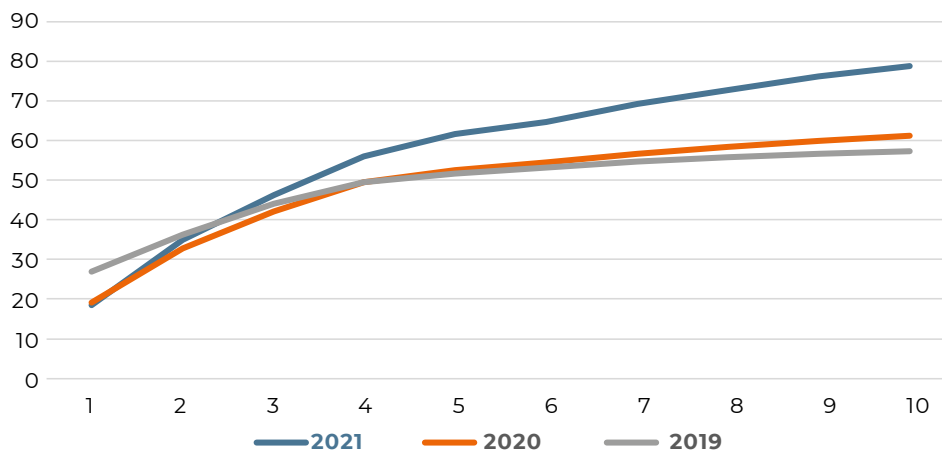
C-4 KPI: Share of sold products from ISO 9001-certified entities

	2020	2021
Total	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

Ekinops purchases from Group lead suppliers (%)



The Group's main suppliers are the four EMS and the main suppliers of electronic, optical and mechanical components (cabinets and chassis) for the Leuven plant

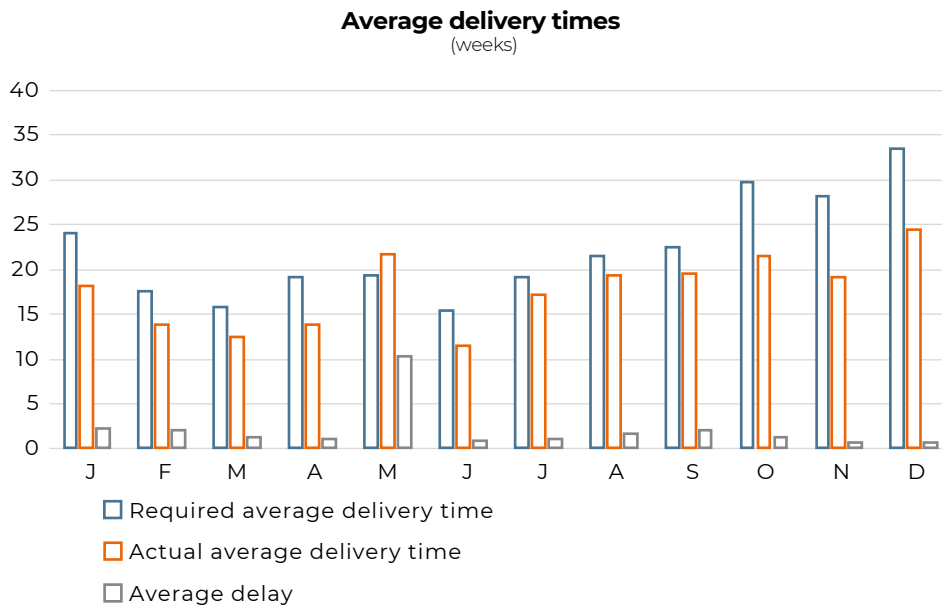
(central Belgium). The charts show a high concentration of purchases in 2021 with nearly 80% of the Group's production purchases from the 10 largest suppliers

versus nearly 61% in 2020 and only 58% in 2019. This is consistent with the policy to select suppliers and streamline supplies.

To coordinate the supply of components to the 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, providing Ekinops with the ability 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



This indicator verifies that the Ekinops plant generally controlled its supplier relations in 2021. Indeed, reported average delivery times were below the requested delivery times. However, a spike in average delivery delays due to the supply chain crisis was noted in the month of May. In response, the Group ordered

components increasingly ahead of time to limit delays caused by the crisis. Average monthly delivery times over the year ranged from 12 to 24 weeks, compared with under 12 weeks, excluding the component supply crisis, pre-pandemic.

3.4.3 Environment

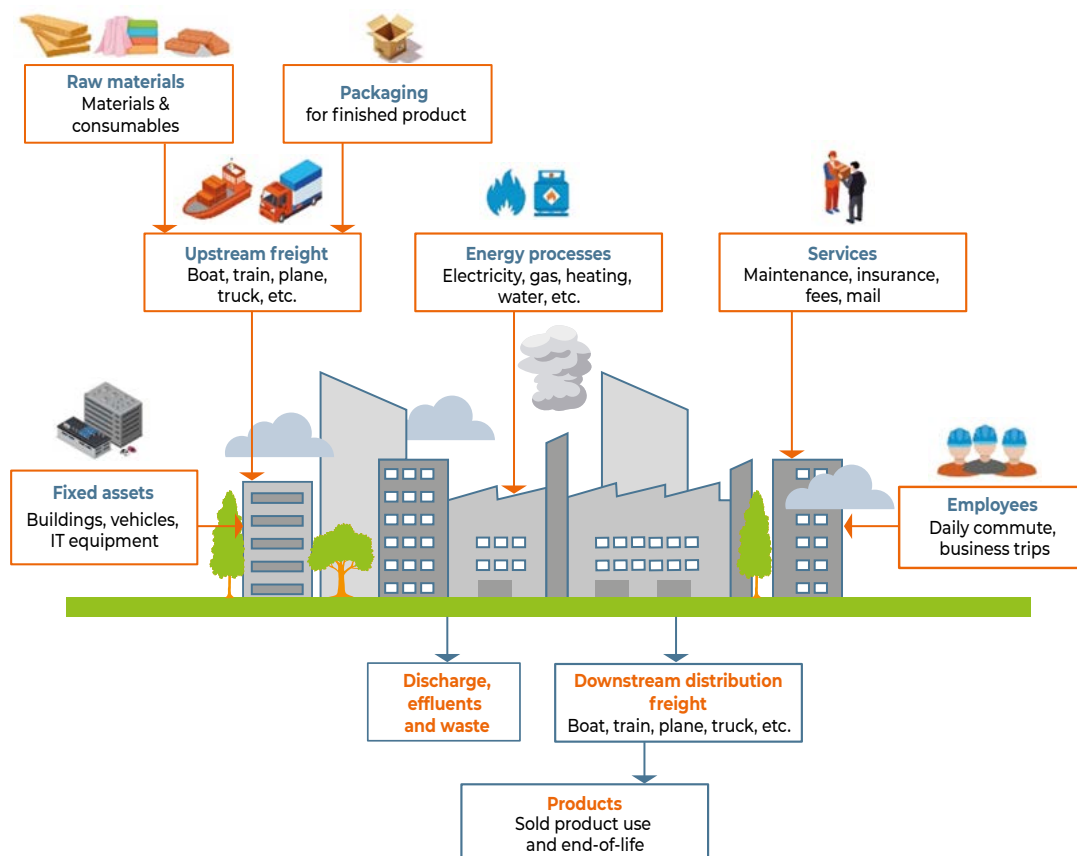
3.4.3.1 The Ekinops environmental policy

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 Group's manufacturing facilities in Lannion and Leuven already apply this policy and have obtained and maintained their ISO 14001 certification. The R&D sites are committed to an ecodesign approach that has already reduced consumption levels of the most recent products. For the first time in 2021, Ekinops conducted an initial assessment of its carbon footprint at Group level for scopes 1, 2 and 3. The results of this review will help identify new and relevant reduction measures involving all facilities worldwide in 2022.

Ekinops Group CO₂ footprint scope of assessment



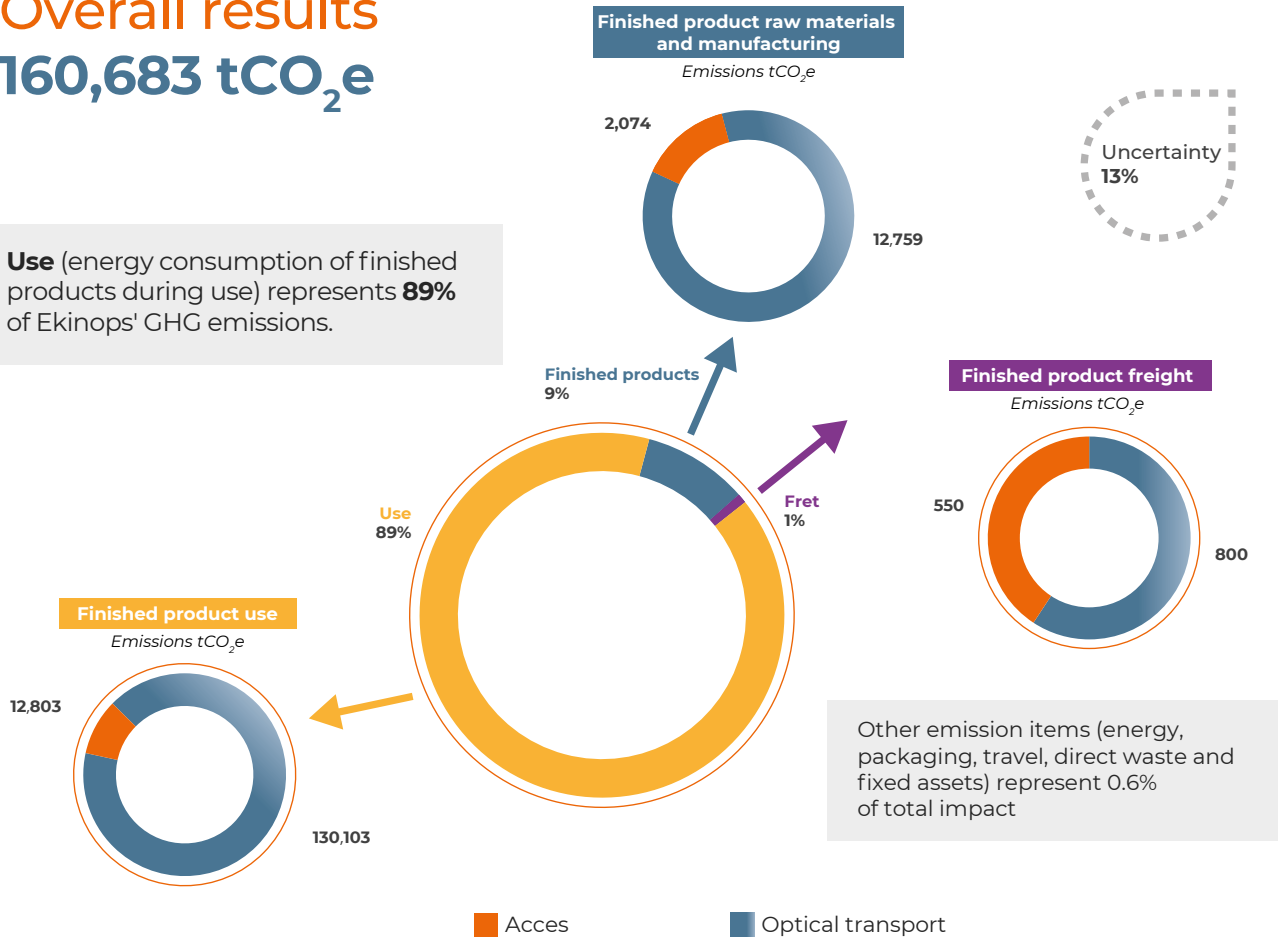
3.4.3.2_Due diligence procedures and indicators

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. The most important environmental impact, representing 90% of emissions, is the power consumption of products sold that will run continuously for several years.

Overall results 160,683 tCO₂e

Use (energy consumption of finished products during use) represents **89%** of Ekinops' GHG emissions.



As a producer, Ekinops' responsibility is understandably shared with its operator-customers who will be the users of these products for their networks. Based on equivalent performance, the ecodesign approach, which enables a reduction in the future consumption of sold products, faces continued efforts to elevate performances across telecoms networks.

In this spirit, the Group will maintain its focus on minimizing other impacts by reducing and recovering waste (packaging, Waste Electrical and Electronic Equipment - WEEE, etc.), using 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 conducted in 2019.

In the design phase, the Ekinops teams select 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.

RoHS = Restriction of Hazardous Substances
REACH = Registration, Evaluation, Authorization, and Restriction of Chemicals

In regard to its Access range, Ekinops provides its recycling partners with all disassembly instructions as well as the list and location of any components requiring special treatment. Ekinops has set a target for at least

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

KPI E-1: Percentage of finished product purchases in 2021 from ISO 14001-certified EMS

Product line	2021	2020	2019
Transport	46.7%	45.4%	49.7%
Access	100.0%	100.0%	100.0%

One EMS in the transport product line, located in France, is not ISO 14001-certified and is subject to special monitoring of environmental aspects by the Group's Lannion facility, which is itself ISO 14001-certified and a

purchaser of these products. The "Access" product line is provided by the Group's plant and an EMS, both of which are ISO 14001-certified.

KPI E-2: Group energy consumption per €m of revenue

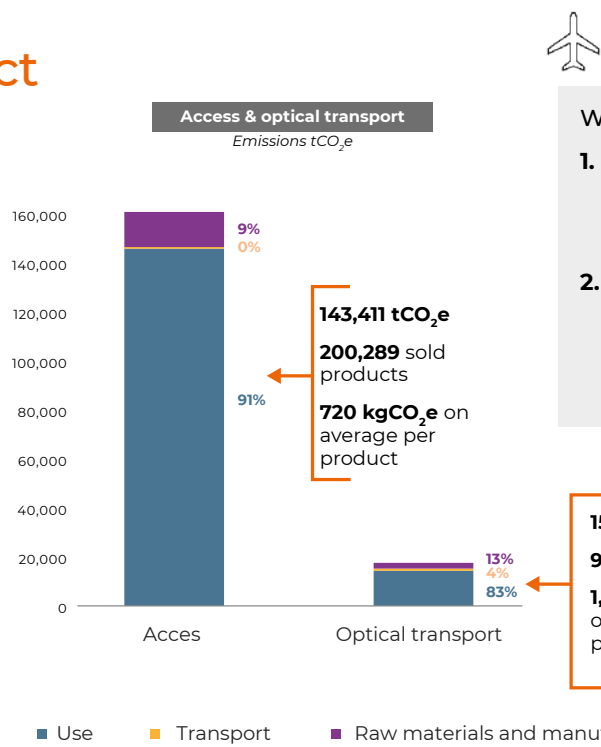
Total estimated Group consumption: electricity + gas 2,635,800 kWh

2021: 25,442 kWh/€m of revenue

KPI E-3: CO₂ 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.



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**2021**

Access

Transport

	Total MWh/year	Number of products	Average/ product/year
Access	42,036	200,289	209.8 kWh
Transport	2,672	9,058	295.0 kWh

As this item is the largest contributor to Ekinops' carbon footprint, measuring year-on-year trends remains very relevant. Since the proportion of products that have benefited from ecodesign is set to rise every year, this indicator should decrease in future years.

Product manufacture**Energy/Resource consumption at manufacturing facilities**

Ekinops tracks and analyzes its gas, electricity, and water consumption data. Gas and water consumption is monitored on a weekly basis to prevent any risk of overconsumption in an extremely short timeframe. 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 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 in 2021 of photovoltaic panels on a section of the premises should help meet the site's 2022 electricity reduction target.

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' next-generation access products comply with the energy saving and energy efficiency directives adopted at the European level to improve the environmental performance of energy-using products (Directive 2009/125/EC "Energy related Products").

Product end-of-life

Ekinops fully complies with the provisions of the WEEE Directive (Directive 2012/19/EU on Waste Electrical and Electronic Equipment). In countries where regulations require, the amounts of Ekinops products authorized, collected, and recycled are reported periodically to a national environmental organization.

Ekinops carefully notifies the users of its products with respect to these regulations by displaying an appropriate product marking (crossed wheellie bin symbol) and by including an environmental clause in Access product user manuals.

KPI E-5: Percentage use of recyclable and recycled 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	% recycled materials
Transport	Expected indicator for 2022	Expected indicator for 2022
Access	> 70% ⁽¹⁾	> 20% ⁽¹⁾

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

KPI E-6: Number of tons of CO₂ emitted per million euros (€) of revenue

In 2021, Ekinops Group emissions, including the energy consumption of products during their entire life cycle, represented 1,545 tons of CO₂ for every million euros (€) of revenue made. Going forward, tracking this indicator will make it possible for the Group to assess the impact of its initiatives and the increase in the share of services and software in revenue.

3.5_Human rights, tax evasion, corruption

3.5.1_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 encourages all of its employees to 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 for all its stakeholders.

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 Group Corporate Code of Conduct was drafted and approved at end-2020. This firm commitment by Ekinops has been communicated to all employees since 2021 and is systematically given to all new Ekinops employee-hires. A proposed training session for all Group employees on this topic, which was scheduled for 2021, was postponed because of the health crisis. The session will run in 2022.

In addition, on January 28, 2021, the Board of Directors decided to create the Ethics Committee, 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:

- Personnel representative (ESC);
- Group Legal Practitioner;
- Director.

Since there were no alerts during 2021, the Ethics Committee did not meet during the past fiscal year.

3.5.2_ Respect for human rights

Through its geographical locations, Ekinops has a wide range of nationalities and cultures, but which are concentrated in countries that have adopted the Universal Declaration of Human Rights (UDHR).

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.

Ekinops is reviewing the option of monitoring its partners and requesting that they certify their compliance with the UDHR.

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.

3.5.3_ 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 2021 NFPS:

- combating food waste;
- combating food shortages;
- respecting animal welfare;
- providing responsible, fair, and sustainable food.

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.

3.6_ Note on methodology

Data reporting schedule

Ekinops has decided to use data from the last three fiscal years, i.e., from January 1 through December 31 between 2019 and 2021.

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, Switzerland).

Depending on the indicators, the data consolidates one, several, or all entities. This information is specified for each indicator if it does not concern the Group as a whole.

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 2021. This coefficient may be less than one in the following two scenarios:

- a) if the employee works part-time;
- b) 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: $TO = (\text{Sum of hires} + \text{sum of departures}) / 2 / \text{headcount on January 1}$

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.

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), 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.

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.

3.7_Independent third-party report

Independent third-party report on the consolidated Statement of Non-Financial Performance included in the Group Management Report

Fiscal year ended December 31, 2021

For the attention of the Annual General Meeting,

In our capacity as an independent third party (hereafter “ITP”) of your Company (hereafter “Entity”), certified by COFRAC—the French Accreditation Committee—under number 3-1101 (Cofrac Accreditation Inspection No. 3-1101, whose scope is 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, 2021 (hereafter the “Information” and the “Statement” respectively), presented in the 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 results presented do not show quantified targets;
- the key performance indicators (“KPI’s”) for the Group’s energy consumption and time spent on training were properly documented internally, but could not be verified through external sources;
- improvements in establishing and controlling Information were identified.

Preparation of the Non-Financial Performance Statement

The lack of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of Information allows for different, but acceptable, measurement techniques that may affect comparability across entities and may also apply over time.

As a result, the Information should be read and understood with reference to the Reporting criteria, the material items of which are presented in the Statement.

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);
- 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 *Compagnie nationale des Commissaires aux Comptes*, the French National Association of Statutory Auditors, in regard to this verification process.

Independence and Quality Assurance

Our independence is defined by the provisions provided in Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors ("*Code de Déontologie de la profession de Commissaire aux Comptes*"). 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 three people and took place between October 2021 and February 2022 for a total of two weeks.

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

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 where appropriate, includes an explanation for the reasons for the absence of information required by paragraph 2, section III, of Article L. 225-102-1;
- we have verified that the Statement presents the business model and a description of the main business risks of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products and services, as well as policies, initiatives and results, including KPI's intended for the main risks;
- we have consulted sources of documentation and conducted interviews so as to:
 - assess the process for selecting and approving the main risks and the consistency of the results, including the selected KPI's, with the main risks and policies presented;
 - and to corroborate the qualitative information (initiatives and results) which we deemed most important, as presented in the Appendix. With respect to certain risks, our work was carried out at the level of the consolidating entity. For other risks, work was conducted at the level of the consolidating entity and in a selection of entities;
- we have verified that the Statement addresses the consolidated scope, i.e., all the entities included within the scope of consolidation in compliance with Article L.233-16;
- 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 the appendix, 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 (Ekinops France and Ekinops Belgium) 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.

Paris, March 4, 2022

Independent third party,

BDO Paris, represented by

Audrey Leroy

Partner

ESG Department

Appendix

Quantitative indicators:

- Change in number of departures and arrivals by region, "turnover";
- Change in employee training activity and hours of training provided;
- Change in absenteeism;
- Relative weight of key accounts in revenue;
- Share of software and service sales;
- Percentage of revenue from ISO 9001-certified production;
- Average supplier delivery time and delay (excluding EMS) change vs. previous year;
- Percentage of production from ISO 14001-certified EMS;
- Group energy consumption/revenue;
- Carbon footprint per product;
- Average annual electricity consumption of sold products;
- Percentage of recycled and recyclable material used in products;
- Number of tons of CO₂ emitted per million euros (€) of revenue.

Qualitative indicators:

- ISO 14001 and ISO 9001 certification, HR policy.

4

● CONSOLIDATED FINANCIAL STATEMENTS

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4.1_Consolidated statement of financial position

(€k)

	Notes	12/31/2021	12/31/2020
ASSETS			
Goodwill	4.1	29,418	28,349
Intangible assets	4.2	23,197	27,191
Tangible assets	4.3	3,735	3,137
Non-current financial assets	4.5	1,172	1,090
Rights of use	4.6	4,581	5,261
Other non-current assets	4.5	10,307	10,244
Deferred tax assets	5.7	2,844	2,371
Total non-current assets		75,254	77,643
Inventories	4.7	19,033	13,911
Trade receivables and related accounts	4.8	24,218	22,341
Other current assets	4.9	6,380	4,963
Derivative instrument assets	4.9	26	-
Cash and cash equivalents	4.10	45,392	49,635
Total current assets		95,048	90,850
TOTAL ASSETS		170,304	168,493
LIABILITIES			
Issued capital	4.11	12,916	12,731
Share premiums		112,954	112,020
Consolidated reserves-Group share		(28,469)	(33,711)
Translation reserves		(3,423)	(3,272)
Net income for the period-Group share		4,812	3,173
Shareholders' equity Group share		98,791	90,941
Total shareholders' equity		98,791	90,941
Non-current financial debt	4.12	16,771	22,935
Non-current lease liabilities	4.6	2,972	3,885
Non-current provisions	4.14	1,210	765
Commitments to personnel	4.15	3,147	3,384
Other non-current liabilities	4.16	937	864
Deferred tax liabilities	5.7	1,145	3,345
Total non-current liabilities		26,181	35,178
Current financial debt	4.12	11,860	14,908
Current lease liabilities	4.6	1,753	1,605
Current provisions	4.14	1,682	1,402
Debts on acquisition of current securities		-	147
Derivative instrument liabilities	4.17	-	80
Trade payables and related accounts	4.17	16,154	12,381
Current tax payable	4.17	984	438
Other current liabilities	4.17	12,899	11,413
Total current liabilities		45,333	42,374
TOTAL LIABILITIES		170,304	168,493

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

4.2_Consolidated statement of comprehensive income

(€k)

	Notes	12/31/2021	12/31/2020
Revenue	5.1	103,567	92,800
Cost of sales		(47,103)	(41,681)
Gross margin		56,463	51,119
Research and development costs	5.2	(24,305)	(22,086)
Marketing and sales costs	5.2	(18,532)	(18,005)
General and administrative expenses	5.2	(10,182)	(7,523)
Current operating income (expense)		3,444	3,505
Other operating income (expense)	5.5	(413)	(186)
Operating income (expense)		3,031	3,319
Net borrowing costs	5.6	(416)	(557)
Other financial income and expenses	5.6	613	(792)
Pre-tax income (expense)		3,228	1,970
Tax expense	5.7	1,584	1,202
Net income for the period		4,812	3,173
Portion attributable to Ekinops SA shareholders:	5.8	4,812	3,173
Portion attributable to non-controlling interests:		-	-
Basic earnings per share (€/share):	5.8	0.19	0.13
Diluted earnings per share (€/share):	5.8	0.18	0.12
EBITDA	11	17,551	14,769

Other comprehensive income

	12/31/2021	12/31/2020
Net income for the period	4,812	3,173
Other recyclable components of comprehensive income:	(151)	(2,882)
Currency translation adjustments, net of taxes	(151)	(2,882)
Currency translation adjustments	(151)	(2,882)
Tax effect	-	-
Other non-recyclable components of comprehensive income:	327	(106)
Actuarial gains and losses, net of taxes	221	(68)
Actuarial gains (losses) on commitments to personnel	221	(68)
Tax effect	-	-
Financial instruments, net of taxes	106	(38)
Change in fair value of financial hedging instruments	106	(38)
Tax effect	-	-
Total other comprehensive income	176	(2,988)
Comprehensive income	4,988	185
Portion attributable to Ekinops SA shareholders:	4,988	185
Portion attributable to non-controlling interests:	-	-

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

4.3_Consolidated statement of changes in equity

(€k)

	Number of shares	Capital	Share premium	Reserves and retained earnings	Translation reserves	Shareholders' equity, Group share	Non-controlling interests	Total shareholders' equity
At 01/01/2020	24,127,677	12,064	109,435	(34,670)	(391)	86,437	-	86,437
Net income for the period	-	-	-	3,173	-	3,173	-	3,173
Other comprehensive income	-	-	-	(106)	(2,882)	(2,988)	-	(2,988)
Comprehensive income	-	-	-	3,067	(2,882)	185	-	185
Treasury shares	-	-	-	18	-	18	-	18
Options exercised and bonus shares issued	1,334,328	667	2,817	(232)	-	3,252	-	3,252
Share-based payments	-	-	-	872	-	872	-	872
Other	-	-	-	177	-	177	-	177
At 12/31/2020	25,462,005	12,731	112,252	(30,768)	(3,273)	90,941	-	90,941
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
At 12/31/2021	25,832,666	12,916	112,954	(23,657)	(3,423)	98,791	-	98,791

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

4.4_Consolidated statement of cash flows

(€k)

	Notes	12/31/2021	12/31/2020
Net income for the period		4,812	3,173
Elimination of depreciation, amortization and provisions (excluding rights of use)	5.4	9,544	8,781
Elimination of amortization of rights of use (IFRS 16)	4.6.1	1,694	1,633
Elimination of share-based payment expenses	4.11.2	2,149	872
Elimination of deferred taxes	5.7	(2,575)	(1,977)
Elimination of other items with no cash impact		16	129
Cash flow after taxes and net borrowing costs		15,640	12,611
Elimination of tax expense (income)	5.7	991	776
Neutralization of financial interest related to lease liabilities		116	145
Neutralization of borrowing costs disbursed		284	283
Cash flow before taxes and net borrowing costs		17,031	13,815
Impact of change in working capital requirements	4.18	(3,988)	(5,599)
Tax paid		(543)	(981)
Cash flows from operating activities		12,500	7,235
Acquisitions of tangible and intangible assets	4.4	(5,045)	(4,312)
Acquisition of securities	4.16	(991)	(609)
Change in loans, advances, and security deposits		(65)	(15)
Cash flows from investing activities		(6,100)	(4,937)
Change in share capital and share premiums	3	806	3,252
Trading in treasury shares	3	(95)	18
Issue of new loans	4.12	3,139	16,608
Loan repayments	4.12	(8,839)	(3,892)
Financial interest paid		(284)	(283)
Repayment of rent liabilities	4.6	(1,787)	(1,645)
Financial interest related to rent liabilities		(116)	(145)
Change in debt arising from factoring	4.12	(3,239)	1,082
Change in other financial debt	4.12	(360)	(55)
Cash flows from financing activities		(10,775)	14,940
Impact of foreign exchange rate fluctuations		132	(190)
Net increase (decrease) in cash and cash equivalents		(4,243)	17,047
Opening cash and cash equivalents:		49,635	32,588
Closing cash and cash equivalents:		45,392	49,635

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

4.5_Notes to the annual consolidated financial statements

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Note 1_General presentation

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

The highly programmable and scalable solutions offered by Ekinops enable the fast, 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.

Note 2_Highlights

Buoyed by strong business activity throughout 2021, for the first time in its history, Ekinops topped the €100m threshold to generate an annual consolidated revenue of €103.6m, an increase of 12%. The positive trend was fueled by growth in all the Group's businesses (Transport, Access and Software), and notably by powerful sales momentum in Optical Transport solutions across all geographical regions.

As part of the "France Recovery" plan put in place by the French Government, the Group was allocated €3.6m in funding in the form of a government grant, to be received over the next three years to support the development of its NGOpt project. This project is intended to 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. €0.8m of the grant was recognized for 2021.

Furthermore, in November 2021, Ekinops acquired

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

On March 7, 2022, the Board of Directors approved and authorized the publication of the consolidated annual financial statements of Ekinops SA covering the 12-month period ending on December 31, 2021.

The consolidated financial statements are presented in thousands of euros. All values are rounded to the nearest thousand unless otherwise stated.

Company Identifying Information

Company name	Ekinops
Explanation for the change in name	-
Country of registered office	France
Legal form	SA (French Public Limited Company)
Country of incorporation	France
Address of registered office	3 rue Blaise Pascal - 22300 Lannion, France
Address of principal establishment	3 rue Blaise Pascal - 22300 Lannion, France
Description of the business	Telecommunications equipment manufacturers
Name of the parent company	Ekinops
Name of Group parent	Ekinops

the start-up SixSq, an SaaS (*software-as-a-service*) software publisher specialized in *edge computing*. Based in Geneva, Switzerland, SixSq has an ultra-innovative solution that allows companies to draw added value from *edge computing*. Complementary to *cloud computing*, the SixSq solution enables smart processing of data directly on the company's site.

Ekinops therefore maintained its growth path during 2021 despite the impact of the Covid-19 pandemic. Over the period, and in line with government measures in the countries where the Group has a physical presence, Ekinops implemented the necessary protocols to ensure the safety of its employees, stem the spread of the virus and limit its impact on business. The Group did not resort to short-time working measures over the past year. It should be noted that the Group benefited from a €0.5m subsidy in the first half of the year as part of the support measures implemented by the US government. As of the date of this document, most of

the Group's employees continue to work from home. Ekinops fully delivered its double-digit revenue growth target in 2021 despite persistent supply problems for 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.

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, 2021, were prepared in accordance with international accounting standards as approved by the European Union as of December 31, 2021, 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, 2021

Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9
Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Reform of benchmark interest rates - Phase 2

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

Standards, amendments, and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after April 1, 2021

Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond June 2021 (lessors only)
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This publication had no material impact on the Group's consolidated financial statements.

Impact of the binding IFRS IC decision on IAS 19 "Allocation of benefits to periods of service"

The pension benefit plans in force within Ekinops Group are primarily governed by the provisions pertaining to the Syntec convention. The latter does not provide for any capping of benefits relating to the period of service of employees.

importance for the Group.

As a result, this IFRS IC decision is not of significant

3.3 Valuation rules and methods

3.3.1 Scope

The Group controls all of its subsidiaries, which are therefore fully consolidated.

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

Company	Country	Comments	2021			2020		
			% interest	Consolidation method	Number of months of activity	% interest	Consolidation method	Number of months of activity
Ekinops SA	France		Parent	IG	12 months	Parent	IG	12 months
Ekinops Corp.	United States		100%	IG	12 months	100%	IG	12 months
Ekinops France SA	France		100%	IG	12 months	100%	IG	12 months
Ekinops Belgium	Belgium		100%	IG	12 months	100%	IG	12 months
Ekinops Italia	Italy	<i>in liquidation</i>	100%	IG	12 months	100%	IG	12 months
Ekinops India	India		100%	IG	12 months	100%	IG	12 months
Ekinops Australia	Australia		100%	IG	12 months	100%	IG	12 months
Ekinops España	Spain		100%	IG	12 months	100%	IG	12 months
Ekinops Brasil	Brazil		100%	IG	12 months	100%	IG	12 months
Ekinops Deutschland	Germany		100%	IG	12 months	100%	IG	12 months
SixSq	Switzerland		100%	IG	2 months	-	-	-

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

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

During the financial year ending on December 31, 2021, the changes in the scope of consolidation were as follows:

- acquisition of SixSq in November 2021.

differences are recorded in translation differences in the consolidated reserves.

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 recorded as either profit or loss on disposal of the net investment.

3.3.4 Judgments and estimates

In order to prepare the financial statements in accordance with IFRS, the Group's Management had to make assumptions, judgments, and estimates that could affect the amounts presented as assets and liabilities and the amounts presented as expenses and income for the period as of the date of preparation of the financial statements.

The main significant estimates made by the Group's Management include:

- fair value measurement of stock options (stock option plans, founder warrants, bonus share, and share warrants) granted to founders, managers, employees of the Group, and certain service providers. The measurement of this fair value results from models requiring the use of calculation assumptions (volatility, staff turnover, exercisability period, etc.);
- valuation of employee benefits, especially end-of-career benefits;
- valuation of provisions and especially the warranty provision;
- estimate of repayment flows of repayable grants and advances;
- valuation of deferred taxes;
- goodwill impairment tests;
- accounting treatment of leases in the application of IFRS 16.

The Group's Management makes these estimates and assessments on an ongoing basis according to the going-concern assumption, its experience, and the information available as of the closing date. These estimates may be revised if the circumstances on which they were based change or if new information becomes available. Consequently, actual results may differ substantially from these estimates.

3.3.5_Goodwill

In accordance with the provisions of the revised IFRS 3–Business Combinations, goodwill represents the difference between:

- the price for acquisition of control;
- the amount of the non-controlling interest in the 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 (expense)."

Impairment losses recognized in respect of goodwill are irreversible.

The recognized goodwill is not amortized but undergoes at least one annual impairment test to determine whether an impairment loss must be recognized. For impairment testing purposes, goodwill is allocated to Cash-Generating Units (CGU). A CGU is the smallest identifiable group of assets whose continued use generates cash inflows that are independent of cash inflows generated by other assets or groups of assets. The Group conducts impairment tests at the end of each year or whenever an indication of impairment loss is identified in order to estimate the recoverable amount of the CGU. The recoverable amount is the greater of the net fair value of the asset and its value in use (present value of cash flows expected from use of the CGU). An impairment loss is recognized for a CGU if the recoverable amount is less than the carrying amount. This impairment loss must first be allocated to the CGU's goodwill.

Impairment tests carried out for 2021 did not lead to the recognition of any impairment loss.

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 minus accumulated amortization and recognized impairment losses).

They primarily consist of:

- User licenses for software applications/packages, amortized on a straight-line basis over their useful life of between 1 and 6 years
- Development costs.

The allocation of the OneAccess France and Ekinops Brasil purchase prices during the 2018 and 2020 financial years respectively 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	less than 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 their leases as assets while also acknowledging their right to use the underlying asset and liability as 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 documented, 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 (EIR). The effective interest rate (EIR) 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 duration 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. The purpose of the subsidy is to offset the expense, so it is thus 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) and the innovation tax credit (CII) are 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.

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 remuneration 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 remuneration plans settled in equity instruments (stock option plans, share warrants, founder 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 should be 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.

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 the sale. Income is recognized at the time of the transfer of control which 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."

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 income (expense) 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 income (expense) line entitled "Other income and expenses."

Other operating income (expense), excluded from current operating income (expense), include:

- restructuring costs;
- impairment losses recognized mainly through impairment testing of cash-generating units (CGU) and goodwill;
- direct costs related to business combinations;
- disputes not arising from the Group's operational activity.

3.3.23_Taxes

Current and prior-year tax assets and liabilities are valued at the amount expected to be recovered from or paid to tax authorities. The tax rates and regulations used to determine these amounts are those adopted or substantially adopted as of the closing date.

Deferred taxes are determined using the liability method for:

- all temporary differences between the tax base and the accounting base for assets and liabilities, except goodwill.
- tax losses that can be carried forward.

Tax assets are recognized only if it is likely that the Group will have future tax benefits against which they can be applied.

The assessment of the Group's ability to recover these assets takes into account, in particular, forecasts of future taxable profits as well as the history of results for tax purposes in previous years.

The Group has opted to present the company value-added contribution (CVAE) as a tax expense.

3.3.24_Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the Group's shareholders by the average number of common shares outstanding during the period.

Diluted earnings per share are determined by adjusting the net profit or loss for the period attributable to the Group's shareholders by the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. If the consideration of deferred equity instruments (share warrants, stock options) for calculation of diluted earnings per share creates an anti-dilution effect, these instruments are not taken into account.

Treasury shares deducted from shareholders' equity are not taken into account in the calculation of basic and diluted earnings per share.

Note 4_Notes to the consolidated statement of financial position

4.1_Goodwill

The goodwill stems from these acquisitions:

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

(€k)	OneAccess	Ekinops Brasil	SixSq	Total
Net value at 12/31/2019	27,523	1,166		28,689
Acquisitions	-	-		-
Disposals	-	-		-
Impairment loss	-	-		-
Translation adjustments	-	(340)		(340)
Net value at 12/31/2020	27,523	826		28,349
Acquisitions	-	-	1,061	1,061
Disposals	-	-	-	-
Impairment loss	-	-	-	-
Translation adjustments	-	-	8	8
Net value at December 31, 2021	27,523	826	1,069	29,418

Calculation of the SixSq goodwill

Purchase price (€k)	(1,000)
Net accounting position acquired	(61)
Goodwill(€k)	(1,061)

The change in goodwill recognized in 2021 amounted to €1,061k.

It corresponds to the measurement of the provisional goodwill from the purchase of the start-up on October 26, 2021.

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

The Group has a period of 12 months, as of October 26, 2021, in which to complete identification of the assets and liabilities acquired, measure the goodwill, and allocate it to a cash generating unit.

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". The result of these impairment tests did not give rise, as at December 31, 2021, to the recognition of an impairment loss.

The parameters used to determine the recoverable amount are:

Methodology	Discounted cash flows
Growth rate to infinity	2%
Discount rate	8.4%

The projection horizon is five 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	Ongoing development costs	Licenses and other intangible assets	Total
Gross value at 12/31/2020	30,285	8,997	1,021	8,699	1,382	4,331	54,715
Effect of business combinations	-	-	-	807	-	-	807
Capitalization of development costs	-	-	-	1,651	1,272	178	3,101
Reclassification/commissioning	-	-	-	534	(534)	-	-
Disposals	-	-	-	-	-	-	-
Effect of foreign exchange rate fluctuations	56	-	-	3	-	3	62
Gross value at 12/31/2021	30,341	8,997	1,021	11,694	2,120	4,512	58,684
Accumulated amortization at 12/31/2020	(14,250)	(2,925)	(1,021)	(5,043)	-	(4,285)	(27,524)
Effect of business combinations	-	-	-	(302)	-	-	(302)
Allowance for the period	(4,913)	(900)	-	(1,637)	-	(187)	(7,637)
Decrease for the period	-	-	-	-	-	-	-
Effect of foreign exchange rate fluctuations	(20)	-	-	-	-	(4)	(24)
Accumulated depreciation at 12/31/2021	(19,184)	(3,825)	(1,021)	(6,982)	-	(4,476)	(35,488)
Net value at December 31, 2020	16,035	6,072	-	3,656	1,382	46	27,191
Net value at December 31, 2021	11,157	5,172	-	4,712	2,120	36	23,197

4.3_Tangible assets

(€k)	Plant and machinery	Office furniture and equipment, computer hardware	Tangible assets in progress	Total
Gross value at 12/31/2020	11,619	6,620	-	18,239
Effect of business combinations	-	28	-	28
Acquisition	1,392	468	-	1,860
Disposal/retirement of assets	-	(11)	-	(11)
Reclassification/commissioning	-	-	-	-
Impact of foreign exchange rate fluctuations	22	57	-	79
Gross value at 12/31/2021	13,034	7,162	-	20,195
Accumulated depreciation at 12/31/2020	(9,845)	(5,257)	-	(15,102)
Effect of business combinations	-	(27)	-	(27)
Allowance for the period	(769)	(518)	-	(1,287)
Decrease for the period	-	11	-	11
Impact of foreign exchange rate fluctuations	(12)	(42)	-	(54)
Accumulated depreciation at 12/31/2021	(10,626)	(5,834)	-	(16,460)
Net value at December 31, 2020	1,774	1,363	-	3,137
Net value at December 31, 2021	2,408	1,328	-	3,735

4.4_Reconciliation of investments with the statement of cash flows

(€k)	12/31/2021	12/31/2020
Acquisition of intangible assets	(3,101)	(2,583)
Acquisition of tangible assets	(1,861)	(1,808)
Change in fixed asset payables	(83)	79
Total	(5,045)	(4,312)

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 12/31/2020	701	389	1,090	10,244	10,244
Effect of business combinations	18	-	18	-	-
Increase	23	45	68	3,028	3,028
Decrease	(2)	-	(2)	-	-
Reclassification	(93)	93	-	(2,965)	(2,965)
Currency fluctuations	6	(7)	(1)	-	-
Gross value at 12/31/2021	653	520	1,172	10,307	10,307
Accumulated impairment losses at 12/31/2020	-	-	-	-	-
Allowances for the period	-	-	-	-	-
Accumulated impairment losses at 12/31/2021	-	-	-	-	-
Net value at December 31, 2020	701	389	1,090	10,244	10,244
Net value at December 31, 2021	653	520	1,172	10,307	10,307

4.6 Rights of use and lease liabilities

4.6.1 Rights of use

(€k)	12/31/2020	Effect of business combinations	Modifications /New contracts	Depreciation and amortization	Translation adjustments	12/31/2021
Rights of use - Technical equipment	273	-	-	(56)	-	217
Rights of use - Buildings	4,222	68	380	(1,217)	31	3,484
Rights of use - Vehicles	766	-	536	(421)	-	881
Net value of rights of use	5,261	68	916	(1,694)	31	4,581

4.6.2 Lease liabilities

(€k)	12/31/2020	Effect of business combinations	Modifications /New contracts	Reclassification	Lease liability repayments	Translation adjustments	12/31/2021
Lease liabilities - Technical equipment	109	-	45	(138)	-	-	16
Lease liabilities - Buildings	3,300	66	297	(1,231)	-	24	2,456
Lease liability - Vehicles	475	-	441	(417)	-	-	499
Total Non-current	3,884	66	783	(1,786)	-	24	2,971
Lease liabilities - Technical equipment	133	-	(40)	138	(138)	-	93
Lease liabilities - Buildings	1,165	-	70	1,231	(1,231)	16	1,251
Lease liability - Vehicles	307	-	102	417	(417)	-	409
Total Current	1,604	-	132	1,786	(1,787)	16	1,753
Total	5,488	66	915	-	(1,787)	39	4,724

Schedule of lease liabilities

(€k)	12/31/2021	less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Lease liabilities - Technical equipment	109	93	16	-	-	-	-
Lease liability-Computer & office equipment	-	-	-	-	-	-	-
Lease liabilities - Buildings	3,706	1,247	1,044	727	466	143	79
Lease liability-Vehicles	908	395	337	130	40	6	-
Financial debt	4,724	1,735	1,397	857	506	149	79

4.7_ Stocks

(€k)	12/31/2020	Change	Allocations to provisions for inventory impairment	Writeback of inventory impairment provision	Impact of foreign exchange rate fluctuations	12/31/2021
Components inventories	7,015	3,961	-	-	-	10,976
Finished product inventories	8,622	2,036	-	-	-	10,658
Gross values	15,637	5,997	-	-	-	21,633
Impairment losses-Components	(1,192)	-	(665)	-	-	(1,857)
Impairment losses-Finished products	(535)	-	(230)	25	(4)	(744)
Accumulated impairment losses	(1,727)	-	(895)	25	(4)	(2,600)
Net values	13,911	5,997	(895)	25	(4)	19,033

4.8_Trade receivables and related accounts

(€k)	12/31/2020	Effect of business combinations	Change	Impact of foreign exchange rate fluctuations	12/31/2021
Trade receivables and related accounts	23,383	27	1,448	327	25,185
Accumulated impairment losses	(1,042)	(9)	92	(8)	(967)
Net values	22,341	18	1,540	319	24,218

The amount of mobilized receivables not yet due corresponding to factoring contracts without any transfer of risks and therefore included in trade receivables and related accounts was €5,438k .

4.9_Other current assets

(€k)	12/31/2020	Effect of business combinations	Change	Reclassifications and other changes	12/31/2021
Forward exchange purchases	-	-	26	-	26
Derivative instrument assets	-	-	26	-	26
Corporate and value added tax (CVAE) receivables	371	-	77	26	474
Tax credits (CIR, CII, CICE)	2,094	-	(2,094)	2,965	2,965
Other tax and social security receivables	1,795	2	537	15	2,349
Prepaid expenses	758	1	(64)	3	698
Other	71	-	255	(287)	39
Gross values	5,089	-	(1,289)	2,722	6,525
Accumulated impairment losses	(126)	-	(20)	-	(146)
Net values	4,963	-	(1,283)	2,722	6,406

4.10_Cash and cash equivalents

(€k)	12/31/2020	Effect of business combinations	Change	Impact of foreign exchange rate fluctuations	12/31/2021
Cash	49,635	156	(4,526)	126	45,392
Cash equivalents	-	-	-	-	-
Cash and cash equivalents	49,635	156	(4,526)	126	45,392
Bank overdraft facilities	-	-	-	-	-
Total net cash position	49,635	156	(4,526)	126	45,392

4.11_Capital and equity instruments

4.11.1_Share capital and share premiums

As of December 31, 2021, the capital of the parent company, Ekinops S.A., consisted of 25,832,666 fully paid-up common shares with a nominal unit value of €0.50.

Type of transaction	Capital	Number of shares created	Nominal value
At 12/31/2019	€12,063,839	24,127,677	€0.50
Capital increases following exercise of options	€434,383	€868,765	€0.50
Issue of bonus shares	€232,782	465,563	€0.50
At 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
At 12/31/2021	€12,916,333	25,832,666	€0.50

4.11.2_Share-based payments

Stock options (OSA)

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Ending new potential shares	Strike price	Remaining contractual life	Expense recognized at December 31, 2021 (€k)	Expense recognized at December 31, 2020 (€k)
09/15/2011	1,550	-	(1,550)	-	-	€3.80	N/A	-	-
02/25/2013	3,100	-	(3,100)	-	-	€4.31	N/A	-	-
06/19/2014	205,375	-	(25,837)	(310)	179,228	€5.07	< 2.5 years	-	-
05/19/2016	26,599	-	(16,446)	(6,836)	3,317	€2.65	< 4.4 years	-	-
07/29/2019	123,333	-	(32,999)	(9,000)	81,334	€3.66	< 7.6 years	(48)	(121)
05/27/2021	-	90,000	-	-	90,000	€6.53	< 9.4 years	(81)	-
Total stock options (OSA)	359,957	90,000	(79,932)	(16,146)	353,879	N/A	N/A	(129)	(121)

Founder warrants - BCE

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Ending new potential shares	Strike price	Remaining contractual life	Expense recognized at December 31, 2021 (€k)	Expense recognized at December 31, 2020 (€k)
05/12/2011	11,052	-	(11,052)	-	-	€3.80	Expired	-	-
12/20/2012	61,191	-	(38,468)	(620)	22,103	€3.80	less than 0.4 years	-	-
02/25/2013	330,150	-	(74,400)	-	255,750	€4.31	less than 1.2 years	-	-
Total founder warrants (BCE)	402,393	-	(123,920)	(620)	277,853	N/A	N/A	-	-

Awarded bonus shares (AGA)

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Ending new potential shares	Expense recognized at December 31, 2021 (€k)	Expense recognized at December 31, 2020 (€k)
06/13/2018	539,437	-	(166,809)	-	372,628	(826)	(655)
07/16/2019	103,782	-	(33,026)	(70,756)	-	18	(97)
03/02/2021	-	212,666	-	-	212,666	(499)	-
05/27/2021 - Tr1	-	269,334	-	-	269,334	(267)	-
05/27/2021 - Tr2	-	194,000	-	-	194,000	(446)	-
Bonus shares awarded (AGA)	643,219	676,000	(199,835)	(70,756)	1,048,628	(2,020)	(751)

The Board of Directors at its meetings on March 2 and May 27 awarded 676,000 bonus shares to certain Group employees. The vesting of these bonus shares is conditional a) on remaining employed with the company and b) attaining a performance criterion.

Summary of movements and reconciliation of the share-based payment expense

	Starting new potential shares	Awarded during the period	Exercised or acquired during the period	Canceled or lapsed during the period	Ending new potential shares	Expense recognized at December 31, 2021 (€k)	Expense recognized at December 31, 2020 (€k)
OSA	359,957	90,000	(79,932)	(16,146)	353,879	(129)	(121)
Founder warrants (BCE)	402,393	-	(123,920)	(620)	277,853	-	-
Bonus shares awarded (AGA)	643,219	676,000	(199,835)	(70,756)	1,048,628	(2,020)	(751)
Grand total	1,405,569	766,000	(403,687)	(87,522)	1,680,360	(2,149)	(872)

4.12_Financial debt

Change in financial debt

(€k)								12/31/2021
	12/31/2020	Effect of business combinations	Increases	Repayments	(Discounting)/ Undiscounting	Other changes	Translation adjustments	
Bank loans	17,401	104	3,139	(43)	-	(6,594)	21	14,028
Bank loans/CIR financing	4,801	-	-	-	-	(2,215)	-	2,586
Conditional advances and interest-free loans	666	-	-	-	-	(506)	-	160
Discounting of advances and interest-free loans	(4)	-	-	-	1	-	-	(3)
Miscellaneous financial debt	71	-	-	-	-	(71)	-	-
Total non-current financial debt	22,935	104	3,139	(43)	1	(9,386)	21	16,771
Bank loans	4,518	6	-	(6,705)	-	6,534	-	4,355
Bank loans/CIR financing	1,473	-	-	(1,473)	-	2,215	(1)	2,214
Conditional advances and interest-free loans	630	-	-	(618)	(12)	506	-	506
Discounting of advances and interest-free loans	(27)	-	-	-	27	-	-	-
Factoring debt	7,764	-	33,500	(36,739)	-	-	-	4,525
Miscellaneous financial debt	550	-	-	(360)	-	71	-	260
Total current financial debt	14,908	6	33,500	(45,895)	15	9,326	-	11,860
Total financial debt	37,843	110	36,639	(45,938)	16	(60)	21	28,631

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 debt 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 €10.7m in government-backed loans.

Breakdown of financial debt by interest rate

(€k)	12/31/2021	Fixed rate	Variable rate
Non-current financial debt	16,771	14,185	2,586
Current financial debt	11,860	5,121	6,739
Total financial debt	28,631	19,306	9,325

4.13_ Information on net debt

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

Breakdown of debt by currency

(€k)	12/31/2021	EUR	USD	AUD	Other currencies
Bank loans	18,383	18,383	-	-	-
Bank loans/CIR financing	4,800	4,800	-	-	-
Conditional advances and interest-free loans	666	666	-	-	-
Discounting of advances and interest-free loans	(3)	(3)	-	-	-
Factoring debt	4,525	4,525	-	-	-
Miscellaneous financial debt	260	260	-	-	-
Financial debt	28,631	28,631	-	-	-
Cash and cash equivalents	(45,392)	(41,114)	(1,991)	(1,821)	(466)
Net debt / (Cash and cash equivalents)	(16,761)	(12,483)	(1,991)	(1,821)	(466)

Breakdown of debt by maturity

(€k)	12/31/2021	less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	< 5 years	Discounting
Bank loans	18,383	4,355	3,651	3,957	3,366	1,929	1,125	-
Bank loans/CIR ⁽¹⁾ financing	4,800	2,214	2,586	-	-	-	-	-
Conditional advances and interest-free loans	666	506	160	-	-	-	-	-
Discounting of advances and interest-free loans	(3)	-	(3)	-	-	-	-	-
Factoring debt	4,525	4,525	-	-	-	-	-	-
Miscellaneous financial debt	260	260	-	-	-	-	-	-
Financial debt	28,631	11,860	6,394	3,957	3,366	1,929	1,125	-
Cash and cash equivalents	(45,392)	(45,392)	-	-	-	-	-	-
Net debt / (Cash and cash equivalents)	(16,761)	(33,532)	6,394	3,957	3,366	1,929	1,125	-

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

4.14_ Provisions

(€k)	12/31/2020	Allowances	Writeback used	Writeback not used	Reclassification	12/31/2021
Provisions for disputes	500	560	(230)	-	-	830
Provisions for social risks	265	35	(230)	-	60	130
Provisions for other liabilities and charges	-	250	-	-	-	250
Provisions for liabilities and charges Non-current portion	765	845	(460)	-	60	1,210
Provision for warranty	782	677	(437)	-	-	1,022
Provisions for disputes	414	-	(214)	-	-	200
Provisions for social risks	176	-	(116)	-	(60)	-
Provisions for other liabilities and charges	30	460	(30)	-	-	460
Provisions for liabilities and charges Current portion	1,402	1,137	(797)	-	(60)	1,682
Total	2,167	1,982	(1,257)	-	-	2,892

4.15_ Commitments to personnel

Change in net commitment recognized on the balance sheet

(€k)	12/31/2021	12/31/2020
Starting actuarial debt	3,384	3,144
Cost of services rendered	256	274
Use (retirement)	(300)	(96)
Financial cost	10	22
Actuarial losses (gains)	(221)	68
Effect of foreign exchange rate fluctuations	17	(28)
Ending actuarial debt	3,147	3,384

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.

Actuarial assumptions

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

Actuarial assumptions	12/31/2021	12/31/2020
Retirement age	65	65
Discount rate	0.95%	0.34%
Employer contribution rates	47.0%	47.0%
Rate of salary increases	2.30%	2.30%
<i>Employee turnover</i>		
< 25 years	10-15%	10-15%
25-30 years	10-20%	10-20%
30-35 years	20-25%	20-25%
35-40 years	15%	15%
40-45 years	2-10%	2-10%
45-50 years	2%	2%
50-55 years	2%	2%
> 55 years	0%	0%
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 points	Decrease of 0.25 points	Increase of 0.25 points	Increase of 1 points
12/31/2021	3,493	3,230	3,072	2,858
12/31/2020	3,754	3,473	3,306	3,078

4.16_Other non-current liabilities

(€k)	12/31/2020	Change	Reclassifications and other changes	12/31/2021
Contract liabilities – portion at more than one year	864	73	-	937
Total other non-current liabilities	864	73	-	937

4.17_Other current liabilities

(€k)	12/31/2020	Effect of business combinations	Change	Reclassifications and other changes	12/31/2021
Forward exchange purchases	80	-	(80)	-	-
Derivative instrument liabilities	80	-	(80)	-	-
Trade payables	12,382	90	3,525	158	16,154
Trade payables	12,382	90	3,525	158	16,154
Corporate taxes payable	438	-	524	21	984
Corporate taxes payable	438	-	524	21	984
Debts on acquisitions of tangible and intangible assets.	105	-	(83)	-	22
Taxes and social security contributions payable	9,536	-	874	76	10,486
Contract liabilities – portion at less than one year	1,553	-	233	81	1,867
Customer advances and credit balances	217	-	(223)	6	-
Other debts	-	441	82	-	523
Total other current liabilities	11,412	442	884	164	12,899

4.18_Impact of change in working capital requirements

(€k)	12/31/2021	12/31/2020
Net (incr.)/decr. in inventories	(5,127)	(3,462)
Net (incr.)/decr. in trade receivables	(1,531)	(1,396)
Net incr./decr. in trade payables	3,525	(1,311)
Net (incr.)/decr. in other items	(855)	570
(Incr.)/decr. in WCR	(3,988)	(5,599)

4.19_Categories of financial assets and liabilities

The following tables show the Group's categories of financial assets and liabilities as of at the end of each presented financial year:

Financial assets

(€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.

(€k)	12/31/2020			
	Balance sheet value	Amortized cost	Fair value through profit & loss	Fair value
Non-current financial assets	1,090	1,090	-	1,090
Trade receivables and related accounts	22,341	22,341	-	22,341
Other current assets ⁽¹⁾	71	71	-	71
Cash and cash equivalents	49,635	-	49,635	49,635
Total	73,137	23,502	49,635	73,137

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

Financial liabilities

(€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.

(€k)	12/31/2020			
	Balance sheet value	Amortized cost	Fair value through profit & loss	Fair value
Financial debt	37,843	37,843	-	37,843
Debts on acquisition of securities	147	-	147	147
Trade payables and related accounts	12,381	12,381	-	12,381
Derivative instrument liabilities	80	-	80	80
Other liabilities ⁽¹⁾	322	322	-	322
Total	50,773	50,546	227	50,773

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

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	-	26	-
Debts on acquisition of current securities	-	-	-
Total	-	26	-

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

By type

(€k)	12/31/2021	12/31/2020
Sales of produced goods	92,049	85,768
Sales of produced services	11,518	7,031
Total revenue	103,567	92,800

By geographic region

(€k)	12/31/2021	12/31/2020
North and South America	19,069	15,739
Europe/Middle East/Africa/Asia-Pacific	84,498	77,061
Total revenue	103,567	92,800

5.2_Type of allocated expenditure by function

Details of research and development costs

(€k)	12/31/2021	12/31/2020
Payroll expenses	(21,475)	(20,986)
Allowances for amortization/depreciation and provisions	(10,106)	(8,929)
Operational subcontracting and external personnel	(2,146)	(1,541)
Rental and lease expenses	(88)	(168)
Supplies, equipment, maintenance	(2,200)	(1,874)
Professional fees and consulting	(943)	(818)
Tax credit	2,943	3,638
Subsidies	1,600	950
Capitalization of development costs	2,923	2,569
Manufacturing costs allocated to costs of sales	5,397	5,246
Travel expenses	(131)	(111)
Other	(79)	(63)
Total research and development costs	(24,305)	(22,086)

Details of sales and marketing expenses

(€k)	12/31/2021	12/31/2020
Payroll expenses	(14,841)	(13,427)
Outside personnel	(760)	(945)
Business travel and trips	(426)	(418)
Professional fees and consulting	(556)	(750)
Rental and lease expenses	(102)	(83)
Supplies, equipment, maintenance	(289)	(360)
Fairs, promotions, and advertising	(92)	(237)
Allowances for amortization/depreciation and provisions	(1,260)	(1,502)
Other	(207)	(283)
Total marketing and sales expenses	(18,532)	(18,005)

Details of general and administrative expenses

(€k)	12/31/2021	12/31/2020
Payroll expenses-Excluding payments in shares	(3,975)	(4,004)
Payroll expenses-Payments in shares	(2,849)	(872)
Professional fees and consulting	(1,151)	(1,260)
Supplies, equipment, maintenance	(675)	(641)
Outside personnel	(19)	(91)
Insurance	(258)	(162)
Bank charges	(136)	(129)
Rental and lease expenses	(56)	(27)
Allowances for amortization/depreciation and provisions	(980)	(412)
Other	(82)	75
Total general and administrative expenses	(10,182)	(7,523)

5.3_Payroll expenses and Group headcount**Breakdown of personnel costs by function**

(€k)	12/31/2021	12/31/2020
Total research and development costs	(21,475)	(20,986)
Total marketing and sales expenses	(14,841)	(13,427)
Total general and administrative expenses	(6,824)	(4,876)
Total payroll expenses	(43,140)	(39,289)

Breakdown of personnel expenses by type

(€k)	12/31/2021	12/31/2020
Salaries and wages	(29,919)	(28,090)
Social security contributions and payroll taxes	(10,394)	(10,053)
Cost of services rendered	22	(274)
Share-based payments	(2,849)	(872)
Total payroll expenses	(43,140)	(39,289)

Group headcount

(number)	12/31/2021	12/31/2020
Salaried personnel	449	425
Seconded personnel	36	35
Total headcount	485	460

5.4_Amortization/depreciation and provisions: allowances and writebacks

(€k)	12/31/2021	12/31/2020
Allowances for amortization-Intangible assets	(1,824)	(1,524)
Allowances for amortization - Developed technologies and Customer relations	(5,813)	(5,816)
Allowances for depreciation-Tangible assets	(1,287)	(1,143)
Allowances for amortization-Rights of use	(1,694)	(1,633)
Net allowance for provisions for liabilities and charges of the "Current operating income (expense)"	(684)	(98)
Cost of services rendered	44	(178)
Subtotal (EBITDA)	(11,258)	(10,392)
IAS 19 financial cost	(10)	(22)
Net allowance for provisions for liabilities and charges in "Other operating income (expense)"	30	-
Subtotal (SCF)	(11,238)	(10,414)
Net allowance for writebacks of provisions on inventories	(870)	(913)
Total allowances for amortization/depreciation and provisions, net of writebacks	(12,108)	(11,327)

5.5_Other operating income (expense)

(€k)	12/31/2021	12/31/2020
M&A fees	(352)	(364)
Other	(61)	178
Total	(413)	(186)

5.6_Financial income (expense)

Net borrowing costs

(€k)	12/31/2021	12/31/2020
Interest expenses	(408)	(531)
Effect of undiscounting	(8)	(26)
Net borrowing costs	(416)	(557)

Other financial income and expenses

(€k)	12/31/2021	12/31/2020
Currency gains (losses)	675	(770)
Other financial income and expenses	(62)	(22)
Other financial income and expenses	613	(792)

5.7_Taxes

Breakdown of tax expense recorded for the presented financial years

(€k)	12/31/2021	12/31/2020
Current income taxes	(991)	(776)
Change in deferred taxes	2,575	1,977
Tax expense	1,584	1,201

Tax analysis

(€k)	12/31/2021	12/31/2020
Pre-tax income (expense)	3,228	1,970
Group theoretical tax rate	-26.50%	-28.00%
Theoretical tax expense at the Group's rate	(855)	(552)
Effect of tax credits (CIR, CICE, etc.)	884	1,047
Effect of share-based payments	(444)	(244)
Use or recognition of temporary differences previously not recognized	2,645	1,451
Deficits and other net temporary differences not recognized	(335)	(317)
CVAE and other levies included in income tax	(293)	(404)
Other permanent differences	(131)	100
Differences in rates related to foreign tax jurisdictions	113	120
Recognized tax expense	1,584	1,202

Deferred taxes

Balance at December 12/31/2020	(974)
> <i>Deferred tax assets</i>	2,371
> <i>Deferred tax liabilities</i>	(3,345)
Change reflected in income (expense)	2,575
Effect of foreign exchange rate fluctuations	98
Balance at December 31, 2021	1,699
> <i>Deferred tax assets</i>	2,844
> <i>Deferred tax liabilities</i>	(1,145)

The potential tax savings that would result from the application of tax loss carryforwards, not recognized as of December 31, 2021, total €16.7m.

5.8_Earnings per share

Below is information on earnings and shares used to calculate basic and diluted earnings per share for all activities.

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)	12/31/2021	12/31/2020
Net income attributable to Ekinops SA shareholders	4,812	3,173
Weighted average number of outstanding shares:	25,673,645	24,920,801
> <i>Weighted average number of common shares</i>	25,699,270	24,932,080
> <i>Weighted average number of treasury shares</i>	(25,625)	(11,279)
Basic earnings per share (€/share)	0.19	0.13

Diluted earnings per share

(€k/units)	12/31/2021	12/31/2020
Net income attributable to Ekinops SA shareholders	4,812	3,173
Weighted average number of outstanding shares:	25,673,645	24,920,801
Weighted average number of potential shares:	736,217	813,877
Diluted earnings per share (€/share)	0.18	0.12

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 segment result of reference is the current operating income (expense). 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)	12/31/2021	12/31/2020
Remuneration and benefits in kind	(572)	(654)
Share-based payments	(1,073)	-
Benefits in kind - GSC (company business manager guarantee)	(20)	(12)
Attendance fees	(42)	(46)
Total	(1,707)	(712)

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, 2021, 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	7,216	6,967	-	249	2,655	(2,406)
AUD	263	-	-	263	-	263
Other	25	255	-	(230)	-	(230)
Total	7,504	7,222	-	282	2,655	(2,373)

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)	12/31/2021	
USD/EUR	-10%	+10%
Impact on net income	(79)	79
Impact on shareholders' equity	342	(342)

In addition, during 2021, the risk of an imbalance of flows resulted in the following figures: receipts in USD totaled 37.0m, while total disbursements over the

same period represented USD 45.5m. To limit this risk, the Group has established a hedging policy described above.

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)	12/31/2021	12/31/2020
Non-current financial assets	1,172	1,090
Other non-current assets	10,261	10,244
Trade receivables and related accounts	24,218	22,341
Other current assets	6,426	4,963
Cash and cash equivalents	45,392	49,635
Total	87,469	88,273

- 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:

(€k)	12/31/2021			12/31/2020		
	Gross	%	Impairment losses	Gross	%	Impairment losses
Not yet due	22,096	88%	-	20,811	89%	-
Past due for 30 days or less	1,119	4%	-	747	3%	-
Past due for 31 to 60 days	400	2%	-	163	1%	-
Past due for 61 to 90 days	155	1%	-	513	2%	-
Past due for 91 to 180 days	109	0%	(12)	106	0%	-
Past due for more than 180 days	1,307	5%	(956)	1,043	4%	(1,042)
Total	25,186	100%	(968)	23,382	100%	(1,042)
Net value:			24,218			22,341

Note 9_Off-balance-sheet items

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 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 €12.2m as of December 31, 2021.

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 2021.

The Group plans to regularly revise this estimate.

Note 10_ Subsequent events

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

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

There are no other subsequent events to disclose.

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 income (expense) restated for (i) allowances for amortization/depreciation and provisions and (ii) calculated expenses and income related to share-based payments.

(€k)	12/31/2021	12/31/2020
Current operating income (expense)	3,444	3,505
Amortization, depreciation and provisions	5,445	4,576
Amort., depr. of developed technologies and customer relations	5,813	5,816
Share-based payments ⁽¹⁾	2,849	872
EBITDA	17,551	14,769

(1) Including €700k in employer contributions ("social fixed-rate charge") related to share-based payments.

Note 12_ Statutory Auditors' fees

(€k)	Statutory Auditors	Other services	Subtotal
Deloitte	94	5	99
> - issuer	48	-	48
Altonéo	31	-	31
> - issuer	31	-	31
TOTAL	125	5	130
> - issuer	79	-	79

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

4.6_ Statutory Auditors report on the consolidated financial statements

Period ended December 31, 2021

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 ending on December 31, 2021.

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, 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 outlined in the French Commercial Code and the Code of Ethics for Statutory Auditors over the period from January 1, 2021 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

The global crisis linked to the Covid-19 pandemic has led to unprecedented conditions for the preparation and auditing of the financial statements for this period. The pandemic and the exceptional measures taken as part of the emergency health situation have had numerous consequences for companies, notably affecting their business activity and financing, and have also generated additional uncertainties on future prospects. Some of these measures, such as travel restrictions and teleworking, have also had an impact on the internal organization of companies and on the procedures implemented to carry out audits.

It is against this complex and evolving background that, 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 those risks.

The resulting assessments from the audit of the consolidated financial statements shaped our opinion as detailed above. We do not express any opinion on the components of these consolidated financial statements.

Measurement of goodwill

(Notes 3.3.6 "Intangible assets" and 4.1 "Goodwill" to the consolidated financial statements)

Risk identified

At December 31, 2021, the book value of the goodwill on the balance sheet was €29.4m, against a balance sheet total of €170.3m. 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 further justifies why goodwill is a key audit matter.

Our response

We examined the compliance of the methodology used by Ekinops with current accounting standards. Our work, undertaken by our valuation experts, notably consisted of:

- a critical analysis of the documentation setting out the rationale for a single CGU through corroboration with our knowledge of the Group's structure, published information, and the indicators analyzed by Management;
- a critical review of the model to measure the recoverable amount: discounted cash flows;
- an analysis of assumptions used by Management and in particular:
 - the future cash flow projections through comparison with available information such as market outlooks, past achievements and most recent estimates (assumptions, budgets, strategic plans where applicable) by Management, and independent financial analysts;
 - the discount rate (WACC) through comparison with our estimate of a range of rates using the MEDAF approach that incorporates a relevant comparable sample in the view of our analysts;
 - the perpetual growth rate through comparison with market analyses.

We obtained and reviewed the sensitivity analyses undertaken by Management, which we compared with our own calculations, to assess the impact of a change in these assumptions on the recoverable amount of this goodwill and the need to recognize an impairment loss if necessary.

Specific checks

In line with professional standards applicable in France, we also carried out the specific checks required by law and regulation on the information pertaining to the Group provided in the management report to 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 as defined by the Commission Delegated Regulation (EU) no. 2019/815 of December 17, 2018 in the

presentation of the annual financial statements intended for inclusion in the consolidated financial report referenced in Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the CEO. In the case of the consolidated financial statements, our work includes checking the compliance of the tagging of these financial statements with the format defined by the aforementioned regulation.

In light of our work, we concluded 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.

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.

On December 31, 2021, Deloitte & Associés was in its 10th straight year as Statutory Auditors and Altonéo Audit in its 19th year, including nine years since the Company's securities were admitted to trading on a regulated market.

Responsibilities of Management and of those tasked with corporate governance regarding the consolidated financial statements

Management is responsible for drawing up consolidated financial statements that give a true and fair view, in line with the IFRS framework as adopted by the European Union, along with establishing whatever internal controls it feels are necessary to prepare consolidated financial statements that are free from material misstatements, whether due to fraud or errors.

When preparing consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern. Management is also responsible where necessary, for 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 L. 823-10-1 of the French Commercial Code, our statutory auditing of the financial statements in no way guarantees the viability or quality of the management of your Company.

In the course of an audit done in accordance with professional standards applicable in France, the Statutory Auditors exercise their professional judgment throughout the audit. Furthermore:

- They identify and assess the risks that the consolidated financial statements contain material misstatements, whether caused by fraud or error, define and implement audit procedures in response to these risks, and gather whatever evidence they feel is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement caused by fraud is higher than a material misstatement caused by error, because fraud implies collusion, falsification, deliberate omissions, false statements or the circumvention of internal control;
- They review the relevant internal controls for the audit in order to define the appropriate audit procedures in the circumstances, and not with a view to expressing an opinion as to the effectiveness of internal control;
- They assess the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates made by Management, along with the information on them provided in the consolidated financial statements;
- They assess the appropriateness of Management's application of the going concern basis and, based on the audit evidence collected, whether or not there is a significant uncertainty regarding the events or circumstances likely to imperil the Company's ability to continue as a going concern. This assessment is based on the audit evidence collected up to the date of its report, it nevertheless being recalled that subsequent circumstances or events may imperil the going concern basis. If they conclude that there is significant uncertainty, they draw the attention of readers of their report on the information provided in the consolidated financial statements to this uncertainty or, if 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 to 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 constitutes 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.

Angers and Paris La Défense, April 7, 2022

The Statutory Auditors

Altonéo Audit

Julien Malcoste

Deloitte & Associés

Frédéric Neige

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● FINANCIAL STATEMENTS OF THE PARENT COMPANY

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5.1 Annual financial statements as of December 31, 2021

5.1.1 Statement of financial position

BALANCE SHEET ASSETS

(€k)	Notes	12/31/2021			12/31/2020
		Gross	Amort., depr. & impair.	Net	Net
Intangible assets	1	8,061	4,928	3,133	2,093
Tangible assets	1	7,811	6,583	1,228	863
Financial assets	2	78,358	3,578	74,781	73,923
Non-current assets		94,231	15,089	79,142	76,880
Inventories and work in progress	3	8,960	1,728	7,232	6,193
Advances and down-payments to suppliers	4				2
Trade receivables	4	6,660	48	6,612	7,304
Other receivables	4	16,516		16,516	13,837
Prepaid expenses	8	86		86	219
Treasury shares	5	149		149	27
Cash & cash equivalents	5	5,352		5,352	3,661
Current assets		37,723	1,775	35,948	31,244
Accruals and other assets		23		23	451
TOTAL ASSETS		131,977	16,864	115,112	108,574

BALANCE SHEET LIABILITIES

(€k)	Notes	12/31/2021	12/31/2020
		Net	Net
Capital		12,916	12,731
Additional paid-in capital		112,955	112,250
Other reserves and retained earnings		(34,510)	(37,668)
Profit (loss) for the period		3,474	3,241
Shareholders' equity	9	94,835	90,555
Provisions for liabilities and charges	11	1,875	1,821
Loans and financial debt	10	5,389	5,592
Advances and down-payments from clients	10		78
Trade payables and related accounts	10	9,206	7,320
Taxes, social security contributions and similar payables	10	2,266	2,291
Deferred income	8	688	619
Accruals and other liabilities		853	299
TOTAL PASSIF		115,112	108,574

INCOME STATEMENT

(€k)	Notes	12/31/2021	12/31/2020
Revenue	1	39,434	29,353
Other operating income	1	3,154	1,574
Operating reversals and expense transfers		1,005	477
Operating income		43,593	31,404
Purchases and changes in inventories		(18,543)	(13,633)
Outside services	2	(12,730)	(8,850)
Taxes and duties		(273)	(244)
Payroll expenses	6	(6,618)	(5,414)
Other operating expenses		(339)	(280)
Operating allowances		(2,672)	(2,152)
Operating expenses		(41,176)	(30,575)
Operating income (expense)		2,416	829
Financial income		244	316
Financial expense		(264)	(220)
Financial allowances and reversals		718	1,240
Financial income (expense)	3	698	1,335
Pre-tax current income (expense)		3,114	2,164
Non-recurring income		29	19
Non-recurring expenses		(251)	(7)
Non-recurring income (expense)	4	(222)	12
Current tax	5	(165)	(92)
Research Tax Credit	5	748	1,157
Net income for the period		3,474	3,241

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

2021 business was very robust. Strong sales momentum in optical transport solutions across all regions largely contributed to the year's success.

As part of the "France Recovery" plan put in place by the French Government, the Company was allocated €3.6m in funding in the form of a government grant, to be received over the next three years to support the development of its NGOpt project. This project is intended to 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. €0.8m of the grant was recognized for 2021.

Ekinops therefore maintained its growth path during 2021 despite the impact of the Covid-19 pandemic. Over the period, and in line with government measures in

the countries where the Group has a physical presence, Ekinops implemented the necessary protocols to ensure the safety of its employees, stem the spread of the virus, and limit its impact on business. The Company did not resort to short-time working measures over the past year.

As of the date of this document, most of the Company's employees continue to work from home.

Subsequent events

The outbreak of the Ukraine crisis on February 24, 2022 led the Company to clarify that it has no significant business in any of the directly affected regions (Ukraine, Russia, Belarus). As such, there has been no significant impact on the Company's operations so far. The Company nevertheless remains cautious as to the potential impact of this major crisis on its own clients and any knock-on effects.

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

5.1.3_Notes to the Ekinops financial statements

The financial year runs for 12 months, from January 1, 2021 to December 31, 2021.

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 is 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 into account all of the changes in the equipment's commercial performance plus technological developments.

Patents, software

Software is measured at acquisition cost (purchase price and incidental costs).

Depreciation and amortization is calculated on a straight-line basis over the anticipated life.

Software	1 to 6 years
Patents	3 years

Tangible assets

Tangible assets are measured at their acquisition cost (purchase price and incidental costs) or at their production cost for certain items produced internally (primarily demo equipment) for which production has been capitalized.

Depreciation and amortization is calculated on a straight-line basis over the anticipated life.

Technical facilities	10 years
Equipment and tools	4 years
Office and IT equipment	3 years
Demo equipment and development	4 years
Office equipment	5 years
Improvements	10 years

Financial assets

Financial assets are recognized at their historical acquisition cost or their contribution value.

Equity securities and related receivables are estimated at year-end, and a provision for impairment is recognized if there is a significant difference between the value in use and the acquisition value.

The value in use of the equity securities and related receivables is assessed independently by the investee and reflects any unrealized losses on the assets owned. The value in use is determined on the basis of the proportion of shareholders' equity of the subsidiary or the discounting of forecast cash flows.

Other financial assets are recognized in the balance sheet at their acquisition cost less incidental costs. When the value in use falls below the gross amount, a provision for impairment is recognized for the difference.

Inventories

Inventories are measured at the lower of cost and their net realizable value. The cost is the cost price. This is calculated using the weighted average unit cost method.

Inventories purchased in foreign currencies are measured at the historical rates. When determining the cost price, the following items are added to inventories:

- the purchase price plus forwarding costs, calculated on the basis of shipping costs, customs and other purchase costs;
- direct production and handling expenses.

A provision for impairment is funded on a case-by-case basis if the asset value is less than the book value. This is particularly the case when inventories are recorded for an amount greater than the amount that the company expects to obtain from their sale or use. The cost of inventories may also not be recoverable if those inventories are damaged, if they have become fully or partially obsolete, or if their selling price has declined.

Estimates of net realizable value take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm the conditions existing at the end of the period.

Trade receivables and related accounts

Receivables are measured at their nominal/face value. Allowances for the impairment of receivables are measured specifically based on the risk of non-payment.

Other receivables and payables

Other receivables and payables are recognized at their nominal/face value. Provisions for impairment are funded for receivables showing risks of non-payment.

Cash & cash equivalents

Cash & cash equivalents consists of readily available cash resources.

Readily available cash resources denominated in foreign currencies are translated into euros at the closing rate prior to the reporting date.

Investment securities are measured at their acquisition cost. When the asset value of these securities, determined on the basis of the likely trading value,

namely their net asset value at the reporting date, falls below their acquisition cost, a provision for impairment is recognized for the difference.

Translation differences were recognized directly in profit (loss) for the period under foreign exchange gains and losses.

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

The actuarial assumptions at December 31, 2021 were as follows:

Actuarial assumptions

Retirement age

Discount rate

Employer contribution rates

Rate of salary increases

Employee turnover

< 25 years

25-30 years

30-35 years

35-40 years

40-45 years

45-50 years

50-55 years

> 55 years

Mortality table

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.

The decision by the IFRS Interpretations Committee in May 2021, clarifying the calculation and recognition of commitments relating to certain defined benefit plans, which included an obligation to still be employed by the company upon retirement and a capping of benefits after a certain number of years of service, had a non-material impact on the measurement of the retirement obligations of Ekinops SA.

Subsidies

Subsidies received are recognized in shareholders' equity if they are for capitalized development projects. If the projects have not been capitalized, then they are recognized in the income statements.

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

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.

	12/31/2021	12/31/2020
Retirement age	65	65
Discount rate	0.95%	0.34%
Employer contribution rates	47.0%	47.0%
Rate of salary increases	2.30%	2.30%
Employee turnover		
< 25 years	10.0%	10.0%
25-30 years	10.0%	10.0%
30-35 years	25.0%	25.0%
35-40 years	15.0%	15.0%
40-45 years	2.0%	2.0%
45-50 years	2.0%	2.0%
50-55 years	2.0%	2.0%
> 55 years	0.0%	0.0%
Mortality table	TGHF05	TGHF05

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	4,307		534		4,841
Ongoing development costs	1,167	1,581	(534)		2,214
Assets in progress	-				-
Patents and software	993	13			1,006
Subtotal	6,467	1,594	-	-	8,061
Tangible assets					
Plant and machinery	6,229	822			7,051
Other fixtures, fittings and facilities	167	1			168
Office and IT equipment, furniture	549	42			591
Subtotal	6,945	865	-	-	7,811
Total	13,412	2,459	-	-	15,873

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	3,385	546		3,931
Patents and software	989	7		997
Subtotal	4,374	553	-	4,928
Tangible assets				
Plant and machinery	5,482	452		5,934
Other sundry fixtures, fittings and facilities	123	10		133
Office and IT equipment, furniture	477	40		517
Subtotal	6,082	502	-	6,583
Total	10,456	1,056	-	11,511

Net values

(€k)	Start of the period	Changes during the period	End of the period
Intangible assets			
Development costs	922	(12)	910
Ongoing development costs	1,167	1,047	2,214
Patents and software	4	6	9
Subtotal	2,092	1,041	3,133
Tangible assets			
Plant and machinery	747	370	1,117
Other sundry fixtures, fittings and facilities	44	(9)	35
Office and IT equipment, furniture	72	2	74
Subtotal	863	363	1,228
Total	2,956	1,403	4,361

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	60,380	53		60,433
Ekinops Brasil securities	11,090			11,090
Receivables related to Ekinops Corp. shareholdings	5,949	496		6,445
Loans and other financial assets	275	18		293
Gross value	77,791	567	-	78,358
Financial assets				
Ekinops Corp. securities	97			97
Ekinops France securities				
Ekinops Brasil securities				
Receivables related to Ekinops Corp. shareholdings	3,770		290	3,480
Loans and other financial assets				
Provision	3,868	-	290	3,578
Financial assets				
Ekinops Corp. securities				
Ekinops France securities	60,380			60,433
Ekinops Brasil securities	11,090			11,090
Receivables related to Ekinops Corp. shareholdings	2,179	496	(290)	2,965
Loans and other financial assets	275			293
Net value	73,923	496	(290)	74,781

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

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

Note 3_ Inventories

Inventories break down as follows:

(€k)	12/31/2021	12/31/2020
Gross inventory	8,960	7,413
Inventory impairment	(1,728)	(1,220)
Net value of inventories	7,232	6,193

Note 4_ Schedule of receivables

(€k)	Gross amount	Up to 1 year	Over 1 year
Non-current assets			
Receivables related to Ekinops Corp. shareholdings	6,445		6,445
Loans and other financial assets	293		293
Current assets			
Trade receivables and related accounts	6,660	6,660	
Social security and other social welfare bodies	377	377	
Tax credits	4,220	1,184	3,037
Value Added Tax	738	738	
Advances and down-payments to suppliers	0		
Current accounts	11,182	11,181	
Prepaid expenses	86	86	
Total	30,001	20,226	9,775

The Research Tax Credit and Job Competitiveness Tax Credit receivables relate to receivables arising in 2021, 2020, 2019, and 2018.

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

Note 5_ Cash & cash equivalents

(€k)	12/31/2021	12/31/2020
Bank accounts	5,403	3,646
Market making agreements	98	42
Total	5,501	3,688

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. On December 31, 2021,

cash available in the account at Gilbert Dupont set aside for the agreement amounted to €98,185. The number of treasury shares stood at 19,261 with a total value of €149,080. On April 1, 2021, the Company transferred a further €150,000 to Bourse Gilbert Dupont.

Note 6_ Accrued income

(€k)	12/31/2021	12/31/2020
Trade receivables and related accounts	1,398	2,580
Other receivables	-	84
Total	1,398	2,664

Other receivables relate to outstanding subsidies.

Note 7_Accrued liabilities

(€k)	12/31/2021	12/31/2020
Trade payables and related accounts	5,092	582
Taxes and social security contributions payable	1,748	1,370
Total	6,840	1,952

Note 8_Prepaid expenses and deferred income

Prepaid expenses	12/31/2021	12/31/2020
Operating expenses	86	219
Total	86	219

Deferred income	12/31/2021	12/31/2020
Operating income	688	619
Total	688	619

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

On December 31 2021, the capital consisted of 25,832,666 fully paid up common shares with a nominal unit value of €0.50.

The table below shows the changes in the capital of Ekinops SA over the two periods presented:

Type of transaction	Capital	Number of shares created	Nominal value
At 12/31/2019	€12,063,839	24,127,677	€0.50
Capital increases following exercise of options	€667,167	1,334,328	€0.50
At 12/31/2020	€12,731,006	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
At 12/31/2021	€12,916,337	25,832,666	€0.50

Change in shareholders' equity

Shareholders' equity changed as follows:

(€k)	12/31/2021	12/31/2020
Shareholders' equity at the end of the previous period prior to appropriation of earnings	87,313	82,572
Appropriation of earnings of prior periods to shareholders' equity by the General Meeting	3,241	1,492
Shareholders' equity at the beginning of the period	90,555	84,064
Changes during the period:		
> Change in share capital	185	667
> Changes in premiums, reserves, retained earnings	621	2,582
Shareholders' equity at the end of the period before earnings	91,361	87,313
Net income for the period	3,474	3,241
Shareholders' equity at the end of the period including earnings, prior to appropriation	94,835	90,555

Securities giving access to the capital

Stock options (OSA)

The table below shows, 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	Ending new potential shares	Strike price	Remaining contractual life
09/15/2011	1,550	-	(1,550)	-	-	€3.80	N/A
02/25/2013	3,100	-	(3,100)	-	-	€4.31	N/A
06/19/2014	205,375	-	(25,837)	(310)	179,228	€5.07	2.5 years
05/19/2016	26,599	-	(16,446)	(6,836)	3,317	€2.65	4.4 years
07/29/2019	123,333	-	(32,999)	(9,000)	81,334	€3.66	7.6 years
05/27/2021	-	90,000	-	-	90,000	€6.53	9.4 years
Total stock options (OSA)	359,957	90,000	(79,932)	(16,146)	353,879	N/A	N/A

Founder warrants (BCE)

The table below shows, 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	Ending new potential shares	Strike price	Remaining contractual life
05/12/2011	11,052	-	(11,052)	-	-	€3.80	Expired
12/20/2012	61,191	-	(38,468)	(620)	22,103	€3.80	less than 0.4 years
02/25/2013	330,150	-	(74,400)	-	255,750	€4.31	less than 1.2 years
Startup warrants (BCE)	402,393	-	(123,920)	(620)	277,853	N/A	N/A

Bonus share awards (AGA)

The table below details all bonus share awards in the process of vesting:

	Starting new potential shares	Awarded during the period	Exercised during the period	Canceled or lapsed during the period	Closing new potential shares
06/13/2018	539,437	-	(166,809)	-	372,628
07/16/2019	103,782	-	(33,026)	(70,756)	-
03/02/2021	-	212,666	-	-	212,666
05/27/2021 - Tr1	-	269,334	-	-	269,334
05/27/2021 - Tr2	-	194,000	-	-	194,000
Bonus shares awarded (AGA)	643,219	676,000	(199,835)	(70,756)	1,048,628

Summary of movements

	Starting new potential shares	Awarded during the period	Exercised or acquired during the period	Canceled or lapsed during the period	Ending new potential shares
OSA	359,957	90,000	(79,932)	(16,146)	353,879
BCE	402,393	-	(123,920)	(620)	277,853
AGA	643,219	676,000	(199,835)	(70,756)	1,048,628
Grand total	1,405,569	766,000	(403,687)	(87,522)	1,680,360

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	5,389	1,482	3,907	
Trade payables and related accounts	9,184	9,184		
Employee-related liabilities	1,063	1,063		
Social security and other social welfare bodies	737	737		
Other taxes, duties and similar levies	466	466		
Amounts payable on non-current assets and related accounts	22	22		
Other debts				
Deferred income	688	688		
Total	17,549	13,642	3,907	-

Note 11_Provisions (excluding non-current assets)

(€k)	Start of the period	Allowances during the period	Reductions		End of the period
			Reversals used	Reversals not used	
Provisions for liabilities and charges					
Provisions for guarantees given to customers	476	493	(297)		672
Provisions for foreign exchange losses	451	20	(448)		23
Provisions for pensions and obligations	570		(18)	(117)	435
Provisions for other liabilities and charges	325	926	(505)		746
Subtotal	1,821	1,439	(1,268)	(117)	1,875
Impairment losses					
o/w inventories and work in progress	1,220	1,406	(898)		1,728
o/w trade receivables	136		(88)		48
Subtotal	1,355	1,406	(986)		1,776
Total	3,176	2,845	(2,254)		3,651
<i>o/w operating income (expense)</i>		2,845	(1,301)		
<i>o/w financial income (expense)</i>					
<i>o/w non-recurring income (expense)</i>					

Notes to the income statement

Note 12_Operating income

Revenue by category

(€k)	2021	2020
Sales of produced goods	29,472	21,479
Sales of produced services	9,961	7,874
Total	39,434	29,353

Revenue by region

(€k)	2021	2020
France	11,044	8,673
Other	28,390	20,680
Total	39,434	29,353

Other operating income

(€k)	2021	2020
Capitalized production R&D	1,581	1,150
Capitalized production capitalized property, plant and equipment	294	131
Subsidies	906	(50)
Other income	373	343
Total	3,154	1,574

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.

EFFLAM grant: the Company got a grant from the Brittany Region of €322,818 for the EFFLAM project: "The development of a 12-core optical amplifier allowing for higher speeds on optical transport networks". The program was initially scheduled to last 36 months from October 1, 2016 to September 30, 2019.

SIFOM grant: the Company obtained a grant from the corporate competitiveness fund totaling €176,614 for the SIFOM project: "Innovative securing of Fiber connections by means of Modal Obfuscation". The program was initially scheduled to last 36 months from September 3, 2018 to September 2, 2021.

Embrace grant: the Company obtained a grant from the Brittany Region for €561,593 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 €3,625,522 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.

In short, the amounts pertaining to these subsidies are as follows:

(€k)	Overall grant	Progress at 12/31/2021	Revenue recognized in 2020
EFFLAM project	323	100%	20
SIFOM project	177	100%	
EMBRACE	562	24%	133
NGOpt	3,626	21%	753
Total	4,688		906

Note 13_ Other external purchases and expenses

(€k)	2021	2020
General subcontracting	60	89
Maintenance and repairs	518	300
Insurance	172	100
Transport of equipment, groupage	275	183
Finance leases, rental and lease expenses	303	274
Fees and contract employees	1,111	1,020
Travel and entertainment	98	89
Group chargebacks	9,623	5,982
Other external expenses	570	812
Total	12,730	8,850

Note 14_ Financial income (expense)

(€k)	2021	2020
Interest income	115	128
Foreign exchange gains	129	187
Total financial income	244	316
Foreign exchange losses	(106)	(103)
Interest expenses	(158)	(117)
Total financial expense	(264)	(220)
Net allowances for impairment of securities and related receivables	(20)	(386)
Net allowances for provisions for foreign exchange losses	738	1,626
Total financial allowances and reversals	718	1,240
Financial income (expense)	698	1,335

Note 15_ Tax

Current tax

The income tax payable for the period ending on December 31, 2021 amounted to €165,936.

Research and innovation tax credit

The research tax credit recognized for 2021 amounted to €747,554.

Increase/reduction in future tax liabilities

In terms of reducing future tax liabilities, the balance of tax loss carryforwards was €45,943k on December 31, 2021.

Note 16_ Headcount at December 31, 2021

	2021	2020
Senior management	50	50
Supervisors and technicians	10	10
Employees	3	3
Apprentices		1
Seconded	9	9
Total	72	73

Note 17_ Remuneration of executive officers

The remuneration of the executive officer for 2021 is estimated at €433,673.

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		Amount
Line items		
Shareholdings		71,620
Receivables related to shareholdings		6,445
Trade receivables		3,874
Other receivables		11,181
Trade payables and related accounts		291
Other financial income		112

Note 19 Statutory Auditors' fees

(€k)	2021	2020
Deloitte & Associés	48	56
> Statutory auditing	48	56
> Special assignments		
Altonéo Audit	31	32
> Statutory auditing	31	32
> Special assignments		
Total	79	88

Other information

Off-balance-sheet items

Lease commitments

The material lease commitments are those relating to real estate leases. The minimum future payments for these leases are set out in the table below:

(€k)	less than 1 year	1 to 5 years	> 5 years	Total
Operating leases - Minimum future payments	142	416	203	761
Total	142	416	203	761

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 €5.5m as of December 31, 2021.

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	Income (expense) 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\$6,339k	100%	€97k	-€k	US\$7,300k		US\$22,453k	US\$1,192k	
Ekinops France	€3,161k	€29,351k	100%	€60,433k	€60,433k	€10,441k		€72,477k	€4,194k	
Ekinops Brasil	BRL42,398k	-BRL9,567k	100%	€11,090k	€11,090k	€740k		BRL10,622k	-BRL5,581k	
Shareholdings (10 to 50% of the capital owned)										

The securities and receivables relating to the Ekinops Corporation subsidiary were impaired up to the amount of the subsidiary's available net assets on December 31, 2021.

5.2_ Statutory Auditors' report on the annual financial statements

Period ended December 31, 2021

To the shareholders of Ekinops,

Opinion

In accordance with our appointment as Statutory Auditors by the General Meeting, we audited the accompanying annual financial statements of Ekinops for the period ending on December 31, 2021.

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, 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, 2021 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

The global crisis linked to the Covid-19 pandemic has led to unprecedented conditions for the preparation and auditing of the financial statements for this period. The pandemic and the exceptional measures taken as part of the emergency health situation have had numerous consequences for companies, notably affecting their business activity and financing, and have also generated additional uncertainties on future prospects. Some of these measures, such as travel restrictions and teleworking, have also had an impact on the internal organization of companies and on the procedures implemented to carry out audits.

It is against this complex and evolving background that, 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 annual financial statements for the period. In addition to providing awareness, we detail our responses to those risks.

The resulting assessments from the audit of the annual financial statements shaped our opinion as detailed above. We do not express any opinion on the components of these annual financial statements.

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, 2021, the value of the equity securities and related receivables, recognized at acquisition cost, was €78.1m. €3.6m in impairment was recognized on these assets.

At each reporting date, Management carries out an impairment test leading to the recognition of an impairment loss if the value in use of the equity securities is less than their book value. The measurement of the value in use of the equity securities is done using a multi-criterion approach (results of the subsidiary over the period, budgets and growth outlook, operating performance trend, operating *cash-flow* of the subsidiary at the reporting date), or is determined on the basis of the proportion of shareholders' equity.

We consider the measurement of the equity securities and related receivables to be a key audit matter because of:

- their materiality in the Ekinops financial statements;
- the judgments and assumptions required to determine their value in use, based on the use of forecasts, which are by their nature uncertain, as part of the multi-criterion approach;
- the judgments and assumptions needed to determine the recoverable amount of receivables.

Our response

We checked that the methodology used by Ekinops is justified for each equity security line. Our work in particular consisted of:

- reviewing the process used by the Company to measure the value in use of the equity securities and the recoverable amount of the related receivables along with the controls put in place;
- where necessary, checking that the shareholders' equity used matches the financial statements of the entities, comparing the proportion of shareholders' equity of the subsidiaries with the net book value of the securities and related receivables;
- where necessary, assessing the reasonableness of the data and assumptions on which the value in use estimate is based, in particular comparing the latter with the data used for the purposes of the *goodwill* impairment test;
- assessing whether the related receivables are recoverable in light of the analyses done on the equity securities;
- checking the appropriateness of the financial information provided in the notes to the financial statements of the parent company.

Specific checks

In line with professional standards applicable in France, we also carried out the specific checks required by law and regulation.

Information provided in the management report and in the other documents on the financial position and the annual financial statements sent to shareholders

We have no comments on the fairness and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the other documents on the financial position and the annual financial statements sent to shareholders.

We certify as to the fairness and consistency with the annual financial statements of the information on payment periods referenced in Article D. 441-6 of the French Commercial Code.

Corporate governance report

We certify that the report of the Board of Directors on corporate governance contains the information required pursuant to Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 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.

With respect to the information on the factors your Company considers may have an impact in the event of a public purchase or exchange offer, supplied pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we checked their consistency with the documents from which it was drawn and that were shared with us. In light of this work, we have no observations to make on this information.

Other information

As required by law, we ensured that the information on the acquisition of equity and controlling interests and the identity of holders of share capital or voting rights were disclosed to you in the management report.

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 annual financial report referenced in Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the CEO.

In light of our work, we concluded that the presentation of the annual financial statements intended for inclusion in the annual financial report complies, in all material respects, with the European Single Electronic Format.

It is not our responsibility to check that the annual 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, 2021, Deloitte & Associés was in its 10th straight year as Statutory Auditors and Altonéo Audit in its 19th year, including 9 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 annual financial statements, Management is responsible for assessing the Company's ability to continue as a going concern. Management is also responsible, where necessary, for 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 L. 823-10-1 of the French Commercial Code, our statutory auditing of the financial statements in no way guarantees the viability or quality of the management of your Company.

In the course of an audit done in accordance with professional standards applicable in France, the Statutory Auditors exercise their professional judgment throughout the audit. Furthermore:

- They identify and assess the risks that the annual financial statements contain material misstatements, whether caused by fraud or error, define and implement audit procedures in response to these risks, and gather whatever evidence they feel is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement caused by fraud is higher than a material misstatement caused by error, because fraud implies collusion, falsification, deliberate omissions, false statements or the circumvention of internal control;
- They review the relevant internal controls for the audit in order to define the appropriate audit procedures in the circumstances, and not with a view to expressing an opinion as to the effectiveness of internal control;
- They assess the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates made by Management, along with the information on them provided in the annual financial statements;
- They assess the appropriateness of Management's application of the going concern basis and, based on the audit evidence collected, whether or not there is a significant uncertainty regarding the events or circumstances likely to imperil the Company's ability to continue as a going concern. This assessment is based on the audit evidence collected up to the date of its report, it nevertheless being recalled that subsequent circumstances or events may imperil the going concern basis. If they conclude that there is significant uncertainty, they can draw the attention of readers of their report on the information provided in the annual financial statements to this uncertainty or, if 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.

Angers and Paris La Défense, April 7, 2022

The Statutory Auditors

Altonéo Audit

Julien Malcoste

Deloitte & Associés

Frédéric Neige

5.3_Other information

5.3.1_Commentary on the results

In the period ending on December 31, 2021, Ekinops SA posted revenue of €39,434k compared with €29,353k in the previous period.

Operating profit amounted to €2,416k compared with €829k in the previous period.

After factoring in financial income of €698k, a non-recurring loss of €222k, a tax charge of €93k, and a research tax credit of €748k, the accounting net profit was €3,547k compared with €3,241k in the previous period.

5.3.2_Activities and results of the subsidiaries and controlled companies

Ekinops Corp.

The Company wholly owns Ekinops Corporation incorporated in the State of Delaware (USA) 1209 Orange Street – Wilmington - DE 19801. This subsidiary solely focuses on marketing the Group's products and services within the Americas (primarily the US).

In 2021, Ekinops Corp. generated revenue of US\$22,450k compared with US\$17,973k in 2020.

Ekinops Corp. generated a profit of US\$1,192k in 2021 compared with a profit of US\$569k in 2020.

Ekinops Brasil

This company had 32 employees on December 31, 2021, compared with 27 employees on December 31, 2020. It carries out research and development for the "OTN" technology on behalf of the Group. Ekinops Brasil generated revenue of BRL10.6m over the period compared with BRL8.3m in 2020.

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 €72,477k compared with €66,214k the previous period.

Operating profit was €3,169k for 2021, compared with €1,249k in 2020.

The financial expense stood at €151k.

Following a non-recurring loss of €10k, a research tax credit of €2,195k and income tax expense of €216k, net profit amounted to €4,988k.

In November 2021, Ekinops acquired the start-up SixSq, an SaaS (*software-as-a-service*) software publisher specialized in *edge computing*. Based in Geneva, Switzerland, SixSq has an ultra-innovative solution that allows companies to draw added value from *edge computing*. Complementary to *cloud computing*, the SixSq solution enables smart processing of data directly on the company's site.

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 Italy Srl	Italy	€10,000	€1	10,000	10,000
Ekinops España Srl	Spain	€3,000	€1	3,000	3,000
Ekinops Deutschland Gmbh	Germany	€25,000	€1	25,000	25,000
SixSq	Switzerland	€100,000	€1	100,000	100,000

The revenue and profit (loss) of these various companies are as follows:

(€k)	Revenue		Profit (loss)	
	2021	2020	2021	2020
Ekinops Belgium NV	26,540	24,851	143	335
Ekinops India PVT Ltd	2,841	2,676	181	274
Ekinops Australia Pty Ltd	3,727	4,055	123	51
Ekinops Italy Srl	-	431	(28)	10
Ekinops España Srl	723	597	23	16
Ekinops Deutschland GmbH	1,629	1,061	50	35
SixSq	764	-	(303)	-

At end-2021, Ekinops Italy was in the process of being liquidated.

5.3.3 Acquisition of shareholdings

In 2021, 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 General Meeting of May 27, 2021 authorized the Board of Directors to buy back the Company's shares, in particular, with a view to implementing the bonus share plan.

Accordingly, between July 12 and July 16, 2021, the Company bought back 33,026 of its own shares and awarded them to some Group employees in connection with the vesting of the bonus shares awarded by the Board of Directors on July 13, 2019.

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	390					102	124					25
Total amount of invoices concerned	3,790	266	6	37	31	341	4,891	298	78	-	108	484
Percentage of total amount of purchases over the period	12%	1%	0%	0%	0%	1%						
Percentage of revenue over the period							12%	1%	0%	0%	0%	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 €30,995 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_Earnings over the past five periods

(in €)	31/12/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Capital at the end of the period					
Share capital	10,621,374	10,764,581	12,063,839	12,731,003	12,916,333
Number of common shares outstanding	21,242,747	21,529,161	24,127,677	25,462,005	25,832,666
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	2,005,712	3,026,472	2,797,023	1,405,569	1,680,360
Operations and earnings					
Revenue excluding tax	16,936,202	21,089,838	24,769,353	29,353,018	39,433,782
Earnings before tax, employee profit-sharing and amortization, depreciation and provisions	(6,192,125)	652,938	198,187	2,617,528	3,966,819
Income taxes	(1,121,165)	(1,184,000)	1,164,702	1,064,491	581,619
Employee profit-sharing for the period	-	-	-	-	-
Earnings after tax, employee profit-sharing and amortization, depreciation and provisions	(5,280,533)	688,116	1,492,134	3,241,123	3,474,082
Earnings distributed	-	-	-	-	-
Earnings per share					
Earnings after tax, employee profit-sharing but before amortization, depreciation and provisions	(0.24)	0.09	0.06	0.15	0.18
Earnings after tax, employee profit-sharing and amortization, depreciation and provisions	(0.25)	0.03	0.06	0.13	0.13
Dividend distributed to each share					
Headcount					
Average headcount of employees during the period	68	68	71	73	72
Wage bill during the period	4,570,309	4,976,932	4,472,814	3,798,258	4,190,906
Sums paid in respect of employee benefits during the period	2,179,084	1,848,224	1,882,584	1,616,223	2,427,366

6

● SHARE CAPITAL AND OWNERSHIP STRUCTURE

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6.1_Share capital

At the date of submission of this document, the Company's capital amounted to €12,977,026.50 broken down into 25,954,053 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, and May 28, 2020, the Combined General Meeting of the Company held on May 27, 2021 authorized the Board of Directors, with the eleventh 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 at any time exceed 10% of the shares making up the Company's share capital. This percentage is applied to the adjusted capital based on transactions impacting it prior to the date of the current General Meeting. It must be noted that: (i) the number of shares purchased and held with a view to use in a merger, split or contribution cannot exceed 5% of the share capital; and (ii) when the shares are purchased to favor liquidity of the share of the Company 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 : €38m.

During fiscal year 2021, the authorization was used:

- between July 12 and July 16, 2021, the Company bought back 33,026 of its own shares and awarded them to certain Group employees in connection with the vesting of the bonus shares awarded by the Board of Directors on July 13, 2019;
- furthermore, within the framework of the liquidity contract concluded with Gilbert Dupont, the following movements took place during fiscal year 2021:
 - purchase of 438,506 shares for an overall amount of €3,108,633 at an average share price of €7.09;
 - sale of 423,272 shares for an overall amount of €3,014,550 at an average share price of €7.12.

On December 31, 2021, the Company held 19,261 shares in its treasury at a carrying amount of €149,080, 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 €98,185. On April 1, 2021, the Company transferred a further €150,000 to the stock broker 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 25, 2022

The Board of Directors requested the General Meeting of shareholders on May 25, 2022, 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 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 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. For indicative purposes, based on an existing capital base of 25,962,052 shares, the maximum number of shares that could be purchased is 2,596,205 shares.

The maximum purchase price for shares within the framework of the share buyback program cannot exceed €15 per share. Buying back at this price theoretically authorizes a maximum investment of €39m.

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 on May 27, 2021, pursuant to the eleventh resolution on ordinary business.

6.1.4_Securities giving access to a share of the capital

At the date of this document, securities giving access to the capital are the following:

6.1.4.1_Founder share warrants

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

Title of the plan	BCE (06.12)	BCE (02.13)
Date of General Meeting	06/27/2012	02/25/2013
Date of the Board Meeting to decided on the allocation of founder warrants (BCE)	12/20/2012	02/25/2013
Total number of warrants granted ⁽¹⁾	66,306	345,030
<i>of which subscribed by corporate officers:</i>		
> <i>of which Didier Brédy</i>	-	86,800
> <i>of which François-Xavier Ollivier</i>	20,243	86,800
Number of non corporate officer beneficiaries (of the warrant allocation)	9	26
Start date for exercising the BCE warrants	04/30/2013	04/01/2014
Expiry date of the BCE warrants	05/11/2022	02/25/2023
Founder warrant strike price ⁽¹⁾	€3.80	€4.31
Total number of shares potentially created ⁽¹⁾	22,103	255,750

(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 SO 2014	Plan SO 2014 US 2	Plan SO 2016	Plan SO 2019 US	SO Plan 2021
Date of General Meeting	03/21/2013	03/21/2013	05/19/2016	07/29/2019	05/27/2021
Date of the Board Meeting ruling on the allocation of stock options	06/19/2014	07/24/2014	05/19/2016	07/29/2019	05/27/2021
Total number of stock options granted ⁽¹⁾	243,350	46,190	170,224	150,000	90,000
<i>of which subscribed by corporate officers:</i>					
> <i>of which Didier Brédy</i>	62,000	-	-	-	-
> <i>of which François-Xavier Ollivier</i>	46,500	-	-	-	-
Number of non corporate officer beneficiaries	61	12	15	17	12
Start of strike period for stock options	01/01/2015 ⁽²⁾	01/01/2017 ⁽²⁾	05/19/2018	⁽³⁾	⁽⁴⁾
Date of expiry of stock options	06/18/2024	07/23/2024	05/19/2026	07/29/2029	05/27/2031
Strike price of stock options ⁽¹⁾	€5.07	€5.07	€2.65	€3.66	€6.53
Total number of shares potentially created ⁽¹⁾	173,028	6,200	3,317	81,334	90,000

(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: July 27, 2022, July 27, 2023, July 27, 2024 and the remaining quarter on May 27, 2025.

6.1.4.3_Share warrants

At present, there are no longer any outstanding share warrant plans.

6.1.4.4_Bonus shares

Title of the plan				AGA (05.21)	AGA (05.21)
	AGA (06.18)	AGA (07.19)	AGA (03.21)	Tr 1	Tr 2
Date of the Board Meeting to decided on the allocation of bonus shares	06/13/2018	07/13/2019	03/02/2021	05/27/2021	05/27/2021
Total number of bonus shares authorized	1,055,000	103,782	212,666*	269,334**	194,000**
Total number of bonus shares allocated	1,055,000	103,782	212,666	269,334	194,000
<i>of which subscribed by corporate officers:</i>					
> of which Didier Brédy	236,388	-	-	128,000	194,000
> of which François-Xavier Ollivier	27,149	33,730	22,000	-	-
Number of non corporate officer beneficiaries (of the warrant allocation)	11	3	6	7	-
Start date for exercising bonus share rights	(1)	(2)	(4)	(5)	(6)
Expiry date of the bonus share allocations	(1)	(2)	(4)	(5)	(6)
Number of shares already subscribed/allocated ⁽⁵⁾	632,372	33,026	-	-	-
Total number of bonus share allocations awarded or lapsed	50,000	70,756	-	-	-
Remaining total number of bonus shares allocated	372,628	-	212,666	269,334	194,000
Total number of shares that can be subscribed	372,628	-	212,666	269,334	194,000

*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, 567,785 bonus shares were vested, the remainder to be vested at a later date.
- (2) The Board of Directors' meeting on June 13, 2019, awarded 103,782 bonus shares to certain Group employees. The vesting of these bonus shares is conditional on remaining employed with the company, on the one hand, and attaining an individual performance criteria relative to revenue in respect of fiscal 2020. The Chairman, exercising the powers granted to him by the Board of Directors' meeting of May 27, 2021, noted on July 16, 2021, the vesting of bonus shares for a total amount of 33,026 shares, 9,384 of which were acquired by Mr Ollivier. These shares were purchased on the market by the Company within the framework of the share buyback program.
- (3) The Board of Directors meeting of May 28, 2020, noted the attainment of the conditions for the allocation of tranche 1 bonus shares in accordance with the allocation plan of June 13, 2018 as amended by the Board of Directors' meeting of May 28, 2020.
- (4) 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.

6.1.4.5 Summary of existing dilutive instruments

Full exercise of all securities outstanding at present giving access to the capital would lead to the creation of 1,680,360 new shares, generating a maximum dilution of 6.5% of the fully diluted capital and voting rights (6.1% before dilution).

	Number of potential new shares
BCE	277,853
SO	353,879
AGA	1,048,628
TOTAL	1,680,360

6.1.5 Authorized capital

The resolutions governing issues with authorization of powers granted to the Board of Directors and which remain valid at the date of the current document are summarized in paragraph 2.5.1.7.

6.1.6 Information on the capital of any member of the Group with the option or conditional or unconditional agreement to apply an option

None.

6.1.7_History of the share capital

6.1.7.1_Change in capital since creation of the Company

Date	Type of transaction	Capital	Share premium	Contribution premium	Number of shares created	Number of shares composing the share capital	Nominal value	Share capital
01/21/2003	Constitution	€40,000			40,000	40,000	€1.00	€40,000
03/21/2003	Issuance of category P shares	€60,000	€2,940,000		60,000	100,000	€1.00	€100,000
10/21/2003	Issuance of category P shares	€10,000	€490,000		10,000	110,000	€1.00	€110,000
05/14/2004	Exercise of Tranche 2 share warrants	€70,000	€3,430,000		70,000	180,000	€1.00	€180,000
10/11/2007	Issuance of category P2 shares	€561,665	€7,863,310		561,665	741,665	€1.00	€741,665
10/11/2007	Conversion of convertible bonds OCI (03.06)	€67,649	€947,086		67,649	809,314	€1.00	€809,314
10/11/2007	Conversion of convertible bonds OCI (03.06)	€67,005	€938,070		67,005	876,319	€1.00	€876,319
10/11/2007	Redemption of redeemable bonds ORA 1 (12.06)	€136,410	€1,909,740		136,410	1,012,729	€1.00	€1,012,729
10/11/2007	Redemption of redeemable bonds ORA 2 (12.06)	€133,938	€1,875,132		133,938	1,146,667	€1.00	€1,146,667
06/22/2010	Issuance of P3 category shares	€508,475	€5,491,530		508,475	1,655,142	€1.00	€1,655,142
06/22/2010	Redemption of ORA redeemable bonds in P3 shares	€255,431	€2,758,655		255,431	1,910,573	€1.00	€1,910,573
06/27/2012	Definitive vesting of bonus shares	€80,000			80,000	1,990,573	€1.00	€1,990,573
02/25/2013	Division of nominal value by 2				1,990,573	3,981,146	€0.50	€1,990,573
04/30/2013	Issuance for cash (IPO)	€551,458	€6,187,353		1,102,915	5,084,061	€0.50	€2,542,031
11/20/2013	Exercise of founder warrants (BCE)	€1,500	€16,200		3,000	5,087,061	€0.50	€2,543,531
11/25/2013	Exercise of founder warrants (BCE)	€350	€3,780		700	5,087,761	€0.50	€2,543,881
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
10/12/2015	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
11/06/2019	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
	Definitive vesting of bonus shares	€83,405			166,809	25,832,666	€0.50	€12,916,333
01/2022	Definitive vesting of bonus shares	€60,694			121,387	25,954,053	€0.50	€12,977,027
TOTAL		€12,977,027	€91,512,531	€26,044,865	25,954,053	25,954,053	€0.50	€12,977,027

6.1.7.2_Change in share capital breakdown

Shareholders	Percentage of the share capital	Percentage of the share capital	Percentage of the share capital	Percentage of the share capital
	December 2018	December 2019	December 2020	December 2021
Didier Brédy	1.69%	1.17%	1.61%	1.24%
François-Xavier Ollivier	0.21%	0.14%	0.70%	0.66%
BPI France Participations	13.27%	13.26%	12.57%	12.39%
Aleph Golden Holdings Sarl	13.27%	13.26%	12.57%	12.39%
Sub-total Board of Directors	28.43%	27.84%	27.44%	26.67%
Treasury stock (liquidity contract)	0.02%	0.02%	0.02%	0.07%
TempoVest Fund	-	7.15%	-	-
Free float	71.54%	64.99%	72.54%	73.25%
TOTAL	100.00%	100.00%	100.00%	100.00%

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 in 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 BPI France 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 121,387 shares following the attainment of the performance conditions of the bonus share plan of June 13, 2018.

6.2_Main shareholders

6.2.1_Breakdown of the share capital and voting rights on December 31, 2021

To the Company's knowledge, the breakdown of capital as of December 31, 2021 is as follows:

Shareholders	Number of shares as of 12/31/2021	Percentage of the share capital	Number of voting rights as of 12/31/2021	Percentage of voting rights
BPI France Participations	3,200,000	12.4%	6,175,000	18.8%
Aleph Golden Holdings Sarl	3,200,000	12.4%	6,400,000	19.5%
Didier Brédy	319,692	1.2%	603,022	1.8%
François-Xavier Ollivier	170,062	0.7%	200,062	0.6%
Sub-total Board of Directors	6,889,754	26.7%	13,378,084	40.8%
Treasury stock (liquidity contract)	19,261	0.1%	-	-
Free float	18,923,651	73.3%	19,430,110	59.2%
TOTAL	25,832,666	100.0%	32,808,194	100.0%

At the date of this document, the breakdown of capital and voting rights did not undergo any significant change.

6.2.2_Main shareholders not represented on the Board of Directors

Main shareholders represented on the Board of Directors.

6.2.3_Voting rights of the main shareholders

Refer to paragraph 6.2.1 of this document.

6.2.4_Control of the Company

At the date of this document, no shareholder holds a de facto or presumed controlling stake in the Company. 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 at least three members 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 stopped 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 if the actions from the Board of Directors are not directly related to the Company's 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.

6.3.2.2_ Executive Management

Principles of organization (Article 21 of the bylaws)

In accordance with the applicable legal provisions, the responsibility of Executive Management of the Company, is assumed either by the Chairman of the Board of Directors, or by any other physical person appointed by the Board of Directors with the title Chief Executive Officer.

The choice between these two means of applying Executive Management is made by the Board of Directors, who must then 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.

• **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.

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) has (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 give rights, as a portion of the company's assets and earnings, to a proportional share of the capital which it represents. [...]

6.3.3.3_Lapsing of dividends

Dividend payments which remain unclaimed after a period of five years from the date of payment shall be waived to the State (Article L. 1126-1 of the General Code of property of public persons).

6.3.3.4_Rights to a liquidation bonus (Article 42 of the bylaws)

[...] After extinction of liabilities, the remaining assets are first used to repay shareholders the amount of capital paid in and non amortized. The surplus, if any, is shared between shareholders in line with their holdings. [...]

6.3.3.5_Limits on voting rights

None.

6.3.3.6 Identifiable bearer securities (Article 9 of the bylaws)

Fully paid up shares are bearer or holder, at the choice of the shareholder, conditional on the legal and regulatory provisions in force.

Shares are recorded in an account in accordance with the conditions and according to the terms and conditions provided for by the legal and regulatory provisions in force.

Shares subscribed in cash are issued and paid up under the conditions provided for by the legal and regulatory provisions in force.

The Company keeps itself informed of the composition of its shareholder base in accordance with the conditions provided for by the legal and regulatory provisions in force. In this respect, the Company may make use of all

of the legal and regulatory provisions available in terms of identification of the holders of securities giving rise, either immediately or at a later date, to voting rights in General Meetings, and notably the provisions of Article L. 228-2 of the French Commercial Code.

Therefore, the Company can notably request at any time, in accordance with the legal and regulatory conditions in force, from the central custodian, which is responsible for managing the securities issuance account in exchange for remuneration at its expense, information concerning the holders of securities giving rise, either immediately or at a later date, to voting rights in General Meetings, as well as the number of securities held by each of them and, where appropriate, the restrictions which may apply to such securities.

6.3.3.7 Company share buybacks

Refer to paragraph 5.1.2.

6.3.4 Terms and conditions governing changes to shareholder rights (Article 35 of the bylaws)

The Extraordinary General Meeting [...] may [...], via an 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 to the nature of the resolutions presented, may take place at any time of the year.

General Meetings are convened and deliberate in accordance with the conditions provided for by the law and regulations in force.

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

Prior communication rights (Article 29 of the bylaws)

Any shareholder has the right to access to the necessary documents required to make an informed decision on the Company's management and operations.

The nature of these documents and the conditions of their communication of availability are determined by law.

This prior communication right, which is exercised in accordance with legal conditions, is enjoyed by shareholders as well as bare owners and beneficiaries.

Admission and representation conditions (Article 30 of the bylaws)

Any shareholder, regardless of the number of shares held, may take part in the General Meetings, either attending personally, or being represented by proxy or may vote by postal mail, in accordance with the legal and regulatory terms and conditions in force.

The right to take part in General Meetings is subordinate on registering shareholdings in an equity account, or in the Company's bearer shareholder register, or in a bearer shareholder register managed by an authorized intermediary. Regarding bearer shares, registration in an equity register is confirmed by a statement of account issued by the authorized intermediary.

These formalities must be completed at the latest on the second working day preceding the General Meeting at midnight, Paris time, in accordance with the applicable legal and regulatory conditions.

Office - Attendance register - Minutes (Article 32 of the bylaws)

The General Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the oldest Director present at the meeting; by default, by a director specially delegated for this purpose by the Board of Directors. By default, again, the General Meeting itself elects its Chair.

In the event of being convened by the Statutory Auditors, by a legal representative or by liquidators, the General Meeting is chaired by the person or persons who convened it.

The functions of scrutineer are fulfilled by the two members of the General Meeting, present and accepting, who obtain the greatest number of votes.

The Office designates the secretary who may be chosen from outside the group of shareholders.

At each General Meeting an attendance register is kept which includes all of the particulars required by law.

This attendance register, duly initialed by the shareholders present and their representatives and to which is appended the powers delegated to each representative, and, where appropriate, the postal voting forms, is validated by the Office of the General Meeting.

The minutes of the deliberations of the General Meeting and the copies of extracts of these minutes are drawn up and certified compliant with the regulations in force.

Agenda (Article 33 of the bylaws)

The agenda of the General Meeting is drawn up by the issuer of the convening notice and cannot be modified in the event of a second convening notice.

However, one or more shareholders representing at least the fraction of share capital provided for by law, may, in the appropriate legal form and within the legal timeline, require the inclusion of draft resolutions on the agenda.

The General Meeting may only rule on matters that are included on the agenda. Nevertheless, the General Meeting may, in all circumstances, revoke one or several Directors and carry out their replacement.

Ordinary General Meeting (Article 34 of the bylaws)

The Ordinary General Meeting is the meeting called to make any decisions that do not modify the bylaws.

It takes place at least once a year, in accordance with the legal and regulatory timeframes in force, to approve the individual financial statements and, where appropriate, to approve the consolidated financial statements for the previous financial year.

The Ordinary General Meeting is convened and deliberates in accordance with the quorum and majority conditions defined by the provisions governing it and exercises the powers assigned to it by law.

Extraordinary General Meeting (Article 35 of the bylaws)

The Extraordinary General Meeting has the sole authority to change the bylaws and any of their stipulations. However, unless by a unanimous vote of the shareholders, it cannot increase the shareholders' commitments, except for transactions resulting from an exchange or consolidation of shares duly decided and performed.

The Extraordinary General Meeting is convened and deliberates in accordance with the quorum and majority conditions prescribed by the provisions governing it exercising the powers granted to it by law.

Special General Meetings (Article 36 of the bylaws)

Special General Meetings bring together holders of a given category of share. The decision of the Extraordinary General Meeting covering changes to rights relative to a given category of share only become final after approval of such modifications by the Special General Meeting for the shareholders of the relevant share category.

The Special Extraordinary General Meeting is convened and deliberates in accordance with the quorum and majority conditions prescribed by the provisions governing it exercising the powers granted to it by law.

Quorum and majority (Article 37 of the bylaws)

The Ordinary, Extraordinary, and Special General Meetings deliberate subject to the quorum and majority conditions prescribed by the relevant applicable legal provisions.

Deemed present and authorized to personally attend the General Meeting, both for the calculation of quorum and majority conditions, the shareholders may take part in the General Meeting via video conference or

any other means of telecommunication enabling their identification in accordance with the regulatory conditions in force.

6.3.6_Provisions enabling the delay, deferral, or prohibiting a change of control

The Company bylaws do not contain provisions to delay, deferral, or prohibit a change of control.

6.3.7_Crossing statutory thresholds

None.

6.3.8_Specific stipulations governing changes to the share capital

There are no specific stipulations in the Company's bylaws governing changes to the capital base.

6.4_Information and legal history of the Group

Company name

The Company's name is: EKINOPS

Place and registration number of the Company

Ekinops is registered under number 444 829 592 with the Saint-Brieuc (formerly Gungamp) commercial registry as of January 21, 2003.

Legal Entity Identifier (LEI): 969500Y8FMHV2BHCOC87.

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 2.5.3.2.1 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 effect 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 ending on December 31, 2021

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 to 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 L. 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, and remaining current during the past year.

With Didier Brédy, Chairman and CEO of Ekinops SA.

The Board of Directors, at its meeting on March 2, 2021 (10th 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 fiscal years is less than 5%, then the termination indemnifications shall be equal to 50% of the global remuneration (fixed, variable and exceptional) paid to the Chief Executive Officer during the past 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 75% of the overall remuneration (fixed, variable and exceptional) paid to the Chairman 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.

Antwerp and Paris La Défense, April 7, 2022

The Statutory Auditors

Altonéo Audit

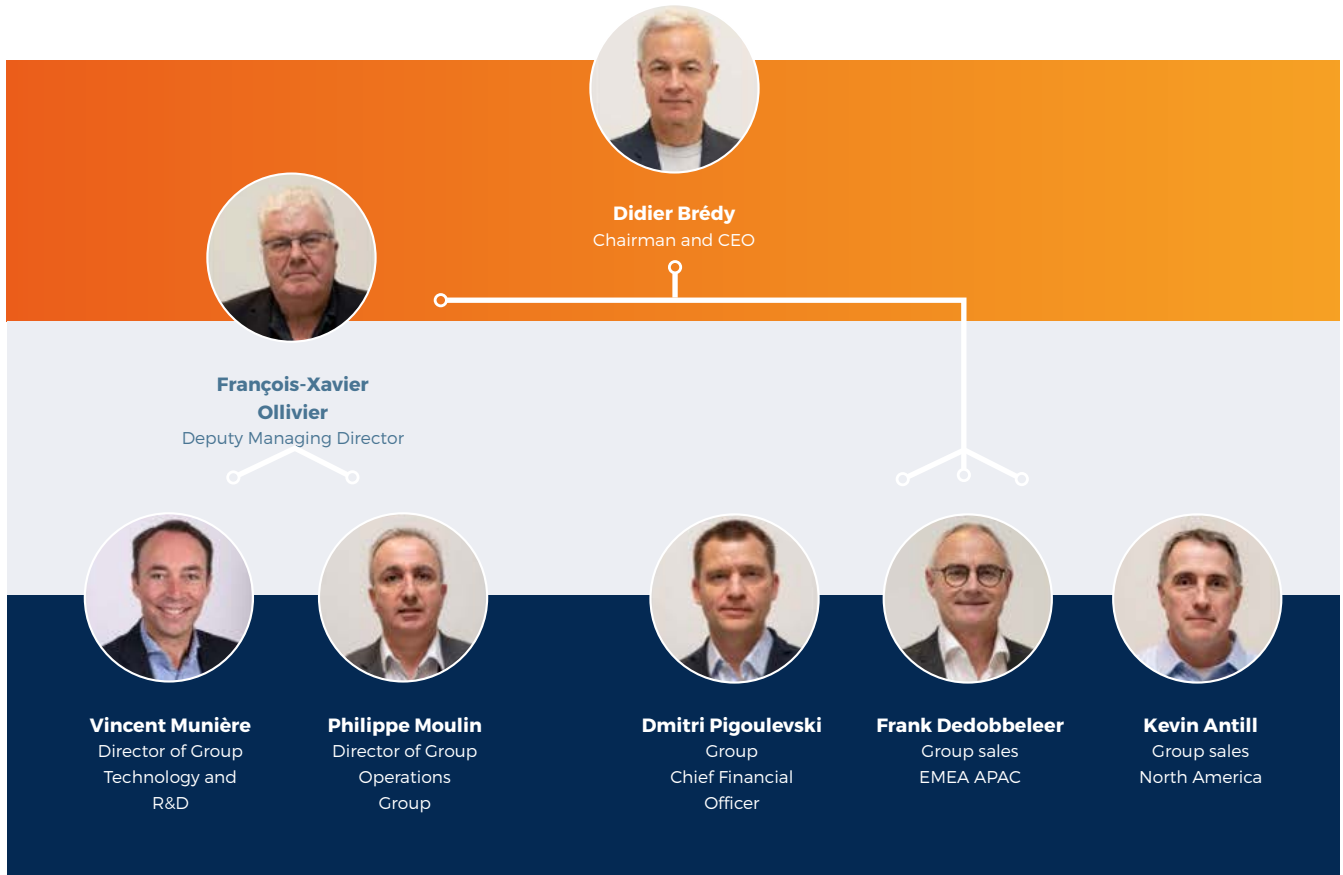
Julien Malcoste

Deloitte & Associés

Frédéric Neige

6.7_Employees

6.7.1_Operational chart at the date of this document



6.7.2_Biographies of Company management

○ **Didier Brédy (59), Chairman and Chief Executive Officer**

Refer to chapter 2.1.1.3 "Biographies of the Directors".

○ **François-Xavier Ollivier (64), 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). He led 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. Vient 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 and extensive international experience, including more than 18 years in service automation and in telecom industries and 14 years in strategic management positions. Before taking up his role as Director of Company Operations and Managing Director of OneAccess Belgium NVI, he spent four years as the Chairman and CEO of Kings Products and Solutions Inc (Urmet group), a 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 (59), Sales Director EMEA - APAC**

Frank Dedobbeleer joined OneAccess as Sales Director in December 2012 with overall responsibility for sales. He 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 (56), 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, ten years at Carrier Access Corporation as Vice-President in charge of strategic accounts and Vice-President sales North America, and 10 years at Walker and Associates, notably as Vice-President in charge of sales during his last four years. Kevin began his career at the North Pittsburgh Telephone Company.

○ **Dmitry Pigoulevski (52), 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 specializing 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. Dimitri 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's headcount changed as follows:

Headcount end of period	2021	2020	2019
R&D/Manufacturing	333	316	308
Marketing/Sales functions/Support	103	99	100
Management, administration	49	45	41
TOTAL	485	460	449

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.

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● ADDITIONAL INFORMATION

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7.1_Person responsible for the Universal Registration Document

Persons responsible for information contained in this document

Mr. Didier Brédy

Chairman and CEO

Declaration by the persons responsible for the Universal Registration Document

I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

I hereby certify that, to my knowledge, the financial statements have been drawn up in accordance to the applicable accounting standards and represent 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 207 provides a faithful representation of business and earnings trends and of the financial situation of the Company and all of the companies included in the scope of consolidation, and that it describes the main risks and uncertainties which it faces.

Didier Brédy

Chairman and CEO

April 8, 2022

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 (formerly known as Actualis 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 on December 31, 2020 was approved by the General Meeting of May 21, 2015.

The renewal of the assignment for a further six fiscal years, expiring at the end of the General Meeting called to approve the financial statements for the year ending on December 31, 2026 was approved by the General Meeting of May 27, 2021.

Altonéo Audit is a member of the national audit body in Antwerp.

✓ Deloitte & Associés represented by Mr. Frédéric Neige

6, place de la Pyramide - 92908 Paris La Défense Cedex.

Deloitte & Associés were appointed Statutory Auditors by the General Meeting held of February 25, 2013 for a period of six fiscal years, from the fiscal year ending on December 31, 2012 and expiring at the end of the General Meeting called to approve the financial statements for the year ending on 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 on 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	196
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	196
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	197
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	197
1.5	Provide a declaration indicating that: a) the Universal Registration Document was filed on with the French Financial Markets Authority, AMF, as the competent authority under (EU) Regulation 2017/1129, without prior approval in accordance with Article 9 of the Regulation; b) the Universal Registration Document can be used for the purposes of a public offering of securities or the admission of securities for trading on a regulated market if it is approved by the French Financial Markets Authority as well as any potential amendments, and a note relative to the securities and the related approved summary in accordance with regulation (EU) 2017/1129.		12
2	LEGAL AUDITORS OF THE FINANCIAL STATEMENTS		
2.1	Provide the name and address of the legal auditors of the financial statements of the issuer, for the period covered by the historical financial information (also indicate registration with a professional body).	7.2	197
2.2	If the legal controllers have resigned, were removed from their functions or were not renewed in their functions during the period covered by the historical financial information, provide details of this information, if significant.	N/A	N/A

	Paragraph	Page
3	RISK FACTORS	
3.1	Provide a description of the significant risks specific to the issuer, broken down into a limited number of categories, in the section titles "risk factors".	42
	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.	
4	INFORMATION RELATIVE TO THE ISSUER	189
4.1	Indicate the legal and commercial name of the issuer.	
4.2	Indicate the place of registration of the issuer, its registration number and its legal entity identifier (LEI).	
4.3	Date of incorporation and length of life of the issuer when this is not unlimited.	
4.4	Indicate the location of the head office and the legal form of the issuer, the legislation governing its activities, the country in which it is registered, the address and telephone number of the company head office (or its main business location, if different from the company's head office) as well as its website, if in existence, with a disclaimer indicating that the information presented on the website is not part of the prospectus, except if this information is included in the prospectus for reference purposes.	
5	PRESENTATION OF ACTIVITIES	
5.1	Main activities.	25/29/30
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.	20/20/29
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.	25
5.2	Main markets. Describe the main markets on which the issuer operates, breaking down total revenue by type of business and geographical market, for each fiscal year of the period covered by the historical financial information.	22
5.3	Indicate the key events in the development of the activities of the issuer.	18
5.4	Strategy and objectives. Describe the strategy and objectives of the issuer, both in financial and non-financial terms (where appropriate). This description takes account of prospects and future challenges faced by the issuer.	20/42
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.	30
5.6	Indicate the items on which are based any issuer declaration regarding its competitive position.	28
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.	32
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).	32
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
5.7.4	Describe any environmental issue that could impact the use, made by the issuer, of its tangible assets.	99

	Paragraph	Page
6	ORGANIZATIONAL STRUCTURE	
6.1	If the issuer is part of the group, provide a summary description of the group and the place of the issuer. This description can be an organizational chart, or one can be included, if this contributes to clarifying the organizational structure of the group.	19
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.	19
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.	33
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.	33
7.2	Operating income (expense)	33
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.	33
7.2.2	When the historical financial information reveals significant changes in net revenue or net income, explain the reasons for these changes.	33
8	CASH FLOW AND CAPITAL	37
8.1	Provide information regarding the capital of the issuer (short and long term).	37
8.2	Indicate the source and amount of issuer cash flows and describe these cash flows	37
8.3	Provide information on financing needs and the financial structure of the issuer.	37
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.	37
8.5	Provide information regarding anticipated sources of financing necessary to meet commitments mentioned in point 5.7.2.	37
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.	42
10	INFORMATION ON TRENDS	36/37
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;	36/37

		Paragraph	Page
	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.		
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	36/37
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 with the 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 issuer's standard accounting practices.		
12	ADMINISTRATIVE 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	48
	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;	2.1.1	48

	Paragraph	Page	
15.2	Shareholdings and stock options	2.4	57
	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	194
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	182
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	182
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	182
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	182
17	MAIN TRANSACTIONS WITH RELATED PARTIES	6.6	190
17.1	Details of transactions carried out with related parties linked to the issuer during the period covered by the historical financial data until the date of the registration Document must be disclosed in accordance with the relevant standard adopted by virtue of regulation (EU) No. 1606/2002, if it applies to the issuer.	6.6	190
	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.		
18	FINANCIAL INFORMATION REGARDING THE ASSETS AND LIABILITIES, THE FINANCIAL SITUATION AND THE EARNINGS OF THE ISSUER		
18.1	historical financial information;	4/5	111/149
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.	N/A	N/A
	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.		
18.1.3	Accounting principles.	4	111
	The financial information must be drawn up in compliance with international financial information standards, as adopted by the Union in accordance with regulation (EU) No. 1606/2002.		
	If regulation (EU) No. 1606/2002 does not apply, the financial information must be drawn up in compliance with:		
	a) the national accounting standards of a member state for EEE issuers, as provided for in Directive 2013/34/EU;		
	b) national accounting standards of non-EU countries equivalent to regulation (EU) No. 1606/2002 for issuers from non-EU countries. If the national accounting standards of non-EU countries are not equivalent to regulation (EU) No. 1606/2002, the financial statements must be restated in accordance with said regulation.		

		Paragraph	Page
18.1.4	Change of financial reporting framework. The latest audited historical financial information, including comparable information relative to the previous year, must be drawn up and presented in compliance with the financial reporting framework to be adopted for the next annual financial statements to be published by the issuer, in accordance with accounting standards, methods and legislation applicable to these annual financial statements. Changes within the financial reporting framework applicable to the issuer do not require restatement of audited financial statements solely for the purposes of the prospectus. However, if the issuer plans to adopt a new financial reporting framework with the next financial statements to be published, it must present at least one full set of financial statements (within the meaning of IAS 1 Presentation of financial statements, as defined by regulation (EU) No. 1606/2002), including comparable information, in a form corresponding to the financial reporting framework to be adopted in the next annual financial statements to be published by the issuer, in accordance with the accounting standards, methods and legislation applicable to these annual financial statements.	N/A	N/A
18.1.5	When they are drawn up in accordance with national accounting standards, the audited financial information such include at least: a) the balance sheet; b) the income statement; c) a statement indicating all changes in the share capital or changes in the share capital other than those resulting from capital transactions with the owners and distributions to the owners; d) the statement of cash flows e) the accounting methods and accompanying notes.	N/A	N/A
18.1.6	The consolidated financial statements. If the issuer draws up annual financial statements both on an individual bases and a consolidated basis, include at least the annual consolidated financial statements in the registration document.	4.1	112
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	111
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 regulation (EU) No. 1606/2002. For issuers to whom regulation (EU) No. 1606/2002 does not apply, the interim financial information must contain comparable financial statements covering the same period of the previous year, with the presentation of a closing balance sheet fulfilling the requirement concerning the comparable balance sheet in accordance with the financial reporting framework applicable.		
18.3	Audit of historical annual financial information.	4.6	145

		Paragraph	Page
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 (3) and regulation (EU) No. 537/2014 of the European Parliament and the Council (4).	4.6	145
	When Directive 2014/56/EU and regulation (EU) No. 537/2014 do not apply:	N/A	N/A
	a) historical annual financial information must be audited or present the certification that, for the purposes of the registration Document, they give a faithful presentation, in accordance with the audit standards applicable in a member State or an equivalent standard;		
	b) if the audit reports on historical financial information were rejected by legal auditors or if they contain reserves, modified opinions, limitations on liability, or observations, these reserves, modifications, limitations or observations must be fully reproduced together with an explanation.		
18.3.2	Indicate what other information in the registration Document has been audited by the legal auditors.	N/A	N/A
18.3.3	When the financial information included in the registration Document is not taken from the audited financial statements of the issuer, indicate the source and specify that they have not been audited.	N/A	N/A
18.4	Pro forma financial information.	N/A	N/A
18.4.1	In the event of a significant change in gross values, describe the way in which the transaction had an impact on the assets, the liabilities and the earnings of the issuer, if it had been carried out at the start of the period covered or at the specified date.		
	This requirement would normally be met by the inclusion of pro forma financial information. Pro forma financial information must be presented in accordance with Note 20 and must include all the data mentioned therein.		
	The information must be accompanied by a report drawn up by independent accountants or legal auditors.		
18.5	Dividend policy.	1.4.7	40
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 arbitration procedures.	1.6.11	46
18.6.1	Indicate, for a period covering at least twelve months, all administrative, legal and arbitration 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	36
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.		

	Paragraph	Page
19	ADDITIONAL INFORMATION	
19.1	Share capital	6.1
	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:	176
19.1.1	Indicate the amount of issued capital, for each share category:	
	a) the issuer's total authorized capital;	
	b) the number of shares issued and fully paid up and the number of shares issued but not fully paid up;	
	c) the nominal value per share, or the fact that the shares do not have a nominal value; as well as	
	d) a comparison between the number of shares outstanding at the start and at the end of the financial year.	
	If more than 10% of the capital has been paid up with assets other than cash during the period covered by the historical financial information, specify.	
19.1.2	Indicate if there are securities which do not represent the share capital, their number and their main features.	
19.1.3	Indicate the number, carrying amount and nominal value of shares held by the issuer itself or on its own behalf, or by its subsidiaries.	
19.1.4	Indicate the amount of convertible securities, or exchangeable or with subscription warrants attached and indicate the terms and conditions governing conversion, exchange or subscription.	
19.1.5	Provide information on the conditions governing any acquisition rights and/or any obligation attached to the authorized but not issued capital, or on any company aiming to carry out a capital increase.	
19.1.6	Provide information on the capital of any member of the Group with the option or conditional or unconditional agreement to apply an option and the details of such options, including the identity of the persons to whom they apply.	
19.1.7	Provide a history of the share capital for the period covered by the historical financial information, highlighting any changes which took place.	
19.2	Articles of incorporation and bylaws	6.3
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.	183
19.2.2	When several share categories exist, describe the rights, privileges and restrictions attached to each category.	
19.2.3	Provide a summary description of all provisions of the act of incorporation, the bylaws, the charter or code of conduct of the issuer which would have the impact of deferring or preventing a change of control.	
20	MATERIAL CONTRACTS	1.4.2
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.	33
	Summarize any other contract (other than contracts concluded within the framework of normal activities) concluded by any member of the Group and containing provisions leading an obligation for a member of the Group or a significant right for the whole of the Group, at the date of the registration Document.	
21	AVAILABLE DOCUMENTS	
21.1	Provide a declaration indicating that, during the validity of the registration Document, the following documents can, where appropriate, be consulted:	7.4
	a) the most up-to-date version of the incorporation act and the bylaws of the issuer;	197
	b) any report, mail or other documents, reviews and declarations drawn up by an expert at the request of the issuer, for which a portion is included or referred to in the registration Document.	
	Indicate the address of the website on which the documents can be consulted.	

7.6_Cross-reference table for the annual financial report and the management report

Headings	Paragraph	Page
1. Financial statements of the parent company	5	149
2. Consolidated financial statements	4	111
3. Management report		
3.1. Information on the Company's activity		
> Presentation of the activity (notably progress achieved and difficulties encountered) and the earnings of the Company, of each subsidiary and of the Group	5.3.1/1.4.3	170/33
> Analysis of business trends, earnings trends and the financial situation and notably the debt of the Company and of the Group	1.4.3/1.4.6	33/37
> Foreseeable development of the Company and/or the Group	1.4.4	36
> Key indicators of financial and non-financial performance of the Company and the Group	1.1.1/5.3.1/5.3.2	16/170/170
> Subsequent events for the Company and the Group	1.4.5	37
> Indications on the use of financial instruments, including financial risks and price, credit, liquidity and cash flow risks faced by the Company and the Group	1.6.6/1.4.6	45/37
> Main risks and uncertainties to which the Company and the Group is exposed	1.6	42
> Information on Company and Group R&D	1.3.9	30
> Indications on financial risks linked to the impacts of climate change and presentation of measures taken by the Company to mitigate them by implementing a low carbon strategy for all components of its business (in accordance with Article L. 22-10-35 1°)	1.6.7/3.3	45/89
> Main features of the internal control and risk management procedures relative to the drawing up of accounting and financial information (in accordance with Article L. 22-10-35 2°)	2.6	83
3.2. Company legal, financial and tax information		
> Breakdown and changes to the shareholding structure	6.1.7	180
> Name of the companies controlled with Treasury stock in the Company and portion of capital held	5.3.5	171
> Significant shareholdings acquired during the financial year and within the meaning of Article L. 233-3 of the French Commercial Code with their head office in France	5.3.3	171
> Declaration of holding of more than 10% of the capital of another equity company: comparison of cross-shareholdings	5.3.5	171
> Purchase and sale of company shares (share buybacks)	6.1.2	176
> Declaration of employee shareholdings in the Company	6.7.4	194
> Indicate potential adjustments:	6.1.4	178
- for securities giving access to the capital of the Company and stock options in the case of share buybacks		
- for securities giving access to the capital of the company in the event of financial transactions		
> Amount of dividends distributed in respect of the three previous financial years	5.3.8	171
> Amount of non tax deductible expenses and charges	5.3.10	172
> Payment deadlines and breakdown of the balance of trade and customer receivables by maturity	5.3.9	172
> Fines or pecuniary sanctions for anti-competitive practices	5.3.11	172
> Summary statement of management and related persons linked to Company securities	2.2.12	56
4. Corporate governance report		
> In the case of the allocation of bonus shares, indicate the information upon which the Board of Directors made its decision:	N/A	N/A
- either to prohibit the managers from selling the bonus shares granted to them before the termination of their functions;		
- or, to set the amount of bearer shares that they are required to hold until the end of their term of office (indicating the fraction set)		

Headings	Paragraph	Page
> In the event of the allocation of stock options, indicate the information on which the Board of Directors made the decision:	N/A	N/A
- or to prohibit managers from exercising their options before the expiry of their terms of office		
- or to require them to hold in bearer form until the expiry of their terms in office all or part of the shares granted from previously exercised options (indicating the fraction thereby set)		
> Choice between one of the two means of exercise of Executive Management in the event of change	2.5.1.2	59
> List of all of the positions and functions occupied in any company by each of the directors during the financial year	2.1.1	48
> Information indicated in paragraph I of Article L. 22-10-9 governing remuneration of corporate officers	2.2/2.5.3	50/72
> Commitments linked to the assumption, termination or change of functions	2.5.3.1.4	75
> Agreements concluded between a corporate officer or a shareholder holding more than 10% of the voting rights and a controlled company within the meaning of Article L. 233-3 of the French Commercial Code (excluding current agreements)	2.5.1.5	60
> Composition, conditions of preparation and organization of the work of the Board	2.5.2	65
> Remuneration policy applicable to corporate officers	2.5.3	72
> Description of the procedure implemented by the Company to regularly assess if the agreements relative to current operations and concluded at arm's length effectively meet these conditions description of implementation	2.5.1.5	60
> Description of the diversity policy applied to the members of the Board in respect of criteria such as age, sex, qualifications and professional experience, description of the goals of this policy, the terms and conditions governing its implementation and the results obtained during the past year and information on the way the Company seeks to ensure gender balance within the committees set up, where appropriate, by Executive Management with a view to regularly assisting it in carrying out general assignments and on results in terms of diversity in the 10% of positions with the highest responsibility	2.5.2	65
> Potential limits which the Board of Directors may impose on the powers of the Chief Executive Officer	2.5.1.3	59
> Reference to a corporate governance code and application of the "comply or explain" principle as well as indications of where to consult the code	2.5.1.1	58
> Specific terms and conditions applicable to shareholder participation at the General Meeting or provisions of the bylaws covering such terms and conditions	2.5.1.4	59
> Summary table of the current authorizations granted by the General Meeting relative to capital increases	2.5.1.6	61
> Presentation of Items likely to have an impact in the event of a public offering:	2.5.1.7	64
- Capital structure of the Company		
- restrictions in the company bylaws on exercising voting rights and transfers of shares or the agreement clauses brought to the knowledge of the Company in application of Article L. 233-11 of the French Commercial Code		
- direct or indirect shareholdings in the capital of the Company which it has been made aware of by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code		
- list of holders of any securities with special control rights and the description of such securities		
- Control mechanisms provided for in a possible employee shareholder system, when controlling rights are not exercised by the latter		
- agreements between shareholders of which the Company is aware and which could lead to restrictions on transfers of shares and on exercising voting rights		
- rules applicable to the appointment and replacement of members of the Board of Directors or the Management Board as well as changes to the Company bylaws		
- the powers of the Board of Directors, in particular regarding the issuance or buyback of shares		
- the agreements concluded by the Company which have been modified or which expire in the event of change of control of the Company, except if this disclosure, excluding legal disclosure obligations, would severely impact its interests		
- the agreements providing for indemnification of members of the Board of Directors or the Management Board or employees, if they resign or are let go without genuine or serious cause or if their employment ends owing to a public offer		

Headings	Paragraph	Page
5. Statement of non-financial performance	3	87
> 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	87
> Information relative to hazardous activities	N/A	N/A
6. Declaration of physical persons who take responsibility for the annual financial report	7.1	196
7. Statutory Auditors' report on the individual financial statements	5.2	166
8. Statutory Auditors report on the consolidated financial statements	4.2	113

7.7_Glossary

(A)

Aggregation of signals

Regrouping signals to homogenize them.

ATM

Asynchronous Transfer Mode: recent network technology enabling simultaneous transfer on the same line of voice and data.

ASIC

Application Specific Integrated Circuit: dedicated circuit for a specific application and therefore not reprogrammable.

B

Bandwidth

Frequency interval (in hertz) for which the amplitude response of a system corresponds to a benchmark level, therefore at which the system is considered reliable. This term is also used in the area of digital transmission to indicate the speed of a communication channel, owing to the fact that this speed stems directly from the maximum frequency at which the canal can be used to reliably transmit an electric signal.

C

CLEC

Competitive Local Exchange Carriers: local telecom operator in the US, new market arrival.

Coherence

This technology demodulates both amplitude and the phase of the signal at the level of the receiver and, thanks to a very high speed signal processing, enables compensation of transmission imperfections owing to chromatic dispersion and dispersion of polarization modes. This enables full performance compatibility at 100G with the 10G. The equipment component which manages this functionality is the optical issuer/receiver interphase called MSA 100G.

CPE

Customer Premises Equipment: customer equipment used to connect to an operator/internet service provider.

D

DWDM

Dense Wavelength Data Multiplexing: technology which increases available bandwidth on a portion of optical fiber via the use of simultaneous signals of different wavelengths.

(E)

EAD

Ethernet Access Device: ethernet carrier equipment.

EMS

Electronics Manufacturing Services: sub-contractors of electronics products (printed circuits). Customers are often referred to as OEMs (original equipment manufacturers).

Ethernet

The packet switching network protocol, which sends the same signal to all the devices connected to the same network. This technology, known for its simplicity, was used by local networks before the development of the internet. Its evolutionary benefits means that it has now become one of the most widely used high-speed network protocol, thanks notably to its integration in the OSI model (it is used on the first two layers of the OSI model, physical and data connections, combined under standard IEE 802).

F

FPGA

Field-Programmable Gate Array: type of integrated circuit dedicated to a single application, and therefore reprogrammable.

FTP

File Transfer Protocol: protocol for file transfers.

I

ILEC

Incumbent Local Exchange Carriers: local telecom operator in the US, already established on the market.

M

MEF

Metro Ethernet Forum.

MSA

Multi Supplier Agreement: agreement with multiple suppliers relative to the optical module. Telecom equipment makers require their suppliers to adopt the same optical module specifications or MSA which guarantees equivalent performance between all suppliers. This enables equipment manufacturers to avail of several fully compatible sources of procurement.

Multiplexing

A technique that consists of transmitting two or more packets of information via one transmission media. Optical multiplexing (optics is the branch of physics which involves light and its relationship with vision) does not break up signals in time (time is a concept developed to represent change in the world: the Universe is never constant, the elements of which it is made up change, transform and evolve...), but rather by frequency. In more simple terms, several colors are transmitted simultaneously on one single optical fiber. This means notably that the fiber transmission capacity can be increased (a fiber is an elementary, vegetable or animal formation, with a filament aspect, generally presented in the form of a cluster) for current fiber options without significantly increased costs.

O

OEM

Original Equipment Manufacturer: maker of original equipment. Purchases parts that cannot be marketed as they are and resells the assembled parts under its own brand.

ONH

Optical Network Hub: optical network equipment.

OTN

Optical Transport Networking: OTN technology enables switching of data traffic to optical fibers to optimize network bandwidth.

P

Protocol

Set of standards necessary to enable cooperation between distant entities, in particular to establish and maintain information exchanges between these entities.

Q

QoS

Quality of Service: ability to transmit under good conditions, a specific type of data traffic, in terms of availability, speed, transmission times, packet loss rates, etc.

R

ROADM

Reconfigurable Add/Drop Multiplexer: equipment technology enabling network configuration changes in real time, based on its status or the needs of the customer. This system enables the addition of flexibility to the network infrastructure and in turn optimizes operating costs.

S

SDH

Synchronous Digital Hierarchy: high speed digital data transmission protocol, equivalent to the level 1 OSI layer model. Technique originally designed to manage circuit communications, typically telephone communications. However, since the 2000s, the volume of packet-type data has overtaken the quantity of telephone type data, leaving SDH somewhat unsuitable for the new services required today.

SDN

Software Defined Networking.

SD-WAN

Software-Defined WAN.

SONET

Synchronous Optical Network: corresponds to SDH for the United States.

T**TCP/IP**

Transmission Control Protocol / Internet Protocol: Protocol suite. This acronym stems from the names of the two main protocols of the protocol suite, 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).

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. However, CWDM is less expensive than DWDM.

DWDM technology

Dense Wavelength Division Multiplexing: multiplexing of signals within a single fiber which enables an increase in the available bandwidth on the fiber optic.

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