We Are Exclusive

2022 Universal Registration Document

Including the annual financial report and the management report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French version of the Universal Registration Document was approved on 24 April 2023 by the French stock market authority Autorité des marchés financiers (the "AMF"), as the competent authority under Regulation (EU) 2017/1129.

The AMF approves this Universal Registration Document after having verified that the information it contains is complete, coherent and comprehensible. The Universal Registration Document has the following approval number: R.23-014

This approval should not be considered as a favourable opinion of the AMF on the issuer that is the subject of the Universal Registration Document.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and its supplement(s). The entirety then formed is approved by the AMF in accordance with Regulation (EU) No 2017/1129.

It is valid until 24 April 2024 and, during this period and at the latest at the same time as the securities note and under the conditions of Articles 10 and 23 of Regulation (EU) 2017/1129, will have to be supplemented by a supplement in case of significant new facts or substantial errors or inaccuracies.

Contents

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This document is a free translation of the French "*Document d'Enregistrement Universel 2022*" and is provided solely for reference and the convenience of English-speaking readers.

In accordance with Article 19 of Regulation (EU) 2017/1129, the following documents and information are incorporated by reference in this Universal Registration Document:

- the 2021 Consolidated Financial Statements for the year ended 31 December 2021 and the Statutory Auditors' report on these consolidated financial statements are contained in Chapter 18: "Financial Information concerning the issuer's assets, liabilities, financial position, profits and losses" of the Universal Registration Document approved by the AMF on 27 April 2022 under number R-22-012 available on the Company's website (https://ir.exclusive-networks.com/);
- the Group's 2020 Consolidated Financial Statements for the year ended 31 December 2020 and the Statutory Auditors' report on these consolidated financial statements are contained in Chapter 18: "Financial Information concerning the issuer's assets, liabilities, financial position, profits and losses" of the Registration Document approved by the AMF on 3 September 2021 under number I 21-044 available on the Company's website: (https://ir.exclusive-networks.com/).

Message from Jesper Trolle

"There is no doubt that geopolitical tensions around the world raised awareness and accelerated the growth of the global cybersecurity market in 2022".

Jesper Trolle
Chief Executive Officer

Exclusive Networks enjoyed a record-breaking year in 2022

In our first full year as a listed company, we have continued to go from strength to strength.

We are aware of the enormous contribution that our employees make to our performance.

We also know the extent to which our proven model and clear strategy drive us forward, offering unique services that respond to the global need to make people and data more secure.

We are working with the best vendors and entering new geographical areas. We are adding new, innovative vendors with great success and offering the most complete range of services. We are also looking at possible acquisitions to increase our capacity in new areas.

This is a proven model and strategy that works for our customers and partners, hence our record revenue of €4.5 billion in 2022.

I am proud of the progress we have made within the framework of our corporate mission, which is to accelerate adoption of the most innovative cybersecurity technologies by using our global platform, our commercial nous and the technical expertise of our teams to put security companies in touch with thousands of organisations all around the world. We allocate time and resources to raising awareness of inherent cyberspace risks, and we invest in training the security experts of tomorrow. We continue to make the most of our unique position at the centre of a rapidly expanding cybersecurity ecosystem. Our long-term growth drivers remain solid and we are fantastically placed to capitalise on new opportunities.

There is no doubt that geopolitical tensions around the world raised awareness and accelerated the growth of the global cybersecurity market in 2022. In spite of these universal headwinds, we continued to outperform this high-growth market throughout the year. Just like in previous periods, our performance was underscored by continual growth across all geographical areas, fuelled by forging even closer relationships with our existing vendors.

“More than ever, I am convinced that we have the team, the strategy and the market position needed to maximise our potential”.

Cybersecurity remains the most difficult problem of our time for CIOs, with the frequency and intensity of attacks never ceasing to increase. The digital transformation, hybrid working and a trend towards cloud migration are creating new vulnerabilities. When a growing lack of talent and skills across the sector is added to these industrial dynamics, it is clear that cybersecurity should remain the leading investment priority in 2023.

Our specialism in this rapidly growing, mission-critical sector, combined with our local expertise on a global scale, clearly sets us and our rivals apart. More than ever, I am convinced that we have the team, the strategy and the market position needed to maximise our potential.

I firmly believe that Exclusive Networks can hit new heights and continue to make a considerable positive impact on the entire cybersecurity ecosystem in 2023 and beyond.

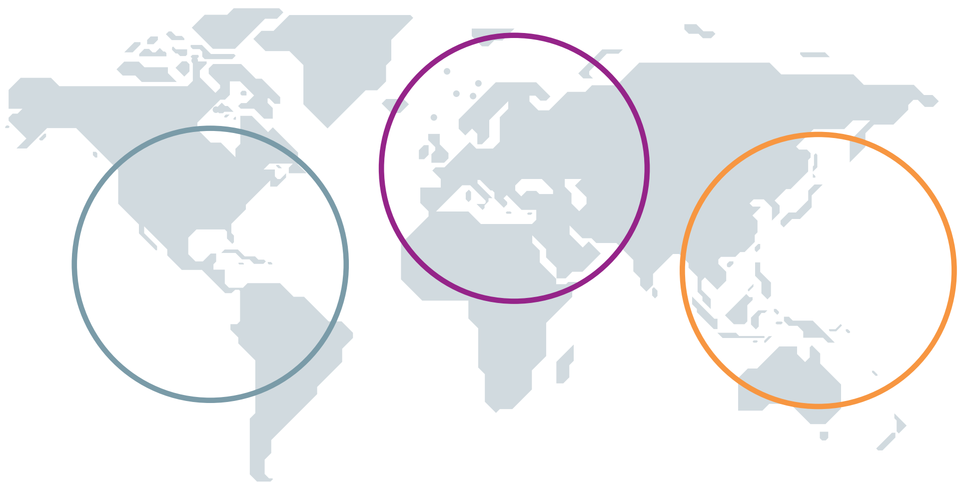
An overview of Exclusive Networks

Exclusive Networks is a global cybersecurity specialist that provides partners and end-customers with a wide range of services and product portfolios via proven routes to market.

With offices in over **47 countries** and the ability to serve customers in over **170 countries**, we combine a local perspective with the scale and delivery of a single global organisation.

Our best-in-class vendor portfolio is carefully curated with all leading industry players. Our services range from managed security to specialist technical accreditation and training, and capitalise on rapidly evolving technologies and changing business models.

An international presence



Americas

€532 M
of Group Gross Sales

12% share of Group revenue
92 employees

Europe, Middle East, Africa (EMEA)

€3,539 M
of Group Gross Sales

78% share of Group revenue
1,928 employees

Asia-Pacific (APAC)

€457 M
of Group Gross Sales

10% share of Group revenue
533 employees

A unique positioning: both specialist and global

EXCLUSIVE NETWORKS

Facilitating **global scaling-up**

\+

Providing **support** and **services**

Vendors of cybersecurity solutions

260+

vendors

The global cybersecurity specialist

Providing access to a **unique network** of vendors

\+

Providing **training**, **technical services**, **advice** and **support**.

Partners

25,000+

partner resellers

End-customers

2022 key figures

Financial

33%
Average annual Gross Sales growth since 2013

€4.5 M
Gross sales

€411 M
Net margin

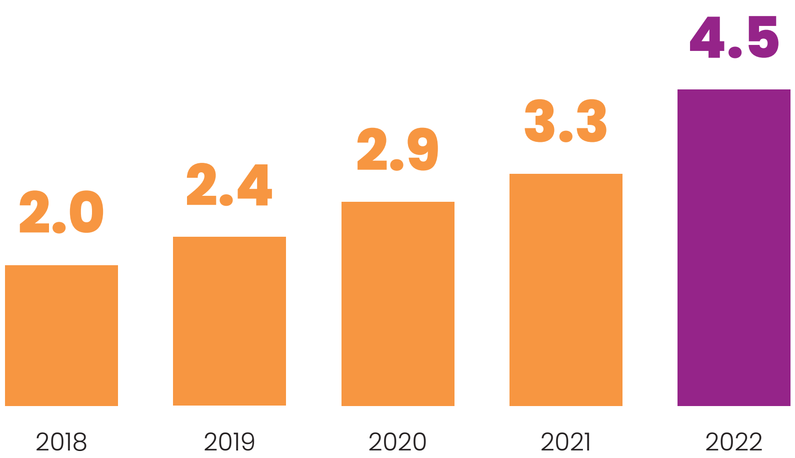
€154 M
Adjusted EBIT

€100 M
Adjusted Net Income

€201 M
Operational Free Cash-Flow (FCF), adjusted

1.6x
Leverage ratio

Gross sales
(€bn)



€154 M
Adjusted EBIT
+29% vs N-1
—
37.5%
Net margin

Extra-financial information and objectives

2,500+
Employees

47
Office country locations

170+
Countries served

71%
Engagement rate

4.4 years
Average length of service

34%
Senior management positions held by women

Extra-financial objectives

40% of senior management positions held by women by 2025

Decarbonisation **action plan and trajectory** finalised in 2024

100% of employees having confirmed adherence to the Group's Code of Conduct by 2025

Ethical audits performed on **100%** of our high-risk third parties in 2023

International governance ...

Composition of the Board of Directors

7 Members

4 Nationalities

42% Women

51 years Average age

42% Independence

99% Attendance

12 Meetings

Barbara Thoralfsson
Chairperson of the Board of Directors
Chairperson of the Audit Committee
Independent

Jesper Trolle
Chief Executive Officer

Marie-Pierre de Bailliencourt
Chairperson of the Nomination and Compensation Committee
Independent

Nathalie Lomon
Chairperson of the Nomination and Compensation Committee
Independent

Michail Zekkos
Member of the Nomination and Compensation Committee

Pierre Pozzo
Member of the Audit Committee

Olivier Breittmayer

Board of Directors' Committees

Audit Committee

3	10	100%	66%
Members	Meetings	Attendance	Independence

Nomination and Compensation Committee

3	5	100%	66%
Members	Meetings	Attendance	Independence

... delivering a global growth strategy

Five operational pillars

Continue to take advantage of the underlying growth enjoyed by vendors and the cybersecurity market in general within existing geographical areas of operation.

Addition of new vendors to our portfolio.

Extending our addressable market by adding new geographical areas and consolidating those areas in which the Company is under-represented through company acquisitions.

Enhance the offering of services and solutions to diversify the value chain and increase customer loyalty.

Addition of new vendors to our portfolio.

The advantages of the Exclusive Networks ecosystem

Key benefits for vendors:

- **proposing** a single point of contact to cover large geographical areas while avoiding the added costs of multilingual sales and back-office teams;
- **accelerating** sales growth;
- **streamlining** logistics;
- **transferring** the financial risk of end-customers and resellers.

Key benefits for partners:

- **reinforcing** their expert positioning so as to better meet the expectations of their end-customers;
- **getting help to position themselves** in the face of an offering of products that is fragmented, technically complex and constantly changing;
- **providing** technical services such as product training, professional services, technical support and managed services;
- **having access to** commercial services.

Business Model

Vision

We believe that everyone is entitled to live in a digital world made safer by the most innovative technology.

Resources

Experienced, highly qualified employees from a wide range of backgrounds

2,411 employees

43% of employees are women

1:2 ratio one technical engineer for every two sales people

Best-in-class vendor portfolio

> 260 vendors

Exclusive Networks vendors are recognised by Gartner as market leaders in key sub-sectors

Ability to identify, attract and develop the leaders of tomorrow: **50 companies** analysed each year and 10 welcomed on board

Global and local presence

Offices in **47** countries

Over 170 countries covered

Access to a large and diverse network of partners: **> 25,000**

Several system integrators, including the **20 largest** in the world

Proven industry consolidation platform

18 acquisitions during the last decade to support and accelerate the growth strategy

Strong track record of profitable growth

Gross sales: **+33%** CAGR

116% net customer retention rate over the last three years

37% EBITA margin

Asset-light model: **> 90%** average cash conversion over the last three years

Unique

Best-in-class product portfolio and services

Five strategic pillars

Take advantage of the underlying growth enjoyed by our vendors and the cybersecurity market in general within existing geographical areas of operation

Enable new vendors to set up in our regions

Increase our potential

market by adding new geographical areas and consolidating under-represented areas by way of mergers and acquisitions

Mission

Thanks to our global platform, our commercial nous and the technical expertise of our teams, we accelerate adoption of the most innovative cybersecurity technologies by putting security companies in touch with thousands of organisations all around the world.

We allocate time and resources to raising awareness of inherent cyberspace risks, and we invest in training the security experts of tomorrow.

positioning

A local perspective backed by a global organisation

Develop our range of services so that we can diversify all along the value chain and enhance customer retention

Adopt the transition towards the cloud by:

a. Partnering with the main vendors of cloud security software.

b. Deploying the appropriate commercial proposition and suitable tools/platforms.

Value creation

Societal impact

Launch of **Exclusive Academy** in October 2022, 20 participants, three-year programme: a response to the severe shortage of skills and talent in the cybersecurity sector

Economic impact

Make businesses more **competitive** by reducing the risk of cyberattacks

Facilitate the **digital transformation**

Track-record of accelerating acquired companies' growth: **achieving synergies** by sharing technical and commercial expertise

Partners

Provide partners with **new revenue streams** in a constantly evolving technological environment

Offer **high-quality** training for partners and end-customers: vendor technology training

Over 11,000 professionals trained in 2022

Vendors

Ability to accelerate their **international expansion**

Extensive range of services enabling them to optimise their marketing costs and processes

76 vendors added over the last five years

Employees

Engagement rate of **72%** as per the employee engagement survey of 21 April

Financial performance

- **Gross sales** above €5,150 million
- **Net margin** in the range of €450 million to €465 million
- **Adjusted EBIT** in the range of €172 million to €178 million
- **Operating FCF, adjusted** above 80% of adjusted EBITDA

We Are Specialist

1. Presentation of the Group: activities and strategy

1.1 History

Exclusive Networks is a leading global specialist in innovative cybersecurity technologies, products and solutions.

The Group has over 2,441 employees, and in 2022 achieved Gross Sales revenue of over €4.5 billion, a 38% increase.

Since its inception in 2003, the Group has increased its global presence through both organic and external growth.

At the same time Exclusive Networks has applied a targeted acquisition policy enabling it to expand into new territories, to reinforce its market share in certain countries where it already operates, and to add new service capabilities. The Group has thus successfully completed 18 acquisitions over the last 10 years. Operating in 47 countries around the world, the Company has been listed on the Euronext regulated stock market (EXN: FP) Paris since 23 September 2021.

Some key dates in Exclusive Networks' history:

Creation of the Company

2003: HTIV acquires 70% of Techniland, a company founded in 1995 in France by Xavier Lafaure, which initially focused on IT integration services and later shifted to the distribution of communication products. HTIV was owned on a 50-50 basis by Philippe Dambrine and Olivier Breittmayer. Olivier Breittmayer was a shareholder in Techniland and sold his shares to Xavier Lafaure in 1998. The signature of the Fortinet distribution contract represents a first step for the Group in the cybersecurity market.

European development

- 2007: Techniland is renamed Exclusive Networks.

  Funds managed by Edmond de Rothschild acquire a minority stake.

  The Group begins its international development by acquiring Qdis in the Netherlands and Deltalink in Belgium.

  The Group establishes operations in Spain and Italy.
- 2008: Operations are established in Sweden and Finland.

  Acquisition of Arc Technology in the United Kingdom.
- 2010: Exclusive Networks is acquired by Omnes Capital.
- 2011: Acquisition of TLK Distribution (operating in Germany, Austria and Switzerland).

New geographical areas

- 2013: Acquisition of Secureway (operating in the Middle East).
- 2014: Acquisition of White Gold (Australia and New Zealand).
- 2015: Exclusive Networks is acquired by Cobepa.

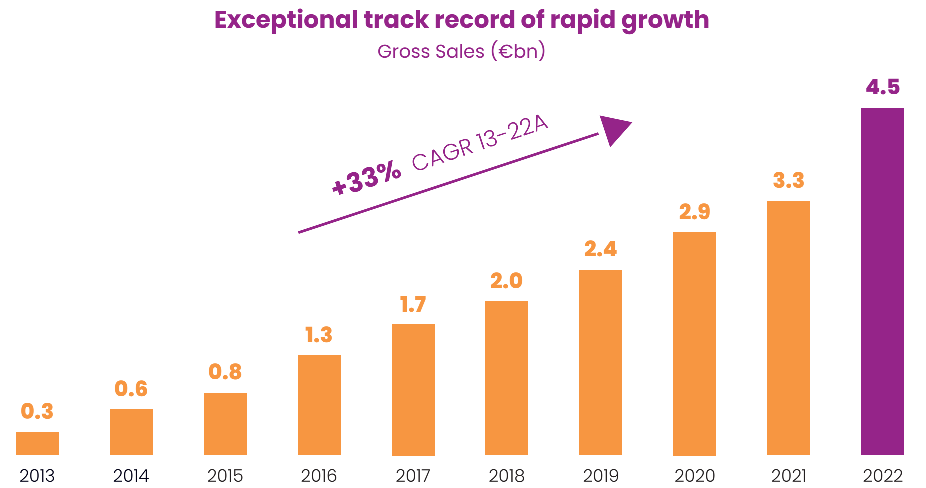
  Acquisition of Transition Systems (operating in South-East Asia).
- 2017: Acquisition of Fine Tec (United States).
- 2018: Exclusive Networks is acquired by Permira.
- 2020: Jesper Trolle is appointed as chief executive officer.

New services

- 2020: The Group enters the DevOps and Containers segments through the acquisition of Nuaware in the United Kingdom.

  Acquisition of Veracomp (operating in Central and Eastern Europe).
- 2021: Acquisitions of Ignition Technology (operating in Europe) and Networks Unlimited (covering Sub-Saharan Africa).
- 2021, September: Initial Public Offering.

A strategy of profitable growth



Continued M&A to add new capacity and geographic areas

Geographic expansion

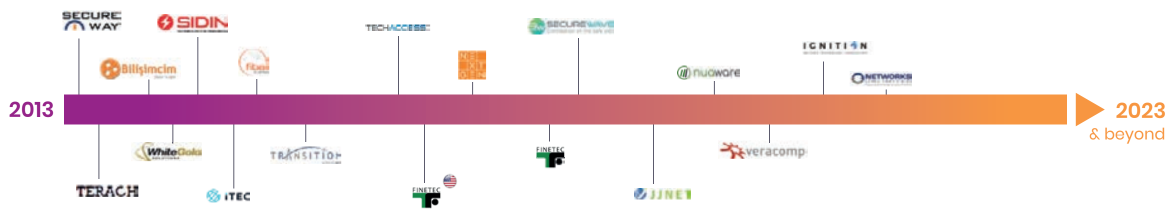
Expand into new territories and reinforce market share in certain countries where Exclusive Networks currently operates to reinforce geographic reach.

Service offering

Complement Exclusive Networks service offering to improve value proposition.

Capability Enhancement

Technical and product expertise adding clear value to Exclusive Networks: training, education platforms, global project management...



In total c.€1bn of Gross Sales added through M&A since 2013, representing today > €2.1 bn of Gross Sales.

1.2 A market full of opportunities

Complex high-stake challenges in a fragmented market with strong growth

Key figures:

- The amount of global cybercrime damage in 2022 totalled US$8,440 billion (+41% in one year).
- The total value of the cybercrime insurance market was estimated at US$9 billion in 2022, and is forecast to reach US$20 billion by 2025.
- There were 4 million unfilled cybersecurity jobs globally by late 2022.

The shortage of cyber talent and the skills gap

4M
Unfilled jobs globally in cybersecurity as of 2022.

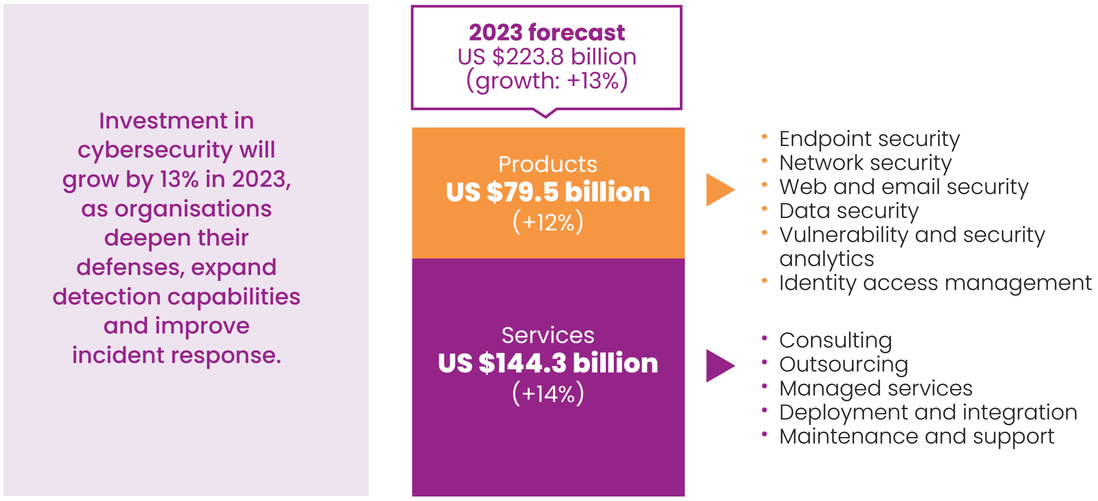
$10T
The estimated costs of cyber crimes to the world by 2025.

435%
Increase in ransomware since 2020.

95%
Of all cybersecurity incidents involve the human factor.

- The total investment in cybersecurity throughout the world for 2023 is estimated at between US$192 billion (Gartner) and US$223.8 billion (Canalys).

Total investment in cybersecurity Global forecast for 2023



Source: Canalys forecasts, January 2023.

Forecast as at June 2022

				CAGR
($ millions; current dollars)	2022	2023	2026	2021-2026
Application security	6,108	7,640	14,090	23.2%
Cloud security	5,368	6,822	13,262	25.1%
Data privacy	1,285	1,513	2,624	18.1%
Data security	3,552	4,065	5,950	13.3%
Identity access management	18,279	21,098	30,024	13.6%
Infrastructure protection	27,832	32,368	48,248	14.9%
Integrated risk management	6,306	7,148	8,867	9.4%
Network security equipment	19,734	21,550	27,374	8.6%
Other information security software	2,058	2,340	2,990	11.1%
Security services	73,254	78,417	102,260	7.5%
Consumer security software	8,807	9,560	11,620	7.5%
TOTAL	**172,583**	**192,521**	**267,308**	**11.1%**

1.2.1 Cybercrime: a crucial economic challenge

An increasingly complex IT environment

Over the last few years the market has seen a continuous increase in the number of cyberattacks in various commercial sectors, particularly during the period of the pandemic, which has boosted the growth in demand in the sector.

Sectors such as e-commerce have experienced soaring growth during the last decade, with continuously high traffic levels, which has made the presence of a solid security system essential in order to counter external threats. Furthermore, the increasing use of advanced devices deploying technologies such as the IoT and AI has also increased the risk of cyberattacks, thus increasing the attractiveness of cybersecurity solutions.

The Covid-19 pandemic created major growth opportunities for the cybersecurity sector, given that companies rapidly adopted a hybrid work model, with the trend towards BYOD (Bring Your Own Device) also burgeoning. This created enormous scope for cybersecurity vendors to step in to offer advanced solutions to end users.

The Allianz Risk Barometer is a survey of what companies consider to be the greatest risk to their growth in the near future. According to its latest conclusions, companies were most concerned about data breaches and ransomware attacks in 2022, ahead of threats from supply chain disruptions or natural catastrophes, with 44% of respondents declaring that IT security was their greatest worry. This shows the enormous opportunities and challenges facing the cybersecurity market.

With respect to the various market segments, the service segment is the most solicited as a result of the constant increase in demand from SMEs for maintenance, upgrading and consultancy services. The pandemic also contributed to boosting growth in this segment.

In terms of types of security, cloud security should play a major role in contributing to new revenue in the sector in coming years. The adoption of Cloud-based solutions has soared, particularly among the largest organisations, as a result of the convenience and increased profitability they propose. They are nevertheless extremely vulnerable to cyberattacks, which leads to an ever-increasing demand for measures to secure and safeguard their use.

In terms of size of organisation, SMEs are expected to experience the highest CAGR, with a rate of over 13%.

These organisations' significant budget constraints make their technological infrastructure more vulnerable to cyberattacks. Vendors enlarge their offers to include more advanced solutions at attractive prices, which boosts growth in the segment.

The health applications segment contributes significantly to overall market revenue, given that hospitals and other establishments have become strongly dependent on technology to store and monitor patient data. This also makes infrastructure very vulnerable to cyberattacks capable of disclosing sensitive information about patients and hospitals, hence the need to secure entire systems through reinforced cybersecurity solutions.

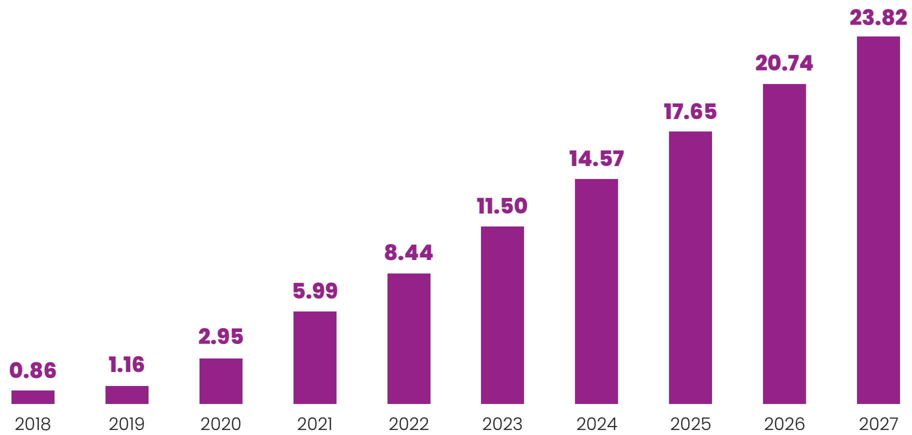
North America and Europe have been significant contributors to growth in the sector, thanks to their long-established IT infrastructure and the presence of several major players in the field of cybersecurity. The presence of advanced manufacturing facilities and product developers has also combined with ready access to innovative and effective cybersecurity solutions.

Soaring damage costs

Figures

The total amount of damage caused by cybercrime worldwide is estimated to be in the order of US$8,440 billion. According to Statista Technology Market Outlook, this total is expected to reach US$17,650 billion per year by 2025.

Cybercrime is expected to soar in the coming years
Estimated cost of cybercrime worldwide (in trillions of US dollars)



As of November 2022. Data shown in using current exchange rates.
Sources : Statista Technology Market Outlook, National Cybersecurity Organisations, FBI, IMF.

By way of comparison

Munich Re has estimated overall losses due to natural disasters for 2022 at some US$270 billion worldwide.

The costs linked to cybercrime include:

- damage to and loss/destruction of data;
- money theft;
- loss of productivity;
- theft of intellectual property;
- theft of personal and financial data;
- embezzlement;
- fraud;
- business disruption after cyberattacks;
- legal investigations;
- restoration and/or deletion of hacked data and systems;
- damage to corporate reputation.

The global risk and impact of data breaches are constantly increasing for companies. The financial consequences (in the form not only of loss of revenue and data sanitisation and/or legal costs, but also of damage to corporate reputation) are compounded by the regular changes to operating regulations with which staff are constantly confronted.

To deal with such obstacles, more and more companies feel the need to turn to strategic consultancy and assistance services. There is also a growing demand for guarantees and insurance measures in terms of cybersecurity and simpler forms of protection in order to meet compliance requirements.

The cyber insurance market is expected to be worth US$20 billion per year by 2025 (source: Bain Capital).

It is estimated that there are 4 million unfilled cybersecurity job vacancies worldwide

At the same time companies are being confronted with a significant shortage of manpower. Cybersecurity Ventures estimates that there were 4 million job vacancies unfilled in the cybersecurity sector worldwide as at late 2022. Today, every IT job is also a cybersecurity job. All employees need to be committed to the protection and defence of their applications, data, devices, infrastructure and the people they work with, ensuring an ever larger number of posts that are more and more mobile and inter-connected.

The need for vendors to invest in R&D

In the context of the cybersecurity solutions industry, vendors are companies that research, develop and produce cybersecurity solutions and services. In this market characterised by strong growth and continuous technological change, vendors need to be constantly prepared to undertake a high level of investment. This is the very essence of their mission. Cybersecurity vendors spend approximately twice as much on R&D than the software category average.

1.2.2 A fragmented ecosystem

Stakeholders: vendors, resellers, end-customers and distributors

Over 3,200 vendors, 100,000 resellers and 40 million end-customers.

Vendors

Mainly based in the United States, the premier cybercrime market, Vendors concentrate their efforts on investment in R&D so as to constantly improve their offer of base products and their own solutions. At the commercial level, they prioritise the very largest companies and the most important markets, which are often situated near their own main geographical locations.

Resellers

Resellers mainly operate locally. They include a wide variety of very different types of stakeholder. The following profiles can be distinguished:

- value-added resellers (VARs) resell not only vendors' products but also complementary products and/or services (e.g., installation and/or consultancy);
- systems integrators (SIs) specialise in the organisation and correct functioning of sub-systems that form the component parts of working systems;
- telecommunications systems integrators (Telco SIs) propose an extensive range of solutions, combining connectivity with networking and cybersecurity offerings;
- managed service providers (MSPs) are outsourcers who specialise in maintaining, and anticipating needs for, a range of processes and functions to improve operations and cut expenses.

All these resellers concentrate their attention on their end-customers. Very often they do not have a detailed knowledge of the latest developments proposed by cybersecurity vendors.

Resellers are generally local and cannot provide global 24/7 technical support.

Resellers focus on system integration and general services versus dedicated vendor-specific or cyber-specific services.

End-customers

They are at the bottom of the pyramid, and are mostly organisations or businesses. These end-customers need trusted partners on a daily basis (that is, the resellers) to find their bearings and identify their best options in this increasingly complex and risky environment.

It is essential that these customers have access to reliable information and a high degree of reactivity in the offering of products and services best suited to requirements that are by definition diverse.

Distributors

These are essential stakeholders in the two-tier market model presented below.

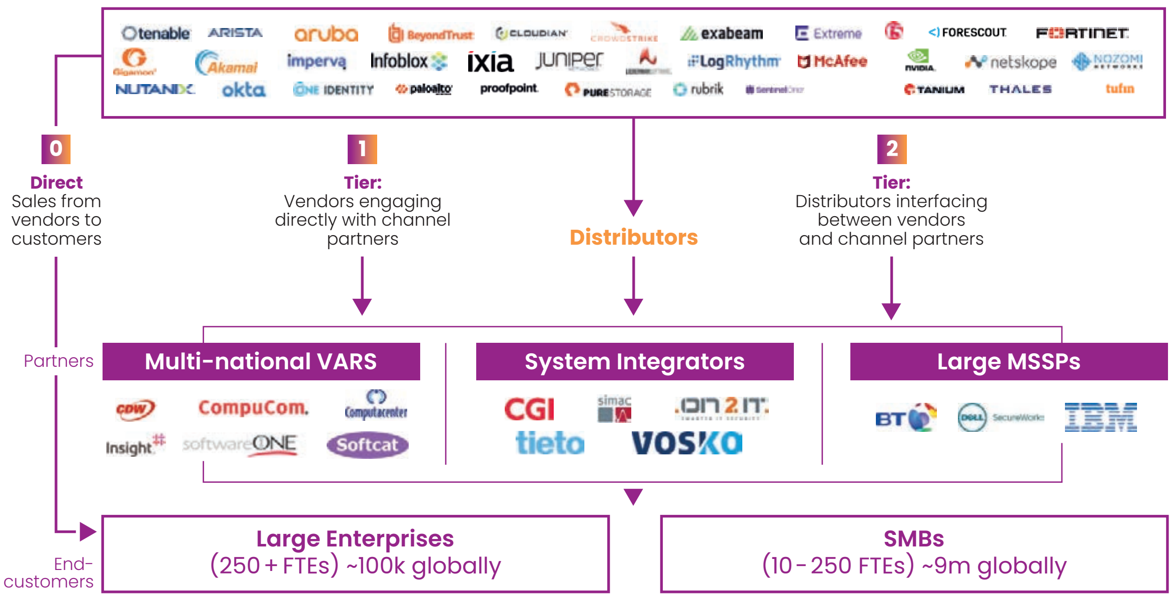
An essentially two-tier model of functioning

About 69% of the worldwide corporate cybersecurity market is distributed via a two-tier distribution channel. For vendors of cybersecurity solutions, there are three possible ways of approaching the end-customers in this flourishing market:

- direct sale: the vendor sells directly to the end-customer. This approach is typically reserved for very large companies with solid in-house expertise and is seen in the CORE locations where vendors operate;
- Reseller, one-tier sales: the vendor partners directly with the reseller. This is the case for the largest and most prominent vendors, while the customers are large and medium-sized companies that have their own in-house expertise in terms of cybersecurity;
- Distributor, two-tier sales: the vendor connects with a distributor who sells the products to resellers in contact with end-customers.

On a worldwide scale, the cybersecurity market is mainly (69%) supplied according to the two-tier model.

Suppliers rely heavily on the two-tiered distribution model that is necessary due to the complexity and fragmentation of the market



Source: Market Reports

This two-tier model is thus served by two types of distributor:

- specialist value-added distributors (VADs);
- traditional, generalist, high-volume distributors known as "broadliners".

The complexity and constant transformations in the cybersecurity ecosystem require a very high level of training, technology watch and support. The ever-growing interest in the range of complementary services proposed by specialist value-added distributors (VADs) reinforces the workings of the two-tier model.

VADs in fact provide assistance to value-added resellers (VARs) and managed service providers (MSPs) by proposing technical training and support in terms of products and their installation. Resellers can thus, with minimal initial investment, rapidly familiarise themselves not only with the latest security technologies, but also with the technical resources enabling them to provide their customers with eagerly awaited complementary solutions.

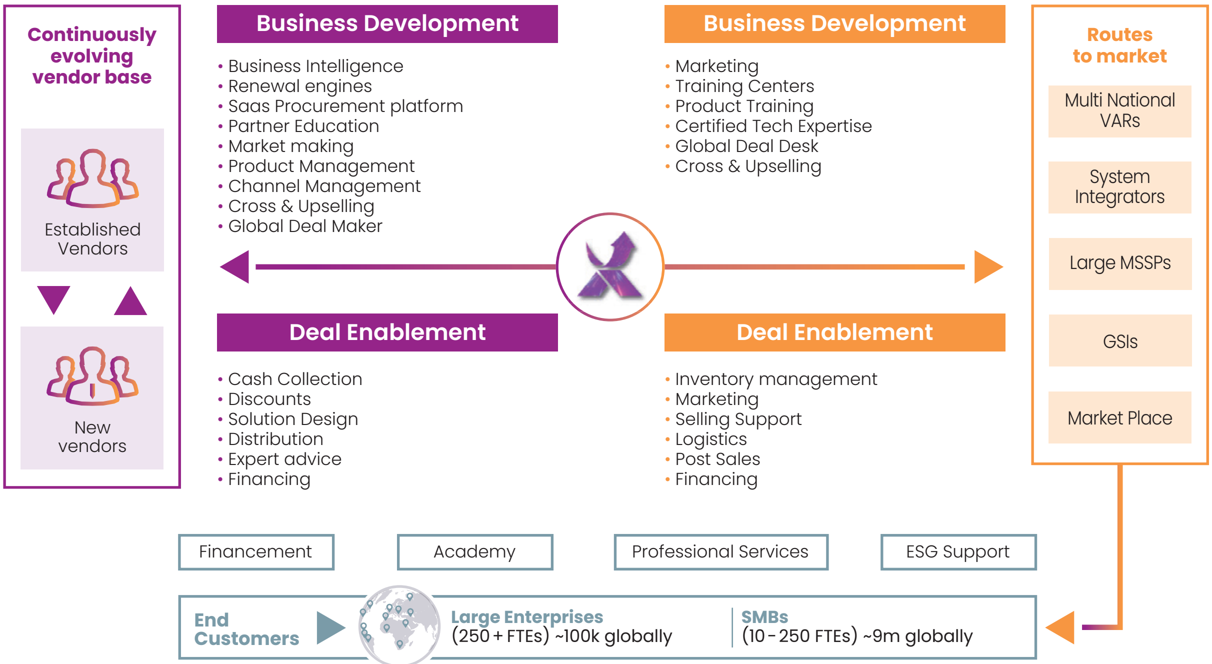
Companies such as Exclusive Networks offer vendors a number of key advantages by providing the following services:

- proposing a single point of contact to cover large geographical areas while avoiding the added costs of multilingual sales and back-office teams;
- accelerating sales growth;
- streamlining logistics;
- transferring the financial risk of end-customers and resellers.

Exclusive Networks thus proposes a very extensive range of services.

The widest range of services

We are a service provider, distribution is only one of the services we offer



1.2.3 The cybersecurity market: a byword for exponential growth

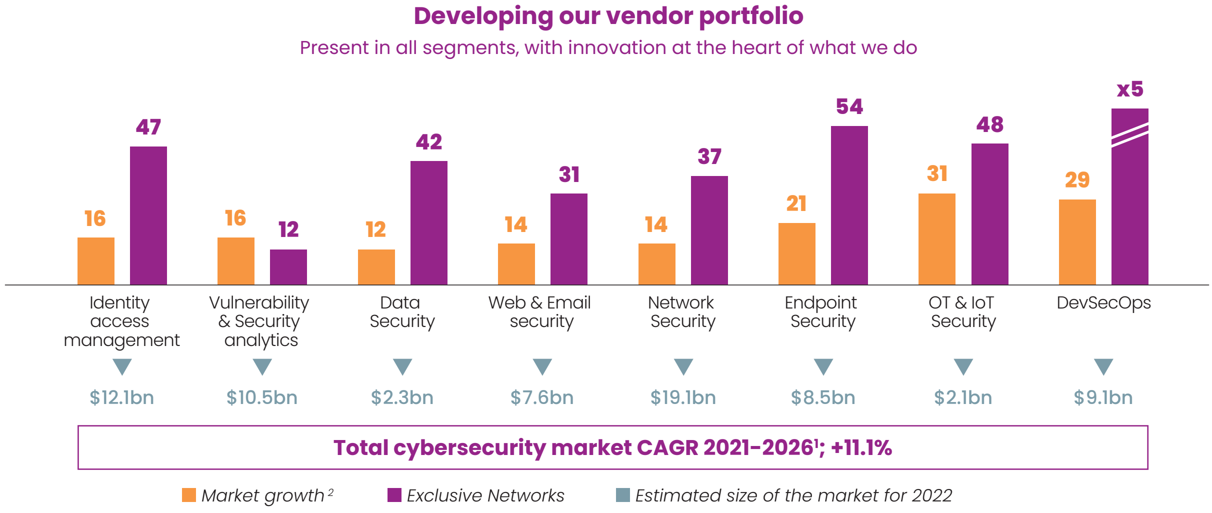
To protect companies that are becoming increasingly digitised and consumers who are becoming ever more connected, the total amount of worldwide investment in cybersecurity is estimated at between US$192 billion (Gartner) and US$223.8 billion (Canalys) for 2023, and the CAGR estimated by Gartner until 2026 is over 11%.

Exclusive Networks proposes a worldwide offer. The total value of the global cybersecurity products market has been estimated at US$80 billion in 2023 (source: Canalys) and is expected to reach approximately US$267 billion by 2026 (source: Gartner). These figures correspond to technological offerings for both the general public and the corporate market, and include elements of consultancy, software, hardware and sales of services.

Cybersecurity offers protection against:

- phishing;
- malware;
- ransomware;
- cyber scams;
- identity theft;
- cyberattacks and other types of cybercrime.

In this context, in all the segments in which the Group operates, Exclusive Networks has registered a record growth rate higher than that of the market (see illustration below):



(1) Gartner forecast as of June 2022
(2) Canalys forecast for the global market

Exclusive Networks' serviceable addressable market

Key figures

The prevalence of the two-tier model varies according to the geographical region concerned: 78% for the EMEA region, 82% for the APAC region, and 50% in the United States. The more complex and fragmented a market (with numerous barriers to easy access such as different languages, currencies, legal requirements etc.), the more prevalent is the two-tier model.

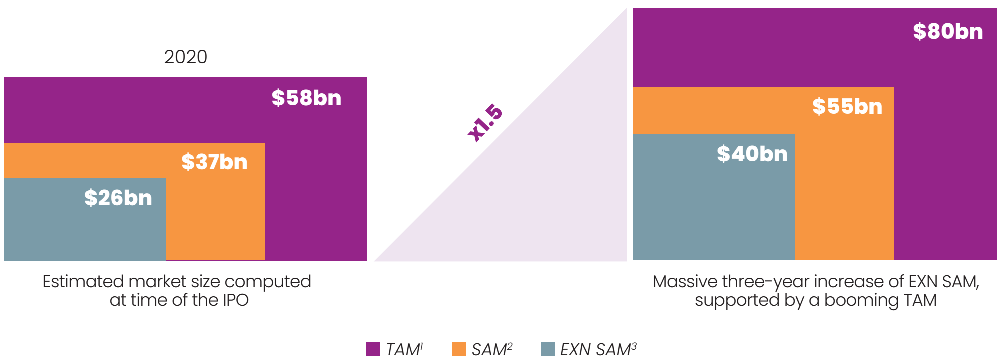
On a worldwide basis, for 69% of the corporate cybersecurity market, products and services are distributed via intermediaries, that is, according to a two-tier model. This model is less prevalent in the United States, the world's premier cybersecurity market, where the main vendors are based: the United States is their local domestic market.

The EMEA region covers 127 countries (50 in Europe, 23 in the Middle East, and 54 in Africa). There is a very wide variety of languages, approaches, equipment and currencies in this region. It is in fact a territory that is far too disparate for vendors, already obliged to take on onerous R&D expenses, to be able to create added value through a direct approach so far from their home bases. This explains why about 78% of the cybersecurity business transactions in this region are subject to a distribution system on the two-tier model. In the APAC region, approximately 82% of cybersecurity business is distributed through the same two-tier model. This region also covers extremely disparate territories, further exacerbated by a tighter volume effect.

Exclusive Networks' strong point is that it combines a global approach with local positioning and a presence on site.

In the United States, about 50% of market business is distributed via the two-tier model, while direct and one-tier sales each represent 25%. The United States is the largest market in the world for cybersecurity, with the same language and the same currency throughout its territory. It is naturally the local/domestic market for many vendors. Thus many resellers of sufficient size have the capacity to provide value-added functions themselves, which enables them to purchase directly from vendors.

The global market for enterprise cybersecurity products and related services (that is, the total addressable market or TAM) is estimated at about US$80 billion for 2023. The Serviceable Addressable Market (SAM) is estimated at US$55 billion, and Exclusive Networks' two-tier market is estimated at US$40 billion.



Estimated market size computed at time of the IPO

Massive three-year increase of EXN SAM, supported by a booming TAM

1. TAM : Total Available Market is the total market demand for a product in Cybersecurity
2. SAM : Serviceable Available Market, allcybersecurity products via 2-Tier distribution (assuming current penetration)
3. EXN SAM : EXN Serviceable Available Market –Portion of SAM for EXN products on the selected geographies

The American market represents major opportunities for Exclusive Networks. The total value of cybersecurity products and services in the United States (combining direct, one-tier and two-tier distribution, i.e. US TAM) represents US$42 billion (source: Canalys). Its growth rate is estimated at between ±12% and 13% per year between 2022 and 2026.

	Q4 2022		Q1 2023		Full year 2023	
US$ millions (annual growth)	Forecast (Jan 2023)	Market Pulse (Feb 2023)	Forecast (Jan 2023)	Market Pulse (Feb 2023)	Forecast (Jan 2023)	Market Pulse (Feb 2023)
Worldwide	**19,667 (+14.7%)**	**19,671 (+14.8%)**	**18,786 (+13.1%)**	**18,736 (+12.8%)**	**79,509 (+11.7%)**	**79,246 (+11.4%)**
Asia Pacific	2,828 (+15.2%)	2,715 (+10.6%)	2,628 (+14.7%)	2,529 (+10.4%)	11,281 (+13.0%)	11,094 (+11.1%)
EMEA	5,879 (+11.6%)	5,980 (+13.5%)	5,615 (+10.4%)	5,580 (+9.7%)	23,471 (+10.1%)	23,219 (+8.9%)
Latin America	698 (+15.5%)	673 (+11.4%)	666 (+15.2%)	664 (+14.9%)	2,818 (+13.8%)	2,808 (+13.4%)
North America	10,263 (+16.4%)	10,303 (+16.9%)	9,877 (+14.2%)	9,963 (+15.3%)	41,939 (+12.2%)	42,124 (+12.7%)

1.3 Strategy and objectives

1.3.1 Vision and mission

Vision

We should all be able to live in a digital world made safer by the most innovative technology.

Mission

Thanks to our global platform, our commercial expertise and the technological skills of our teams, we accelerate the adoption of the most innovative technologies in terms of cybersecurity by helping vendors to enter into relationships with hundreds of thousands of companies all over the world.

We dedicate time and resources to raising awareness of the risks inherent to the cyberspace environment and we invest in the training of the security experts of tomorrow.

How does Exclusive Networks perform its function?

Thanks to a value proposition that is the only one of its kind on the market today, offering the geographical scope of a generalist vendor to the technical expertise of a cybersecurity specialist.

Working at the heart of today's global cybersecurity ecosystem, Exclusive Networks enables:

- vendors:
  - to accelerate the adoption of their solutions through direct access to its worldwide network of partners,
  - to gain access to professional expertise to promote the understanding and dissemination of their offerings,
  - to benefit from a technical sales force (one "engineer" for every two "sales advisers"), so as to help our partners deploy vendors' products and services,
  - to detect market opportunities, main trends, latest requirements etc.;
- and resellers:
  - to reinforce their expert positioning to respond to the needs of their corporate customers,
  - to provide established and disruptive technologies and services proposed by the 50 most important global vendors,
  - to benefit from training, support and specialist technical expertise,
  - to gain access to key market trends, and to identify the best technologies for their end-customers.

1.

1.3.2 Strategy and operational support

Exclusive Networks' ambition is to become the world leader in cybersecurity solutions, with the following specific aims:

- in each market, Exclusive Networks' objective is to be the leading specialist in the distribution of cybersecurity products and services;
- in each market, Exclusive Networks' objective is to deliver ever-increasing growth for its main vendors.

The five key elements of our strategic plan:

1. Continue to take advantage of the underlying growth enjoyed by vendors and the cybersecurity market in general within existing geographical areas of operation

The future growth of Exclusive Networks is driven by the boom in cybersecurity expenditure. The worldwide cybersecurity market is expected to grow by an average of between 12% and 14% per year over the period 2022-2026 (source: Gartner).

Exclusive Networks' vendor base continues to grow as the Group focuses on the new segments of the cybersecurity market, such as cloud security; operational technology (OT) security; Internet of Things (IoT) security; new-generation firewalls (NGFWs); and ransomware detection/remediation. For their part, vendors continue to be actively engaged in merger and takeover operations, such as the acquisition of Auth0 by OKTA, ATTIVO Networks by SentinelOne, NGNIX, SHAPE & VOLTERA by F5, InFioT by Netskope, etc.

The expansion of the cybersecurity market and the dynamism of its players suggest solid potential benefits for the future growth of Exclusive Networks.

2. Addition of new vendors to our portfolio

The global cybersecurity market is constantly changing. Over 100 new start-ups are created in this field every year, and Exclusive Networks' role is to provide a technology watch service to monitor these start-ups, which within a short space of time may well become leaders of new sub-segments in the cybersecurity market.

Thanks to the unique character of its position at the heart of our ecosystem, the Group has been in a position to regularly add new vendors to its portfolio, with a total of 76 new vendors added over the last five years.

At the same time, existing vendors are investing heavily to develop new solutions. Meanwhile several of Exclusive Networks' main vendors have conducted company takeover operations, thus enlarging their product offering, which represents an additional opportunity for the Group to reinforce its offering in the markets in which it operates.

Thanks to this technology watch and the continuous monitoring of new product offerings and solutions, Exclusive Networks has been in a position to regularly add new vendors to its portfolio. The Group welcomed 13 new vendors in 2022 (compared with 14 in 2021).

Developing our vendor portfolio

Main new vendors

Constantly evolving our vendor portfolio through a proven methodology to identify and onboard rising stars in cybersecurity

Exclusive Networks thus seeks to introduce itself into additional segments in order to ensure comprehensive coverage of all cybersecurity solutions. As an example, in 2020 the Group acquired Nuaware so as to enter the flourishing DevSecOps and Cloud security market.

3. **Extending our addressable market by adding new geographical areas and consolidating those areas in which the Company is under-represented through company acquisitions**

Thanks to a solid track record of introducing products and services in the geographical areas in which it operates, Exclusive Networks is usually chosen by its vendors as a partner in one or more specific countries. As at now, no key vendor of the Group is contracted across all territories. The Group has a strong track record of successful expansion in new geographical areas. Thus, in the APAC and Americas regions, Exclusive Networks has posted average annual growth rates of 57% and 47% respectively since its entry into those markets in 2015 in the former case and 2017 for the latter.

The United States: a constant source of opportunities

Exclusive Networks continues to consolidate its activities in the United States, where it already earns 12% of its revenue. The United States constitutes the leading cybersecurity market in the world, and the majority of vendors are based there. For them, it is their domestic market. This is why the prominence of the two-tier distribution model is less marked than in other regions. Thus, only 50% of the total US sales of cybersecurity products are undertaken by distributors, compared with about 80% in the EMEA and APAC regions.

Exclusive Networks has a sufficiently solid offering to be able to seize available opportunities in the United States. The Group sells the products and services of a large number of American vendors internationally. In the same way, Exclusive Networks distributes the products and services of vendors such as Fortinet, Juniper, SentinelOne and Nozomi in the United States.

The growth of the United States' share in Exclusive Networks' total revenue will come from partnerships with other vendors, such as those formed with **Cymulate**, **Ruckus** and **ThriveDX** in 2022. Another lever pointing to a long-term trend: the continuous consolidation of distributors. This movement involves a reduction of the potential distribution options for vendors and increased competition between the vendors of the newly merged distributors. Exclusive Networks' current and future vendors are following this trend very closely.

Selectively pursuing M&A opportunities to accelerate the Group's growth

Exclusive Networks has a strong track record in terms of acquisitions and mergers. Since 2013, the Group has thus been involved in 18 external expansion operations. These experiences have enabled it to strengthen its operational capacities in its markets and to expand its geographical reach into 25 additional countries.

Exclusive Networks' expertise in terms of acquisitions is shown by:

- a highly disciplined strategy with well-defined key criteria (geographical reach and expansion of specialist services);
- selective filtering: between 10 and 15 target companies analysed each year, leading to the conducting of between one and three actual operations;
- constant supply of small target companies;
- a clear approach to integration: optimisation of the performance of the acquired company, while conserving its identity and entrepreneurial spirit;
- a track-record of accelerating acquired companies' growth and achieving synergies by sharing technical and commercial expertise.

4. **Enhance the offering of services and solutions to diversify the value chain and increase customer loyalty**

Exclusive Networks continually adapts its offering of products and services to propose best-in-class solutions to its vendors and customers. The Group achieves this either in an organic manner or by external expansion.

Most recently, Exclusive Networks has also focused on developing a leading solution to take the best possible advantage of the changing market landscape of delivery and billing based on the "as a service" cloud model. In October 2020, the Group launched the Exclusive On Demand ("X-OD") platform, with the aim of accelerating the change towards a subscription economy. Key benefits would include a faster turnover and greater visibility of the sale and consumption of cybersecurity solutions, with an entirely digital customer experience throughout the value chain.

5. **Adopt the transition towards the cloud**

a. in partnership with the main vendors of cloud security software;

b. by deploying the appropriate commercial proposition and the right tools/platforms.

The evolution of infrastructure and applications towards the use of public cloud facilities has led to a significant increase in the surface of attack. Companies that had previously operated on the "castle and moat" model – by which the network and applications were secured and controlled by themselves – now find themselves in an unbounded environment and no longer control their own security. This makes cybersecurity for the cloud-first world a paradigm shift from traditional, on-premises security. The last few years have witnessed the emergence of "cloud-native" companies and "security in the cloud", which adopt an exclusively Saas (Software-as-a-Service) business model.

Exclusive Networks selects and works with the best vendors of Cloud-based security solutions and is committed to investing in the automation tools and platforms to support the subscription business model of these SaaS providers.

1.3.3 Financial objectives

Outlook

Amid the current environment still impacted by supply chain disruptions and uncertain market conditions (inflation, interest rates increase, geopolitical uncertainties), the Group is aiming to achieve for the full year of 2023:

- **gross sales** above €5,150 million;
- **net margin** in the range of €450 million to €465 million;
- **adjusted EBIT** in the range of €172 million to €178 million;
- **adjusted operating FCF** above 80% of Adjusted EBITDA.

1.4 Competitive strengths

1.4.1 A unique positioning: both specialist and global

Competition overview

→ Exclusive Networks has a unique position in the market: The geographical scope and volumes of the generalists AND the technical expertise of the specialists.

Differentiated offering that permits unique positioning with respect to the competition

1. Degree of specialization includes the breadth and quality of services provided to vendors and partners e.g. financing, technical and commercial resources

Worldwide scale and local implementation

Figures

With offices in over 47 countries and 5 continents, providing services in over 100 countries, with logistical capacities in over 170 countries.

The global dimension of Exclusive Networks goes hand-in-hand with its local operations. Exclusive Networks has over 25,500 reseller partners all over the world, out of a total of over 100,000 market players, who are mainly locally based.

By forming partnerships with Exclusive Networks, resellers expand their range of IT solutions intended for end-customers. The Group is a preferred partner for resellers, thanks to its ability to find vendors of increasingly complex cybersecurity solutions and to provide technical advice on how to use such products.

Reseller partners also have access to Exclusive Networks' worldwide resources and capacities, of which they can make use in their local markets.

Thanks to its worldwide network of partner resellers, Exclusive Networks is thus able to propose to its partner vendors (268) the possibility of operating all over the world. This is what distinguishes it from other value added distributors.

From value added resellers (VARs), system integrators (SIs & GSIs), telecommunications systems integrators (Telco SIs) and cloud service providers (CSPs) to managed service providers (MSPs) and managed security service providers (MSSPs), Exclusive Networks has a wide and diversified base of over 25,000 partner resellers.

For the 2022 financial year, Exclusive Networks' top three and top 10 resellers represented 5% and 11% of the Group's revenue, respectively. At the global level, no reseller represents more than 1.6% of the Group's revenue.

Specialisation

The ability to promote a wide range of disruptive technologies and solutions in local markets is at the heart of Exclusive Networks' value proposition. The Group holds one of the largest portfolios of cybersecurity solutions in the world.

The distribution channels, from vendors of solutions to end-customers who wish to acquire protection, are numerous and complex. They require participants who are able to combine a high level of technical expertise with global market skills. Exclusive Networks is at the heart of the global cybersecurity market, which has over 3,200 vendors, over 100,000 resellers and more than 40 million end-customers.

Exclusive Networks proposes a wide range of added value services to both vendors and resellers alike.

The Group offers the former an agile and effective global marketing and commercial strategy, multi-local expertise and a knowledge of the various markets. They can thus focus on their CORE business, the development and production of cybersecurity product and service solutions.

With respect to resellers, Exclusive Networks assists them in strengthening their positioning as experts so as to better meet the expectations of their end-customers. The Group thus helps resellers to position themselves in the face of an offering of products that is fragmented, technically complex and constantly changing. The technical services (particularly product training), professional services, technical support and managed services, and not forgetting the commercial services, are all of vital importance for some of the Group's partner resellers.

In short: unique, specialist and global positioning...
... requires a trusted partner that brings value to the entire ecosystem

Exclusive Networks adds value by providing essential services to enable cybersecurity ecosystem

1.4.2 Highly skilled people

Figures

Exclusive Networks has a clear identity focused on a strong engineering culture. The Group has over 2,500 employees, of whom over 25% are technical engineers, and 150 other certified technical salespeople specialising in cybernetics. These figures make it possible to maintain a ratio of approximately one technical engineer to two salespeople.

Approximately 25% of the Group's employees are part of the technical team and these technical engineers have an average of five technical certifications. Technical engineers provide services, such as technical support and professional services, after products are sold. Certified technical salespeople generally provide expertise and knowledge prior to the sale (i.e., pre-sales support). Additionally, the Group employs more than 130 accredited trainers.

1.4.3 A best-in-class vendor portfolio

In the cybersecurity market, vendors search for, develop and produce product and service solutions. Exclusive Networks works with over 260 established and disruptive vendors, covering the key segments of cybersecurity and the related segments.

For Exclusive Networks, the main objective is to maintain a balance between established vendors and disruptive vendors, with a focus on the most innovative cybersecurity solutions. Established vendors invest constantly in new solutions and rely on Exclusive Networks for their dissemination. At the same time, it is vital to identify and forge partnerships with the new disruptive vendors, to assist their rise to prominence and thus to contribute to the Group's future growth.

A key strength here is the geographical balance of the vendor portfolio country by country. The portfolio may vary from one country to another, but the Group aims to have a common base of vendors in each country. In most cases, in any specific country, Exclusive Networks is the number one or number two partner of its top vendors.

The maximum share of gross sales generated by a single vendor in any given country is 8.4% of Exclusive Networks' gross sales in 2022.

In fact, Exclusive Networks monitors its vendor portfolio very closely to ensure that its resources are focused on the best performing or most promising cases. The Group monitors the performance of vendors' products in accordance with two main criteria, in terms of positioning and technological value proposition; potential conflicts of interest with our existing vendors; strategy for accessing the market (direct; one-tier, two-tier, OEM); the compound annual growth rate (CAGR) for Gross Sales; geographical reach; assistance programmes – for sales & marketing, the channel remuneration structure (sales margin); notions of exclusivity for a given period.

The net vendors retention rate for Exclusive Networks' was 136% in 2022.

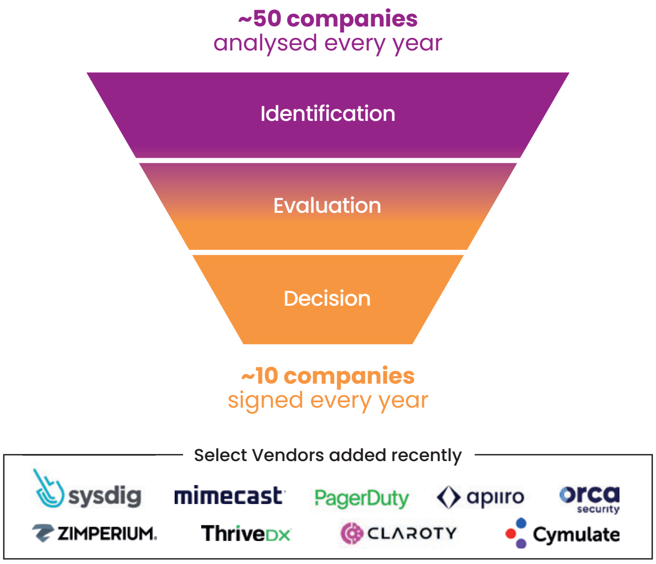
Key Vendors

For the 2022 financial year, the top five Exclusive Networks vendors represented 65% of the Group's Gross Sales. The top twenty vendors, with whom Exclusive Networks has long-established relationships, represented 87% of Gross Sales.

An effective selection process

On average, Exclusive Networks receives each year about 50 requests from vendors wishing to take advantage of its global distribution services. The Group completes a thorough screening and selection process of these vendors. Once selected, the vendor's products are distributed by Exclusive Networks in all or part of the countries covered. For new technologies, Exclusive Networks puts in place "pilot phases" for certain major countries in terms of IT expenditure.

A best-in-class vendor portfolio

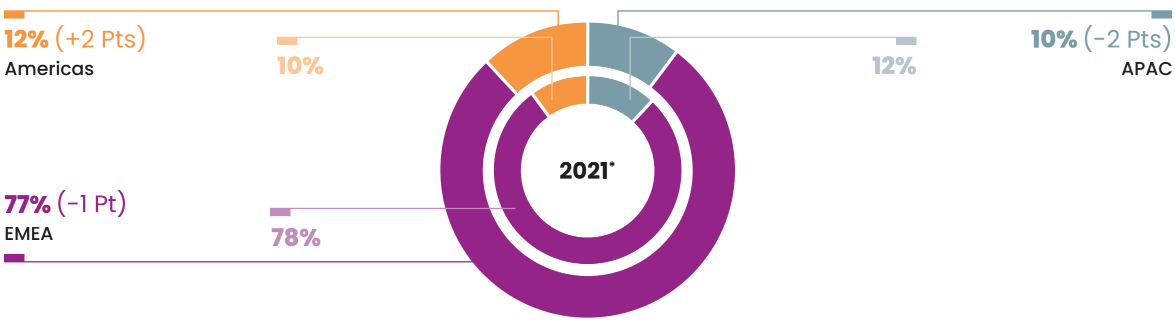


1.5 Activities

1.5.1 Geographical markets

Exclusive Networks operates in each of the three main corporate IT markets: the EMEA region (Europe, Middle East and Africa), APAC region (Far East, Indian Sub-continent and Oceania) and the Americas (United States & Canada).

Breakdown of gross revenues by geography



** 2021: Inner pie chart*

For the year ended 31 December 2021, the EMEA, APAC and the Americas regions accounted for 78%, 12% and 10%, respectively, of the Group's Gross Sales. For the year ended 31 December 2020, the EMEA, APAC, and the Americas regions accounted for 75%, 14% and 11%, respectively, and for the year ended 31 December 2019, the three regions accounted for 73%, 16% and 11%, respectively.

The EMEA region has characteristics that are favourable to Exclusive Networks. This area is located far from the domestic market of most of the vendors (that is, the United States) and is extremely fragmented:

127 countries (50 in Europe, its historic market; 23 in the Middle East; and 54 in Africa). The languages, cultures, approaches and currencies in this region are all different. Vendors thus naturally rely heavily on Exclusive Networks to develop their businesses. Local resellers then come to seek the resources and global capacities of Exclusive Networks.

The Americas region has a number of characteristics that are specific to this area. Since the US represents the domestic market for most vendors, vendors and resellers have less need of Exclusive Networks' services. It is in fact the largest cybersecurity market in the world. It continues to represent a strong potential for the Group.

Exclusive Networks has offices in 47 countries and employees present in 55 countries. The Group is supported by a sophisticated global logistics network, which enables it to coordinate deployments and multi-site projects from a single contact point. All in all, Exclusive Networks has access to logistics support in more than 170 countries and third-party, on-the-ground services capabilities, such as installation, implementation and maintenance, in over 100 countries as at 31 December 2021.

While **the APAC region** is certainly less developed than the EMEA region, it is also an interesting area due to its high degree of fragmentation.

1.5.2 The portfolio of the main solutions proposed

Exclusive Network buys and sells the cybersecurity products and solutions and related products proposed by its disruptive and established vendors. The ability to promote a wide range of disruptive technologies and solutions in local markets is at the heart of Exclusive Networks' value proposition. The Group holds one of the largest portfolios of cybersecurity solutions in the world.

The vast majority of sales derive from the distribution and maintenance of cybersecurity solutions. A small proportion is linked to the transformation of the cloud and unified communications.

Segmentation of cybersecurity solution vendors

Networks Security	End Point Security	Web & Email Security	Access Management	DevOps/SecOps
ExtraHop	Crowdstrike	F5	BeyondTrust	APIIRO
Fortinet	Tanium	Imperva	OKTA	Docker
Gigamon	SentinelOne	MimeCast	One Identity	HashiCorp
Infoblox	Palo Alto/Cortex	Netskope	Infinipoint	Mirantis
Palo Alto/Strata		Proofpoint	Thales	Salt Security
Vectra				SysDig

<table>
<tr><th>Networking</th><th>OT/IoT</th><th>Vulnerability & Security Analytic</th><th>Data Security</th><th>Others</th></tr>
<tr><td>Arista</td><td>Forescout</td><td>ExaBeam</td><td>HPE storage</td><td>Nutanix</td></tr>
<tr><td>Extreme Networks</td><td>Nozomi</td><td>LogRythm</td><td>Rubrik</td><td>ThriveDX</td></tr>
<tr><td>Juniper</td><td colspan="2">Tenable</td><td>Thales</td><td>Wasabi</td></tr>
<tr><td>Ruckus</td><td></td><td>Tufin</td><td>VEEAM</td><td>Zimperium</td></tr>
</table>

Main solutions:

- network security (Fortinet and Palo Alto Networks);
- access point security (CrowdStrike, Palo Alto Networks, Sentinel One and Tanium);
- identity and access management (IAM) (BeyondTrust, Okta, One Identity/OneLogin and THALES);
- security information and event management (SIEM) (Fortinet, Exabeam and LogRhythm);
- content and email security: Barracuda (APAC), Proofpoint (EMEA and NAM);
- application security (Citrix and F5);
- information about cyber-threats (Trellix -formerly FireEye-, Imperva and Palo Alto Networks);
- Internet of Things (IoT) security (Forescout, Nozomi, Tenable and Palo Alto Networks);
- Cloud access security broker (CASB) (Fortinet, Netskope and Palo Alto Networks & Proofpoint);
- others: solutions in complementary and adjacent IT segments, including Networking; Hyper Convergence Infrastructure; Data Storage, Data Management and Data Protection; Adoption of and Migration to Hybrid Cloud and Multi-Cloud; Containerisation, Kubernetes, DevOps and DevSecOps; and Unified Communications.

1.5.3 Added services

At the heart of the global cybersecurity market, Exclusive Networks brings geographical scope and specialist expertise. In addition to cutting-edge technological solutions, the Group also provides other services such as training, support and installation.

Vendor-oriented services

Exclusive Networks aims to be considered by its vendors as an extension of their organisation, helping them to expand their activities efficiently on a global scale. Whether generalist or specialist, established or disruptive, vendors can find at Exclusive Networks a wide variety of services, ranging from transactional services to services with a higher added value. The Group may intervene to provide financial support (since the geographical dispersion of customers leads to large variations in payment and currency conditions), provide assistance for transactions (product and stock management, exchanges etc.), or help increase sales (strategic watch, training, market trading etc.).

Reseller-oriented services

For Exclusive Networks the aim here is to help resellers to reinforce their expert positioning so as to respond as effectively as possible to the increasingly numerous and complex requirements of end-customers. The Group offers its resellers various financing services, transactions and other added value services: logistics in 170 countries, fast procurement deadlines (volumes of scale), coherent choices and stock availability.

To support its partners' global growth plans, Exclusive Networks makes available to them marketing support, commercial and technical product training, 24/7 technical support, facilitation services and managed services.

Technical support

Technical support service contracts provide access to the Exclusive Networks Technical Assistance Centre (**EXN TAC**) to work with customers and their end-users through any post-sales technical support queries, technical incident assistance and the replacement of hardware determined to be defective by the vendor.

The EXN TAC engineers hold accreditations in the products supported and are available either on a round-the-clock basis (24x7x365) or during local business hours (8x5), depending on the case, to respond to customer requests.

Exclusive Networks operates five global support centres. In 2022, the Group's technical support service handled nearly 20,000 tickets and cases in Europe, providing support in more than 28 countries.

Professional training

Exclusive Networks offers a wide range of trainings, both on-site and online. The Group provides access to a comprehensive range of more than 1,500 courses and for this purpose has a global team of more than 130 skilled and certified cybersecurity trainers. In 2022, they trained more than 11,000 professionals in various technologies.

An authorised training entity for certain distributed technologies, Exclusive Networks trains teams of resellers and end-users and is able to deliver certifications for such technologies.

Global Service Operations (GSO)

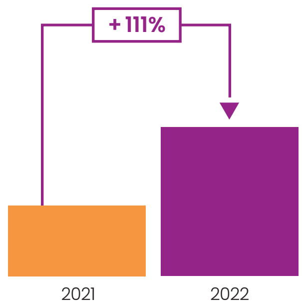
With the GSO service, together with the Global Deal Desk, Exclusive Networks makes available to its partner resellers a full lifecycle service wrap as and when needed. This offer allows resellers to benefit from, among other things, Import of Record (IOR) services (that is, ensuring that exports of goods comply with legal requirements and the regulations of the destination country) in more than 170 countries; global logistics and warehousing all over the world; and installation services (thanks to access to nearly 200 approved service partners, which provide access to nearly 10,000 engineers).

The Global Deal Desk provides the seamless process and delivery of complex, multi-country projects. The Global Deal Desk comprises an expert team that is available to support Exclusive Networks' local teams, to coordinate via a single point of contact, to address complex deployments, to provide 24/7 support management and to reinforce partners' and vendors' loyalty by serving as an enabler for upcoming projects.

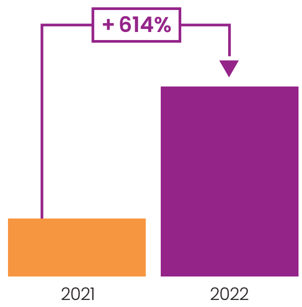
Exclusive On Demand (X-OD), a platform to promote further subscriptions

With the launching in October 2020 of the Exclusive On Demand (X-OD) platform, Exclusive Networks aims to facilitate the consumption of solutions as a subscription service. X-OD allows resellers to subscribe to the products offered by the Group's vendors, simplifying consumption and enabling new services and bespoke bundles to be created, sold and provided at speed and scale. The platform is proposed on a white label basis (that is, the resellers can offer this service to their end-users under their own brand) to the resellers, who can use it to build their on-demand services for their end-users.

Number of Partners on X-OD



Number of transactions on X-OD



1.5.4 A global IT infrastructure

Exclusive Networks' IT infrastructure is mainly based in the UK, where the Group has received ISO27001 Certification, setting out the specifications for an information security management system. The concept of "think global, act local" fully applies to Exclusive Networks' IT organisation.

Exclusive Networks can leverage its global status and its governance, compliance and network and domain structure using a central team, while also utilising local IT representatives (over 50 engineers) as well as the Group's best local cybersecurity engineers for day-to-day IT operations and systems maintenance.

Exclusive Networks has carried out some twenty or so acquisitions all over the world in the last 10 years. As a result, the Group currently operates six different enterprise resource planning (**ERP**) and customer relationship management (CRM) programmes. These ERPs and CRMs are located on cloud, regional and local servers. Exclusive Networks' IT structure is finalising a complete reorganisation through the Group's Commercial & Operations Roadmap for Excellence (CORE) project, a plan launched in September 2018 to harmonise processes and systems around the globe through the deployment of the Oracle NetSuite solution and to be hosted on the cloud.

1.6 Capital expenditure

1.6.1 Significant investments during the period covered by the historical financial information

The Group's investments for the past three fiscal years covered mainly: licences, computer equipment and office furniture.

For 2022, capital expenditure amounted to €23.7 million for the Exclusive Networks Group and breaks down as follows:

- intangible assets: €1.1 million corresponding to IT developments;
- property, plant and equipment: €4.8 million corresponding to demonstration and office equipment;
- right of use: €17.8 million corresponding to new rental leases as well as new vehicle leasing contracts.

The Group's acquisitions and buyout of minority interests were paid for in cash and funded by internal cash resources and debt as discussed in Chapter 5 "Liquidity and Capital Resources".

1.6.2 Significant investments in progress or firmly committed to by management bodies

During the financial year ending 31 December 2023, investments are expected to remain in line with previous capital expenditure and the Group's strategy (see the previous section entitled "Group Strategy") as described in this Chapter 1.

The Group is currently involved in discussions for various acquisitions in line with its acquisition strategy. The Group currently has no significant investments in progress and no investment is subject to a firm commitment from any of the Group's management bodies.

The Group plans to continue making appropriate investments for its business. As at the date of this Universal Registration Document, the Group has no plans to make any investments that are different in kind or for a significant amount.

1.7 Organisational structure

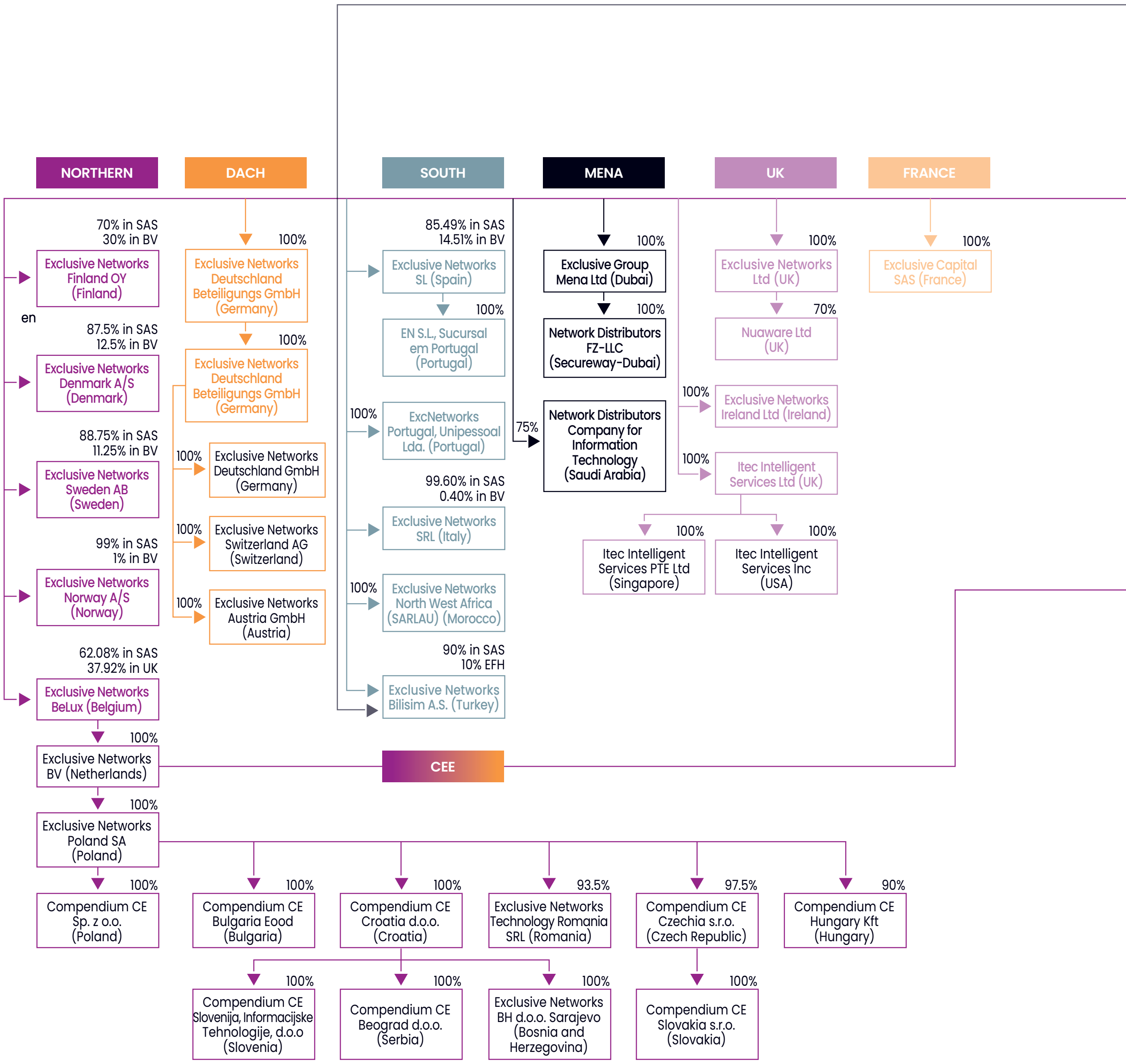
1.7.1 Group organisational chart as of the date of this 2022 Universal Registration Document

The primary role of the Company is to act as a holding company for the Group subsidiaries and to set the strategic direction of the Group and supervise the activities of the individual operating companies of the Group

The following organisational chart presents the legal organisation of the Group and its principal subsidiaries at the date of this 2022 Universal Registration Document. The percentages indicated below represent percentages of share capital and voting rights.v

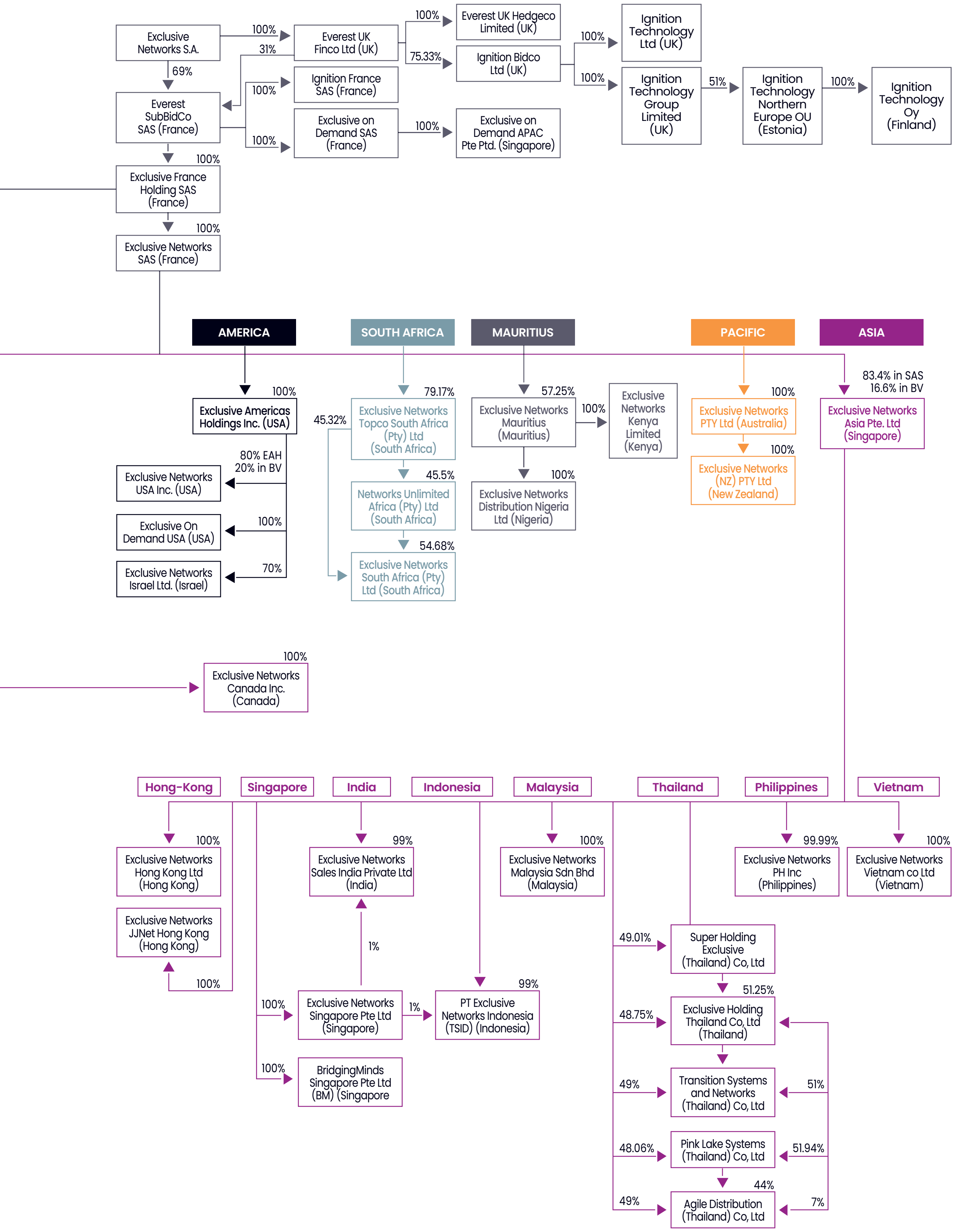
No Group subsidiary is listed.

Group legal organisational chart



Note: Exclusive Networks BV directly holds:
30% of Exclusive Networks Finland OY
12.5% of Exclusive Networks Denmark A/S
11.25% of Exclusive Networks Sweden AB
1% of Exclusive Networks Norway AS
14.51% of Exclusive Networks SL (Spain)
0.4% of Exclusive Networks SRL (Italy)
16.62% of Exclusive Networks Asia Pte. Ltd
20% of Exclusive Networks USA Inc.

Note: Exclusive Networks Singapore Pte Ltd holds:
One share of Pink Lake Systems (Thailand) Co Ltd
One share of Transition Systems and Networks (Thailand) Co Ltd
Two shares of Exclusive Thailand Holding Co Ltd
One share of Exclusive Networks Sales India Private Limited


Exclusive Networks S.A.
100%
31%
69%
Everest UK Finco Ltd (UK)
100%
75.33%
Everest UK Hedgeco Limited (UK)
Ignition Bidco Ltd (UK)
100%
Ignition Technology Ltd (UK)
100%
Ignition Technology Group Limited (UK)
51%
Ignition Technology Northern Europe OU (Estonia)
100%
Ignition Technology Oy (Finland)
Everest SubBidCo SAS (France)
100%
Ignition France SAS (France)
100%
Exclusive on Demand SAS (France)
100%
Exclusive on Demand APAC Pte Ptd. (Singapore)
100%
Exclusive France Holding SAS (France)
100%
Exclusive Networks SAS (France)
AMERICA
SOUTH AFRICA
MAURITIUS
PACIFIC
ASIA
100%
Exclusive Americas Holdings Inc. (USA)
80% EAH
20% in BV
Exclusive Networks USA Inc. (USA)
100%
Exclusive On Demand USA (USA)
70%
Exclusive Networks Israel Ltd. (Israel)
79.17%
45.32%
Exclusive Networks Topco South Africa (Pty) Ltd (South Africa)
45.5%
Networks Unlimited Africa (Pty) Ltd (South Africa)
54.68%
Exclusive Networks South Africa (Pty) Ltd (South Africa)
57.25%
Exclusive Networks Mauritius (Mauritius)
100%
Exclusive Networks Kenya Limited (Kenya)
100%
Exclusive Networks Distribution Nigeria Ltd (Nigeria)
100%
Exclusive Networks PTY Ltd (Australia)
100%
Exclusive Networks (NZ) PTY Ltd (New Zealand)
83.4% in SAS
16.6% in BV
Exclusive Networks Asia Pte. Ltd (Singapore)
100%
Exclusive Networks Canada Inc. (Canada)
Hong-Kong
Singapore
India
Indonesia
Malaysia
Thailand
Philippines
Vietnam
100%
Exclusive Networks Hong Kong Ltd (Hong Kong)
Exclusive Networks JJNet Hong Kong (Hong Kong)
100%
99%
Exclusive Networks Sales India Private Ltd (India)
1%
100%
Exclusive Networks Singapore Pte Ltd (Singapore)
1%
99%
PT Exclusive Networks Indonesia (TSID) (Indonesia)
100%
BridgingMinds Singapore Pte Ltd (BM) (Singapore
100%
Exclusive Networks Malaysia Sdn Bhd (Malaysia)
99.99%
Exclusive Networks PH Inc (Philippines)
100%
Exclusive Networks Vietnam co Ltd (Vietnam)
49.01%
Super Holding Exclusive (Thailand) Co, Ltd
51.25%
48.75%
Exclusive Holding Thailand Co, Ltd (Thailand)
49%
Transition Systems and Networks (Thailand) Co, Ltd
51%
48.06%
Pink Lake Systems (Thailand) Co, Ltd
51.94%
44%
49%
Agile Distribution (Thailand) Co, Ltd
7%

1.7.2 Subsidiaries and equity interests

The list of the main direct or indirect wholly owned subsidiaries of the Company as at the date of the Universal Registration Document is provided below:

Everest SubBidCo is a French *société par actions simplifiée*, with its registered office located at 20 quai du Point du Jour, 92100 Boulogne-Billancourt, France and registered with the Nanterre Trade and Companies Register under number 839 198 140 (RCS Nanterre);

Exclusive France Holding is a French *société par actions simplifiée*, with registered office located at 20 quai du Point du Jour, 92100 Boulogne-Billancourt, France and registered with the Nanterre Trade and Companies Register under number 810 931 766;

Exclusive On Demand is a French *société par actions simplifiée*, with registered office located at 20 quai du Point du Jour, 92100 Boulogne-Billancourt, France and registered with the Nanterre Trade and Companies Register under number 882 544 380;

Exclusive Networks is a French *société par actions simplifiée*, with registered office located at 20 quai du Point du Jour, 92100 Boulogne-Billancourt, France and registered with the Nanterre Trade and Companies Register under number 401 196 464;

Exclusive Networks Asia Pte Ltd is a company incorporated in Singapore, with registered office located at 5 Pereira Road 02-03, Asiawide Industrial Building, Singapore 368025 and registered under number 200301516R;

Exclusive Networks Bilisim A.S. is a company incorporated under the laws of Turkey, with registered office located at Icerenköy Kayisdagi Cad. Karaman Ciftlik Yolu No.47 K.1, Atasehir/Istanbul, Turkey and registered under number 528926;

Exclusive Networks B.V. is a private limited liability company incorporated under the laws of the Netherlands, with registered office located at Ekkersrijt 4601; 5692 DR Son, the Netherlands and registered under number 27374554;

Exclusive Networks Deutschland GmbH is a limited liability company incorporated under the laws of Germany, with registered office located at Hardenbergstraße 9a, 10623 Berlin, Germany and registered under number HRB 210494 (Amtsgericht Charlottenburg, Berlin);

Exclusive Networks Ltd is a private limited company incorporated under the laws of England and Wales, with registered office located at Alresford House, Mill Lane, Alton, GU34 2QJ Hampshire, United Kingdom and registered under number 02900798;

Exclusive Networks Singapore Pte Ltd is a company incorporated in Singapore, with registered office located at 5 Pereira Road #05-02, Asiawide Industrial Building, Singapore 368025 and registered under number 200202320G;

Exclusive Networks SRL is a company incorporated under the laws of Italy, with registered office located at Via Umbria 27/A CAP, 10199 San Mauro Torinese (TO), Italy and registered with the Commercial court of Turin under number TO 1205970;

Exclusive Networks USA Inc. is a corporation incorporated under the laws of the State of California, with registered office located at 2075 Zanker Road, San Jose, California 95131, USA and registered under number C1912493;

Networks Distributors FZ is a limited liability company incorporated under the laws of Dubai (United Arab Emirates) in the Dubai Technology and Media Free Zone, with registered office located at 35th Floor – office 3502 – Shatha Tower, Media City, Dubai – PO box 5006400 and registered under number 20229;

Exclusive Networks Poland S.A. (formerly named Veracomp Exclusive Networks Poland) is a joint-stock company incorporated under the laws of Poland, with registered office located at Zawiła 61 30-390 Krakow, Poland and registered with the National Court Register held by the District Court for Krakow under number 0000703564.

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We Are Confident

2.

Risk factors & internal control – Insurance

Introduction

The Group conducts its activities in an international economic and political environment that was notably marked in 2022 by a tense geopolitical context, an acceleration of inflation and the tightening of monetary policy by central banks. The evolution of the Covid-19 pandemic and its uncertainties (intensity, governmental measures taken in this regard — lockdown, curfew etc.), as well as conflicts and economic crises could have a significant impact on the Group's activities, results, financial situation, reputation or prospects.

Risk analysis and management are an integral part of the Group's various decision-making processes. They are structured around four main stages: risk identification, prioritisation, management and monitoring.

As part of its risk management system, the Executive Committee periodically reviews the main risks, which are reported by the various operational departments (see below, section 2.2 *"Internal control and risk management"* of this chapter 2).

Pursuant to the Prospectus Regulation, the risks presented below are identified as the most significant and specific to the Group that could have a material impact on its business, financial condition, reputation, results of operations or growth prospects as at the date of this 2022 Universal Registration Document.

These risks were submitted to the Executive Committee and the Audit Committee, which, after consultation and based on their impact, agreed on the main risks. These risks were then validated by the Board of Directors on the recommendation of the Audit Committee.

The selected risks are presented in a limited number of categories by type. Within each category, the most significant risks are presented first. Risk assessments are conducted while taking into account the probability of occurrence and the expected magnitude of their negative impact.

As a result of the last update of the risk map in 2022, action plans for each risk have been implemented and/or updated. The update of the risk map in 2023 will make it possible to assess the results of the risk management measures and to present the net risk in the future.

The main risks discussed in section 2.1 *"Risk factors"* below include social, environmental, societal and governance risks, identified with a pictogram ESG. These risks and the related risk management measures are briefly described in the "Risk Factors" section, in order to avoid redundancy with the information concerning these same risks developed in greater detail in the Extra-Financial Performance Statement, which is the subject of Chapter 3 of this 2022 Universal Registration Document. It should be noted that the references to the Extra-Financial Performance Statement are considered as part of the "Risk Factors" section.

Furthermore, although climate change does not appear among the major risks described in this section, the Exclusive Networks Group is fully aware of its wider responsibility within its ecosystem. The Group's greenhouse gas assessment clearly reflects this situation, with a very high proportion of the Group's emissions falling under Scope 3, both upstream and downstream in its value chain. The Group is committed to playing its full part in addressing climate change; the Group's measurement of its environmental footprint and its action plan to reduce it are also described in the Extra-Financial Performance Statement

Investors should note that the list of risks presented below is not exhaustive and that other risks of which the Group is currently unaware or which have not been identified as significant as at the date of this 2022 Universal Registration Document may exist, and if they were to materialise could have a significant impact on the Group, its activities, its financial situation, its results, its ability to achieve its objectives or its reputation. It should be noted that no new critical risks were identified during the 2022 financial year.

The most important risks, specific to Exclusive Networks, are presented below, by category and in descending order of criticality level (based on a combination of the probability of occurrence and the expected magnitude of their negative impact). The table below presents the result of this assessment on a scale of three criticality levels: high, average or low.

Category	Risks	Criticality
Strategic and market risks	Risk related to macroeconomic and political conditions	High
	Risk related to the supply of products and solutions distributed by the Group	High
	Risk related to acquisitions & integrations	Medium
	Risk related to the Group's ability to maintain a portfolio of products and services tailored to demand	Medium
	Reputational risk	Medium
Risks related to operations	Risk related the attractiveness and/or loss of talent and executives ESG	High
	Risk of cyber-attacks, systems security, data protection ESG	High
	Risk related to vendor concentration	Low
Financial risks	Foreign exchange risk	High
	Interest rate risk	Medium
	Liquidity risk	Low
Legal and regulatory risks	Risk related to export control regulations and sanctions regimes and embargoes relating to economic sanctions on dual-use products ESG	High
	Risk related to corruption (business ethics) ESG	High
	Tax risk	Medium
	Risk related to litigation and disputes	Low
	Risk related to personal data breach ESG	Low

Criticality: Low Medium High

2.1 Risk factors

2.1.1 Strategic and market risks

Risk related to macroeconomic and political conditions

Criticality level:

Risk description

Due to its global footprint, the Group is exposed to the risks of global macroeconomic instabilities and political tensions.

International tensions (e.g. China-Taiwan relations, China-US tensions, and the Russian-Ukrainian conflict) may lead to a deterioration in the business climate and could result in increased trade barriers or international sanctions. This was the case in the trade war between the US and China on the one hand and the EU on the other. The sanctions adopted by the West against Russia could be broadened.

Continued economic uncertainty in many countries, as well as instability in the emerging markets in which the Group operates, continue to fuel a tense global economic environment. In particular, the Group is impacted by freight costs downstream and upstream of the products it distributes.

At the time of publication of this 2022 Universal Registration Document, the direct impact on the Group's business of the conflict between Russia and Ukraine, and the related European, American and British sanctions, remains limited. The Group is not present in Russia, Belarus or Ukraine and has no significant revenue nor margin from those countries. Furthermore, none of its major vendors or partners are expecting a significant business disruption due to the conflict. The main area of concern for the Group remains the impact of the conflict on the economies of the Eastern European countries where the Group operates, in particular Poland, Romania and Hungary.

The Group is nevertheless suffering from the backlash of a war situation and the inherent costs (inflationary pressure fuelled by soaring energy (about +7% to 9% over one year in the euro zone) and raw materials prices, higher cost of solutions offered to customers).

These conditions may lead to adverse consequences for the Group such as reduced demand for cybersecurity solutions and services in general, increased competition, lower prices, loss of vendor rebates, extension of customer payment terms, increased bad debts, limited access to liquidity, increased currency volatility making hedging more expensive and difficult to obtain).

Risk management

These critical or tense situations are the subject of action plans that are used to support decision-making with regard to the Group's development.

In this respect, to mitigate the impact of an unfavourable change in the economic or political situation of a country in which the Group operates, the Group has put in place the following measures:

- the review by the Executive Committee of developments in the most exposed countries where the Group, its customers and vendors are present (see below, "Risk related to the supply of products and solutions distributed by the Group");
- monitoring at Executive Committee and operational level of existing tensions between China and the United States over Taiwan, in particular the additional restrictive measures taken by the United States with regard to China and the newly targeted entities and persons (see section 2.1.4 "Risks relating to export control regulations, sanctions regimes and embargoes concerning economic sanctions applicable to Dual-use products") of this Chapter 2.

Risk related to the supply of products and solutions distributed by the Group

Criticality level:

Risk description

The Group depends on the sourcing strategy of its vendors of the products it distributes.

Since 2020, the supply chains of IT industries (including those of the Group's partner hardware manufacturers) have been heavily impacted by the shortage of electronic components needed for the solutions distributed by the Group. These solutions are often manufactured in Taiwan and imported from China. For example, Fortinet's hardware sales (sourcing from Taiwan) represent 15% of the Group's total 2022 revenue.

The shortage of electronic components affected the Group's supply capacity and caused significant delays in its ability to distribute cybersecurity products and solutions.

Additionally, as described in section 2.1.1 which describes the risks related to macroeconomic and political conditions, the increase in inflationary pressure has resulted in a significant increase in freight costs due to the rise in energy costs.

Risk management

The Group has implemented a number of measures to mitigate this risk:

- adjustment of its logistics infrastructure and strengthening of inventory management in conjunction with key vendors, including:
  - the development of regional inventories for key vendors to improve product availability and cut delivery times,
  - the safeguarding of transport capacity and service levels and related costs (strengthening of partnerships with carriers with their own aircraft fleet),
  - strengthening collaboration with vendors in sharing *forecast* and sales pipeline data to secure product availability;
- currency hedging: see below, "Foreign exchange risk" described in section 2.1.3 "Financial risks" of this Chapter 2.

Risk related to acquisitions & integrations

Criticality level:

Description

As part of its development strategy, the Group has made 18 acquisitions since its inception, including two in 2021. These acquisitions are one of the Group's strategic pillars that have enabled it to strengthen its strategy towards emerging vendors and its geographical presence. For example, the acquisition of Ignition Technology has enabled the Group to offer a targeted proposition to emerging security vendors while the acquisitions of Veracomp in 2020 and Networks Unlimited in 2021 have enabled the Group to expand into Central and Eastern Europe and Sub-Saharan Africa.

The main risks associated with these acquisitions relate to:

- *due diligence* that is sometimes incomplete due to difficulties in gathering certain targeted information and/or the unavailability of such information. Furthermore, the Group cannot guarantee that the documents and information examined during these audits are complete, appropriate or accurate. In particular, it is difficult to guarantee that this due diligence has made it possible to identify all the risks related to possible litigation of the acquired companies, or to possible breaches of applicable anti-corruption regulations;
- over- or under-estimated financial valuations of certain assets, which lead to the recognition of accounting discrepancies. Despite an in-depth analysis of each target, their valuation and the assumptions concerning them were sometimes found to be inaccurate and their actual performance different from the results initially expected;
- human risks related to the integration of employees of acquired companies and their adaptation to the human resources policy and working environment of a large group;

Risk management

The Group has a dedicated M&A department which is responsible for (i) analysing opportunities in terms of strategic rationale, value creation and risks for the Group; (ii) fulfilling the opportunities approved by the respective management bodies (Executive Committee and Board of Directors); and (iii) coordinating the integration within the Group.

The Group has a formal and centralised process for its acquisitions and integrations. This process is spearheaded by Executive Management, with contributions mainly from the M&A, Finance, Legal and Human Resources Departments. This process includes in particular:

- preliminary audits of each target in as many areas as possible depending on the target, carried out by a multidisciplinary internal team (experts in the area audited) and external advisers who review all the elements provided to them by the target. Management sessions with the target's management are also organised to ensure that the target's business and identified risks are properly understood;
- the creation of dedicated committees with the corresponding contacts by level and department at a frequency adapted to the phase of the acquisition project;
- the usual legal protections in acquisition contracts, in particular asset and liability guarantees;
- the Executive Committee examines all acquisition opportunities (rationale, business plan, value creation, risks etc.). These opportunities are regularly presented to the Board of Directors;

.../...

Risk related to acquisitions & integrations

Criticality level:

Description

.../...

- operational risks due to the need for a high level of team involvement to successfully integrate the acquired companies, which may have a negative impact given the additional workload this generates and the ability of these teams to carry out their daily activities.

Risk management

- the implementation of an integration process and methodology coordinated by the team in charge of integrations covering all operational, financial, social and legal aspects. They include, among others:
  - on the financial side (i) the implementation of a business plan validated by the managers, the chief operating officer and the chief financial officer concerned in the Group, (ii) an integration manual detailing the necessary actions to be implemented in terms of reporting and financial monitoring with the support of the Group's Finance Department and (iii) an integration plan relating to internal control. The integration plan is supervised by a specific committee including the Group chief financial officer, the Group Human Resources Director and the operational manager for the area.

    In accordance with IFRS, the Group Finance Department assesses the value and measures any impairment of goodwill each year. The net book value of goodwill amounts to €295 million. Impairment tests are carried out and monitored by the Group's Finance Department and presented in Note 7.2 – Impairment Tests to the 2022 consolidated financial statements in Chapter 5 of this Universal Registration Document,
  - on the personnel front, the Human Resources Department and HR managers are responsible for applying a progressive policy of adapting the targets' employees to the Group's policies and procedures in terms of training, compensation and integration,
  - legal integration and risks & compliance.

Risk related to the Group's ability to maintain a portfolio of products and services tailored to demand

Criticality level:

Risk description

As part of its mission, the Group must constantly offer the most relevant solutions that meet the requirements of the market and the needs of its customers. In this respect, the Group depends on the ability of vendors to (i) keep ahead of technological changes, (ii) introduce and improve their products and services, and (iv) adapt to industry standards.

New violations of IT system infrastructures are occurring with ever-increasing regularity, as cyber-criminals become more and more adept at exploiting new "techniques", breaching vulnerabilities and devising other methods of attack.

Vendors of cybersecurity consequently make every effort to anticipate and counter these attempts with equally ingenious solutions. The deployment of such solutions can nevertheless be extremely time-consuming, and a hundred or more new start-ups appear in the cybersecurity business every year.

The approach developed by Exclusive Networks is not only to understand the market but also to anticipate the needs of its partners and their users. To this end the Group has set up a Technology Watch Committee (see opposite).

Any inability of a vendor to anticipate industry trends and/or adapt to market needs could have a material adverse effect on the Group's business.

Risk management

The Group has implemented a process for identifying and managing its vendors which includes:

- the creation of a Technology Watch Committee which reviews *the quality* of the technological value propositions of potential new vendors. The role of this Technology Watch Committee is to propose the best market access for Exclusive Networks and its vendors.

  The Technology Watch Committee includes technical members from the major countries and/or regions, the chief strategy officers of Nuaware and Ignition, and the Vice-President Global Alliances and Ecosystem, who is a member of the Executive Committee;
- the creation of a Technology Committee, which reviews the quality of the solutions sold;
- a process of integration of new vendors which ensures the roll-out of solutions to the Group's partners/clients;
- a strategy for analysing the situation of existing vendors, which makes it possible to closely monitor their performance with the Group's clients and which can be accompanied by internal improvement plans if necessary.

Reputational risk

Criticality level:

Risk description

The Group sources cybersecurity solutions exclusively from international vendors. The quality of Exclusive Networks' offering is therefore intrinsically linked to the performance of its vendors.

A failure in a product resold by the Group could therefore have a negative impact on its brand image. Such failures could either result from the products themselves or from their parameters (coding or design defects or other failures or errors that could hinder the customer's operations or cause malfunctions).

Furthermore, the cybersecurity solutions distributed by the Group are often critical to the conduct of end-users' operations, so any defects could also affect their own operations, thereby indirectly placing the Group at risk for damage to the end-user's operations.

Lastly, if the Group were itself the victim of a cyber-attack, this could affect its brand image and its credibility with its customers.

Risk management

As part of its activities and in order to mitigate reputational risk, the Group:

- has a Security Operations Centre (SoC) to share best practices and protect against potential attacks (see below, 2.1.2 "Risk of cyber-attacks, systems security, data protection");
- monitors incidents and ensures that all vendors inform the Group of alerts on detected failures regarding new threats from cyber criminals;
- ensures that vendors:
  - guarantee that end users will receive solutions that work to their specifications through an end-user licence agreement, and/or
  - offer a support contract to end-users

  insofar as the legal agreements between the Group and vendors do not always cover the risks related to potential failures;
- has third party liability insurance to cover claims under the dedicated policy (see section 2.3 "Insurance" of this Chapter 2 which presents the Group's insurance policy and programme).

2.1.2 Risk related to operations

Risk related to attractiveness and/or loss of talent and executives ESG

Criticality level:

Risk description	Risk management
The Group's success depends, to a large extent, on its ability to identify and recruit the key skills of tomorrow, retain its talent and train the next generation of cyber experts to reduce its exposure to talent shortages. This search for expertise, combined with a particularly competitive environment due to the scarcity of candidates, may lead to difficulties in recruiting such profiles. At the same time, the departure of experienced employees and key executives could have an impact on the governance and/or operational management of strategic projects.	The Group pays great attention to internal communication, diversity, equal opportunities, working conditions, the quality of its human resources management and the commitment of its employees. The Group has deployed an annual monitoring of employee commitment at the global level, which gives rise to global and local action plans with the aim of strengthening this commitment. Wherever possible, the Group allows employees to work from home in order to achieve a better work-life balance. In addition, the Group's personnel management information system, deployed worldwide by the Human Resources Department, ensures the global management of all processes relating to talent management, enabling a harmonised approach to performance monitoring. The main actions implemented in 2022 include: • the implementation of succession plans at global and local levels for key roles in the company (including Executive Committee members, key executives). The succession plan is reviewed by the Nomination and Compensation Committee and presented to the Board of Directors; • the launch of a global Top Talent programme allowing a specific focus on the development, recognition and retention of the Group's top talents and the creation of a Talent Community to prepare the future and anticipate the next generation of internal leaders; • the launch of a global salary policy at both head office and country level including cross-functional and other categories. In 2022, the Group also reinforced: • its Human Resources Department with the recruitment of a Talent Acquisition Director, thus enabling better management and quality of internal recruitment processes (better anticipation, creation of a pool of candidates); • its proximity to specialised schools or universities (particularly in France with the launch of Exclusive Academy with CalPoli and in collaboration with Guardia and Oteria Cyber School based in Paris) to integrate trainees, train and instil the challenges and skills needed in cybersecurity in the new generation. (See Chapter 3, section 3.4 "Attracting and retaining talent" of this Universal Registration Document 2022 for more information on social matters, specifically, the organisation, policies and key achievements, and related indicators).

Risk of cyber-attacks, systems security, data protection ESG

Criticality level:

Risk description

The Group's IT systems could be subject to malicious intrusion, cyber-attack, phishing, social engineering, attempts to overload the servers or data privacy breaches.

Any such breach could result in the disclosure of sensitive or personal data, significant legal and financial exposure, damage to the Group's reputation, loss of competitive advantage and a loss of confidence in the security of the Group's IT systems.

For example, in December 2020 the Group detected a cyberattack and breach of its systems in the UAE, US, France, UK and Singapore. Although the breach resulted in unauthorised access to data, the cyberattack did not impact the Group's day-to-day operations. Following this breach, the Group inspected and upgraded its global systems and processes to strengthen their integrity and efficacy (see opposite).

The sophistication and constant evolution of cyber-attacks make it difficult for the Group to anticipate this risk. Furthermore, third parties, such as solution providers that host the Group's IT systems, could themselves be subject to such attacks resulting in a failure of their own systems and security infrastructure.

Any actual or perceived breach or inappropriate use, disclosure or access to such data could damage the Group's reputation as a trusted brand and/or result in significant business losses or disruptions (see "Reputational risk" above).

Risk management

Over the last two years, Exclusive Networks has significantly strengthened its cyber-attack management and prevention programme along three main lines:

- the implementation of a Security Operation Centre (SOC) in all *countries, monitoring infrastructures in real time and reporting any suspicions of abnormal behaviour or potential risks. The SOC has implemented the most innovative solutions proposed by the Group's vendors. A project has been launched for the certification of the SOC by the International Organisation for Standardisation* (ISO) and other global organisations. The SOC is connected to the NATO security systems in order to benefit from their information on possible risks related to the Russia/Ukraine conflict;
- the strengthening of the cybersecurity team with the recruitment of highly experienced profiles and the creation of a Cyber Defence Committee chaired by the Head of the SOC, who reports directly to the Chief Information Officer, a member of the Executive Committee;
- the implementation of a programme to raise awareness among all employees to the risks of cyber-attacks, through training modules and real-life phishing campaigns.

(See Chapter 3, section 3.6.4 "Information system protection" for more information on data protection in terms of its organisation, policies and key achievements and related indicators.)

Risk related to vendor concentration

Criticality level:

Risk description	Risk management
The Group distributes the products of approximately 290 established and disruptive vendors, covering the key segments of cybersecurity and the related segments. The Group's sales are concentrated within a small number of these vendors with which it has long-standing relationships. Indeed, Exclusive Networks' top 20 vendors accounted for 87% of sales in 2022 and its top five vendors for 65%. The main vendors experienced strong growth in 2022 such that their respective weight in the Group's revenue remained stable in 2022. The termination of the contractual relationship with one of the key vendors could result in a significant decrease in the Group's activity and its turnover.	The Group's efforts to diversify its offering resulted in two new cybersecurity segments in 2022: Cloud Security and OT/IoT Security. In 2022, it succeeded in this diversification by signing contracts with 13 new software vendors and 14 contract extensions to ensure the expansion of Exclusive Networks' distribution rights in new countries and/or on new product and service lines. In its commercial relationships, the Group maintains strong relationships with its vendors and has set up a dedicated "Vendor Management" team (it organises quarterly reviews with vendor managers) and implements internal performance acceleration and improvement plans when necessary.

2.1.3 Financial risks

Foreign exchange risk

Criticality level:

Risk description	Risk management
Group companies mainly purchase products and services from vendors located in the United States with a foreign exchange risk on the US dollar and occasionally on euros or local currencies. The Group, which presents its consolidated financial statements in euros, is exposed to the risk of conversion into euros of the foreign currency accounts of its subsidiaries located outside the euro zone. Fluctuations in the euro, particularly upwards, against foreign currencies may affect the translated value in euros of the subsidiaries' assets, liabilities and net income, even if their intrinsic value denominated in the original currency has not changed. (See Chapter 5, section 5.2.2 "Foreign exchange risk" and Note 19.1.1 to the 2022 Consolidated Financial Statements in this 2022 Universal Registration Document.)	As part of its foreign exchange risk management, the Group: • has implemented a hedging policy to limit the effects of currency volatility, particularly that of the US dollar; • hedges its exposure to transactional foreign exchange risk by means of standard derivative financial instruments (forward purchases/sales, foreign exchange swaps) contracted with leading banking institutions. While these hedging instruments reduce most of the transactional risks, there may be residual effects of foreign currency exposures in the Group's financial result. Furthermore, to protect against the risk of the translation of the net assets of foreign subsidiaries into euros, the Group Treasury Department gives preference to the use of foreign currency financing. The Group does not enter into derivatives or other financial transactions which are unrelated to its business needs.

Interest rate risk

Criticality level:

Risk description

Interest rate risk is mainly related to the senior floating rate loan based on Euribor and Sonia. An increase in interest rates could have an adverse impact on the Group's financial result.

Risk management

The interest rate risk management policy is centralised within the Group's Treasury Department, which may set up derivative financial instruments if necessary.

In 2022, the Group used derivative financial instruments to move the variable rates of the senior loan (Facility B1 and B2) to fixed rates (see *Note 19.1.3 – Interest rate risk* to the 2022 consolidated financial statements in Chapter 5 of this 2022 Universal Registration Document).

Liquidity risk

Criticality level:

Risk description

Liquidity risk is the risk that the Group be unable to settle its financial liabilities when they fall due. The Group must have the financial resources to meet its current activity and maintain its investment capacity.

Moreover, the senior facilities agreement taken out by Everest SubBidCo SAS. (a wholly owned subsidiary of Exclusive Networks SA) contains a restrictive debt ratio clause.

Any failure by the Group to comply with the covenants in the financing agreements could result in or authorise the lenders to demand repayment of the amounts due under the financing agreements, or the enforcement of the related guarantees and securities (share pledges and bank accounts).

As at 31 December 2022, the Group's gross financial debt (including bank borrowings, bank overdrafts, short-term loans and factoring liabilities) amounted to €523 million, while its net debt amounted to €260 million (see Chapter 5, section 5.2.2 and Note 14.2.4 – Net debt the 2022 Consolidated Financial Statements).

Risk management

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due. Liquidity is mainly derived from cash flows from operating activities, factoring solutions and a senior loan contracted with financial institutions, short and long term bank overdrafts, and credit lines.

Liquidity risk is mitigated by *the regularity of the cash* flows generated by the Group as well as by a financing policy based on the following principles:

- centralisation of the surplus cash positions of certain subsidiaries with the holding entity Everest SubBidCo SAS;
- centralisation of financing in the holding company Everest SubBidCo SAS, which transfers liquidity to its subsidiaries through intra-group financing agreements;
- maintaining of a permanent and significant reserve of undrawn credit lines, including a confirmed multi-currency syndicated credit line;
- diversification of financing solutions negotiated with various international financial institutions with maturities ranging from one to four years (*loans, bank* overdrafts, *credit lines*) and the development of factoring programmes;
- frequent and regular monitoring of the Group's liquidity and financial market trends.

Covenants are regularly reviewed by the Executive Committee and the Board of Directors.

To date, the Group has not defaulted on its financial covenants and has complied with its leverage ratio.

2.1.4 Legal and regulatory risks

Risk related to export control regulations and sanctions regimes and embargoes relating to economic sanctions on Dual-use products ESG

Criticality level:

Risk description	Risk management
The Group directly or indirectly purchases and distributes products and solutions considered Dual-use, i.e. classified as Dual-use items (likely to have both civilian and military use) where they incorporate encryption technology. Their export or re-export may thus be subject to the obtaining of an export licence granted by the authorities of the exporting countries or an exemption. The development of the Group's activities and locations thus increases its exposure to political and economic risks specific to certain countries that could affect its activities and results. The Group's ability to market new products and enter new markets may depend on obtaining government certifications and approvals. Despite the Group's efforts to comply with all such laws and regulations, unintended violations or failure to comply could result in the suspension of export privileges. This is because these rules are based on international, national and regional security strategies, national independence and global geopolitical developments. In the event of non-compliance with applicable laws and regulations, the Group could be exposed to significant fines and other administrative and criminal sanctions that could have a material adverse effect on its financial condition, business and reputation.	The Group has taken all appropriate and necessary measures to comply with all international and national trade regulations applicable to its activities. It has set up a specific internal plan dedicated to these export control and embargo compliance regulations. This plan includes: • adapted procedures and IT tools, such as the one used to ensure the final destination of products; • employee awareness programmes; • a regular internal audit plan; • a system for monitoring legislative and regulatory developments and restrictions applicable to the Group's activities; • a system for screening vendors, resellers, end customers and other partners; • Group businesses and entities are provided with specific assistance and advice by the community of export control experts, country and Group champions. In 2022, the Group strengthened its organisation by creating the position of Group Export Control Manager, whose main missions are to update procedures to supervise the community of country Export Control Managers appointed in each Group company. Group companies report to the Group Export Control Manager any disputes or potential non-compliance with regulations, inform the relevant authorities of any non-compliance found and take all necessary steps to prevent any problems that may arise. (See Chapter 3, section 3.6.7 "Export control").

Risk related to corruption (business ethics) ESG

Criticality level:

Risk description

Exclusive Networks operates in a complex and evolving legal and regulatory environment.

The Group is subject to various national legislations, as well as to international standards. This is the case, in particular, for anti-corruption and money laundering regulations.

In this respect, Exclusive Networks has identified two main corruption risks due to its geographical location and its relationships with partners and stakeholders:

- the expansion of its activities in countries where the corruption perception index is high according to the ranking established by Transparency International, particularly in Asia and Africa;
- the Group's model, which is based on a network of partners made up of resellers and distributors, represents an additional risk for the Group, because it is responsible for the activities carried out on its behalf.

Non-compliance with the law, as well as unethical behaviour, could expose Exclusive Networks Group and/or its employees to investigations, administrative or judicial proceedings, criminal or civil sanctions and additional penalties (such as exclusion from government contracts).

These investigations or possible convictions could also have financial, reputational, operational and/or legal consequences for the Group.

Risk management

In accordance with the requirements of the Law on the Prevention of Corruption and the Transparency of Economic Life and Public Procedures (known as the "Sapin 2" Law), Risks & compliance has set up a compliance programme and has a dedicated team, made up of specialised lawyers and local advisers (brought together in a network of *Ethic Champions*).

The following are the main actions carried out in 2022:

- update of anti-corruption procedures and reinforcement of the Group's commitments: updated in 2022, the Code of Conduct defines and illustrates the types of behaviours to be adopted and prohibited in terms of preventing and fighting corruption and influence peddling. In this respect, the Group is committed to zero tolerance of corruption and influence peddling;
- launch of the update of the corruption risk assessment legal entities of the Group and the corresponding definition of specific corrective plans;
- launch of a third party onboarding tool integrity review system with a gradual roll-out planned until the end of 2023 ("My TrustedPartner");
- continuation of the employee training and awareness-raising programme to ensure that employees are familiar with the procedures, particularly in the functions most exposed to this risk;
- an internal and external alert system, available to employees and stakeholders, also helps to counter this risk. Appropriate disciplinary measures are taken in consultation with the Human Resources Department and Executive Management when necessary;
- a regular internal audit plan. The Internal Audit department is responsible for the evaluation of the measures implemented. This department ensures that compliance related incidents are identified and addressed.

For more information on the Group's preventive measures regarding corruption, see sections 3.6.1 "Governance and organisation of conformity" and 3.6.2 "Ethics, prevention and anti-corruption" appearing in Chapter 3 of this 2022 Universal Registration Document.

Risk related to litigation and disputes

Criticality level:

Risk description

The Group may become involved in legal proceedings, including government investigations, that arise out of the ordinary conduct of its business, including matters involving intellectual property rights, commercial matters, merger-related matters, domestic and/or international regulations, product liability and other actions.

The Group is currently not involved in any claims, litigation or lawsuits. Although the Group may not always win its case, the risk is not expected to have a material adverse effect on its consolidated financial position, results of operations or cash flows. The Group can also not predict the outcome of litigation or other investigations in which it may be involved at any time.

As at the date of the 2022 Universal Registration Document, there are no pending or potential legal or arbitration proceedings, including any proceedings of which the Group is aware, that are likely to have or have had in the last twelve months a material effect on the Group's financial position or profitability, other than those reflected in the financial statements or disclosed in the notes to the financial statements.

Risk management

The Group closely monitors the status of ongoing litigation and disputes and has implemented reporting rules to enable the Group's Legal Department to be informed as soon as possible of the occurrence of a significant dispute and to optimise its handling and understanding of related risks and possible consequences.

A provision is made in the financial statements for any litigation that may arise.

The Group relies on a network of lawyers and advisers specialised in their field and selected by the Group's Legal Department to manage and monitor the main disputes and litigation.

The Group considers that customer satisfaction and respect for good commercial and ethical practices are key to limiting the number of disputes to which the Group could be exposed. It therefore pays particular attention to customer satisfaction and the implementation of good practices on a daily basis.

Tax risk

Criticality level:

Risk description

Due to the global and cross-border nature of its distribution business, and given the complex international tax environment, the Group faces tax risks and uncertainties inherent to its business.

This is due to the number and complexity of tax regulations, both local and international (including transfer pricing rules and principles governing the application of withholding taxes), and their interpretation in each country. In particular, in many jurisdictions, there is substantial uncertainty as to the classification of cybersecurity solution licence proceeds as business profits or royalties.

In this global environment, the Group aims to comply with all applicable tax rules and regulations in the countries in which it operates, ensuring that the correct amount of tax is paid in the jurisdictions where it generates profits and value. The Exclusive Networks Group is committed to upholding local and international rules, including the principles laid down by the OECD.

Risk management

The Exclusive Networks Group handles tax issues with integrity and does not engage in any artificial tax schemes.

The Group's tax department is organised around a central tax team that reports to the Group Finance Department and locally to the local Finance Directors. The Group also uses external advisers to ensure that risks are identified and assessed and that measures to control them are put in place.

Any tax disputes give rise to provisions that are duly recorded in the accounts.

For more information on tax policy and tax avoidance, see section 3.6.6 "Transparency and the fight against tax evasion" in Chapter 3 of this 2022 Universal Registration Document.

Risk related to personal data breach

Criticality level:

Risk description

In conducting its business, the Group collects and processes personal data from customers, end-users and prospects.

Global privacy policies have developed considerably creating a complex compliance environment governed by legislation such as the European Union's' General Data Protection Regulation (GDPR) in force since 25 May 2018, in addition to the e-privacy Directive 2002/58/EC and national legislation.

These regulations establish a legal framework for the protection of personal data, with enhanced rights for citizens and new obligations for businesses in this area.

Any real or perceived breaches or improper use of, disclosure of, or access to such data could harm the Group's reputation as a trusted brand and could have a material adverse effect on the Group's business, results of operations or profitability.

Should there be a breach of the General Data Protection Regulation (GDPR), the Commission Nationale Informatique et Libertés (French data protection authority – CNIL) may issue the following sanctions in France once the right to reply has been exercised:

- a reprimand;
- an injunction to comply. This may be accompanied by a penalty of up to €100,000 for every day of delay;
- a temporary or definitive restriction on processing, a ban or withdrawal of an authorisation;
- the withdrawal of a certification;
- the suspension of data flows intended for a recipient located in a third country or for an international organisation;
- a partial or whole suspension of the decision to approve binding corporate rules (BCR);
- an administrative fine of up to €10 million or 2% of the company's annual sales worldwide. For more serious breaches, this amount may be increased to €20 million or 4% of annual sales worldwide;
- the publishing of its decision, as determined by the CNIL's restricted committee.

Risk management

In order to mitigate the impact of this risk, the Group is focusing on the following actions:

- monitoring and strengthening the compliance system with the support of the relevant departments in each country;
- the continuous improvement of the systems in each country by the data protection officers (DPO);
- training and awareness-raising of employees on the protection of personal data (with the development of e-learning to ensure continuity of training);
- the conduct of multi-level controls.

For more information, see Chapter 3, sections 3.6 "Information system protection" and 3.6.5 "Data protection" of this 2022 Universal Registration Document.

.../...

Risk description	Risk management
.../... It may also order the infringing parties to pay for the decision to be published in any publications and other forms of media it determines. • There is a simplified sanctions procedure for less complicated instances or minor infringements: sanctions in these cases cannot be published and are restricted to a reprimand, a fine of up to €20,000 or an injunction accompanied by a penalty capped at €100 for every day of delay. Any insurance coverage for protecting against loss from cybersecurity and privacy risks may not be sufficient to cover all possible claims, and the Group may suffer losses that could have a material adverse effect on its business. While the Group has not experienced any significant data breach (breach of data confidentiality, data integrity or data availability), or any material financial losses related to cybersecurity attacks, the Group's systems, those of its vendors and customers, and those of the Group's third party service providers are under constant threat. The Group has suffered cybersecurity attacks, informed its customers and taken the appropriate corrective measures. The impact of the risk is therefore both reputational and financial.	

2.2 Internal control and risk management

This section describes the internal control and risk management system applied within the Group in accordance with the AMF reference framework published in July 2010, which is based on national and European legislative and regulatory provisions and international best practices and benchmarks for internal control and risk management, in particular ISO 31000.

2.2.1 Objectives of internal control and risk management

The purpose of the internal control and risk management system is to identify and analyse the Group's main risks. Risks that fall outside the acceptable limits set by the Group are dealt with and, where necessary, addressed through action plans. These action plans may include the transfer of financial consequences (insurance mechanism or equivalent), an adaptation of the organisation, or the implementation of policies, procedures or controls by the Internal Control or Risks & Compliance department. To this end, the Group has implemented an internal control system, based on the risk management system, to identify the main risks to be controlled and to ensure in particular:

- compliance of the Group's management actions with laws and regulations;
- compliance with the Group's seven fundamental ethical principles, as well as the instructions and guidelines set by the Board of Directors and/or Executive Management;
- the proper functioning of the Group's internal processes, in particular those designed to safeguard its assets. This includes, among other things, the application by the subsidiaries of the policies, procedures and directives that have been transmitted to them;
- the reliability of accounting and financial information.

2.2.2 Organisational framework of risk management and internal control

Risk management is the responsibility of each operational or functional entity. This work is led by the Risks & Compliance department, with the participation of the Legal and Finance teams, and under the supervision of the Audit Committee.

The Audit Committee is responsible for reviewing the effectiveness and consistency of internal controls and risk management systems, under the supervision of the Board of Directors.

The risk management process ensures that risks are identified and managed at all levels of the Group's organisation.

Board of Directors

Audit Committee

Monitoring of the effectiveness of internal control, internal audit and risk management systems

Executive Committee

Monitoring of the performance and development of risks and their impact on the Group's activities and results

First line of defence

Operational Divisions

- Local risk management;
- Deployment of knowledge and application, at local level, of rules and procedures defined by internal control.
- Identification, assessment and management of risk and local reporting.

Second line of defence

Support Divisions

Internal control
Risks & Compliance
Finance – Legal
Social, Societal and Environmental Responsibility
Human Resources
Information systems

- Risk management and compliance;
- Designing the internal control system and updating it;
- Training and mentoring.

Third line of defence

Internal Audit

Independent department reporting directly to the Audit Committee:

- Independent and objective assessment of the effectiveness of the internal control and compliance system through periodic audits of the entities;
- Drawing up of recommendations; monitoring of the correct implementation of the action plan defined by local management.

The Internal Audit framework is based on the anti-corruption programme defined by the Risks & Compliance department, the export controls defined by the Operations department, and the key controls (Finance, Operations) defined by the Internal Control department.

The internal control and risk management system covers all the controlled companies included in the Group's consolidation scope.

2.2.3 Internal control and risk management players

The Risks & Compliance and Internal Control departments manage the internal control and risk management systems. They report to the Executive Committee, which monitors them. The Audit Committee ensures that the internal control and risk management system is effective, particularly by reviewing the conclusions of the Internal Audit.

The Group reorganised these departments during the 2022 financial year. As a result, the Risks & Compliance, Internal Control and Internal Audit departments, which were previously grouped together in the same department, now operate in three separate departments in order to ensure good governance in terms of independence and efficiency. Each of the departments has also been strengthened.

Audit Committee

The Audit Committee periodically reviews the internal control and risk management system. The organisation, mission and work of the Audit Committee in 2022 are described in greater detail in the Board of Directors' report on Corporate Governance in Chapter 4, section 4.2.8.2 "Audit Committee" of this 2022 Universal Registration Document.

Risks & Compliance Department

The Risks & Compliance department is responsible for regularly updating the Group's risk mapping, including the mapping of corruption-related risks, and for leading the anti-corruption programme (updates, training, awareness-raising, managing the self-assessment campaign etc.). The Risks & Compliance Department reports to the Group's Legal Department.

Internal Control Department

The main purpose of the Internal Control department is to identify the key controls that enable operational and financial risks (excluding corruption-related risks) to be mitigated, to define and deploy the corresponding procedures, policies and guidelines, and to monitor the internal control system (updates, training, awareness-raising, managing the annual self-assessment campaign, integration of these controls, where possible, into the Group's Integrated Management Software etc.).

The Internal Control department reports to the Group Finance Department.

Human Resources Department

The quality of human resources and the cohesion of management are key factors in the Group's success.

The Group's Human Resources Department, in coordination with the Risks & Compliance Department, ensures that the subsidiaries implement human resources policies that are adapted to their specific contexts and challenges, but always meet the best local standards. While the principle of autonomy and empowerment of subsidiaries is applied, the Group Human Resources Department is responsible for ensuring the consistency of the policies implemented and their alignment with the Group's values and the actions defined at Executive Committee level. The Human Resources Department takes sanctions if necessary, in accordance with policies that are implemented within the Group.

Internal Audit Department

The Internal Audit Department independently and objectively assesses the functioning of the internal control, compliance and risk management system. This assessment covers compliance with the anti-corruption programme defined by the Risks & Compliance department, export controls defined by the Operations department and financial and operational controls defined by the Internal Control department.

Based on the results of its audits, the Internal Audit department draws up recommendations to improve the effectiveness of the internal control and risk management system and ensures the correct implementation of the action plan defined at local Management level.

The Internal Audit department is independent and reports directly to the Audit Committee on a quarterly basis.

The audit plan is approved by the Audit Committee annually.

2.2.4 Internal control and risk management analysis process

The identification, assessment, prioritisation and management of the risks faced by the Group are closely and regularly monitored. The analysis of internal control and risk management is performed by the Internal Audit department, which, as an independent body within the Group, assesses the effectiveness of the main internal control processes of the Group's audited entities.

Risk analysis

As part of the risk management process, the Risks & Compliance department, with input from the Executive Committee and the regional and local Management, establishes a register that presents the risks faced by the Group and provides guidance to senior management on the major risks as presented in section 2.1 *"Risk Factors"* of this Chapter 2. The information presented in this register includes:

- a mapping of risks, allowing the Board of Directors and the Group's Executive Management to have a visual representation of the probability of the occurrence of a risk and the impact on the Group (both quantitatively and qualitatively) should that risk occur, enabling it to better understand how to allocate resources and seek to strengthen mitigation actions;
- an identification of significant risks in each category;
- for each significant risk, an overview of its potential causes and consequences, and existing and planned mitigation measures;
- an indication on the level of the probability of the occurrence for each risk identified and the impact on the Group should that risk occur; and
- the identity of the risk owners and sponsors (members of the Executive Committee) who have been assigned as responsible for implementing mitigating actions under the Board of Directors' supervision.

This register is regularly updated to reflect changes in risks and the implementation of mitigation measures.

The risk map established in 2021 was expanded in 2022 with the specific risk mapping for corruption. It will be updated in 2023, though there was no significant change to the main risks in 2022.

The Internal Audit Department conducts regular reviews of risk management processes. These reviews cover the Group's compliance with anti-corruption and export control laws and regulations, as well as key controls defined by internal control. These reviews give rise to a corrective action plan where necessary.

Analysis of internal control

The Group continues to improve its internal control framework, including by strengthening its governance, providing regular training for all relevant employees, and introducing improved technology to monitor the implementation of the controls.

The operational and functional divisions play a key role in the internal control system. They work with the Internal Control Department to update the procedures specific to the processes under their responsibility. Thanks to regular dialogue between the Internal Internal Control department department and the operational and functional departments, it is possible to:

- remain constantly alert to new risks that may arise or to changes in existing risks;
- ensure the relevance of the controls in place;
- identify any new controls that should be put in place to mitigate risks;
- identify corrective actions where necessary.

2.2.5 Internal control and risk management environment

The internal control and risk management system is based on a decentralised organisation with a clear definition of responsibilities, notably through job descriptions, delegations of authority and widely communicated policies and procedures. It includes principles and values governing the behaviour and ethics of all the Group's employees, presented in a set of rules and procedures.

Rules and procedures of the Group Country Manual

The Internal Control department has drawn up a collection of internal control guidelines and procedures called the Country Manual, which was distributed to all employees in July 2022. This Country Manual is applicable at all levels within the Group. Each Country Manager is responsible for ensuring that it is properly applied and distributed.

The Country Manual defines the main principles and fundamental rules on which the Group's activities are based, and specifies the Group's expectations and requirements with regard to processes and controls (including their formalisation) for each of the key cycles, particularly in the following areas:

- the Group's fundamental principles, governance and organisation;
- rules and guidelines for the sales, purchasing, import/export, inventory and logistics, treasury, fixed assets, tax etc.;
- guidelines for the Group's human resources, marketing, communication and IT management.

The Country Manual was developed jointly by the Internal Control department and each of the relevant departments, with input from financial managers and directors at both local and regional levels. It will be updated periodically to take account of changes in the Group's activities, its environment and risks, and will be enriched with the feedback received from employees and its application by the Group and the countries.

This Country Manual is available in the Finance and Risks & Compliance sections of the Group's intranet.

Code of conduct

The Group's ethical principles are set out in the Code of Conduct, which contains the Group's commitments and rules of conduct towards its main stakeholders, namely employees, vendors, business partners, the environment and civil society.

This Code of Conduct must be signed by all Exclusive Networks Group employees, on an electronic platform, after they have answered an electronic questionnaire as part of a training course.

Group ethical principles

Honesty and integrity, fairness of commercial practices, data confidentiality, professional behaviour, professional skills and added value, social respect, environmental care.

Delegation of authority

Delegation of authority matrices, specific to each region, define the authorisations required to enter into transactions and to carry out the Group's key activities.

These delegation of authority matrices defined, depending on the issues at stake, three levels of decisions corresponding to the three levels of the Group's organisation (local at entity level, regional and at Group level) according to the nature, the strategic issue and the amount of the impact at stake.

2.2.6 Evaluation of internal control and monitoring of action plans

With regard to the risks identified and assessed, the Internal Control department defines and updates the various components of the internal control system, working in particular in close collaboration with the Group's corporate and operational divisions.

The annual self-assessment questionnaire on financial management control

The Group carries out a self-assessment campaign each year within each entity to ensure that the key controls are correctly understood, performed at the defined frequency and properly documented.

In this regard, a self-assessment questionnaire is sent to the Finance Directors and senior management of each subsidiary and returned to the Group Internal Control department. Based on the responses given, the Internal Control department defines an action plan in coordination with the subsidiary. These self-assessments identify areas for improvement and good practices, to initiating action plans and to strengthening the internal control system.

Exceptionally, the annual self-assessment campaign will take place in the first half of 2023.

Over and above the annual self-assessment campaign and the hierarchical oversight exercised by operational managers at all levels, in application of the rules of of delegation of authority in force in the Group, the functional departments play a special role in identifying and mitigating risks by providing support to operational staff, by intervening preventively, particularly in the form of advice, by reminding employees of the importance of rules and procedures, or by carrying out reviews on the application of the rules.

Monitoring of action plans

Action plans are regularly monitored. In this context, meetings between the Internal Control department and the Financial Departments of the subsidiaries concerned are organised to ensure that the corrective measures defined during the review of the self-assessment questionnaire or during the review of the conclusions of internal or external audits are implemented.

This monitoring may result in specific communications to all subsidiaries. For example, during the 2022 financial year, specific communication and monitoring was carried out on the mandatory double approval of payments above a certain threshold defined by the Group, as well as on the approval process for low margin deals (clarification of items to be included and excluded in the margin calculation, collection of required approvals etc.).

2.2.7 External monitoring system

The role of the Statutory Auditors is to certify the regularity, fairness and true and fair view of the Group's corporate and consolidated financial statements on an annual basis and to issue a limited review report on the Group's half-yearly consolidated statements.

When performing their duties, the Statutory Auditors present the Audit Committee with a summary of their work and of the accounting options adopted for the preparation of the financial statements.

When they examine the accounts, the Statutory Auditors submit a report to the Audit Committee highlighting the essential aspects of the scope of consolidation, the results of the statutory audit, in particular the accounting options adopted, the audit adjustments and the significant internal control weaknesses identified during their work.

The main recommendations of the Statutory Auditors on these internal control weaknesses are the subject of an action plan and a follow-up presented to the Audit Committee and Executive Management at least once a year.

External audit engagements are shared between Mazars and Deloitte, the Company's Statutory Auditors.

2.2.8 Internal control procedures relating to the preparation and processing of financial and accounting information

The accounting and financial function within the Exclusive Networks Group is managed by the Group Finance Department, which reports to the Executive Management.

Each subsidiary has a finance team that reports functionally to the Group Finance Department and hierarchically to the local Executive Management.

Internal control of accounting and financial information is organised around the following objectives:

- preparation of consolidated financial statements in compliance with applicable laws and regulations;
- management of the budgetary and forecasting processes;
- review of the Group's performance and variances from forecasts and transmission to the Executive Committee of relevant performance indicators to assist in strategic decision-making;
- review of monthly management reporting for each of the Group's entities;
- management of tax-related issues;
- the effectiveness of cash management and financing activities for all Group subsidiaries;
- monitoring of the integrity of financial reporting.

Procedure for preparing and validating the consolidated financial statements

The Group Finance Department manages, centrally, the information transmitted by the subsidiaries' Finance Departments for the production of the Group's consolidated accounts.

The financial statements submitted by each subsidiary are analysed and imported into the consolidation. They are also reconciled with management indicators.

The Executive Management is involved in the process of reviewing and validating the information in the context of preparing the financial statements.

The Board of Directors exercises control over accounting and financial information. It examines and approves the half-yearly and financial statements. It is supported by the Audit Committee.

The consolidated financial statements are audited by the Group's Statutory Auditors.

Furthermore, the Group Finance Department verifies the accuracy and completeness of the accounting and financial information presented by the Group in its external communications.

Accounting and financial principles and methods

The Exclusive Networks Group publishes its accounts in accordance with IFRS. As part of the production of the consolidated financial statements, the Group Finance Department draws up manuals of accounting principles, management reporting and charts of accounts applicable to the preparation of the Group's financial statements, with the aim of ensuring that all subsidiaries produce information that is consistent and compliant with the accounting principles applied by the Group.

Management control and operational performance

The Group Finance Department issues instructions for the preparation of budgetary and forecast information. It controls the quality of the information received during monthly reporting and accounting closings, as well as during the preparation of the budget and forecasts.

The Group Finance Department also analyses the Group's actual performance in terms of variances from forecasts and changes in relation to reference periods. It also identifies and quantifies risks and opportunities in budgetary and forecast financial information and provides financial advice to the Group's operational managers.

Accounting and financial information system

The Group is in the process of deploying a common integrated management information system in several geographical areas, which contributes to the optimisation of financial and business management processes.

Procedure for preparing external financial reporting

The Investor Relations Department, which reports to the Group chief financial officer, is responsible for preparing external financial reporting, which is approved by the chief executive officer. It also prepares on an ad hoc basis the reports and statements relating to unforeseeable events that could have a significant impact on the valuation of the share.

All significant information released to the financial community reflects the Group's situation and activity with sincerity and transparency, and is disclosed in compliance with the principle of equal information for all shareholders.

2.3 Risk insurance and coverage

2.3.1 Insurance policy

The Group has established an insurance policy to protect its assets.

Insurance programmes are managed by the Legal Department through the Group's Risks & Compliance department. They are managed either at Group level or, for some of them, at local level, in particular for car, office and transport insurance policies.

At the Group level, insurance programmes are negotiated by consulting brokers with leading insurers selected according to several criteria, including in particular their technical insurance capabilities.

Exclusive Networks' risk coverage policy is primarily based on:

- the identification of insurable risks through a regular review of existing and/or emerging risks; as well as
- the transfer of its risks to the insurance markets at reasonable financial conditions, within the framework of the offer available on these markets in terms of nature, guarantees and coverage limits.

The guarantees result either from a quantification of the maximum possible loss or from the constraints imposed by the insurance market. In general, the insurance and cover taken out is subject to change in line with changes in market conditions and/or the evolution of the Group's risks.

Uninsured risks are risks for which there is no coverage available on the insurance market or for which the coverage offering and/or its cost are not in line with the financial indemnification offered by the insurance, or for which the Group considers that the risk does not require insurance coverage.

The Group's Legal and Finance departments review the main insurance policies on an annual basis or at every end of multi-year period to set up the most appropriate coverage for the Group's risk.

2.3.2 Insurance programme

The Group's main policies, taken out with leading insurance companies, include:

- **cybersecurity insurance** which covers damage resulting from breaches of computer system security (phishing, ransomware, cyber-attacks etc.);
- **operating and professional civil liability:** The Group has taken out a civil liability insurance programme for all its subsidiaries worldwide. This programme has been designed to cover the Group, within the framework of its activities, against the financial consequences of its liability in the event that it is claimed to recover damages and/or bodily injury or property damage caused to third parties, up to a limit of €15 million per claim declared and per year;
- **civil liability for executives and corporate officers**, intended to protect them in the context of the management and administration of the Company;
- **transport insurance** to cover goods transported;
- **credit insurance** to cover trade receivables.

The Group's credit insurance and transport insurance policies are coordinated by the Group's Finance and Operations Departments or subsidiaries as indicated above. Some policies may also be managed by other dedicated departments within the Group in order to ensure that the coverage of these policies is appropriate, taking into account the specific characteristics of the company. In each case, support is provided by the Group's local management.

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We Are Visionnary

3.

Sustainability Report or Extra-Financial Performance Statement

Message from the Chief Executive Officer

Our vision of a totally trusted digital world is our ambition, guiding us daily in our activities and actions. This ambition comes together with responsibility and commitments to becoming a sustainable, socially conscious and responsible company, for the benefit of our business partners, employees and the communities where we operate, and with respect for the environment.

As a global cybersecurity company, helping to protect the digital infrastructures that power many of today's businesses, economies, and societies, we have a sharp perspective on the interconnected nature of the world we live in. Cyber threats can have direct impacts on the activities of companies, the operations of public entities, and as a result, on citizens. Protecting against them requires vigilance, robust technical solutions, action and integrity.

So, we understand the importance of environmental, social, and governance (ESG) factors in building a sustainable business. ESG considerations are critical in not only mitigating risk, but also driving innovation, improving performance, and creating long-term value for all stakeholders.

No company can achieve its business ambitions and ESG challenges alone. We operate within a complex ecosystem and value chain and use our energy and influence to provide solutions to bring about positive impact.

That's why we are committed to collaborating with all our stakeholders to drive systemic change. We are proud to be part of a growing community of like-minded organizations, that place ESG considerations at the heart of their business, and work in partnership to contribute to a sustainable future. The Exclusive Academy, a tangible and concrete step towards addressing the skills gap in the cybersecurity sector, is a good example of the initiatives and impact we want to make.

We know that this is just the start of a long journey and there is much to do. Therefore, we'll continue to make ESG a key focus and priority. There are many challenges ahead, and we are ready to meet them alongside business partners and employees, who share our commitment to ESG principles. Together, we work together to move toward a totally trusted, digital, and sustainable future for all.

Jesper Trolle

Foreword

Following its Initial Public Offering on 23 September 2021, the Exclusive Networks Group is publishing in its Universal Registration Document, in addition to its management reports, its second Sustainability Report or Extra-Financial Performance Statement, which aims to report on how it addresses the social, societal and environmental consequences of its activities.

3.1 Business model

3.1.1 Our business model

The business model of the Exclusive Networks Group is presented in the introduction to this 2022 Universal Registration Document.

3.1.2 Our human values

Our human values are described in our Code of Conduct, which we distribute to all our employees when they join.

Our People Values People focused

We care for our people :

- Do things to help other people without expecting any reward for yourself
- Identify times when someone else needs your support and provide it

Experts

We grow our own experts

- Create your own development plan and carry out planned activities
- Support others' development activities
- Help others identify development opportunities
- Encourage your team members / direct reports to apply for suitable internal opportunities

Fun

We build fun into what we do

- Look for ways to make work fun
- Arrange events that are fun for others
- Join in with social events that others plan
- Encourage others to join in with social events

Trust

Our relationships are built on trust

- Positively challenge to understand a situation more clearly but believe the information that your colleague is telling you
- Keep your promise to a colleague to complete the task you said that you would
- Trust colleagues or reportees to do what they promise they will do
- Delegate tasks appropriately to colleagues or reportees and trust that they will do it

Responsive

We are responsive to the needs of others

- Respond quickly to requests from others for information or support to get their work done

3.2 Risks and opportunities

3.2.1 Key risks and opportunities

The key risks and opportunities of the Exclusive Networks Group, including social, environmental, societal and governance risks, as well as the processes and actions implemented to address them, are described in Chapter 2 of this 2022 Universal Registration Document.

3.2.2 Materiality analysis of sustainability issues

Within the meaning of Article L. 225-102-1 of the French Commercial Code, in the Extra-Financial Performance Statement, the Exclusive Networks Group reports on the significant risks that its activities could generate in terms of social, environmental, societal and governance issues, for itself as well as for its stakeholders. These risks have been assessed in relation to the Group's materiality matrix.

Methodology note

The materiality analysis enables to identify and prioritise the most relevant sustainability issues for the Group and its stakeholders.

As part of its corporate social responsibility, the Exclusive Networks Group wished to implement its first materiality matrix with the support of an independent consultancy, in order to strengthen the robustness and prioritisation of its main stakes, and to enhance its overall risk management approach (see Chapter 2). The aim is to ensure that the Group reports on its most important environmental, social and governance challenges, identifies present and future risks and opportunities, and defines its sustainability programme taking into account the prioritisation of these risks and opportunities.

For this first exercise, the matrix was built based on the consultation of:

- on the one hand, internal stakeholders, including the Group's Executive Committee as well as executives representing all functions and the geographical areas in which the Group operates;
- on the other hand, external stakeholders, independent members of the Board of Directors and shareholders.

The double materiality approach was adopted in order to address the various risk factors symmetrically when assessing their impacts, of the Group on its ecosystem and vice versa.

Firstly, the main issues were identified on the basis of a sector benchmark carried out on vendors, customers and competitors representative of the Group's activities.

Next, nearly 20 individual interviews were conducted, during which people were asked about:

- the group's strategic objectives and the main environmental, social and governance risks and opportunities most likely to have an impact on the Exclusive Networks Group in the future;
- the assessment of the importance of these impacts based on a quantitative rating scale.

The probability of occurrence was determined according to the following scale:

1	2	3	4
Rare	Possible	Likely	Very likely

The impacts of the issues, whether financial, reputational, legal or human capital related, were assessed according to their importance on the following scale:

1	2	3	4
Not significant	Minor	Moderate	Major

The materiality matrix allows the Exclusive Networks Group to prioritise its major social, environmental, societal and governance issues based on net risks, i.e. taking into account the control and continuous improvement measures already in place.

Main findings

At the end of the interviews, we noted a great convergence between the internal and external stakeholders as to the importance of the issues.

The major issues of the Exclusive Networks Group:

- some of them can be considered as sectoral risks, as they are common to all stakeholders operating in this field. This is the case for the shortage of cybersecurity skills, as well as for the cybersecurity risk itself;
- others are specific to the Group, due to its business model and global presence. This is the case for export control, linked to the distribution of Dual-use products, and the presence in certain countries that may be considered "at risk" on various subjects.

Four major trends emerge from the materiality analysis, presented below in order of priority:

1. Unsurprisingly, the management of human resources issues emerges as the Group's first key success factor for achieving its ambitions and pursuing its development.
2. Next in order of priority is the control of corruption risk and, more generally, the risk of regulatory compliance, a consequence of the Group's rapid growth and its development at the global level.
3. Thirdly, as with many companies, cybersecurity is one of the Group's main challenges, since its business model makes it a reputational risk as well as an operational risk.
4. Lastly, environmental issues are cited by all the stakeholders, but with less importance, due to the opportunity to develop fully digital activities on the one hand, and on the other hand to weaker discussion levers with the vendors regarding the environmental footprint of hardware.

[GRI 3-1]

Materiality matrix of the Exclusive Networks Group's social, environmental, societal and governance stakes

MATERIALITY FOR STAKEHOLDERS \ MATERIALITY FOR THE EXCLUSIVE NETWORKS GROUP	Medium	High	Very high
Very high			■ Ability to retain key employees ■ Ability to attract talents ■ Lack of adequate human resources ● Risks related to corruption ● Cybersecurity
High		● Risks related to compliance, including export control ▲ Ability to enable the digitalisation of companies, thereby reducing their environmental footprint	
Medium	▲ Risks related to poor environmental performance ■ Employee health and safety risks ■ Risks related to diversity		

■ *Social* ● *Governance* ▲ *Environmental*

OTHER RISKS

Environmental:

- Management of product end-of-life
- Products containing hazardous materials

Social:

- Onboarding of new hires

Governance:

- Lack of control over certain issues due to decentralisation and strong growth of the company

Across the three pillars:

- Risks related to product manufacturing due to poor visibility of vendors' CSR practices

The materiality matrix has allowed us to confirm the main issues of the Exclusive Networks Group regarding social, environmental, societal and governance matters, and as such constitutes the reference document from which this extra-financial performance statement has been structured.

Based on this analysis, the issues that are subject to monitoring and action plans as required by Article L. 225-102-1 are the following:

1. The ability to attract and retain talents, as well as the lack of competent human resources, covered in section 3.4;
2. Corruption and other regulatory compliance issues, covered in section 3.6;
3. Cybersecurity, covered in sections 3.6.3 and 3.6.4;
4. The ability to reduce our environmental footprint, covered in section 3.5.

These issues have been integrated into the overall risk management approach, as described in Chapter 2 of this 2022 Universal Registration Document.

[GRI 3-2-a]

3.3 Our key perfomance indicators and results

Topics (+SDG)	Commitments	Indicators	2022[1]	Target
HR	**Attracting and retaining talents**			
	Measure employee engagement annually	Engagement rate	71%	77% by 2025
	Develop and retain our employees	Tenure	4.4 years	4.5 years by 2025
	Diversity, equity and inclusion			
	Increase the proportion of women in senior management positions	Proportion of women in senior management positions	34%	40% by 2025
SDG 5.1 & 5.5	Train all employees on diversity, equity and inclusion	Proportion of employees trained	ND	100% by 2025
Climate	**Climate change**			
SDG 12.4, 12.5 & 12.6	Commit to reducing the Group's carbon footprint	Full Scope 3 carbon footprint inventory	ND	2023
		Decarbonation trajectory and related action plan	ND	2024
	Act ethically and with integrity			
	Train our employees to ethics and combating corruption	Proportion of employees who have certified the Group's Code of Conduct	ND	100% by 2025
	Ensure the integrity of our business partners	Proportion of due diligence performed on high-risk third parties	ND	100% by 2023
SDG 16.5	Control, monitor and assess the implementation of the Group's compliance programme	Audit of all countries including anti-corruption	ND	Audit of all countries at least every five years, audit plan covering >30% of revenue
Cybersecurity	**Protect our data and operations**			
	Protecting our operations and IT systems	Cyber Exposure Score	Medium	≤ Low by 2025

1 Since this is the first year of publication of the Exclusive Networks Group's sustainability KPIs, the 2022 results are the baseline year and in some cases are not available.
2 Members of the Group Executive Committee and their N-1, Regional General Managers, Country Managers and their Management Committees, in countries with revenue of more than €100 million.

As the scope of the report will be expanded in the coming years to eventually cover all consolidated companies, the 2022 results as well as the targets cover the Group's entire scope of consolidation.

3.4 Attracting and retaining talent

3.4.1 Cybersecurity – a sector with a severe skills shortage

While cyber threats continue to increase in number and become more sophisticated, the cybersecurity industry is suffering from a severe skills shortage. Exclusive Networks Group estimates that three million positions are currently vacant at the global level.

There are several reasons for this:

- technology has advanced at such a rapid pace that the necessary qualifications are struggling to keep up. This has been exacerbated by the Covid pandem, which pushed companies to accelerate their digital transformation: in Europe, it is estimated that the demand for cybersecurity professionals increased by 22% in 2021;
- insufficient alignment between the education system and the expectations of the labour market: at present, the schools that provide IT courses do not cover the full range of skills sought by employers, so the new generation is not yet prepared;
- employers also have a role to play in moving away from unrealistic expectations and niche job descriptions, which eliminate excellent candidates from the process who could be assets to the company. For example, prioritising computer science and technology degrees in the job requirements fails to account for people with both technical and non-technical skills that can be easily upskilled into this profession. In addition to looking for already qualified profiles, building on people's potential is another way to expand opportunities;
- the pressure on many employees, combined with the shortage of staff, has led to burnout with many people leaving the profession, which has made the shortage worse. More than one third of cybersecurity employees are exploring new careers.

With a shortage of qualified professionals, salaries are rising, increasing corporate spending in an already uncertain economy. On a global scale, steps are being taken to address the cybersecurity skills shortage: in the UK, for example, the government has launched a €50 million cyber-school to support the training of cyber-experts. New schools and training courses dedicated to cybersecurity are also being created in France and in other countries.

In this difficult industry context, in order to have the human resources that will allow the Exclusive Networks Group to continue its development, the key policies and programmes implemented by the Human Resources Department focus on commitment, recognition, attrition, talent retention and the employer brand.

3.4.2 Human Resources mission and organisation

Human Resources mission

"Guarantee the future of the Exclusive Networks Group by attracting, developing and retaining talents, in order to contribute to the improvement of the company's performance and to ensure its longevity".

To this end, the commitments of the Human Resources teams are:

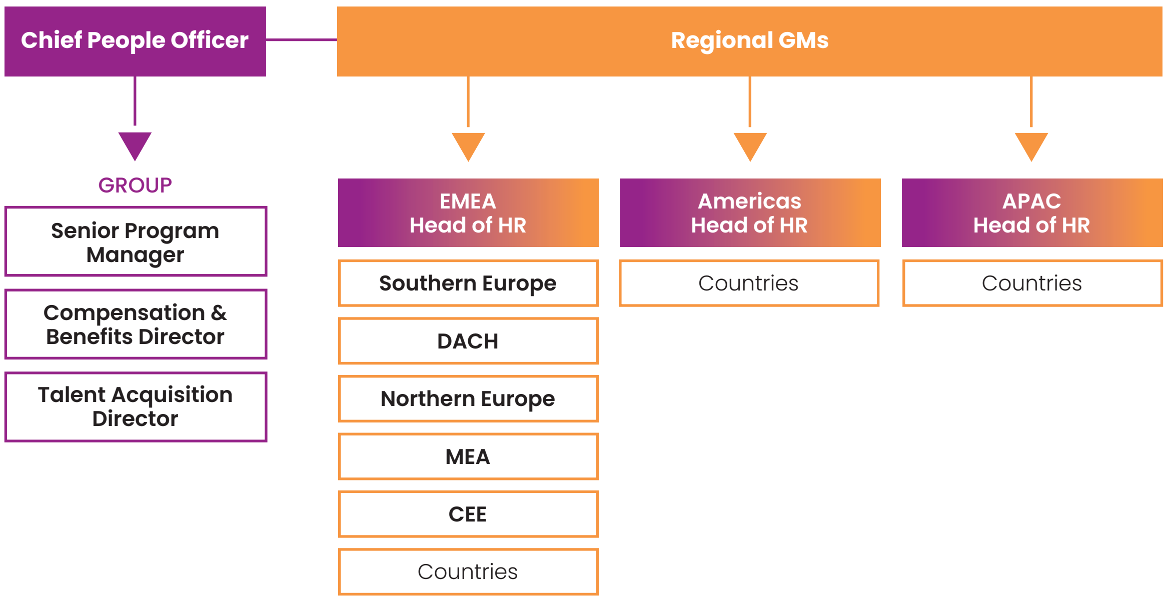
- to work in close partnership with management;
- to focus efforts on high added-value tasks;
- to support the company's strategy by optimising employee performance;
- to provide an inclusive employee journey in a consistent and equitable manner;
- to adapt programmes and initiatives to local markets and to have a local HR plan;
- to provide a link between employees and management.

Organisation

To meet the Group's social and development challenges, the Human Resources Department is headed by the Chief People Officer, a member of the Group Executive Committee, and operates at two levels:

- a Group-level organisation, which brings together expertise in Tools, Data and Programmes, Compensation and Benefits, Recruitment and Skills Development;
- operational Human Resources departments, which report to the Country Managers.

Human Resources organisation



In line with the way the whole Group operates, the roles and responsibilities of Human Resources are distributed between Group and operational teams in order to maintain the agility of each country:

Human Resources mission

Group HR	• Create a consistent global HR vision and strategy • Develop and structure a global organisation, scalable policies and programmes • Manage the Group's compensation policy • Manage mobility between zones and functions • Implement the global employer brand
Local HR: Business Partner	• Implement the global HR vision locally • Deliver the employer brand at the local level • Drive and manage local recruitment, performance and talent development • Enable business & coach leaders • Ensure local customs and values are protected • Manage legal and employee relations relations
Local HR: administrative management	• Manage payroll, benefits etc. • Update employee data and local processes • Drive automation and HR tools

[GRI 3-3-c]

An HR IT System for better business management

Since 2021[1], in order to carry out its missions in a group in strong international growth, the Group Human Resources Department has acquired and implemented a single HR IT system (Human Resources IT System) in all its subsidiaries, enabling it to better manage its activities:

- automate and optimise the administrative tasks related to human resources management across the Group;
- centralise information and update it in real time;
- improve the process as well as the stages of the employee's career in the company, from recruitment to departure;
- automate and improve the reliability of processes such as performance reviews, job changes and compensation;
- back it up with a dashboard that allows to analyse the staff, turnover, etc. or any other indicator, whenever necessary and to monitor developments and trends on an ongoing basis;
- generate different dashboards that can be configured as required via Power BI;
- connect to other external applications, such as the annual employee survey platform or interview management;
- provide employees with a simple and autonomous access to all their administrative documents (contracts, training, leave balance, etc.).

Thanks to this tool, Human Resources teams are more efficient and have reliable data at all times, enabling them to manage their activity and focus on higher added value tasks.

3.4.3 Employee commitment

Your voice matters

Since 2021, the Human Resources Department has implemented an annual survey addressed to all Group employees called "Your voice matters".

The survey, launched each year with the support of the Group's Chief Executive Officer, is anonymous and focuses on the following themes:

- commitment and pride in belonging;
- leadership and trust in management;
- direct management;
- communication and cooperation among teams;
- ability to perform one's duties efficiently;
- involvement;
- work-life balance;
- feedback and recognition;
- training and personal development.

2022 campaign: results and main findings

The response rate to the 2022 survey was 80%, close to the 2021 level.

The overall engagement rate was 72%, with a very low percentage of unsatisfied employees (6%). We noted, however, that employees from recently acquired companies consistently gave lower ratings.

- The main strengths highlighted by employees are the relationship with their direct manager, the fact that their work has an important value for the company, teamwork, a clear role and precise duties.
- The topics on which the Exclusive Networks Group should focus its attention are recognition, training and personal development, as well as the work–life balance. This last point echoes the pressure that the entire cybersecurity sector is under due to the skills shortage (see section 3.4.1).
- Compared with the previous year, employee satisfaction with training and personal development has increased, although this remains an area where further efforts are needed. This can be seen as the first results of the action plan implemented by Human Resources, as well as a stronger involvement of managers in the development of their employees.
- Lastly, the survey confirms that the attrition risk is higher for experienced employees and for certain key skills.

After the survey was completed, the Chief Executive Officer and Chief People Officer hosted a webinar to share the main findings with all employees.

At the end of this campaign, the main focus was set on the improvement of career paths, the implementation of new recognition programmes, and a communication plan aimed at creating a more direct link between the Chief Executive Officer, the Group Executive Committee and all employees.

The Exclusive Networks Group has set itself the goal of reaching a 77% engagement rate by 2025. This rate is measured by aggregating several questions on pride in belonging to the Group, recommending the Group as an employer, motivation to work for the Group and projecting oneself in the company for more than two years ahead.

(1) Given that the HRIS was deployed only during 2021, it is not always possible to compare the workplace data in this report with previous years.

3.4.4 Performance and talent programme

As the findings of the materiality analysis show, attracting and developing talent is the Exclusive Networks Group's main challenge in terms of sustainability (see section 3.2.2).

To this end, the Group strives to build a strong employer brand in order to attract talents from all countries, ages and origins, to contribute to their development and make them want to stay with the company. In this connection, the Group's Human Resources Department designs and implements a number of programmes aimed at the professional development of employees, giving them the opportunity to continue to learn and evolve (see section 3.4.5), with the aim of promoting employee retention and reducing the risk of skills loss.

The strategy includes a number of schemes, which are implemented with different groups of employees.

Performance assessment and career development

Since 2021, the Group's Human Resources Department has introduced an annual interview allowing all employees to discuss with their manager about their performance assessment, objectives for the coming year, training and development opportunities in their function and career development prospects. This process concerns all Group employees present on 30 September of the previous year.

Action	2022 result
Discuss their performance assessment and career prospects with each employee *[GRI 404-3-a]*	81% of employees completed a performance and career development review with their manager

Talent identification and retention programme

To address the skills shortage and improve talent retention, the Group's Human Resources Department has set up a specific talent identification and retention program called Rise Up. It aims to identify a number of talents across the Group, covering various functions, technical or leadership skills, and geographical areas. The aim is to build up a talent pool that will be one of the key success factors in helping the Group to achieve its development objectives.

With the support of local HR managers, country managers and managers, the first phase of the programme consisted of identifying a number of high value-added employees, then assessing their performance and their potential for development and career advancement. After identifying these persons, an individualised development plan was put in place for each one of them. The plan was implemented at local and Group level and included both group and individual components, as well as mentoring. A community was also created to foster team spirit and strenghtening ties with the company.

This process is designed to ensure that high potential individuals are identified, supported through a rewarding development pathway, to realise their full professional potential and bring their expertise to the Group.

The retention of employees who join the Rise Up programme is measured by a specific indicator, monitored by the Group Executive Committee and the Board of Directors, which cannot be published for confidentiality reasons.

Long-term compensation

Since its Initial Public Offering, the Exclusive Networks Group has set up a free share allocation plan, which aims to associate and align the financial interests of the managers and a number of key contributors with those of the shareholders, as well as to retain them in the long-term. Shares vest only if performance conditions in line with the Group's strategy are met, and also if the employee is still working in the company.

The performance indicators used for this first plan are based on the Group's financial performance. The purpose of this additional compensation mechanism is to motivate and retain beneficiaries by directly involving them in the Group's development.

Succession plans

To ensure business continuity, the Exclusive Networks Group has set up a succession plan for a number of strategic functions, both at a global and local level. Given the very tight labour market in the cybersecurity sector and for certain functions (section 3.4.1), the aim is to anticipate the departure of a key employee, so that it does not jeopardise the continuity of the organisation and the achievement of the company's objectives.

The first phase consists in identifying these key functions, which may be management positions or highly specialised skills essential to the Group's development. In a second phase, a survey is carried out internally with the support of Human Resources managers and managers, to identify employees likely to move into these positions in the short or medium term, as well as specific training plans to support their skills development. This is why the succession plan is closely linked to the Rise Up programme. The Human Resources Department is also attentive to the diversity of the people identified in the succession plan, whether in terms of gender, profile or nationality.

Governance

All these measures are regularly reviewed by the Group's Executive Committee. The Long Term Incentive Plan and the succession plans are also submitted to the Nomination and Compensation Committee for approval and presented to the Board of Directors.

3.4.5 Training and skills development

The skills development policy of the Exclusive Networks Group is directly linked to the company's strategy. Two types of training are proposed to employees:

- "technical" training, which aims to help employees to maintain and develop their technical skills in their job. This training is essential in the cybersecurity sector, where innovation is constant. This may include training or certification provided by vendors on new products or technologies, which in some cases may require that staff working on these products be certified;
- training to develop the behavioural and personal skills of employees (soft skills).

New skills development programme

Following the findings of the first annual employee engagement survey conducted in 2021, the Exclusive Networks Group committed to implementing a professional and personal development programme for its employees.

The Group's Human Resources Department therefore launched a pilot programme in the form of an e-learning platform, under the slogan "Learn, Commit, Grow: a unique experience to be at the heart of your personal development". This campaign was sent to a first group of employees, identified by their managers in collaboration with local HR managers.

The encouraging results and the involvement of employees in this programme led the Group to renew it in 2022 and to extend it to more than 600 people, including employees identified as "talents" (see section 3.4.4).

The personal development platform selected by the Human Resources Department is recognised as a best in class, with a digital library of more than 16,000 courses covering a wide range of technical, business, software, marketing and creative subjects, available in more than 10 languages.

The benefits of this programme are:

- unlimited personal access;
- multi-device access;
- multiple formats available (videos, courses, learning programmes);
- flexible duration (from two minutes to several hours);
- several levels, from beginner to advanced;
- personalised course recommendations.

Throughout the year, the main training modules taken are leadership and management, security, business software and sales. Examples of modules that were popular with employees include "Cybersecurity Basics", "Six Morning Habits of Effective People", "Improving Concentration" and "Expressing Yourself Confidently and Effectively"…

[GRI 404-2-a]

Actions	2022 results
Maintain and develop the technical and business skills of employees	674 certified employees with 1,395 new certifications
Implement a personal development programme *[GRI 404-1-a]/SDG 4.3 & 4.4*	228 video courses, i.e. nearly 10 hours per employee
	524 employees attended at least one course
	152 employees attended at least one training module (>3 hours)
	€955,000 committed to all training programmes, representing a contribution rate of 0.5%[(a)]

(a) Figures based on the full consolidation scope of the Group for consistency with the published accounts.

3.4.6 Exclusive Academy: tomorrow's skills

Launch of Exclusive Academy, a world-class cybersecurity training programme

In response to the global skills shortage, Exclusive Networks launched Exclusive Academy on 11 October 2022, a major concrete step forward to fill the talents and skills gap in the cybersecurity sector.

Thanks to the Exclusive Academy, an initiative firstly launched in France, some twenty participants will benefit from a three-year specialised training course given by highly qualified and fully operational cyber-experts, thus meeting the needs of the job market. As part of the Exclusive Academy, approximately 20 participants will benefit from specialised training over a three-year period, from highly qualified and operational cyber-experts who meet the needs of the job market. The Exclusive Academy will offer practical field experience as well as theoretical training, culminating in high level qualifications. The practical, hands-on experience in the field is a key differentiator for the programme. Students will spend 9 weeks working on technical projects in the field in the first year, 12 weeks in the second year and 14 weeks in the third year. The programme will also offer 12 weeks of classes in the first year, 10 weeks in the second and then 8 weeks in the final year.

The students will come from the partner schools Guardia (a cyber security school based in Paris and Lyon) and Oteria Cyber School (a cyber security school based in Paris), following interviews by Jean-Marc Muselli, Director of Services at Exclusive Networks France. The courses will be led by Exclusive Networks' trainers, security, and network engineers, who have a thorough knowledge of the brands and all the technologies distributed by the Group.

Jesper Trolle, CEO of Exclusive Networks, comments: "This is Exclusive Networks' response to a critical challenge facing the cyber industry: to recruit, train and retain experts to stay on the cutting edge of technology. Only 15% of cybersecurity professionals in the world got to their position through cybersecurity training. This creates a huge mismatch between the needs of the industry and the supply of training. Today, I am extremely proud of the work accomplished by the Exclusive Networks teams. With this initiative, we are providing a sustainable solution to one of the biggest cybersecurity challenges in the world and sending a strong message to students and young talents, but also to the entire cybersecurity ecosystem.

The Exclusive Academy programme will be extended to new countries in 2023.

[GRI 404-2-a]/SDG 4.3 & 4.4

3.4.7 Diversity, inclusion, equity and equal opportunities

The Exclusive Group is committed to providing a caring work environment that promotes well-being, diversity, equity and inclusion. As such, the Group seeks to recruit employees from diverse backgrounds across its global operations and to treat everyone fairly.

This approach is supported in 2022 by the formalisation of a Group Diversity, Equity and Inclusion Policy, which is currently being rolled out. This Policy is intended to be regularly updated, in line with progress made on the various indicators.

Diversity, Equity and Inclusion Policy of the Exclusive Networks Group

Diversity, Equity & Inclusion is the daily reality of how we live and work within the company and of how we interact together with our business partners. We embed diversity, equity & inclusion in our organization, promote equal access to opportunity for all our employees, and hold our leaders accountable for all members of their teams. This is how we will continue to achieve superior business results, sustainable growth, and drive innovation, to keep our competitive advantage within our business.

This policy supports and aims at contributing to the achievement of the UN Sustainable Development Goals and in particular Goal 5. Exclusive Networks is committed to the achievement of these goals and has identified specific objectives to be achieved by 2025 with regular review and reporting.

To kick off the implementation of this Policy, the Group launched a training course for all employees in early 2023 to raise awareness of this important issue.

Governance and implementation

Governance

The Executive Committee is responsible for approving the diversity, equity and inclusion objectives and initiatives submitted to it by the Human Resources Department and for monitoring the results. Upon proposal from the Executive Committee, the Board decides on the gender balance targets in the managerial functions. The Executive Committee presents the Board with the methods of implementation, the results obtained during the previous year, including, where applicable, the reasons why the objectives were not achieved and remedial the measures.

Application

When implementing this Group Policy, the respective prevailing national and international law, and the respective cultural practices, as well as - if applicable - the rights of social partners must be observed. The necessary adjustments are to be made in cooperation with local Human Resources.

Reporting and future developments

The Exclusive Networks Group may have to adapt its processes and objectives in view of the progress made, or to take into account new needs and business objectives.

Objectives

With the launch of this new Policy, the Exclusive Networks Group wishes to focus its efforts on two major issues, each with an associated action plan, performance indicators and an implementation schedule.

Objective No.1: representation of women in management positions

The Group wants to increase the proportion of women in management positions at Group, regional and country level, and reach 40% by 2025.

Management positions refer to:

- members of the Group Executive Committee and their N-1;
- Regional General Managers;
- Country Managers and their Management Committee, in countries with revenue of more than €100 million.

The following indicators are monitored to achieve this objective:

- ensure that short lists for management positions include women;
- increase the proportion of women among the participants in the Rise-up Programme;
- increase the number of women in the Long Term Incentive Plan;
- increase the proportion of women returning to work after parental leave;
- increase the proportion of women promoted in the Group.

Objective No. 2: improve awareness and understanding of Diversity, Inclusion and Equity

The Exclusive Networks Group wishes to train its entire staff in diversity, equity and inclusion issues by 2025:

- 100% of employees undergo diversity, equity and inclusion training;
- 100% of managers undergo diversity leadership training.

The following indicators are monitored to achieve this objective:

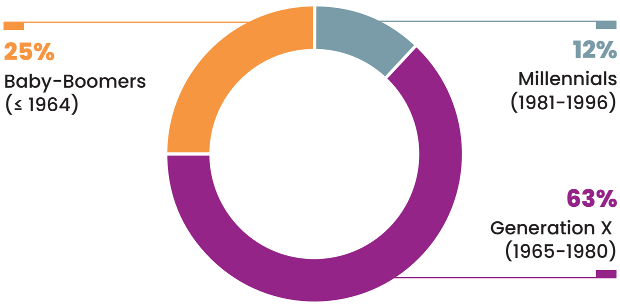
- the percentage of employees and executives who have completed the training;
- the implementation of inclusive hiring processes.

A progress report will be presented annually to the Board of Directors on the initiatives implemented and on the progress of these objectives.

Gender diversity in the Exclusive Networks Group

Actions	2022 results
Improve gender balance in the Group *[GRI 405-1-a]/SDG 5.5*	38% of the members of the Board of Directors are women
	24% of governance members are women
	34% of management positions are held by women
[GRI 405-1-b]	41% of employees are women
[GRI 401-1-a]	40% of employees recruited are women

Age distribution of governance members



[GRI 405-1-a]

Gender Equality Index(1)

Only Exclusive Networks SAS is subject to the Gender Equality Index, a regulatory indicator for French companies with more than 50 employees. In 2022, the index was 86/100.

[GRI 405-2-a]/SDG 5.5 & 8.5

Average gender pay gap by employee category

The gender pay gap measures the difference between the average total remuneration of women compared with the average total remuneration of men by job level:

- the calculation is based on the total compensation of employees, including base salary, target variable compensation, and other benefits;
- the number of employees taken into account includes "permanent" employees, regardless of their contract, and not trainees and apprentices;
- for reasons of relevance, when there are fewer than five male or female employees per job level, the calculation is not made.

On the scope of this report, there is a pay gap of 11.6% in favour of men, considering that the calculation was not made for certain countries due to the minimum number of employees per level.

[GRI 405-2-a/405-2-b]/SDG 8.5

Equity ratios

To be consistent with the information contained in the Board of Directors' corporate governance report found in Chapter 4 of this 2022 Universal Registration Document, the figures below take into account all Exclusive Networks' employees in France (fixed-term and open-ended contracts), continuously present throughout 2022, which constitute an enlarged scope representative of Exclusive Networks' activities in France.

Action	2022 results
Measure the equity ratio between the company's two most senior executives and employees *[GRI 2-21]*	Ratio of the Chairperson of the Board of Directors' compensation to average compensation: 3
	Ratio of the Chairperson of the Board of Directors' compensation to median compensation: 4
	Ratio of the Chief Executive Officer compensation to average compensation: 18
	Ratio of the Chief Executive Officer compensation to median compensation: 25

(1) Index required by French legislation, applicable to France only.

3.4.8 Health and safety

Preserving staff health and safety

Within the scope of this report, there was only one work-related accident in 2022 that resulted in 15 days' absence from work, which explains a severity rate close to zero (accidents that resulted in at least a one-day absence from work are taken into account).

The absenteeism rate is also low, including compared to service industries.

Action	2022 results
Protect health and ensure the safety of our employees *[GRI 403-9-a]/SDG 8.8*	Frequency ratio: 0.28 Severity rate: 0 Absenteeism rate[(a)]: 1.80

(a) Absence is defined as the non-attendance at work when attendance was expected (parental leave is excluded).

As a result of the external growth carried out by the Exclusive Networks Group in recent years, the staff is spread over a large number of companies (see section 3.8.1). The nature of the Group's activities as well as the small number of employees per company explains why very few of them are certified according to a health and safety standard, without reflecting the importance of this subject for the Group and the commitment of the Human Resources Managers. As a result 10% of the workforce is represented in a collective health or safety body while 8% is employed in a company with a health and safety certification.

[GRI 403-1/403-4]

Improving health conditions at work: stress awareness month

In April, Exclusive Networks UK organised a stress awareness campaign for employees, proposing them a number of tips and activities to help them deal with stress. The campaign was organised in cooperation with the charity Mind, with which Exclusive Networks UK has a charity partnership for the year 2022 (see section 3.7.1), and whose philosophy is to raise public awareness about mental health.

The main advice was: to get some rest, time for yourself, exercise and if possible go outdoors. With this in mind, a number of activities were organised throughout the month to help each employee to take time to look after their own mental health and de-stress.

"Free time at 3pm": knowing that it can be difficult to find time for oneself, the company encouraged employees to choose a day to leave early and do something for themselves. Whether it was flying a kite, swimming, running, or trying something new, everyone was free to choose.

In the office, a number of activities were proposed in break rooms to help de-stress, such as books, crafts, board games or a yoga session. In addition, as research has shown that spending time with animals helps to reduce stress, animal visits were organised. To get out and about, group nature walks were proposed at lunchtime.

Employees were also able to take advantage of an online platform that offers secure and confidential information and advice on well-being and stress management.

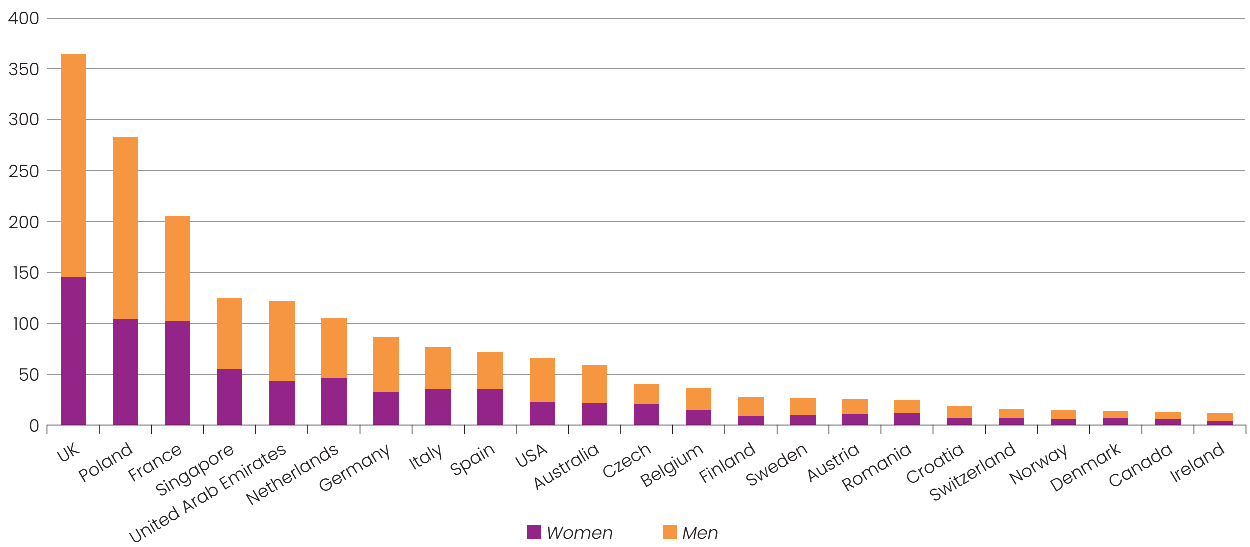
[GRI 403-7]/SDG 3.4

3.4.9 #WeAreExclusive

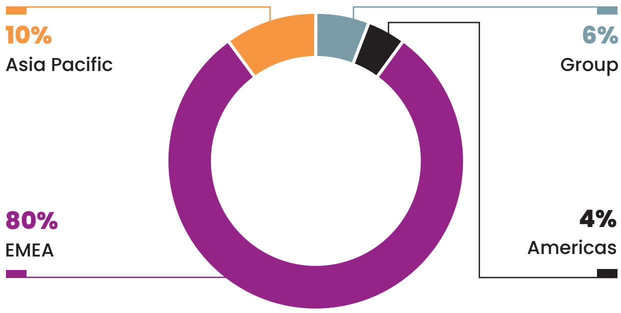
Average total workforce and breakdown of employees by country, age, gender and geographical area

For the scope used for this report, the average annual workforce for the year 2022 was 1,838 employees, 41% of whom are women and 59% men, distributed geographically as follows:

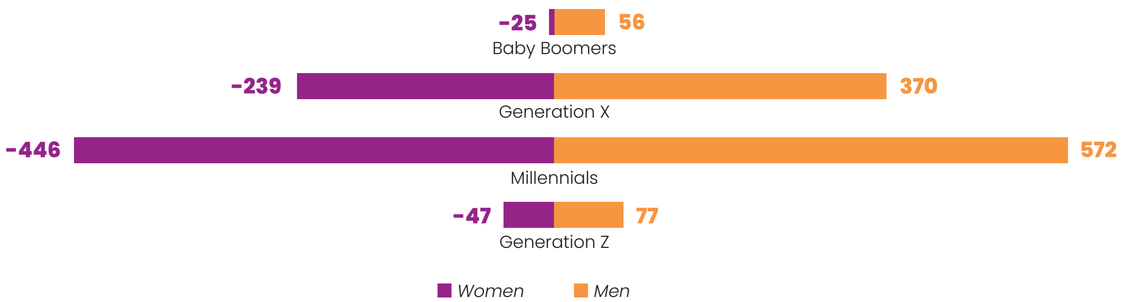
Average workforce by gender



Breakdown of the workforce by geographical area

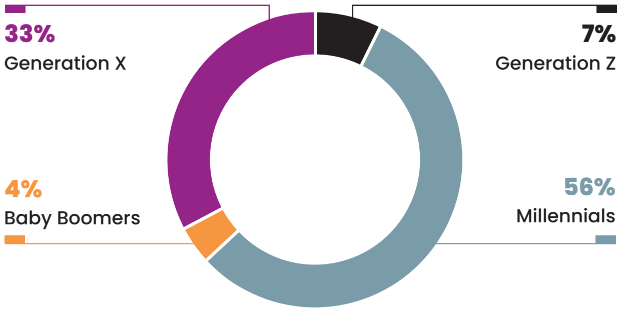


Age pyramid*



* Generation Z (<26 years), Millennials (26-41 years), Generation X (42-57 years), Baby Boomers (58 years and over).

Breakdown of the workforce by generation



For the scope of this report, the average age is just under 34 years, with more than half of the workforce belonging to the Millennials generation (between 26 and 41 years old).

Average length of service is 4.6 years and there was a net growth in the workforce of 6.7% in 2022.

[GRI 2-7-a/2-7-e]

Proportion of employees with fixed-term/ open-ended contracts

The Exclusive Networks Group offers stable employment contracts to its employees: 97% of the contracts are open-ended and of the remaining 3%, almost 2% are trainees or apprentices.

Breakdown of contracts: full-time and part-time

94% of employees work full time, with full-time recruitment being the norm. The vast majority of part-time employees have chosen to work on part-time contracts.

We note that this distribution differs according to gender: 11% of the Group's female employees work part-time, compared with 3% of the male employees.

Workforce as at 31 December 2022

As at 31 December 2022, there were 1,922 employees in the scope of consolidation of this report, and 2,558 in the Exclusive Networks Group as a whole (75% of the Group's workforce is covered by the extra-financial performance statement).

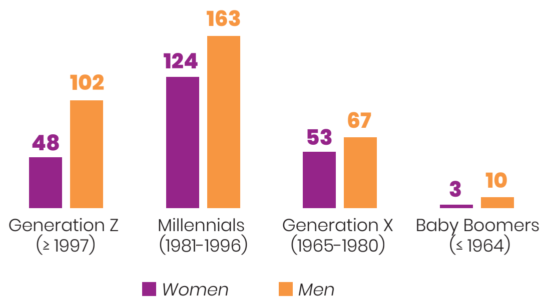
Based on the number of new hires and departures during the year, the Group's total workforce is up 5.7% compared with 31 December 2021.

[GRI 2-7-b]

Recruitments

On the scope taken into account for this report, 571 recruitments were made in 2022, distributed as follows:

Recruitment by generation and gender



As with the Group's workforce, 50% of recruitments involved employees from the Millennials generation (26 to 41 years). We also note that 26% of the employees who joined the Group were under 26, which can be explained by the setting up of the Exclusive Academy (see Chapter 3.4.6), and by a large number of interns and apprentices, a sign of the Group's community involvement to training young people.

The proportion in terms of parity is stable, with 60% of male new hires.

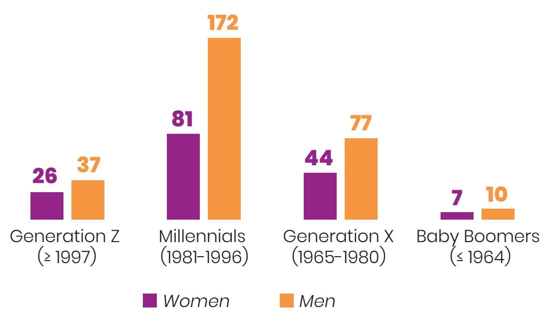
Geographically, the distribution of hires is close to that of the workforce, with 78% for the EMEA region, 10% for the Asia-Pacific region, 8% for the Group functions and 5% for the Americas region.

[GRI 401-1-a]

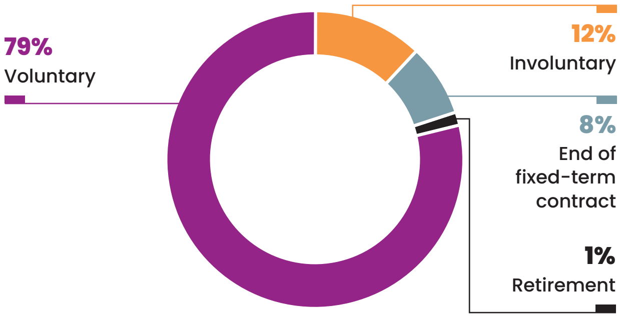
Departures

On the scope taken into account for this report, 455 people left the Group in 2022, with a slight over-representation of men, as well as the Asia-Pacific region and Group functions, that represent however only 16% of the total workforce.

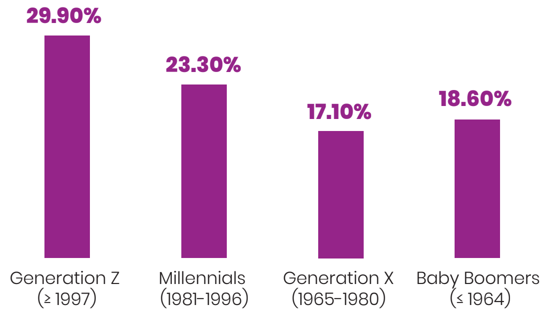
Departures by generation and gender



Reasons for departures



Turnover of permanent employees



We note that in 80% of cases, it is the employee who chooses to leave the company, and half of the departures due to the end of a contract are attributable to the employee's student status (interns and apprentices). This situation reflects the strong skills shortage in the cybersecurity sector worldwide (see section 3.4.1). Technical engineers and sales functions are the professions with the highest turnover.

Among permanent employees, there is a correlation between turnover and age, with a gap of more than 10 points between Generation Z and Baby Boomers, and a turnover of men 30% higher than that of women.

[GRI 401-1-b]

Compensation and changes[1]

The annual payroll for 2022, including salaries and social security contributions, taken from the consolidated financial statements of the Exclusive Networks Group, is €183 million, up 19% compared with 2021, as a result of the increase in the workforce, exchange rate impacts and the integration of acquisitions made in 2021.

3.

(1) Figures based on the full consolidation scope of the Group for consistency with the published accounts.

3.5 Environmental footprint

3.5.1 Energy consumption

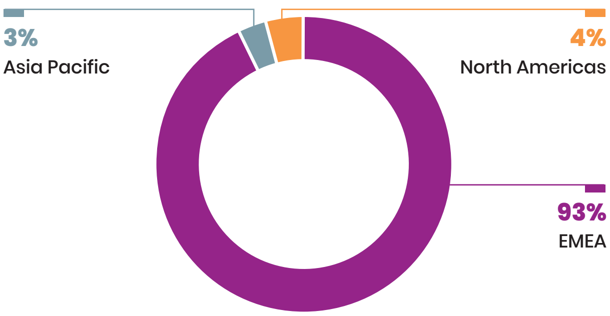
Energy consumption of the Exclusive Networks Group sites consolidated for this report (Scopes 1 and 2)

Categories	Quantities	Units	Scope
Heating oil	7,700	L	1
Diesel fuel from mobile sources	179,654	L	1
Petrol fuel from mobile sources	199,845	L	1
City gas heating	3,346,804	kWh	2
Electricity from mobile sources	29,846	kWh	2
Electricity	3,904,122	kWh	2
Of which renewable electricity	702,742	kWh	2
Heating network	24,519	kWh	2

[GRI 302-1-a/302-1-b/302-1-c]

Cumulatively, over the scope of consolidation of this report, energy consumption, including all energy sources, amounts to 8,894,627 kWh and is broken down as follows:

Geographical breakdown of energy consumption



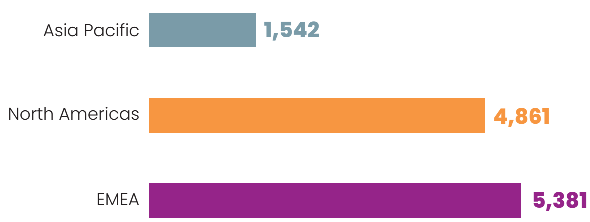
[GRI 302-1-e]

Internal energy intensity ratio

To calculate the internal energy intensity ratio, i.e. for Scopes 1 and 2 only, the total energy consumption is related to the average number of employees over the period. For 2022, the internal energy intensity ratio was 4,839 kWh per employee.

[GRI 302-3-d]/SDG 7.3

Energy intensity ratio by geographical area



There is a significant difference between the energy intensity of the Asia Pacific region compared with the other two geographic regions, as the only internal energy consumption in this region is electricity for the premises.

[GRI 302-3-a/302-3-b/302-3-c]

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3.5.2 Carbon footprint

Greenhouse gas footprint of the Exclusive Networks Group

In 2022, for the scope of this report, the Exclusive Networks Group's consolidated greenhouse gas emissions amounted to 663,139 tonnes of carbon equivalent with an uncertainty of 14.3%, taking into account the limits described below.

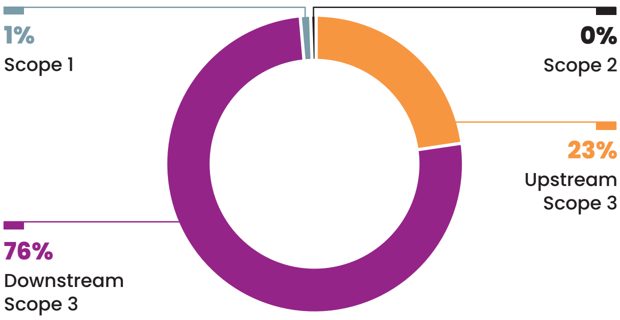
Emission categories	No.	Emission items	CO_2 ($t\ CO_2e$)	CH4 ($t\ CO_2e$)
Scope 1	1-1	Direct emissions from stationary combustion sources	266	1
	1-2	Direct emissions from mobile combustion sources	2,701	1
	1-3	Direct emissions from processes	0	0
	1-4	Direct fugitive emissions	0	0
	TOTAL SCOPE 1		**2,967**	**2**
Scope 2	2-1	Indirect emissions from electricity consumption	1,445	0
	2-2	Indirect emissions from the consumption of steam, heat or refrigeration	3	0
	TOTAL SCOPE 2		**1,448**	**0**
Scope 3	**Upstream Scope 3 emissions**			
	3-1	Purchased products and services	121,018	0
	3-2	Fixed assets	28	0
	3-3	Fuel and energy related emissions (not included in Scope 1 or Scope 2)	813	20
	3-4	Upstream transportation and distribution	26,029	25
	3-5	Waste generated	41	0
	3-6	Business travel	660	0
	3-7	Employee commuting	4,877	0
	3-8	Upstream leased assets	0	0
		Other indirect upstream emissions	0	0
	Downstream Scope 3 emissions			
	3-9	Downstream transportation and distribution	3,936	22
	3-10	Processing of sold products	0	0
	3-11	Use of products sold	497,436	0
	3-12	End of life of products sold	3,189	0
	3-13	Downstream leased assets	0	0
	3-14	Franchises	0	0
	3-15	Investments	0	0
		Other downstream indirect emissions	0	0
	TOTAL SCOPE 3		**658,027**	**66**
TOTAL			**662,442**	**68**

[GRI 305-1-a/305-2-a/305-3-a]

Greenhouse gas emissions

N2O ($t\ CO_2e$)	HFCs ($t\ CO_2e$)	PFCs ($t\ CO_2e$)	SF6 ($t\ CO_2e$)	Other gases ($t\ CO_2e$)	Total ($t\ CO_2e$)	CO_2 b ($t\ CO_2e$)	Uncertainty ($t\ CO_2e$)
3	0	0	0	0	269	0	126
4	0	0	0	0	2,706	33	1,226
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
7	**0**	**0**	**0**	**0**	**2,976**	**33**	**1,232**
0	0	0	0	0	1,445	0	261
0	0	0	0	0	3	0	0
0	**0**	**0**	**0**	**0**	**1,448**	**0**	**261**
0	0	0	0	0	121,018	0	36,246
0	0	0	0	0	28	0	16
6	0	0	0	0	839	-33	298
368	0	0	0	206	26,628	0	17,156
0	0	0	0	0	41	0	25
0	0	0	0	0	660	0	98
0	0	0	0	0	4,877	0	1,911
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
22	0	0	0	0	4,000	0	1,210
0	0	0	0	0	0	0	0
0	0	0	0	0	497,436	0	84,357
0	0	0	0	0	3,189	0	3,020
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
396	**0**	**0**	**0**	**206**	**658,715**	**-33**	**93,481**
403	**0**	**0**	**0**	**206**	**663,139**	**0**	**94,974**

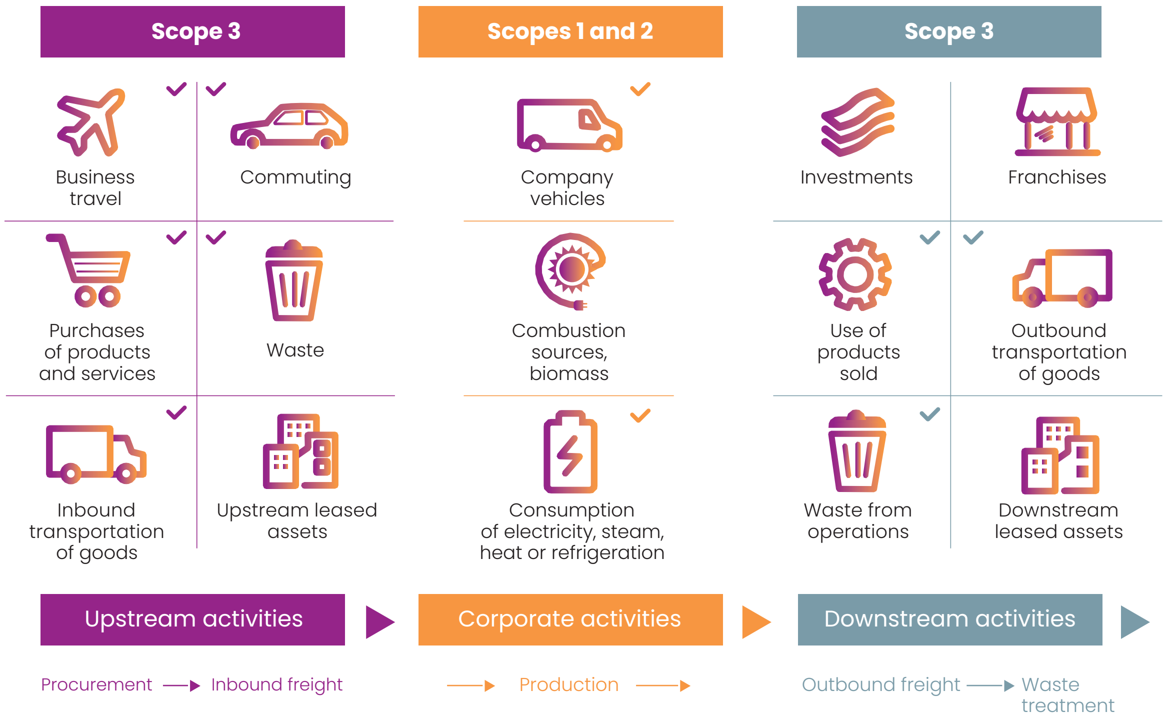
Breakdown of CO_2 emissions by scope



Like other companies whose activity is entirely tertiary, 99% of the Exclusive Networks Group's carbon emissions fall under Scope 3, i.e. upstream and downstream of the Group's own activities.

As the Scope 3 information is not under the company's control, its collection requires the organisation of a specific project launched in 2022 and which will continue through 2023. As a result, the tables below identify the Scope 3 categories that have been considered for this report and those that are under process.

Exhaustive measurement of Scope 3 emissions will enable the Group to identify which actions should be implemented for reducing its greenhouse gas emissions, to assess them and to plan them out with a view to establishing its decarbonation trajectory.



Items		Recorded	Comments
Scope 1			
1	Direct emissions from stationary combustion sources	YES	Based on invoices.
2	Direct emissions from combustion engine mobile sources	YES	Fuel consumption
3	Direct emissions from non-energy processes	NO	Not applicable.
4	Direct fugitive emissions	NO	Data not available in rented premises.
5	Emissions from biomass (soil and forests)	NO	Not applicable.
Scope 2			
6	Indirect emissions from electricity consumption	YES	Based on invoices.
7	Indirect emissions from the consumption of steam, heat or refrigeration	YES	Based on invoices.
Scope 3			
8	Energy-related emissions not included in the "direct GHG emissions" and "indirect energy GHG emissions" categories	YES	Automatic calculation in the ADEME tool based on estimates.
9	Purchases of products or services	YES	Partial calculation on products only, approximately 1,500 tonnes of material including packaging. The calculation for services will be carried out in 2023.
10	Capital goods	YES	Partial calculation on computer equipment and vehicles held (property leases and vehicle leasing will be carried out in 2023).
11	Waste	YES	Extrapolation of 2021 figures.
12	Upstream transportation of goods	YES	Data extracted from the balance sheets of logistics operators.
13	Business travel	YES	Extrapolation of data extracted from centralised travel agencies.
14	Upstream leased assets	NO	
15	Investments	NO	
16	Transport of visitors and clients	NO	
17	Downstream transportation of goods	YES	Extrapolation of data from the balance sheets of logistics operators on the basis of "upstream mass = downstream mass".
18	Use of products sold	YES	Electricity consumption in the country of sale, estimated for a five-year life span (0.65MWh/kg hardware).
19	End of life of products sold	YES	Application of the electronic waste emission factor from the ADEME database to the mass sold.
20	Downstream franchise	NO	Not applicable.
21	Downstream leased assets	NO	
22	Employee commuting	YES	Extrapolation of 2021 figures.
23	Other indirect emissions	NO	

[GRI 305-3-d]/SDG 7.3, 12.4 & 12.5

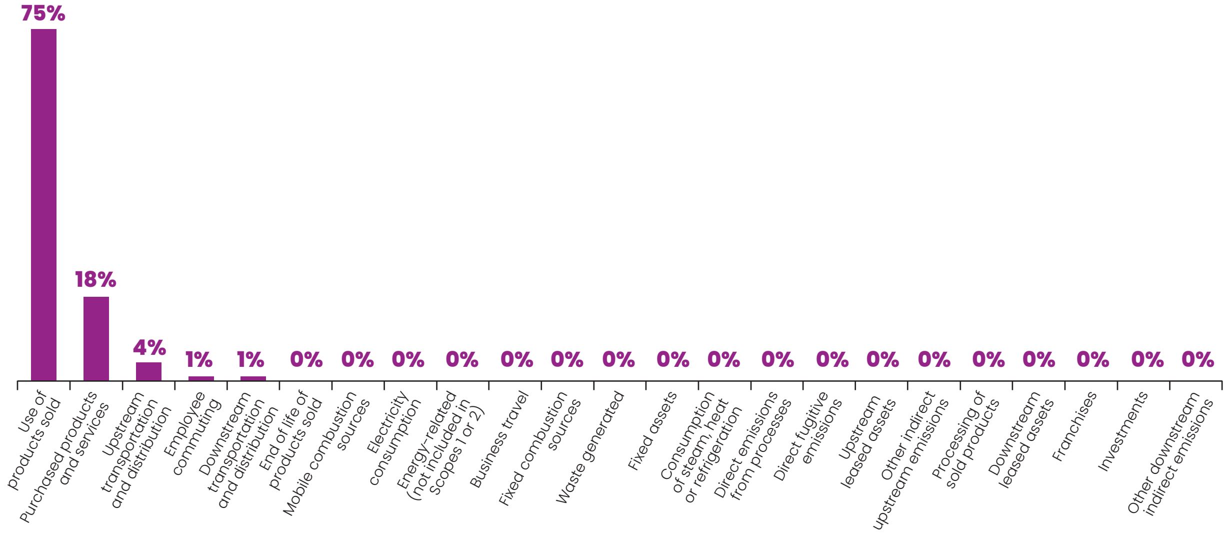
Given:

- that the products marketed are imported from the vendors' manufacturing sites, which are mainly located in Asia;
- that stocks are limited, given the very large number of references and the speed with which these devices evolve to guarantee their effectiveness,

It is not currently possible to use rail or waterway transport for these materials.

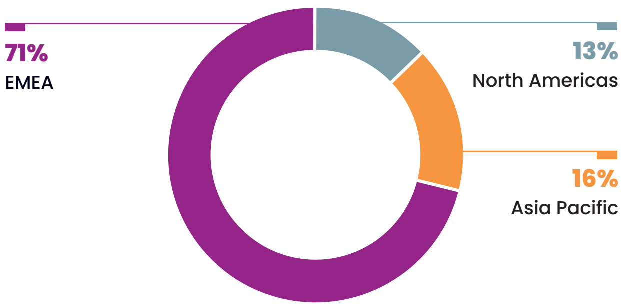
Breakdown of CO_2 emissions by category and geographical area

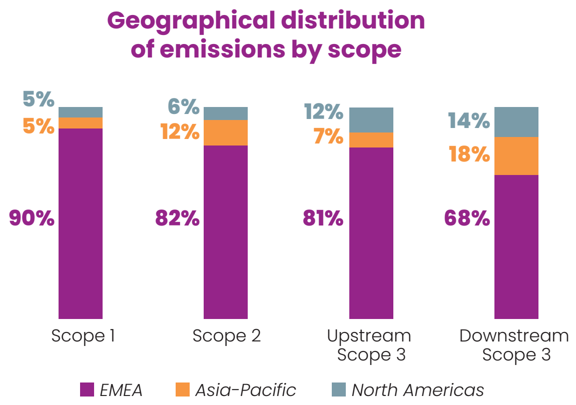
Breakdown of CO_2 emissions by category



The chart above illustrates the Group's main carbon footprint issues, with the use of products sold accounting for 74% of the total. It should be noted that the "products and services purchased" category is expected to increase, as only the impact of products has been taken into account at this stage.

Geographical breakdown of emissions





The relative differences in downstream Scope 3 are explained by the higher electricity emission factor in the Asia-Pacific and North America regions, which penalises the "use of products sold" item.

For the calculation of the Greenhouse Gas Emissions Assessment:

- the following greenhouse gases were taken into account, converted into tonnes of CO_2 equivalent (or tCO_2eq) according to their Global Warming Potential: CO_2, CH4, N2O, HFC, SF6, PFC, NF3 and CFC;
- the Group's carbon footprint was calculated using the ADEME-Association Bilan Carbone (ABC) calculation tool in its version 8.8 of October 2022, following the rules of the GHG Protocol and with a level of uncertainty for each item. This tool allows results to be displayed in several standard formats, including the GHG Protocol format;
- the emission factors are taken from the ADEME database, unless otherwise stated.

[GRI 305-1-b=>g/305-2-b=>g/305-3-b=>g]

GHG emissions intensity ratio

For the scope determined for this report, the greenhouse gas intensity ratios calculated on the number of employees and on turnover are as follows:

Action	2022 results
Measure and monitoring greenhouse gas intensity ratios *[GRI 305-4-a/305-4-b/305-4-c/305-4-d/305-4-f/305-4-g]*	2.4 tCO_2e/employee (GHG intensity Scopes 1 and 2)
	357.7 tCO_2e/employee (GHG intensity for all scopes)
	GHG intensity Scopes 1 and 2 on revenue: not significant
	0.22 tCO_2e/€k (GHG intensity for all scopes)

3.5.3 Other environmental indicators

3.5.3.1 Water consumption

On the scope of consolidation defined for the year 2022, the total water consumption of the Exclusive Networks Group is estimated at 22,153 m^3.

Since the Group rents all the sites from which it operates, for the vast majority of countries it was not possible to collect the exact water consumption, as this information was not made available by the lessors. This is due to the nature of the leases which, in some countries, may consist of a rental price per sq. meter including energy, water, as well as services such as cleaning, waste collection, etc.

As a result an estimate of consumption has been calculated on the basis of an average of 50 litres of water consumed per employee per day, multiplied by the number of days worked in the 23 countries.

It should be noted that this estimate is probably over-estimated, given the large number of countries where employees are allowed to work remote several days a week.

[GRI 303-5-a/303-5-d]

3.5.3.2 Waste

Description of waste generated by the company's activity and/or in its value chain

Since the Group rents all the sites from which it operates, in most countries it was not possible to determine the precise volume of tertiary waste. In fact, this information is often not known by the lessors, because household waste is collected by municipal services who do not weigh it or give a breakdown by occupant. Furthermore, in some countries, leases consist of a rental price per sq. meter including energy, water, as well as services such as cleaning, waste collection, etc.

As a result an estimate was calculated based on an average of 120 kilograms of tertiary waste per employee per year, half of which is paper or cardboard[(1)], multiplied by the average workforce in the 23 countries.

It is also not possible to identify the nature of the Group's downstream waste treatment, which is managed either by municipalities or by private service providers, which in both cases don't disclose information per occupant.

The Exclusive Networks Group takes all the necessary steps to ensure that the waste generated by its activities is sorted so that it can be recycled or recovered, as far as local waste treatment structures allow.

[GRI 306-1/306-3-b]/SDG 12.4 & 12.5

Action	2022 results
Identify and measure waste related to the company's direct activity *[GRI 306-3-a]*	110t:household waste
	110t: paper and cardboard
	224.4t: Waste Electrical and Electronic Equipment (WEEE)

(1) Source: ADEME guide to workplace eco-responsibility ("Écoresponsable au bureau"), September 2022.

3.5.4 Green Taxonomy

3.5.4.1 What is the Green Taxonomy?

European Regulation (EU) 2020/852 of 18 June 2020, known as the "Taxonomy Regulation", is one of the flagship measures of the European Green Pact, which aims to:

- redirect capital towards sustainable investments;
- managing the financial risks of climate change and related social issues;
- promote transparency and a long-term view of economic and financial activities.

The Taxonomy establishes a classification system for economic activities that can be considered environmentally sustainable, distinguishing between activities carried out on behalf of clients, investments and ongoing operations. Three indicators are therefore expected, expressed as a percentage of the "alignment":

- revenue;
- capital expenditure (CapEx);
- operating expenditure (OpEx).

An "aligned" activity is one that is considered sustainable because it contributes to one or more of the following environmental objectives:

- climate change mitigation;
- adaptation to climate change;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

Note: for 2022, only the first two objectives were to be considered.

The classification of activities is based on a five-step approach:

- identify the activities considered "taxonomy-eligible", based on the Delegated Regulation (EU) 2021/2139 of 4 June 2021;
- qualify the substantial contribution of the activity to the environmental objective;
- ensure that the activity Does Not Cause Significant Harm to any of the objectives;
- ensure compliance with the OECD and UN guidelines for business, in particular with regard to fundamental rights at work and human rights;
- calculate the indicator by relating aligned activities to total activities.

3.5.4.2 Green Taxonomy indicators

Revenue indicator

As stated in the business model presented in the introduction of this 2022 Universal Registration Document, the Exclusive Networks Group is a global cybersecurity specialist that markets a wide range of services and products to its partners and end customers. These activities are not listed in the appendices of the Delegated Regulation (EU) 2021/2139 of 4 June 2021 as contributing substantially to the first two environmental objectives, neither because of their activity code, nor because of their description. As such, they are not eligible.

As a result for 2022, the share of the Exclusive Networks Group's revenue from services or products falling under taxonomy-aligned economic activities was 0%.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		€	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES			**0%**						
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1 [1]			%	%	%	%	%	%	%
Activity 2			%	%	%	%	%	%	%
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		- €	0%	%	%	%	%	%	%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Activity 1									
Activity 3									
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A		- €	0%						
TOTAL (A.1 + A.2)		**- €**	**0%**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		€3,404 million	100%						
TOTAL (A + B)		**€3,404 MILLION**	**100%**						

DNSH criteria ('Does Not Significantly Harm')										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems(16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Y/N	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
							%		E	
							%			
							%			
							%		**%**	

3.

Capital expenditure (CapEx) indicator

The CapEx to be considered corresponds to new acquisitions of plant, property and equipment and intangible assets during the financial year, before depreciation, amortisation or re-evaluation. Thus, the new rights of use of the leased assets are taken into account as soon as the lease contracts are signed, and not the financing terms. Capital expenditure also includes new assets resulting from business mergers carried out during the year.

For 2022, capital expenditure amounted to €23.7 million for the Exclusive Networks Group, distributed as follows:

- intangible assets: €1.1 million corresponding to IT developments;
- property, plant and equipment: €4.8 million corresponding to demonstration and office equipment;
- right of use: €17.8 million corresponding to new rental leases as well as new vehicle leasing contracts.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

				Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems(10)
		Currency	%	&	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1[1]			%	%	%	%	%	%	%
Activity 2			%	%	%	%	%	%	%
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		- €	0%	%	%	%	%	%	%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Activity 1									
Activity 3									
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		- €	0%						
TOTAL (A.1 + A.2)		**- €**	**0%**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities (B)		€24 million	100%						
TOTAL (A + B)		**€24 MILLION**	**100%**						

Eligible capital expenditure comprises expenditure that is:

- related to potentially sustainable activities;
- part of a plan to make or expand a sustainable activity;
- related to economic activities referred to as "individual eligible measures" in the Taxonomy aimed at reducing the environmental footprint of the company, such as expenditure on premises, vehicles and data hosting.

Within the meaning of the Delegated Regulation (EU) 2021/2139 of 4 June 2021, the activities of the Exclusive Networks Group are not considered to contribute substantially to the first two environmental objectives and are therefore not eligible. Therefore, only the capital expenditure relating to individual measures can be taken into account.

Since the Exclusive Networks Group did not incur any capital expenditure under these individual measures in 2022, the share of the Group's CapEx relating to eligible economic activities and consequently aligned with the Taxonomy is not significant.

DNSH criteria (Does Not Significantly Harm')										
Climate change mitigation (11)	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of CapEx, year N (18)**	**Taxonomy-aligned proportion of CapEx, year N-1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
Y/N	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
Y	Y	Y	Y	Y	Y	Y	%		E	
Y	Y	Y	Y	Y	Y	Y	%			
							%			
							%		**%**	

OpEx indicator

The OpEx to be considered includes those:

- related to eligible activities;
- which are part of a plan to expand or make an activity sustainable;
- related to economic activities referred to as "individual measures" in the Taxonomy aimed at reducing the company's environmental footprint, such as expenditure on premises, vehicles and data hosting.

Not all operating expenses are to be taken into account. Only Research and Development costs, building refurbishment costs, short term lease charges, maintenance, upkeep and repair of assets and any other direct expenditure related to the routine maintenance of property and equipment necessary for their proper functioning should be considered.

For 2022, operating expenses amounted to €332 million for the Exclusive Networks Group, distributed as follows:

- staff costs: €183 million;
- depreciation of assets: €73 million;
- other current and non-current operating expenses: €76.5 million, of which €27 million correspond to external expenses.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

				Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems(10)
		Currency	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1[1]			%	%	%	%	%	%	%
Activity 2			%	%	%	%	%	%	%
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		- €	0%	%	%	%	%	%	%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Activity 1									
Activity 3									
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		- €	0%						
TOTAL (A.1 + A.2)		**- €**	**0%**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities (B)		€332 million	100%						
TOTAL (A + B)		**€332 MILLION**	**100%**						

The Exclusive Networks Group's business model is based primarily on human resources. Consequently, operating expenses are mainly composed of staff expenses, depreciation of assets, and other operating expenses such as rentals, travel expenses, marketing and advertising expenses, which do not fall within the scope defined in the Taxonomy. Moreover, the Group does not have any Research and Development expenses.

Within the meaning of the Delegated Regulation (EU) 2021/2139 of 4 June 2021, the activities of the Exclusive Networks Group are not considered to contribute substantially to the first two environmental objectives and are therefore not eligible. Therefore, only operating expenditure relating to individual measures can be taken into account.

Since the Exclusive Networks Group did not incur any operating expenditure under these individual measures in 2022, the share of the Group's OPEX relating to taxonomy-eligible economic activities and consequently taxonomy-aligned activities is not significant.

DNSH criteria (Does Not Significantly Harm')										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems(16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Y	Y	Y	Y	Y	Y	Y	%		E	
Y	Y	Y	Y	Y	Y	Y	%			
							%			
							%		%	

Furthermore, in response to Article R. 225-105 of the French Commercial Code and for the 2022 financial year:

- the Exclusive Networks Group's strategic orientations in terms of social, societal and environmental responsibility are defined by the Board of Directors, upon the proposal of the Executive Committee. Implementation is carried out locally at the country level.
- the Exclusive Networks Group has no provisions or guarantees for environmental risk;
- the resources allocated by the Group to the prevention of environmental risks and pollution are not significant.

3.6 Ethics, fair practices, compliance and security

3.6.1 Compliance governance and organisation

In the conduct of its business, the Exclusive Networks Group promotes a culture of integrity and compliance, based on respect and adaptation to new standards and applicable legislation, both in France and in the countries where it carries out its activities and where its employees operate.

A dedicated organization has been in place since 2013 to develop and manage the compliance programme.

Governance and organisation of compliance

Management

- Board of Directors – Audit and Risk Committee
- Executive Committee
- Regional Risk Committee

The management team works closely with all the Group's functions to validate orientations and action priorities.
It ensures the development and monitoring of the programme.

Corporate

- Risks & Compliance Department
  - General Counsel & Group Compliance Officer
  - VP Risks and Compliance
  - Risks and Compliance Director
  - APAC Risks and Compliance Manager
  - Risks & Compliance Analyst

Oversees the design of the compliance programme and leads and coordinates its implementation across the Group's business processes and subsidiaries.

Local

- Country Managers

Are in charge of the deployment and respect of the compliance programme in their legal entities.

- Ethics Champions

Work with the Risks & Compliance Department on the implementation and proper understanding of the compliance programme.

At corporate level

The Group General Counsel & Group Compliance Officer:

- reports to the Group Chief Executive Officer on these matters;
- defines and organises the Compliance function and ensures its implementation within the Group;
- brings the issue before the various governance bodies (Group Executive Committee, Audit Committee, Board of Directors);
- decides freely, and at its sole discretion, on any internal investigation that it deems appropriate and which will be entrusted to Internal Audit.

The Risks & Compliance Director:

- reports to the Group General Counsel & Group Compliance Officer;
- designs the compliance program and first of all the one related to the anti-corruption system;
- manages and controls the implementation and updating of the programme, and leads the Compliance network within the Group;
- ensures a regulatory watch as well as best practices;
- organises and runs Compliance training courses within the Group;
- is the point of contact for the operational departments;
- contributes, where appropriate, to internal or external investigations relating to the programme, or likely to be initiated in the event of use of the internal whistleblowing system.

To comply with best practices and the recommendations of the supervisory authorities, in 2022 an internal reorganisation was carried out, aimed at separating the operational functions of the Risks & Compliance department, internal control and internal audit. The Risks & Compliance department is now independent and reports to the Group General Counsel & Group Compliance Officer. At the same time, an Internal Control department was created which reports to the Group Chief Financial Officer. The Internal Audit department reports to the Audit Committee as an independent control body.

At local level

- The Regional Risk Committee brings together the SVP of the region concerned, the Group General Counsel & Group Compliance Officer, the Internal Control Director, the Internal Audit Director, the Risks & Compliance Director, the Regional Finance Director, the Regional HR Director and the Regional Risks & Compliance Manager. It is already in place for the Asia Pacific region and will soon be implemented in the Europe, Middle East and Africa (EMEA) region.
- The Country Manager is responsible for the implementation and compliance with the programme in the legal entities under his/her responsibility.
- The Ethics Champions network implements the compliance programme in cooperation with the Risks & Compliance department, and ensures that it is properly taken into account and understood.

[GRI 3-3]/SDG 16.5

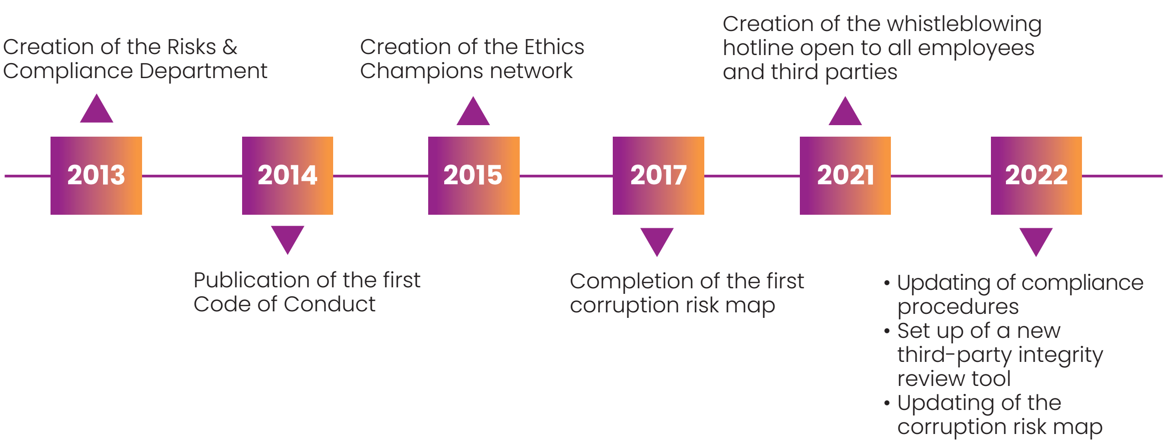
3.

3.6.2 Ethics, prevention and anti-corruption

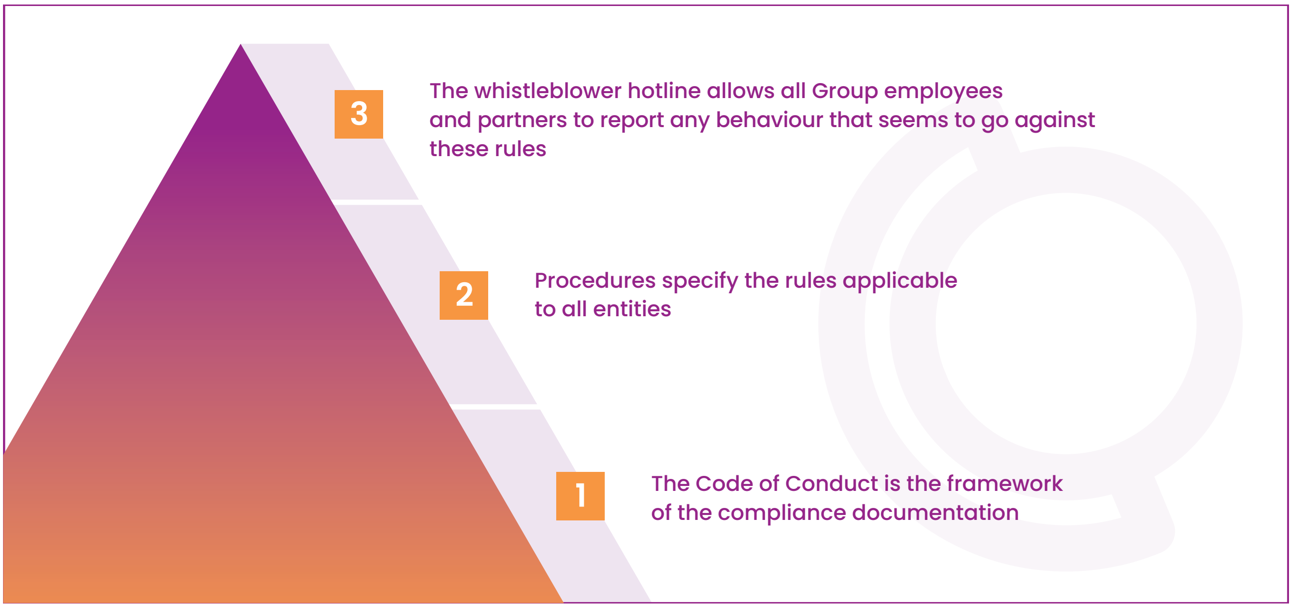
A mature compliance programme

The Exclusive Networks Group is strongly committed to adopting and promoting honest and ethical behaviour in all its relationships and with all its partners. This principle has led the Group to define rules of conduct in terms of ethics, intended for its employees as well as for all its business partners and stakeholders.

Key dates in the Group's compliance policy



Through its internal policies and procedures, the Group establishes the guiding principles applicable to all its subsidiaries, intended to provide employees with the rules of conduct and the behaviour to adopt in terms of business ethics and combating corruption. The compliance programme is structured as follows:



The policies and procedures that make up the Exclusive Networks Group's anti-corruption programme include the Code of Conduct, the Conflict of Interest Policy, or the Gifts and Entertainment Policy. All procedures and policies are addressed individually to each employee as soon as they are hired via the Group's e-learning platform. Employees complete an acknowledgement of receipt and a questionnaire to ensure that they understand them.

In order to strongly address the risk of corruption or non-compliance with internal business ethics rules and procedures (see Chapter 2 and section 3.2.2 of this Chapter), the Exclusive Networks Group regularly updates and evolves its compliance programme, to take into account its corruption risk mapping as well as new regulatory and legal obligations.

In 2022, the Exclusive Networks Group updated and completed its corruption risk management system on three major dimensions:

- risk matrix;
- third party due diligence;
- employees' training.

[GRI 3-3-c]/SDG 16.5

Update of the corruption risk matrix

The Group's activities and processes are subject to regular risk assessment (see Chapter 2), which aims to provide appropriate and proportionate remediation solutions to detect and prevent these risks.

In 2022, Exclusive Networks undertook a complete overhaul of its corruption risk matrix, in accordance with the recommendations of the supervisory authorities. This major project covers all of the Group's operating companies. Supported by all the Group's functions and an independent consultancy firm, the methodology was designed taking into account the recommendations of the French Anti-Corruption Agency and best practices according to international standards.

This 8-month project is being carried out according to the following process:

- kick-off with by the Executive Committee;
- inventory of risks and controls in place;
- interviews conducted first with the Country Managers and Ethics Champions, to enable the preparation of workshops for all companies, gathered by country or region;
- country-specific workshops, with the participation of employees from various functions and reporting levels, each of them aiming to identify the main risks, processes and controls in place, and possible actions;
- summary of the working groups and preparation, by company and then at Group level, of gross and net risk matrix and remediation plans;

- presentation and validation with each Country Manager of the matrix and remediation plan by country (2023);
- presentation and validation by the Executive Committee and the Group Audit Committee of the matrix and remediation plans consolidated at Group level (2023).

This project has made it possible to map the corruption risks of each operational subsidiary. All the results are currently being consolidated and will lead to the updating of the action plan considering to the main net risks, taking into account the effectiveness of the measures already in place.

Actions	2022 results
Develop or update the corruption risk matrix for all the Group's operating companies	59 corruption risk matrices completed
Involve operational managers in the identification and prevention of corruption risks and take their vision into account	44 individual interviews conducted with Country Managers
Involve employees from all functions and reporting levels in the working groups to get a hands-on view	463 employees participated in the risk assessment

[GRI 205-1-b]/SDG 16.5

Third-party due diligences

All third parties with whom the Exclusive Networks Group is planning to initiate or continue a business relationship are subject to a specific and appropriate onboarding process, aimed at determining the level of the potential corruption risk of each third party, and implementing the necessary mitigation measures to ensure compliance with the ethical standards of the Group.

In 2022, the Group evolved the due diligence process for third parties and deployed a new dedicated tool to ensure that third parties meet the company's ethical requirements. The tool is accessible to all employees and allows the company to quickly identify if there are any red flags, risk of corruption or ethical misconduct. When the tool detects red flags, the third party is considered to be "at risk": additional checks are then initiated and submitted to the Risks & Compliance department and the relevant Country Manager for validation.

This new third-party integrity review is being rolled out progressively and will continue in 2023.

Action	2022 results
Assess the integrity of third parties with whom the Group has or will have business relations *[GRI 205-1-a]/SDG 16.5*	4,968 third parties assessed in the integrity review tool
[GRI 205-2-c]/SDG 16.5	141 third parties with a medium or high risk formally approved the "Ethics & Code of conduct for third parties"

The Exclusive Networks Group has set itself the goal of completing 100% of the due diligence on high-risk third parties in 2023.

Communication, awareness and training actions

Since 2015, compliance training has been provided several times a year:

- by the Risks & Compliance department, during seminars organised face-to-face with the participation of the Group's Chief Executive Officer at the beginning of the year, and more occasionally during the year, during face-to-face or online meetings;
- by the Ethics Champions, directly with their local teams, after having themselves been trained by the Risks & Compliance Department;
- by the Risks & Compliance Department, when a new Chief Financial Officer or Country Manager is onboarded.

Training courses organised by the Risks & Compliance department are adapted to the functions of the participants (marketing, finance, Executive Management or Ethics Champions) whenever possible. The courses organised by the Ethics Champions are usually for all employees in the region, based on the training materials prepared by the Risks & Compliance department.

Action	2022 results
Train our employees to Ethics and combating corruption	45 training sessions organised
	13 Onboarding* sessions conducted with the Internal Control department
	One Ethics Champions training course

* *Onboarding*: integration process of new Financial Directors or Country Managers.

The Exclusive Networks Group has set itself the objective that 100% of its employees will have certified[1] the Code of Conduct by 2025.

[GRI 205-2-e]/SDG 16.5

Whistleblowing system

In accordance with the whistleblowing procedure, employees are invited to notify the Group of any facts that may violate the principles of the Code of Conduct, particularly in the case of corruption. To this end, the Exclusive Networks Group has set up a whistleblowing system in all the countries where it operates, allowing each employee and external persons to send a report in a confidential and secure manner, accessible from the Group's websites.

This system supplements other reporting channels, such as the line manager, the Human Resources Department, the Legal Department, etc.

All reports are treated confidentially under the supervision of the Group's Ethics Officer, ensuring that there are no sanctions or retaliatory measures for any person who makes a report in good faith. This principle is guaranteed by the Group and reaffirmed in the whistleblowing procedure.

Action	2022 results
Establish a procedure and system for collecting and handling alerts, enabling employees and third parties to report situations that are contrary to the Code of Conduct or that may constitute a crime, offence or harm to the general interest.	62% of employees certified in the whistleblowing procedure*
	Four alerts received on the platform, three of which were admissible

* Certified: refers to employees who have acknowledged receipt of the procedure and have passed the comprehension test.

All alerts are internal, and no alerts from external stakeholders have been received.

[GRI 2-26]

1 Certified: refers to employees who have acknowledged receipt of the procedure and have passed the comprehension test.

Management of the compliance programme

Regular audits are conducted jointly by the Group's Internal Audit department and an independent consulting firm. They conduct tests and interviews to identify risky practices or any deviations and the corrective actions to be taken.

Action	2022 results
Control, monitor and evaluate the implementation of the Group's compliance programme *[GRI 205-3]/SDG 16.5*	14 audits carried out covering anti-corruption
	No proven cases of corruption identified
	No employees dismissed or sanctioned for corruption
	No conviction for corruption against the Exclusive Networks Group, one of its subsidiaries or one of its employees

The Exclusive Networks Group has set itself the objective that all countries will be audited at least every five years covering anti-corruption, and that the audit plan will cover 30% of the revenue.

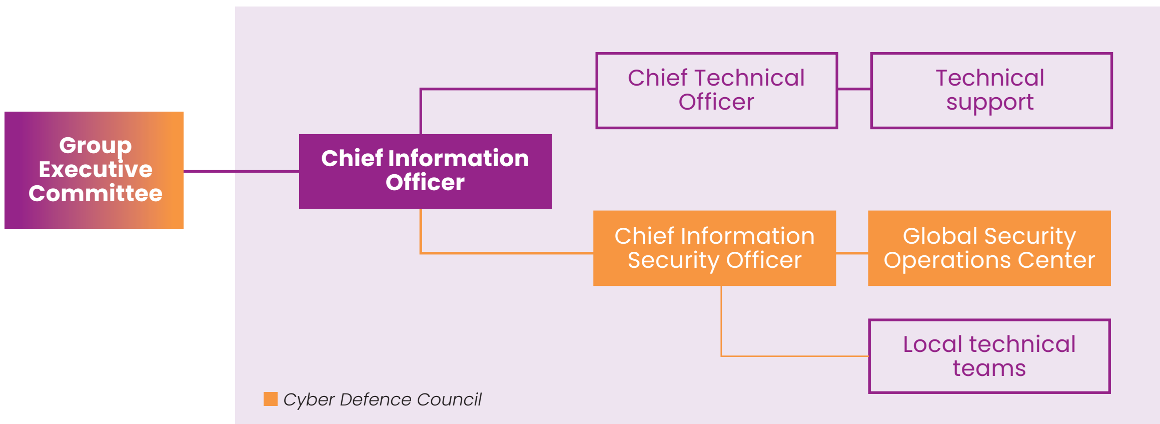
3.6.3 Cybersecurity governance and organisation

IT systems security organisation inside the Group

Within the Exclusive Networks Group, the IT systems security department is under the authority of the Chief Information Security Officer (CISO). The CISO has full authority over the entire security infrastructure of the Group, both at the central level and in the countries where the Group operates.

The Group's security strategy is proposed by the CISO and approved by the Cyber Defence Council, which reports to the Group Chief Information Officer (CIO), himself a member of the Group Executive Committee. To ensure effective deployment of the policy and related security measures, there is a functional link between the CISO and each of the local IT managers.

Security organisation



In parallel, the Global Security Operations Center (GSOC) department is in charge of managing security incidents in the entire Exclusive Networks Group, including local infrastructures and offices.

To do so, the GSOC department performs the following three duties:

- monitoring, incident response and reporting on the entire security infrastructure of the Group worldwide;
- deploying, configuring and managing all security infrastructure and devices to ensure a centralised, harmonised and automated global security standard;
- supporting the user helpdesk, infrastructure team and employees.

The GSOC department is further supported by an external Managed Endpoint Detection & Response service, which monitors and deals with security incidents on a 24/7 basis and can initiate legal investigations if necessary.

The Cyber Defence Council

The mission of the Exclusive Networks Group's Cyber Defence Council is to strengthen the skills, cooperation and information sharing of cyber defence with the countries in which the Group is present.

It is made up of the Group's main IT managers as well as delegates from each countries, and meets very regularly. In cooperation with vendors, partners, other Group departments and subsidiaries, it is the body that enables the Group to:

- deploy cybersecurity tools, incident response services and assessment to protect the Group's networks from cyber threats;
- protect against cyberattacks;
- upgrade the infrastructure to make it more secure and resilient to new potential threats.

Governance

The CISO writes and regularly updates the policies, processes and procedures related to the cyber defence of the Exclusive Networks Group. Examples are the General Security Policy, the Security Incident Management Plan or the Usage Policy.

All these policies have been communicated individually to each employee via the Group's e-learning platform and are available on the Group's Intranet.

3.6.4 Information system protection

Deployment of security tools: protecting the company's activities from cyber attacks

Over the past 18 months, the following security tools have been deployed in a centralised, standardised and automated process:

1. Asset management: life cycles, asset and software inventory;
2. Security Information and Event Management and User and Entity Behavioural Analysis, using artificial intelligence;
3. Email security;
4. Managed Endpoint Detection & Response, using artificial intelligence and behavioural analysis;
5. Vulnerability management;
6. Endpoint and patch management;
7. Identity and Access Management, using artificial intelligence and behavioural analysis;
8. Cloud Access Security Broker and Secure Access Service Edge using artificial intelligence and behavioural analysis;
9. Security Orchestration Automation and Response (SOAR);
10. Threat Intelligence: a Malware Information Sharing Platform (MISP) instance that enables the identification, analysis and sharing of cyber threat intelligence with other organisations.

Most of the selected vendors and solutions come from the portfolio of the Group's cybersecurity products and solutions, and are recognised as "Magic Quadrant leaders" by Gartner, the renowned technology evaluation firm.

One of the tools used to evaluate the security of the information system is the Cyber Exposure Score, and the Group has set itself the objective of achieving a score of less than or equal to "Low" on this index by 2025.

[GRI 3-3-c]

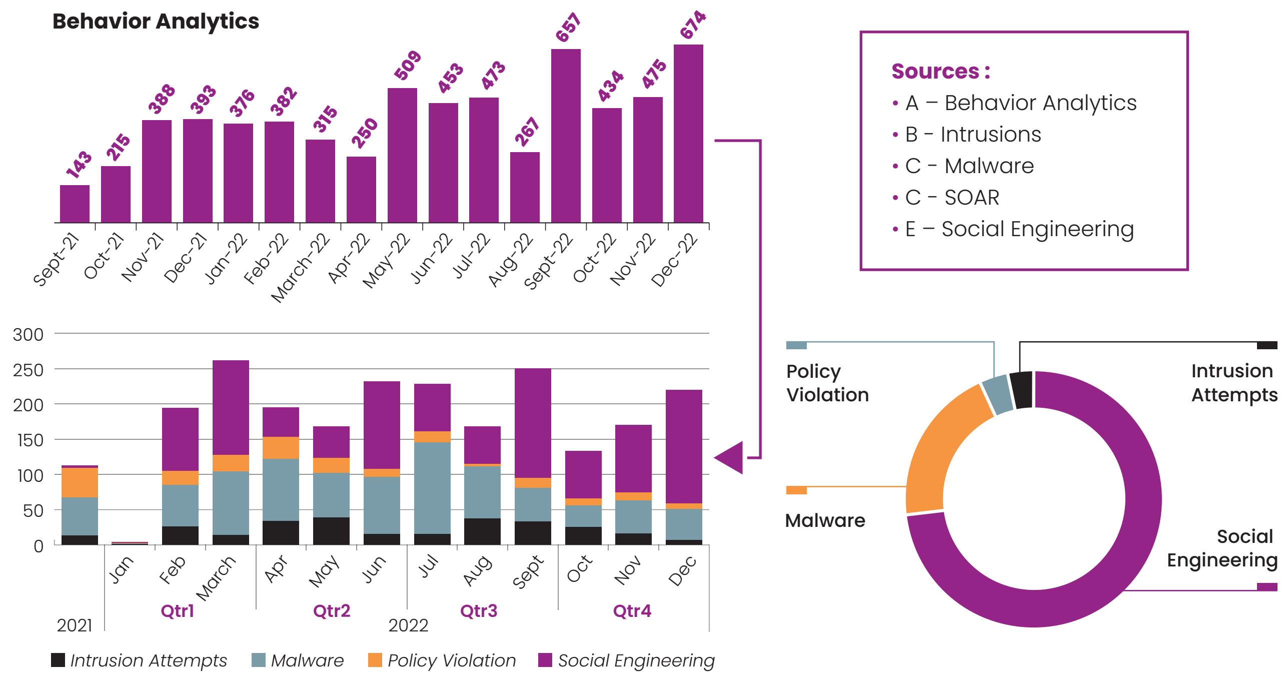
Reporting

Regular reporting is carried out and sent to the Group Chief Information Officer and the Cyber Defence Committee.

It is based on a security incident management plan, which determines a classification, processes and associated procedures.

Example of a report* presented to the Cyber Defence Committee:

Incident monitoring



*For confidentiality reasons, the figures are not representative

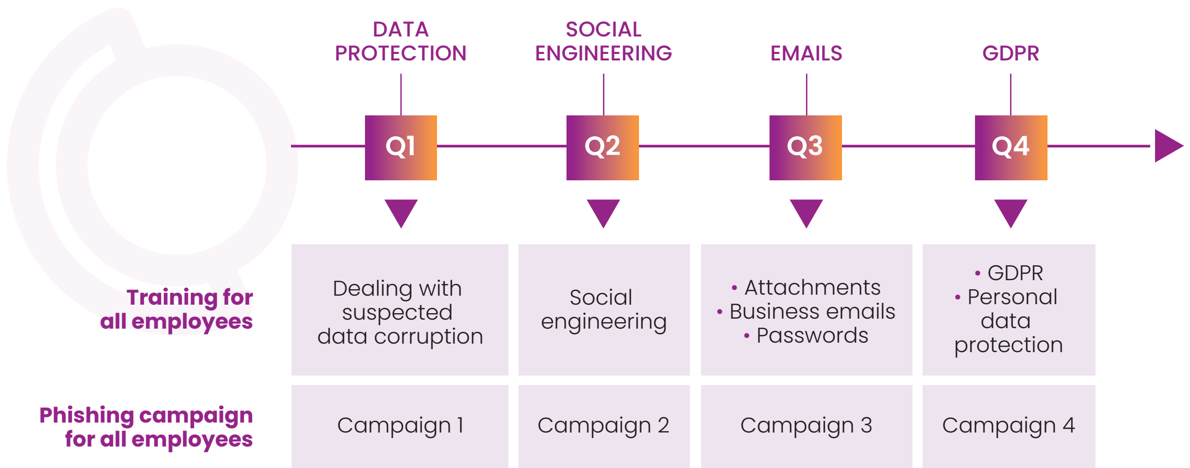
Employee training

To take the human dimension of security and confidentiality into account, the CISO and the entire IT department of the Exclusive Networks Group have set up a training programme for all employees.

Deployed on a monthly basis, the trainings are addressed individually to each employee through the Group's e-learning platform. The training participation rate is monitored by the CISO and sent to line managers.

Example of training deployed in 2022:

Security awareness

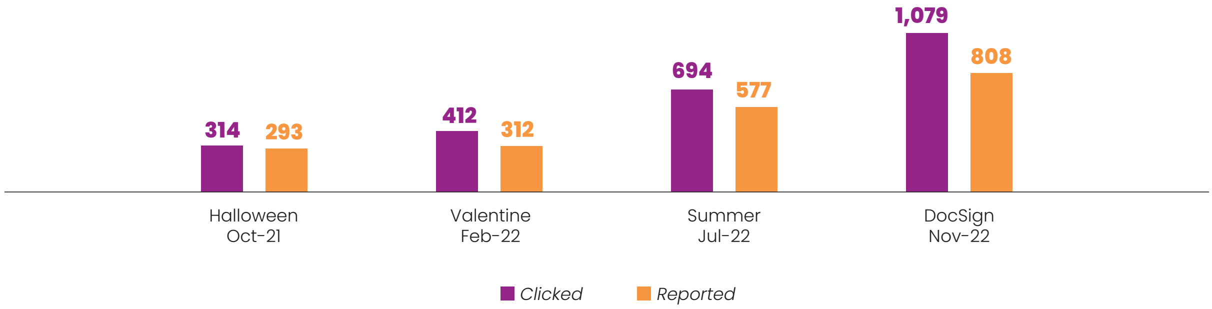


In 2022, 11 training modules were delivered to all Group employees.

[GRI 3-3-c]/SDG 4.4

To ensure that employees understand and take into account security measures, and thus measure the effectiveness of training, the CISO also carries out cyber attack simulation campaigns, for example on phishing*:

Phishing campaigns



* For confidentiality reasons, the figures are not representative

Certification projects

Trusted Introducer Service (TI) was created by the European Computer Emergency Response Team (CERT) community in 2000, to meet common needs and to establish a service infrastructure providing essential support to all computer security and incident response teams.

The TI certification is intended for teams responsible for security, response and handling of security incidents within their organisation. It provides an independent assessment of their level of maturity and is a mark of trust recognised by stakeholders. To maintain this level of standard over time, a re-certification is required every three years.

The Trusted Introducer process has four category levels: listed, accredited, certified and associate. Already recognised at the “accreditation” level, the GSOC department has started the process to reach the “certification” level.

3.6.5 Data protection

The Group collects and processes personal data primarily for two purposes:

- as an employer, to comply with its legal obligations and to implement skills development policies (see Chapter 3.4.5);
- in the course of its activities, for the marketing of its products and services.

In this respect, the Group is subject to international regulations such as Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 General Data Protection Regulation (GDPR), as well as to local legislation applicable in the countries in which it operates, including the Data Protection Act 2018 for the UK (non-exhaustive list).

In order to respect the right to protection of personal data and privacy, the Group has set up an organisation that reports to the Group General Counsel & Group Compliance Officer, comprising:

- the Group Data Protection Officer, in charge of advising and supporting the company to ensure compliance of processing, and promoting the principles and rules of personal data protection to all employees;
- the team of Legal Counsels, in charge of ensuring that the applicable legislation on the protection of personal data is properly taken into account in contracts;
- a specialised consultancy firm, providing support on various subjects and in particular on the consideration of local regulations outside Europe.

The objectives of this organisation are to:

- establish policies and procedures relating to the protection of personal data;
- provide operational staff with analysis and decision-making tools, as well as standard contractual clauses;
- ensure the presence and compliance of clauses relating to the confidentiality of personal data in contracts, whether with vendors, customers or service providers of the Group;
- ensure that the data collected is minimised and that the principle of “Privacy by Design” is taken into account to at the design stage of a system involving the processing of personal data;
- respond to requests from any person wishing to exercise their right to access, rectify, oppose or delete data, whether an employee or a third party;
- design and deliver the employee awareness programme;
- ensure regulatory intelligence.

In 2022, the Group rolled out an e-learning personal data awareness programme for all staff with two training modules. This process will continue in 2023, with the implementation of new sessions.

3.6.6 Transparency and the fight against tax avoidance

Organisation of the tax function

Exclusive Networks' Tax Department is organised around a central team, integrated into the Group's Finance Department, which relies on local finance teams and external advisors to ensure that the Group pays the taxes due in the jurisdictions where it operates and that the risks are identified, assessed and under control.

The Tax Department is responsible for ensuring compliance with applicable local and international tax laws and regulations, minimising tax exposure by managing tax risk, limiting double taxation and taking advantage of any tax incentives or reliefs to which the Group may be entitled.

Compliance, transparency and fiscal responsibility

The Exclusive Networks Group has offices in 47 countries. Due to the global and cross-border nature of its distribution business and the complexity of the international tax environment, the Group faces tax uncertainties and risks inherent to its business.

This is due to the number and complexity of tax regulations, both local and international (including transfer pricing rules and principles governing the application of withholding taxes), and their interpretation in each country.

In this global and complex environment, the Exclusive Networks Group aims to comply with all applicable tax rules and regulations in the countries where it operates, ensuring that the right amount of tax is paid in the jurisdictions where it generates profits and value. Consequently, Exclusive Networks strives to comply with local and international rules, including the "OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations". Exclusive Networks handles tax issues with integrity and does not engage in any artificial tax schemes.

Each of the Group's foreign locations is intended to expand the Group's business by providing a local presence where operational and commercial needs require it.

[GRI 3-3-c]

3.6.7 Export control

As an international company and given the nature of the goods and services it markets (see description of the risk in Chapter 2), the Exclusive Networks Group implements all necessary measures to comply with applicable laws and regulations concerning:

- export control of Dual-use items and technologies;
- trade restriction measures against certain countries subject to sanctions or embargoes, decided by the United Nations Security Council, the United States via the Office of Foreign Assets Control (OFAC), or the European Union within the framework of foreign and security policy decisions (CFSP).

Given the nature of the products and solutions marketed, which are considered Dual-use because they incorporate encryption technology, the cybersecurity sector is sensitive and subject to these regulations and controls.

The Exclusive Networks Group operates worldwide in compliance with these laws, which often have an extraterritorial scope, are cumulative and evolve regularly. Their objectives are to preserve global geopolitical balance, international, national or regional security, and to fight against the diversion and proliferation of certain equipments. Export control compliance is therefore an important issue for the Group.

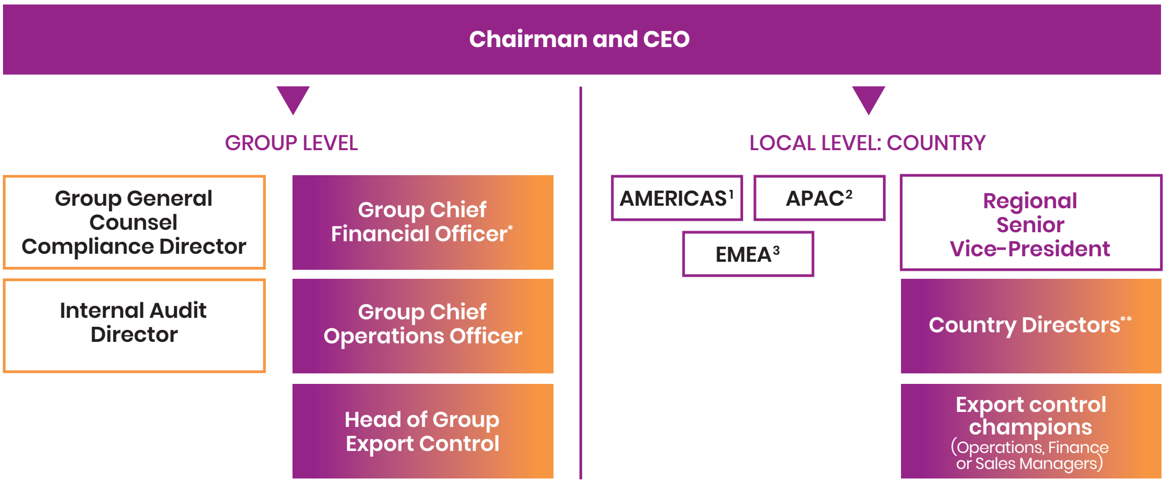
The Group applies these controls in all the countries in which it operates, and more specifically:

- in the European Union, in compliance with EU Regulation No. 821/2021 of 20 May 2021 establishing the Union regime for the control of exports, brokering, technical assistance, transit and transfers of Dual-use items;
- in the United States, in accordance with the EAR – Export Control Regulations 15 CFR section 730 *et seq*;
- in Singapore or the United Kingdom, in accordance with applicable local regulations.

As the export or re-export of certain equipments is subject to obtaining an export licence or an exemption granted by the authorities of the exporting countries, the Group is informed at all times by the vendors of restrictions on the goods and services supplied. Vendors have a dedicated organisation that enables them to exercise strict control over their manufacturing and sales processes in order to comply with these obligations.

Organisation of export control in the Exclusive Networks Group

In order to face these challenges together with a of strong international expansion, the Group has set up an organisation and an internal compliance programme called the Internal Compliance Programme (ICP), which it constantly adapts to control these risks. In this context, the position of Export Control Manager was created in 2022, reporting to the Group's Director of Operations, to strengthen the existing organisation.



Function in charge of export control reporting to the CEO.
Other stakeholders in the Group export control organisation.
* *Function with legal responsibility for export control by delegation from the CEO.*
** *Function with legal responsibility for export control of local entity.*

Local operational entities:
(1) **AMERICAS:** *Canada, USA.*
(2) **APAC:** *Australia, Hong Kong, India, Indonesia, Malaysia, New Zealand & Pacific Islands, Philippines, Singapore, Thailand, Vietnam.*
(3) **EMEA:** *Austria, Belgium, Bosnia, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Italy, Kenya, Mauritius, Norway, Netherlands, Northern Africa, Poland, Portugal, Romania, Saudi Arabia, Serbia, Slovakia, Slovenia, Southern Africa, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom.*

The first line of risk control consists of the Country Managers and Export Control Champions of the Group's main subsidiaries. The second line of risk control is provided by the Group Export Control Manager, who defines the export control strategy and associated procedures, and ensures regulatory monitoring, which is particularly critical given the geopolitical situation and the speed with which sanction regimes change.

Internal Compliance Programme:

- is the bible of procedures to be followed by the Group and its subsidiaries to comply with regulations, such as the procedure for establishing the declaration of final destination and end use;
- includes training components;
- refers to other internal Group procedures, such as the third party screening system (see section 3.6.2).

In addition, the Group regularly conducts audits, either by the Internal Audit Department or by independent firms.

The main improvements that will be undertaken in 2023 are to overhaul the Internal Compliance Programme, to strengthen coordination between the Export Control Champions, and to make the training modules available on the Group's e-learning platform, in order to accelerate their deployment to all employees.

[GRI 3-3-c]

3.7 Other regulatory issues

3.7.1 Respect for human rights

The Exclusive Networks Group fosters a culture of respect for people, both for its employees and in its business relationships, and is committed to respecting human rights in all countries in which it operates.

This commitment includes:

- respect for fundamental human rights, as described in the Universal Declaration of Human Rights adopted by the United Nations General Assembly on 10 December 1948, and in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work adopted in 1998 and amended in 2022;
- decent working conditions: the Group puts in place an organisation and the necessary means to:
  - preserve the health and safety of its employees,
  - comply with the social legislation and regulations applicable in all countries where its employees are located, particularly with regard to working hours, rest and holidays,
  - ensure that its employees are fairly compensated in accordance with their qualifications and skills (see section 3.4.7 above);
- equal opportunity: the Group has put in place a Policy and procedures to:
  - prohibit and address any situation of discrimination of individuals, both at the time of hiring and throughout their working contract (see section 3.4.7),
  - promote diversity and inclusion as an asset to the company,
  - develop the skills of its employees, to enable them to continue to learn and develop their skills and abilities, which are the levers of the Group's success in the cybersecurity sector;
- respect dignity in the relationship with and among our employees, as described in section 3.1.2 "Our values" of this Extra-Financial Performance Statement.

In view of:

- the Group's rapid growth in recent years;
- its international development and its current presence on five continents;
- the expectations of its stakeholders on this major issue,

the Group plans to finalise a formal commitment on these issues in 2023, involving both the governance and all employees.

Exclusive Networks UK's support for the charitable sector

For several years now, Exclusive Networks UK and its personnel have supported a different charity each year: in 2022, the Mind charity that was chosen.

Mind is a charity based in England and Wales that helps people with mental illnesses to cope better and raises awareness about them. One in four people suffer from mental health problems, and most of them do not get the help they need. Mind has set itself the task of changing minds and offering help in everyday life, whether information, advice or local services.

The organisation is organised around a network of 130 local Minds, which offer support and specialist care close to the people who need it: 443,000 people benefited from Mind's advice and help in 2021.

SDG 3.4

3.7.2 Collective agreements

Collective agreements concluded in the company and their impact on the company's economic performance and on employee working conditions

In response to Article L. 225-102-1 of the French Commercial Code, the Exclusive Networks Group is careful to establish a constant and quality dialogue with its employees, in compliance with the legislation in force in each country where it is established, as well as in countries where it is not legally required to do so.

Labour relations in each country are placed under the authority of the Country Manager and the Human Resources Manager, who are responsible for:

- organising all legal bodies in accordance with local legislation;
- conducting regular meetings and dialogue with employee representatives and labour-related partners, where they exist.

As a result of the external growth carried out by the Group in recent years, the staff is spread over a large number of companies (see section 3.8.1). As a result, 13% of the workforce is covered by a collective agreement and few companies have formal collective agreements in place, although this does not reflect the absence of labour-related dialogue.

[GRI 2-30]

Categories	Company	Nature of the agreement
Agreements with an impact on compensation	Exclusive Networks SAS	Amendment to the profit-sharing agreement
Agreements with an impact on working conditions	Exclusive Networks SAS	Agreement on flat-rate pay agreements for the year
	Everest SubBidCo	Agreement on flat-rate pay agreements for the year

In addition to the local collective agreements, the Group's Human Resources Department introduced a Global Hybrid Work Policy in 2021, intended as a guide for both management and employees. It defines the philosophy of the Exclusive Networks Group with regard to flexible working and is implemented and adapted at local level, taking into account applicable regulations and the specific characteristics of each company.

A large number of Group companies have implemented hybrid working arrangements based on this global policy, without necessarily being subject to a formal collective agreement.

3.7.3 Societal commitments to the circular economy

In response to Article L. 225-102-1 of the French Commercial Code, the Exclusive Networks Group's approach to the circular economy consists of two approaches:

- the lifespan, reuse and recycling of computer equipment for its own use;
- taking into account the end of life of its customers' hardware.

Management of the Group's own computer equipment and IT infrastructure

The Group has launched a reflection covering the entire life cycle of its computer equipment and IT infrastructures in order to reduce their environmental footprint. The main focuses identified are:

- the lifespan of equipment, particularly laptops and mobile phones: desktop monitors have a longer lifespan due to their use and less technical obsolescence. Some countries have already determined the lifespan of some devices: the aim will be to establish a global approach for the whole Group, and to integrate the repair service offer into the choice of local service providers;
- the end-of-life management of this equipment, with a view to implementing reuse solutions through reconditioning or donations, thus contributing to reducing the consumption of resources and waste.

The deployment of this action plan will be integrated into the plan to reduce the environmental footprint of the Exclusive Networks Group (see Chapter 3.5).

[GRI 306-2]/SDG 12.4 & 12.5

Global Services Operation (GSO) for the end-of-life management of customers' equipment

For several years now, the Group has been offering its customers an end-of-life management service for their replaced equipment, thus helping them to reduce their own environmental footprint.

- a remote configuration implemented locally:
  - the use of remote connectivity, combined with a global network of technical engineers, consultants and project managers, reduces the environmental impact of the service by minimising travel;
- hardware maintenance:
  - Exclusive Networks proposes to its clients to extend the life of their equipment thanks to a global maintenance service based on local teams, thus limiting the consumption of new resources and reducing waste. The process benefits both the front and back end of the value chain;
- end-of-life management of equipment: the Group proposes to its customers to take charge of the end-of-life of replaced equipment in order to simplify this process:
  - audit of equipment to determine what can be reused and resold, or recycled,
  - decommissioning of equipment in the environments in which it is installed and preparation for logistics,
  - removal and transportation of decommissioned equipment to its final destination (resale warehouse or customer-designated warehouse, destruction and recycling plant),
  - where the equipment taken back is in working order and can be reused, those with residual value are resold on the second-hand market for the customers:
- both the data erasure for reuse and the shredding and destruction are Blancco certified, a NATO-approved scheme certified by many government agencies,
- the recycling or destruction of Waste Electrical and Electronic Equipment (WEEE) is certified in accordance with local regulations,
- bio-leach recovery allows the valuable rare earth materials contained in printed circuit boards to be extracted in an environmentally friendly manner, without generating hazardous waste as more common material extraction methods do.

[GRI 306-2]/SDG 12.4 & 12.5

3.7.4 Food, food waste and food insecurity; animal welfare

In response to Article L. 225-102-1 of the French Commercial Code, the Exclusive Networks Group does not purchase, process or market food, nor does it interact with the animal world, either directly or across its entire value chain. In this respect:

- the fight against food waste;
- the fight against food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food.

Are not major issues for the Exclusive Networks Group, and therefore not the subject of action plans.

3.7.5 Physical and sports activities

In response to Article L. 225-102-1 of the French Commercial Code, the materiality analysis presented in section 3.2.2 shows that the practice of physical and sports activities is not a major issue for the Exclusive Networks Group. In this respect, there is currently no specific action plan on this issue, beyond the local initiatives implemented in some countries.

3.8 Methodology note

This report is a consolidated Extra-financial Performance Statement, in compliance with the Law No. 2021-1104 – Article 138 of 22 August 2021, on the fight against climate change and the strengthening of resilience to its impact. The Exclusive Networks Group has chosen to include certain additional social, environmental and societal data, in the interests of transparency and in order to meet the expectations of its stakeholders.

It is published each year with the Group's Management Report and covers the financial year from 1 January to 31 December 2022.

[GRI 2-3-a]/SDG 12.6

3.8.1 Scope of consolidation

For its second Extra-financial Performance Statement, the Exclusive Networks Group has mobilised significant resources in order to make the data more reliable, to publish a greater number of indicators and information, and to set up key performance indicators.

Given the very sharp increase in activity in 2022, resulting in a significant workload for all employees, the Group decided to focus on making the data collection more reliable, rather than covering all the controlled companies with a high level of uncertainty on the data. As a result, a scope of 23 countries was decided, covering all the companies controlled by the Group in each of these countries.

The Group will conduct an improvement process at the end of the financial year in order to identify areas for improvement, with a view to simplifying and increasing the reliability of data collection in the countries, and to extend the number of countries and companies taken into account for the Extra-financial Performance Statement as from the next financial year.

These 23 countries cover 52 companies, representing 87% of the Group's consolidated revenue and 75% of the total workforce, spread over 45 locations. The scope of consolidation is consistent for all information published in the report, except for some data on the full scope of consolidation for reasons of consistency with the figures published in the Management Report, in which case this difference is reported.

List of countries, companies and addresses of consolidated sites:

Country	Company	Address	Type
AUSTRALIA	Exclusive Networks PTY Ltd	Level 5, 20 Rodborough Road, Frenchs Forest NSW 2086, Sydney	REGISTERED OFFICE
		3/10 Southport Street, West Leederville, Perth WA 6007	OFFICES
		443 Auburn Road, Hawthorn, Victoria. Melbourne 3122	
		Pacific View Business Park, Warehouse 5, 10 Rodborough Road, Frenchs Forest NSW 2086	WAREHOUSE
AUSTRIA	Exclusive Networks Austria GmbH	Heinrich Bablik-Straße 17 K21 Top N06 2345 Brunn am Gebirge. Austria	REGISTERED OFFICE
		LIEBERMANNSTR. F06 402/1. 2345, BRUNN AM GEBIRGE	*WAREHOUSE**
BELGIUM	Exclusive Networks BeLux B.V.	A. Stocletlaan 202 Duffel (Antwerp) 2570, Belgium	REGISTERED OFFICE
			WAREHOUSE
CANADA	Exclusive Networks Canada Inc.	A101, 9000 Bill Fox Way. Burnaby, BC, V5J 5J3. Vancouver	REGISTERED OFFICE
			WAREHOUSE
CZECH REPUBLIC	Exclusive Networks Czechia s.r.o.	Šafaříkova 201/17, 120 00 Praha. 12000	REGISTERED OFFICE
			WAREHOUSE
CROATIA	Exclusive Networks Croatia d.o.o.	Nikole Cara 6, 51000 Rijeka. Croatia	REGISTERED OFFICE
		Remetinečka cesta 5a, 10000 Zagreb Zagreb	OFFICES
		Nikole Cara 6, 51000 Rijek, Croatia	*WAREHOUSE*

* The sites in italics correspond to subcontracted premises.

Country	Company	Address	Type
DENMARK	Exclusive Networks Denmark A/S	Strandvejen 58, 2900 Hellerup, Denmark	REGISTERED OFFICE
		Danmarksgade 6B, 4690 Haslev	*WAREHOUSE*
FINLAND	Exclusive Networks Finland OY	Säterinkatu 6, 02600 Espoo, Finland	REGISTERED OFFICE
		Vanha porvoontie 229, Ovi A9, 01380 Vantaa	*WAREHOUSE*
	Ignition Technology Finland Oy	Tekniikantie 2 B 2150, Espoo Finland	REGISTERED OFFICE
FRANCE	Exclusive Networks SA	20 quai du Point du Jour – 92100 Boulogne-Billancourt France	REGISTERED OFFICE
	Exclusive Networks SAS		
	Exclusive Capital SAS		
	Exclusive France Holding SAS		
	Everest SubBidCo SAS		
	Exclusive on Demand SAS		
	Ignition France SAS	3 rue Nationale. 92100 Boulogne-Billancourt France	REGISTERED OFFICE
	Exclusive Networks SAS	40 avenue Théroigne de Méricourt, 34000 Montpellier, France	OFFICES
		2 avenue des Améthystes – 44300 Nantes, France	
		La Maison du Coworking, 205 chemin des Peupliers, 59700 Marcq-en-Barœul, France	
		Parc du Jubin – Bât. D – 27 chemin des Peupliers, 69570 Dardilly, Lyon, France	WAREHOUSE
GERMANY	Exclusive Networks Deutschland Beteiligungs GmbH	Hardenbergstraße 9a, 10623. Berlin, Germany	REGISTERED OFFICE
	Exclusive Group GmbH		
	Exclusive Networks Deutschland GmbH		
	Exclusive Networks Deutschland Beteiligungs GmbH	Balanstraße 73/Haus 21 B, 81541 München, Germany	OFFICES
		Martin-Luther-King-Weg 8, 48155 Münster, Germany	
		Königsberger Str. 260, 48157 Münster, Germany	WAREHOUSE
IRELAND	Exclusive Networks Ireland Limited	Unit 8, 2009 Orchard Business Centre, Orchard Avenue, Citywest Business Campus, Dublin 24, D24 YC8C, Ireland	REGISTERED OFFICE
			WAREHOUSE
ITALY	Exclusive Networks SRL	Via Umbria 27/A CAP. 10199 San Mauro Torinese Italy	REGISTERED OFFICE
			WAREHOUSE
		Via Torri Bianche 6, Palazzo Tiglio, 1 piano Vimercate, Milano 20871 (MB)	OFFICES
		Via di Grotte Portella 6/8, Frascati (RM) c/o Centro Direzionale La Piramide, Rome 00044	
NETHERLANDS	Exclusive Networks BV	Ekkersrijt 4601. 5692 DR SON EN BREUGEL	REGISTERED OFFICE
			WAREHOUSE
		Gelderlandhaven 7a 3433 PG Nieuwegein	OFFICES

* The sites in italics correspond to subcontracted premises.

Country	Company	Address	Type
NORWAY	Exclusive Networks Norway AS	Martin Linges vei 25 Fornebu, 1364, Oslo, Norway	REGISTERED OFFICE
		Blakervegen 109, 1920 Sørumsand	*WAREHOUSE*
POLAND	Exclusive Networks Poland SA	ul. Zawiła 61 Kraków, 30-390 Kraków, Poland	REGISTERED OFFICE
			WAREHOUSE
		ul. Borsucza 32, 02-213 Warszawa	OFFICES
		ul. Tęczowa 13, 53-601 Wrocław	
		ul. Przemysłowa 5 pok. 45, 46, 47, 35-105 Rzeszów	SHARED OFFICE
		ul. Piłsudskiego 12 I piętro, 38-400 Krosno	
		ul. Roździeńskiego 188a, 40-203 Katowice	
		ul. Wolska 11a pok.4 i 5 II p., 20-411 Lublin	
		ul. Grunwaldzka 229/34 – 3rd floor, 85-793 Bydgoszcz	
		ul. Lutniana 39 pok.105 I piętro, 71-425 Szczecin	
	Compendium Centrum Edukacyjne Spółka z o.o.	ul. Tatarska 5 Kraków, 30-103 Poland	REGISTERED OFFICE
ROMANIA	Exclusive Networks Technology Romania SRL	Grigore Romniceanu 20, S5, 050576 Bucharest	REGISTERED OFFICE
			WAREHOUSE
SINGAPORE	Exclusive Networks Asia Pte Ltd	3 Kallang Junction #04 – 02. Vanguard Campus Singapore 339265	REGISTERED OFFICE
		5 Pereira Road #02-03 Asiawide Industrial Building 368025	OFFICES
			WAREHOUSE
	BridgingMinds Singapore Pte Ltd	190 Middle Road, #12-10/11 Fortune Centre, Singapore 188979	REGISTERED OFFICE
	Exclusive Networks Singapore Pte Ltd	3 Kallang Junction #04 – 02, Singapore 339265	
	Itec Intelligent Services PTE Ltd		
	Exclusive On Demand APAC Pte Ltd		
SPAIN	Exclusive Networks SL	Calle Arturo Soria 336, 8 piso. 28033 Madrid, Spain	REGISTERED OFFICE
		Avda. Diagonal, 177 5ª Planta 08018, Barcelona	OFFICES
		A/A Antonio Cerrillo Ircologic Avda. Fuentemar, n 43, Naves 3C y 4 28823 Coslada	*WAREHOUSE*
SWEDEN	Exclusive Networks Sweden AB	Slåttervägen 20. 170 67 Solna, Sweden	REGISTERED OFFICE
		Hyttögatan 6, 752 28 Uppsala	*WAREHOUSE*
SWITZERLAND	Exclusive Networks Switzerland AG	Thurgauerstrasse 40, 8050. Zürich, Switzerland	REGISTERED OFFICE
			WAREHOUSE
UAE	Exclusive Group Mena Ltd	Free Zone Offshore company. JAFZA, Dubai, UAE	REGISTERED OFFICE
		DHL International, G 13 LIU WEST RING ROAD, DUBAI AIRPORT FREE ZONE DUBAI, UNITED ARAB EMIRATES	*WAREHOUSE*
	Networks Distributors FZ-LLC	3502 & 3507 35th Floor, Shatha Tower. Dubai Media City	REGISTERED OFFICE

* The sites in italics correspond to subcontracted premises.

Country	Company	Address	Type
UK	Exclusive Networks Ltd	Alresford House Mill Lane Alton. GU34 2QJ Hampshire, United Kingdom	REGISTERED OFFICE
	Ignition Bidco Ltd		
	Everest UK Finco Ltd		
	Everest UK Hedgeco Limited		
	Itec Intelligent Services Ltd	Rosa 18 Mulberry Business Park Fishponds Road, RG41 2GY Wokingham United Kingdom	
	Ignition Technology Ltd	Cody Technology Park, Old Ively Road, GU14 0LX, Farnborough. United Kingdom	
	Ignition Technology Group Ltd		
	Nuaware Ltd	C/O Rodliffe Accounting Ltd 1 Canada Sq 37th Floor, Canary Wharf, London, United Kingdom, E14 5AA	
	Exclusive Networks Ltd	6-7 Kings Court, Willie Snaith Road, Newmarket, Suffolk, CB8 7SG	OFFICES
		Laurel House, Ransom Wood Business Park, Southwell Road West, Mansfield, NG21 0HJ	
		6th Floor, 20 St Dunstans Hill, London EC3R 8HL	
		Unit 3, Riverwey Industrial Park, Newman Lane, Alton, Hampshire GU34 2QL	WAREHOUSE
USA	Exclusive Networks USA Inc.	2075 Zanker Road, 95131, San Jose, California, USA	REGISTERED OFFICE
			WAREHOUSE
	Itec Intelligent Services Inc	3030 N. Rocky Point Dr. W Suite 150 33607, Tampa Florida – USA	REGISTERED OFFICE
	Exclusive On Demand USA	251 Little Falls Drive, 19808, Wilmington, Delaware – USA	
	Exclusive Americas Holdings Inc.		
	Exclusive Networks USA Inc.	4049 Willow Lake Boulevard, 38118 Memphis TN – USA	*WAREHOUSE*

* The sites in italics correspond to subcontracted premises.

[GRI 2-1-d/2-2-a/2-2-c]

3.

3.8.2 Methodological information on indicators

Preparation of this Sustainability Report

The Group Executive Committee validates the list of consolidated companies on the proposal of the Group Sustainability Director, who is also responsible for:

- preparing the reporting framework;
- defining the nature and source of the information to be collected and ensuring its reliability;
- organising the collection of information, whether centralised or locally, in order to consolidate it;
- writing this report.

The process follows a defined timetable, shared with the main contributors, to enable the information to be verified by the notified body within the time frame required. In the future, all data will be archived, to enable consistency checks to be carried out and the results obtained to be put into perspective.

Where possible, the indicators and information in this report are prepared in accordance with the Global Reporting Index (GRI) Guidelines, according to the most recent versions of the standards available as at 30 June 2022. When the GRI framework is used it will be identified by the term *"GRI-xx"*. The other indicators and information are either specific to the company, as they relate to subjects that are unique to it, or aim to comply with Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code.

Information relating to social data

Regarding the social data published in this report:

- average annual workforce and other figures presented in section 3.4: all persons paid during the year 2022 in one of the 23 consolidated countries are taken into account, regardless of their employment agreement (fixed-term or open-ended, apprentices and trainees). Temporary workers and service providers are not taken into account;
- the data are collected from extractions of the Human Resources Information System described in section 3.4.2, and then consolidated using a data analysis software. The average workforce is calculated based on each monthly average using cross-reference tables;

[GRI 2-7-c]

- health and safety: accidents resulting in at least one day's absence from work are taken into account for the calculation of frequency and severity rates;
- training: all training categories are taken into account. Scope may be technical or regulatory, relate to adaptation in the position or aim to develop employees' skills.

Information on environmental data

Regarding the environmental data published in this report:

- all data published in section 3.5 is in accordance with the GHG Protocol Corporate Standard 2015;
- to ensure that all the expected information is communicated within the given time frame, certain missing data concerning Scopes 1 and 2 and representing less than 10% of the subtotal have been extrapolated;
- scope 3 emissions are estimated on the basis of generic assumptions, which may be subject to change as part of the methodological improvements planned for 2023;
- the Exclusive Networks Group includes the environmental footprint of all the vehicles used in its activities, which are mainly leased, in the accounting of its greenhouse gas emissions;
- the mass of equipment purchased from vendors, i.e. nearly 1,500 tonnes of electronic equipment, is considered equivalent to that of products sold to customers.

Calculation of the Greenhouse Gas Emissions Assessment:

- the following greenhouse gases were taken into account, converted into tonnes of co_2 equivalent (or tCO_2eq) according to their Global Warming Potential: CO_2, CH4, N2O, HFC, SF6, PFC, NF3 and CFC;
- the Group's carbon footprint was calculated using the ADEME-Association Bilan Carbone (ABC) calculation tool in its version 8.8 of October 2022, following the rules of the GHG Protocol and with a level of uncertainty for each item. This tool allows results to be displayed in several standard formats, including the GHG Protocol format;
- the emission factors are taken from the ADEME database, unless otherwise stated;
- the change in the Group's Greenhouse Gas Emissions Assessment compared with 2021 is not solely due to changes in its activities, consumption and emissions. The collection of the source data required to establish the 2021 Greenhouse Gas Emissions Assessment proved to be too limited, resulting in excessively high levels of uncertainty. This is why the Group launched a specific project in 2022, lasting several months, aimed at building a robust Greenhouse Gas Emissions Assessment, which will form the basis for establishing a trajectory for reducing its emissions (see sections 3.5.2 and 3.8.1).

Nature of the data collected:

- energy used in buildings, i.e. electricity, gas and fuel oil: based on invoices;
- vehicle fleets: fuel consumed (petrol or diesel), based on invoices or estimates;
- equipment purchases and sales: mass of equipment multiplied by a representative electronic equipment emission factor;
- inbound and outbound transport: mass data extraction, distances travelled and transport modes from logistics providers, and application of an emission factor per transport mode (air or road);
- business travel: data extracted from travel providers, extrapolated to the organisational scope;
- commuting: estimate based on an average distance travelled per day and per employee, broken down by mode of transport (car, train, bus, motorbike, bicycle), obtained as part of an internal survey conducted in 2021;
- waste produced on the sites: estimate of the mass of tertiary waste per employee and per year based on the ADEME guide to workplace eco-responsibility ("Écoresponsable au bureau"), September 2022;
- use of products sold: estimate of the average electricity consumption of a typical equipment over a five-year period, multiplied by the electricity emission factor of the country of sale;
- end of life of products sold: mass of equipment sold multiplied by the emission factor for electronic waste from the ADEME database.

[GRI 2-4-a/305-1-b/305-1-e/305-1-f/305-1-g/305-2-c/305-2-e/305-2-g/305-3-b/305-3-f/305-3-g/305-4-c/305-4-d/305-3-f/305-3-g]

3.8.3 Extra-financial performance statement/GRI/ SDG cross-reference table

	Information theme	Indicator baseline	Information description	Chapter	Page	SDG
	Business model					
		Article R. 225-105 of the French Commercial Code	Business model of all companies for which the Exclusive Networks Group prepares consolidated financial statements	Intro-duction	p. 10	
	Risks and opportunities					
		Article R. 225-105 of the French Commercial Code	Key risks and opportunities related to the Group's activity, including its business relationships, products and services	2	p. 39	
	Materiality					
	Materiality matrix	GRI 3-1	Process for determining materiality issues	3.2.2	p. 70	
		GRI 3-2-a	List of materiality issues			
	Key performance indicators					
		Article R. 225-105 of the French Commercial Code	Key performance indicators aimed at preventing and mitigating the occurrence of the Group's main sustainability risks	3.3	p. 73	
Social data	**Employment**					
	Average total workforce and breakdown of employees by age, gender, professional category, type of contract, region, country	GRI 2-7-a	Average total workforce and breakdown by gender/region/country	3.4.9	p. 83	
		GRI 2-7-b	Proportion of employees employed on fixed-term or permanent contracts			
			Proportion of employees employed on full-time or part-time contracts			
			Workforce as at 31/12/2022			
		GRI 2-7-c	Information on data collection and consolidation, methodologies and assumptions			
		GRI 2-7-e	Significant changes in the number of employees during the period and compared with previous periods			
	Hirings, departures, turnover and retention of talent	GRI 401-1-a	Breakdown of hires by age, gender and region			
		GRI 401-1-b	Employee turnover by age, gender and region			
		Company	Breakdown of departures by age, gender and region			
		Article R. 225-105 of the French Commercial Code	Breakdown of departures by reason and gender			
		Company	Average tenure			
		Article R. 225-105 of the French Commercial Code	Absenteeism rate	3.4.8	p. 82	
	Payroll and changes	Article R. 225-105 of the French Commercial Code	Wages, salaries and social security charges, change vs Y-1	3.4.9	p. 83	

	Information theme	Indicator baseline	Information description	Chapter	Page	SDG
Social data	**Diversity and equal opportunities**					
	Diversity and equal opportunities	GRI 405-1-a	Breakdown of governance members by gender and age	3.4.7	p. 79	SDG: 5.5 & 8.5
		GRI 405-1-b	Breakdown of employees by gender, employee category and age			
		Company	Average age and age pyramid (male-female)			
	Measures taken to promote gender equality	GRI 2-21	Equity ratio			
		GRI 405-2-a	Average gender pay gap by employee category and main locations of operation			
		GRI 405-2-b	Description of methodology and main locations			
	Training					
	Training programmes, number of hours of training and training contribution rate	GRI 404-2-a	Description of training programmes to improve employee skills	3.3.4 & 3.4.5	p. 77	
		GRI 404-3-a	Proportion of employees who receive an appraisal and career development interview	3.4.4	p. 77	SDG 4.3 & 4.4
		Company	Training expenditure	3.4.5	p. 78	
			Rate of contribution to training (training budget/total payroll)			
	Labour relations					
	Collective agreements with trade unions or employees representatives	Article R. 225-105 of the French Commercial Code	List of agreements signed	3.7.2	p. 114	
	Annual staff survey	Company	Proportion of employees who responded to the company annual survey	3.4.3	p. 76	
			Engagement rate			
	Health and safety					
	Occupational accidents, frequency and severity	GRI 403-9-a	Number and frequency rate of occupational accidents	3.4.8	p. 81	SDG 8.8 & 3.4
			Number and severity of occupational accidents			
		GRI 403-9-g	Information on data collection, standards, methodologies and assumptions			
	Occupational health and safety	GRI 403-7	UK stress awareness month			

3.

	Information theme	Indicator baseline	Information description	Chapter	Page	SDG
Environmental data	**Sustainable use of resources**					
	Internal energy consumption	GRI 302-1-a	Fuel consumption from non-renewable sources	3.5.1	p. 86	SDG 7.3
		GRI 302-1-a	Diesel fuel consumption			
		GRI 302-1-a	Petrol fuel consumption			
		GRI 302-1-c	Electricity consumption			
		GRI 302-1-b	Renewable electricity consumption			
		GRI 302-1-c	City gas consumption			
		GRI 302-1-c	Consumption from heating networks			
		GRI 302-1-e	Total energy consumption			
		GRI 302-1-f	Standards, methodologies, assumptions and calculation tools used			
		GRI 302-1-g	Source of conversion factors used			
	External energy consumption (Scope 3)	GRI 302-2-a	Energy used outside the organisation			
		GRI 302-2-b	Standards, methodologies, assumptions and calculation tools used			
		GRI 302-2-c	Source of conversion factors used			
	Energy intensity	GRI 302-3-a	Energy intensity ratio by geographical area			
		GRI 302-3-b	Denominator chosen to calculate the ratio			
		GRI 302-3-c	Types of energy included in the ratio			
		GRI 302-3-d	Internal energy ratio			
	Greenhouse gas emissions	GRI 305-1-a	GHG Scope 1	3.5.2	p. 88	SDG 7.3 12.4 & 12.5
		GRI 305-1-b	Description of gases taken into account			
		GRI 305-1-e	Source of emission factors			
		GRI 305-1-f	Consolidation approach			
		GRI 305-1-g	Standards, methodologies, assumptions and calculation tools used			
		GRI 305-2-a	GHG Scope 2			
		GRI 305-2-c	Description of gases taken into account			
		GRI 305-2-e	Source of emission factors			
		GRI 305-2-f	Consolidation approach			
		GRI 305-2-g	Standards, methodologies, assumptions and calculation tools used			
		GRI 305-3-a	GHG Scope 3			
		GRI 305-3-b	Description of gases taken into account			
		GRI 305-3-d	Categories of emissions taken into account			
		GRI 305-3-f	Source of emission factors			
		GRI 305-3-g	Standards, methodologies, assumptions and calculation tools used			
		Company	Breakdown of CO2 emissions by category/ country/region			
		GRI 305-4-a	GHG emissions intensity ratio			
		GRI 305-4-b	Denominator chosen to calculate the ratio			

	Information theme	Indicator baseline	Information description	Chapter	Page	SDG
Environmental data	Greenhouse gas emissions	GRI 305-4-c	Categories of emissions taken into account (Scope 1/2/3)	3.5.2	p. 88	SDG 7.3 12.4 & 12.5
		GRI 305-4-d	Description of gases taken into account			
		GRI 305-3-f	Source of emission factors			
		GRI 305-3-g	Standards, methodologies, assumptions and calculation tools used			
	Water consumption	GRI 303-5-a	Quantity of water consumed	3.5.3	p. 94	
		GRI 303-5-d	Information on data collection and consolidation, methodologies and assumptions			
	Waste management					
	Waste	GRI 306-1	Description of waste generated by the company's activity and/or in its value chain	3.5.3	p. 94	SDG 12.4 & 12.5
		GRI 306-3-a	Tonnage and breakdown by waste category			
		GRI 306-3-b	Information on data collection			
	Other information					
	Green Taxonomy	Regulation (EU) 2020/852 of 18 June 2020	Revenue, CapEx and OpEX indicators	3.5.4	p. 95	
		Article R. 225-105 of the French Commercial Code	Amount of provisions and guarantees for environmental risks			
Societal data	**Anti-corruption**					
	Anti-corruption policy	GRI 3-3	Anti-corruption policy, organisation and risk management	3.6.1	p. 102	SDG 16.5
	Corruption risk assessment	GRI 205-1-a	Total number and percentage of transactions assessed for corruption-related risks	3.6.2	p. 103	
			Proportion of due diligences performed on third parties			
		GRI 205-1-b	Significant corruption-related risks identified in risk assessment			
	Corruption risk prevention: communication, training, audits	GRI 205-2-c	Number and percentage of business partners to whom the anti-bribery policy has been communicated by type of business partner and by region			
		GRI 205-2-e	Number and percentage of employees trained to anti-corruption			
		Company	Number of internal anti-corruption audits			
	Proven incidents of bribery and actions taken	GRI 205-3	Number of proven cases of corruption			
			Number of employees dismissed or sanctioned for corruption			
			Number of corruption-related convictions against the Group or one of its subsidiaries			

3.

	Information theme	Indicator baseline	Information description	Chapter	Page	SDG
Societal data	**Ethics and fair practice**					
	Ethics	GRI 2-26	Number of ethics alerts received	3.6.2	p. 103	
	Data security	Company	Cyber Exposure Score	3.6.3	p. 107	SDG 4.4
		Company	Training of employees in cybersecurity	3.6.4	p. 108	
		Company	Training of employees in personal data protection	3.6.5	p. 110	
	Other regulatory issues					
		Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code	Consequences on climate change of the Company's activity and the use of the goods and services it produces	3.5	p. 88	
			Societal commitments to sustainable development and the circular economy	3.7.3	p. 114	SDG 12.4 & 12.5
			Societal commitments in favour of the fight against food waste and food insecurity, responsible, fair and sustainable food, and animal welfare	3.7.4	p. 115	
			Actions to promote physical activity and sport	3.7.5	p. 115	
			Effects of the Company's activity on the respect of human rights	3.7.1	p. 113	
			Combating tax avoidance	3.6.6	p. 111	
	Methodological note					
		GRI 2-1-d	Number and addresses of sites	3.8.1	p. 116	SDG 12.6
		GRI 2-2-a/2-2-c	List of countries and companies considered and approach used			
			Coverage rate on Group workforce			
			Coverage rate on Group revenue			
		GRI 2-3-a	Reporting period and frequency of sustainability reporting	3.8	p. 116	
		GRI 2-4-a	Restatement of previously published information	3.8.2	p. 120	
		GRI 2-5	External assurance: independent notified body report	3.9	p. 127	

3.9 Opinion of the independent notified body

In accordance with Decree 2017-1265 of 9 August 2017, issued for the application of Ordinance 2017-1180 on the publication of extra-financial information, the verification of the Exclusive Networks Group's sustainable development information has been entrusted to the CSR notified body Finexfi, to ensure the transparency and fairness of the information provided in this report.

[GRI 2-5]

Opinion of the audit organisation

for the year ended 31 December 2022

This is a free translation into English of the CRS Auditor's report issued in French and is provided solely for the convenience of English- speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as independent third party, CSR auditor of Exclusive Networks (hereinafter the "Entity"), and accredited by COFRAC Inspection under number 3-2013 (a), we have performed work to provide a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated, hereinafter the "Information") of the consolidated extra-financial statement (hereinafter the "Statement"), prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the financial year ended December 31st, 2022, presented in the Management Report of the Entity, in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

(a) scope of accreditation available on www.cofrac.fr

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, nothing has come to our attention that causes us to believe that the Statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Preparation of the Statement

The lack of a commonly used framework or established practice on which to base the assessment and evaluation of information allows for the use of alternative accepted methodologies that may affect comparability between entities and over time.

The Information has been prepared in accordance with the Guidelines, the main elements of which are presented in the Statement.

Restrictions due to the preparation of the Information

The Information may contain inherent uncertainty about the state of scientific or economic knowledge and the quality of external data used. Some of the information is dependent on the methodological choices, assumptions and/or estimates made in preparing the Information and presented in the Statement

The entity's responsibility

The Board of Directors is responsible for :

- selecting or setting appropriate criteria for the preparation of the Information;
- preparing the Statement with reference to legal and regulatory requirements, including a presentation of the business model, a description of the principal extra-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators where applicable: and also, the Information required by Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- and implementing internal control procedures deemed necessary to the preparation of information, free from material misstatements, whether due to fraud or error.

Responsibility of the independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of Information provided in accordance with article R. 225 105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to express an independent conclusion on the Information prepared by management, we are not authorized to be involved in the preparation of such Information, as this could compromise our independence.

This is not our responsibility to express an opinion on:

- the Entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852, the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information n required by Article 8 of Regulation (EU) 2020/852;
- the compliance of products and services with applicable regulations

Regulatory provisions and applicable professional standards

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 (revised)

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and the professional doctrine of the French National Association of Auditors.

Means and resources

Our work was carried out by a team of 2 people between January 15, 2023 and March 24, 2023 and took a total of two weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 15 interviews with people responsible for preparing the Statement, representing among general management, administration and finance, risk management, compliance, human resources, health and safety, environment and purchasing.

Nature and scope of our work

We planned and performed our work considering the risk of material misstatement of the Information.

We estimate that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, when appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and anti-corruption;
- we have verified that the Statement presents the information required by II of Article R. 225-105 when relevant to the principal risks and includes, where appropriate, an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1 ;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes, including key performance indicators related to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks and the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendix. Our work was performed at the consolidation entity level. Our work was carried out at the level of the consolidating entity and in a selection of entities[1];

1 Exclusive Networks SA, Exclusive Networks France SA, Exclusive Holding, Exclusive on demand

- we asked what internal control and risk management procedures the entity has put in place and assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in the appendix1;
- we implemented :
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details based on sampling or other selection methods, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents.

  This work was carried out on a selection of contributing entities and covered between 29% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the French Institute of Statutory Auditors ("CNCC"); a higher level of assurance would have required us to carry out more extensive procedures.

French original signed by : independent Verifier

Lyon, March 27, 2023

FINEXFI

Isabelle Lhoste

Partner

ANNEX 1

- Social indicators :
  - Business Model
  - Cod of Conducts
  - Mains risks and opportunities
  - Review chapter #WeAreExclusive
  - The average number of employees
  - Distribution of employees by region
  - Age pyramid,
  - Distribution of employees by generation
  - gender
  - Recruitment by generation and by gender
  - Dismisses
  - Environmental footprint
- Energy consumption – scopes 1 et 2
- GHG emissions by scope

We Are Skillful

4. Corporate governance

Report of the Board of Directors on corporate governance

This report of the Board of Directors on corporate governance has been prepared in accordance with the provisions of Articles L. 225-37 and et s.e.q., and L. 22-10-8 et s.e.q. of the French Commercial Code.

This report contains information relating to the compensation of the Corporate Officers and various aspects of the practices of the Company's administrative and management bodies. The Chairperson of the Board of Directors tasked the Finance, Legal and Human Resources Departments with carrying out preparatory steps for this report, which was then reviewed by the Nomination and Compensation Committee and approved by the Board of Directors on 27 March 2023. Factors that may be deemed significant in the event of a public offer are described in Chapter 6, section 6.1.5 *"Items that may have an impact in the event of a public offer"* in this Universal Registration Document for 2022.

Declaration relating to corporate governance

In order to prepare this Board of Directors' report on corporate governance the Company has referred to the AFEP-MEDEF Code in its revised version of December 2022. This Code and a guide to its application are available in the Governance section of the AFEP and MEDEF websites: www.afep.com and www.medef.com

In the context of the "Comply or explain" rule provided for in Article L. 22-10-10 of the French Commercial Code and Article 28.1 of the AFEP-MEDEF Code, and as a result of the Board of Directors' annual assessment performed on 27 March 2023 on the implementation by the Company of governance principles, the Company believes that its practices comply with the recommendations of the AFEP-MEDEF Code, with the exception of the following recommendations:

AFEP-MEDEF Code recommendation	Explain
Meetings of the Board of Directors and the Committees – It is recommended that at least one meeting not attended by the executive officers should be organised each year – (Article 12.3)	The Board of Directors has organised no meetings not attended by the Chief Executive Officer, it being nevertheless specified that the latter does not participate in the Board of Directors' discussions concerning his compensation (in relation to performance policy and assessment). Moreover, the Board members meet the Auditors without the presence of the Chief Executive Officer during the Board meeting called to approve the financial statements.
Duration of Director's terms of office – Terms of office should be staggered so as to avoid replacement of the entire body and to favour a smooth replacement of Directors – (Article 15.2)	According to the Article 12 of the Company's Bylaws, the Directors are appointed for a four-year term of office. By way of exception, the General Shareholders' Meeting may appoint one or more Directors, or renew their term(s) of office, for a different term not exceeding six years or reduce the term of office of one or more Directors in office to a period of less than four years, in order to allow for a staggered renewal of Directors' terms of office. All Directors currently in office were appointed for four-year terms following the general meeting of shareholders of 1 September 2021, which will expire at the closure of the general meeting of shareholders convened in 2026 to approve the financial statements for the year ending 31 December 2025. On expiry of the said terms of office, the Board of Directors will propose that the Shareholders renew the term of office of certain Directors for a period of less than four years in order to allow for a staggered renewal of the terms of office. In the meantime, in the event of the appointment of one or more new Directors, the Board of Directors shall ensure that the expiry of the term of office concerned does not coincide with the terms of office due to expire in 2026.
Chapter 5: On the recommendation of Executive Management, the Board of Directors determines the multi-year strategic direction that should be taken in relation to social and environmental responsibility. Executive Management describes to the Board of Directors how this strategy will be implemented by way of an action plan and a schedule. Executive Management reports annually to the Board on the results that have been achieved. Where climate matters are concerned, the strategy is accompanied by precise objectives over different time frames. Every year, the Board studies the results that have been achieved and considers whether there is scope to adapt the action plan or amend the objectives, particularly if there has been a change in the Company's strategy, technology, shareholder expectations and the financial capacity to implement them. The climate strategy mentioned in section 5.3 and the primary measures taken in this regard are presented to the Ordinary General Meeting at least every three years or if there has been a material change in the strategy.	The action plan to bring us into line with the recommendations of chapter 5 of the AFEP-MEDEF code is under way, particularly with regard to the Group's climate strategy. A schedule has been put before the Group's Executive Committee and a number of topics featuring in the Group's CSR strategy are on the agenda of Board of Directors' meetings for 2023. For example, the Executive Committee and the Board of Directors have contributed directly to the materiality matrix and validated the conclusions therefrom. Once the Board of Directors has validated the multi-year strategy and schedule, these will be put before the General Meeting. Rather than being subject to preparatory work by a dedicated committee, CSR topics are discussed in plenary Board meetings as permitted by its current size. The Extra-Financial Performance Statement, which includes the Taxonomy, is submitted to the Board of Directors in the same way as the management report. Directors are invited to consider these issues and present their findings during Board meetings. Moreover, all risks (including extra-financial ones) are reviewed by the Audit Committee.

4.1 Governance structure

4.1.1 Current governance structure

4.1.1.1 Separation of the roles of Chief Executive Officer and Chairperson of the Board of Directors

The Company was incorporated as a *société par actions simplifiée* (simplified joint-stock corporation) and was converted into a *société anonyme* (public limited company) governed by a Board of Directors through a decision at the General Shareholders' Meeting of 1 September 2021.

The Company's present mode of governance has been in place since the Company's Initial Public Offering, decided by the Board of Directors on 27 September 2021, separated the responsibilities of the Chairperson of the Board of Directors, exercised by Barbara Thoralfsson, from those of the Chief Executive Officer, exercised by Jesper Trolle.

The Board of Directors wished the Company to maintain a mode of governance close to that existing before the Company's IPO, considering that the latter represented the most appropriate mode of governance for the Company, allowing for a separation of operational management, which is exercised by the Chief Executive Officer, assisted by the Executive Committee to ensure coordination between the registered office and the subsidiaries in accordance with the Group's decentralised model, and the control function, exercised by the Board of Directors, representing the shareholders.

The Board of Directors believes that this governance structure is appropriate and that it will enable the Group to pursue its development under the best possible conditions. It allows the Chief Executive Officer to fully devote himself to operational and executive functions. It also allows the Group to benefit from the expertise and experience of the Chairperson of the Board of Directors. The complementary profiles and backgrounds of the Chairperson of the Board of Directors and the Chief Executive Officer are an additional asset for the Group.

In addition, the choice to appoint Jesper Trolle as a Director allows for regular exchanges between shareholders and Executive Management and ensures that the definition of the Group's strategy takes into account the expectations and interests of the shareholders.

4.1.1.2 Balance in the distribution of the powers

In addition to the separation of offices of Chairperson and Chief Executive Officer, the following mechanisms ensure a good balance of powers and avoid any conflicts of interest:

- the independence of the Board of Directors: the independent Directors represent 42% of the Board of Directors (3 out of 7) as at the date of this 2022 Universal Registration Document;
- there are two permanent committees, each chaired by an independent Director, namely the Audit Committee and the Nomination and Compensation Committee;
- the limitation of the powers of the Chief Executive Officer: the Internal Rules of the Board of Directors specify the fields reserved for the Board of Directors and in this respect provides for limitations on the powers of the Chief Executive Officer that exceed the legal requirements. Thus, the Board of Directors must approve strategic investment projects and any operation of significant importance for the Group (see section 4.1.2 *"Executive Management"* below, which presents the list of decisions requiring the prior authorisation of the Board of Directors).

4.1.2 Executive Management

4.1.2.1 Powers of the Chief Executive Officer

According to Article 17 of the Company's Bylaws, the Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, as limited by the corporate purpose and those powers that the applicable laws and regulations expressly confer on the Shareholders' Meetings and on the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is also bound by acts of the Chief Executive Officer that are not within the Company's corporate purpose, unless the Company can prove that the third party knew that such acts went beyond the Company's corporate purpose or could not have been unaware thereof given the circumstances.

4.1.2.2 Limitations on the powers of the Chief Executive Officer

Article 3.2 of the Internal Rules of the Board of Directors stipulates that the Chief Executive Officer must have the prior agreement of the Board of Directors ruling through a simple majority of the members present or represented, for any decision listed below:

- approval or amendment to the business plan or to the budget (including investment budgets together with the relating financing plan) of the Company, including the consolidated annual budget of the Group;
- any distributions by the Company and by other Group companies, excluding distributions between wholly owned subsidiaries;

- any operation that is not part of the Company's announced strategy or that could significantly affect or materially modify the financial structure of results of the Company;
- any acquisition, merger, spin-off, contribution in kind or divestiture insofar as the aggregate amount exceeds €10 million (or its equivalent in any other currency);
- any investment (except acquisition, merger, spin-off, contribution in kind or divestiture above mentioned) not approved in the business plan or the budget, for an amount exceeding €10 million (or its equivalent in any other currency);
- any decision to set up or to terminate a partnership or joint company where the contribution of the Company or the Group exceeds €10 million (or its equivalent in any other currency);
- any financing operation which exceeds €100 million (or its equivalent in any other currency) for new medium or long-term borrowing or €70 million (or its equivalent in any other currency) for short term commercial papers;
- any decision to grant guarantees or security interests to third parties (except guarantees granted to customs and tax authorities in the normal course of business) for an amount exceeding the annual aggregate amount to be determined each year by the Board of Directors and subject to any further authorisation granted by the Board of Directors with respect to guarantees or securities granted for the benefit of controlled companies within the Group or more generally to the Chief Executive Officer;
- any decision to settle or initiate a dispute relating to a claim for an amount exceeding €5 million (or its equivalent in any other currency) or a claim having a material reputational impact on the Company;
- any issuance of shares or securities giving access, whether immediately or in the future, to the Company's share capital based on any available delegation of competence granted by the Company's shareholders meeting;
- any launch of a significant activity not within the usual scope of the companies of the Group or any decision to stop or reduce significantly the main businesses of the Group;
- any amendment to the Company's Bylaws or to the bylaws or of any Material Subsidiaries (except for amendments of administrative nature); the term **"Material Subsidiaries"** means any subsidiary of the Company which consolidated revenue represents, for the previous financial year, more than 5% of the Company's consolidated annual revenue;
- any merger, demerger or winding up of a Material Subsidiary, excluding intra-Group reorganisations;
- the implementation of any insolvency procedure, dissolution or winding-up (or any similar procedure in each applicable jurisdiction), of the Company or any of its Material Subsidiaries;
- the appointment, renewal or dismissal of the Statutory Auditors of the Company;
- acquisition by the Company of its own shares; and
- the delisting of the Company or the listing of any Group company.

4.1.3 Executive Committee

The Executive Committee is responsible for the Group's Executive Management; it is involved in defining and implementing the Group's strategy.

Due to the Group's size, the acceleration of its growth, and the specific requirements of the various markets and geographical areas in which it operates, the Executive Management structure was strengthened in 2021 in order to address the Group's new goals and new challenges.

The organisational structure is based on support functions and operational functions. The operating functions are headed by the regional Vice Presidents and by the Vice-President Global Alliances and Ecosystem.

This organisation is directly aligned with the Exclusive Networks Group's DNA, as it considers its centralised management team, combined with local autonomy, as essential to enabling agility and faster reaction to the changes that occur in the market.

As at the date of the present 2022 Universal Registration Document, the Executive Committee is composed of the 11 following members and is chaired by the Chief Executive Officer(1):

(1) Information about the Chief Executive Officer, Jesper Trolle, is described in greater detail in section 4.2.2 *"Information about the members of the Board of Directors"*.

Jesper Trolle

Chief Executive Officer

Jesper Trolle joined Exclusive Networks in 2020. Jesper Trolle has worked for nearly 30 years in the IT industry, both as a reseller and in distribution. In 2001, Jesper Trolle established Next Denmark A/S on the Danish market, a company that was later acquired by DNS, which was in turn acquired by Arrow in 2005. Jesper Trolle held a number of diverse positions in multiple locations within Arrow, seeing rapid success and progression, including stints in Germany, running Central and Eastern Europe, and in Paris, running North-West Europe and Australia-New Zealand (ANZ). He took up the role as Arrow's President Americas in 2017, based in Denver, Colorado.

Jesper Trolle holds an Executive MBA in General Management from Henley Business School.

Paul Eccleston

Managing Director and General Manager, UK & Ireland – SVP EMEA

Paul Eccleston is a very experienced senior manager in the EMEA information technology market. He has considerable experience of creating, purchasing and growing businesses in the value-added distribution, value-added reselling and services sectors in the EMEA region, with companies such as Computacenter, SCC, SDG, Tech Data and, more recently, the Nuvias group. He joined Exclusive Networks Group in 2022. Paul brings vast experience of the EMEA cybersecurity market together with an entrepreneurial viewpoint and relationships with partners and vendors that are centred around their success and growth.

Philippe Bosquier

Chief Information Officer

Philippe Bosquier began his role at Exclusive Networks in 2021, having occupied similar C-level/senior VP positions at DHL, Tech Data, LVMH and, most recently, at Heppner.

He began his career in technology 30+ years ago and has significant expertise in global supply chains both within and outside the distribution industry, successfully leading very large international ERP deployments with budget responsibility for hundred-million-dollar programmes.

Nathalie Bühnemann

Chief Financial Officer

Nathalie Bühnemann joined Exclusive Networks Group as Chief Financial Officer in January 2023. During the course of the last two decades, Nathalie Bühnemann has acquired vast experience not only of financial function management for various listed companies but also of the handling of mergers and takeovers. Before joining Exclusive Networks, Nathalie Bühnemann was the chief financial officer of the AKKA Technologies Group, a European market leader in engineering consultancy and R&D services, listed on the Paris stock exchange, and for whom she occupied various financial management positions. Prior to this, Nathalie Bühnemann spent over 10 years as a financial consultant for PricewaterhouseCoopers, where she built up an in-depth knowledge of mergers and takeovers. Nathalie Bühnemann, holds an Audit and Finance degree from ESCP European School of Management (France) and is a certified public accountant in France (DEC). Nathalie Bühnemann has an extensive knowledge of Exclusive Networks' culture, model and strategy, thanks to her role as an independent member of the Board of Directors and Chairperson of the Audit Committee, functions that she had occupied since the Company's IPO in September 2021.

Fabio Buanne

Vice-President Strategy and M&A

Fabio Buanne is a specialist in mergers and acquisitions (M&A) and corporate development in the TMT sector, and comes with many years of experience in this field, most recently at Orange where he has been instrumental in the creation of Orange Cyberdefense and the development of Orange Business Services through M&A in areas such as BI, data analytics, cybersecurity, digital transformation, e-health and cloud.

Fabio Buanne joined Exclusive Networks in April 2022 with responsibility for M&A strategy and management and related initiatives that will support the Group's growth plans.

Brad Gray

Vice-President APAC

Brad Gray joined Exclusive Networks in 2019, bringing a highly successful 25+ year track record of building successful teams in APAC spent at vendors such as Juniper Networks, Polycom and, most recently, SAP. Having resided for 20 years in Singapore and for three years previously in Indonesia, Brad Gray's insights and cultural, technological and commercial expertise within the region bring a wealth of knowledge to Exclusive Networks' APAC business.

Brian Vincik

Vice-President North America

Brian Vincik is a US channel veteran of over 40 years, with a wealth of senior-level experience and success. He joined Exclusive Networks in 2021 having been General Manager at Securematics where he took the Carlsbad, CA-based VAD on an impressive growth journey, and prior to that was at Hewlett-Packard where he headed up pre-sales consulting and helped grow the services business.

Denis Ferrand-Ajchenbaum

Vice-President Global Alliances and Ecosystem

Denis Ferrand-Ajchenbaum joined Exclusive Networks in 2021. With over 30 years of experience in enterprise IT including stints at value-added distributors, resellers, and vendors. As Vice-President Global Alliances and Ecosystem, he is responsible for maximising the opportunities for our global ecosystem of partners and vendors. Denis Ferrand-Ajchenbaum is tasked with driving the strategy for our global system integrators (GSIs) and worldwide partner network, along with maximising the value and global penetration of existing vendor relationships while scouting and acquiring the next generation of Exclusive Networks' cybersecurity portfolio.

Laurence Galland

Vice-President of Human Resources

Laurence Galland joined Exclusive Networks in 2020. She is an HR veteran with over 15 years' experience, during which she has generated an impressive track record in talent development and business evolution across large international teams.

At Exclusive Networks, Laurence Galland is responsible for people development and enabling the human potential of our brightest talents.

She creates business value from HR through the application of data-driven strategies and supporting Exclusive Networks' agile, inclusive and unique business culture: "L'Esprit Exclusive".

Vincent Savesi

General counsel & compliance officer

Vincent Savesi joined Exclusive Networks in 2016 and is the Company's principal legal authority. His combined roles as global general counsel and global compliance officer reflect the importance of strategic risk and compliance management to Exclusive Networks' global business activities.

Vincent Savesi has over 20 years' senior experience gained across numerous industries, both at legal practices and in-house for major corporations including Renault Group.

Eva Hoeffelman

Vice-President Marketing, Communications

Eva Hoeffelman joined Exclusive Networks in February 2023.

Eva Hoeffelman has worked for over 15 years in management positions in the communications field, focusing most recently on digital communications and marketing. Having worked in a number of difficult sectors such as energy, banking and tobacco, her area of expertise has evolved towards the search for innovative means of communicating with impact. She recently managed the global business of SIG plc, a VAD in the field of construction materials, and worked for 10 years for Japan Tobacco International, where she participated in the company's reorientation towards new generation products.

4.1.5 Gender equality in the Company's management bodies

During financial year 2022, the Board of Directors ensured the implementation by Executive Management of a non-discrimination and diversity policy, particularly in terms of gender diversity in the Company's management bodies. The Group's policy and strategy in these domains are detailed in the Extra-Financial Statement of Performance included in Chapter 3 in section 3.4.7 *"Diversity, inclusion and equality of opportunities"* in this 2022 Universal Registration Document.

4.2 The Board of Directors

4.2.1 Composition

4.2.1.1 Article 12 of the Company's Bylaws.

The Company is governed by a Board of Directors composed of at least three members and no more than eighteen members, subject to the exceptions provided for by applicable laws and regulations.

Directors are appointed for a four-year term of office. By way of exception, the General Shareholders' Meeting may appoint one or more Directors for a shorter term, in order to allow for a staggered renewal of Directors' terms of office.

When a Director is appointed to replace another, he/she shall hold office only for the remainder of the predecessor's term.

The term of office of a Director expires at the end of the General Shareholders' Meeting convened to approve the financial statements for the previous financial year and held during the year in which the term of office of such a DirectorDirector expires.

4.2.1.2 Composition of the Board of Directors as at 31 December 2022

		Chief Executive Officer & Director	Chairperson	Directors				
Personal information	**Name**	Jesper Trolle	Barbara Thoralfsson	Marie-Pierre de Bailliencourt	Michail Zekkos	Pierre Pozzo	Nathalie Bühnemann[5]	Olivier Breittmayer
	Age	50	64	53	46	34	45	59
	Gender	M	F	F	M	M	F	M
	Nationality	Danish	Norwegian American	French	British Greek	French	French	French
Position on the Board of Directors	**Independence**[1]	No	Yes	Yes	No	No	Yes	No
	Number of offices currently held in other listed companies*	0	2	0	0	0	0	0
	Date of first appointment or latest renewal[1]	01/09/2021[4]	27/09/2021[3]	27/09/2021[3]	01/09/2021	01/09/2021	27/09/ 2021[3]	01/09/2021
	Date of latest renewal	-	-	-	-	-	--	-
	End of term of office	SM 2025	SM 2025	SM 2025	SM 2025	SM 2025	SM 2025	SM 2025
	Number of Company's shares held	306,900	15,000[1]*	1,250	1,500	1,500	6,083	11,999,926[2]
Committee member		-	Audit[5]	Nomination & Compensation (Chairperson)	Nomination & Compensation	Audit	Audit (Chairperson) Nomination & Compensation	-

* Outside the Group.

1 Through Fleming Industries AS (Norway).

2 Including 11,982,100 held through HTIVB.

3 Date of settlement and delivery of the Company's shares following the initial public offering.

4 Jesper Trolle was Chair of the Company under its previous form of "*société par actions simplifiée*" (simplified joint-stock corporation), a function that he exercised from December 2020 onwards before being appointed on 1 September 2021 as Director and Chief Executive Officer of the Company under its form of "*société anonyme*" (joint-stock corporation).

5 Nathalie Bühnemann resigned from all her positions on 17 January 2023 following her appointment as Group Chief Financial Officer. Barbara Thoralfsson was appointed as Chairperson of the Audit Committee on a temporary basis to replace Nathalie Bühnemann on 25 January 2023 and as a member of the Nomination and Compensation Committee on the same date.

4.2.1.3 Lead Director

Given the decision to separate the functions of Chairperson of the Board of Directors and Chief Executive Officer, the Board of Directors decided not to appoint a lead Director. Any conflict of interest is managed by the Chairperson of the Board of Directors (see section 4.2.6 *"Conflicts of interest (extract from the Internal Rules of the Board of Directors)"* of this report).

4.2.1.4 Evolution of the composition of the Board of Directors and its Committees in 2022 and since the start of this financial year

The composition of the Board of Directors remained stable during the 2022 financial year.

Nathalie Bühnemann resigned from all her positions within the Board of Directors and the permanent Committees of the Board of Directors following her appointment as Group chief financial officer on 17 January 2023.

Barbara Thoralfsson was then appointed as a member of the Nomination and Compensation Committee and as Chairperson of the Audit Committee by a decision of the Board of Directors with effect from 25 January 2023 in replacement of Nathalie Bühnemann. She held these positions until 17 April 2023.

In addition, the Board of Directors at its meeting of 17 April 2023 decided to co-opt Nathalie Lomon as a Director in replacement of Ms Nathalie Bühnemann for the rest of her term of office as a Director. The ratification of this co-option will be proposed at the next Annual general meeting on 8 June 2023. At this same meeting, the Board reviewed the composition of the Audit Committee and thus appointed Nathalie Lomon as a member of the Audit Committee and Chairperson of this Committee in replacement of Ms Barbara Thoralfsson, with the latter retaining her position as member of the Audit Committee. Nathalie Lomon is Senior Executive VP, Chief Financial Officer of Groupe SEB. A graduate of Neoma Business School, Nathalie began her career in auditing at Mazars and in the General Inspection department of BNP Paribas. In 2002, she joined Pechiney where she held various financial and management positions. In 2010, Nathalie joined Ingenico, where she was notably Group Chief Financial Officer and a member of the Executive Committee. She has also been a director of Coface since 2017 and Chairperson of the Coface Risks Committee since 2018.

Furthermore, following the recommendations of the Nomination and Compensation Committee, the Company's Board of Directors deliberated on the evolution of its composition, and decided to propose the appointment of Paul Philippe Bernier as a Director for four-year term during the next Annual general meeting on 8 June 2023. This proposal corresponds, on the one hand, to the Board of Directors' wish to enhance its sectoral expertise and to increase the diversity of the profiles of its members and, on the other hand, to the request of Bpifrance Investissement, a shareholder holding 8.01% of the Company's share capital and voting rights as at 31 December 2022, to be represented on the Board of Directors (see Chapter 6, section 6.1.1 *"Corporate shareholdings and voting rights"* in this Universal Registration Document for 2022).

Paul-Philippe Bernier has been a Director and member of the Management Committee of the Large Cap direct investment team of Bpifrance Investissement since 2022. He has more than 15 years of experience in structured financing and equity investment.

He joined Bpifrance Investissement in 2019 as an Investment Director. He has participated in many investments (or reinvestments) for Bpifrance, including the investments in the following listed and unlisted companies: Elis, Exclusive Networks, EssilorLuxottica, SPIE, SRS, Mediawan and Sulo.

Before joining Bpifrance, Paul-Philippe was Director within the structured finance team of Société Générale CIB for 12 years and was based in Paris and in London. He specialised in the TMT sector from 2014 to 2019. For Société Générale, Paul-Philippe has completed more than 20 financing operations as Mandated Lead Arranger and Bookrunner, in Europe and Africa, on behalf of Private Equity funds and listed corporates. Paul-Philippe started his career as a financial auditor for Mazars. Paul-Philippe Bernier is a graduate of Neoma Business School.

4.2.1.5 Chairperson of the Board of Directors

In accordance with Article 13 of the Company's Bylaws, the Board of Directors elects a Chairperson from among the members of the Board of Directors who are private individuals and determines the term of his/her office, which may not exceed his/her term as a Director.

The Chairperson organises and manages the work of the Board of Directors and reports on its work to the General Shareholders' Meeting, which he/she also chairs. The Chairperson of the Board of Directors oversees the proper functioning of the Company's management bodies and ensures that the Directors are able to carry out their duties.

The Chairperson of the Board of Directors is kept regularly informed by the Chief Executive Officer of any significant events in the life of the Company, and may ask him/her for any information likely to provide insights to the Board of Directors and its Committees.

The Chairperson of the Board of Directors is responsible for managing situations of conflict of interest and, if required, must refer such situations to the Nomination and Compensation Committee (see section 4.2.6 *"Conflicts of interest – (Extracts from the Internal Rules)"*).

4.2.2 Information about the serving Directors as at the date of publication of this Universal Registration Document for 2022

Barbara Thoralfsson

Professional address:
20, quai du Point du Jour,
92100 Boulogne-Billancourt
France

Number of shares:
15,000[1]

Date of birth (and age):
16 January 1959
(64 years old)

Nationality:
Norwegian,
American

Date of 1st appointment:
27 September 2021[2]

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Chairperson of the Board of Directors

Member of the Audit Committee

Member of the Nomination and Compensation Committee

Independent

Biography – Professional experience – Fields of expertise

Barbara Thoralfsson has vast experience as a non-executive Director of public and private multinational companies in a wide range of sectors. Barbara Thoralfsson has served on the boards of Tandberg, Electrolux, Telenor, Cable & Wireless Communications and Colart (where she was Non-Executive Chair), as well as the companies listed below. Barbara Thoralfsson has been Chief Executive Officer of Midelfart & Co AS, Norway's leading health and beauty care distributor for several multinational vendors (1995 – 2000) and Chief Executive Officer of NetCom ASA, a telecommunications company (2001 – 2005). Since 2006, she has been an entrepreneur in the industrial sector and has created the largest plastic recycling company in Scandinavia.

Barbara Thoralfsson holds a BA in Psychology from Duke University (USA) and an MBA in Marketing and Finance from Columbia Business School (USA).

Main activities:

Director of companies

Co-founder and owner of Fleming Industries

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2022

Within the Exclusive Networks Group

France: None

Other countries: None

Outside the Exclusive Networks Group:

France: None

Other countries:

- Fleming Industries (Norway) – Co-Founder and Owner
- Essity* (Sweden) – Non-Executive Director and Chair, Audit Committee
- SCA* (Sweden) – Non-Executive Director and Chair, Audit Committee
- Hilti Group (Liechtenstein) – Non-Executive Director

Other positions and offices held during the last five years

Within the Exclusive Networks Group

France: Chairperson of the Audit Committee (January 2023 – April 2023)

Other countries: None

Outside the Exclusive Networks Group:

France: None

Other countries:

- G4S Plc* (UK): Non-Executive Director and member of the remuneration and nomination committees (July 2016-April 2021)
- EQT (Norway) – Industrial Advisor

* Listed company.
1 Through Fleming Industries AS (Norway).
2 Appointment effective as from the date of settlement/delivery of the shares offered in the Company's IPO pursuant to the Shareholders' Meeting held on 1 September 2021 and the decision of the Board of Directors held on 27 September 2021.

Jesper Trolle

Professional address:
20, Quai du Point du Jour,
92100 Boulogne-Billancourt
France

Number of shares:
306,900

Date of birth (and age):
10 December 1972
(50 years old)

Nationality:
Danish

Date of 1st appointment:
1 September 2021[1]

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Director

Biography – Professional experience – Fields of expertise

Jesper Trolle is vastly experienced with the IT industry having worked for over 28 years in the sector both within the reseller community and distribution. In 2001, Jesper Trolle established Next Denmark A/S on the Danish market, which was later acquired by DNS, which in turn was acquired by Arrow in 2005. Following the acquisition, Jesper Trolle held a number of diverse positions in multiple locations within Arrow, seeing rapid success and progression, including stints in Germany running central and eastern Europe, and Paris, running north-west Europe and ANZ. He took up the role as Arrow's President Americas in 2017, based in Denver, Colorado.

Jesper Trolle holds an Executive MBA in General Management from Henley Business School.

Main activity:

Chief Executive Officer of Exclusive Networks*

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2022

Within the Exclusive Networks Group

France: None[2]

Other countries: None[2]

Outside the Exclusive Networks Group

France: None

Other countries: None

Other positions and offices held during the last five years

Within the Exclusive Networks Group

France: President of Exclusive Networks[1]*

Other countries: None

Outside the Exclusive Networks Group

France: None

Other countries:

- ECS Arrow Electrics – various positions including President of the Americas (2020)

* Listed company.
1 President of the Company under its former corporate form as French "*société par actions simplifiée*" (1 December 2020–1 September 2021).
2 With the exception of the mandates held in the Exclusive Networks Group's entities for which Jesper Trolle does not receive any compensation.

Olivier Breittmayer

Professional address:
Grand Route 2017, B-1428 Braine-l'Alleud, Belgium

Number of shares
11,999,926[1]

Date of birth (and age):
9 March 1964
(59 years old)

Nationality: French

Date of 1st appointment:
1 September 2021[2]

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Director

Biography – Professional experience – Fields of expertise

Olivier Breittmayer has more than 34 years' experience of working with fast-growth technology companies across sales, marketing, product development and management roles. He served as Chief Executive Officer of Exclusive Networks from 2005 to 2020. Since 2021, Olivier Breittmayer has been Chairman of the Board of Colisée Group. He also served as Chief Executive Officer of Cirel Systems from 1997 to 1999; Chief Executive Offer of Newlink from 1997 to 2000; and Managing Director of Alasso Southern Europe from 2000 to 2002.

Olivier Breittmayer is a graduate of the Ecole Supérieure de Gestion business school (France) and holds a degree in Economic Sciences from the Université Paris X (France).

Main activities:

Chief Executive Officer and Owner HTIVB

Chairman of Colisée Group

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2022

Within the Exclusive Networks Group

France: None

Other countries: None

Outside the Exclusive Networks Group:

France:

- Chairman of Colisée Group
- Exclusive Venture S.A. – Managing Director
- HTIVB – Chief Executive Officer and Owner
- Omada Conseil S.A. – President of the Board

Other countries: None

Other positions and offices held during the last five years

Within the Exclusive Networks Group

France:

- Chief Executive Officer of Exclusive Networks (2005-2020)

Other countries: None

Outside the Exclusive Networks Group:

France: None

Other countries: None

* Listed company
1 Including 11,982,100 held through HTIVB.
2 Before being appointed Director of the Company under its form as a "société anonyme", Olivier Breittmayer was Chairman and member of the Company's Supervisory Board (2002-2020).

Michail Zekkos

Professional address:
80 Pall Mall, London,
SW1Y 5ES,
United Kingdom

Number of shares:
1,500

Date of birth (and age):
20 December 1976
(46 years old)

Nationality:
British
Greek

Date of 1st appointment:
1 September 2021

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Director

Member of the Nomination and Compensation Committee

Biography – Professional experience – Fields of expertise

Michail Zekkos joined Permira in 2007 and is a partner. At Permira, Michail Zekkos focuses on investment opportunities in technology businesses and has extensive experience in the sector. Michail Zekkos also chairs the Portfolio Monitoring Committee, which oversees the buyback and growth funding portfolio. Prior to joining Permira, Michail Zekkos worked in technology investment banking at JPMorgan. Michail Zekkos is a member of the Board of Directors of Mimecast, Curriculum Associates and has experience as a member of the boards of several other companies including Teraco.

Michail Zekkos holds degrees in Political Sciences and Economics from Athens Law School (Greece) and the American College of Greece, respectively. He also holds a Master's in Economics and Finance from Warwick Business School (England) and an EMBA from INSEAD (France).

Main activity:

Partner at Permira

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2022

Within the Exclusive Networks Group

France: None

Other countries: None

Outside the Exclusive Networks Group:

France: None

Other countries:

- Mimecast – Director
- Permira Advisers LLP – Member
- CRC Purchaser Corporation – Director
- CRC Group Holdings MLP, Inc. – Director
- CRC Group Holdings GP, Inc. – Director
- Curriculum Associates, LLC – Director

Other positions and offices held during the last five years

Within the Exclusive Networks Group

France:

- Chairperson of the Board of Directors of Exclusive Networks* (01/09/2021-27/09/2021)
- Member of the Supervisory Board of Exclusive Networks* (until 01/09/2021)

Other countries: None

Outside the Exclusive Networks Group:

France: None

Other countries:

- Teraco Data Environments – Director (02/02/2015-07/05/2020)

* Listed company.

Pierre Pozzo

Professional address:
80 Pall Mall
London
SW1Y 5ES,
United Kingdom

Number of shares:
1,500

Date of birth (and age):
12 March 1989
(34 years old)

Nationality:
French

Date of 1st appointment:
1 September 2021

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Director

Member of the Audit Committee

Biography – Professional experience – Fields of expertise

Pierre Pozzo joined Permira in 2013 and is a principal. At Permira, Pierre Pozzo focuses on investment opportunities in technology businesses and has extensive experience in the sector. Prior to joining Permira, Pierre Pozzo worked for Credit Suisse and PAI Partners. He has served as a member of the Board of Directors of a number of companies including Teraco and Vacanselect.

Pierre Pozzo holds a Law degree from the University of Versailles (France), a Master's in Management from HEC Paris (France), and a Master's in Economic and Social Sciences from Bocconi University (Italy).

Main activity

Principal at Permira

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2022

Within the Exclusive Networks Group

France: None

Other countries: None

Outside the Exclusive Networks Group:

France:

- Perzea SASU – Corporate Officer

Other countries:

- Eightplatform I Limited – Director
- Everest UK HoldCo Limited – Director
- Magnesium Bidco Limited – Director
- Magnesium Midco Limited – Director
- Magnesium Topco Limited – Director
- Magnesium Midco 2 Limited – Director
- Permira Advisers LLP – Member
- Teraco Data Environments – Director
- Nighthawk UK HoldCo Limited – Director
- Artemilux Topco S.à.r.l. – Executive
- Kinailux S.à.r.l. – Executive
- Springlux Topco S.à.r.l. – Executive
- TigerLuxOne GP S.à.r.l. – Executive
- TigerLuxOne S.à.r.l. – Executive
- TigerLuxOne Midco S.à.r.l. – Executive
- Springlux Midco S.à.r.l. – Executive

Other positions and offices held during the last five years

Within the Exclusive Networks Group

France:

- Member of the Supervisory Board of Exclusive Networks* (until 01/09/2021)
- Other countries: None

Outside the Exclusive Networks Group:

France: None

Other countries:

- TigerLuxOne Topco S.à.r.l. – Executive (27/03/2015-06/03/2020)

* Listed company.

Marie-Pierre de Bailliencourt

Professional address:
20, Quai du Point-du-Jour,
92100 Boulogne-Billancourt
France

Number of shares:
1,250

Date of birth (and age):
6 February 1970
(53 years old)

Nationality:
French

Date of 1st appointment:
27 September 2021[1]

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Independent Director

Chairperson of the Nomination and Compensation Committee

Biography – Professional experience – Fields of expertise

Marie-Pierre de Bailliencourt worked at the United Nations as the Secretary General's Sherpa in the mid-1990s before joining the corporate world and negotiating numerous international mergers and acquisitions, mainly in the industrial sector. Subsequently, she has held senior management positions at several large, international companies in the high technology sector. She has notably served as DNCS Naval Group's Deputy Chief Executive Officer from January 2015 to November 2017. She currently sits on the boards of Directors of several French companies including Comgest and Groupe La Poste and teaches at the Paris Institute of Political Studies *(Sciences Po)*.

Marie-Pierre de Bailliencourt, holds a doctorate in Geopolitics from Paris-Sorbonne University and studied International Affairs at Johns Hopkins University.

Main activities:

Director of the Institut Montaigne

Teacher at the Paris Institute of Political Studies *(Sciences Po)*

List of positions and offices held in french and foreign companies

Other positions and offices held as at 31 December 2022

Within the Exclusive Networks Group

France: None

Other countries: None

Outside the Exclusive Networks Group:

France**:**

- Director of the Institut Montaigne
- COMGEST – Director
- La Poste Group – Director
- La Poste Group – Chair of the Quality & Sustainable Development Committee

Other countries: None

Other positions and offices held during the last five years

Within the Exclusive Networks Group

France: None

Other countries: None

Outside the Exclusive Networks Group:

France:

- RUAG – Director (2018- 2021)
- DCNS Naval Group – Deputy Chief Executive Officer (2015-2017)

Other countries: None

1 Appointment effective as from the date of settlement and delivery of the shares offered in the Company's initial public offering pursuant to the Shareholders' Meeting held on 1 September 2021 and the decision of the Board of Directors held on 27 September 2021.

Nathalie Lomon

Professional address:
20, Quai du Point du Jour
92100 Boulogne-Billancourt
France

Number of shares:
-

Date of birth (and age):
6 November 1971
(51 years old)

Nationality:
French

Date of 1st appointment:
17 April 2023

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Independent Director

Chairperson of the Audit Committee

Biography – Professional experience – Fields of expertise

Nathalie Lomon is Senior Executive VP, Chief Financial Officer of Groupe SEB. A graduate of Neoma Business School, Nathalie began her career in auditing at Mazars and in the General Inspection department of BNP Paribas. In 2002, she joined Pechiney where she held various financial and management positions. In 2010, Nathalie Lomon joined Ingenico, where she was notably Group Chief Financial Officer and a member of the Executive Committee. She has also been a Director of Coface since 2017 and Chairperson of the Coface Risks Committee since 2018.

Main activity:

Senior Executive VP, Chief Financial Officer of Groupe SEB*

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2022

Within the Exclusive Networks Group

France: None

Other countries: None

Outside the Exclusive Networks Group

France:

- Senior Executive VP, responsible for financial, audit and legal affairs, Groupe SEB
- Chief Executive Officer, SEB Internationale S.A.S.*
- Chief Executive Officer, Immobilière Groupe SEB S.A.S.
- Director representing the founder members of the Groupe SEB endowment fund
- Deputy Chief Executive Officer, Groupe SEB Ré
- Director and Chairperson of the Risks Committee, Coface*

Other countries:

- Member of the Supervisory Board, WMF G.m.b.H.
- Director and member of the Audit Committee, ZHEJIANG SUPOR Co. Ltd.
- Director, SEB Professional North America
- Director, CEI RE ACQUISITION LLC

Other positions and offices held during the last five years

Within the Exclusive Networks Group

France: None

Other countries: None

Outside the Exclusive Networks Group

France:

- EVP Finance, Legal & Governance, Ingenico Group S.A.
- Chairperson, Ingenico Business Support S.A.S.
- Chairperson, Ingenico 5 S.A.S.
- Director, Bambora Top Holding AB

Other countries:

- Director, Ingenico Holdings Asia Limited (HK)
- Director, Fujian Landi Commercial Equipment Co., Ltd.
- Manager, Ingenico e-Commerce Solutions B.V.B.A./S.P.R.L. (BE)
- Director, Ingenico Financial Solutions N.V./S.A. (BE)
- Director, Ingenico do Brasil Ltda.
- Director, Ingenico Holdings Asia II Limited (HK)
- Director, Stichting Beheer Derdengelden Ingenico Financial Solutions (IFS Fondation)
- Chairperson of the Supervisory Board and member of the Audit Committee, Global Collect Services B.V.
- Director, Fixed & Mobile Pte. Ltd.
- Director, Fixed & Mobile Holdings Pte. Ltd.
- Director, Ingenico Corp.
- Director, Ingenico International (Singapore) Pte. Ltd.
- Director, Ingenico Japan Co. Ltd.

* Listed company.

4.2.3 Profile of the Board of Directors

4.2.3.1 Procedure for the selection of Directors

During its meeting of 12 October 2022, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, approved a procedure for the selection of Directors which must be followed for the appointment of all new Directors (other than salaried Directors and Directors representing the shareholders). This procedure is attached to the Internal Rules of the Board of Directors, available on the Company's website under the heading Governance.

The selection process consists of the following four main phases overseen by the Nomination and Compensation Committee:

1 **Identification of the Board of Directors' needs** based in particular on the results of the annual assessment of its composition and its functioning.

2 **Search for a candidate:** once the Board of Directors' needs have been identified, the Nomination and Compensation Committee prepares a list of potential candidates to be met, drawn up on the basis of names suggested by the Committee, the Board of Directors, the members of the Executive Committee and spontaneous candidatures. The Nomination and Compensation Committee may be assisted by an external consultancy if it so requires.

3 **Assessment of candidates and pre-selection:** the Committee will make every effort to ensure that the Board of Directors' needs are met in terms of the candidates' skills, experience, availability, motivation, potential conflicts of interest and independence.

4 **Proposal to appoint the candidate** made by the Board of Directors to the shareholders upon recommendations of the Nomination and Compensation Committee.

The Chief Executive Officer and the Chairperson of the Board of Directors are associated with this selection procedure.

The procedure for the renewal of Directors' terms of office is set out in the Company's Bylaws. The Nomination and Compensation Committee assesses the performance of each Director for whom renewal of their term of office is to be proposed to the shareholders. The Directors' contributions are also assessed throughout their terms of office. This exercise was not carried out in 2022, given that no Director's term of office is due to expire at the time of the next Shareholders' Meeting.

In accordance with the selection procedure described above, in the context of co-opting Nathalie Lomon, on one hand, and the appointment of Paul-Philippe Bernier on the other hand as new members of the Board Placer, the Nomination and Compensation Committee has issued recommendations to the Board of Directors for the appointment process for new Directors and for the profile and skills set required.

In this respect, it should be recalled that, on the recommendation of the Nomination and Compensation Committee, the Board of Directors had expressed the desire to await the completion of a full year of the Board of Directors' activity with its composition as put in place following the Company's Initial Public Offering, in order to obtain a more coherent view of its functioning and needs in terms of skills, and so as to ensure as a first priority the fully integrated and collegial functioning of the Board. It is in the context of these discussions that the Board of Directors expressed the wish to await the 2023 general meeting to propose to shareholders the appointment of Paul Philippe Bernier. In a press release dated 18 January 2023, the Company announced that it had launched the process of looking for a new Board member to replace Nathalie Bühemann.

The selected candidate met the Chairperson of the Board of Directors and of the Nomination and Compensation Committee, together with the Group's Chief Executive Officer.

The Board of Directors, at its meeting on 17 April 2023, approved the draft resolution for the appointment of Paul Philippe Bernier to be presented to shareholders at the next General Shareholders' Meeting on 8 June 2023.

4.2.3.2 Director training

All Directors may, at the time of their appointment or throughout their term of office, receive any training which may appear necessary for the exercise of their duties, in particular in relation to specific aspects of the Group, its business lines and sector of activity, and its accounting and financial functions. It is also planned to help Directors to enhance their skills with regard to environmental, social and societal subjects, particularly in view of the regulations arising from the Corporate Sustainability Reporting Directive (CSRD) dated 10 November 2022.

Training for Directors concerning the Group's specific aspects is organised for the Company by specialists. Training on social, societal and environmental subjects will be provided by external specialists who are recognised in their fields of competence. This training will be provided at the Company's expense.

During the 2022 financial year, the Directors were able to attend training in the form of a half-day seminar on Group strategy, enabling them to understand Exclusive Networks' activities, risks and organisation. The Directors were reminded of their obligations as Directors of a listed company pursuant to stock market regulations. The Directors regularly receive documents and information about the Company, its activity and its environment, and they are able to interact directly with Management if they wish.

4.2.3.3 Diversity Policy of the Board of Directors

In accordance with Article 7.2 of the AFEP-MEDEF Code, the Board of Directors regularly assesses its composition and seeks to ensure that its own composition and that of its Committees reflects a good balance in terms of diversity, age, gender, skills, professional experiences, nationalities and independence.

The Directors of the Company come from different backgrounds and have varied experience and expertise reflecting the objectives of the Board of Directors.

It should be specified that the requirements of Article L. 22-10-10, Paragraph 2, of the French Commercial Code, which provide for a description of the Board of Directors' diversity policy, are not currently applicable to the Company, given that it has not yet attained the relevant thresholds in terms of revenue, assets and employees for such a requirement to be mandatory under current legislation.

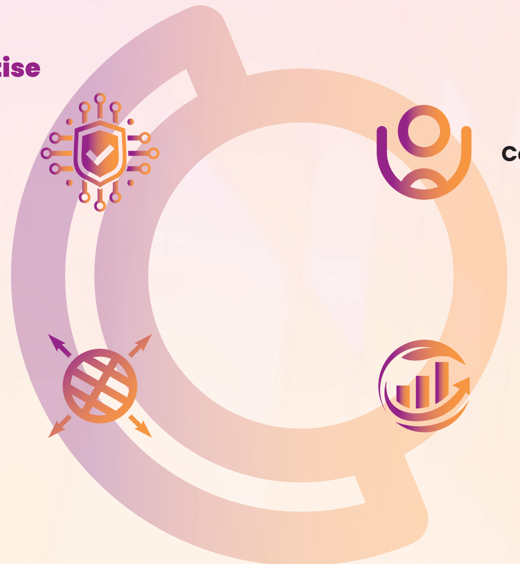
Areas of expertise represented on the Board of Directors:

Industrial, technological & distribution-related expertise

- Cybersecurity
- Data Digital & Cloud
- High tech
- Industry

Executive Management in international companies

Experience as a Chief Executive Officer, member of an Executive Committee, executive manager or Director in international groups, including listed groups



Diversity of origins

- Private Sector
- Public Sector
- France and other countries

Complementarity of areas of expertise

- Social & Environmental Responsibility
- Governance & Compensation
- Finance – Audit – Risks
- Strategies - M&A

The Board of Directors' objectives with regard to its composition

Criteria	Objectives	Implementation and outcomes
Independence of the Board of Directors	To comply with the recommendations of the AFEP-MEDEF Code on the independence of the Board of Directors	As at the date of this 2022 Universal Registration Document, the ratio of independent Directors was 42%. At the closure of the 2023 annual general meeting, should shareholders agree to appoint Paul-Philippe Bernier and to ratify the co-option of Nathalie Lomon as independent Directors, this independence rate will rise to 50% (see section 4.2.1.4 "Evolution of the composition of the Board of Directors" above in this report).
Number of Directors	To maintain a proportionate number of Directors so as to foster coherence and a collegial spirit	As at the date of this 2022 Universal Registration Document, the Board of Directors consists of seven members. Its composition remained unchanged in 2022.
Age of Directors	Comply with the legal provision regarding the age of Directors which requires that no more than a third of Directors may be over 70 years of age (Article L. 225-19 of the French Commercial Code)	As at the date of this 2022 Universal Registration Document, Directors' ages ranged from 34 to 64 years, with an average age of 51 years. The Board of Directors considered that the age average was satisfactory.
Directors' nationality	To be in line with the geographical footprint of Exclusive Networks and to reflect the leadership of the Group	As at the date of this 2022 Universal Registration Document, the proportion of Directors of non-French nationality is 50%, in line with the Group's international dimension and reflecting the European leadership of the Group. Consequently, the Board of Directors considered that the ratio was satisfactory and aims at upholding it in line with the Group's identity.
Complementarity of backgrounds in terms of expertise and experience	To include members with technical abilities from a variety of realms of expertise and experience	The Directors each have solid and extensive professional experience in various sectors of activity and in high-level positions of responsibility in French and other companies, both listed and unlisted. The diversity of their skills is reflected in profiles showing different experiences and training backgrounds. The Board of Directors considers that this diversity and complementarity of profiles and experiences must be maintained and enhanced so as to enable it to exercise its missions in an open, collegial spirit. The appointment of Paul-Philippe Bernier and of Nathalie Lomon is in keeping with this objective.

4.2.3.4 Independent members of the Board of Directors

The AFEP-MEDEF Code defines a Director as independent when he or she has no relationship of any kind whatsoever with the Company, its Group or its management that may compromise the exercise of his or her freedom of judgement.

The AFEP-MEDEF Code, adopted by the Board of Directors as its Governance reference code, also provides for a number of criteria that must be examined in order to determine whether a Director can be qualified as independent.

These criteria are detailed in Article 10 of the AFEP-MEDEF Code and are also applied in the summary table below, which presents the results of the annual assessment of the independence of Directors conducted during the meeting of the Board of Directors held on 27 February 2023.

Examination of the business relationships between the Group and its Directors

In the context of its annual review of the independence of the Directors, the Board of Directors has in particular conducted an examination of any business relationships (Criterion 3) that may exist between the Exclusive Networks Group and each Director, or each company in which the Directors hold management positions and/or corporate offices, with a view to assessing whether or not the business relationship is material in nature.

For the purposes of assessing the significance of the business relationship maintained between a Director and the Company or the Group, the Board of Directors has taken into account the following quantitative and qualitative criteria:

- **quantitative criteria:** the interconnected business flows existing as a vendor and/or customer with the Directors or the companies in which they hold positions and corporate offices:
  - the amount of turnover generated by the Group or by the Company in which the Directors exercise their functions and the percentage of this turnover in relation to the consolidated turnover of the Group;
- **contextual and qualitative criteria:** linked to the positioning of the Directors within the contracting entity (as executives and executive Directors), their level of involvement in the negotiation of the business relationship at the time of forming the contractual relationship with the Group, the length of time the business relationship has existed and any situation of economic dependence that may exist accordingly).

This examination was conducted by the Nomination and Compensation Committee and by the Board of Directors during its meeting on 27 February 2023.

In the context of this assessment, all Directors received a questionnaire that, among other aims, made it possible to assess any potential situations of conflicts of interest that may exist. The Board of Directors noted that no Director has any significant business relationship with the Group.

The results of this assessment therefore concluded that:

With regard to currently serving Directors:

- Jesper Trolle, who exercises executive duties within the Group; Pierre Pozzo and Michail Zekkos, who exercises executive duties within the Permira investment fund, which holds 57.4% of the Company's share capital; and Olivier Breittmayer, a shareholder who holds 13.1% of the Company's share capital through the company HTIVB and is the founder of the Group, cannot be qualified as independent members of the Board;
- Barbara Thoralfsson and Marie Pierre de Bailliencourt could be qualified as independent Directors.

Summary of the assessment of the independence of the Directors as at the date of this 2022 Universal Registration Document

Director name	Not to be an employee or an executive officer of the Company (including over the last five years)	No cross-Directorships (including over the last five years)	No business relationships	No family ties	Not to be an Auditor of the Company (including over the last five years)	Not to have been a Director of the Company for more than 12 years	Not to receive any variable compensation or compensation related to the Company's or the Group's performance	Not to hold more than 10% of the shares or voting rights	Independent
Barbara Thoralfsson	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jesper Trolle	✓	✓	✓	✓	✓	✓	✗	✓	✗
Olivier Breittmayer	✗	✓	✓	✓	✓	✓	✓	✗[1]	✗
Pierre Pozzo	✓	✓	✓	✓	✓	✓	✓	✗[2]	✗
Michail Zekkos	✓	✓	✓	✓	✓	✓	✓	✗[2]	✗
Marie-Pierre de Bailliencourt	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nathalie Lomon	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓: independence criterion satisfied

✗: independence criterion not satisfied

1 Olivier Breittmayer is a shareholder of HTIVB, which holds more than 10% of the shares and voting rights of the Company.

2 Pierre Pozzo and Michail Zekkos are connected to Everest UK HoldCo Limited, which holds more than 10% of the shares and voting rights of the Company.

The Internal Rules of the Board of Directors provide that independent Directors are required to inform the Chairperson of the Board of Directors, as soon as such members become aware of it, of any change in their situation with respect to these same criteria.

With regard to those Directors whose co-option ratification and appointment will be submitted to a vote at the next General Shareholders' Meeting:

During its meeting on 27 February 2023, the Board of Directors decided that Paul-Philippe Bernier should be considered as an independent Director. The Board of Directors noted that:

(i) Bpifrance Investissement's holding in the Company's share capital, through the LAC I SLP fund, is below the 10% threshold indicated in the AFEP-MEDEF Code in its Recommendation 10.7;

(ii) Bpifrance Investissement is not a shareholder that is capable of exercising control over the Company, either alone or in conjunction with other shareholders;

(iii) the business links between the Group and Bpifrance, particularly two loan contracts, the first for €4 million in July 2020 of which the outstanding principal due at 31 December 2022 totalled €1.8 million, and the second for €15 million taken out in 2022, were negotiated at normal market terms. Paul-Philippe Bernier did not intervene in the discussions concerning the negotiation of these loans, and there is no exclusivity or economic dependence in this business relationship. The Group has used other sources of funding through other financial institutions to manage its cash flow and financing needs.

(iv) Paul-Philippe Bernier's actions as part of his role within Bpifrance Investissement when the latter acquired a stake in the Company are not sufficient to call his independence into question.

At its meeting on 17 April 2023, the Board of Directors noted that the Group had no direct business relationship with Nathalie Lomon, nor with the companies in which she holds positions or performs duties.

4.2.4 Obligation for the Directors to hold shares

In accordance with the terms of the AFEP-MEDEF Code, and independently of any statutory obligation to hold shares, the Internal Rules of the Board of Directors stipulate that all Directors (except the Directors representing employees' shareholders, if any) must personally be shareholders and hold a minimum number of 1,000 shares in the Company, either directly or indirectly through any legal entity that they may control, throughout their term of office as a Director of the Company.

As at the date of this Universal Registration Document for 2022, all the Directors meet this requirement (see sections 4.2.1 *"Composition of the Board of Directors"* and 4.2.2 *"Information on Directors in office at the date of this 2022 Universal Registration Document"* of this Chapter).

4.2.5 Declarations concerning executive and non-executive Corporate Officers

To the best knowledge of the Company, no executive or non-executive corporate officer:

- has been the subject of:
  - a criminal accusation or an official public sanction, pronounced by any statutory or regulatory authority (including officially designated professional bodies),
  - has been prohibited by any court over the course of the past five years from acting as a member of an administrative, managing or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer,
  - has been convicted of fraud over the course of the past five years;
- has taken part as an executive manager in any bankruptcy, receivership or liquidation of a company over the past five years.

4.2.6 Conflicts of interest (extract from the Internal Rules of the Board of Directors)

The Chairperson of the Board of Directors is responsible for managing conflict of interest situations that may exist within the Board of Directors. Where necessary he/she shall refer to the Nomination and Compensation Committee.

The Internal Rules of the Board of Directors of the Company stipulate an obligation for Directors to comply with Recommendation No. 21 of the AFEP-MEDEF Code in questions of ethics. Directors shall inform the Board of Directors of any conflicts of interest, including potential conflicts of interest, in which they may be involved, whether directly or indirectly.

They must abstain from attending the debate and taking part in voting any decision of the Board of Directors or any Committee on the topics concerned.

Each Director shall also inform the Chairperson of the Board of Directors and the Chairperson of the Nomination and Compensation Committee of any new appointment (including his/her participation in a committee) he/she has accepted in a company in France or abroad.

Each Director shall also inform the Chairperson of the Board of Directors of any conviction for fraud, any offence and/or public sanction, of any prohibition to manage or administer that may have been pronounced against him/her as well as any bankruptcy, sequestration or liquidation proceedings to which he/she may have been associated.

Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to above:

- when taking up his period of office;
- every year, in reply to a request by the Secretary to the Board of Directors when the latter is preparing the Annual Report;
- at any time if the Secretary to the Board of Directors asks him/her to do so; and
- within 10 calendar days following the occurrence of any event that may render the previous declaration made by the Director concerned wholly or partially inaccurate. The Chairperson of the Board of Directors may refer, when necessary, this issue to the Board of Directors.

A Director shall resign in the event this conflict of interest cannot be resolved to the satisfaction of the Board of Directors, or if he/she finds himself/herself in a situation of permanent conflict of interest.

As of the date of this report and to the best of the Company's knowledge, there are no:

- potential conflicts of interest between the duties of the members of the Board of Directors and the Chief Executive Officer and their private interests;
- arrangements or understandings with major shareholders, customers, suppliers, or others, pursuant to which executive officers and Directors of the Company were selected as a member of the administrative, management or supervisory bodies or member of senior management;
- familial relationships within the Board of Directors and between its members and those of the Executive Management team.

4.2.7 Function, operation and duties of the Board of Directors

4.2.7.1 Internal Rules

On 27 September 2021, the Board of Directors of Exclusive Networks adopted a set of Internal Rules that specify the rules relating to the composition of the Board of Directors, the organisation of its meetings, its operating methods and the assessment of its work, the ethical standards expected and the compensation of the Directors, together with the operating rules and function of each of the Board of Directors' Committees.

A copy of the Internal Rules is given to the Directors on their appointment. The Internal Rules are available on the Company's website (www.exclusive-networks.com).

The Internal Rules of the Board of Directors are regularly updated. In 2022, the selection procedure for Directors established in the same year was attached to the Internal Rules.

Articles 6.2 and 6.3 of the Internal Rules of the Board of Directors regarding the composition of the Committees were amended following a decision taken by the Board of Directors on 25 January 2023 that each Committee could be composed of as few as two members.

4.2.7.2 Functioning and organisation

Functions

The function of the Board of Directors is to determine the strategy and orientation of the Company's operations and to ensure they are conducted in accordance with its corporate interest, taking into consideration in particular the social and environmental impacts of its activity. The Board of Directors also has the function of appointing the Company's executive Corporate Officers. The Board of Directors rules every year on the independence of the Directors; sets the potential limitations to the powers of the Chief Executive Officer, and of the Deputy Chief Executive Officer if appropriate; issues every year a corporate governance report; determines the compensation policy for the executive Corporate Officers; prepares and convenes shareholders' general meetings; carries out the checks and controls that it deems appropriate; verifies the management and accuracy of corporate accounting; undertakes the review and closure of the annual accounts; communicates with shareholders; and verifies communications with the market.

The Board of Directors is keen to foster the creation of long-term value by the Company, taking into account the social and environmental impact of its activities. In line with its defined strategy, it regularly examines potential opportunities and risks, such as financial, legal, operational, social and environmental risks, together with the corresponding measures adopted by the Company. The Board of Directors may perform any audit and verification it deems appropriate to fulfil its missions.

The Board of Directors ensures the establishment of a structure for the prevention and detection of corruption and traffic of influence within the Group.

The Board of Directors ensures that the executive Corporate Officers establish a policy of non-discrimination and diversity, particularly with respect to the balanced representation of men and women within the Company's governing bodies.

Operating rules

The Board of Directors shall meet at least four times per year and as often as the Company's interests require.

The Board of Directors is convened by the Chairperson by any means, including verbally. Convening notices may be addressed by the Secretary of the Board of Directors or by the Chairperson and must include a precise agenda determined by the Chairperson, together with the Chief Executive Officer and, if appropriate, with the Chairperson of each Committee.

Depending on the agenda, the Chairperson may also convene persons other than the Directors to the Board of Directors meeting in order to have a constructive debate and to be able to provide all relevant expertise necessary for the Board of Directors to make decisions.

The meetings of the Board of Directors are chaired by the Chairperson who shall conduct the discussions.

Each meeting of the Board of Directors should dedicate sufficient time to provide a useful and in-depth discussion about each item on the agenda.

The decisions are taken by a majority of the votes of the Directors present or represented.

Except in the cases excluded by applicable laws and regulations, Directors may attend the Board of Directors meeting by means of video conference or telecommunication which transmits at least the voice of the participants and presents technical characteristics allowing the continuous and simultaneous retransmission of the deliberations, and in such a case, Directors will be deemed to be present for the calculation of the quorum and the majority.

During the shareholders' annual general meeting to be held in June 2023, a proposal will be made to shareholders for the modification of Article 15 of the Company's Bylaws in order to enable Directors to take decisions permitted by law by written consultation in accordance with the terms stipulated in Article L. 225-37 of the French Commercial Code.

Organisation and preparation of the functions of the Board of Directors

The meetings of the Board of Directors are organised and prepared by the Chairperson of the Board in conjunction with the Chief Executive Officer and the Secretary of the Board.

An annual calendar, prepared by the Chairperson of the Board in conjunction with the Chief Executive Officer and the Secretary of the Board at the end of each financial year for the coming year, defines the main points to be discussed and examined by the Board and its Committees. Board meetings are convened at least eight days before the date of the meeting concerned. The invitation to attend shall include the agenda jointly agreed by the Chairperson of the Board and the Chief Executive Officer.

The documents relating to the meetings of the Board (and also those of its Committees) are transmitted via a secure platform within a reasonable time frame and if possible at least eight days before the meeting concerned. The members of the Board also have access to the documents provided to back up the recommendations of the various Committees.

The press releases issued by the Company are regularly brought to the attention of the Directors, together with any appropriate case studies.

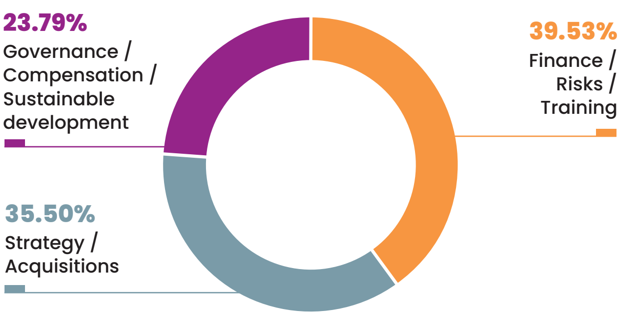
4.2.7.3 Activities in 2022

Attendance of the members to the Board of Directors at meetings of the Board of Directors and its Committees in 2022

	Board of Directors		Audit Committee		Nomination and Compensation Committee	
Members	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings
Barbara Thoralfsson	100%	12/12	100%	10/10	N/A	N/A
Jesper Trolle	100%	12/12	N/A	N/A	N/A	N/A
Olivier Breittmayer	100%	12/12	N/A	N/A	N/A	N/A
Nathalie Bühnemann	100%	12/12	100%	10/10	100%	5/5
Pierre Pozzo	92%	11/12	100%	10/10	N/A	N/A
Michail Zekkos	100%	12/12	N/A	N/A	100%	5/5
Marie-Pierre de Bailliencourt	100%	12/12	N/A	N/A	100%	5/5

Board of Directors	
NUMBER OF MEETINGS	ATTENDANCE RATE
12	99%

Activities of the Board of Directors in 2022



During the 2022 financial year, the Board of Directors met 12 times. A strategy seminar lasting one and a half days was also held in 2022. During the course of these meetings, the Board deliberated mainly on the following items:

Finance/Risks

- **finance:**
  - review of the annual, semi-annual and quarterly financial information reports and forecasts,
  - review of financial presentations and press releases,
  - review and approval of the 2023 budget;
- **stock market:**
  - review of changes in the share price (market capitalisation, share liquidity) and of brokers,
  - management of the share buyback programme and increases in the amount of liquidity allocated to the programme;

Strategy/Acquisitions

- **Audit – risks:**
  - monitoring of risks (mapping),
  - monitoring of internal control and internal auditing,
  - monitoring of the various actions of the Group in terms of compliance.
- **Strategic projects and operations:**
  - review of the Group's performance and activities,
  - review of strategic trends,
  - review of the offer portfolio,
  - M&A: acquisition strategy and monitoring of mergers;

Governance and compensation of executive Corporate Officers

- **Governance:**
  - review of the Group's compliance with the rules of governance of the AFEP-MEDEF Code,
  - changes in the composition of the Board of Directors and assessment of the candidates for the post of Director:
    - review of the candidacy of Paul-Philippe Bernier to serve as Director,
    - preparation of the procedure for the selection of Directors,
  - definition of the methods for assessing the Board's performance; self-assessment:
    - conducting of the assessment (the conclusions of the first assessment of the Board of Directors conducted in 2022 are presented in section 4.2.9 *"Assessment of performance"* of this corporate governance report);

- **Compensation:**
  - review of the conformity of the executive officers' compensation policy with the AFEP-MEDEF Code,
  - review of 2021 performance and definition of the variable compensation applicable to the Chief Executive Officer for 2022,
  - setting of the compensation policy applicable to the Chairperson of the Board of Directors, the Directors and the Chief Executive Officer for 2023; Review of the global compensation package of the Directors,
  - implementation of a programme for the allocation of performance shares in favour of employees and executive Corporate Officers;
- **Human resources:**
  - monitoring of the Group's talent management,
  - review of the succession plan for key executives,
  - diversity policy for corporate governing bodies;

Annual General Meeting

- preparation of the shareholders' Annual General Meeting for 2022 (preparation of the reports to be presented to the shareholders).

Executive session of the Board of Directors (without the presence of the Chief Executive Officer)

As indicated in the preamble to this report "Declaration concerning corporate governance", the Board of Directors held no formal meetings in the absence of the Chief Executive Officer during the course of 2022. It should be noted, however, that the Chief Executive Officer did not attend Board of Directors discussions about his compensation policy or the level of achievement of targets related to his variable compensation. At the Board meeting that approved the annual financial statements, the Board met with the Statutory Auditors without the presence of the Chief Executive Officer.

Activities of the Chairperson

The Chairperson organises and manages the work of the Board of Directors and reports on such work to the General Shareholders' Meeting. The Chairperson oversees the proper functioning of the Company's governing bodies and ensures that the Directors are able to carry out their duties.

The Chairperson of the Board of Directors is responsible for convening the Board of Directors meetings.

The Chairperson of the Board of Directors prepares the agendas of the meetings of the Board of Directors together with the Chief Executive Officer and is responsible for managing conflicts of interest.

4.2.8 Board of Directors' Committees

4.2.8.1 The operating rules of the Committees

In application of the Internal Rules, the Board of Directors can, upon a proposal by the Chairperson of the Board of Directors, set up Committees – whose composition and members' terms of office are defined by the Board – as often as required in the best interests of the Company.

The Board of Directors is thus assisted by two permanent specialised committees:

- the Audit, Internal Control and Risks Committee (the "Audit Committee"); and
- the Nomination and Compensation Committee.

Each of the Audit Committee and the Nomination and Compensation Committee is defined as a "Committee" and together the "Committees".

The terms of office of the members of each Committee coincide with the terms of office of the Directors concerned.

The Board of Directors may also create one or more "ad hoc" committees.

The respective operating rules and functions of the Committees are described in the Internal Rules of the Board of Directors.

Any decision of the Board of Directors relating to a subject within the area of competence of a Committee shall be examined by the latter prior to its deliberation by the Board of Directors. The Committees issue non-binding written or oral recommendations to the Board of Directors. As part of their functions, the Committees may hear the managers of any Group company. Each Committee may also request external technical studies on matters in their areas of competence, at the Company's expense, after having notified the Chairperson or the Board itself.

The Committees are only consulted during the preparation for the deliberations of the Board of Directors, which is the sole responsible decision-making body. The Committees' recommendations are discussed at length during the meetings of the Board of Directors, if appropriate relying on any documentation they have prepared. All the Directors have access to any back-up documents presented during the meetings of the Committees.

The deliberations of each Committee are deemed valid on condition that at least half of its members participate in its meetings. Committee meetings may be held in person, via conference telephone calls or via video-conference calls, under identical conditions to those applying to meetings of the Board of Directors.

Convening notices of Committee meetings must include an agenda and may be given verbally or by any other means.

Each Committee takes its decisions on the basis of a simple majority of the votes of those members present or represented.

Each Committee is chaired by a Chairperson appointed by the Board of Directors upon proposal by the Nomination and Compensation Committee.

The composition, the allocations and the activities of the Committees are as described below:

4.2.8.2 Audit Committee

Composition

The Audit Committee includes at least two (2) members chosen freely from the Board of Directors, on the following conditions, being specified that:

- the members of the Audit Committee must have appropriate accounting and financial expertise;
- no member may exercise any management function for Exclusive Networks;
- the Audit Committee must include the required number of independent members specified in the AFEP-MEDEF Code.

As at the date of this 2022 Universal Registration Document, the Audit Committee has three members: Nathalie Lomon (Chairperson), Barbara Thoralfsson and Pierre Pozzo.

The composition of the Audit Committee, which complies with the AFEP-MEDEF Code, remained unchanged in 2022. Nathalie Bühnemann, who formerly acted as Chairperson of this body, resigned from her position on 17 January 2023, following her appointment as Group chief financial officer. At its meeting on 25 January 2023, the Board of Directors appointed as temporary chairperson of the Audit Committee the independent Director Barbara Thoralfsson, who has served the position until 17 April 2023, when the Board co-opted Nathalie Lomon as Director and appointed her Chairperson of the Audit Committee. Nathalie has a proven track record in finance, as demonstrated by her current role at Groupe SEB and her previous experience at other large listed companies.

All the members of the Audit Committee have the appropriate accounting and financial expertise (see section 4.2.2 above *"Information concerning currently serving Directors as at the date of this 2022 Universal Registration Document"*).

The Audit Committee holds meetings with the Statutory Auditors and the mangers responsible for internal control, internal auditing, cash flow, risk management and compliance.

Functions

The Audit Committee, acting under the responsibility of the Board of Directors, will have the following main duties:

- the review of the financial statements in order to ensure the relevance and coherence of the accounting policies and methods applied to prepare the consolidated corporate financial statements;
- the supervision of the process of preparation of the financial information, the formulation of all proposals for improvement, followed by the application of corrective measures in the event of any dysfunction in this process;
- the formulation of recommendations for the appointment or renewal of Statutory Auditors and the amount of their fees;
- to review the working programme of the Company's Statutory Auditors, and more generally, to supervise the legal audit of the statutory and consolidated financial statements by the Company's Statutory Auditors;
- to ensure that the Statutory Auditors comply with the conditions of independence stipulated in the French Commercial Code (approval of the legal audit functions, fees, review of the network of the Statutory Auditors);
- the review of the internal control and risks management systems; advice and recommendations for the application of corrective and complementary measures.

Presentation of works performed in 2022

Audit Committee	
NUMBER OF MEETINGS	ATTENDANCE RATE
10	100%

During the financial year 2022, the Audit Committee reviewed in particular the following points:

Activities relating to the review of the financial statements

- review of the process of the closure of the accounts for 2021 and the allocation of the 2021 net income;
- review of the work undertaken by the Statutory Auditors and the results of the controls conducted, of their recommendations and of the follow-up pursued in the context of the legal verification of the accounts;
- approval of the services provided and the associated fees for the conducting of the audit and services other than the certification of the accounts;
- review of the Management Report for the 2021 financial year;
- conducting of contacts with the AMF (the French financial market regulator) for the purpose of the preliminary review of the 2021 Universal Registration Document;
- review of the quarterly and half-yearly accounts during 2022;
- review of external financial publications;
- review of the 2023 budget.

Activities relating to internal control

- review of IT security systems (and their costs);
- analysis of the Exclusive Networks' compliance framework;
- review of the risks register including risk mapping (for corruption);

- monitoring of internal audits; approval of the internal audit programme for 2023; approval of the internal audit charter;
- approval of the internal control programme; monitoring of the effectiveness of internal controls and of the progress made for action plans for 2022 and for draft plans for 2023 and 2024.

4.2.8.3 Nomination and Compensation Committee

Composition

The Nomination and Compensation Committee includes at least two members freely chosen from the Board of Directors, on the following conditions:

- no member may exercise any management function for the Exclusive Networks Group;
- the Nomination and Compensation Committee must include the required number of independent members specified in the AFEP-MEDEF Code.

The terms of office of the members of the Nomination and Compensation Committee coincide with the terms of office of the Directors concerned.

As at the date of this 2022 Universal Registration Document, the following persons are members of the Nomination and Compensation Committee: Marie-Pierre de Bailliencourt (Chairperson), Barbara Thoralfsson and Michail Zekkos.

In accordance with the AFEP-MEDEF Code, the composition of the Nomination and Compensation Committee remained unchanged in 2022. Nathalie Bühnemann resigned from her functions on 17 January 2023 following her appointment as Group chief financial officer. By a decision of the Board of Directors at its meeting of 25 January 2023, Barbara Thoralfsson, an independent Director, was appointed as a member of this body.

Functions

The main duty of the Nomination and Compensation Committee is to assist the Board of Directors with governance matters and the compensation and benefits paid or awarded to the Group's executives (including any deferred benefits and/or compensation for voluntary or involuntary departures from the Group). The review of the succession plan for key executives is also one of the Committee's main functions.

In this context, the Nomination and Compensation Committee, acting under the responsibility of the Board of Directors, will include the following specific duties:

- the identification of candidates and the formulation of proposals for changes to the composition of the Board of Directors and of its Committees (the appointment and renewal of Directors);
- the preparation of the diversity policy for the Board of Directors;
- the conducting of the annual assessment of the functioning of the Board of Directors;
- recommendations and opinions concerning the compensation of Corporate Officers (both executive and non-executive) and the members of the Executive Committee (annual assessment of the principles of the compensation and benefit policy);
- reviewing and recommendations concerning employee shareholding plans (performance shares);
- the reviewing of succession plans for key executives within the Group.

The Chief Executive Officer is associated with the work undertaken by the Nomination and Compensation Committee for the selection of Directors (see section 4.2.3.1 *"The procedure for the selection of Directors"* of this report) and the works relating to proposals for a long-term motivation policy.

Presentation of works performed in 2022

Nomination and Compensation Committee	
NUMBER OF MEETINGS	ATTENDANCE RATE
5	100%

During the financial year 2022, the Nomination and Compensation Committee reviewed in particular the following points:

- compensation for the Chief Executive Officer: proposals relating to the setting of the targets corresponding to short-term and long-term variable compensation for 2022; review of the compensation policy for 2022; review of the performance corresponding to variable compensation for 2021;
- compensation for Directors: proposal relating to compensation for Directors for 2022 and review of their global compensation package;
- proposals relating to the establishment of a performance share allocation plan in favour of Group employees;
- the preparation and conducting of the assessment of the functioning and composition of the Board of Directors, in conjunction with the Chairperson and the Secretary of the Board of Directors;
- a proposal in terms of changes to the composition of the Board of Directors in the context of the proposed appointment as a Director of Paul-Philipe Bernier;
- the reviewing of the independence of the Directors; recommendations to the Board concerning the quantitative and qualitative criteria to be taken into account in order to assess the materiality of the business relationships of the Directors with the Company in the context of the reviewing of the independence of the Board of Directors;
- the following of the recommendations of the AFEP-MEDEF Code in terms of governance and compensation:
  - the setting up of a procedure for selecting Directors,
  - diversity targets in the Group's management bodies;
- discussions and recommendations relating to the succession plan for key executives and individuals in the Company.

4.2.9 The assessment of the functioning of the Board of Directors

In accordance with the rules of good governance and in application of its Internal Rules, the Board of Directors dedicates a point on the agenda to its own functioning and that of its Committees at least once per year, the results of which are presented to shareholders in this corporate governance report, together with any follow-up measures that may be adopted subsequently to the assessment. Furthermore, at least once every three years, the Board of Directors carries out or commissions a formal assessment of its work.

The Board of Directors undertook a review of its own functioning for the first time since its establishment in September 2021. This assessment, conducted under the supervision of the Chairperson of the Nomination and Compensation Committee and of the Secretary of the Board of Directors, took place during the autumn of 2022. For this purpose, a detailed questionnaire was transmitted to each Director. Among the subjects about which Directors were asked to give their opinion in relation to the composition and functioning of the Board were the following:

- the relevance of the composition of the Board of Directors and of its Committees, particularly concerning the diversity of profiles (in terms of nationality, experience and skills);
- the relevance of the agendas of the meetings of the Board of Directors and the quality of the information provided to the Board to back up its decisions;
- the quality of the presentations of the Committee's work to the Board and the recommendations formulated;
- the quality of the debates, the time dedicated to discussions compared to presentations;
- the quality of the contacts between the Chairperson of the Board and the Chief Executive Officer and;
- the contributions of the Chairperson of the Board, the Chief Executive Officer, the Chairpersons of each committee and the Board Secretary.

The results of this assessment were delivered in the context of a detailed report that was the subject of a summary presented by the Chairperson of the Nomination and Compensation Committee during the meeting of the Board of Directors of 12 October 2022, the agenda of which included a point dedicated to the assessment of the Board, thus making it possible to discuss or reflect on the satisfactory points and the recommendations for improvement that will be implemented.

A positive picture emerges from the results of the questionnaires and discussions as a whole. The Board of Directors' governance appears to be extremely satisfactory, particularly since it is newly constituted and contains members of many different backgrounds and nationalities.

The recommendations and suggested areas for improvement were as follows:

- having a schedule of topics for the year ahead to ensure in-depth understanding and hands-on management of the most strategic topics;
- organising a seminar or day dedicated to strategy;
- making sure that presentations are short and well structured to allow for sufficient discussion time.

4.3 Compensation and benefits

The compensation policy for Exclusive Networks' Corporate Officers was established in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code and of the recommendations of the AFEP-MEDEF Code. The policy described applies to all the Company's Corporate Officers. Whenever necessary, the components and principles of the specific compensation policy for executive Corporate Officers are detailed.

4.3.1 General principles of the compensation policy for executive Corporate Officers

As at the date of this Universal Registration Document, the executive corporate officer is understood to refer to the Chief Executive Officer, Jesper Trolle.

4.3.1.1 Setting, amending and implementing the compensation policy

Setting the compensation policy

The compensation policy for the executive Corporate Officers is defined to be in the Company's best corporate interest and to attract, motivate and retain highly qualified individuals who have the potential to contribute to the Group's success and sustainability, which depend on the achievement of its strategic, commercial and financial objectives in both the medium term and long term.

When setting the compensation policy for executive Corporate Officers on the basis of the recommendations of the Nomination and Compensation Committee, the Board of Directors ensures the coherence and competitiveness of the compensation proposed in comparison with market practices, in terms of both level and structure.

For this purpose, the Nomination and Compensation Committee:

- relies on compensation studies carried out by specialised consultancy analysing market practices in general, and specifically the practices of a panel of companies considered the most comparable, especially in terms of market capitalisation, business sector and international environment. The Nomination and Compensation Committee will propose changes to the panel as the Group, its businesses, its market capitalisation and the companies in the panel evolve;
- ensures that the principles that govern the compensation of the Chief Executive Officer are aligned with the Group's strategic priorities and tailored both to the Group's financial objectives and to the personal performance of the Chief Executive Officer.

In the context of the Company's IPO in 2021, the Company commissioned various compensation studies from a specialised consultancy in order to help to set the compensation of the Corporate Officers, particularly that corresponding to the Chief Executive Officer, in accordance with current practices within the Group, the benchmark model and external market practices.

The following five key principles govern the global compensation policy applicable to the Chief Executive Officer, with an objective of transparency and thoroughness in the level of details provided for each element of compensation:

- **balance,** ensuring that no element of compensation is disproportionate.

  The global compensation policy also reflects the balance between the Company's corporate interest, market practices, and the performance of the Corporate Officers as well as other stakeholders of the Company.

  The fixed portion of the compensation for executive Corporate Officers is determined by taking into account the level and complexity of their responsibilities, their experience and seniority, particularly within the Group; and market analysis for similar positions;
- **Company performance:** a significant part of the Chief Executive Officer's compensation is closely linked to the Group's performance, mainly through annual variable compensation paid in cash and long-term compensation paid in equity, the definitive acquisition of which depends on the achievement of clear, measurable and quantifiable objectives based on financial and extra-financial performance criteria, linked to the Group's both short-term and long-term commercial, financial and sustainability strategy, among other factors;
- **alignment with shareholders' interests,** ensuring that the performance criteria associated with long-term compensation are ambitious, complementary and stable;
- **competitiveness,** taking into account both the level of responsibility of the executive Corporate Officers concerned and market practices; the level of total compensation for executive Corporate Officers is reviewed and compared with market practices;
- **compliance** with the governance rules recommended by the AFEP-MEDEF Code adopted by the Group.

Amending the compensation policy

In accordance with the recommendations of the AFEP-MEDEF Code, the compensation policy for executives and non-executives is only reviewed on a long-term basis, in particular the fixed compensation. As an exception to this principle, the compensation policy for Corporate Officers may be reviewed in advance in specific situations, such as a change in control of the Company, a change in the responsibilities of the executives, or a difference in the positioning of the executives' compensation in relation to comparable companies which have been used as benchmarks for determining the compensation of the Company's own executives.

If the compensation policy were to be reviewed over a short period, the Company would provide details of the reasons for such a review.

Implementing the compensation policy

The compensation policy for the Company's Corporate Officers is reviewed every year by the Board of Directors on the basis of the recommendations of the Nomination and Compensation Committee, and then in accordance with Article L. 22-10-8 II of the French Commercial Code. It is submitted to a vote by shareholders every year in the form of an ex-ante vote.

Taking into account the compensation and employment conditions of employees

Indeed, the Company's compensation policy ensures that the various components of the compensation for the Chief Executive Officer remain coherent with the compensation policy applied to the Company's employees. In this respect, the performance conditions for long-term compensation in the form of share grants are identical for all beneficiaries and for the Chief Executive Officer. These alignments ensure that efforts made to achieve the Group's performance objectives remain consistent.

Exception to the application of the compensation policy

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, may alter the global compensation policy of the Chief Executive Officer at its own discretion, in exceptional circumstances, for a temporary period and insofar as such a difference is in accordance with the corporate interest of the Company and is necessary to guarantee the sustainability and viability of the Company.

It is specified that any exceptional circumstances that may justify a change in the Chief Executive Officer's compensation policy will be circumstances of external origin to the Company (not related to its strategy) that are unforeseeable, constituting a major event and an unexpected change that affects the Company's sector of activity and has significant consequences on the level of achievement of one or more performance criteria.

This discretionary power of the Board of Directors to adjust and modify the compensation policy in these exceptional circumstances may allow the Board of Directors, on the recommendation of the Nomination and Compensation Committee, to adjust certain objectives or criteria (threshold and/or target and weight) of the annual variable compensation and/or the multi-year equity compensation.

Whatever the changes and adjustments that may be made, it is specified that the cap on annual variable compensation and on multi-year equity compensation cannot be increased under any circumstances.

Methodology for assessing performance criteria of the annual and pluri-annual compensation

The indicators used for determining the annual and multi-year variable portion of the Chief Executive Officer's compensation and the level of the targets to be achieved are defined each year at the beginning of the reference period to which they apply.

The targets are determined on the basis of the Group's key (quantitative and qualitative) financial and extra-financial indicators in line with the Group's activities, strategy and goals.

The financial targets are set on the basis of the budget pre-approved by the Board of Directors, in line with market guidance in the case of annual variable compensation targets, and with the business plan in the case of financial targets relating to long-term compensation.

For each of the financial indicator settings for the variable compensation of the Chief Executive Officer (annual and pluri-annual), a trigger threshold below which no compensation is paid, a target achievement level, and a maximum level reflecting outperformance relative to the targets set are defined.

Qualitative targets based on extra-financial indicators may be based on a qualitative and quantitative assessment of the Chief Executive Officer's performance. The performance of the extra-financial indicators is appreciated globally. Of the indicators used, some are governed by a quantitative logic approach and are based on one or more quantifiable factors determined each year according to the Group's scope, strategy, objectives, and priorities.

The achievement of the targets based on extra-financial indicators is assessed by the Board of Directors in accordance with the recommendation of the Nomination and Compensation Committee, which is guided by assessment factors transmitted by Management.

Only outperformance relative to the financial indicators can give rise to a bonus amount higher than the target level. With regard to performance measurement through financial indicators, the target variable portion is achieved if an indicator is equal to the budget.

If the Chief Executive leaves the Group during the financial year, the amount of the variable cash portion of his compensation for the current year will be determined pro rata to his time of presence during the year concerned.

Should the Chief Executive Officer leave during the vesting period of the performance shares awarded as part of their long-term compensation, they will lose their entitlement to any performance shares that they were awarded since being appointed as CEO and that were not vested upon termination of their duties as a corporate officer, (except in the case of death, disability or retirement, where the long-term compensation rights are maintained as set out in the rules of the relevant performance share plans). Having said that, on the recommendation of the Nomination and Compensation Committee, the Board of Directors shall have the option to waive the condition that the Chief Executive Officer still be present at the Company and to maintain entitlement to any performance shares awarded since their appointment as Chief Executive Officer that were not vested upon termination of their duties as a corporate officer. There must be grounds for such a decision by the Board of Directors, in compliance with the AFEP-MEDEF code. In such a case, the vesting of the performance shares remains subject to the fulfilment of the performance criterion or criteria established in the rules of the relevant plans. The reasons behind the Board of Directors' decision will be published.

Handling conflicts of interest

The Company complies with the conditions set out in the AFEP-MEDEF Code relating to the management of conflicts of interest. It provides that a corporate officer or Director must make every effort to avoid any conflict that may exist between his moral and material interests and those of the Company.

The Board of Directors has established a procedure for the management of conflicts of interest. This is described in its Internal Rules, in accordance with which all Directors are required to notify the Chairperson of the Board of Directors of any conflicts of interest (including any potential conflicts of interest) in which they could be directly or indirectly involved. In cases where the Directors concerned cannot avoid finding themselves in a conflict of interest, they must abstain from participating in discussions and in any decision on the matters concerned. The Chairperson of the Board of Directors, pursuant to the Internal Rules, shall arbitrate any conflict of interest that may concern a Director (see section 4.2.6 above in this report *"Conflicts of interest (extract from the Internal Rules of the Board of Directors"*).

Allocation of the global compensation package to members of the Board of Directors

The General Shareholders' Meeting which was held on 21 June 2022 approved the amount of the global compensation package for the Directors, which was increased to €235,000. This reassessment was particularly intended to reflect more accurately the workload of the Chairpersons of each Committee.

The Board of Directors sets the rules for allocating this package among the Directors, based on the proposal of the Nomination and Compensation Committee. These rules provide for the payment of fixed compensation (prorated for terms of office starting or ending during the year) and variable compensation that is predominant and linked to Directors' attendance at Board of Directors and Committee meetings. For further information, see section 4.3.3 *"Compensation policy for the Directors"*.

Restitution of the variable compensation of the executive Corporate Officers

There is not a possibility of restitution of the variable compensation paid to the executive Corporate Officers.

Compensation policy for the newly appointed executive Corporate Officers

In the event of the appointment of a new corporate officer (executive or non-executive) during the financial year, the compensation policy applicable to the corporate officer concerned shall be applied. If appropriate, any supplementary or specific function that the Board of Directors may entrust to the new corporate officer (particularly that of the Chief Executive Officer, the Chairperson of the Board of Directors or the Lead Director) may be taken into account, especially with regard to the Internal Rules.

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, may also take into account specific situations and responsibilities with respect to each of the Company's executive Corporate Officers.

4.3.2 Compensation policy for the Chairperson of the Board of Directors

4.3.2.1 General principles and term of office

Barbara Thoralfsson was appointed Chairperson of the Board of Directors with effect from 27 September 2021 for the duration of her term of office as a Director. The mandate of the Chairperson of the Board of Directors may be terminated at any time by the Board of Directors.

Barbara Thoralfsson has vast experience as a Director and Chairperson of the boards of Directors of both listed and unlisted companies. These different experiences have enabled her to acquire significant skills in this field.

In accordance with the general principles of compensation policy for Corporate Officers, the purpose of the compensation policy for the Chairperson of the Board of Directors is to offer a transparent, competitive and motivating global compensation consistent with market practices. To preserve the independence of his/her judgement on the activity of the executive management of the Company, the compensation of the Chairperson of the Board of Directors does not include any variable component depending on long and short-term performance.

The Board of Directors determines the structure and amount of compensation for the Chairperson of the Board of Directors, on the recommendation of the Nomination and Compensation Committee, after reviewing comparable roles in other companies similar to the Company and taking into account any special functions entrusted to the Chairperson in addition to his/her statutory functions.

In this respect, an analysis was commissioned in 2021 to help to set the compensation of the Chairperson, in terms of both the total amount and of how it should be structured. An updated analysis was conducted in 2022 with the help of the consultancy Willis Towers Watson.

The compensation for the Chairperson of the Board of Directors was determined by comparing the various compensation packages of the non-executive Chairpersons of Boards of Directors of other companies (CAC Mid 60 companies, companies recently listed, and companies with international Boards of Directors).

4.3.2.2 Components of the compensation policy for the Chairperson of the Board of Directors

The compensation policy applicable to the Chairperson of the Board of Directors was approved by the general meeting held on 21 June 2022. This policy, which was introduced immediately after the appointment of Barbara Thoralfsson on 27 September 2021 and has remained unchanged since that date, stipulates that the Chairperson of the Board of Directors is eligible for the following:

- an annual fixed compensation of a total of €240,000 paid every month; this amount is calculated on a pro rata basis for terms of office starting or finishing during the course of the year, for whatever reason;
- a compensation corresponding to her functions as a Director of the Company and her functions on the Committees of the Board of Directors' Committees, in application of the compensation policy for Directors.

  The Chairperson is entitled to a reimbursement of expenses in connection with her mission, such as travel expenses.

The Chairperson of the Board of Directors does not receive any other compensation or benefit in kind and is not eligible for the elements of compensation below:

- variable compensation linked to the performance of the Group;
- exceptional or long-term compensation;
- severance payment, i.e. indemnities or rights due or likely to be due as a result of the termination or change in function of company executive officers;
- commitment corresponding to indemnities in return for a non-competition clause;
- compensation for other positions and offices held in other companies in the Group;
- additional pension scheme beyond the basic and supplementary mandatory schemes.

In accordance with the compensation policy described above, Barbara Thoralfsson received a fixed compensation of a total of €240,000 corresponding to her functions as Chairperson of the Board of Directors in 2022 (see section 4.4.2 of this Chapter 4 *"Elements of compensation due or paid in respect of financial year 2022 to the Chairperson of the Board of Directors"*).

Components of the 2023 compensation policy for the Chairperson of the Board of Directors

On 20 December 2022, at the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to propose to the shareholders that they should renew on identical terms the compensation policy for the Chairperson of the Board of Directors for 2023. The analysis undertaken by the Nomination and Compensation Committee showed that the compensation policy for the Chairperson of the Board of Directors approved by shareholders with a 99.97% vote in 2022 is aligned with current market practices in terms of both its structure and its total amount.

4.3.3 Compensation policy for Directors

The compensation policy for Directors was approved by shareholders during the annual general meeting of the Company's Shareholders held on 21 June 2022, with a vote of over 99% in favour.

This policy depends on an allocation formula including a component of fixed compensation and a component of variable compensation based on the rate of attendance at the meetings of the Board of Directors and of its Committees, in accordance with the AFEP-MEDEF Code.

The compensation policy applicable to Directors stipulates a supplementary compensation for the Chairpersons of the two Committees, bearing in mind the additional workload and responsibility that they assume with respect to the Board of Directors. They organise and direct the work undertaken by the Committees, which they then report on to the Board of Directors.

In this respect, the general meeting of 21 June 2022 approved the increase in the annual global compensation package to be allocated to the

Directors and members of the Committees to €235,000. This increase was concentrated on the Chairpersons of the two Committees, who are particularly involved in the Committees' work, in order to better reflect their respective workloads.

It should be recalled that the compensation policy for Directors stipulates that only independent Directors receive compensation.

Allocation of the overall compensation package for Directors and committee members

	Fixed compensation (annual lump sum) (in euros)	Variable compensation (per meeting) (in euros)	Maximum variable compensation Amount per year (in euros)
Board of Directors			
• Members*	22,000[1]	7,000[2]	28,000[2]
Audit Committee			
• Chair	15,000[1]	3,500[3]	21,000[3]
• Members*	0	2,000[3]	12,000[3]
Nomination and Compensation Committee			
• Chair	15,000[1]	3,500[4]	14,000[4]
• Members*	0	2,000[4]	8,000[4]

* Non-independent Directors are not eligible for the Directors' compensation.
1 As the fixed amount is determined on an annual basis, the amount is *calculated pro* rata temporis for terms of office ending or starting during the course of the year, for any reason whatsoever.
2 Within the limit of four meetings per financial year, it being specified that in the event of additional meeting(s), the amount per meeting will be reduced accordingly in order not to exceed the overall limit of €28,000.
3 Within the limit of six meetings per financial year, it being specified that in the event of additional meeting(s), the amount per meeting will be reduced accordingly in order not to exceed the overall limit of €21,000 for the Chairperson of the Audit Committee and €12,000 for the independent members of the Audit Committee.
4 Within the limit of four meetings per financial year, it being specified that in the event of additional meeting(s), the amount per meeting will be reduced accordingly in order not to exceed the overall limit of €14,000 for the Chairperson of the Nomination and Compensation Committee and €8,000 for the independent members of the Nomination and Compensation Committee.

Components of the 2023 compensation policy for the Directors and Committee members

On the recommendation of the Nomination and Compensation Committee, during its meetings on 20 December 2022 and 27 February 2023 the Board of Directors decided to propose to shareholders the following:

- not to change the amount of the global package for the compensation of the Directors or the rules and amounts to be allocated for this purpose;
- to ensure the reimbursement of the expenses linked to the exercising of their function, such as travel expenses.

The analysis undertaken by the Nomination and Compensation Committee and the results of the update to the comparability study performed in 2022 showed that the compensation for the Directors, the rules for its allocation and the level of compensation for the Directors and Committee members (including their Chairpersons) continue to be in line with current market practices.

In accordance with the AFEP-MEDEF Code, in the event that the members eligible for compensation attend all the Board of Directors and Committee meetings, the variable portion will thus be structurally larger than the fixed portion of their compensation.

Current members of the Board of Directors do not hold options or financial instruments giving access to the Company's share capital and the Company has made no other commitments to members of the Board of Directors corresponding to elements of compensation or benefits due or potentially due and linked to a termination or change in role, with the exception of Jesper Trolle in consideration of his duties as Chief Executive Officer of the Company.

In application of the rules above, the total amount of gross compensation due to the eligible Directors in respect of their term in office as Directors totalled €235,000 for the financial year 2022.

4.3.4 Compensation policy for the Chief Executive Officer

4.3.4.1 General principles and term of office

Jesper Trolle was appointed Chief Executive Officer with effect from 1 September 2021, the date of the conversion of the Company into a limited liability corporation *(société anonyme)*. Prior to this date, he had been the Chairman of the Company under its previous form as a simplified joint-stock company *(société par actions simplifiée)* since 1 December 2020.

The General Shareholders' Meeting that was held on 21 June 2022 voted in favour of the general principles and the following elements making up the compensation for Jesper Trolle corresponding to his position as Chief Executive Officer of the Company, as determined by the Board of Directors at its meeting on 29 March 2022 on the recommendation of the Nomination and Compensation Committee.

The compensation of the Chief Executive Officer is composed of:

- a cash compensation, consisting of a fixed portion and an annual variable portion directly linked to individual performance and contribution to the Group's performance; and
- an equity-based compensation, in the form of a free share award whose vesting is subject to the achievement of performance conditions assessed over several consecutive financial years and to a condition of continuous service with the Group.

This compensation structure is consistent with the one offered to the Group's senior executives. Each of the compensation components is complementary. These components aim at different objectives, and together form a balanced compensation in line with the principle of balance mentioned above.

The compensation policy for the Chief Executive Officer contributes to the lasting success of the Company and to the strategy of the Group, and integrates elements of profitable and sustainable growth in both the short term and the long term.

They receive benefits in kind and could receive exceptional compensation in specific circumstances.

The Chief Executive Officer is also eligible for a severance indemnity in the event of forced departure.

To set the on-target global compensation structure and the level of its components, the recommendations of the Nomination and Compensation Committee are based on market positioning studies for similar functions and take into account the Group's main competitors' practices in France and abroad as well as the internal practices applicable to senior executives and managers.

For the purpose of the determination of the 2022 compensation policy for the Chief Executive Officer, with the support of the external consulting firm Willis Towers Watson, three panels were therefore studied with a view to benchmarking and positioning Jesper Trolle's compensation package for his position as Chief Executive Officer:

- the companies of the CAC Mid 60 index: a panel including 60 mid-cap listed companies. The study of the different remunerations of the Chief Executive Officer's within these companies allowed to determine the compensation of the Chief Executive Officer;
- the companies of the SBF 120 index;
- an IT panel created to capture the Company's unique market position.

In view of the evolution of the Chief Executive Officer's responsibilities linked to the new status of the Company as a listed company, the increase in his responsibilities and new Group challenges, it was decided to review the compensation policy for Jesper Trolle as from 1 January 2022.

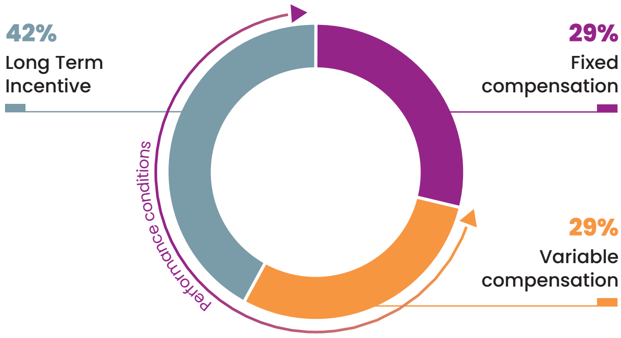
These panels were also used for the review of the compensation policy for the Chief Executive Officer for 2023.

4.3.4.2 Components of the 2023 compensation policy for the chief executive officer

The elements of the compensation of the Chief Executive Officer for 2023 were confirmed by the Board of Directors held on 20 December 2022 and 27 February 2023, as follows:

Compensation structure

The Chief Executive Officer's compensation is predominantly subject to performance conditions.



The compensation structure for the Chief Executive Officer, the amount of each component, the quantitative and qualitative nature of criteria used to determine the annual variable and long-term portion, which include financial and extra-financial elements aligned with the Group's strategy, as well as the complementarity and continuity of those criteria, ensure consistency with the Company's performance.

This motivating compensation structure, a significant proportion (71%) of which (annual variable and long-term compensation) is based on individual and financial performance, encourages, contributes to and furthers the Company's development.

Fixed compensation

The objective of fixed compensation is to recognise the importance and complexity of the duties as well as the experience and the career path of the Chief Executive Officer.

In accordance with the current compensation policy, applicable since 1 January 2022, the fixed compensation for the Chief Executive Officer has totalled €550,000. This compensation is paid in 12 monthly instalments. It is only to be reviewed after several years, in accordance with the AFEP-MEDEF Code.

For 2023, the Board of Directors proposes to shareholders to make no change to the Chief Executive Officer's fixed compensation.

Annual variable compensation

The objective of annual variable compensation is to encourage the Chief Executive Officer to reach the annual performance objectives set by the Board of Directors, upon recommendation of the Nomination and Compensation Committee, in close connection with the Group's ambitions as regularly disclosed to the shareholders. Variable compensation depends on certain conditions and is linked to the achievement of clear and demanding quantitative and qualitative objectives based on financial, operational, strategic and sustainability performance criteria.

The Nomination and Compensation Committee made its recommendation to the Board of Directors taking into account the strategy and corporate context, and the objective of fostering the Company's performance and competitiveness.

On this basis, for 2023, the Board of Directors, at its meeting on 20 December 2022, on recommendation of the Nomination and Compensation Committee, expressed the wish to modify the percentage of the annual variable portion based on targets with objectives to be achieved and to change this composition to 100% fixed compensation (i.e., with 50% of total annual compensation paid in cash), equivalent to €550,000.

The Board of Directors in fact reached the following conclusion:

- it has taken into account the exceptional performance and excellent work achieved by the Chief Executive Officer in a complex environment, and in this context expressed the desire to promote the highest standard of performance in the compensation applied to the Chief Executive Officer;
- taking into consideration the positioning of the variable portion of the Chief Executive Officer's compensation with respect to the benchmark panel (variable targets represented 82% of the basic annual compensation in 2022, corresponding to a level slightly below the companies in the IT panel selected, for which this variable portion stands at 95% (Market Reference Median); CAC Mid 60: 100% (Market Reference Median) & SBF 120: 100% (Market Reference 1st Quartile);
- bearing in mind the fact that the target amount of the variable portion has not changed since Jesper Trolle took up his office at the Group in December 2020.

At the same meeting, the Board of Directors decided to maintain the mode of variation of this variable compensation, with the amount varying over a range of between 0% and 172% (i.e., between €0 and a maximum of €946,000), with no change in respect of the two previous financial years.

The values of the specific and predetermined objectives that underpin these indicators are strategic and economically sensitive information that is not made public for confidentiality reasons. The percentages of achievement of objectives are transmitted annually for each objective. The level of achievement of the objectives and the corresponding amounts are determined on the recommendation of the Nomination and Compensation Committee.

Performance indicators

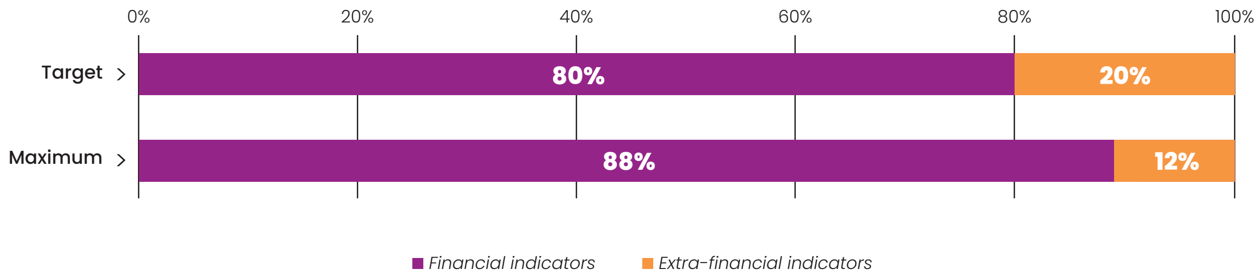
The nature of the financial and extra-financial indicators used for determining the variable portion and the level of the targets to be achieved are defined each year at the beginning of the reporting period to which they apply.

The targets are determined based on the Group's key financial and extra-financial indicators in line with the Group's activities, strategy and goals.

The targets based on financial indicators are determined on the basis of the budget pre-approved by the Board of Directors. They represent 80% of the target annual variable compensation.

The targets based on extra-financial indicators may be based on qualitative and quantitative criteria determined in accordance with the Group's scope, strategy, objectives and priorities. They include at least one sustainable development indicator. The extra-financial indicators represent 20% of the annual variable compensation target.

Annual variable compensation – breakdown



For 2023, the Board of Directors wished to renew on identical terms the weighting between financial and extra-financial indicators used to determine the variable compensation of the Chief Executive Officer, counting respectively for 80% and 20% of the annual variable compensation target, and proposed the following:

- for the financial indicators:
  - not to modify the nature of the financial indicators and their respective weighting in a desire for stability for measuring financial performance. The Board concluded that the complementarity and continuity of the financial indicators ensure consistency with the Group's performance;
- for the extra-financial indicators:
  - to reinforce the performance conditions, focused on corporate sustainable development, which would be affected by a weighting of 10% of the total variable compensation, and which would be measured according to a qualitative approach on two indicators, each of which counting for 5% in line with the Company's sustainable development strategy as it is detailed in Chapter 3 "Extra-financial performance statement" of this 2022 Universal Registration Document and focusing on the carbon footprint and employee engagement,
  - add an indicator linked to the stock market performance of the Exclusive Networks share and the development of the cloud strategy among the strategic and development indicators.

Breakdown of financial and non-financial indicators used to determine the annual variable compensation of Jesper Trolle for 2023, together with the weighting of each indicator

	Weight		
Indicators	**Minimum**	**Target**	**Maximum**
Financial objectives	**0**	**80%**	**88%**
Adjusted EBIT	0	40%	51%
Net margin	0	40%	37%
Non-financial objectives	**0**	**20%**	**12%**
Sustainable development indicators • Construction of the baseline of the Group's carbon footprint (5%) • Employee commitment (5%)	0%	10%	6%
Strategic and development indicators • Optimisation of vendor portfolio management • M&A: robustness of the M&A pipeline and implementation of the M&A strategy in line with guidance • Evolution of the share price for Exclusive Networks • Development of the cloud solutions strategy: assessment and preparation of the 3-year strategic plan	0	10%	6%
TOTAL	**0**	**100%**	**100%**

The Board of Directors considered that the financial and extra-financial indicators on which the targets for the 2023 annual variable compensation of the Chief Executive Officer are based, as well as their weighting, establish a direct link between the compensation of the Chief Executive Officer, and the overall performance of the Group.

The indicators selected contribute to achieving the objective of a balanced compensation policy.

Depending on the level of achievement of the financial criteria and on the basis of a variable compensation with an objective-based target of 100% achievement i.e. €550,000, the variable portion of the Chief Executive Officer's compensation could range from 0% (i.e. €0) to 172% (i.e., a maximum of €946,000).

It should be noted that the outperformance of Extra-financial indicators does not give rise to additional compensation.

The financial criteria do not offset each other. Financial and non-financial criteria do not compensate each other.

Measurement of performance

Financial criteria

For each of the financial indicators, the Board of Directors sets:

- a trigger threshold below which no compensation is paid;
- a target achievement level;
- and a maximum level reflecting outperformance relative to the targets set are defined.

Depending on the level of achievement of financial performance, the amount likely to be paid to the Chief Executive Officer in relation to financial performance indicators is established as follows:

Adjusted EBIT	Threshold	Target objective	Maximum
Level of achievement	80%	100%	130%
Payout as a %	60%	100%	220%
Payout amount (€)	132,000	220,000	484,000

Net margin	Threshold	Target objective	Maximum
Achievement	80%	100%	130%
Payout as a %	60%	100%	160%
Payout amount (€)	132,000	220,000	352,000

Non-financial criteria

Strategic and sustainable development criteria are based on a combination of indicators of which the performance is globally appreciated. The achievement of objectives based on extra-financial indicators depends on a qualitative appreciation. Among these indicators, some are structured by a quantitative logic based on one or more quantifiable elements, determined every year in relation to the Group's scope, strategy, objectives and priorities.

Payment condition of the variable compensation

In accordance with Article L. 22.10.34 II of the French Commercial Code, variable compensation can only be paid if it has been approved by shareholders in the form of an ex-post vote.

Long-term compensation

Since the Company's IPO, the Group has conducted a long-term compensation policy which aims at retaining and motivating the Group's talent and associating managers with its performance, including notably through a free share allocation plan subject to performance criteria related to the Group's long-term strategy and confirmed presence.

In the context of the implementation of the first performance share allocation plan following the Company's IPO, and on the recommendation of the Nomination and Compensation Committee, the Board of Directors, at its meeting on 20 January 2022, and in accordance with the authorisation of the General Shareholders' Meeting of 1 September 2021, allocated 42,049 of the Company's performance shares to Jesper Trolle. This allocation also benefited some fifty or more employees.

During its meetings on 20 December 2022 and 27 February 2023, the Board of Directors again approved the principle of the implementation of a free allocation of shares in 2023, the acquisition of which would be subjected to a condition of continuous presence in the Group and to performance conditions. This allocation was set to benefit 80 employees including the Chief Executive Officer under the following conditions:

Vesting conditions of the shares granted

Continuous service condition

Vesting of the shares is subject to continuous service with the Group from the date of the share grant and throughout the entire vesting period (except under special circumstances). Should their duties as a corporate officer be terminated, the Chief Executive

Officer will lose their entitlement to any performance shares that they were awarded since being appointed as Chief Executive Officer and that were not vested upon termination of their duties as a corporate officer, (except in the case of death, disability or retirement, where the long-term compensation rights are maintained as set out in the rules of the relevant performance share plans).

Having said that, on the recommendation of the Nomination and Compensation Committee, the Board of Directors shall have the option to waive the condition that the Chief Executive Officer still be present at the Company and to maintain entitlement to any performance shares awarded since his appointment as Chief Executive Officer that were not vested upon termination of their duties as a corporate officer (except in the case of departure due to gross negligence or wilful misconduct). There must be grounds for such a decision by the Board of Directors, in compliance with the AFEP-MEDEF code, and these grounds will be communicated. In such a case, the vesting of the performance shares remains subject to the fulfilment of the performance criterion or criteria established in the rules of the relevant plans.

Performance conditions

Nature of the performance indicators

The performance indicators are based solely on the Group's financial performance, notably profitability and cash flow, to ensure a strong focus on value creation.

Nevertheless, given the importance of questions of sustainable development in the values and strategy of Exclusive Networks, the Nomination and Compensation Committee continues its reflections on the inclusion of sustainable development indicators in the future long-term compensation plans. For 2023, the Board of Directors has chosen to reinforce the weight of the performance indicators linked to sustainable development in the annual variable compensation for 2023 for the Chief Executive Officer, bearing in mind the Group's short-term challenges.

Measurement of performance

The expected level of performance for each of the indicators chosen for the vesting of the shares allocated is determined based on the business plan approved by the Board of Directors, itself in line with the guidance communicated to the market and reflected in analysts' consensus recommendations.

The Board of Directors defines a threshold below which no shares will vest. The threshold is not made public for confidentiality reasons.

Since these are performance conditions attached to the performance share free allocation plan for 2023, the Board of Directors, at its meeting held on 27 February 2023, on the recommendation of the Nomination and Compensation Committee, decided to renew in identical terms the nature and weighting of the performance indicators. Thus, for the free performance share allocation plan implemented in 2022, performance will be fully measured on financial indicators each counting for 50%.

Financial performance indicators attached to the long-term compensation plan for 2023

		Payout		
Financial Performance indicators	**Weight**	**Threshold**	**Target**	**Cap**
Adjusted EBIT	50%	35%	100%	170%
Free Cash-Flow (FCF) adjusted	50%	35%	100%	170%

The objectives to achieve in order to trigger the vesting of shares thus allocated are not notified at the time of the allocation for confidentiality reasons. The Company will indicate the level of satisfaction of each of the performance indicators at the closure of the vesting period.

As indicated in the compensation policy applicable to the Chief Executive Officer, the performance shares allocation plans will have a "cliff-vesting" period of a minimum of three years, which will align with the Group's strategy.

In this respect, the 2023 LTIP stipulates a vesting period of three years, it being nevertheless specified that 50% of the shares allocated may vest at the end of a two-year period on condition that the performance conditions measured at the end of two consecutive years (to the end of 2024) have been satisfied, and that 50% of the shares will vest at the end of a three-year period on condition that the performance conditions measured at the end of three consecutive years (to the end of 2025) have been satisfied.

The Company explained in the prospectus published in September 2021 in the context of its IPO, that the two first long-term compensation plans that would follow the IPO of the Company aim to (i) act as a transition between the IPO and the future full payment of the long-term compensation plans, and (ii) offer an appropriate level of motivation to the key employees of the Group following its IPO.

Calculation of the number of shares vested

The number of shares that will vest at the end of the vesting period is calculated by applying a coefficient to the number of shares granted that measures the performance of each of the criteria.

Rules for conservation of the shares vested

The shares allocated in the context of the LTIP 2023 are not subject to a minimum conservation period at the closure of the vesting period, except for the periods referred to as closed periods established by the Company as part of the rules relating to insider trading and the applicable legal provisions (L. 225-197-1 of the French Commercial Code) during which it is not allowed to trade on the Company's shares.

The Chief Executive Officer has an obligation to retain shares on a plan-by-plan basis. In this respect, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, decided that the Chief Executive Officer must keep, in registered form, 30% of the shares vested in his Company share portfolio reaching 100% of Total Cash (fixed compensation + target annual variable compensation) until the end of his term as Chief Executive Officer. The same retention rule applies to the members of the Executive Committee.

Benefits in kind

In addition, the Chief Executive Officer benefits from a company car and school tuition fees for children. Jesper Trolle continues to benefit in full from the Group's pension and health insurance contracts during his term of office.

Elements of compensation related to termination or change in control

Severance pay in the event of departure

In the context of the compensation policy for the Chief Executive Officer for 2023, the Board of Directors has maintained the possibility for the Chief Executive Officer, in the event that he leaves his position, to receive a severance indemnity equal to 12 months of his fixed and variable compensation, the payment of which will be subject to the satisfaction of performance conditions linked to the achievement of objectives set for his annual variable compensation. This will be calculated based on the fixed and variable compensation paid over the last twelve (12) months preceding the termination of his functions. The amount of the indemnity will depend on satisfying the performance conditions established for calculating his annual variable compensation.

The Chief Executive Officer will not be entitled to receive such severance indemnity in the following cases:

(i) in the event of serious misconduct or gross negligence committed by the latter within the Group, as these terms are defined and interpreted by French jurisprudence;

(ii) if he or she leaves the Company on his or her own initiative to perform new duties;

(iii) if he or she changes duties within the Group; or

(iv) if he or she asserts his or her rights to retirement.

Compensation relating to a non-compete clause

None.

Supplemental retirement plans

The Chief Executive Officer does not receive a specific retirement plan beyond those legally required. Therefore, the Company has not reserved any specific amounts to pay pensions, retirement or other similar benefits to the Chief Executive Officer.

Compensation paid by a Group Company

The Chief Executive Officer receives no compensation for any corporate office held at an entity within the Group.

Exceptional compensation

On the recommendation of the Nomination and Compensation Committee, the Board of Directors has proposed the principle whereby the Chief Executive Officer may be eligible for exceptional compensation if warranted by extraordinary circumstances or events (for example, in terms of their importance to the Group, the commitment they require and the difficulties they pose). The Board of Directors must justify its decision. In any event, the amount of special compensation may not exceed the maximum amount of the annual monetary compensation (fixed + maximum variable).

Such compensation may only be paid if it has previously been approved by the shareholders through an ex-post vote, as provided for under Article L. 22-10-34 II of the French Commercial Code.

Compensation allocated to Directors

The Chief Executive Officer receives no compensation in respect of their Directorship.

4.4 Elements of the compensation due or paid in respect of the financial year 2022 to the Company's Corporate Officers, subject to a vote by the shareholders at the annual general meeting for 2023

By virtue of Article L. 22-10-34 of the French Commercial Code, the amounts and elements of compensation paid and allocated during the course of, or corresponding to, the financial year 2022, which will be submitted to a vote by shareholders at the annual general meeting for 2023 in accordance with the implementation of applicable compensation policies such as that approved by shareholders during the annual general meeting of 21 June 2022, are presented below. They form an integral part of the Board of Directors' Report on Corporate Governance.

4.4.1 Elements of compensation due or paid to members of the Board of Directors

Directors' compensation due for and paid in the financial years 2021 and 2022 are presented below:

Table 3 (AMF nomenclature)
COMPENSATION PAID TO DIRECTORS CORRESPONDING TO THEIR TERMS OF OFFICE AND FUNCTIONS IN THE COMPANY AND OTHER COMPENSATIONS RECEIVED BY DIRECTORS OTHER THAN EXECUTIVE CORPORATE OFFICERS

	2022		2021	
Members of the Board of Directors	**Amounts allocated in respect of 2022*** (in euros)	**Amounts paid in 2022*** (in euros)	**Amounts allocated in respect of 2021*** (in euros)	**Amounts paid in 2021*** (in euros)
Jesper Trolle				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation	1,217,774[4]	892,087[4]	1,959,125[4]	1,826,475[4]
Olivier Breittmayer				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	192,174
Barbara Thoralfsson				
Director's compensation	62,000	11,333[3]	38,833[1]	27,500[1]
Other compensation	240,000	240,000	63,636.70[1]	43,636.36[1]
Marie-Pierre Bailliencourt				
Director's compensation	79,000	0	37,659.09[2]	28,409.09[2]
Other compensation	0	0	0	0
Nathalie Bühnemann				
Director's compensation	94,000	14,250[3]	42,659.09[2]	28,409.09
Other compensation	0	0	0	0
Michail Zekkos				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	N/A
Pierre Pozzo				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	N/A
Total				
• Director's compensation	235,000	25,583	119,151.18	84,318.18
• Other compensation	1,457,774	1,132,087	2,022,761.70	2,026,286.36
GENERAL TOTAL	**1,692,774**	**1,157,670**	**2,141,912.88**	**2,146,603.54**

N/A: Boxes show "N/A" when Directors do not receive compensation.
* Gross amount (before social security contributions of 17.2% and 12.8% as a tax instalment payment for residents and withholding tax for non-residents).
1 Prorated amount for the period of service as Chairperson and Director of the Board of Directors (27 September 2021 – 31 December 2021).
2 Prorated amounts for the period of service as Directors (27 September 2021 – 31 December 2021).
3 Amount corresponding to the compensation allocated for financial year 2021 but not paid during 2021.
4 Amount corresponding to the compensation for Jesper Trolle for his function as Chief Executive Officer of the Company.

4.4.2 Elements of compensation due or paid in respect of financial year 2022 to the Chairperson of the Board of Directors

The compensation policy applicable to the Chairperson of the Board of Directors for 2022 was approved by the annual general meeting held on 21 June 2022, under the 9th Resolution (approval rate: 99.97%). It should be recalled in this respect that the compensation policy applicable to the Chairperson of the Board of Directors was not changed in 2022.

The elements making up the global compensation and benefits in kind of all varieties paid or allocated to Barbara Thoralfsson for the financial year 2022 for her function as Chairperson of the Board of Directors are in accordance with this policy, which provides for an annual fixed compensation of €240,000 as the sole component that takes the form of a monthly payment.

Barbara Thoralfsson is eligible for compensation for her function as a Director and as a member of the Audit Committee in addition to her compensation as Chairperson of the Board of Directors. In this respect, an amount of €62,000 was paid to her in January 2023 for her participation in meetings of the Board of Directors and of the Audit Committee held in 2022 (see section 4.4.1 of this Chapter *"Elements of compensation due or paid to members of the Board of Directors"*).

4.4.3 Elements of compensation due or paid in respect of financial year 2022 to the Chief Executive Officer

The elements making up the global compensation and benefits in kind of all varieties paid or allocated to Jesper Trolle for the financial year 2022 are in accordance with the compensation policy as approved at the general meeting held on 21 June 2022 by virtue of the 8th Resolution (approval rate: 96.95%) and described in Appendix 1 to the Universal Registration Document for 2021 in its section 2.1.4 *("Compensation policy for the Chief Executive Officer for 2022")*.

Fixed compensation

The annual fixed compensation paid for the financial year 2022 amounts to €550,000.

Variable compensation

The target-based annual variable compensation paid for the financial year 2022 amounts to €450,000.

The nature and weighting of each of the indicators chosen to determine the annual variable compensation for the Chief Executive Officer for the financial year 2022 were established by the Board of Directors at its meeting on 20 January 2022 and approved at the General Shareholders' Meeting on 21 June 2022.

The level of achievement of each of the performance indicators linked to the annual variable compensation for the financial year 2022 and the amount of variable compensation that is derived from it, equivalent to €592,087 (or 131.6% of the target-based variable compensation), were approved by the Board of Directors at its meeting on 27 February 2023, on the recommendation of the Nomination and Compensation Committee.

In this respect, it should be recalled that for each of the financial indicators the following elements have been set:

- a target objective has been set in accordance with the budget, corresponding to the 100% achievement of the objective;
- a threshold that triggers compensation once a level of achievement of 80% of the target objective is attained;
- a ceiling which reflects an outperformance of the objectives set, which has been set at 130% of the target objective.

On this basis, the levels of satisfaction of the financial and extra-financial objectives for 2022 and the corresponding amount of compensation are established as follows:

Indicators	Weight with objective attained (%)	Level of achievement (%)	Payout %	Payout Amount in euros	Comments
Financial indicators	**80**				**All the yield and profitability criteria are satisfied**
Adjusted EBIT	40	114.03	156.12	281,014	The Group attained an adjusted EBITA that was €154 million above the guidance level.
Net Margin	40	112.53	122.82	221,073	The Group achieved a net margin of €411 million, an amount above the guidance level.
Non-financial indicators	**20**	**100**	**100**	**90,000**	**On the recommendation of the Nomination and Compensation Committee, the Board deemed that the qualitative targets had been 100% achieved.**
ESG Governance: Full transparency, compliance, reactivity with the Board based on smooth interactions with Board and stakeholders **Strategic and management criteria** • Recruitment of new vendors; • Implementation of strategic acquisitions through completion of acquisitions consistent with the guidance communicated to the market and preparation of the 2023 M&A pipeline; • Implementation of the Group strategy regarding X-OD and Services.					During the evaluation of the performance of the Board of Directors, the Directors underlined the good governance of the newly constituted Board of Directors, the excellent relations between the Chief Executive Officer, the Chairman of the Board and the Board and the ease of communication, and the commitment of the Chief Executive Officer was underlined. **Business development:** The Group exceeded expectations in terms of business development with the signing of contracts with 13 new vendors with double-digit growth. **Implementation of strategic acquisitions:** although slow in closing M&A deals, the focus is on building a quality M&A pipeline and appropriate momentum. **Implementation of the Group's X-OD and Services strategy:** An increase from 200 partners in 2021 to 422 partners in 2022 was recorded.

Allocation of shares

The allocation of 42,049 performance shares complemented the cash compensation awarded to the Chief Executive Officer. This allocation took place on 20 January 2022. See Table 6 (AMF nomenclature) for further information about the vesting conditions for these shares.

Exceptional compensation

Jesper Trolle received no exceptional compensation in 2022.

Benefits in kind

In accordance with the agreed compensation policy, in 2022 Jesper Trolle continued to enjoy benefits in kind (car and school fees), the value of which for 2022 totalled €75,687 (it will be recalled that the amount of benefits in kind is limited to €70,000 per year in the case of school tuition fees for children).

The Chief Executive Officer also enjoys social benefits equivalent to those of the Company's employees (in terms of health and insurance).

4.4.4 Compensation tables

AMF Tables 1 & 2 – Summary of the compensation due or paid to Corporate Officers by the Company

Table 1 (AMF nomenclature)

SUMMARY OF COMPENSATION OR BENEFITS, OPTIONS AND SHARES GRANTED TO EACH CORPORATE OFFICER*

(in euros)	2022	2021
Jesper Trolle, Chief Executive Officer		
Compensation or benefits granted during the year (see Table 2 below for further details)	1,217,774	1,959,125[1]
Evaluation of multi-year variable compensation granted in the course of the financial year	N/A	N/A
Evaluation of options granted during the financial year (see Table 4 below)	N/A	N/A
Evaluation of free shares granted during the financial year (see Table 6 below for further details)	281,317[2]	1,185,000[2]
Evaluation of other long-term incentive plans	N/A	N/A
TOTAL	**1,499,091**	**3,144,125**
Barbara Thoralfsson, Chairperson of the Board of Directors		
Compensation or benefits granted during the year (see Table 2 below for further details)	302,000	102,469[3]
Evaluation of multi-year variable compensation granted in the course of the financial year	N/A	N/A
Evaluation of options granted during the financial year (see Table 4 below)	N/A	N/A
Evaluation of performance shares granted during the financial year (see Table 6)	N/A	N/A
Evaluation of other long-term incentive plans	N/A	N/A
TOTAL	**302,000**	**102,469**

* The amounts are indicated in gross value.

1 Compensation as Chairman of the Company under its former corporate form as a French *société par actions simplifiée* (for the period 1 January 2021 – 31 August 2021) and as Chief Executive Officer of the Company under its new corporate form as a French *société anonyme* (1 September 2021 – 31 December 2021).

2 The value of the free shares is equal to that used to prepare the consolidated financial statements calculated in accordance with the requirements of IFRS 2. This evaluation does not necessarily reflect the value of the shares at the end of the vesting period.

3 Prorated amount for the period of service as Chairperson of the Board of Directors and Director (27 September 2021 – 31 December 2021).

Table 2 (AMF nomenclature)
SUMMARY OF COMPENSATION OR BENEFITS GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

	2022		2021	
(in euros)	Amounts granted**	Amounts paid***	Amounts granted**	Amounts paid***
Jesper Trolle, Chief Executive Officer				
Fixed compensation	550,000	450,000	450,000	450,000
Annual variable compensation	592,087[1]	266,400[2]	446,400	313,750[3]
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	1,000,000[5]	1,000,000[5]
Director's fees	N/A	N/A	N/A	N/A
Benefits in kind	75,687[4]	75,687[4]	62,725[4]	62,725[4]
TOTAL*	**1,217,774**	**892,087[2]**	**1,959,125**	**1,826,475**
Barbara Thoralfsson, Chairperson of the Board				
Fixed compensation	240,000	240,000	63,636[6]	43,636[6]
Annual variable compensation	N/A	N/A	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Director's fees	62,000[7]	11,333[7]	38,833[6]	27,500[6]
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL*	**302,000**	**102,469.70**	**102,469.70**	**71,136.36**

* The amounts are indicated in gross value.
** Amount granted in respect of 2022 and 2021.
*** Amount paid in 2021 and 2022.

1 In accordance with the 2022 compensation policy approved by the General Shareholders' Meeting held on 21 June 2022, applicable since 1 January 2022, the annual variable compensation of the Chief Executive Officer for the financial year 2022 is based on ambitious targets and predefined financial performance criteria, accounting for 80%, and extra-financial performance criteria, accounting for 20%. These criteria, the level of achievement and the corresponding payout for each criterion are described in section 4.4.3 of this corporate governance report for 2022 "Elements of compensation due or paid in respect of financial year 2022 to the Chief Executive Officer". During the meeting of the Board of Directors held on 27 February 2023, the amount of variable compensation was set at €592,800. This amount will be paid at the closure of the Annual General Meeting, which will submit to a vote the accounts of the financial year ended 31 December 2022, subject to its approval by shareholders. For more information on the fulfilment of the performance conditions related to the variable compensation, see section 4.4.3 "Elements of compensation due or paid in respect of financial year 2022 to the Chief Executive Officer".

2 Amount of variable compensation for the Chief Executive Officer corresponding to the period 1 July 2021 – 31 December 2021, determined in accordance with the compensation policy for 2021 approved by the General Shareholders' Meeting held on 1 September 2021 and applicable since the Company's IPO on 23 September 2021 and the payment of which was dependent on a vote of approval by shareholders in the form of an ex-post vote in accordance with Article L. 22.10.34 II of the French Commercial Code; this policy stipulates that the annual variable compensation for the Chief Executive Officer for the financial year 2021 is based on ambitious targets and pre-defined financial performance criteria, accounting for 80%, and extra-financial performance criteria, accounting for 20%. These criteria, together with the level of achievement and the corresponding payout for each criterion, are described in section 2.2.3 of this corporate governance report for 2021: "Elements of compensation due or granted to the Chief Executive Officer in respect of financial year 2021".

3 This amount includes: (i) €133,750 for the performance in respect of 2020 and €180,000 for the performance in respect of 2021 before the Company's IPO.

4 This amount of benefits in kind corresponds to the use of a company car and the payment of school fees for children.

5 An exceptional compensation for an aggregate amount of €2 million was paid to certain Executive Corporate Officers and employees of the Group in connection with the IPO of the Company to mark its success, of which, €1,000,000 was paid to Jesper Trolle as Chief Executive Officer.

6 Prorated amounts for Barbara Thoralfsson's role as Chairperson of the Board of Directors and Director (27 September 2021 – 31 December 2021).

7 Compensation for Barbara Thoralfsson's role as Director for the 2021 financial year and not paid in 2021.

AMF Tables 4 & 5 – Options to subscribe to or purchase shares granted to, or exercised by, executive Directors during the course of the financial year

None.

AMF Table 6 – Performance shares granted to Executive Corporate Officers or which become available during the financial year

The table below shows the performance shares granted during the year to the Chief Executive Officer.

Table 6 (AMF nomenclature)

FREE SHARES GRANTED DURING THE 2022 FINANCIAL YEAR TO EACH CORPORATE OFFICER BY THE ISSUER OR ANY GROUP COMPANY

Corporate officers	Plan no. and date	Number of shares granted during the financial year	Valuation of the shares according to the method used for the consolidated financial statements (in euros)	Vesting date	Availability date	Performance conditions
Jesper Trolle	Plan no. 2 20/01/2022	42,049[1] 0.045% of the share capital as at 31/12/2022	281,317[2]	15/05/2024	15/05/2024	Financial performances[3]

1 The Chief Executive Officer received shares in the context of Performance Share Allocation Plan No. 2 introduced by the Company on 20 January 2022 in accordance with the applicable compensation policy, as approved by shareholders on 21 June 2022;

2 This valuation does not necessarily reflect the value of the shares at the end of the vesting period.

3 The vesting of the shares granted under Plan no. 2 is subject to the fulfilment of internal financial performance conditions assessed at the end of two consecutive financial years (2022 and 2023) and to a condition of continuous service with the Group throughout the vesting period. The financial performance conditions are defined in relation to two absolute criteria linked to adjusted EBIT and adjusted operational cash flow (as these indicators are defined in Plan no. 2), determined in relation to the business plan approved by the Board of Directors in line with the guidance communicated to the market. The number of fully vested shares will thus depend on the number of targets achieved. The Company will notify shareholders of the number of shares definitively vested at the end of the vesting period, and also of the level of satisfaction for each of the performance criteria.

The Chairperson of the Board of Directors is not eligible for multi-annual compensation in accordance with the applicable compensation policy.

AMF Table 7 – Free shares made available for each Corporate Officer during the course of the financial year 2022

Vested shares granted for each Corporate Officer[1]

Free shares granted for each Corporate Officer	Plan no. and date	Number of shares granted during the financial year[1]	Vesting conditions
Jesper Trolle	Plan no. 1 30 June 2021	125,000	Continuous service throughout the vesting period

1 Subject to the retention conditions applicable to Corporate Officer.

AMF Table 8 – Historical record of allocations of subscription options or share purchase options

None.

AMF Table 9 – Stock options granted to the top 10 non-executive employees and options exercised by them during the 2022 financial year -

None.

AMF Table 10 – Historical record of free shares

Historical record of granting of free shares

	Plan no. 1	Plan no. 2
Date of General Shareholders' Meeting	30/06/2021	01/09/2021
Date of the Board of Directors	30/06/2021[1]	20/01/2022
Total number of shares granted	193,750[2]	284,184
Of which number of shares granted to Corporate Officers[3]: - Jesper Trolle	125,000[2]	42,049
Vesting date	30/06/2022	15/05/2024
Retention period end date	30/06/2023	N/A[4]
Performance conditions	N/A	Yes[5]
Number of shares vested as at 31/12/2022	193,750	0
• Including Corporate Officer (Jesper Trolle)	125,000	0
Total number of cancelled or lapsed shares	0	26,295
Number of shares in the process of vesting as at 31/12/2022	0	257,889

1 Decision of the Chairman of the Company under its former corporate form as a French *société par actions simplifiée* (simplified joint-stock corporation).
2 Number of shares after reverse stock split (see Chapter 6, section 6.4.3 of the Universal Registration Document for 2022 "Evolution of the Company's capital").
3 The Chairperson of the Board of Directors is not eligible for multi-annual compensation in accordance with the applicable compensation policy.
4 With the exception of the Chief Executive Officer and the members of the Executive Committee who must keep, in registered form, 30% of the shares vested in their Company share portfolios reaching 100% of total cash (fixed compensation + target-based annual variable compensation) until the end of their terms of office in the case of the Chief Executive Officer, and until the end of their functions in the case of the members of the Executive Committee (see section 4.3.4.2 of this Chapter 4 "Components of the 2023 compensation policy for the Chief Executive Officer").
5 The vesting of shares granted under Plan no. 2 is subject to the satisfaction of internal financial performance conditions assessed over two financial years (2022 and 2023) and a condition of continuous service in the Group during the entire vesting period. The financial performance conditions are defined in relation to two absolute criteria linked to the Adjusted EBITA and cash flow determined in relation to the business plan approved by the Board of Directors in line with the guidance communicated to the market. The number of vested shares will depend on the number of targets achieved.

AMF Table 11 – Commitments made towards the Chief Executive Officer and the Chairperson of the Board of Directors

	Employment contract		Supplementary pension plan		Severance or other benefits due or likely to become due as a result of termination or change of office		Compensation under a non-compete clause	
Executive Corporate Officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Jesper Trolle Chief Executive Officer 1 September 2021 Annual General Meeting to be held in 2025		X[1]		X	X[2]			X
Barbara Thoralfsson Chairperson of the Board of Directors 27 September 2021 Annual General Meeting to be held in 2025		X		X		X		X

1 Jesper Trolle had an employment contract with the Company from 15 September 2020 to 30 November 2020.
2 In the event of a termination of the office of Jesper Trolle in his capacity as Chief Executive Officer of the Company, he will be entitled to receive a severance indemnity equal to 12 months of fixed compensation and variable compensation based on the fixed compensation and variable compensation paid to the Chief Executive Officer over the last 12 months preceding the said termination. This indemnity shall not be paid in the event that he leaves his office in the following circumstances: (i) because of gross misconduct (*faute grave*) or serious and wilful misconduct (*faute lourde*) committed by the Chief Executive Officer within the Group as these terms are defined and interpreted by French case law, (ii) the leaves the Company on his own initiative for any new position outside the Group, (iii) his position within the Group changes or (iv) he decides to take his retirement.

4.4.5 Presentation of the "Say on Pay" resolutions relating to compensation

Pursuant to Articles L. 22-10-34 and L. 22-10-8 of the French Commercial Code, the compensation policy for executive Corporate Officers, as well as the compensation components to be paid or awarded to Corporate Officers, are submitted annually for shareholder approval.

The draft resolutions related to the compensation of the Corporate Officers that will be submitted for voting at the next general meeting in 2023 are presented below (note that the numbering of the draft resolutions is for reference only; the definitive numbering will be published in the notice of the meeting that will appear in the French bulletin of mandatory legal announcements *(Bulletin des annonces légales obligatoires)*.

The results of the shareholder voting will be published on the Company's website on the first business day after the general meeting for 2023.

Draft resolutions prepared by the Board of Directors pursuant to Articles L. 22-10-34 and L. 22-10-8 of the French Commercial Code submitted to the Combined General Shareholders' Meeting to be held on 8 June 2023

7th Resolution

Approval of the information on compensation mentioned in Article L. 22-10-9 of the French Commercial Code paid during financial year 2022 or awarded for the same year to all Corporate Officers

The general meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the information mentioned in Article L. 22-10-9 I. of the French Commercial Code, as it appears in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2022 Universal Registration Document.

8th Resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid during the financial year ended 31 December 2022 or awarded for the same year to Jesper Trolle, Chief Executive Officer

The general meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves the fixed, variable and exceptional elements making up the total compensation and benefits of any kind paid during the financial year 2022 or awarded for the same year to Mr Jesper Trolle, Chief Executive Officer of the Company, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2022 Universal Registration Document.

9th Resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid during the financial year ended 31 December 2022 or awarded for the same year to Ms Barbara Thoralfsson, Chair of the Board of Directors

The general meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves the elements of compensation paid during the financial year 2022 or awarded for the same year to Ms Barbara Thoralfsson, Chairperson of the Board of Directors of the Company, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2022 Universal Registration Document.

10th Resolution

Approval of the compensation policy applicable to the Chief Executive Officer for financial year 2023

The general meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy for Jesper Trolle for the financial year 2023, corresponding to his term of office as Chief Executive Officer of the Company, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2022 Universal Registration Document.

11th Resolution

Approval of the compensation policy applicable to the Chair of the Board of Directors for financial year 2023

The general meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy for Ms Barbara Thoralfsson for the financial year 2023, corresponding to her term of office as Chairperson of the Board of Directors of the Company, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2022 Universal Registration Document.

12th Resolution

Approval of the compensation policy applicable to non-executive Directors for financial year 2023

The general meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy for the Directors for the financial year 2023, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2022 Universal Registration Document.

4.4.6 Equity ratio table

The information provided in the table below has been prepared in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code and the guidelines of the AFEP-MEDEF (Recommendation 26).

It is specified that the financial year 2022 is the first full financial year in which the Company appears as a listed company. Before 23 September 2021, the date of its IPO, the Company was incorporated as a French simplified joint-stock corporation (*société par actions simplifiée*), the governing bodies of which were different from those of a French limited-liability company (*société anonyme*): the Company was thus headed by a Chairperson assisted by a Chief Executive Officer from December 2020 to September 2021, and management was controlled by a Supervisory Board. The functions of Chairperson of the Board of Directors and of Chief Executive Officer did not exist. In addition, the Company was not subject to the same level of legal requirements as it is now faced with as a company listed on Euronext Paris's regulated market.

Jesper Trolle, who was appointed General Manager of the Company under its former corporate format as a *société par actions simplifiée* and became Chief Executive Officer of the Company under its current corporate format as a *société anonyme*, was recruited in December 2020 in order to prepare the management transition and ultimately to replace Olivier Breittmayer in his executive functions;

As a result of the above, the presentation of the equity ratios over a five-year period does not seem appropriate, it being specified that such presentation was in any case not possible for 2017 and 2018 as the Company was incorporated in April 2018.

However, for information purposes and in a spirit of transparency and good governance, it was decided at the time of the publication of the first Universal Registration Document in April 2022 to present the ratios for the financial years 2020 and 2021, it being specified that the information concerning the Chairman and the General Manager of the Company under its corporate form of *société par actions simplifiée* are presented together as these two functions are the equivalent of the Chief Executive Officer in a *société anonyme*.

For the coming years, the continuity of its corporate form and its corporate bodies in 2022 allows the Company to present complete ratios and relevant comparative data.

The figures shown below include all Exclusive Networks Group employees in France (with fixed-term or open-ended contracts) who were present continuously in 2020, 2021 and 2022 and provide an expanded scope representative of Exclusive Networks' operations in France. Since the Company had only one employee serving continuously during the above financial years, as a consequence, the calculation of the equity ratios on the sole basis of the Company's employees was not possible because this would require the publication of the compensation of the sole employee present continuously during 2020, 2021 and 2022.

The average and median compensation were established on a full-time equivalent basis for all employees other than the Chairperson and Chief Executive Officer, and the calculation was conducted for a 12-month period for each of the financial years compared. The elements of compensation of the Chairperson of the Board of Directors and that of the Chief Executive Officer used to calculate this ratio include all fixed, variable and exceptional compensations granted during the said financial years, as well as the valuation of the shares granted. The compensation for the role of Chairperson and Chief Executive Officer used to calculate this ratio includes all fixed and variable amounts paid.

This compensation, taken into account on a gross basis, includes the following elements paid in 2020, 2021 and 2022: base pay, commissions, bonus, exceptional bonus, free shares granted during the year, benefits in kind and profit sharing.

The Exclusive Networks performance criteria shown were determined in light of their relevance to the Company's strategy.

Equity ratio between the level of compensation of the Chairperson and the Chief Executive Officer, and the average and median compensation of the Company's employees with the Company's performance

	2020	2021	2022
Ratio of Chairperson's compensation to average compensation	N/A[1]	3	3
Ratio of Chairperson's compensation to median compensation	N/A[1]	4	4
Annual evolution (in %) of the compensation of the Chairperson of the Board of Directors	N/A[1]	N/A[1]	0%
Ratio of Chairman and CEO's compensation to average compensation	13[2]	N/A[3]	N/A[3]
Ratio of the Chief Executive Officer's compensation to average compensation	N/A[1]	35[4]	18[7]
Ratio of Chairman and CEO's compensation to median compensation	16[2]	N/A[3]	N/A[3]
Ratio of Chief Executive Officer's compensation to median compensation	N/A[3]	49[4]	25[7]
Annual evolution (in %) of the compensation of the Chief Executive Officer	N/A[1]	N/A[5]	-47.50%
Annual evolution (in %) of the average compensation of employees	N/A[6]	14.60%	5.30%
Annual evolution (in %) of the median compensation of employees	N/A[6]	2.20%	5.30%
Company performance Annual evolution (in %) of company performance Adjusted EBIT	N/A[6]	25.20%	29.30%

1 The boxes contain the abbreviation N/A as a result of the conversion of the Company into a *société anonyme* carried out in the context of Exclusive Networks' initial public offering (IPO) in September 2021, which led to a change in the company's corporate bodies. Thus, before this conversion, the Company did not have a Board of Directors but a Supervisory Committee, for which the Chairperson did not receive compensation in 2020 and 2021.

2 For the calculation of this ratio, the following were included: the compensations paid in 2020 when the Company was still incorporated as a French "*société par actions simplifiée*" to both (i) Olivier Breittmayer, the legal representative of HTIVB, as Chairperson of the Company, and (ii) Jesper Trolle as Chief Executive Officer, it being specified that he was appointed in December 2020 for transition purposes with a view to eventually succeeding Olivier Breittmayer in his executive functions.

3 N/A since (i) in 2020, the Company did not have a Chief Executive Officer and (ii) in 2021, after its conversion into a *société anonyme*, the Company no longer had a Chairperson and Chief Executive Officer

4 For the calculation of this ratio, the compensation paid to Jesper Trolle with respect to the financial year 2021 was included.

5 N/A because no change can be shown as the Company did not have a Chief Executive Officer before 2021.

6 N/A since no information is shown prior to 2020.

7 For the calculation of this ratio, the compensation paid to Jesper Trolle with respect to the financial year 2022 was included..

4.5 Delegations and authorisations granted by the General Shareholders' Meetings in respect of capital increases

To enable the Company to gain access to the financial markets and, if necessary, to ensure the continued development of the Group, the Board of Directors benefits from financial delegations as presented in the table below:

Financial delegations in force as at 31 December 2022 and used by the Board of Directors in 2022

Nature of the delegations of authority and authorisations granted to the Board of Directors	Maximum authorisation Nominal amount (in euros)	Date of authorisation	Date of expiry	Duration	Use as of 31 December 2022	Comments
Capital increase through an issue of shares and/or other securities giving access to the Company's share capital						
Share capital increase **with PSR** through public offerings or through public exchange offerings	3,345,000 (approx. 46% of the share capital)*[1]	1 September 2021 (2nd Resolution)[5]	1 November 2023	26 months	-	May not be used during a public offering
Share capital increase **without PSR** through public offerings or through public exchange offerings **(other than those referred to in Article L. 411-2- 1°)** of the French Monetary and Financial Code	670,000 (approx. 9% of the share capital)*[12]	1 September 2021 (3rd Resolution)[5]	1 November 2023	26 months	-	May not be used during a public offering
Share capital increase **without PSR** through public offerings mentioned in Article L. 411-2 1° of the French Monetary and Financial Code	670,000 (approx. 9% of the share capital* 20% of the share capital per 12-month period)[12]	1 September 2021 (4th Resolution)[5]	1 November 2023	26 months	-	May not be used during a public offering
Setting the issue price of the securities to be issued in the context of share capital increases without PSR	10% of the share capital per year	1 September 2021 (5th Resolution)[5]	1 November 2023	26 months	-	May not be used during a public offering
Increase in the number of securities in case of share capital increase with or without PSR	15% of the initial issue[3]	1 September 2021 (6th Resolution)	1 November 2023	26 months	-	May not be used during a public offering
Share capital increase through incorporation of premiums, reserves, benefits or other	Amount that may be capitalised at the date of the Board of Directors' decision to use this financial delegation	1 September 2021 (7th Resolution)	1 November 2023	26 months	30 June 2022[6]	May not be used during a public offering

Nature of the delegations of authority and authorisations granted to the Board of Directors	Maximum authorisation Nominal amount (in euros)	Date of authorisation	Date of expiry	Duration	Use as of 31 December 2022	Comments
Authorisation to issue shares or securities giving access to the capital without PSR as consideration for contributions in kind of equity securities or securities giving access to the capital	10% of the share capital*[2]	1 September 2021 (8th Resolution)	1 November 2023	26 months	-	May not be used during a public offering
Share buyback programme						
Authorisation granted to the Board of Directors to carry out transactions on the Company's shares (share buy-back programme)	10% of the share capital Global maximum purchase price: €100,000,000 Maximum purchase price authorised per share: €30	21 June 2022 (12th Resolution)	21 December 2023	18 months	-	May not be used during a public offering
Capital reduction through the cancellation of treasury shares	10% of the share capital per 24-month periods	1 September 2021 (12th Resolution)	1 September 2026	5 years	-	-
Transactions reserved for employees and Corporate Officers						
Capital increase reserved to employees of the Group who are members of a French company savings plan	33,450[4]	1 September 2021 (9th Resolution)	1 November 2023	26 months	-	
Capital increase without PSR to the benefit of a category of beneficiaries (direct or indirect investment of employees and/or executive officers of the Company and its affiliated companies)	33,450[4]	1 September 2021 (10th Resolution)	1 March 2023	18 months	-	-
Authorisation to allocate free shares to employees and Corporate Officers	1.7% of the share capital as at 21 June 2022 (Sub-cap of 11.14% of the cap of 1.7% for the Chief Executive Officer)	21 June 2022 (13th Resolution)	21 August 2025	38 months	20 January 2022[7]	-

* Share capital as at 31 December 2022.

** Nominal amount.

1 Global cap for share capital increases carried out with and without PSR under the 2nd, 3rd, 4th, 6th, 8th, 9th and 10th Resolutions. Any share capital increase pursuant to these resolutions shall be deducted from this aggregate cap of €3,345,000. The maximum nominal amount of the debt securities or other securities giving access to the share capital of the Company carried out under the 2nd, 3rd and 4th Resolutions shall not exceed €400,000,000 or counter value of this amount in the event of an issue in another currency.

2 Global cap for share capital increases without PSR carried out under the 3rd, 4th and 8th Resolutions of the AGM of 1 September 2021. Any share capital increase carried out pursuant to these resolutions shall be deducted from this aggregate cap and the aggregate amount of €3,345,000 provided by the 1st Resolution of the AGM of 1 September 2021.

3 The nominal amount of the capital increases pursuant to the 6th Resolution shall be deducted from (i) the cap of the resolution pursuant to which the initial issuance was decided, (ii) the aggregate cap set by the 1st resolution of the AGM of 1 September 2021, and (iii) in case of share capital increase without preferential subscription rights, the amount of the sub-cap mentioned in the 2nd resolution of the AGM of 1 September 2021.

4 Common cap for the capital increases carried out under the 9th and 10th resolutions adopted by the AGM of 1 September 2021.

5 Issuance of 13,000,000 new shares at the subscription price of €20 (nominal value: €0.08 – Issue Premium: €258,960,000). This financial delegation is deprived of effect for the part not used by the Board of Directors in the context of the Company's IPO (see section 19.1.8 *"Evolution of the Company's capital over the past three years"* of the 2021 Universal Registration Document).

6 Issuance of 193,750 new ordinary shares to implement the free share plan established on 30 June 2021, for which the vesting period came to an end on 30 June 2022.

7 At its meeting on 20 January 2022, the Board of Directors allocated 284,184 performance shares (including 42,049 to the Chief Executive Officer) for which the definitive vesting conditions are subject to the satisfaction of performance conditions (see section 4.4.3 of this corporate governance report *"Elements of compensation due or paid in respect of financial year 2022 to the Chief Executive Officer"*).

4.6 Regulated agreements

4.6.1 Related-party transactions

Agreements and commitments authorised and entered into in 2022 and previous financial years

In accordance with the provisions of Article L. 225-38-1 of the French Commercial Code, at its meeting on 27 February 2023, the Board of Directors reviewed the regulated agreements signed and authorised in 2022 and during previous financial years that remained in effect in 2022. The Board of Directors noted that no new regulated agreements were entered into during the 2022 financial year, nor were any agreements continued that had been entered into and authorised in previous years.

Agreements entered into by a company controlled by the Company as defined by Article L. 233-3 of the French Commercial Code (Article L. 225-102-1, paragraph 13)

Loan granted to Jesper Trolle

Networks BeLux BV granted, on 21 April 2021, a €1.5 million seven-year non-mortgage term loan to Jesper Trolle for the purpose of financing the exercise of various share options in EM Networks 1. The loan provides in particular the payment of an interest of 2.60% p.a. on the basis of 365 days. This loan was partially repaid on 15 October 2021 for a principal amount of €598,627; the balance amounts to €901,372.68 (principal amount) as at 31 December 2022 (see Note 19.4.2 in the Appendix to the 2022 consolidated accounts).

Agreements entered into by the Company and any of its subsidiaries

The agreements entered into by the Company and any of its subsidiaries that are wholly owned, directly or indirectly, are excluded from the scope of regulated agreements and therefore are not discussed in this Section or in the Statutory Auditors' special report.

Service agreements between members of the administrative, management or supervisory bodies and the Company and its subsidiaries

As at the date of this corporate governance report and to the best of the Company's knowledge, there are no:

- service agreements binding members of the Board of Directors and executive Corporate Officers;
- pacts or agreements signed with the shareholders, customers, suppliers or other parties under which any of the members of the Board of Directors or executive officers were appointed to their positions;
- service agreements signed by the Company or its subsidiaries and any of the members of the Board of Directors or the Chief Executive Officer.

4.6.2 Procedure for the assessment of agreements on transactions which are deemed usual and carried out at arm's length

The Board of Directors, in accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, will establish a procedure for the annual assessment of agreements on transactions which are deemed usual and carried out at arm's length.

This procedure thus provides for a review of certain agreements by a Qualification Committee, an ad hoc committee consisting of the Group chief financial officer, the Group General Counsel and the Director of Internal Control. The work undertaken by the Qualification Committee is presented to the Board of Directors once per year, during the annual review of the regulated agreements that have arisen during the course of the financial year.

In the context of these analyses to assess the normal, day-to-day character of the Agreement, the Qualification Committee uses an analytical framework defining the aspects to be reviewed depending on the type of agreement. In this respect, a list of agreements and of criteria of analysis was drawn up on the basis of the agreements regularly reached within the Group at the date of the establishment of the procedure. These agreements will be regularly reviewed by the Group and the Board of Directors in order to monitor the evolution of the conditions in which the Company operates. Examples would be the potential modification of the pre-defined thresholds for the qualification of "standard agreements"; or the reorganisation of certain functions of the Company.

The Committee meets as often as necessary and whenever convened by one of its members. Meetings may be convened by any means (including orally). The Committee takes its decisions on a simple majority basis. The Committee's decisions may be adopted by written consultation or via exchanges of email messages.

The information concerning the regulated agreements and commitments concluded by Exclusive Networks during the course of the financial year are published on the Company's website and in the special report made by the Statutory Auditors.

4.6.3 Statutory auditors' special report on regulated agreements

This is a free translation into English of the statutory auditors' special report on regulated agreements issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Shareholders' meeting held to approve the financial statements for the year ended 31 December 2022

To the shareholders' meeting of Exclusive Networks SA,In our capacity as statutory auditors of your company, we present our report on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the shareholders' meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Agreements submitted to the approval of the shareholders' meeting

Agreements authorised and entered into during the year

We hereby inform you that we received no notice of any agreement authorised and entered into during the past financial year to be submitted for approval by the shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.

Agreements previously approved by the shareholders' meeting

We have not been informed of any agreements, previously approved by the shareholders' meeting, which had continuing effect during the financial year.

Paris La Défense, March 28, 2023

The Statutory Auditors

Mazars	Deloitte
Marc Biasibetti *Partner*	Jean-Marie Le Guiner *Partner*

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5. Financial information

5.1 Comments on the consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as published by the IASB (International Accounting Standard Board) and adopted by the European Union (EU) on 31 December 2022.

Refers to "General comments – Financial measures and alternative performance indicators" for more information.

The Deloitte & Associés and Mazars' review report on the 2022 Consolidated Financial Statements can be found in section 5.2.2. of this document.

The following information on the Group's results should be read in conjunction with the consolidated financial statements, as set out in sections 5.1., 5.2. and 5.3. of this document.

5.1.1 Definitions

The Group presents several alternative performance indicators, including Gross Sales, Adjusted EBIT, Adjusted EBITDA, Adjusted Net Income, Net Debt and Adjusted Operating Free Cash Flow, defined as follow:

- Gross Sales: represent revenue recognised by the Group on a gross basis before restatements resulting from the application of IFRS 15 – Revenue from Contracts with Customers, on performance obligations for support and maintenance activities, for which the Group operates as an agent;
- Adjusted EBIT: refers to Recurring operating profit before amortisation of intangible assets, adjusted of certain costs that do not impact the current operations (including costs of information systems' implementation for support functions, restructuring costs and non-recurring costs);
- Adjusted EBITDA: refers to the Adjusted EBIT restated of depreciation and amortisation;
- Adjusted Net Income: refers to the Adjusted EBIT less the adjusted financial result and less the tax related to recurring items;
- Net Debt: corresponds to the bank borrowings, bank overdrafts, short-term loans and factoring liabilities less cash and cash equivalent;
- Adjusted Operating Free Cash Flow: corresponds to the Adjusted Net Income restated from the financial result, the income tax, depreciation, amortisation, impairment and provisions, gains/losses on disposal of fixed assets, other non-cash items, change in net working capital – trade, capex and repayment of lease liabilities.

These performance measures are alternative indicators and do not have standard definitions. Consequently, the definitions used by the Group may not correspond to the definitions for these same terms used by other companies. These performance measures should not be used in isolation or instead of IFRS indicators.

(In millions of euros)	31/12/2022	31/12/2021
Gross sales	4,528	3,273*
Adjusted EBIT	154	119
Adjusted EBIT growth %	*29,3%*	*25,3%*
Adjusted EBIT as a percentage of Net Margin	*37,5%*	*37,3%*
Adjusted Net Income	100	73
Adjusted Operating Free Cash Flow	201	65
Net Debt	260	392

* After intercompany transactions elimination, see Note 4 – Segment information in the consolidated financial statements.

5.1.2 Gross sales and profitability

5.1.2.1 Group financial performance

(In millions of euros)	31/12/2022	31/12/2021	Change in %
Gross Sales	4,528	3,273*	38%**
Revenue	3,404	2,483	37%
Net Margin	411	320	28%
Adjusted EBIT	154	119	29%
% Net Margin	*37,5%*	*37,3%*	
Adjusted Net Income	100	72	38%

* After intercompany transactions elimination, see Note 4 – *Segment information in the consolidated financial statements.*

** +36% at constant rate.

Gross Sales reached €4,528 million, increasing by 38% at current rate compared to 2021. This growth is coming for 88% from business with existing vendors in their current geographies, for 4% from vendors' expansion, which is a combination of existing vendors entering into new geographies and new vendor relationships, and 8% from recent acquisitions. On the reseller side, the Group has observed a sustained demand in the large enterprises market. Geographically, through the execution of its strategy, the Group has benefited from growth in its three segments.

Revenue, as defined by IFRS standard, is reported in the consolidated financial statements. Regarding the sales associate to the performance obligations related to support and maintenance activities, the Group operates as an agent, and so recognised a revenue based on the net margin of the transactions. Revenue growth is linked to Gross Sales growth.

Net Margin reached €411 million in 2022, up 29% at current rate compared to 2021. The mix of the sales evolved during 2022 with an increase of the big size deal and an acceleration of the activity in Americas. Net Margin over Gross Sales is at 9,1%, down versus 2021.

Adjusted EBIT represents 37,5% of the Net Margin in 2022, benefitting of an improvement of leverage effect. The Group continues to evaluate each new contract based on its marginal contribution to Adjusted EBIT. The Adjusted EBIT reached €154 million in 2022, up 29% at current rate compared to 2021.

Adjusted Net Income reached €100 million in 2022, higher by 39% at current rate compared to 2021.

5.1.2.2 Performance by segment

(In millions of euros)		31/12/2022	31/12/2021	Change in %
EMEA	Gross Sales	3,539	2,532*	*40%*
	Adjusted EBIT	160	118	*36%*
Americas	Gross Sales	532	347*	*53%*
	Adjusted EBIT	14	9	*62%*
APAC	Gross Sales	457	394*	*16%*
	Adjusted EBIT	20	19	*6%*
Corporate	Adjusted EBIT	(40)	(26)	*55%*
TOTAL	**GROSS SALES**	**4,528**	**3,273***	*38%*
	ADJUSTED EBIT	**154**	**119**	*29%*

* After intercompany transactions elimination, see Note – Segment information in the consolidated financial statements.

EMEA: the Gross Sales reached €3,539 million, up 40% at current rate compared to 2021. In EMEA, the Group benefitted from a continued growth in all countries. This performance was mainly attributed to a strong increase of the deal size generated by the large enterprise market. Adjusted EBIT reached €160 million, which represents an increase of 36% at current rate compared to 2021.

Americas: the Gross Sales were €532 million, higher by 53% at current rate year on year. Americas benefitted from a strong demand for indirect distribution through larger deals. The growth was driven by the strong activity of historical vendors but also by the progressive ramp up of new vendors. With local structures already in place and ready to handle the additional volume, Americas has benefitted from a leverage effect to reach an Adjusted EBIT of €14 million, corresponding to a record growth of 62% at current rate compared to 2021.

APAC: the Gross sales reached €457 million, up 16% at current rate compared to 2021. After a 2022 disrupted start due to health restrictions impacting supply chains and investments, the region has seen strong growth also driven by transactions' size. Adjusted EBIT increased by 6% at current rate to reach €20 million in 2022.

Corporate: the operating costs of the Corporate segment reflect the full-year effects of the structuration of the head quarter following the Group IPO in September 2021, as well as the implementation of the organisation in anticipation of the Group's growth.

5.1.3 Cash flow and financial structure

5.1.3.1 Adjusted cash flow and Group debt leverage

Adjusted Operating Free Cash Flow amounted to €201 million in 2022, up €135 million compared to 2021. Although the Group shows a strong business growth in 2022, this increase is mainly due to an improvement in cash flow from working capital requirements, notably generated by the increased use of factoring solutions that deconsolidate trade receivables from one year to the next one.

Leverage: Exclusive Networks' Financial Gross Debt at December 31, 2022 was €529 million, with Cash & Cash Equivalents standing at €268 million and Net Debt at €260 million. This resulted in a leverage ratio of Net Debt/ Adjusted EBITDA, after taking into account the lease liability, of 1.6x.

5.1.3.2 Group consolidated statement of cash flows

The following table shows the Group's cash flows for the years ended December 31, 2022 and December 31, 2021, based on the consolidated financial statements, prepared in accordance with IFRS.

(In millions of euros)	31/12/2022	31/12/2021
Net cash from operating activities	186	42
Net cash from investing activities	(9)	(27)
Net cash from financing activities	(33)	(44)
Effects of exchange rate fluctuations on cash and cash equivalents	(6)	(9)
Increase (decrease) in net cash and cash equivalents	**138**	**(37)**
Net cash and cash equivalents at the beginning of the period	125	162
Net cash and cash equivalents at the end of the period	263	125

At December 31, 2022, the Group's Net cash and cash equivalents amounted to €263 million, compared to €125 million at December 31, 2021, i.e. a cash generation of €138 million over the year. The main variations are as follows:

(a) Net cash from operating activities

The Group's net cash flow from operating activities amounted to €186 million for the financial year ended December 31, 2022, compared to €42 million for the financial year ended December 31, 2021. This mainly results from the change in net working capital – trade with a cash generation of €49 million in 2022 compared to a cash consumption of €54 million in 2021, i.e. a cash improvement of €102 million.

The net working capital corresponds to the working capital for current activities (inventories, trade receivables, trade payables, other receivables and debts including tax and social liabilities). The Group primarily finances its net working capital through cash flow from operating activities.

The Group also uses various factoring programs which allow the derecognition of trade receivables. In accordance with IFRS 9, trade receivables transferred under these programs no longer appear on the balance sheet.

In 2021, the Group entered into a pan-European program meeting the deconsolidation conditions and under which it transfers receivables resulting from the sale of cybersecurity solutions in several countries. During the 2022 financial year, the Group continued the deployment of this program which extends, at December 31, 2022, to France, Spain, the Netherlands, Belgium and the United Kingdom. The receivables transferred under this pan-European program amount to €189 million as at December 31, 2022, compared to €28 million as at December 31, 2021.

(b) Net cash from investing activities

The Group's net cash flow from investing activities amounted to €(9) million for the year ended December 31, 2022, compared to €(27) million for the year ended December 31, 2021. No acquisition took place in 2022.

The Group's investments over the past three years, excluding acquisitions, mainly concern licenses, IT equipment and office furniture.

(c) Net cash from financing activities

The Group's net cash flow from financing activities amounted to €(33) million for the financial year ended December 31, 2022 compared to €(44) million for the financial year ended December 31, 2021.

In 2021, proceeds received from the IPO, resulting from the issue of new shares, enabled the Group to restructure its debt.

The amount of interest paid amounted to €17 million in 2022 compared to €27 million in 2021. The decrease in interest payments in 2022 results from the restructuring of the Group's financing carried out in 2021. For more details, see *Note 14.2.1 – Debt by type* of the 2022 consolidated financial statements.

Besides, in 2022, the Group distributed a total dividend of €19 million to its shareholders.

5.1.3.3 Net Debt

The following table shows the breakdown of the Group's gross and Net Debt as follows:

(In millions of euros)	31/12/2022	31/12/2021
Bank borrowings	462	454
Short-term loans	26	39
Factoring liabilities	35	23
Bank overdraft	6	5
Financial Gross Debt	**529**	**521**
Cash & cash equivalents	(268)	(130)
NET DEBT	**260**	**392**

On July 16, 2021, Everest SubBidCo S.A.S. entered into a new senior loan agreement negotiated with a syndicate of international banks. This senior loan agreement consists of i) a long-term loan for an aggregate amount equal to €450 million, which is split between a "Facility B1" tranche of €315 million and a "Facility B2" tranche of £120 million ii) a multi-currency revolving credit line whose total commitments (original and additional revolving facility) correspond to an aggregate amount of €120 million.

The senior loans (Facility B1 and B2) as well as the secured revolving credit facility mature on September 27, 2026.

The revolving credit facility for an initial amount of €120 million is intended to finance external growth transactions and working capital needs. It is not undrawn as at December 31, 2022, nor it was undrawn as at December 31, 2021.

The senior facilities agreement contains a financial covenant for the benefit of the lenders of the senior debt. To comply with this financial covenant, the Group must perform a test at the end of each financial half-year period or any period of 12 consecutive months. This test determines whether the total Net Debt of the Group (as defined in the contract) exceeds 4.75:1 of pro forma consolidated EBITDA. The leverage is reduced to 4.00:1 from March 2024.

Total Net Debt defined in the contract means the aggregate outstanding amount of all borrowings of the Group, including the capital value of the lease and deducting (i) the borrowings in relation to the non-controlling interests and (ii) all contingent liabilities under a guarantee, indemnity, bond, standby or documentary letter of credit, less the aggregate amount of cash and cash equivalent held by the Group.

As at December 31, 2022, as well as at December 31, 2021, this financial covenant is respected.

See the note to the consolidated financial statements 14.2. Financial liabilities (excluding derivatives and lease liabilities) for more information on the financial debt.

5.1.4 Recent developments and outlook

5.1.4.1 Recent developments

To the Company's knowledge, there has been no significant change in the Group's financial position

since 31 December 2022.

5.1.4.2 Outlook

The Group's outlook is based on data, assumptions and estimates that the Group considers reasonable at the date of issue of this Universal Registration Document, in light of anticipated future economic conditions and the expected impact of the successful implementation of its strategy. The data, assumptions and estimates on which the Group has based its objectives are likely to change or to be modified during the period in question, in particular, due to changes in the economic, financial, competitive, fiscal or regulatory environment, the market developments or other factors of which the Group is not aware or which it has not accurately anticipated on the date of this Universal Registration Document. In addition to these changes, the occurrence of one of the risks described in Chapter 2 "Risk factors" of this Universal Registration Document could affect the Group's business, competitive position, financial situation, results or outlook, and therefore its ability to achieve the objectives presented below.

The Group's assumptions include in particular (1) continued general growth of the cybersecurity market, based on data for the past five years and on the analysis of growth presented in Market Reports, and growth of certain Group suppliers, (2) the continued growth of the Group through other levers, such as the expansion of the representation of existing suppliers in new territories and the signing of new suppliers (some already established with significant volumes and others in the start-up phase with higher margins), (3) the continuation of small and medium-sized acquisitions, (4) that the Group's business model will continue to promote high renewal rates of its suppliers and its customers, (5) that exchange rates will remain stable in 2023, that there will be no medium-term translation effects, and that there will be no impact of inflation given that, historically, the Group has been able to pass on inflation-related effects to its customers, (6) any consequences of the global geopolitical situation, (7) any further major deterioration in transportation issues and product shortages experienced by the industry and (8) no material risk materialises that would prevent the Group from operating in any of its current countries of operation.

The Group cannot give any assurance or provide any guarantee that the objectives set out below will be achieved and does not undertake to publish corrections or communicate updates to this information in the future. The forecasts presented below and the underlying assumptions have also been established in accordance with the provisions of Delegated Regulation (EU) No. 2019/980 supplementing Regulation (EU) No. 2017/1129 and ESMA's recommendations on forecasts.

The forecasts presented below have been established on a basis comparable to historical financial information and in accordance with the accounting methods applied to the Group's consolidated financial statements.

The Group's outlook for the 2023 financial year is as follows:

- Gross Sales above €5.15 billion;
- Net Margin in the range of €450 million to €465 million;
- Adjusted EBIT in the range of €172 million to €178 million;
- Adjusted Operating free cash flow above 80% of Adjusted EBITDA.

5.2 Consolidated accounts

5.2.1 Group's Consolidated financial statements

Consolidated statement of income

(In millions of euros)	Notes	31/12/2022	31/12/2021
Revenue	*5.1*	**3,404**	**2,483**
Costs of purchases goods and services	*5.2*	(2,987)	(2,158)
Freight on sales		(6)	(5)
Net Margin		**411**	**320**
Personnel costs	*5.3*	(183)	(153)
Other operating costs	*5.4*	(71)	(43)
Amortisation of intangibles assets	*5.5*	(60)	(57)
Depreciation and amortisation of tangible assets	*5.5*	(13)	(12)
Recurring operating profit		**85**	**55**
Non-recurring operating income and expenses	*5.6*	(5)	(4)
Operating profit		**79**	**51**
Finance debt costs	*14.4*	(18)	(28)
Interest on lease liabilities	*14.4*	(1)	(1)
Other financial income and expenses	*14.4*	(9)	(10)
Financial result		**(27)**	**(39)**
Income before taxes		**52**	**12**
Income taxes	*6*	(13)	(25)
NET INCOME		**39**	**(13)**
• Attributable to the owners of the parent company		36	(14)
• Attributable to non-controlling interest		3	1
Earnings per share attributable to parent company (in €):			
• Basic earnings per share	*15.4*	0.40	(0.15)
• Diluted earnings per share	*15.4*	0.40	(0.14)

Consolidated statement of comprehensive income

(In millions of euros)	Notes	31/12/2022	31/12/2021
Net income		**39**	**(13)**
Exchange differences on translation of foreign operations net of income tax		6	19
Cash flow hedge		2	-
Total items that might be reclassified to profit or loss		**7**	**19**
Remeasurements of post-employment benefit obligations net of deferred tax	*17*	1	0
Total items that cannot be reclassified to profit or loss		**1**	**0**
Other comprehensive income/(expense)		**8**	**19**
TOTAL COMPREHENSIVE INCOME/(EXPENSE)		**47**	**6**
• Attributable to the owners of the parent company		44	5
• Attributable to non-controlling interest		3	1

Consolidated statement of financial position

(In millions of euros)	Notes	31/12/2022	31/12/2021
Assets			
Goodwill	*7.1*	295	314
Other intangible assets	*7.3*	1,112	1,154
Property, plant and equipment	*7.4*	7	7
Right-of-use assets	*8.1*	26	19
Non-current other financial assets	*14.1*	40	35
Deferred tax assets	*6*	8	11
Total non-current assets		**1,488**	**1,540**
Inventories	*9*	271	150
Trade receivables and related accounts	*10*	1,132	956
Income tax receivables		12	4
Other current financial assets	*14.1*	19	10
Cash and cash equivalents	*13*	268	130
Total current assets		**1,703**	**1,249**
Total assets		**3,191**	**2,789**
Equity and liabilities			
Share capital and share premium	*15.1*	976	976
Retained earnings and other reserves		(27)	(44)
Foreign currency translation reserve		4	0
Equity attributable to the owners of the parent company		**952**	**932**
Non-controlling interests	*15.3*	3	2
Total equity		**956**	**934**
Other non-current financial liabilities	*14.2*	488	485
Non-current lease liabilities	*8.2*	20	12
Non-current provisions	*16*	4	4
Other non-current liabilities		0	5
Deferred tax liabilities	*6*	274	294
Total non-current liabilities		**785**	**801**
Trade payables and related accounts	*11*	1,304	950
Other current financial liabilities	*14.2*	128	90
Current lease liabilities	*8.2*	8	7
Current provisions	*16*	0	2
Current tax liabilities		11	6
Total current liabilities		**1,450**	**1,054**
TOTAL EQUITY AND LIABILITIES		**3,191**	**2,789**

Consolidated statement of cash flows

(In millions of euros)	Notes	31/12/2022	31/12/2021
Operating activities			
Net income		**39**	**(13)**
Adjustments for:			
• Depreciation, amortisation, impairment and change in provisions		74	69
• Financial debt costs & interests on lease liabilities	*14.4*	19	29
• Share-based expenses	*18.2*	2	3
• Income tax expenses	*6*	13	25
• Other non-cash items		6	12
Income tax paid		**(25)**	**(18)**
Cash flows from operating activities before change in working capital		**129**	**107**
Change in net working capital – trade	*12*	49	(54)
Change in net working capital – other		9	(11)
NET CASH FROM OPERATING ACTIVITIES		**186**	**42**
Investing activities			
Additions to property, plant and equipment and intangibles assets	*7*	(6)	(5)
Disposals of fixed assets	*7*	0	0
Changes in other financial assets		(2)	(0)
Impact of changes in scope of consolidation	*2.1*	(2)	(22)
NET CASH FROM INVESTING ACTIVITIES		**(9)**	**(27)**
Financing activities			
Proceeds from Share capital issuance		-	235
Dividends paid		(19)	(0)
Disposal (acquisition) of Treasury shares	*15.2*	(1)	(0)
Purchase of non-controlling interest	*15.3*	(3)	(1)
Proceeds from issuance of bank borrowing	*14.2*	15	451
Proceeds from issuance of other financial liabilities	*14.2*	29	52
Factoring liabilities	*14.2*	12	(15)
Short-term financing	*14.2*	(14)	35
Interest paid		(17)	(27)
Financial derivatives		(3)	-
Repayment of bank borrowing	*14.2*	(1)	(693)
Repayment of other financial liabilities	*14.2*	(23)	(72)
Repayment of lease liabilities	*8.2*	(9)	(10)
NET CASH FROM FINANCING ACTIVITIES		**(33)**	**(44)**
Effects of exchange rate fluctuations on cash and cash equivalents		(6)	(9)
INCREASE (DECREASE) IN NET CASH AND CASH EQUIVALEMENTS		**138**	**(37)**
Net cash and cash equivalents at the beginning of the period		125	162
Net cash and cash equivalents at the end of the period	*13*	263	125

Consolidated statement of changes in equity

(In millions of euros)	Share capital	Share premiums	Treasury shares	Consolidated reserves	Foreign exchange differences	Reserves related to pension obligations	Net income	Total Group equity	Non-controlling interest	Total equity
Balance at 31 December 2020	**7**	**733**	**-**	**(36)**	**(20)**	**0**	**2**	**686**	**1**	**688**
Allocation of Net income from the prior year				2			(2)	-		-
Increase/(decrease) in capital			0					0		0
Cancellation of treasury shares			(0)					0		0
Net income							**(14)**	**(14)**	**1**	**(13)**
Actuarial gain/(losses) net of deferred tax						0		0		0
Foreign exchange difference					18			18	0	19
TOTAL COMPREHENSIVE INCOME					**18**	**0**	**(14)**	**5**	**1**	**6**
Net proceeds for the IPO	1	234						235		235
Change in capital structure	(1)	1						-		-
Change in Group structure	0	0						-		-
Dividends									0	0
Other				6				6	0	6
Balance at 31 December 2021	**7**	**968**	**0**	**(27)**	**(2)**	**0**	**(14)**	**932**	**2**	**934**
Allocation of Net income from the prior year				(14)			14	-		-
Increase/(decrease) in capital [(a)]	0	(0)						-		-
Cancellation of treasury shares[(b)]			(1)					(1)		(1)
Net income							**36**	**36**	**3**	**39**
Actuarial gain/(losses) net of deferred tax						1		1	-	1
Cash Flow Hedge				2				2		2
Foreign exchange difference					6			6	(0)	6
TOTAL COMPREHENSIVE INCOME/(EXPENSE)				**2**	**6**	**1**	**36**	**44**	**3**	**47**
Dividends				(18)[(c)]				(18)	(0)	(19)
Other				(6)[(d)]				(6)	(1)	(7)
Balance at 31 December 2022	**7**	**968**	**(1)**	**(64)**	**4**	**1**	**36**	**952**	**3**	**956**

(a) Capital increase/(decrease): see *Note 15.1 – Share capital*.
(b) Cancellation of treasury share: see *Note 15.2 – Treasury shares*.
(c) Corresponds to 2021 fiscal year dividend payment on 7 July 2022 by Exclusive Networks S.A. to its shareholders for an amount of €0.2 per share.
(d) Mainly corresponds to the impact on consolidated reserves of the loss on net monetary positions related to hyperinflation in Turkey (+€5.7 million), to the changes in the fair value of commitments related to put agreements on non-controlling interests and the exercise of puts on non-controlling interest (€-13.3 million) and employee service costs related to the free-share plans (+€2.5 million).

5.2.2 Notes to the consolidated statements

Content

Note 1 General information

1.1 Presentation of the Group

Exclusive Networks S.A. was initially incorporated on 19 April 2018 for the purpose of acquiring, through its subsidiary Everest SubBidCo S.A.S., all outstanding shares in Exclusive France Holding S.A.S. on 4 July 2018.

As a global specialist in innovative cybersecurity technologies, Exclusive Networks S.A., and its subsidiaries (the “Group” or “Exclusive Networks”) buy and sell cybersecurity solutions and adjacent products of the vendors it represents, including hardware, licenses, and software, as well as support and maintenance services. It also provides other services such as training, support, and installation. With offices in over 45 countries across five continents, the Group operates through three theaters EMEA (Europe, Middle East, Africa), APAC (Asia-Pacific) and Americas.

Exclusive Networks S.A., whose registered office is located at 20, Quai du Point du Jour, 92100 Boulogne-Billancourt, is a French corporation (Société Anonyme) whose shares have been listed on the Euronext Paris, compartment A, since 23 September 2021.

1.2. Significant events of the year

Finalisation of purchase price allocations (2021 acquisitions)

In the first half of 2022, the Group finalised the purchase price allocation for Ignition Technology and Networks Unlimited. These acquisitions were enacted in July 2021 and December 2021, respectively.

For Ignition Technology, the Group recognised €13.1 million of vendor relationships and €(3.2) million in related deferred tax liabilities for final Goodwill of €6.0 million (see *Note 7.1 – Goodwill*).

For Networks Unlimited Pty Ltd, the Group recognised €2.3 million of vendor relationships and a €(0.6) million in related deferred tax liabilities for final Goodwill of €1.3 million (see *Note 7.1 – Goodwill*).

No trademarks were recognised.

Long-term incentive plan ("LTIP")

The Group set up a free-share plan on 20 January 2022 (see *Note 18 – Share-based payment*).

The shares are granted based on certain conditions:

- continued employment for the duration of the plan until the vesting date (15 May 2024);
- performance conditions based on the achievement of non-market performance targets.

The expense related to 2021 and 2022 plans' for allocation of free shares was recorded in Personnel costs for €3.0 million as of 31 December 2022.

Dividend

On 7 July 2022, Exclusive Networks S.A. paid its shareholders a total dividend of €18,329,537 (or €0.2 per share).

Hyperinflation in Turkey

With a 3-year cumulative rate over 100% since February 2022, Turkey was included in the list of hyperinflationary economies by the International Practices Task Force (IPTF) of the "Center for Audit Quality" in March 2022.

IAS 29 – Financial Reporting in Hyperinflationary Economies requires that the financial statements of an entity with a functional currency that is hyperinflationary to be restated for the changes in the general purchasing power of the functional currency. This restatement results in a gain or loss on the net monetary position recorded as net income or expenses under Other financial income and expenses. In addition, the financial statements of subsidiaries operating in those countries are translated at the closing rate of the period in question, in accordance with IAS 21 – The effect of Changes in Foreign Exchange Rates.

Exclusive Networks is applying the standard IAS 29 – Financial Reporting in Hyperinflationary Economies for the first time in its financial statements. The Group used a Consumer Price Index (C.P.I) to restate the statement of income, cash flows, non-monetary assets and liabilities. The C.P.I increased to 64% in comparison with December 2021. A foreign exchange EUR/TRY parity of 17.38 was used to translate the statement of income of the Turkish subsidiary.

In application of IAS 29 – Financial Reporting in Hyperinflationary Economies, an expense of €5.7 million has been booked in Other financial income or expenses as at 31 December 2022 (see *Note 14.4 – Financial result*).

Interest rate hedging

In November 2022, the Group has decided to hedge its senior debt against an increase in interest rates through two CAP's options agreements and a SWAP contract.

The CAP contracts cover the totality of the principal of the Facility B1 (€315 million) and enable to cap the floating interest rate (Euribor 3 months) to a maximum of 3%.

The SWAP contract covers the totality of the principal of the Facility B2 (£120 million) and consists in exchanging the floating interest rate (3-month compounded Sonia) against a fix interest rate.

The maturity of the CAP and SWAP contracts is 31 December 2024.

CAP and SWAP contracts have been qualified as cash flow hedging instruments under IFRS 9 – Financial Instruments standard.

As at 31 December 2022, the Group recognised financial derivative instruments for €4.0 million and has capitalised a cash flow hedging reserve of €1.5 million.

Note 2 Changes the in scope of consolidation

The changes in the scope of consolidation result from business combinations as defined by IFRS 3R – Business combinations and acquisitions of assets and groups of assets.

Accounting policy

The accounting treatment of acquisitions resulting in control being obtained is as follows in accordance with the Revised IFRS 3 – Business combinations:

- the acquisition costs are recorded as expenses in the income statement in Non-recurring operating income and expenses and presented within Investing activities in the statement of cash flows when incurred. The only exception is the treatment of costs to issue debt or equity, which are treated as reduction of the related instruments;
- the price adjustments are initially recognised at fair value, the subsequent changes are accounted in Non-recurring operating income and expenses, and all payments relating to these adjustments are presented within investing activities in the cash flow statement;
- when control is obtained (or lost), the remeasurement at fair value of the previously held (or residual interest) is recognised in the income statement in Non-recurring operating income and expenses;
- when control is obtained, non-controlling interests are recognised, either at their share of the fair value of the assets and liabilities of the acquired entity, or at their fair value. In the latter case, the goodwill is then increased by the portion relating to these non-controlling interests. The treatment adopted is selected on an individual basis for each acquisition.

Changes in equity interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a gain or loss of control are accounted for as equity transactions. Thus, the difference between the fair value of any consideration paid and the carrying amount of the share of the subsidiary's net assets acquired or disposed of is recorded in equity.

2.1 Change in the scope of consolidation in the current reporting period

There has been no acquisition through a business combination in 2022.

The changes in Goodwill following to the finalisation of the purchase price allocation for Ignition Technology and Networks Unlimited Pty Ltd acquired during the year 2021 is detailed in *Note 1 – General information*.

Change in non-controlling interest

On 4 February 2022, Spinnaker and La Lune Rousse exercised their put options for €0.2 million and €1.1 million, respectively, increasing the interest held by Exclusive Networks S.A.S. in Exclusive Capital S.A.S. to 100%, following to the merger of Exclusive Capital Holding and Exclusive Capital S.A.S.

JJ-Net Taiwan exercised two put options, a 10% for HKD 4.1 million (€0.5 million) on 20 April 2022 and a 10% for KHD 4.5 million (€0.6 million) on 8 November 2022, thus increasing the interest held by Exclusive Networks Asia in Exclusive Networks JJ-Net Hong Kong Ltd to 100%.

Creation and liquidation

Exclusive Networks Information for IT was registered on 19 January 2022, giving effect to the partnership agreement entered between the company Al Hejailan and Exclusive Networks for the distribution of the Group's activities in Saudi Arabia. Exclusive Networks Information for IT was consolidated as at 31 December 2022.

During 2022, the Group has created:

- Ignition France S.A.S., on 28 January 2022;
- Exclusive Networks Distribution Nigeria Ltd, on 12 April 2022;
- Exclusive Networks North West Africa SARLAU in Morocco, on 19 December 2022; and
- Exclusive Networks Portugal Unipessoal Lda, on 21 December 2022.

These entities are consolidated as at 31 December 2022.

The entity TSM Network SDN in Malaysia was liquidated on 1 April 2022.

2.2 Change in the consolidation scope in the comparative period

Acquisition of Ignition Technology

On 2 July 2021, Exclusive Networks acquired Ignition Technology. Acquisition price amounted to €14.9 million and has been fully paid as at the acquisition date. The related Goodwill has been adjusted during the 12-months period following the acquisition.

In accordance with the purchase agreement entered into as of 2 July 2021 to acquire Ignition Technology, the Group paid two earn-outs of €2.4 million (£2.0 million) on 11 February 2022 and of €1.1 million (£0.9 million) on 7 April 2022.

Acquisition of Veracomp KFT (Hungary)

On 18 February 2021, the Group acquired 90% of the share capital of Veracomp KFT, a Hungarian distributor of cybersecurity solutions and infrastructure. This acquisition came as a complement to the acquisition of Veracomp that was closed in December 2020.

Acquisition of Networks Unlimited

On 2 December 2021, the Group finalised the acquisition of Networks Unlimited (NU), cybersecurity specialist in South Africa, Mauritius and Kenya extending its regional footprint. The price paid at acquisition date amounted to €4.4 million. The related Goodwill has been adjusted during the 12-month period following the acquisition.

Summary of material acquisitions

At acquisition date ((In millions of euros)s)	**Ignition Technology**	**Networks Unlimited**	**Earn-out Nuaware**	**Veracomp Hungary**	**Other**	**Total**
Acquisition price (A)	18	4		0		23
Proportionate share of the net assets remeasured at fair value (B)(a)	3	1		(0)		4
Provisional Goodwill (A) - (B)(b)	16	3		0		19
Impact in the cash flow statement (cash paid, net of cash acquired)	(10)	(2)	(4)	(0)	0	(17)
Including:						
• Cash acquired	6	3		1		10
• Other impacts of change in scope of consolidation(c)						(5)
Impact of changes in scope of consolidation						(22)

(a) For both Ignition Technology and Networks Unlimited, the purchase price allocation was finalised during the first semester of 2022, which had led to the recognition of vendors relationships, distribution agreements and associated deferred tax assets and liabilities. The final impact is presented in Note 1 – General information.
(b) Converted in euro as at 31 December 2021.
(c) In relation with the acquisition of Veracomp assets in December 2020, the Group has adjusted in 2021 the value of certain of those assets that had been mainly overestimated. The impacts of this adjustment were: an increase in inventories by €0.4 million, a decrease in payables by €0.5 million and a decrease of cash by €5.2 million, against an increase in the goodwill by €4.4 million.

Creation and liquidation

On 29 January 2021, the activity of Exclusive On Demand expanded to the U.S. with the creation of Exclusive On Demand USA Inc. Exclusive On Demand APAC Pte Ltd was created on 26 July 2021.

On 12 January 2021, the entity Exclusive Capital Limited was liquidated.

Note 3 Accounting policies

3.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union (EU) on 31 December 2022.

The consolidated financial statements for the year ended 31 December 2022 were reviewed by the Audit Committee and approved by the Board of Directors on 27 March 2023. The accompanying notes are integral part of the consolidated financial statements.

The consolidated financial statements are presented in euro currency. Unless otherwise stated, all amounts are stated in millions of euros. Rounding differences on totals may occur between the different financial statements.

The main accounting policies applied in the preparation of these consolidated financial statements are set out below.

Measurement principles

The consolidated financial statements have been prepared using the historical cost convention, except for:

- certain financial assets and liabilities measured using the fair value model (see *Note 14.5 – Fair value of financial assets and liabilities*);
- assets acquired and liabilities assumed in business combinations, measured using the fair value model (see *Note 2 – Change in the scope of consolidation*).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy defined in IFRS 13 – Fair Value Measurement is presented in *Note 14.5 – Fair value of financial assets and liabilities*.

3.2 Accounting policies

IFRS standards, amendments, and interpretations effective from 1 January 2022

The IFRS standards, amendments and interpretations published by the IASB and whose application is mandatory as at 1 January 2022 include:

- amendments to IFRS 3 – Update of the Reference to the Conceptual Framework;
- amendments to IAS 16 – Proceeds before Intended Use;
- amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract;
- annual improvements – 2018-2020 Cycle, Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16.

These amendments did not significantly impact the Group's financial statements as at 31 December 2022.

IFRS standards, amendments, and interpretations adopted by the European Union and effective from 1 January 2023

- amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Significant Accounting Policies;
- amendments to IAS 8 – Definition of accounting estimates;
- amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a Single Transaction.

The Group is performing an assessment of the potential impact of these amendments on its annual consolidated financial statements.

IFRS Standards, amendments and interpretations not yet adopted by the European Union as at 31 December 2022

- amendments to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date;
- amendments to IFRS 16 – Leases: Lease Liability in a Sale and Leaseback.

The Group is performing an assessment of the potential impact of these amendments on its annual consolidated financial statements. Moreover, the Group does not expect any impact from the application of IFRS 17 – Insurance Contracts.

3.3 Consolidation method

Controlled entities

The consolidated financial statements include the financial statements of Exclusive Networks S.A. and its directly or indirectly controlled entities.

As at 31 December 2022, all subsidiaries owned by the Group have been consolidated using the full consolidation method. Furthermore, all consolidated entities have a 31 December year-end, except Exclusive Networks Sales India Pte Ltd (India), whose year-end is 31 March and Exclusive Networks TopCo South Africa Pty Ltd, whose year-end is end of February. Accounts as at 31 December 2022 were drawn up for these entities for the purposes of preparing the Group's consolidated financial statements.

Intra-group transactions

All intercompany transactions and balances are eliminated for consolidation purposes in the consolidated accounts.

Foreign currency transactions and translation

The consolidated financial statements are presented in euros, the Group's presentation currency. The functional currency of each entity of the Group is the currency of the primary economic environment in which the entity operates. The functional currency is mainly the local currency. However, for a limited number of cases, a functional currency other than the local currency may be used as long as it reflects the currency used for the main transactions and economic environment of the entity.

Foreign currency transactions are converted into the functional currency using the rate prevailing at transaction date.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

The results and financial position of Group entities that have a functional currency different from the presentation currency are converted into the presentation currency as follows:

- assets and liabilities (including Goodwill) are converted at the closing balance sheet rate;
- income and expenses are converted at the average exchange; and
- all resulting exchange differences are recognised as Exchange differences within Other comprehensive income.

3.4 Use of judgements and estimates

Estimates

The preparation of the consolidated financial statements requires Group management to use estimates and assumptions that could affect the reported amounts of assets and liabilities, equity, income and expenses and accompanying disclosures. Management also needs to exercise judgement in applying the Group's accounting policies. The actual amounts may ultimately differ from those estimates owing to changes in events and circumstances.

The areas that are more likely to be materially affected by estimates and changes in assumptions are presented below. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The key estimates used in preparing the Group's consolidated financial statements relate mainly to:

- measurement of the recoverable amount of goodwill and intangible assets (*see Notes 7.1. Goodwill and 7.2. Impairment tests*);
- measurement of the fair value of assets acquired and liabilities assumed in a business combination (see *Note 2 – Change in the scope of consolidation*);
- allocation of total transaction price amongst the distinct performance obligations under IFRS 15 -Revenue from Contracts with Customers (see *Note 5.1 – Revenue*);
- measurement of liabilities related to put options granted to non-controlling interests (see *Note 14 – Financial assets and liabilities, financial result*);
- measurement of derivatives and other financial instruments at fair value (see *Note 14.5 – Fair value of financial assets and liabilities*);
- measurement of right-of-use assets and lease commitments in accordance with IFRS 16 – Leases (see *Note 8 – Leases*).

Judgements

Group management also makes judgements in determining the appropriate accounting policies to apply to certain activities and transactions, particularly when the IFRS standards and IFRIC interpretations in force do not specifically deal with the related accounting issues.

In particular, the Group exercised its judgement in:

- identifying the distinct performance obligations of contracts with customers and assessing whether the Group acts as principal or agent (see *Note 5 – Operating income and expenses*);
- determining whether certain financing arrangements may result in derecognition or not (see *Notes 9 – Trade receivables and related accounts* and *14 – Financial assets and liabilities, financial result*).

The Group did not change its judgments assessment compared to prior periods.

Climate risks

The Group takes climate risks into consideration, based on its best knowledge, as part of its accounts closing assumptions and reflects their potential impact in the financial statements. Effects of climate change do not impact the five-year business plans prepared by the Management used for the impairment tests of its intangible assets.

Note 4 Segment information

Accounting policy

The Group activity is organised by geographical regions, called "theaters": EMEA (Europe, Middle East and Africa), APAC (Asia-Pacific) and Americas supervised by Senior Vice Presidents who are responsible for each of them of the local relationship with vendors and customers. Theaters constitute the operating segments.

The chief executive officer is the Chief Operating decision maker of the Group and assesses each of the reported segments separately for the purposes of evaluating performance and allocating resources.

Gross Sales and Adjusted EBIT are the key performance indicators reviewed by the Chief Operating decision maker on a monthly basis. These indicators are not a substitute for IFRS indicators and should not be considered as such. They are used in addition to the IFRS indicators.

These key performance indicators are defined as:

- Gross Sales represent revenue recognised by the Group on a gross basis before restatements resulting from the application of IFRS 15 – Revenue from Contracts with Customers;
- Adjusted EBIT represents Recurring operating profit before amortisation of intangible assets and adjusted for non-recurring items. These include implementation costs for IT systems, restructuring costs, costs related to long term incentive plans and some one-time costs.

The "Corporate" segment represents Corporate Group functions.

Gross Sales and Adjusted EBIT by operating segments

For the year ended 31 December 2022:

(In millions of euros)	EMEA	APAC	Americas	Corporate	Total
Gross Sales	3,539	457	532	-	4,528
Adjusted EBIT	160	20	14	(40)	154

For the year ended 31 December 2021:

(In millions of euros)	EMEA	APAC	Americas	Corporate	Total
Gross Sales	2,532	394	347	-	3,273
Adjusted EBIT	118	19	9	(26)	119

Gross Sales reconcile to IFRS Revenue as follows:

(In millions of euros)	31/12/2022	31/12/2021
Revenue	**3,404**	**2,483**
Agent vs Principal (mainly vendors' Support) – IFRS 15	1,124	794
Timing of revenue recognition – IFRS 15	-	(4)
Gross Sales	**4,528**	**3,273**

Adjusted EBIT reconciles to Operating profit as follows:

(In millions of euros)	31/12/2022	31/12/2021
Operating profit	**79**	**51**
Non-recurring operating income and expenses – IFRS[(a)]	5	4
Amortisation of intangible assets[(b)]	60	57
Implementation costs[(c)]	4	4
Share-based payment[(d)]	3	3
Other non-recurring operating income and expenses – Non-GAAP	3	1
Adjusted EBIT	**154**	**119**

(a) see *Note 5.6 – Non-recurring operating income and expenses*.
(b) Amortisation of intangible assets mainly relates to amortisation of vendor relationships (see *Note 5.5 – Depreciation and amortisation*).
(c) Implementation costs mainly relate to information technology projects associated with setting up the new management system for the Group's finance and operations functions.
(d) see *Note 18 – Share-based payment*.

To improve the relevance and reliability of the non-GAAP indicator "Gross Sales", the Group changed its computation method in 2022, by including the elimination of intercompany transactions. Using the previous computation method, the alternative performance measure presented in the segment information and their reconciliation to the IFRS aggregates would have been as follows:

For the year ended 31 December 2022 before the change in computation method:

(In millions of euros)	EMEA	APAC	Americas	Corporate	Total
Gross Sales	3,691	457	532	-	4,681
Adjusted EBIT	160	20	14	(40)	154

For the year ended 31 December 2021 before the change in computation method:

(In millions of euros)	EMEA	APAC	Americas	Corporate	Total
Gross Sales	2,579	394	347	-	3,320
Adjusted EBIT	118	19	9	(26)	119

Before the change in computation method, Gross Sales reconcile to IFRS Revenue as follows:

(In millions of euros)	31/12/2022	31/12/2021
Revenue	**3,404**	**2,483**
Agent vs Principal (Mainly Vendors' Support) – IFRS 15	1,124	794
Timing of Revenue Recognition – IFRS 15	-	(4)
Intercompany	153	47
Gross Sales	**4,681**	**3,320**

For revenue by type of product and service and by geography, see *Note 5.1 – Revenue*.

Note 5 Operating income and expenses

5.1 Revenue

Accounting policy

The Group's revenues primarily result from the sale of cybersecurity solutions and services. Software licences, hardware, vendors' support and maintenance, other services (installation, training, and other professional services) have been identified as distinct performance obligations as they can be sold separately and are distinct within the context of the contract.

Revenue is recognised based on the completion of performance obligations at the transaction price allocated to each performance obligation. The transaction price – which reflects the consideration to which the Group expects to be entitled in exchange for those goods or services – is determined by the price specified in the underlying contract or order. Where contracts include multiple performance obligations and a single price, transaction prices will be allocated to each performance obligation based on stand-alone selling prices. All performance obligations are listed as individual items on the order and prices are allocated on this basis.

The Group acts as principal for the sale of software licenses, hardware, and professional services as it controls these products and services before they are transferred to customers. The Group also enters contracts with customers where the Group's performance obligation is to arrange for the products or services to be provided by another party. In these arrangements, the Group recognises an agency relationship in the transaction. Revenue is therefore recognised in the amount of the net fee associated with serving as an agent. In arrangements that primarily relate to sales of vendors' maintenance and support/extended warranty services, the Group acts as an agent.

A performance obligation is satisfied when control of the promised good or service is transferred to the customer which may be either at a "point in time" or "over time":

- for software licences and hardware, control to customers is generally transferred at the point of delivery. Software products are made available through electronic delivery of activation keys. Hardware products are shipped from the Group's facilities or drop shipped directly from the vendor;
- for installation, training and other services performed by the Group, control to customers is transferred overtime as the services are performed and revenue is recognised accordingly.

Significant judgement is required in determining whether the Group is acting as principal, reporting revenue on a gross basis, or as agent, reporting revenue on a net basis. The Group evaluates each revenue stream against the following indicators when determining whether it controls the solutions and services before they are transferred to the customer and then whether it is acting as principal or agent in a transaction: (i) primary responsibility for fulfilling the promise to provide the specified goods or service, (ii) inventory risk supported by the Group before the specified good or service has been transferred to a customer and (iii) discretion in establishing the price of a specified good or service. Certain revenue streams present a more balanced judgement than others when assessed against the above criteria and the conclusion may be reliant on the weighting applied to the responses to these three criteria.

Revenue can be analyzed by nature of products and services as follows:

(In millions of euros)	31/12/2022	31/12/2021
Licenses, software and hardware associated to software	3,101	2,232
Other	303	251
REVENUE(A)	**3,404**	**2,483**

(a) This includes vendor support and maintenance, finance lease revenue and professional services performed by the Group (installation, training, etc.).

Geographic areas representing more than 10% of total revenue are the followings:

(In millions of euros)	31/12/2022	31/12/2021
Revenue by geography		
United Kingdom	580	344
France	398	316
Rest of the world[(a)]	2,427	1,824
REVENUE	**3,404**	**2,483**

(a) No other country represents more than 10% of consolidated revenue individually.

For each of presented period, no single customer represents more than 5% of the Group's consolidated revenue.

5.2 Costs of purchases goods and services

(In millions of euros)	31/12/2022	31/12/2021
Purchase of goods and services	(3,109)	(2,192)
Change in inventories	127	33
Net allowance for stock depreciation	(4)	1
COSTS OF PURCHASED GOODS AND SERVICES	**(2,987)**	**(2,158)**

5.3 Personnel costs

The personnel costs recorded in the consolidated statement of income are as follows:

(In millions of euros)	31/12/2022	31/12/2021
Wages and salaries	(155)	(131)
Social security costs	(27)	(22)
PERSONNEL COSTS	**(183)**	**(153)**

The increase in Personnel costs was mainly driven by the increase in the number of headcount and the integration of the 2021 acquisitions Ignition Technology and Networks Unlimited.

The average workforce expressed as full-time equivalent in 2022 was 2,367 people compared to 2,226 in 2021.

5.4 Other operating costs

(In millions of euros)	31/12/2022	31/12/2021
External fees	(27)	(17)
Other operating expenses[(a)]	(44)	(26)
OTHER OPERATING COSTS	**(71)**	**(43)**

(a) includes travel expenses, marketing and advertising costs, insurance, rental expenses excluded from IFRS 16 – Lease scope of application, and bank fees.

5.5 Depreciation and amortisation

Amortisation of intangible assets mainly relate to amortisation of vendors' relationship identified in the context of business combinations over a period reflecting the expecting pattern of consumption of the future economic benefits. These intangible assets resulted mainly from the acquisition of Exclusive France Holding Group by Exclusive Networks S.A. on 4 July 2018.

(In millions of euros)	31/12/2022	31/12/2021
Amortisation of intangible assets	(60)	(57)
Depreciation and amortisation of tangible assets	(4)	(4)
Depreciation and amortisation of right-of-use assets	(9)	(8)
DEPRECIATION AND AMORTISATION	**(73)**	**(69)**

The increase in depreciation and amortisation in 2022 was mostly driven by the 2021 acquisitions of Ignition Technology and Networks Unlimited which together represented a €1.5 million additional cost and the conversion effect of non-euro currency.

5.6 Non-recurring operating income and expenses

Non-recurring operating income and expenses include items which are defined as unusual, abnormal and infrequent. They are limited in number and presented separately in order not to distort the understanding of the Group's underlying performance.

In 2022, Non-recurring operating income and expenses were mainly composed of integration costs.

(In millions of euros)	31/12/2022	31/12/2021
IPO related costs	(0)	(2)
Acquisition costs	(1)	(2)
Integration costs	(4)	-
Litigations	(0)	-
Gain and losses on disposals of property, plant and equipment	(0)	(0)
Other	(0)	(0)
NON-RECURRING OPERATING INCOME AND EXPENSES	**(5)**	**(4)**

Note 6 Income taxes

Accounting policy

"Income taxes" caption includes current and deferred taxes.

Current taxes include the taxes due on profit. The Group considered that the Contribution on the Added Value ("Cotisation sur la Valeur Ajoutée des Entreprises – CVAE"), based on the added value recognised in the statutory financial statements, fulfilled all the characteristics of an income tax as defined by IAS 12 – Income taxes. Therefore, the tax expense for the period also includes the CVAE expenses.

Deferred taxes are recognised on the temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the statement of financial position, as well as on the tax losses carried forwards when it has been possible to define the timing of reversal of these temporary differences against profit.

Deferred taxes are determined using tax rates and laws that have been enacted or substantially enacted in accordance with IAS 12 – Income Taxes at the balance sheet date and expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised up to the amount of the deferred tax liabilities and, for any remainder, if taxable profits are expected, during their unwinding period.

Deferred taxes are included in Deferred tax assets and Deferred tax liabilities in the statement of financial position.

Deferred tax liabilities on valuation differences result from temporary differences arising from the Fair value accounting for intangible assets (vendors relationships and trademarks) in accordance with IAS 12 – Income Taxes. These deferred tax liabilities cover the tax consequences of any capital gains in the event of a separate disposal of the intangible asset and shall be included in the profit and loss account as and when the assets to which they are report, are, where appropriate, depreciated.

Applying IFRIC 23 – Uncertainty over Income Tax Treatments, any uncertainties over income tax positions are considered by the Group to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

6.1 Detailed breakdown of income taxes

Income tax expenses were broken down as follows:

(In millions of euros)	31/12/2022	31/12/2021
Current taxes	(25)	(19)
Deferred taxes	12	(6)
INCOME TAXES	**(13)**	**(25)**

The increase of the current taxes directly resulted from the Income before taxes, which increase was in line with the activity growth.

The €12 million deferred taxes income included:

- the €12.9 million reversal of the deferred tax liability calculated on vendors relationships further to their amortisation. In 2021, the expenses included a €(16.9) million impact of the tax rate change in the UK from 19% to 25% as at 1 April 2023 on the deferred tax liability calculated on the vendors relationship and the brand recognised in 2018;
- the net impact of €(2.7) million use of recognised tax losses and carried forward in the French tax Group and the recognition of € 0.8 million tax losses in the United States;
- the recognition of €1.1 million financial interests carried forward in the United States.

6.2 Analysis of the tax expense

(In millions of euros)	31/12/2022	31/12/2021
Income before taxes	**52**	**12**
Current tax rate in France	25,83%	28,41%
Theoretical tax expense (A)	**(13)**	**(3)**
Impact of permanent differences	(2)	(1)
Differences in tax rates	3	(14)
Recognition or utilisation of tax income on previously unrecognised tax losses carried forward taxes	1	-
Effect on unrecognised deferred tax assets on tax losses carried forward generated in the year and on other non-deductible temporary differences taxes	(2)	(1)
Withholding taxes	(1)	(2)
Other differences	1	(2)
Total tax effect (B)	**1**	**(21)**
EFFECTIVE TAX (EXPENSE)/INCOME (A+B)	**(13)**	**(25)**

In 2022, differences between the theoretical and actual tax expense mainly came up to €3.5 million from differences between the tax rate in France and abroad and €(2.3) million from the tax losses for the year recorded at Exclusive Networks S.A., the Group's parent company.

In 2021, the difference between the theoretical and actual tax expense stemmed from:

- the increase from 19% to 25% in the UK corporate tax rate as of April 1, 2023, which generated a deferred tax liability of €(13.8) million on vendor relationships and €(3.1) million on the trademark;
- the unused withholding taxes of €(1.8) million further to the losses incurred by the tax integration group in France.

6.3 Deferred tax in the statement of financial position

(In millions of euros)	Deferred tax assets	Deferred tax liabilities
At 31 December 2020	**13**	**279**
Net impact in the statement of income	(2)	3
Change in scope	1	(0)
Translation adjustments	0	13
At 31 December 2021	**11**	**294**
Net impact in the statement of income	(2)	(14)
Reclassifications and others[a]	(2)	(10)
Translation adjustments	()	3
At 31 December 2022	**8**	**274**

(a) The reclassification and others mainly came from the correction of a non-material error on the deferred tax liability calculated on vendor relationship in the United States.

Deferred tax assets and liabilities recorded in the consolidated statement of financial position were broken down as follows:

	31/12/2022		31/12/2021	
(In millions of euros)	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
On temporary differences	5	4	6	7
On tax losses carried forward	3	–	5	–
On valuation differences	–	270	–	288
TOTAL	**8**	**274**	**11**	**294**

Deferred tax assets on tax losses carried forward

As at 31 December 2022, the tax losses carried forward amounted to €53.5 million, of which €15.4 million have been recognised generating a €3 million of deferred tax asset. Their expiry date is shown in the table below:

	31/12/2022			31/12/2021		
(In thousand of euros)	Recognised	Unrecognised	Total	Recognised	Unrecognised	Total
2023	–	0	0	–	0	0
2024	–	0	0	–	0	0
2025	–	0	0	–	0	0
2026	1	0	1	–	0	0
Tax losses available for carry forward for 5 years and more	7	1	8	3	4	7
Ordinary tax losses carried forward	**8**	**1**	**9**	**3**	**4**	**7**
Evergreen tax losses carried forward	8	37	45	18	28	46
TOTAL TAX LOSSES CARRIED FORWARD	**15**	**38**	**54**	**20**	**32**	**53**

6.4 Tax audits

In the normal course of their activities, some subsidiaries are subject to audits by local tax authorities. These inspections were still ongoing as at the date the consolidated financial statements were approved by the Board, and their outcome is not known at this stage. The Group on-going tax audits are taken into account when measuring the income tax liability under IFRIC 23 – Uncertainty over Income Tax treatments. Where applicable, uncertain tax positions are presented as tax expenses in the statement of income, and as current or deferred taxes in the statement of financial position.

Note 7 Fixed assets

7.1 Goodwill

Accounting policy

Upon a business combination in accordance with the Revised IFRS 3 – Business combinations, goodwill is measured as the difference between:

- the consideration transferred;
- the amount of non-controlling interests in the acquire;
- and the net fair value of the identifiable assets acquired, and liabilities assumed.

The amount of goodwill recognised at the acquisition date can be adjusted by the end of the 12-month measurement period, retrospectively and on the basis of existing facts and circumstances as at the transaction date.

When the difference is negative, a badwill is recognised immediately in profit or loss.

For each business combination on a less than 100% basis, the acquisition date components of non-controlling interests in the acquiree (i.e., interests that entitle their holders to a proportionate share of the acquiree's net assets) are measured at either:

- fair value, so that a portion of the goodwill recognised at the time of the business combination is allocated to non-controlling interests ("full goodwill" method); or
- the proportionate share of the acquiree's identifiable net assets, so that only the goodwill attributable to the Group is recognised ("partial goodwill" method). This method is used for non-material acquisition.

The method used is determined on a transaction-by-transaction basis.

Acquisition-related costs are recorded as expenses when incurred in Non-recurring operating income and expenses in the consolidated statement of income.

Goodwill result from previous business combinations.

(In millions of euros)	Gross	Impairment	Net carrying value
At 31 December 2021	**314**	**-**	**314**
Changes in fair value within one year of acquisition	(12)	-	(12)
Translation adjustments and other[(a)]	(7)	-	(7)
Au 31 December 2022	**295**	**-**	**295**

(a) The other changes result mainly from an immaterial correction on goodwill in the Americas CGU.

7.2 Impairment tests

Accounting policy

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever events or changes in circumstances indicate that they may be impaired. The objective of testing is to ensure that the net carrying value does not exceed the recoverable amount. The recoverable amount of an asset or a group of assets is defined as the higher of its fair value less costs of disposal and its value in use.

Goodwill and intangible assets with indefinite useful lives are assigned to the cash-generating unit (CGU) or group of CGUs liable to benefit from the synergies of business combinations. A CGU is defined as the smallest identifiable group of assets generating cash inflows largely independent of the cash inflows generated by other assets or group of assets; and the level at which the Management monitors its activities and determine the level retained for the follow-up of the return in investment.

The value in use of a CGU is determined by reference to the value of the discounted future cash flows expected from these assets, taking into account assumptions, judgements and estimates such as discount rates, perpetual growth rates, and expected cash flows. All of them were determined based on an assessment of the economic and financial environment related to geographical areas where the CGU/group of CGU operates, in particular the differing markets maturity levels. "Corporate" overheads and the net assets of the holdings (Corporate assets) are allocated to each CGUs/Group of CGUs for impairment testing purposes based on respective levels of Gross Sales. In particular:

- cash flows used are derived from five-year business plans of each CGU/Group of CGUs prepared by the Management;
- discount rates are determined based on weighted average cost of capital (WACC), based on financial return and industry-specific risk metrics for the markets and business sectors in which the Group operates;
- the terminal values are calculated by considering that the Group will continue, through its activities, to generate cash flows over an indefinite period, based on a uniform growth over time and not exceeding that of the business sector in which the Group operates.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated statement of financial position. An impairment loss is recorded when the recoverable amount less costs of disposal is less than the carrying value of the CGU. Impairment losses are recorded in Non-recurring operating expenses.

Goodwill allocation, trademark and main assumptions used by CGU/ Group of CGUs

Theaters (In millions of euros)	CGUs/ Group of CGUs	31/12/2022				31/12/2021			
		Goodwill	Trademark	Discount rate	Perpetual growth rate	Goodwill	Trademark	Discount rate	Perpetual growth rate
EMEA	France (incl. Africa)	40	22	10.85%	2.00%	39	22	9.56%	1.50%
	UK and Ireland	60	48	10.04%	2.00%	58	51	9.21%	1.50%
	DACH[1]	26	40	9.30%	2.00%	25	40	8.66%	1.50%
	Northern Europe	16	37	9.46%	2.00%	18	37	8.76%	1.50%
	Southern Europe[2]	15	13	13.63%	2.00%	16	13	11.73%	1.50%
	Middle East[3]	2	9	9.96%	2.00%	6	8	9.16%	1.50%
	Central & Eastern Europe[4]	16	-	10.97%	2.00%	19	-	9.93%	1.50%-
	Other services[5]	74	4	10.77%	2.00%	81	4	9.71%	1.50%–4.0%
APAC	APAC	31	20	10.49%	2.00%	31	18	9.68%	1.50%
Americas	Americas	14	30	9.20%	2.00%	21	28	8.59%	1.80%
TOTAL		**295**	**221**			**314**	**221**		

1 Germany, Austria and Switzerland.
2 Spain, Italy, Turkey and Israel.
3 Includes goodwill related to Networks Unlimited acquisition.
4 Veracomp.
5 Includes Ignition, Nuaware, Itec, Exclusive Capital and Exclusive On-Demand.

As at 31 December 2022 and 2021, the recoverable amounts of each CGU/group of CGUs were determined on the basis of value in use. No goodwill impairment was recognised either in 2022 or 2021.

Sensitivity analysis

The Group analyzed the sensitivity of its impairment tests to the main assumptions used to determine the recoverable amount of each CGU/group of CGUs to which the Goodwill and intangible assets with indefinite useful lives is allocated, namely the discount rate and the long-term growth rate used to determine the terminal value and the terminal year cash flows as they represent a significant portion of the recoverable amount.

The Group deems that an increase of 50 basis-point in discount rates or a decrease of 50 basis-point in long-term growth rates, would represent the worst-case scenarios, considering the market environment as at 31 December 2022.

No impairment risk was recognised on any CGU/ group of CGUs based on these assumptions.

7.3 Intangible assets

Accounting policy

Intangible assets mainly comprise the "Exclusive Networks" trademark and the portfolio of vendor relationships which concerns relationships with suppliers. Vendor relationships have defined useful lives. They are amortised on a straight-line basis over a period reflecting the expected pattern of consumption of the future economic benefits.

The Group uses the following average useful lives for the amortisation of vendor relationships:

- Fortinet: 20 years;
- Palo Alto: 22 years;
- other: from 10 to 20 years.

Vendor relationships are tested for impairment at each CGU/group for CGU level (similar to Goodwill or trademark) or individually if events or changes in circumstances indicate that they may be impaired.

The trademark is deemed to have an indefinite useful life, an impairment expense is recorded in the event of confirmed indications (see *Note 7.2 – Impairment test*).

The other intangible assets are predominantly composed of licenses and amortised using the straight-line method over their estimated useful life (1 to 3 years).

Intangible assets are broken down as follows:

	31/12/2022			31/12/2021
(In millions of euros)	Gross	Accumulated amortisation	Net	Net
Trademark[1]	221	-	221	221
Vendor relationships[2]	1,137	(249)	888	930
Other intangible assets	9	(6)	3	3
TOTAL INTANGIBLE ASSETS	**1,367**	**(255)**	**1,112**	**1,154**

1 The trademark corresponds to "Exclusive Networks" commercial brand.
2 The value of the customer/resellers relationships portfolio is implicitly captured in the vendor relationships valuations since the termination of a partnership with a vendor would also break the relationship with the associated resellers.

Changes in the gross amount of intangible assets are broken down as follows:

Gross value of intangible assets (In millions of euros)	**Trademark**	**Vendor relationships**	**Other intangible assets**	**Total intangible assets**
At 31 December 2021	**221**	**1,121**	**8**	**1,350**
Acquisitions	-	-	1	1
Changes in scope	-	-	0	0
Translation adjustments	1	0	0	1
Reclassification and other	-	16	(0)	16
At 31 December 2022	**221**	**1,137**	**9**	**1,367**

Changes in scope correspond to the finalisation of purchase price allocations, see *Note 1 – General information*.

Changes in the accumulated amortisation of intangible assets are broken down as follows:

Accumulated amortisation of intangible assets (In millions of euros)	Trademark	Vendor relationships	Other intangible assets	Total intangible assets
At 31 December 2021	**-**	**(191)**	**(4)**	**(195)**
Increase	-	(58)	(2)	(60)
Disposals and retirements	-	-	0	0
Translation adjustments	-	(0)	(0)	(0)
Reclassification and other	-	-	(0)	(0)
At 31 December 2022	**-**	**(249)**	**(6)**	**(255)**

7.4 Property, plant, and equipment

Accounting policy

Property, plant, and equipment are recorded on the balance sheet at their purchase price (including directly attributable costs) or production cost excluding financial costs.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amount of the assets, over their estimated useful lives as follows:

- Leasehold improvements 5 to 10 years
- Transport equipment 3 to 5 years
- Office equipment and furniture 3 to 10 years
- Demonstration equipment 3 years

Property, plant, and equipment are broken down as follows:

	31/12/2022			31/12/2021
(In millions of euros)	Gross	Accumulated depreciation	Net	Net
Leasehold improvements	4	(2)	1	1
Office furniture	1	(1)	0	0
Computer equipment	11	(9)	3	2
Transport equipment	1	(1)	0	1
Other tangible assets	9	(6)	3	3
TOTAL PROPERTY, PLANT, AND EQUIPMENT	**26**	**(19)**	**7**	**7**

Changes in the gross amount of property, plant and equipment are broken down as follows:

Gross value of property, plant and equipment (In millions of euros)	Leasehold improvements	Office furniture	Computer equipment	Transport equipment	Other tangible asset	Total property, plant and equipment
At 31 December 2021	**3**	**1**	**10**	**1**	**6**	**21**
Acquisitions	1	0	2	0	2	5
Disposals and write-off	(0)	(0)	(0)	(0)	(1)	(2)
Translation adjustments	(0)	(0)	(0)	(0)	(0)	(0)
Reclassification and other	-	(0)	0	0	2	2
At 31 December 2022	**4**	**1**	**11**	**1**	**9**	**26**

Changes in the accumulated depreciation of property, plant and equipment are broken down as follows:

Accumulated depreciation of property, plant and equipment (In millions of euros)	**Leasehold improvements**	**Office furniture**	**Computer equipment**	**Transport equipment**	**Other tangible asset**	**Total property, plant and equipment**
At 31 December 2021	**(2)**	**(1)**	**(8)**	**(1)**	**(2)**	**(14)**
Increase	(0)	(0)	(1)	(0)	(2)	(4)
Disposals and write-off	0	0	0	0	0	1
Translation adjustments	0	0	0	0	0	0
Reclassification and other	(0)	0	(0)	(0)	(2)	(2)
At 31 December 2022	**(2)**	**(1)**	**(9)**	**(1)**	**(6)**	**(19)**

Note 8 Leases

Accounting policy

Lessee accounting

When entering into a lease, a lease liability is recognised in the balance sheet, measured at the discounted present value of the lease payments that are not paid at the commencement date of the lease (excluding variable payments that do not depend on an index or a rate), and offset against a right-of-use asset depreciated over the lease term. The amount of the lease liability depends to a large degree on the assumptions used for the lease term and, to a lesser extent, the discount rate. The lease term generally used to calculate the liability is the initial contractual lease term, excluding any early termination options, except in special circumstances. When leases contain extension options, the term used for the calculation of the liability may include these periods, mainly when the anticipated period of use of the fixed assets, whether under a new or existing lease, is greater than the initial contractual lease term. According to the December 2019 IFRS Interpretations Committee (IC) decision, the Group also considers:

- the economics of a lease (rather than just the legal form) to determine the enforceable period of a lease;
- the relationship between the lease term under IFRS 16 – Leases and the useful life of non-removable leasehold improvements.

The discount rate is determined for each lease contract using the incremental borrowing rate of the subsidiary entering into the lease. Rates take into account a base rate that considers the Group's credit risk, risk free rates for each country, and depending on the contracts' durations in order to reflect the specific economics of the contract. The lease liability is subsequently increased by the interest expense and reduced by the amount of rent paid. It is remeasured in the event of an amendment to future lease payments resulting from a change in an index or rate used to determine those payments, a new estimate of the amounts expected to be paid under a residual value guarantee or, where applicable, a remeasurement on the exercise of an option to purchase the underlying asset or extend the lease term or on the non-exercise of a termination option (which thus become reasonably certain).

The cash flows related to leases are presented as follows in the statement of cash flows:

- cash payments for the principal portion of the lease liabilities as Cash flows from financing activities;
- cash payments for the interest portion are presented as Cash flows from financing activities, consistent with the presentation of interest payments chosen by the Group; and

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- short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liabilities are presented in Cash flows from operating activities.

The Group leases mainly offices and cars.

8.1 Right-of-use assets

The right-of-use assets are broken down as follows:

	31/12/2022			31/12/2021
(In millions of euros)	Gross	Accumulated depreciation	Net	Net
Offices	42	(19)	23	16
Cars	6	(4)	3	3
Other	1	(0)	0	0
TOTAL RIGHT-OF-USE	**49**	**(23)**	**26**	**19**

Changes in gross amount of right-of-use assets are broken down as follows:

Gross value of the right-of-use assets (In millions of euros)	Offices	Cars	Other	Total
At 31 December 2021	**31**	**7**	**1**	**39**
Acquisitions (entries and revaluations)	16	2	0	18
Lease terminations	(5)	(3)	(0)	(8)
Translation adjustments	0	(0)	0	(0)
Other movements	0	(0)	-	0
At 31 December 2022	**42**	**6**	**1**	**49**

In 2022, acquisitions of right-of-use related to offices mainly reflected the signing of new leases for the Group's headquarter.

Changes in accumulated depreciation of right-of-use assets are broken down as follows:

Accumulated depreciation right-of-use assets (In millions of euros)	Offices	Cars	Other	Total
At 31 December 2021	**(16)**	**(4)**	**(0)**	**(20)**
Increase	(7)	(2)	(0)	(9)
Lease terminations	4	2	0	6
Translation adjustments	(0)	0	0	(0)
Other movements	(0)	0	-	(0)
At 31 December 2022	**(19)**	**(4)**	**(0)**	**(23)**

8.2 Lease liabilities

(In millions of euros)	31/12/2022	31/12/2021
Current lease liabilities	8	7
Non-current lease liabilities	20	12
TOTAL LEASE LIABILITIES	**27**	**20**

(In millions of euros)	Total liabilities
At 31 December 2021	**20**
Increase (entries and revaluations)	18
Repayment of lease liabilities	(9)
Translation adjustments	(0)
Other movements	(1)
At 31 December 2022	**27**

The maturity analysis of undiscounted rental expenses is as follows:

(In millions of euros)	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Undiscounted future rental expenses by maturity	8	10	5	7

Future cash flows from lease liabilities are broken down as follows:

(In millions of euros)	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Lease liabilities	7	9	4	6

8.3 Amounts recognised in the statement of income

(In millions of euros)	31/12/2022	31/12/2021
Depreciation of right-of-use assets (*see Note 5.5 – Depreciation and amortisation*)	**(9)**	**(8)**
Interest on lease liabilities	**(1)**	**(1)**
Rental expenses related to IFRS 16 – Leases exemptions	**(3)**	**(2)**
Including:		
Expense related to leases of low-value assets	(0)	(0)
Expense related to short-term leases	(0)	(0)
Expense related to services payments not included in lease liabilities	(1)	(1)
Expense related to taxes payments not included in lease liabilities	(0)	(0)
Other expenses not included in lease liabilities	(1)	(1)
TOTAL OF RENTAL EXPENSES	**(3)**	**(2)**

Note 9 Inventories

Accounting policy

Materials and goods are valued at their purchase price, using the First In, First Out (FIFO) method, including directly attributable costs.

In accordance with IAS 2 – Inventories, an allowance is accounted for when the purchase price of materials and goods exceed their net realizable value. The net realizable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The change in value of inventories is analyzed as follows:

(In millions of euros)	Gross value	Impairment	Net book value
At 31 December 2020	**133**	**(20)**	**113**
Changes	35	1	35
Changes in scope	1	(0)	1
Translation adjustments	3	(0)	2
Reclassification	(12)	9	(2)
At 31 December 2021	**160**	**(11)**	**150**
Changes	127	(4)	122
Translation adjustments	(1)	(0)	(1)
Reclassification	(0)	1	0
At 31 December 2022	**285**	**(14)**	**271**

In 2021, “Reclassification” mainly corresponded to the change in accounting policy on “Demo Stocks” from Inventories to Other tangible assets.

Note 10 Trade receivables and related accounts

Accounting policy

Trade receivables correspond to amounts due from customers for goods sold or services performed in the ordinary course of business and are all classified as current asset. Trade receivables are classified as financial assets measured at amortised cost (see *Note 14 – Financial assets and liabilities, financial result*). Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value.

The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables and related accounts are recognised at their net carrying value which, given that payments are generally due in less than three months, is close to their fair value.

Impairment of trade receivables

Trade receivables are impaired based on the total lifetime expected losses resulting from a payment default (Expected Credit Loss/ECL method), pursuant to the simplified approach allowed under IFRS 9 – Financial instruments. Impairment is calculated using a provision matrix, which is applied to receivables past due and not yet past due. The expected credit loss rates are based on the payment profiles of sales.

Transferred receivables

The carrying value of the trade receivables include receivables which are subject to a factoring arrangement. Under this type of arrangement, the Group has transferred the relevant receivables to a factor in exchange for cash and is prevented from selling or pledging the receivables. However, when the Group has not transferred substantially all risks and rewards, it continues to fully recognise the transferred assets in its balance sheet. Amounts repayable under the factoring agreement are presented as financial liabilities (see *Note 14 – Financial assets and liabilities, financial result*).). The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

Factoring programs

The Group operates several receivables factoring programs. In accordance with IFRS 9 – Financial instruments, receivables sold under these programs are derecognised when the contractual rights to receive the cash flows of the receivables are transferred and when substantially all the risks and rewards of ownership of these receivables (i.e., default, late payment, dilution risks…) are transferred.

Trade receivables and related accounts are broken down as follows:

(In millions of euros)	31/12/2022	31/12/2021
Trade receivables – gross	1,086	901
Provision for doubtful account	(12)	(8)
Total trade receivables – net amount	**1,074**	**893**
Advanced payments	23	15
Prepaid expenses	28	24
Tax and social security receivables other than income tax	7	21
Other receivables	1	4
Total other receivables	**59**	**63**
TOTAL TRADE RECEIVABLES AND RELATED ACCOUNTS	**1,132**	**956**

As at 31 December 2022, all trade receivables, other receivables and prepaid expenses are due within less than one year, except for €4.5 million with regard to Exclusive Networks Ltd (United-Kingdom), which are due in more than 1 year.

The breakdown of the nominal amount of trade receivables by maturity is as follows:

(In millions of euros)	Non overdue receivables	1 to 30 days	31 to 60 days	More than 61 days	Total
At 31 December 2022	868	133	39	46	1,086
At 31 December 2021	717	130	28	27	901

The net of allowances and reversals of impairment for losses on trade receivables and bad debts is an expense of €4.1 million as at 31 December 2022, compared to an income of €1.9 million as at 31 December 2021. This expense is recognised in Other operating costs (see *Note 5.4 – Other operating costs*).

Changes in gross amounts of trade receivables are as follows:

(In millions of euros)	Trade receivables – gross	Provision for doubtful account	Trade receivables – net amount
At 31 December 2021	**901**	**(8)**	**893**
Increase (Decrease)	190	(4)	186
Translation adjustments	(5)	(0)	(6)
Other	(0)	0	0
At 31 December 2022	**1,086**	**(12)**	**1,074**

Receivables transferred and derecognised

On 11 May 2021, the Group entered a pan-European program that qualified for derecognition under which it sells its receivables arising from the sales of cybersecurity solutions in several countries.

In 2022, the Group continued to deploy this program which had extended to France, Spain, the Netherlands, Belgium, and the United-Kingdom. As at 31 December 2022, the receivables transferred under this pan-European program amounted to €188.5 million compared to €27.7 million as at 31 December 2021.

Note 11 Trade payables and related accounts

(In millions of euros)	31/12/2022	31/12/2021
Trade account payables	1,098	790
Advances and down payments received	6	5
Deferred income and accruals	45	36
Payable to customers	23	15
Tax and social security receivables other than income tax	131	92
Other liabilities	2	13
TRADE PAYABLES AND RELATED ACCOUNTS	**1,304**	**950**

As at 31 December 2022, trade payables and related accounts are due within less than one year. Trade payables and related accounts are recognised at their net carrying value which, given that payments are generally due in less than three months, is close to their fair value.

Note 12 Operating Working Capital

		31/12/2021		Variation		31/12/2022
(In millions of euros)	Notes	Net Working Capital	Net Working Capital – Trade	Translation Adjustments	Other Movements	Net Working Capital
Inventories	10	150	122	(1)	-	271
Trade receivables and related accounts[(a)]	9	956	187	(5)	(5)	1,132
Trade payables and related accounts[(b)]	11	(950)	(358)	8	(4)	(1,304)
TOTAL		**155**	**(49)**			**100**

(a) The trade receivables and related accounts exclude income tax receivables, which are set out separately in the consolidated statement of financial position.
(b) The trade payables and related accounts include withholding payables.

The net change in operating working capital set out above highlights a €48.8 million cash increase in 2022 in comparison with a €53.6 million decrease in 2021. Among other things, it is explained by the strong growth in the Group's activity in 2022, the increase in the use of deconsolidating factoring and the change in payment conditions of quarterly VAT in the United Kingdom.

Note 13 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include immediately available liquid assets (cash at bank and in hand) and highly liquid investments with an original maturity of less than three months, readily convertible into known amounts of cash and subject to an insignificant risk of changes in value (cash equivalents with an initial term of less than three months).

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet (see *Note 14 – Financial assets and liabilities, financial result*).

(In millions of euros)	31/12/2022	31/12/2021
Cash equivalents	1	1
Cash at bank	267	129
CASH AND CASH EQUIVALENTS	**268**	**130**
Bank overdrafts	(6)	(5)
NET CASH AND CASH EQUIVALENTS	**263**	**125**

The cash equivalents are mainly related to short term deposits.

As at 31 December 2022 and as at 31 December 2021, there were no restricted cash.

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Note 14 Financial assets and liabilities, financial result

14.1 Financial assets (excluding derivatives)

Accounting policy

Financial assets consist of trade and other receivables (see *Note 10 – Trade receivables and related accounts*), guarantee deposits and loans granted to non-consolidated companies and other financial securities.

In accordance with IFRS 9 – Financial instruments, guarantee deposits and loans are initially measured at fair value plus transaction costs that are incremental and directly attributable to the acquisition of the financial asset and subsequently at amortised cost based on the contractual cash flow test (SPPI or Solely Payments of Principal and Interest) and a business model assessment. At each reporting date, the Group measures the loss allowance for its financial instruments at an amount equal to the expected credit losses.

Other financial securities are designated as at fair value through profit or loss. Therefore, they are measured initially and subsequently at fair value, with transaction costs expensed in profit or loss.

The Group has no financial asset measured at fair value through Other comprehensive income.

The following table shows the breakdown of financial assets:

	31/12/2022			31/12/2021		
(In millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Trade receivables and other receivables	-	1,132	1,132	-	956	956
Other financial assets:						
Exclusive Capital financial asset	31	14	45	30	9	40
Guarantee deposits	7	-	7	3	-	3
Loans	3	-	3	1	-	1
Other	0	5	5	0	0	1
TOTAL FINANCIAL ASSETS	**40**	**1,151**	**1,192**	**35**	**965**	**1,000**

Exclusive Capital financial asset relates to IT solution systems sold through Exclusive Capital financing arrangements.

The Group's exposure to the various risks associated with financial instruments is discussed in *Note 19.1 – Financial risk management*.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

14.2 Financial liabilities (excluding derivatives and lease liabilities)

Accounting policy

Bank borrowings

Bank loans acquired are recognised initially at fair value (i.e. the cash received), net of transaction costs incurred (broker, advisors…). Subsequently, bank loans and bonds are recognised at amortised cost, using the effective interest method, with any difference between cash received (net of transaction costs) and the redemption value being recognised in the statement of income based on the expected term of the borrowings. Financial liabilities that are due within 12 months after the end of the reporting period are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Factoring arrangements and liabilities

The Group entered into factoring agreements to transfer receivables to the factor in exchange for cash. For some of these contracts, as substantially all the risks and rewards of the receivables are not fully transferred to the bank, the receivables remain in the consolidated balance-sheet.

Cash received from the factor is recorded as a financial asset in the balance-sheet and the amount repayable under the factoring agreement is recorded as a financial liability (secured borrowing for the same amount). These financial liabilities decrease progressively together with the payment of the transferred receivables (and the related decrease of the trade receivables). Cash inflows and outflows related to factoring agreements for which the Group does not derecognise receivables are presented on a net basis in the statement of cash flows related to financing activities.

The Group also entered into new factoring programs which allow the full transfer of the risks and rewards to the factor and then the derecognition of receivables (see *Note 10 – Trade receivables and related accounts*).

Other financial liabilities, Exclusive Capital

The Group provides financing solutions to its customers through the entity Exclusive Capital. The solutions consist of finance lease agreements (usually over a three-year period) sold by Exclusive Capital to financial institutions together with the assets. The Group analyzed sales of lease contracts to financial institutions under IFRS 9 – Financial instruments criteria for derecognition and concluded that not all risks and rewards were transferred to the financial institutions. Therefore, the net discounted investments in the finance lease and the related financing from financial institutions are recognised in the balance sheet. Any proceeds received from the financial institutions are recognised in Other financial liabilities.

Liabilities related to put options granted to non-controlling interests and earn-outs

The Group granted put options to certain non-controlling interests, giving the holders the right to sell part or all of their investment in these subsidiaries. These put options are recorded as financial liabilities at present value of the redemption amount. At each reporting period, subsequent changes are recognised in equity.

14.2.1 Debt by type

(In millions of euros)	31/12/2022 Non-current	31/12/2022 Current	31/12/2022 Total	31/12/2021 Non-current	31/12/2021 Current	31/12/2021 Total
Bank borrowings	456	6	462	453	1	454
Non-controlling interests put options	-	24	24	-	11	11
Short-term loans	-	26	26	-	39	39
Factoring liabilities	-	35	35	-	23	23
Other financial liabilities[1]	32	31	62	32	11	43
Bank overdrafts	-	6	6	-	5	5
TOTAL FINANCIAL LIABILITIES	**488**	**128**	**616**	**485**	**90**	**575**

1 As at December 31, 2022, this mainly relates to solutions specific third-party financing agreements.

Details of the Group's exposure to risks arising from current and non-current borrowings (especially interest rate risk) are set out in *Note 19.1 – Financial risk management*.

On July 16, 2021, Everest SubBidCo S.A.S. entered into a new senior loan agreement negotiated with a syndicate of international banks, including Morgan Stanley, JP Morgan, Société Générale, BNP Paribas, Citibank, CA CIB, Intesa, Mizuho and Raiffeisen. This senior loan agreement consists of i) a long-term loan for an aggregate amount equal to €450 million, which is split between a "Facility B1" tranche of €315 million and a "Facility B2" tranche of £120 million ii) a multi-currency revolving credit line whose total commitments (original and additional revolving facility) correspond to an aggregate amount of €120 million.

The senior loans (Facility B1 and B2) as well as the secured revolving credit facility mature on September 27, 2026.

The revolving credit facility for an initial amount of €120 million is intended to finance external growth transactions and working capital needs. It is not undrawn as at December 31, 2022, nor it was undrawn as at December 31, 2021.

In November 2022, the Group has decided to hedge the cost of its senior debt against an increase in interest rates (see *Note 1.2 – Significant events of the year*).

14.2.2 Change in debt and debt by maturity date

(In millions of euros)	31/12/2021	Cash: Increase	Cash: Decrease	Non-cash: Change in scope	Non-cash: Other	31/12/2022	Less than 1 year	1 to 5 years
Bank borrowings	454	15	(1)	-	(6)	462	6	456
Non-controlling interests put options	11	-	(3)	-	17	24	24	-
Short-term loans	39	-	(14)	-	1	26	26	-
Factoring liabilities	23	12	-	-	(1)	35	35	-
Other financial liabilities	43	29	(23)	-	13	62	31	32
Bank overdrafts	5	1	-	-	(0)	6	6	-
TOTAL FINANCIAL LIABILITIES	**575**	**58**	**(41)**	**-**	**24**	**616**	**128**	**488**

The increase in financial liabilities during the 2022 financial year is notably due to the increase in Other financial liabilities including €14.2 million related to the recognition of the fair value of forward currency purchase contracts held by the Group to hedge against currency risk (see *Note 14.3.1 – Foreign exchange hedging instruments*) and €16.7 million related to the increase in debt for the Non-controlling interests put options.

14.2.3 Financial covenants

The senior facilities agreement dated July 16, 2021, contains a financial covenant for the benefit of the lenders of Facility B and the secured revolving credit facility. To comply with this financial covenant, the Group must perform a test at the end of each financial half-year period or any period of 12 consecutive months. This test determines whether the total Net Debt of the Group (as defined in the contract) exceeds 4.75:1 of pro forma consolidated EBITDA. The leverage is reduced to 4.00:1 from March 2024.

If the financial covenant is breached, the Group must receive, on its balance sheet, the cash proceeds of a new shareholder investment.

Total Net Debt defined in the contract means the aggregate outstanding amount of all borrowings of the Group, including the capital value of the lease and deducting i. the borrowings in relation to the non-controlling interests and ii. all contingent liabilities under a guarantee, indemnity, bond, standby or documentary letter of credit, less the aggregate amount of cash and cash equivalent held by the Group.

As at December 31, 2022, as well as at December 31, 2021, this financial covenant is respected.

14.2.4 Net Debt

Net Debt is a measurement not defined by IFRS and should not be considered as an alternative to financial liabilities determined in accordance with IFRS. Net Debt defined by management is calculated as follows:

(In millions of euros)	31/12/2022	31/12/2021
Bank borrowings	462	454
Short-term loans	26	39
Factoring liabilities	35	23
Financial Gross Debt (A)	**523**	**516**
Cash equivalents	(1)	(1)
Cash at bank	(267)	(129)
Bank overdraft	6	5
Net Cash and cash equivalents (B)	**(263)**	**(125)**
NET DEBT (A) - (B)	**260**	**392**

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14.3 Derivatives and hedge accounting

Accounting policy

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of business, mainly interest rates and currency risks. The Group's derivatives are initially recognised at fair value. They are subsequently measured at fair value with the resulting unrealised gains and losses recorded in the profit and loss statement (currency risk) and in Total comprehensive income/(expense) (interest rate risk).

Derivatives designated as hedging instruments

Hedge accounting is applied if, and only if, the following conditions are met:

- the hedging instrument and hedged item forming the hedging relationship are eligible for hedge accounting;
- at the inception of the hedge, there is a clearly identified and formally documented hedging relationship and the effectiveness of the hedge can be demonstrated (qualitative and prospective tests);
- there is formal designation and structured documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

The derivatives used by the Group qualify as fair value hedge or cash flow hedge.

All derivatives of the Group are designated as hedging instruments.

14.3.1 Foreign exchange hedging instruments

To hedge against foreign exchange risk (mainly purchases denominated in U.S. dollar made by a large number of Group's subsidiaries), the Group holds forward currency purchase contracts that qualify as fair value hedge.

As at December 31, 2022 the outstanding currency hedging position on U.S. dollar was as follows:

- nominal value of forward purchase contracts: $418.9 million;
- nature of the hedged items: dollar-denominated purchases of goods and services and euro-dollar currency swaps on dollar cash positions at the closing date;
- the fair value of the contracts at the December 31, 2022 exchange rate amounts to €(13.0) millions;
- maturity of the contracts mostly staggered between January and June 2023.

The net notional amount of derivative instruments hedging the main currencies and their respective mark-to-market values are detailed below:

	Nominal		Market value	
(In millions of euros)	31/12/2022	31/12/2021	31/12/2022	31/12/2021
USD/AUD	19	25	0	0
USD/EUR	291	217	(11)	1
USD/GBP	21	34	(1)	0
USD/NOK	10	6	(0)	0
USD/SEK	15	13	(0)	0
USD/PLN	14	11	(0)	0
Other currencies	27	33	(0)	0
TOTAL	**396**	**340**	**(13)**	**0**

As at December 31, 2022 and as at December 31, 2021, all the Group's net foreign exchange risk exposure was hedged.

The Group has estimated the following impacts of a decrease or increase of 10% in the exchange rates against the U.S. dollar on the mark-to-market value of the forward currency contracts:

	31/12/2022		31/12/2021	
Currency of the exposure (in millions of euros equivalent)	Decrease of 10%	Increase of 10%	Decrease of 10%	Increase of 10%
EUR	28	(23)	24	(20)
GBP	2	(2)	4	(3)
AUD	2	(2)	3	(2)
Other currencies	7	(6)	6	(5)
TOTAL IMPACT ON NET RESULT	**40**	**(33)**	**37**	**(30)**

14.3.2 Interest rate hedging instruments

Under the new Refinancing of September 27, 2021, the Group has contracted two term loans of €315 million indexed on Euribor 3 months and £120 million indexed on 3-month compounded Sonia.

In November 2022, the Group has decided to hedge the cost of its senior debt against increase in interest rates (see *Note 1.2 – Significant events of the year*).

14.3.3 Fair value and nominal amounts

The fair value of financial instruments that are not quoted in an active market (level 2 of the fair value hierarchy defined in IFRS 13 – Fair value measurement, see *Note 14.5 – Fair value of financial assets and liabilities*), such as Exclusive Networks' derivatives and financial liabilities, is determined by reference to commonly used valuation techniques such as the discounted cash flow method, based on observable market inputs.

	31/12/2022			31/12/2021		
(In millions of euros)	Assets at fair value	Liabilities at fair value	Nominal amount	Assets at fair value	Liabilities at fair value	Nominal amount
Fair value hedges (foreign exchange risk)	1	(14)	396	3	2	340
Cash flow hedges (interest rate risk)	4	-	450	-	-	-
TOTAL	**5**	**(14)**	**846**	**3**	**2**	**340**

14.4 Financial result

(In millions of euros)	31/12/2022	31/12/2021
Financial debt costs (A)	**(18)**	**(28)**
Interest expenses on lease liabilities (B)	**(1)**	**(1)**
Other financial Income and expenses (C)	**(9)**	**(10)**
Net interest expenses on retirement benefit plans	(0)	(0)
Realised and unrealised foreign exchange gains & losses	1	2
Other financial expenses	(10)	(13)
Other financial income	0	1
FINANCIAL RESULT (A)+ (B)+ (C)	**(27)**	**(39)**

Financial debt costs mainly include interest on the senior debt that started on September 27, 2021, the features of which are outlined in *Note 14.2.1 – Debt by type*.

The Group has signed factoring agreements to assign some of its receivables. These factoring programs allow the Group to benefit from shortened payment terms. The associated expenses for €3.7 million have been accounted for in Other financial expenses.

Other financial expenses include a €5.7 million loss on net monetary positions related to hyperinflation in Turkey.

14.5 Fair value of financial assets and liabilities

The table below presents a breakdown of financial instruments recognised at fair value by measurement method. The different levels of fair value are defined as follows:

- level 1: prices quoted on an active market (unadjusted). The types of assets carried at level 1 fair value are equity and debt securities listed in active markets;
- level 2: observable data other than prices quoted on an active market (financial data), derived from valuation techniques using inputs for the asset or liability that are observable market data, either directly or indirectly. Such valuation techniques include the discounted cash flow method and option pricing models;
- level 3: unobservable data derived from valuation techniques using inputs for the asset or liability that are not based on observable market data.

Depending on whether they qualify as hedges, derivatives are classified in accordance with IFRS 9 – Financial instruments.

(In millions of euros)	Classification under IFRS 9	31/12/2022 level 1	31/12/2022 Level 2	31/12/2022 Level 3	31/12/2021 level 1	31/12/2021 Level 2	31/12/2021 Level 3
Financial assets at fair value		**–**	**–**	**–**	**–**	**–**	**–**
Other financial securities	FVPL[1]	–	–	–	–	–	–
Derivatives – Assets		**–**	**5**	**–**	**–**	**3**	**–**
Currency	FVPL[1]	–	1	–	–	3	–
Interest rate	FVOCI[2]	–	4	–	–	–	–
Derivatives – Liabilities		**–**	**(14)**	**–**	**–**	**2**	**–**
Currency	FVPL[1]	–	(14)	–	–	2	–

1 "FVPL" stands for "fair value through profit or loss".
2 "FVOCI" stands for "fair value through Other comprehensive income".

The fair value of short-term financial assets and liabilities is considered equivalent to their net value due to their close maturity dates.

Note 15 Equity and earnings per share

15.1 Share capital

Changes in share capital over the period, expressed as number of shares, are provided below:

(In units of shares)	Ordinary shares (OS)
At 31 December 2021	**91,476,536**
Increase in share capital	193,750
At 31 December 2022	**91,670,286**

As at 31 December 2022 the share capital amounted to €7 million and share premiums amounted to €968 million.

On 30 June 2022, as part of the long-term incentive plan (see *Note 18 – Share-based payment*), the Board authorised the chief executive officer of the Company Exclusive Networks S.A. to decide the increase in the Company's share capital by €15,500 by issuing 193,750 new ordinary shares with a nominal value of €0.08, through the capitalisation of €15,500 deducted from the share premiums.

The share capital is fully paid-up.

15.2 Treasury shares

In November 2021, Exclusive S.A. signed a share liquidity agreement with the companies Parel and Kepler Chevreux to open a securities custody account at Parel through which Exclusive S.A. would appoint Kepler-Chevreux as intermediate service provider to manage the liquidity of EXN shares on the Paris Stock Exchange. As at 31 December 2021, the total amount of cash transferred to Parel with respect to this agreement was €0.5 million.

On 26 September 2022, Exclusive Networks S.A. Board of Directors has authorised an additional transfer of cash of €1.5 million, raising the total amount of the liquidity agreement to €2.0 million.

As at 31 December 2022, €0.7 million was invested in EXN treasury shares. The cash balance of the liquidity account stood at €1.3 million as at 31 December 2022.

15.3 Non-controlling interests

Accounting principles

In accordance with IAS 32 – Financial Instruments: Presentation, when non-controlling interests hold put options enabling them to sell their investment to the Group, a financial liability is recognised in an amount corresponding to the present value of the redemption amount, and the liability arising from these obligations is offset by:

- a reduction in the carrying value of the non-controlling interests;
- a reduction in the equity that equals the liability that exceeds the carrying value of the corresponding non-controlling interests. This item is adjusted through equity at the end of each reporting period to reflect changes in the value of the options and the carrying value of non-controlling interests.

As at 31 December 2022 and 31 December 2021, non-controlling interests amounted respectively to €3.4 million and €2.1 million.

As mentioned in *Note 14.2 – Financial Liabilities (excluding derivatives and lease liabilities)*, the Group granted certain put options to non-controlling interests, giving the holders the right to sell part or all of their investment in these subsidiaries. These put options will be paid in cash.

The Group has acquired non-controlling interests in relation to those put options, which resulted in a reduction of put-options related liabilities.

15.4 Earnings per share

Accounting principles

Basic earnings per share is calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding, less treasury shares held.

For the diluted earnings per share calculation, the weighted average number of shares and basic earnings per share are adjusted- to take into account the impact of the conversion or exercise of any potentially dilutive equity instruments in accordance with the methodology set out in IAS 33 – Earnings per Share

	31/12/2022	31/12/2021
Net result attributable to owners of the parent company (In millions of euros)	36	(14)
Weighted average number of ordinary shares and similar	**91,550,486**	**91,472,031**
BASIC EARNINGS PER SHARE (EPS) (in €)	**0.40**	**(0.15)**
Net result attributable to owners of the parent company for diluted earnings per share calculation (In millions of euros)	36	(14)
Weighted average number of ordinary shares (diluted)[a]	91,655,653	91,581,666
DILUTED EARNINGS PER SHARE (in €)	**0.40**	**(0.14)**

(a) The dilution effect comes from the long-term incentive *plans (see Note 18 – Share-based payment)*.

(In units of shares)	Units of shares for basic EPS	Units of shares for diluted EPS
Number of ordinary shares outstanding before dilution in 2022	**91,575,013**	**91,575,013**
Number of treasury shares outstanding in 2022 (Treasury shares held at the end of the year: 42,884)	24,252	24,252
Dilutive instruments: Free shares	-	105,168
TOTAL	**91,550,486**	**91,655,653**

Note 16 Current and non-current provisions

Accounting policy

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when there is an obligation (legal or implicit) with respect to third parties resulting from past events whose measure can be reliably estimated and that it is likely to result in an outflow of resources. They mainly relate to litigation, personnel costs and post-employment benefit arrangements.

The amount recognised as a provision corresponds to the Group's management's best estimate of the expenditure required to extinguish the present obligation at the closing date.

Provisions for liabilities or disputes which will be extinguished within 12 months of the closing date, and those linked to the normal operating cycle, are recorded as current liabilities. Other provisions for contingencies are recorded as non-current provisions.

(In millions of euros)	31/12/2022	31/12/2021
Provisions for contingencies	0	2
Provisions for pensions and other employee benefits	0	0
Current provisions	**0**	**2**
Provisions for contingencies	1	0
Provisions for pensions and other employee benefits	3	3
Non-current provisions	**4**	**4**
TOTAL CURRENT AND NON-CURRENT PROVISIONS	**4**	**5**

Current and non-current provisions are mainly composed of provisions for pensions, see Note 17. Employee benefit obligation.

In 2022, the Group was informed of the opening of a preliminary investigation by the French National Financial Prosecutor's Office ("PNF") that could lead to charges based on violation of French anti-corruption law, in connection with events alleged to have taken place in India, Malaysia, Indonesia, Vietnam and Thailand between 2017 and 2020 approximately following an acquisition in Asia. It is not possible at this time to predict the outcome of this investigation. The Group is fully cooperating with the PNF and continues – as before - to reinforce its compliance program. The Management is confident that they have taken appropriate actions to address the matter. At this stage of the investigation, no significant impact has been identified on the financial statements.

Note 17 Employee benefit obligation

Accounting principles

The Group operates pension and other employee benefit schemes depending on local legislation and regulations. The actuarial assumptions used to calculate these obligations consider the economic conditions specific to each country.

For defined contribution schemes, the Group recognises in the income statement contributions payable when they are due. The Group's legal or constructive obligation for these plans is limited to the amount of the contributions.

For defined benefit schemes, the Group's obligations are recognised in the statement of financial position and measured using the projected unit credit method. The main assumptions are presented below.

Expenses recorded in the income statement include:

- the additional rights acquired by employees during the reporting period (the "service cost");
- the impact of any change to existing schemes on previous years or of any new schemes (the "past service cost");
- the net interest component of the pension costs (the "interest cost").

The two first items are presented in personnel costs (see *Note 5.3 – Personnel costs*), the third is presented within Financial result (see *Note 14.4 – Financial result*).

Actuarial gains and losses for experience and changes in actuarial assumptions are recorded in Other comprehensive income.

Group pensions and other employee benefit schemes mainly relate to United Arab Emirates, Italy and France.

The main assumptions in 2022 were as follows:

	United Arab Emirates	Italy	France	Others
Discount rate	4.60%	3.39%	3.16%	3.77%-7.50%
Salary increment rate	2.00%	0.50%	2.00%	3.00%-10.00%
Normal retirement age	65	First requirement coming for the AGO[a] retirement	65	57-65

(a) Assicurazione Generale Obbligatoria/"General Compulsory Insurance Scheme".

The main assumptions in 2021 were as follows:

31/12/2021	France	Italy	Indonesia	Thailand	Poland
Discount rate	0.87%	0.98%	7.50%	2.86%	3.26%
Salary increment rate	2.00%	2.81%	8.00%	5.00%	3.5%
Normal retirement age	65	First requirement coming for the AGO[1] retirement	57	60	60 (female) 65 (male)

1 Assicurazione Generale Obbligatoria/"General Compulsory Insurance Scheme".

Changes of the period were as follows:

(In millions of euros)	31/12/2022	31/12/2021
Defined benefit obligation at the beginning of the period	3	2
Service cost	1	0
Financial cost	0	0
Benefit paid	(0)	(0)
Actuarial (gains)/losses)	(1)	(0)
Translation adjustments	0	0
Reclassification	-	1
Other	(0)	0
DEFINED BENEFIT OBLIGATION AT THE END OF THE PERIOD	**3**	**3**

Note 18 Share-based payment

Accounting principles

In accordance with IFRS 2 – Share-based payment, services acquired in exchange for equity instruments are recognised as personnel expenses against an increase in equity. These services are measured at fair value of the instruments granted. All the share-based plans granted within the Group are settled as equity instruments.

Free ordinary shares

In 2022, the Group set up a free share allocation program whose vesting period will end in May 2024 (see *Note 1.2 – Significant events of the year*);

In 2021, the Group had set up a program of free ordinary shares allocated in June, the vesting period of these instruments ended on June 30, 2022.

Other existing plans for the 2021 financial year only

Prior to the IPO, some managers of the Group and its subsidiaries were benefiting from equity instruments relating to, either directly to the capital of Exclusive Networks S.A. (formerly Everest HoldCo S.A.S.) or through the holding of shares of EM Networks 1 ("EM N1") and EM Networks 2 ("EM N2"), that were previously shareholders of Everest HoldCo S.A.S.

EM N1 and EM N2 held Preferred shares 1 and Ordinary shares respectively.

After the IPO, some managers of the Group and its subsidiaries benefit from equity instruments related to the capital of Exclusive Networks S.A.

According to Securities Holders Agreement dated 4 July 2018, holders of Ordinary Shares and Preferred Shares are granted a tag-along right in case of change of control on Everest HoldCo S.A.S. and a right to convert their Preferred shares into Ordinary shares in case of an IPO. In the course of the completion of the IPO as at 23 September 2021 Preferred shares were converted in Ordinary shares and EM Networks 1 ("EM N1") and EM Networks 2 ("EM N2") were merged into Exclusive Networks.

Call options plans

Call options on EM N1 and EM N2 shares granted in May 2021 were measured at fair value on the grant date on the basis of the valuation of the Preferred Shares 1 and Ordinary Shares of the Company. That model takes into account the features of the plan (exercise price, exercise period), the valuation of the Group at the time of the grant (risk-free rate, exit dates, probabilities, equity value, volatility) and expected financial performance of the Group for assessing the ratchet effect relating to Preferred shares 1.

Call options were exercised in the course of the IPO completion. As at 31 December 2021, there were no outstanding call option plan.

Purchase of EM N1 and EM N2 shares

Some members of the Group personnel invested in April/May 2021 in preferred shares 1 and Ordinary shares of Exclusive Networks S.A. (formerly Everest HoldCo S.A.S.) through EM N1 and EM N2 shares.

In the course of the IPO, the EM N1 and EM N2 shares were converted into Exclusive Networks S.A. shares.

18.1 Number of instruments granted during the period

The terms of the free share and call options plans outstanding as at 31 December 2022 are set out in the tables below:

Number of instruments	Outstanding as at 31/12/2021	Rights issued	Rights exercised	Rights forfeited	Outstanding as at 31/12/2022
Free ordinary shares – 2021 plan	193,750	-	193,750	-	-
Free ordinary shares – 2022 plan	-	284,184		26,295	257,889

The free share plan introduced in 2021 terminated on 30 June 2022 with the granting of free shares through a capital increase.

2022 free share plan

The terms of the 2022 free share plan are set out in the table below:

Type of instruments	Grant date	Expected vesting date	Maximum vesting period	Number of options	Value of the shares at the grant date (in euros)	Value of the underlying (in euros)
Free ordinary shares	20-Jan-2022	15-May-2024	3 years	284,184	16.79	16.41

The granting conditions of these free shares were defined by the Nomination and Compensation Committee based on non-market performance.

18.2 Impacts of Share-based payment in the financial statements

As at 31 December 2022, an expense of €3.0 million for share-based plans was recognised in Personnel costs (see *Note 5.3 – Personnel costs*) against an increase in Equity.

An expense of €2.8 million for share-based plans had been recognised in Personnel costs as at 31 December 2021.

5.

Note 19 Other information

19.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including foreign exchange, liquidity and interest rate risk.

The Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management system is predominantly supervised by the Treasury Department which identifies, evaluates and hedges financial risks in close co-operation with the Group's entities. The policies implemented by the Group define the principles not only for overall risk management but also for the management of specific areas such as interest rate risk, foreign exchange risk, the use of financial derivative instruments and the centralisation of cash.

19.1.1 Foreign exchange risk

The Group conducts its business internationally and is therefore exposed to an operational foreign exchange risk that potentially affects Operating profit and cash flows. Foreign exchange risk mainly results from purchases of products and services from suppliers essentially located in the United States. These transactions are therefore sensitive to the fluctuations of the U.S. dollar. The Group's sales, mainly done in local currency, do not present any significant exposure to transactional foreign exchange rate risk.

The Group has implemented a hedging policy aiming at mitigating the effects of currency volatility, particularly the one of the U.S. dollar. The Group hedges its exposure to transactional foreign exchange risk using standard financial derivative instruments (forward purchases/sales, currency swaps) dealt with top-ranking banking institutions. These hedging instruments reduce most transactional risks, but residual effects of foreign currency exposures may remain in the Group's Financial result.

The Group, which presents its consolidated financial statements in euros, is exposed to the risk of conversion into euros of the accounts in foreign currencies of its subsidiaries located outside the euro zone. Fluctuations of the euro, particularly upwards, against foreign currencies may affect the countervalue in euros of the Assets, Liabilities and Net income of the subsidiaries, even if their intrinsic value denominated in the original currency has not changed. To protect itself against the risk of converting the net Assets of foreign subsidiaries into euros, the Group's Treasury Department favors the set-up of financing in foreign currencies.

The Group does not enter into any transactions using derivative financial instruments or other financial transactions that are not related to its business needs.

19.1.2 Liquidity risk

Liquidity risk is the risk that the Group be unable to settle its financial liabilities when they fall due. The Group must have available liquid assets to deal with its day-to-day business and to maintain its investment capacity.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due, whatever the conditions in the market. Liquidity comes mainly from cash flow from operating activities, factoring solutions and a senior loan contracted with financial institutions, bank overdrafts, and lines of credit.

The senior loan agreement carried by Everest SubBidCo S.A.S. contains a debt ratio covenant. Any failure by the Group to comply with the clauses of the financing contracts could result in or authorise the lenders to demand the reimbursement of the amounts due under the financing agreements, or the implementation of the guarantees and securities associated therewith (pledge of shares and bank accounts).

Liquidity risk is mitigated by the regularity of cash flows generated by the Group as well as by a financing policy based on the following principles:

- centralisation of cash excess positions of certain subsidiaries with the holding entity Everest SubBidCo S.A.S.;
- centralisation of the financing at the level of the holding company Everest SubBidCo S.A.S. which transfers liquidity to its subsidiaries through intra-group financing agreements;
- a permanent and significant retention of undrawn credit lines, including a confirmed multi-currency syndicated line of credit;
- a diversification of financing solutions negotiated with various international financial institutions whose maturities can be staggered between 1 and 4 years (loans, bank overdrafts, lines of credit) and the development of factoring programs;
- as well as frequent and regular monitoring of the Group's liquidities and the evolution of the financial markets.

19.1.3 Interest rate risk

Interest rate risk mainly includes the risk of fluctuations in cash flows relating to senior loan floating-rate debt, which is linked to Euribor and Sonia indices. An increase in interest rates could have an adverse impact on the Financial result.

The interest rate risk management policy is centralised within the Group's Treasury Department, which may deal derivative financial instruments related to interest rate risk hedging depending on changes in market rates.

The effects of derivative financial instruments related to interest rate risk hedging are detailed in *Note 14 – Financial assets and liabilities, financial result*.

19.2 Off-balance sheet commitments

Accounting policy

Commitments given and received by the Group and not recognised in the statement of financial position correspond to contractual obligations not yet fulfilled and subject to the fulfillment of conditions or operations subsequent to the current financial year. These commitments are of three types: those related to financing activities, those related to operating activities and those related to the scope of consolidation.

As at December 31, 2022, the Group had not entered into any commitment likely to have a material effect on its current or future financial position other than those mentioned in this note.

Commitments given (In millions of euros)	**31/12/2022**	**31/12/2021**
Related to financing activities	**180**	**180**
Related to banks	129	123
Related to factoring companies	51	57
Related to operating activities	**380**	**205**
Related to the scope of consolidation	**-**	**-**
TOTAL	**559**	**385**

Commitments given related to financing activities consist mainly of guarantees given to banks in return for short-term loans granted to subsidiaries and of securities granted on assets as part of the debt Refinancing on 27 September 2021. Exclusive Networks S.A. and its subsidiaries have granted the banks securities over the shares or over receivables of certain subsidiaries, some of which with limited recourse.

Commitments given relating to operating activities mainly consist of guarantees granted in the course of business and of guarantees given to lessors under rental agreements entered into by subsidiaries.

Commitments received (In millions of euros)	**31/12/2022**	**31/12/2021**
Related to financing activities	**236**	**264**
Related to banks[1]	156	130
Related to factoring companies[2]	80	133
Related to operating activities	**4**	**3**
Related to the scope of consolidation	**30**	**67**
TOTAL	**269**	**334**

1 Commitments received from banks: confirmation of lines of credit for €206 m of which €51m were used as at December 31, 2022.
2 Commitments received from factoring companies: confirmation of factoring lines for €303m of which €223 m were used as at December 31, 2022.

Commitments received related to financing activities are mainly composed of available credit lines representing confirmed and unused credit lines at the closing date made available to the Group by banks and factoring companies.

Commitments received related to operating activities mainly consist of guarantees received from clients.

Commitments received related to the scope of consolidation consist of liability commitments received from sellers in connection with acquisitions.

19.3 Statutory Auditors' fees

(In millions of euros)	31/12/2022	31/12/2021
TOTAL AUDIT FEES	**4**	**2**
Exclusive Networks S.A.	2	1
Controlled entities	2	1
Deloitte	**2**	**1**
Statutory audit fees, certification, auditing of the accounts	2	1
% of total audit fees	*52%*	*58%*
o/w issuer – Exclusive Networks S.A.	1	0
% of total audit fees for issuer	*52%*	*50%*
Mazars	**2**	**1**
Statutory audit fees, certification, auditing of the accounts	1	1
% of total audit fees	*41%*	*38%*
o/w issuer – Exclusive Networks S.A.	1	0
% of total audit fees for issuer	*48%*	*50%*
Other firms	**0**	**0**
Statutory audit fees, certification, auditing of the accounts	0	0
% of total audit fees	*7%*	*4%*
o/w issuer – Exclusive Networks S.A.	–	–
% of total audit fees for issuer	*0%*	*0%*
Other services rendered by auditors' networks	**0**	**3**
Deloitte	0	2
Mazars	0	1

In 2021, other services rendered by auditors' networks mainly relate to the work performed in the context of the IPO and the merger of holding entities.

19.4 Related parties

19.4.1 Parent entities

As at 31 December, the Group is controlled by the following entities:

Entity	Ownership % in 2022
Everest UK HoldCo Limited (UK)[1]	57.3%
HTIVB[2]	13.1%
Executives and managers (including the Selling Managers)	0.4%
Free-float[2]	29.2%

1 Immediate parent entity ultimately controlled by Permira Limited
2 of which the founder and former CEO, Olivier Breittmayer
3 of which 5.63% held by BPI France Investissement through the fund LAC I SLP

The Group is backed by entities that collectively comprise the Permira Fund which is ultimately controlled by Permira Limited. Permira Limited is related to the Company due to common control.

19.4.2 Transactions with related parties

For the Group, related parties within the definition of IAS 24 – Related party disclosures are persons or entities who have control or a significant influence over the Group. Accordingly, the direct and indirect parent companies of Permira Fund and the members of the Management Board are considered as related parties. Moreover, all portfolio companies held by funds advised by Permira are considered related parties.

Transactions with related parties include settlements of consulting and management services. All transactions were entered into on an arm's length basis. Transactions with Permira Advisers LTD related to consultancy services provided by a Key Group Manager. The Group has traded with HTIVB, of which the founder and former CEO is a trustee and holds an interest in the preference shares of Everest HoldCo S.A.S. (before its transformation and change of name).

In the course of the IPO Reorganisation process, Exclusive Networks S.A. acquired shares of EM N1 and EM N2 from Everest UK HoldCo Limited (UK) for the purpose of reselling them to key manager (see *Note 18 – Share-based payment*).

Exclusive Networks BeLux BV granted on 21 April 2021 a €1.5 million 7-year non-mortgage term loan to Jesper Trolle, CEO, this loan was partially reimbursed during the 2nd semester 2021. At closing date, this loan amounts to €930 thousand.

(In millions of euros)	31/12/2022	31/12/2021
Service expenses	-	-
Sales of assets	-	12
Interest income	29	24
TOTAL – CONSOLIDATED STATEMENT OF INCOME – TRANSACTIONS WITH RELATED PARTIES	**29**	**36**
Loan(s) granted	930	907
TOTAL – CONSOLIDATED STATEMENT OF FINANCIAL POSITION – TRANSACTIONS WITH RELATED PARTIES	**930**	**907**

19.4.3 Key management personnel compensation

The key management personnel are the members of the Executive Committee. Detailed compensation disclosures are provided in the remuneration report (see *Note 5.3 – Personnel costs*).

(In millions of euros)	31/12/2022	31/12/2021
Short-term benefits excluding employer's social security contributions	5	5
Short-term benefits: employer's social security contributions	1	1
Share-based payment benefits	2	2
TOTAL KEY MANAGEMENT COMPENSATION	**7**	**8**

In 2021, the total key management compensation was impacted by the expansion of the Executive Committee Team, the implementation of share-based payments (see *Note 18 – Share-based payment*) and one-off bonuses in relation to the IPO.

19.5 Ukraine conflict

The Group confirms that its exposure to the conflict in Ukraine remains extremely limited. The Group does not generate any revenue neither has any employee in Russia. In Ukraine, the Group generated less than €1 million of revenue in 2022 and does not have any employee.

The Group has no subsidiary or equity investment in Ukraine.

19.6 Subsequent events

A new Group chief financial officer, Ms Nathalie Bühnemann has been appointed in January 2023 to replace Mr Pierre Boccon-Liaudet.

19.7 Scope of consolidation

The main consolidated companies presented below are those whose contribution to the Group's revenue exceeds €30 million, as well as the holding companies in France:

		2022		2021	
Entity	Country	Consolidation method	% of interest	Consolidation method	% of interest
Exclusive Networks S.A.	France	Parent company	100	Parent company	100
Exclusive Networks South Africa (Pty) Ltd	South Africa	FC	56	FC	56
Exclusive Networks Deutschland GmbH	Germany	FC	100	FC	100
Exclusive Networks PTY Ltd	Australia	FC	100	FC	100
Exclusive Networks Austria GmbH	Austria	FC	100	FC	100
Exclusive Networks BeLux	Belgium	FC	100	FC	100
Exclusive Networks Canada Inc.	Canada	FC	100	FC	100
Exclusive Networks Denmark A/S	Denmark	FC	100	FC	100
Networks Distributors FZ LLC	United Arab Em.	FC	100	FC	100
Exclusive Networks Saudi Arabia	Saudi Arabia	FC	75	-	-
Exclusive Networks SL	Spain	FC	100	FC	100
Exclusive Networks USA Inc.	United States	FC	100	FC	100
Exclusive Networks Finland OY	Finland	FC	100	FC	100
Exclusive France Holding S.A.S	France	FC	100	FC	100
Exclusive Capital S.A.S.	France	FC	100	FC	89
Exclusive Networks S.A.S.	France	FC	100	FC	100
Everest SubBidCo S.A.S.	France	FC	100	FC	100
Exclusive Networks Sales India Private Ltd	India	FC	100	FC	100
Exclusive Networks Ireland Ltd	Ireland	FC	100	FC	100
Exclusive Networks SRL	Italy	FC	100	FC	100
Exclusive Networks Norway AS	Norway	FC	100	FC	100
Exclusive Networks BV	Netherlands	FC	100	FC	100
Veracomp – Exclusive Networks Poland S.A.	Poland	FC	100	FC	100
Exclusive Networks Ltd	United Kingdom	FC	100	FC	100
Ignition Technology Ltd	United Kingdom	FC	75	FC	75
Nuaware Ltd	United Kingdom	FC	70	FC	70
Exclusive Networks Singapore PTE Ltd	Singapore	FC	100	FC	100
Exclusive Networks Sweden AB	Sweden	FC	100	FC	100
Exclusive Networks Switzerland AG	Switzerland	FC	100	FC	100
Exclusive Networks Bilisim AS	Turkey	FC	100	FC	100

5.2.3 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

To the Shareholders' Meeting of Exclusive Networks SA,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Exclusive Networks SA for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the «Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements» section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill and trademarks

Notes 7.1 "Goodwill", 7.2 "Impairment tests", 7.3 "Intangible assets" and 3.4 "Use of judgments and estimates"

Identified risk

As of December 31, 2022, goodwill and trademarks were recorded in the net amount of €295 million and €221 million, respectively, representing the most significant line items in the consolidated statement of financial position.

Goodwill represents the difference, on the acquisition date, between:

- the sum of (i) the fair value of the consideration transferred (including the earn-out), (ii) the amount of non-controlling interests in the acquiree, and
- the net amount of identifiable assets acquired and liabilities assumed measured at acquisition-date fair value.

The trademarks correspond to the "Exclusive Networks" trademark and have an indefinite life.

Goodwill and trademarks are allocated to Cash-Generating Units (CGUs) or groups of CGU that could benefit from the synergies arising from business combinations. A CGU is defined as the smallest identifiable group of assets for which management oversees its activities and determines the level used to monitor the return on investment.

In accordance with IAS 36, the CGUs or groups of CGU to which goodwill and trademarks are allocated must be tested annually for impairment to verify that their net carrying amount does not exceed their recoverable amount, bearing in mind that the recoverable amount of an asset or group of assets is defined as the higher of its fair value less costs of disposal and its value in use.

The value in use calculation of a CGU or group of CGU is based on the discounted future cash flows expected from the use of the assets. It involves significant management judgments and estimates, mainly to determine five-year business plans, the long-term growth rate and the discount rate based on the weighted average cost of capital. These assumptions were determined based on an assessment of the economic and financial context in which the various CGUs or groups of CGU operate.

An impairment loss is recognised if the net carrying amount of the CGU or group of CGU exceeds its recoverable amount.

The methodologies adopted in measuring goodwill and trademarks are presented in Notes 7.1, 7.2 and 7.3 to the consolidated financial statements.

We considered the measurement of the recoverable amount of goodwill and trademarks to be a key audit matter due to their materiality in the Group's consolidated financial statements and because the determination of the parameters used to implement impairment tests requires major judgments and estimates by management, especially with regard to the growth rate used for cash flow projections and the applicable discount rate.

Audit response

We obtained an understanding of the key procedures and controls set up by management to conduct impairment tests and particularly to identify the Group's CGUs or groups of CGU and determine the cash flows used to calculate the recoverable amounts.

We analyzed the compliance of the methodology used by the Group with prevailing accounting standards.

We verified the completeness of the items comprising the carrying amount of the CGUs or groups of CGU and the consistency of the carrying amount calculation with how cash flow forecasts were determined for the value in use. We compared the net carrying amount of the assets of each tested CGU or group of CGU with the consolidated financial statements.

We assessed the reasonableness of the cash flow forecasts for the CGUs or groups of CGU, in particular the preparation of the 5-year business plans by management with regard to the economic and financial context of the various geographical locations where the CGUs or groups of CGU operate, by analyzing the reasons for differences between forecasts and past results as well as the consistency of adjusted EBIT projections with management's most recent estimates validated by the Board of Directors.

Regarding the models used to determine the recoverable amounts, we called on our valuation experts to:

- est the mathematical reliability of the models and recalculate their significant values;
- assess the methodologies used to determine the discount and long-term growth rates, compare these rates with market data or external sources and recalculate these rates using our own data sources.

We assessed management's analyses of impairment test sensitivity to a change in the long-term growth rate and discount rates.

Finally, we verified the appropriateness of the disclosures in Notes 7.1, 7.2, 7.3, and 3.4 to the consolidated financial statements, and particularly Note 7.2 which describes the main assumptions used to determine the recoverable amounts and sensitivity analyses.

Revenue recognition

Note 5.1 "Revenue" and 3.4 "Use of judgments and estimates"

Identified risk

In 2022, consolidated revenues amount to 3,404 million euros.

Contracts with customers may include several distinct performance obligations (sales of licenses, software, hardware, maintenance and support, etc.) and may be negotiated for a global price. In this case, the transaction price is allocated to the various performance obligations.

The Group acts as principal or agent depending on the nature of the service obligations, as described in note 5.1. For software and hardware sales, the Group acts as principal and for maintenance and support services, it acts as agent.

In addition, the volume of sales in the last quarter of the year is significantly higher than in previous quarters, on a recurring basis.

In this context, the audit risk related to revenue recognition concerns mainly:

- the correct separation of fiscal years;
- the correct allocation of the price of contracts to the various performance obligations, when they include maintenance and support services. The absence of an explicit allocation with certain customers implies estimates and judgments by Group Management in the context of the application of the provisions of IFRS 15.

Consequently, we considered that the recognition of revenue is a key point of the audit, this aggregate being, moreover, quantitatively significant with regard to the consolidated financial statements.

Audit response

We have reviewed the process implemented by the Group to determine the revenue recognition criteria and our work consisted in particular in:

- Assessing the compliance of the revenue recognition criteria with IFRS 15;
- Assessing the design and application of the internal control procedures relating to revenue flows implemented by the Group;
- Performing audit procedures on information systems and the database used to ensure the correct allocation of revenues to the various performance obligations, and in particular to maintenance and support services. Our information systems specialists have recalculated a portion of the revenue related to maintenance and support services as identified by the Group, which is accounted for in the net margin of transactions.
- Performing substantive testing of sales transactions during the year using sampling techniques to verify the occurrence, accuracy and measurement of the various performance obligations in order to corroborate the estimates and judgments made by the Group within the same contract where applicable, as well as the correct segregation of periods based on evidence of performance of the obligations.

Specific Verifications

We have also performed in accordance with professional standards applicable in France the specific verifications required by law and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report regarding its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated extra-financial performance statement required by Article L.225-102-1 of the French Commercial Code is included in the Group management report, it being specified that, in accordance with Article L.823-10 of this code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verification or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to these consolidated financial statements, our work includes verifying that the tagging of the consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the statutory auditors

We were appointed statutory auditors of Exclusive Networks SA by the Shareholders' Meeting of June 4, 2019 for Deloitte & Associés and April 19, 2021 for Mazars.

As of December 31, 2022, Deloitte & Associés and Mazars were in the 5th and 2nd year of total uninterrupted engagement, respectively, which is the 2nd year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and Audit Approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, March 28, 2023

The Statutory Auditors

Mazars	**Deloitte**
Marc Biasibetti *Partner*	Jean-Marie Le Guiner *Partner*

5.3 Annual accounts of the Company

5.3.1 Financial Statements

Balance-sheet – Assets

	31/12/2022			31/12/2021
Financial period from 01/01/2022 to 31/12/2022 (In thousands of euros)	**Gross**	**Accumulated impairment**	**Net book value**	**Net book value**
Capital subscribed but not called				
Fixed assets				
INTANGIBLE ASSETS:				
Tangible assets:	**2**		**2**	**2**
Land				
Buildings				
Machinery, equipment and industrial tools				
Other tangible assets				2
Tangible assets in progress	2		2	
Advances and instalments				
Financial fixed assets:	**1,034,548**		**1,034,548**	**1,065,574**
Investments in subsidiaries and affiliates	960,065		960,065	978,350
Investment-related receivables				12,922
Other fixed investments				
Loans				
Other financial assets	74,483		74,483	74,302
Total I	**1,034,550**		**1,034,550**	**1,065,577**
CURRENT ASSETS				
Inventories and work in progress:				
Payments on account on orders Prepayments	**253**		**253**	**2**
Receivables:	**4,576**		**4,576**	**6,144**
Trade receivables	2,574		2,574	1,005
Other Receivables	2,002		2,002	5,139
Subscribed capital - called but not paid				
Short-term investment securities:	**2,010**		**2,010**	**500**
Treasury shares – own shares	713		713	99
Other securities				
Marketable securities	1,297		1,297	401
Cash at bank	**67**		**67**	**20**
Prepaid expenses	**258**		**258**	**304**
Total II	**7,164**		**7,164**	**6,971**
Deferred charges (III)				
Loan redemption premiums (IV)				
Currency translation gains/losses and valuation differences - Assets (V)				
TOTAL (I + II + III + IV + V)	**1,041,713**		**1,041,713**	**1,072,547**

Balance-sheet - Liabilities

Financial period from 01/01/2022 to 31/12/2022 (In thousands of euros)	**31/12/2022**	**31/12/2021**
SHAREHOLDERS' EQUITY		
Share capital	7,334	7,318
Share premium, premium from merger and transfer	968,414	968,429
Revaluation variance		
Equivalence difference		
Reserves:		
Legal reserve	732	732
Statutory or contractual reserves		
Regulated reserves		
Others	53,677	74,118
Retained earnings		
Profit/(loss) for the year	(8,736)	(2,112)
Investment grants		
Total I	**1,021,420**	**1,048,485**
Provisions		
TOTAL II		
LIABILITIES		
CONVERTIBLE BONDS		
Other bonds		
LOANS AND DEBTS WITH CREDIT COMPANIES		
Other loans and borrowings		12,832
Advances and instalments received on outstanding orders		
Trade payables	8,006	10,634
Tax and employment related liabilities	1,485	473
Creditors for fixed assets and related accounts		
Other payables	10,743	124
Forward financial instruments		
Deferred income		
Total III	**20,293**	**24,062**
Currency translation gains/losses and valuation differences - Liabilities (IV)		
TOTAL (I + II + III + IV)	**1,041,713**	**1,072,547**

Income statement

Financial period from 01/01/2022 to 31/12/2022 (In thousands of euros)	France	Export	31/12/2022 Total	31/12/2021 Total
Operating income				
Sale of goods				
Sales of services	7,445		7,445	2,948
Revenue	**7,445**		**7,445**	**2,948**
Reversals of provisions (and depreciation), transfer of charges			69	(65)
Other revenues				
Total I	**7,445**		**7,514**	**2,883**
Operating costs				
Other purchases and external expenses			(8,046)	(3,089)
Taxes and similar			(197)	(214)
Wages and salaries			(2,137)	(755)
Social security contributions			(1,324)	(84)
Other expenses			(173)	(97)
Total II			**(11,877)**	**(4,240)**
1. OPERATING INCOME (I - IL)			**(4,363)**	**(1,357)**
Share of joint venture profits/losses:				
Financial income:				
Income from investments in subsidiaries and affiliates			299	22,052
Other securities and fixed asset receivables				
Other interest received and similar			85	
Reversals of provisions and impairment and transfers of costs				
Foreign exchange gains			39	105
Net proceeds on disposals of marketable securities			8	5,345
Total V			**432**	**27,502**
Financial expenses:				
Depreciation, impairment, and provisions				
Interest expenses			(40)	(21,420)
Foreign exchange losses			(140)	(113)
Net expenses on disposals of marketable securities			0	(4,929)
Total VI			**(180)**	**(26,462)**
2. FINANCIAL RESULT (V - VI)			**252**	**1,040**
3. PROFIT/LOSS FROM ORDINARY ACTIVITIES BEFORE TAX (I - II + III - IV + V - VI)			**(4,111)**	**(317)**
Extraordinary income:				
Total VII				
Extraordinary costs:				
Extraordinary costs on revenue transactions			(4,625)	(1,965)
Extraordinary costs on capital transactions				
Extraordinary depreciation, impairment, and provisions				
Total VIII			**(4,625)**	**(1,965)**
4. EXTRAORDINARY PROFIT (OR LOSS) (VII - VIII)			**(4,625)**	**(1,965)**
Employee profit-sharing (IX)				
Corporate income tax (X)				170
Total income (I + III + V + VII)			**7,946**	**30,385**
Total expenses (II + IV + VI + VIII + IX + X)			**(16,681)**	**(32,497)**
PROFIT (LOSS) FOR THE YEAR			**(8,736)**	**(2,112)**

Important information

Activity

Exclusive Networks S.A. (formerly Everest HoldCo SAS) ("the Company") registered since 19 April 2018 operates as a holding company with shareholding interests in any business or company.

The company's registered office is located at 20 Quai du Point du Jour – 92100 Boulogne-Billancourt.

Significant events of the year

On 10 August 2022, the company Exclusive Networks S.A. signed with company Prothin a commercial lease for the office located on the 5th floor of building A and parking spaces at 20 Quai du Point du Jour – 92100 Boulogne-Billancourt. The lease has started on 1 December 2022 for nine years.

On June 21, 2022, the Board of Directors decided to increase the Company capital by € 15,5 thousands by deduction from the "Share premium" and issuance of 193,750 new ordinary shares.

In 2022, Exclusive Networks SA changed its accounting system from SAGE to Oracle Netsuite.

Subsequent event

On 18 January 2023, Mrs Nathalie Bühnemann was appointed Group Chief Financial Officer replacing Mr Pierre Boccon-Liaudet.

Other legal information

Since 25 May 2018, the major shareholder of the Company is Everest UK HoldCo Limited, an English company.

As at 31 December 2022, Everest UK HoldCo Limited owns 57,3% of the Company share capital, HTIVB owns 13,1% and 29.2% of the share capital correspond to the "free-floating part", shares available in compartment A of the regulated market of Euronext Paris and 0.4% is owned by the executive managers.

The financial statements cover the 12-month period from 1 January 2022 to 31 December 2022.

The following notes are an integral part of the annual financial statements.

These financial statements were adopted on 27 March 2023 by the Board of Directors.

Accounting principles and methods

The financial statements for the period ended 31 December 2022 were prepared in accordance with the legal provisions and generally accepted practices in France, and in accordance with ANC Regulation 2018-07 modifying Regulation 2014-03 relating to the revision of the French general chart of accounts.

Unless otherwise specified, the amounts indicated in the notes to the financial statements are expressed in thousand euros.

General accounting conventions have been applied in accordance with the following underlying assumptions:

- going concern;
- continuity of accounting methods from one period to the next;
- independence of financial periods.

The basic method used in the evaluation of accounting items is the historical cost method.

The main methods used are as follows:

Fixed assets

Tangible and intangible assets are valued at their purchase price (incidental costs included) but net of rebates and discounts and excluding financial costs.

Tangible assets are depreciated over their estimated lifetime using the straight-line method:

Type of fixed asset	Duration
Office and computer equipment	3 years
Furniture	5 to 8 years

Fixed assets are, where appropriate, depreciated to take account of their value in use or their market value at the end of the financial year.

Investments in subsidiaries and affiliates and investment-related receivables

Investments in subsidiaries and affiliates are initially recognised at their purchase price, which includes incidental costs. Periodically, and particularly when an inventory is performed, the net carrying amount of the investments is compared with their fair value (value in use).

The value in use is assessed based on muti-criteria methods: portion of net equity of subsidiaries, multiples analysis based on Group key performance indicators, market capitalisation, and net present value of future cash flows based on business plan.

Investment-related receivables are recognised at nominal value. When their realizable value is less than their net carrying amount, an impairment is recorded for the difference between the realizable value and the net carrying amount.

When the fair value of investments in subsidiaries and affiliates and investment-related receivables is less that their net carrying amount, an impairment is initially recorded on the investments in subsidiaries before proceeding to any impairment of the net book value of investment-related receivables.

Given the financial position of the subsidiary and its future outlook, no impairment was recorded for its investments in subsidiaries and affiliates and investment-related receivables as at 31 December 2022.

Other financial assets

Other financial assets are valued at their nominal value.

A provision for depreciation is recorded when the inventory value is less than the net carrying amount.

Receivables and payables

Receivables and payables are valued at their nominal value.

Receivables, where appropriate, are subject to a provision for impairment, to take the credit risk into account. The analysis of the credit risk is individualised. No provision for impairment is recorded on statistical criteria.

Foreign currency transactions

Foreign-currency payables and receivables at the end of the period are converted to their equivalent value in euros, based on the closing rate at that date.

Translation adjustments are stated on the balance sheet under "Translation gains" and "Translation losses". Furthermore, provisions are made for unrealised foreign exchange losses.

Income and expenses in foreign currencies are recognised at their equivalent value on the date of the transaction based on the average exchange rate for the previous month.

Cash and cash equivalents

Cash at bank is recorded at nominal value.

Bank accounts in foreign currencies at the end of the financial year are converted into their equivalent in euros at the closing rate. The foreign exchange differences thus recognised are recorded in the profit and loss statement (foreign exchange gains or losses).

Provisions for contingencies and charges

Provisions are recorded as soon as an obligation exists (either legal or implicit) to third parties resulting from past events whose amount can be reliably estimated and that will likely result in an outflow of resources.

At the closing date, all known claims and litigation involving the Group are examined by the Management and further to advice from the Group's counsel if needed, the provisions are assessed and recognised if necessary to cover the related risks.

The recorded provision corresponds to the Group Management's best estimate to settle the current obligation as at the closing date.

Revenue recognition

Revenue corresponds to services rendered to Group subsidiaries, recognised upon completion of the services.

Extraordinary income and expenses

Extraordinary items are comprised of any unusual events or transactions separate from the business and those that, due to their nature or amount, are not expected to occur frequently or regularly.

5.3.2 Notes to the financial statements

Content

Notes to the financial statements – Assets

Note 1 Fixed assets

The movements of the financial year are detailed in the tables below:

Fixed assets - Gross	Opening	Increase	Decrease	Closing
Concessions and similar rights				
Intangible fixed assets				
General facilities				
Office and computer equipment	2		(2)	
Furniture				
Tangible assets in progress		2		2
Tangible fixed assets	*2*	*2*	*(2)*	*2*
Investments in subsidiaries and affiliates	978,350		(18,285)	960,065
Investment-related receivables	12,922		(12,922)	
Other financial assets	74,302	181		74,483
Financial assets	*1,065,574*	*181*	*(31,207)*	*1,034,548*
TOTAL	**1,065,577**	**182**	**(31,210)**	**1,034,550**

5.

Fixed assets - Depr./ impairment	Opening	Increase	Decrease	Closing
Concessions and similar rights				
Intangible fixed assets				
General facilities				
Office and computer equipment				
Furniture				
Tangible assets in progress				
Tangible fixed assets				
Investments in subsidiaries and affiliates				
Investment-related receivables				
Other financial assets				
Financial assets				
TOTAL				

Fixed assets – Net Booked Value	Opening	Increase	Decrease	Closing
Concessions and similar rights				
Intangible fixed assets				
General facilities				
Office and computer equipment	2		(2)	
Furniture				
Tangible assets in progress		2		2
Intangible fixed assets	*2*	*2*	*(2)*	*2*
Investments in subsidiaries and affiliates	978,350		(18,285)	960,065
Investment-related receivables	12,922		(12,922)	0
Other financial assets	74,302	181		74,483
Financial assets	*1,065,574*	*181*	*(31,207)*	*1,034,548*
TOTAL	**1,065,577**	**182**	**(31,210)**	**1,034,550**

Change in Investments in subsidiaries and affiliates are driven by:

- capital decrease of subsidiary Everest SubBidCo S.A.S.: € 18,285 thousands;
- the offset in intragroup current account of a loan between Exclusive Networks S.A. and Everest SubBidCo S.A.S.: € 12,922 thousand.

Change in Other financial assets is due to the deposit to be paid for the new lease contract.

Note 2 Receivables and Prepaid Expenses

Receivables and Prepaid expenses	Total Amount	< 1 year	> 1 year et < 5 years	> 5 years
Payments on account on orders	253	253		
Trade receivables and other receivables	4,576	4,576		
Prepaid expenses	258	258		
TOTAL	**5,087**	**5,087**		

As at 31 December 2022, the Receivables and Prepaid expenses are composed of:

- Payments on account on orders: € 253 thousands mainly related to payment made to the external auditors;
- Trades receivables: € 4,576 thousands are mainly composed of invoices to be issued for € 2,614 thousands and tax receivables (VAT, Income tax) for € 1,792 thousands;
- Prepaid expenses € 258 thousands mainly related to insurance fees.

Note 3 Short-term investment securities

Short-term investment securities correspond to the liquidity contract signed with Parel S.A., a subsidiary of Société Générale, in charge of managing sales and purchases of Exclusive Networks S.A. shares.

On 30 November 2021, Exclusive Networks S.A. signed a liquidity contract with the agent Parel/Kepler. This contract authorises the Parel agent to buy/sell shares of the Company on behalf of Exclusive Networks S.A. This contract was signed for an initial amount of € 500 thousands.

On 26 September 2022, the Board of Directors of Exclusive Networks S.A. decided to increase by € 1,500 thousands the financial resources allocated to the implementation of the liquidity contract. The amount of allocated resources has now reached the maximum threshold authorised by the Autorité des Marchés Financiers (AMF).

As at 31 December 2022, € 713 thousands (42,884 shares) correspond to own-shares and € 1,297 thousands correspond to available cash.

Notes to the financial statements – Liabilities

Note 4 Share capital

As at 31 December 2022, share capital in terms of number of shares are down as follows:

Changes on shares	Nombre	Val. Nominale	Capital social
At 31 December 2021	91,476,536	0,08	7,318,123
Capital increase	193,750	0,08	15,500
AT 31 DECEMBER 2022	**91,670,286**		**7,333,623**

On 21 June 2022, the Board of Directors decided to increase the company capital by € 15,5 thousands by deduction from the "Share premium" and issuance of 193,750 new ordinary shares.

Note 5 Statement of changes in Shareholders'equity

Items (In thousands of euros)	Opening	Allocation of prior year Net result	Profit/loss for the year	Capital increase	Dividend distribution	Closing
Capital	7,318			16		7,334
Share premium	968,418			(16)		968,414
Legal reserve	732					732
Other reserves	74,118	(2,112)			(18,330)	53,677
Profit/loss for the year	(2,112)	2,112	(8,736)			(8,736)
SHAREHOLDERS' EQUITY	**1,048,485**	**-**	**(8,736)**	**-**	**(18,330)**	**1,021,420**

On 21 June 2022, the Board of Directors decided to distribute a dividend amounting to € 18,330 thousands by deduction from the "Other reserves", meaning € 0,2 by share.

Note 6 Detail of liabilities

Detail of liabilities	Total amount	< 1 year	> 1 and < 5 years	> 5 years
Trade payables	8,006	8,006		
Personnel related liability	880	880		
Social security payables	605	605		
Current account - Everest SubBidCo S.A.S	10,331	10,331		
Other payables	412	412		
Deferred income	60	60		
TOTAL	**20,293**	**20,293**	**-**	**-**

Notes to the financial statements – Income statement

Note 7 Revenue breakdown

Breakdown by business sector	31/12/2022	31/12/2021
Services	7,445	2,948
TOTAL	**7,445**	**2,948**

Breakdown by geographical area	31/12/2022	31/12/2021
France	7,445	2,948
Exports and European Union		
TOTAL	**7,445**	**2,948**

Revenue is generated with Group subsidiaries and corresponds to support services notably from CEO office and other centralised departments.

Note 8 Operating expenses

Operating expenses	31/12/2022	31/12/2021
Other purchases and external expenses	8,046	3,089
Taxes and similar	197	214
Wages and salaries	2,137	755
Social security contributions	1,324	84
Other expenses	173	97
TOTAL	**11,877**	**4,240**

As at 31 December 2022, operating expenses are composed of:

- external expenses of which: audit fees (€ 1,654 thousands), insurance fees (€1,028 thousands), other fees (€4,083 thousands) mainly for temporary staff, IT development and factoring;
- wages and salaries for CEO, CFO and the Board members. The company also paid the forfait social on the capital increase (€558 thousands).

Note 9 Financial result

Financial result	31/12/2022	31/12/2021
Income from investments	**299**	**22,052**
Income from investments in subsidiaries and affiliates	*299*	*22,052*
Other interest received and similar	**85**	
Other financial income	*85*	
Reversals on provisions and expense reclassification		
Foreign exchange gains	**39**	**105**
Foreign exchange gains	39	105
Net income from sales of marketable securities	**8**	**5,345**
TOTAL FINANCIAL INCOME (1)	**432**	**27,502**
Allowances for amort./depr. and provisions		
Interest expenses	**40**	**21,420**
Interests on financing transactions	*40*	*21,420*
Foreign exchange losses	**140**	**113**
Foreign exchange losses	*140*	*113*
Net expenses on sales of marketable securities		**4,929**
TOTAL FINANCIAL EXPENSES (2)	**180**	**26,462**
FINANCIAL RESULT (1) - (2)	**252**	**1,040**

In 2021, Income and expenses on marketable securities and Income from investments in subsidiaries and affiliates corresponded to operations on shares prior to merger and to the IPO. Interests on financing transactions corresponded to interest reimbursement on loan between BidCo and Exclusive Networks S.A. prior to the merger.

Note 10 Extraordinary profit or loss

As at 31 December 2022, the Extraordinary loss amounts to € 4,625 thousands in comparison to € 1,965 thousands as at 31 December 2021. This amount is mainly related to costs incurred post integration of acquisitions for € 4,352 thousands.

Note 11 Increase or decrease in future tax liability

None

Note 12 Off-balance-sheet commitments

Financial commitments given and received

Commitments related to pension obligation

The commitment is calculated for all employee present at the end of the financial year regardless of years of service. It is evaluated using the projected unit credit method based on a retirement age of 65.

As at 31 December 2022, the commitment to retirement benefits amounted to € 7 thousands (vs. €6 thousands at the end of 2021), the primary assumption being the discount rate of 3,16% used for the valuation of the commitments (0,87% in 2021) and salary increase rate of 2.00%.

Note 13 Subsidiaries and equity interests

Subsidiaries and interests	Share capital	Reserves and retained earnings	Share of capital held (%)	Gross value of securities held	Net value of securities held	Loans and advances granted by the Company	Guarantees given by the company	Turnover excl. tax during the last fiscal period ended	Income/ loss during the last fiscal period ended	Dividends received by the Company during the period
A – DETAILED INFORMATION ABOUT SUBSIDIARIES AND SHAREHOLDINGS										
Subsidiaries (over 50% owned)										
Everest SubBidCo S.A.S.[1]	1,095,375,732 €		69%	735,868,224	735,868,224			25,162,108	10,487,001	
Everest UK Finco Ltd[2]	195,209,148 £	23,842,624 £	100%	224,196,587	224,196,587			0	672,477 £	
Shareholdings (10 to 50% of share capital held)										
B – GENERAL INFORMATION ABOUT SUBSIDIARIES AND SHAREHOLDINGS										
Subsidiaries not included under A:										
a) French										
b) Foreign										
Shareholdings not included under A:										
a) French										
b) Foreign										

Additional observations:
1 Everest SubBidCo S.A.S.: 20 Quai du Point du Jour – 92100 Boulogne-Billancourt
2 Everest Uk Finco Ltd: Mill Lane – Alton – Hampshire GU342QJ

Note 14 Related parties

Net values	2022 Related companies	2022 Other related parties	2021 Related companies	2021 Other related parties
Investments in subsidiaries and affiliates	960,065	-	978,350	-
Investment-related receivables		-	12,922	-
Trade debtors and related accounts	2,621	-	1,005	-
Other receivables		-	2,569	-
Miscellaneous receivables - tax consolidation		-		-
Financial debts		-		-
Trade creditors and related accounts	1,134	-	54	-
Other debts	10,331	-		-
Revenues from operations	7,445	-	2,948	-
Financial income	299	-	22,052	-
Financial expenses	-	-	21,393	-
Fees	443		225	-
Other operating income		-		-
Other operating expenses	-	-	-	-

Note 15 Miscellaneous information

Number of Employee

	31/12/2022	31/12/2021
Executives	2	1
Supervisors and technicians		
Employees		
Blue collar workers		
TOTAL	**2**	**1**

Information on executive compensation is provided in the Universal Registration Document.

5.3.3 Statutory auditors' report on the financial statements

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting of Exclusive Networks SA,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Exclusive Networks SA for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the «Statutory Auditors' Responsibilities for the Audit of the Financial Statements» section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments

Notes 2.2 "Equity investments and related receivables", 3.1 "Non-current assets" and 8 "Subsidiaries and affiliates" to the financial statements

Identified risk

As of December 31, 2022, equity investments were recorded for a net amount of €960 million, representing as a whole 92% of total assets.

As stated in Note 2.2 to the financial statements, equity investments are recognised at their purchase price including related acquisition costs.

The value in use of equity investments is determined using multi-criteria valuation methods: share of equity, analysis of multiples based on Group key indicators, market capitalisation and the present value of future cash flows determined using business plans.

At the year-end, an impairment loss is recorded if the carrying amount exceeds the value in use or fair value.

In this context, and given their materiality in the company's balance sheet and the inherent uncertainties surrounding certain items, particularly the probable realisation of forecasts, we considered the measurement of equity investments to be a key audit matter.

Audit response

To assess the reasonableness of the estimated value in use of equity investments, our work consisted mainly in verifying that these estimated values determined by management were based on an appropriate justification of the measurement method and calculation assumptions used. In particular:

- We familiarised ourselves with the methodology used by management to assess the value in use of each equity investment;
- For valuations based on historical data, we verified that the equity and net debt used were consistent with the accounts of the entities that were the subject of an audit or analytical procedures and that any equity adjustments were based on probative documentation;
- For valuations based on forecasts, we obtained the future cash flow projections of the investments and we assessed:
  - their consistency with the business plans drawn up by management and their reasonableness compared to the economic and financial context in which these investments operate,
  - the reasonableness of the assumptions used to determine the discount and long-term growth rates, with the help of our valuation experts;
- We reconciled the values in use adopted by the company with the amount of equity investments by subsidiary.

We also verified that Notes 2.2, 3.1 and 8 to the financial statements provide appropriate disclosure.

Specific verifications

We have also carried out, in accordance with professional standards applicable in France, the specific verifications required by legal and regulatory texts.

Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to the shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information provided in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to compensation and benefits received by the corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from controlled companies included in the consolidation scope. Based on these procedures, we attest to the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the English translation of the financial statements reviewed by the Board of Directors and intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the statutory auditors

We were appointed statutory auditors of Executive Networks SA by the Shareholders' Meeting of June 4, 2019 for Deloitte & Associés and April 19, 2021 for Mazars.

As of December 31, 2022, Deloitte & Associés and Mazars were in the 5th and 2nd year of total uninterrupted engagement, respectively, which is the 2nd year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, March 28, 2023

The Statutory Auditors

Mazars

Marc Biasibetti
Partner

Deloitte

Jean-Marie Le Guiner
Partner

5.4 Maturity of amounts owed to suppliers and from customers

	D.441 I.-1: Overdue invoices from suppliers unpaid on the closing date of the financial year						Article D.441 I.-2: Overdue invoices to customers unpaid on the closing date of the financial year					
	0 days (for information)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**	**0 days (for information)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Overdue by delay												
Number of invoices	0					14						4
Total value of invoices incl. VAT	0 €	0 €	601,237 €	1,385 €	1,156,088 €	1,758,710 €	0 €	0 €	0 €	0 €	5,720 €	5,720 €
ercentage of total purchases of the financial year incl. VAT	0.00%	0.00%	6.42%	0.01%	12.35%	18.79%						
Percentage of sales of the financial year incl. VAT							0.00%	0.00%	0.00%	0.00%	0.08%	0.08%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables/receivables												
Number of invoices excluded												
Total value of invoices excluded incl. VAT												
(C) Method used to calculate overdue invoices (contractual or statutory period – Article L.441-6 or L.443-1 of the French Commercial Code)												
Method used to calculate overdue invoices	Due date of the invoice						Due date of the invoice					

5.5 Last five years financial summary

Period from	01/01/2022	01/01/2021	01/01/2020	01/06/2018	16/04/2018
To	**31/12/2022**	**31/12/2021**	**31/12/2020**	**31/12/2019**	**31/05/2018**
Financial position at the end of the year					
Share capital	7,333,622.88	7,318,122.88	7,317,129.00	7,317,129.00	1.00
Number of common shares outstanding	91,670,286	91,476,541	731,712,944	731,712,944	100
II. Results of operations (in EUR thousands)					
Sales	7,445	2,948	3,699	2,585	0.00
Income before tax, depreciation, amortisation and provisions	(8,804)	(2,217)	32,362	42,475	0.00
Income tax		170	(152)	(2)	0.00
Income after tax, depreciation, amortisation and provision	(8,736)	(2,112)	32,278	42,571	0.00
Dividends	-	18,295	0.00	0.00	0.00
III. Earnings per share (in EUR)					
Income after tax but before depreciation, amortisation and provision	(0.10)	(0.02)	0.04	0.06	0.00
Income after tax, depreciation, amortisation and provision	(0.10)	(0.02)	0.04	0.06	0.00
Net dividend per share	_	0.20	0.00	0.00	0.00
IV. Employee information					
Number of employees	2	1	2	2	0
Total payroll for the year	2,137	755	507	554	0.00
Total benefits paid for the year	1,324	82	184	229	0.00

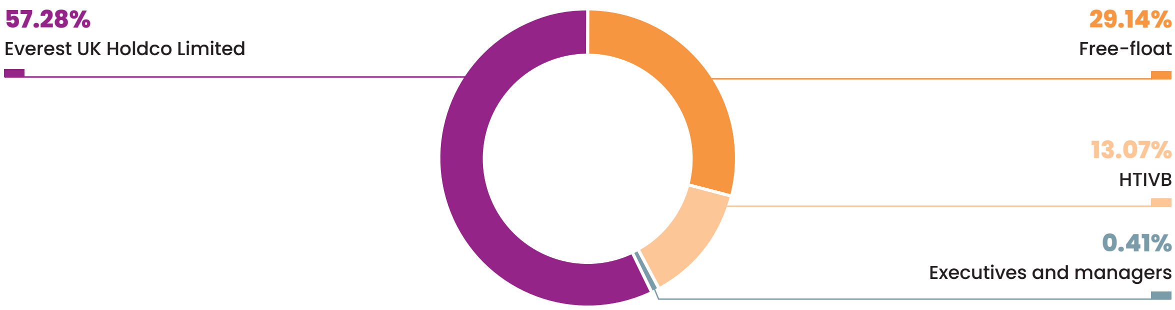
We Are Unique

6. Capital and shareholding

6.1 Shareholding

6.1.1 Company shareholding and voting rights

Major shareholders as at 31 December 2022



Breakdown of the Company's capital and voting rights at the end of the last three financial years

To the best of the Company's knowledge, as at 31 December 2022:

- the number of registered shareholders was 151 individuals or legal entities;
- no shareholder other than those mentioned above held, directly or indirectly, 5% or more of the Company's share capital and voting rights.

	31 December 2020				31 December 2021				31 December 2022			
Shareholders	**Number of shares**	**% of share capital**	**% of share capital and theoretical voting rights**	**% of share capital and exercisable voting rights**	**Number of shares**	**% of share capital**	**% of theoretical voting rights**	**% of exercisable voting rights**	**Number of shares**	**% of share capital**	**% of theoretical voting rights**	**% of exercisable voting rights**
Everest UK HoldCo Limited[1]	569,050,355	77.77	77.77	77.77	52,509,355	57.4	57.4	57.4	52,509,355	57.4	57.4	57.4
HTIVB[1,2]	98,182,558	13.42	13.42	13.42	11,982,095	13.1	13.1	13.1	11,982,095	13.1	13.1	13.1
Executives and managers (Including the Selling Managers)[3]	-	-	-	-	8,370,682	9.2	9.2	9.2	418,809	0.46	0.46	0.46
EM Networks 1[4]	34,466,890[4]	4.71	4.71	4.71	0	0	0	0	-	-	-	-
EM Networks 2[4]	29,262,606[4]	4.00	4.00	4.00	0	0	0	0	-	-	-	-
Treasury shares	-	-	-	-	5,391	NS	NS	0	42,884	NS	NS	0
Other Coinvestors	750,000	0.10	0.10	0.10	-	-	-	-	-	-	-	-
Floating, including:	-	-	-	-	18,609,013	20.3	20.3	20.3	26,717,143	29.14	29.16	29.16
• BPI[5]	-	-	-	-	5,152,977	5.63	5.63	5.63	7,329,803	8.01	8.01	8.01
TOTAL	**731,712,944**	**100**	**100**	**100**	**91,476,536**	**100**	**100**	**100**	**91,670,286**	**100**	**100**	**100**

1 Shareholders who have disclosed that they are bound by a shareholders' agreement (see section 6.1.3 "Shareholders' agreements and other agreements" of this 2022 Universal Registration Document).

2 HTIVB is a Belgian société anonyme with a share capital of €239,700 and having its registered office at Grand Route 2017, B-1428 Braine-l'Alleud, Belgium, registered under number BE 0867.024.206. HTIVB is ultimately controlled by Olivier Breittmayer.

3 In the context of the Initial Public Offering of the Company, the Selling Managers and certain other executives agreed, subject to certain exceptions, not to sell Exclusive Networks shares for a period of 360 calendar days following the settlement of the Initial Public Offering (27 September 2021). The lock-up period ended on 23 September 2022. The shares held by the Selling Managers are now included in the float.

4 In the reorganisation of the Company's share capital structure which preceded the Company's Initial Public Offering, EM Networks 1 (EM1) and EM Networks 2 (EM2) were absorbed by the Company on 27 September 2021. EM 1 & EM 2 shareholders (employees and executives of the Company and its subsidiaries) were granted Company shares as consideration for their contribution, on the understanding that such shares could not be transferred during the 360 days following the Initial Public Offering of the Company, which was until 22 September 2022 inclusive.

5 Through the fund LAC I SLP, on the basis of the legal notification of crossing of the statutory threshold sent to the Company on 13 January 2022.

Exercise of voting rights, double voting rights, voting rights limitations

According to Article 8 of the Company's Bylaws, each share confers, with respect to ownership of the Company's assets, the right to a portion of the Company's profits and net assets in proportion to the percentage of the share capital it represents. In addition, each share carries the right to vote and the right to representation at General Shareholders' Meetings, in accordance with the applicable laws and regulations, and the Company's Bylaws.

The double voting right provided for by Article L. 225-123 of the French Commercial Code is expressly excluded by the Company's Bylaws.

When it is required to hold several shares in order to exercise a particular right, holders who do not have the relevant number of shares shall have no rights against the Company; shareholders have the option to combine shares and, if necessary, to purchase or sell the relevant number of shares.

Interests of Executives and Directors in the capital

See Chapter 4 Corporate governance, section 4.2.1.2 "Composition of the Board of Directors of this 2022 Universal Registration Document.

Stock options

Not applicable.

Arrangements that could lead to a change of control

To the Company's knowledge, there is no agreement as of the date of this 2022 Universal Registration Document the implementation of which might lead to a change of control.

6.1.2 Threshold crossing

6.1.2.1 Article 11 of the Company's Bylaws

Crossing thresholds disclosures made to the AMF in 2022

In addition to the thresholds provided for by applicable laws and regulations, and as long as the Company's shares are listed for trading on a regulated market, any shareholder, acting alone or in concert, who comes to hold, directly or indirectly, a number of shares or voting rights (calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the General Regulation of the French Autorité des Marchés Financiers) equal to or greater than 1% of the Company's share capital or voting rights, must inform the Company within four trading days after crossing such threshold.

The declarant must also specify at the time of such a declaration, their/its identity and that of the natural or legal persons acting in concert with the declarant, the total number of shares or voting rights they hold directly or indirectly, alone or in concert, the number of securities held giving ultimate access to the Company's share capital, the date and origin of the threshold crossing, and, where applicable, the information referred to in the third paragraph of Article L. 233-7 of the French Commercial Code.

Over and above 1%, each upward or downward crossing of 1% of the share capital or voting rights must also be notified to the Company under the conditions set out above.

Failure to comply with the above-mentioned notification obligations regarding statutory thresholds will be sanctioned in accordance with the laws and regulations applicable to a failure to meet the notification obligations regarding legal thresholds upon the request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders holding at least 5% of the Company's share capital or voting rights.

The Company reserves the right to inform the public and the shareholders either of the information disclosed to it or of the failure of the person concerned to comply with the above-mentioned requirement.

6.1.2.2 Disclosure of threshold crossings notified by the AMF in 2022

In 2022, the Company did not receive any disclosures about the crossing of a legal threshold.

6.1.3 Shareholders' agreements and other agreements

On 22 September 2021, Everest UK HoldCo Limited and HTIVB entered into a new shareholders' agreement to govern their relationship as shareholders of the Company (the **"Shareholders' Agreement"**). This Shareholders' Agreement entered into force on 27 September 2021, the date of the settlement and delivery of the shares offered in the Company's IPO, and will remain in full force and effect for so long as Everest UK HoldCo Limited and HTIVB, together with any of their respective affiliates, each hold at least 3% of the Company's share capital and voting rights.

The Shareholders' Agreement stipulates rules of governance and for the transfer of the respective holdings in the Company, including the following:

- in terms of corporate governance:
  - the right for Everest UK HoldCo Limited to appoint (i) three directors for as long as it holds at least 15% of the Company's share capital and voting rights, (ii) two directors for as long as it holds at least 10% of the Company's share capital and voting rights, and (iii) one director for as long as it holds at least 5% of the Company's share capital and voting rights,
  - the possibility for HTIVB to appoint one director for as long as it holds at least 5% of the Company's share capital and voting rights,
  - Everest UK HoldCo Limited and HTIVB each undertake to (i) vote in General Shareholders' Meetings in favour of the appointment of the candidates to a directorship on the Board of Directors of the Company designated by the other party and (ii) instruct its representatives on the Board of Directors to vote in favour of such appointments in the event of any co-option to the Board of Directors,
  - Everest UK HoldCo Limited and HTIVB each undertake to instruct their representatives on the Board of Directors to vote in favour of the appointment of any director designated by the other party on a committee of the Board of Directors,
  - except where otherwise stipulated above regarding the appointment of their respective representatives, Everest UK HoldCo Limited and HTIVB, and their respective representatives on the Board of Directors and committees of the Board of Directors, will freely exercise their voting rights without any voting arrangements;
- stipulations for an orderly sell down pursuant to which:
  - Everest UK HoldCo will be able to initiate a disposal at any time from the date of admission of the shares to trading on Euronext Paris (the "**Admission**"),
  - Everest UK HoldCo Limited shall be consulted in advance of any proposed disposal of shares in the Company by HTIVB for a period of 24 months following Admission (except for customary exceptions),
  - each party will have the right to participate in any disposal initiated by the other party in accordance with the above principle; (this right is prorated between Everest UK HoldCo Limited and HTIVB in accordance with their respective shareholdings at the time of Admission, calculated immediately after the IPO and any disposal completed in the context of the IPO (the **"Agreed Proportions"**). The Agreed Proportions shall thereafter remain fixed for the duration of the Shareholders' Agreement, it being specified however that (x) the Agreed Proportion at the time of a given disposal shall be a maximum and not a minimum for the party which is not at the initiative of the disposal, so that such party will have the option dispose of a lower number of Shares in the context of the proposed disposal compared to its Agreed Proportion, in which case (y) the party proposing the disposal will then have the possibility to sell dispose of a higher number of Company shares so that in aggregate the number of disposed Company shares equals the number of contemplated disposed shares.

Everest UK HoldCo Limited and HTIVB declared that they did not act in concert pursuant to the Shareholders' Agreement and any other contractual or non-contractual arrangements.

- It should be noted that the 180-month share transfer lock-up period (the "**Lock-Up**") referred to in the Securities Note in connection with the Admission of the Company's shares ended on 23 September 2022.

To the Company's knowledge, there are no other agreements likely to have a material impact on the Company's capital in the event of a public offer for the Company's shares.

In accordance with the Shareholders' Agreement, two Directors were appointed on the proposal of Everest HoldCo Holding on 1 September 2021, and HTIVB is represented on the Company's Board of Directors by one Director from that same date (see Chapter 4, section 4.2.1.2 *"Composition of the Board of Directors as at 31 December 2022"* of this 2022 Universal Registration Document).

Following the admission of the Company's shares to trading on Euronext Paris, and to ensure that Everest UK HoldCo Limited does not unfairly use its control of the Company, the Company intends to follow the recommendations of the AFEP-MEDEF Code applicable to controlled companies. In accordance with those recommendations, at least one-third of the members of the Board of Directors are independent Directors. Thus, following the AFEP-MEDEF recommendations on corporate governance, and in particular on the composition of the committees of the Board of Directors, the Company will protect the interests of minority shareholders.

6.1.4 Summary of transactions on the Company's shares performed by senior executives

The following transactions on the Company's shares were carried out in 2022 by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code:

Name	umber of shares purchased	Number of shares sold	Date	Unit purchase price / unit sale purchase (in euros)
Nathalie Bühnemann	2,082[1]	-	1 July 2022	15.37
Nathalie Bühnemann	4,000	-	1 July 2022	15.64
Jesper Trolle	125,000	-	30 June 2022	0[2]
Pierre Boccon Liaudet	50,000	-	30 June 2022	0[2]

1 Shares initially held by Esta Management.
2 Shares acquired under the free share plan initiated on 30 June 2021, vested on 30 June 2022 and subject to a lock-up period.

6.1.5 Items that may have an impact in the event of a public offer

Structure of the Company's share capital	See section 6.1.1 "Company shareholding and voting rights" of this 2022 Universal Registration Document.
Statutory restrictions on the exercise of voting rights and transfers of shares or the provisions of agreements brought to the Company's attention pursuant to Article L. 233-11 of the French Commercial Code.	The Bylaws do not contain any restrictions on the exercise of voting rights or share transfers. The company has not been informed of any contractual clauses pursuant to Article L. 233-11 of the French Commercial Code.
Direct or indirect equity interests in the capital of the Company of which it is aware under Articles L. 233-7 and L. 233-12 of the French Commercial Code.	See section 6.1.1 "Company shareholding and voting rights" of this Chapter 6, which presents the Company's shareholding structure over the last three financial years.
List of holders of any security granting special control rights and the description of those rights and control mechanisms provided for in a potential employee ownership scheme, when the control rights are not exercised by the employees.	None.
Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights.	See section 6.1.3 "Shareholders' agreements and other agreements" of this Chapter 6.
Powers of the Board of Directors in respect of capital increases and share buybacks.	See section 4.5 "Delegations and authorisations granted by the General Shareholders' Meetings in respect of capital increases" in Chapter 4 of this 2022 Universal Registration Document, which presents the delegations and authorisations granted by the General Shareholders' Meetings to the Board of Directors. The share buyback programme and its use in financial year 2022 are described below in section 6.4.5 "Share buybacks" of this Chapter 6.
Rules applicable to the appointment and replacement of the Board of Directors and the amendment of the Company's Bylaws.	The rules applicable to the nomination and replacement of the members of the Board of Directors are set out in Article 12 of the Company's Bylaws and the rules of procedure of the Board of Directors. These statutory provisions are supplemented by a procedure for the selection of Directors applicable to any nomination of a new Director (see section 4.2.3.1 "Procedure for the selection of Directors", Chapter 4 of this Universal Registration Document). The extraordinary general meeting is the only body empowered to amend any of the provisions of the Bylaws (Article 19 of the Bylaws).

Agreements entered into by the Company that are amended or terminated in the event of a change in control of the Company.	At the date of this 2022 Universal Registration Document, the financing agreements entered into by the Company with its financial creditors include clauses with specific provisions in the event of a change in control of Everest SubBidCo SAS, such change of control being defined as (i) any person or group of persons acting in concert (other than, directly or indirectly, Everest HoldCo SAS and/or any of its Subsidiaries, the Directors, officers or management of the Group or Permira Funds and Permira Co-Investors) to gain control of the share capital granting the right to hold more than 50 per cent of the votes at a general meeting of Everest SubBidCo SAS, (ii) the fact that the Company and/or Everest UK FinCo Limited ceases to own directly 100 per cent of the issued share capital of Everest SubBidCo SAS or (iii) a sale (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Group. Accordingly, under the terms of the New Senior Credit Facilities Agreement, it is stipulated that in the event of a change in control, each lender may request the early repayment of all amounts it is owed under the New Senior Credit Facilities Agreement (particularly accrued interest), subject to certain terms and conditions.
Control mechanisms provided for under an employee share ownership scheme.	None.
Agreements providing for indemnifying members of the Board of Directors or employees of the Company if they resign or are dismissed without real and serious cause or if their employment ends due to a public offer.	None, subject to the commitments made by the Company in favour of the chief executive officer (see Chapter 4, sections 4.4.3 “Remuneration items due or paid to the chief executive officer in respect of the 2022 financial year” and 4.4.4 “Remuneration tables – Table 11 of the AMF Commitments made to the chief executive officer and the Chairperson of the Board of Directors” of this 2022 Universal Registration Document).

6.2 Stock market data

Listing market	**Euronext Paris (compartment A)**
Number of shares	**91,476,536**
Par value	**€0.08**
ISIN Code	**FR0014005DA7 EXN**
Market capitalisation at year-end	**€1,657,399**
Highest share price *(in euros)*	**€20**
Lowest share price *(in euros)*	**€13.50**
Share price at end of period *(in euros)*	**€18.08**
Industry classification	**Technologies**

Change in the Company's share price and monthly volumes in 2022

	Share price (€)			Volumes		
	High	**Low**	**Closing price (last day of the month)**	**Number of securities traded per month**	**Daily average securites traded**	**Market capitalisation (end of month)** (€ million)
January	19.41	14.59	14.50	170,018	8,096.1	1,326,410
February	14.89	13.50	14.07	126,526	6,326.3	1,287,075
March	20.00	13.90	17.26	213,451	9,280.5	1,578,519
April	19.98	17.22	18.08	125,093	6,583.8	1,653,896
May	19.80	16.70	17.20	99,335	4,515.2	1,573,396
June	17.84	14.44	14.84	61,827	2,810.3	1,357,512
July	16.60	14.60	15.92	84,797	4,038	1,456,307
August	17.88	15.16	17.26	86,785	3,773.3	1,578,885
September	18.36	13.90	16.30	349,189	15,872.2	1,491,068
October	16.52	15.50	16.26	253,426	12,067.9	1,487,409
November	17.42	15.80	16.72	543,142	25,580.1	1,529,488
December	18.86	16.60	18.08	699,385	33,304	1,657,399

(Source: Euronext Paris)

6.3 Dividends

6.3.1 Dividend distribution policy

The Group is committed to providing an attractive shareholder return, in line with its expectations in terms of value creation resulting from the implementation of its growth strategy. The Group's attractive shareholder return policy includes, but is not limited to, the payment of dividends or the buyback of shares, and it may be adjusted should growth opportunities to complement organic growth arise or should other mechanisms to return value to shareholders be assessed as more compelling.

The amounts of future distributions will be determined on the basis of various factors, including the Company's general business conditions and in particular its strategic objectives, financial position, the opportunities it wishes to pursue and applicable statutory provisions.

At its meeting of 27 February 2023, given the Group's strategic priority to pursue its development, the Board of Directors decided to propose to the next General Shareholders' Meeting, which will be called to approve the financial statements for the year ended 31 December 2022, that no dividend be paid.

6.3.2 Dividend paid over the last three financial years

	2020	2021	2022
Distribution	NONE	NONE	€18.3 million (€0.20 per share)

Time frame for claiming dividends

Dividends not claimed within five years from the payment date are time-barred and must be paid over to the French government.

6.4 Share capital

6.4.1 Share capital subscribed and authorised but not issued

As at the date of this 2022 Universal Registration Document, the Company's share capital amounts to €7,333,622.88, divided into 91,670,286 ordinary shares with a par value of €0.08 each, fully paid-up and all of the same class.

To enable the Company to access the financial market and, if necessary, for the pursuit of the Group's development, the extraordinary general meeting held on 1 September 2021 granted delegations and financial authorisations to the Board of Directors (see Chapter 4, section 4.5 *"Delegations and authorisation granted by the General Shareholders' Meetings in respect of capital increases"* of this 2022 Universal Registration Document).

6.4.2 Non-equity securities

As of the date of this 2022 Universal Registration Document, the Company has not issued any non-equity securities.

6.4.3 Change in share capital over the last three financial years

Date	Type of transaction	Number of shares	Transaction amount (in euros)	Share premium (in euros)	Share capital (before transaction)	Number of shares (before transaction)	Amount of the share capital (after transaction) (in euros)	Par value (in euros)	Number of shares (after the transaction)
As at December 2020							**7,317,129.44**		**731,712,944**
13/09/2021	Share capital increase	24	0.24	0.00	7,317,129.44	731,712,944	7,317,129.68	0.01	731,712,968
13/09/2021	Reverse stock split[1]	0	0.00	0.00	7,317,129.68	731,712,968	7,317,129.68	0.08	91,464,121
27/09/2021	Share capital increase as consideration for asset contribution[2]	6,236,568.00	498,925.44	124,245,517.30	7,317,129.68	91,464,121	7,816,055.12	0.08	97,700,689
27/09/2021	Share capital increase as consideration for asset contribution[3]	3,657,061.00	292,564.88	72,868,503.61	7,816,055.12	97,700,689	8,108,620.00	0.08	101,357,750
27/09/2021	Share capital decrease[4]	- 3,657,826.00	- 292,626.08	0.00	8,108,620.00	101,357,750	7,815,993.92	0.08	97,699,924
27/09/2021	Share capital decrease[5]	- 4,308,362.00	- 344,668.96	0.00	7,815,993.92	97,699,924	7,471,324.96	0.08	93,391,562
27/09/2021	Share capital increase[6]	455,782.00	36,462.56	0.00	7,471,324.96	93,391,562	7,507,787.52	0.08	93,847,344
27/09/2021	Share capital decrease[7]	- 2,375,648.00	- 190,052.00	0.00	7,507,787.52	93,847,344	7,317,735.52	0.08	91,471,696
27/09/2021	Share capital decrease[8]	- 12,995,155.00	- 1,039,612.64	0.00	7,317,735.52	91,471,696	6,278,122.88	0.08	78,476,541
27/09/2021	Share capital increase[9]	13,000,000	1,040,000.00	258,960,000	6,278,122.88	78,476,541	7,318,122.88	0.08	91,476,571
30/06/2022	Share capital increase[10]	193,750	15,500	0	7,318,122.88	91,476,541	7,333,622.88	0.08	91,670,286
AS AT 31 DECEMBER 2022								**0.08**	**91,670,286**

1 Under the Company's reverse stock split 8:1 ratio, the share's par value was multiplied by 8, taking it from €0.01 to €0.08 per share, while the number of shares making up the share capital was divided by 8, taking it to 91,464,121 composed of:
- 14,907,825 ordinary shares per a nominal value of €0.08;
- 5,331,183 preferred shares of category 1 PS1 per a nominal value €0.08;
- 42,735,072 preferred shares of category 2 PS2 per a nominal value of €0.08;
- 28,490,040 preferred shares of category 3 PS3 per a nominal value of €0.08;
- 1 preferred share of category 4 per a nominal value of €0.08.

2 Merger by absorption of EM Networks 1.
3 Merger by absorption of EM Networks 2.
4 Following the cancellation of the Company's treasury shares as a consequence of the completed merger by absorption of EM Networks 1.
5 Following the cancellation of the Company's treasury shares as a consequence of the completed merger by absorption of EM Networks 2.
6 As a result of the conversion of the PS1 shares into ordinary shares.
7 As a result of the conversion of the PS2 shares into ordinary shares.
8 As a result of the conversion of the PS3 shares into ordinary shares.
9 Capital increase in the context of the Company's IPO.
10 Capital increase by capitalisation of reserves in order to cover the free share plan implemented on 30 June 2021 and which vested on 30 June 2022.

6.4.4 Shares held by or on behalf of the Company

As at 31 December 2022, the Company held 42,884 of its own shares.

6.4.5 Share buybacks

Description of share buyback programme

The Combined Ordinary And Extraordinary Shareholders' Meeting held on 21 June 2022 renewed, for a period of 18 months, the authorisation given by the Board of Directors, with the option of sub-delegation, to purchase a number of Company shares representing up to 10% of the Company's share capital, in accordance with Articles L. 22-10-62 et seq. of the French Commercial Code, Articles 241-1 et seq. of the AMF General Regulation and Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse **("MAR Regulation")** and Delegated Regulation (EU) No. 2016/1052 of 8 March 2016 supplementing the MAR Regulation.

Such authorisation may be used in order to carry out the following transactions:

- cancel shares subject to the adoption of the resolution authorising cancellation of the shares by the Extraordinary Shareholders' Meeting;
- meet obligations arising from stock option programmes, or other allocations of shares to employees or corporate officers of the Company or of an affiliated company;
- provide shares upon the exercise of rights attached to securities giving access to the share capital of the Company;
- ensure that there is a market or liquidity for the shares of the Company through an accredited financial services provider under a liquidity agreement, in accordance with a market practice recognised by the AMF;
- carry out any market practice authorised by the law or by the AMF;
- remit shares in connection with external growth transactions.

Shares may be bought, sold, or transferred by all means, on regulated markets or multilateral trading facilities, through systematic internalisers or over the counter, including through block trades or derivative financial instruments, in accordance with applicable laws and regulations.

The portion of the buyback programme that can be carried out through block trades may represent the entire programme. The total amount allocated to the share buyback programme shall not be greater than €100,000,000.

Under this programme, purchases, sales or transfers of the Company's shares may take place at any time in accordance with legal and regulatory requirements, with the exception of public offers for the purchase or exchange of the Company's shares.

The Board of Directors may decide and implement this authorisation, specify, if necessary, the terms and conditions and, more generally, do whatever is necessary for the successful completion of the planned transactions.

Use of the share buyback programme

The only use made of the share buyback programme during the financial year ended 31 December 2022 was in connection with the liquidity agreement managed by Kepler Chevreux. The half-year statement of the liquidity agreement is available on the Exclusive Networks Group's website (www.exclusive-networks.com).

Transactions conducted by the Company under the share buyback programme	
Treasury shares held as at 31 December 2021	5,391
Number of shares purchased in 2022	110,596
Number of shares sold in 2022	73,103
Number of shares cancelled in the last 24 months	0
Treasury shares held directly and indirectly as at 31 December 2022	42,884*

* As at 31 December 2022, the Company's 42,884 treasury shares were fully allocated for liquidity purposes.

At the Combined General Meeting called for 8 June 2023, Shareholders will be asked to end the 12th resolution approved by the General Meeting of 21 June 2022 and to vote on a new authorisation to be granted to the Board of Directors to trade in the Company's shares under a share buyback programme.

In addition, as per the press releases of 28 February 2023 and 20 March 2023, the Board of Directors has decided to implement a share buyback programme in accordance with the 12th resolution approved during the Annual General Meeting of 21 June 2022. In this context, the Company signed an agreement with an investment services provider for a maximum amount in the region of €25 million. The shares will be acquired for the purpose of delivery as part of management package plans such as the granting of long-term incentive plans represented by free performance shares and acquisition transactions. The price of shares purchased under this mandate shall not exceed the limit of €30 set by the General Meeting of 21 June 2022.

6.4.6 Liquidity agreements

On 6 December 2021, Exclusive Networks SA entered into a liquidity agreement with Kepler Chevreux, which complies with the Code of Conduct issued by the French Association of Financial Market Professionals (Association française des marchés financiers – AMAFI) on 8 March 2011. This liquidity contract entered into force on 6 December 2021 for an initial period of 12 months renewable by tacit renewal for successive periods of 12 months.

As part of the implementation of this liquidity contract, a total of €500,000 was credited to the liquidity account to fund these market-making transactions.

During financial year 2022, the amount of resources allocated to the liquidity contract was increased to €2 million.

6.4.7 Other securities giving rights to share capital

None.

6.4.8 Terms of any acquisition rights and/or any obligation over authorised but unissued capital

See Chapter 4, section 4.4.4 *"Remuneration tables"* – AMF Table 10 (Record of free shares awarded). Reference to performance shares.

6.4.9 Share capital of any member of the Group who is the subject of an option or of an agreement to put it under option

6.

At the date of this 2022 Universal Registration Document, there is no share capital of the Company or its subsidiaries under option or covered by a conditional or unconditional agreement to be put under option.

6.5 Financial Calendar

4 May 2023	Q1 2023
8 June 2023	General Shareholders' Meeting
3 August 2023	2023 Half results
7 November 2023	Q3 2023

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7. Additional Information

7.1 Legal information

7.1.1 Legal and commercial name of the Company

The corporate name of the Company is Exclusive Networks SA.

7.1.2 Registration location and number and LEI

The Company is registered with the Nanterre Trade and Companies Register (RCS Nanterre) under number 839 082 450.

The LEI number of the Company is the following: 969500GFM1C4M1KMPL74.

7.1.3 Date of incorporation and term of the Company

The Company was incorporated on 19 April 2018. The Company's term is 99 years from the date of its registration subject to early dissolution or extension.

The Company has a financial year of 12 months, beginning on 1 January and ending on 31 December of each year.

7.1.4 Registered office, legal form and applicable legislation

The Company's registered office is located at 20, Quai du Point du Jour, 92100 Boulogne-Billancourt , France. The phone number of the registered office is +33 (0)1 41 31 53 04.

The Company is a *société anonyme* (public limited company) incorporated under French law. It was formerly a *société par actions simplifiée* (simplified company limited by shares). A general meeting of the Company's shareholders held on 1 September 2021 approved the conversion of the Company into a French *société anonyme*.

The address of the Company's website is: www.exclusive-networks.com. The information provided on the Company's website is not part of this 2022 Universal Registration Document and has not been reviewed or approved by the AMF.

7.2 Bylaws

The Company's Bylaws were prepared in accordance with the laws and regulations applicable to French limited liability companies with a Board of Directors *(société anonyme à Conseil d'Administration)*. The main provisions of the Bylaws described below, applicable since the Company's IPO, have been extracted from the Company's Bylaws, in the version adopted by the general meeting of 1 September 2021, and updated following the capital increase of 30 June 2022.

7.2.1 Corporate purpose (Article 3 of the Bylaws)

The purpose of the Company, in France and abroad, directly or indirectly, is to:

- acquire, hold, manage and dispose of securities giving rights, directly or indirectly, immediately or in the future, to the capital, in any form whatsoever, of other companies; to acquire securities, rights and assets through investment, contribution, subscription, underwriting, purchase or purchase option, negotiation and any other manner, and to acquire, manage and develop patents and licences. The Company may borrow and raise funds, including borrowing money in any form and obtaining loans in any form and raising funds through the issuance of bonds and any other convertible or non-convertible debt or equity securities, for the purpose described above;
- manage the Company's cash, in particular through the acquisition, subscription, holding and/or sale of securities in undertakings for collective investment in transferable securities (UCITS) and cash investment funds;
- grant any security interests, guarantees and, more generally, any operation authorised under the terms of Article L. 511-7, 3° of the French Monetary and Financial code;
- provide consulting and assistance services in financial, accounting, legal, tax, technical, administrative, commercial and/or IT matters, and in the negotiation of all types of contracts, and to provide any other services to companies, entities or groups;
- more generally, to carry out all financial, commercial, industrial, real estate and/or personal property transactions that may be related, directly or indirectly, to the above-mentioned purposes or to any other related or complementary purpose.

7.2.2 Administrative and management bodies (Articles 12 to 18 of the Bylaws and Articles 1 to 4 of the Internal Rules of the Board of Directors)

Board of Directors

The description below summarises the main provisions of the Company's Bylaws governing the Board of Directors, in particular its mode of operation and its powers.

In addition to the provisions relating to the Board of Directors mentioned below, the Internal Rules of the Board sets out how the Board of Directors' committees are organised, as well as define their powers and responsibilities (see Chapter 4, section 4.2.7.1 *"Internal Rules"* of this 2022 Universal Registration Document).

The Company's Bylaws and the Internal Rules of the Board of Directors can be consulted on the Company's website: www.exclusive-networks.com.

Composition of the Board of Directors

The Company is governed by a Board of Directors composed of at least three (3) members and no more than eighteen (18) members, subject to the exceptions provided for by applicable laws and regulations.

Appointment and term of office of Directors

Directors are appointed for a four-year term of office. By way of exception, the General Shareholders' Meeting may appoint one or more Directors for a different term not exceeding six years or reduce the term of office of one or more serving Directors to a period of less than four years, in order to allow for a staggered renewal of Directors' terms of office.

When a Directors is appointed, in accordance with the applicable laws and regulations, to replace another Director, he/she shall hold office only for the remainder of the predecessor's term.

The term of office of a Director expires at the end of the General Shareholders' Meeting convened to approve the financial statements for the previous financial year and held during the year in which the term of office of said Director expires.

Chairperson of the Board of Directors

The Board of Directors elects a Chairperson from among the members of the Board who are natural persons and determines the term of office, the duration of which may not exceed the Director's term.

The Chairperson organises and manages the work of the Board of Directors and reports on its work to the General Shareholders' Meeting. The Chairperson oversees the proper functioning of the Company's governing bodies and ensures that the Directors are able to carry out their duties.

Powers of the Board of Directors

The Board of Directors defines the Company's strategic orientation and monitors its implementation, taking into account the social and environmental implications of its activity. Subject to the powers expressly granted to the General Shareholders' Meeting and within the limit of the Company's corporate purpose, the Board of Directors deliberates on any question affecting the proper operation of the Company and settles matters though its deliberations.

Notice of meeting and Board of Directors meetings

The Board of Directors meets as often as necessary in the Company's interest on a notice from its Chairperson by any means, even verbally in the case of an emergency. A meeting can be convened at the request of the Directors or the chief executive officer under the conditions provided for by applicable laws and regulations.

The meetings of the Board of Directors take place at the Company's registered office or at any other place indicated in the notice of meeting.

Except in the cases excluded by applicable laws and regulations, the Internal Rules of the Board of Directors may stipulate that the Directors who participate in the meeting of the Board of Directors by means of videoconference or telecommunications equipment meeting the technical specifications required by applicable laws and regulations are deemed to be present for the calculation of the quorum and the majority.

The Board of Directors sets its operating procedures in the Internal Rules in accordance with the applicable laws and regulations and the Company's Bylaws. It can decide to create committees charged with studying questions that the Board of Directors or its Chairperson submit to their review. The composition and powers of each of these Committees, which carry out their activities under its responsibility, are set by the Board of Directors in its Internal Rules.

Executive Management

Organisation of the Executive Management

At the option of the Board of Directors, the Company may be managed either by the Chairperson of the Board of Directors or a natural person appointed by the Board of Directors with the title of chief executive officer.

The Board of Directors determines the term of the chief executive officer's appointment.

Chief Executive Officer

If the Chairperson of the Board of Directors is in charge of the Company's general management, the legal, regulatory and Bylaws provisions concerning the chief executive officer apply to the Chairperson.

The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, as limited by the corporate purpose of the Company and those powers that the applicable laws and regulations expressly confer to Shareholder's Meetings and to the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is also bound by acts of the chief executive officer that are not within the Company's corporate purpose, unless the Company can prove that the third party knew that such act went beyond the Company's corporate purpose or could not have been unaware it given the circumstances; publication of the Bylaws is not sufficient to constitute such proof.

Deputy chief executive officers

On the proposal of the Chief Executive Officer, the Board of Directors may appoint up to five natural persons to assist the chief executive officer with the title of Deputy chief executive officer.

The Deputy Chief Executive Officer(s) may be removed at any time by the Board of Directors only and on the recommendation of the chief executive officer.

If the Chief Executive Officer ceases or becomes unable to perform his or her duties, the Deputy chief executive officer(s) will retain those duties and powers until the new chief executive officer is appointed, unless otherwise decided by the Board of Directors.

The Board of Directors determines with the Chief Executive Officer the scope and duration of the powers granted to the Deputy chief executive officer(s). The Deputy chief executive officer(s) have the same powers with regard to third parties as the chief executive officer.

7.2.3 General Shareholders' Meeting (Article 19 of the Bylaws)

General Shareholders' Meetings are convened and held in accordance with the applicable laws and regulations.

Any shareholder has the right to attend general meetings and participate in the deliberations personally or through an agent, under the conditions defined by the applicable laws and regulations, with proof of identity and the ownership of shares.

On decision of the Board of Directors published in the notice of meeting to use such telecommunications methods, shareholders who attend the meeting via videoconference or other telecommunication or electronic transmission methods, including the Internet, which allow identification under the conditions required by the applicable legal and regulatory provisions, are deemed present for the calculation of quorum and majority.

On the decision of the Board of Directors, any shareholder may vote remotely or give his/her proxy, pursuant to applicable laws and regulations, using a form prepared by the Company and sent to the Company under the conditions defined by the applicable laws and regulations, including electronic or broadcast transmission methods. This form must be received by the Company in accordance with the applicable laws and regulations.

General meetings are chaired by the Chairperson of the Board of Directors, or in his/her absence, by a Director specifically delegated for this purpose by the Board of Directors. If not, the general meeting elects its own chairperson.

7.2.4 Rights, preferences and restrictions attached to shares (Articles 7, 8 and 9 of the Bylaws)

Fully paid-up ordinary shares shall be in registered or bearer form, at the shareholder's option, under the conditions provided for by applicable laws and regulations.

Each share confers the right to a share of the Company's profits and net assets in proportion to the percentage of the share capital it represents. In addition, each share carries the right to vote and the right to representation at General Shareholders' Meetings, in accordance with the applicable laws and regulations, and with the Company's Bylaws.

The double voting right provided for by Article L. 225-123 of the French Commercial Code is expressly excluded.

When it is required to hold several shares in order to exercise a particular right, holders of isolated shares or holders who do not have the relevant number of shares shall have no rights against the Company, the shareholders being responsible in this case for grouping and, as necessary, the purchase or sale of the relevant number of shares.

Shares are indivisible with regard to the Company. Joint owners of shares must arrange to be represented by one of them or by a common agent of their choice in all dealings with the Company. If shares are subject to beneficial ownership, this should be indicated when they are entered in the share register.

Shares, whether in registered or bearer form, are freely negotiable, unless otherwise provided by applicable laws or regulations. Shares are registered in an account, and their transfer shall be carried out by transfer from one account to another, under the conditions provided for by applicable laws and regulations.

7.2.5 Modifications of the rights of shareholders

The rights of shareholders may be modified in accordance with applicable laws and regulations.

The Bylaws do not contain any particular provisions with respect to modification of the rights of the shareholders that are more stringent than the law.

7.2.6 Share transfers

There is no clause in the Bylaws that restricts transfers, with the exception of rules relating to the prevention of insider trading imposing restrictions on share transfers (blackout periods related to financial publications and prohibition on the sale of shares granted under the mechanism provided for in Article L. 225-197-1 of the French Commercial Code), as well as rules requiring corporate officers to retain shares throughout their term of office (see Chapter 6, section 6.1.5 *"Items that may have an impact in the event of a public offer"*).

7.2.7 Changes in the share capital of the Company

The Bylaws do not contain any particular provisions with respect to modification in the share capital of the Company.

7.2.8 Provisions that may delay, postpone or prevent a change of control of the Company

The Bylaws and the Internal Rules of the Board of Directors do not contain any provisions that delay, postpone or prevent a change of control of the Company.

7.2.9 Identification of securities holders

The Company may at any time make use of all applicable laws and regulations to require the identification of holders of securities conferring the right to vote immediately or in the future at its General Shareholders' Meetings.

7.3 Information concerning the statutory auditors

Deloitte & Associés

Member of the Compagnie régionale des Commissaires aux comptes de Versailles et du Centre (the Regional Association of Auditors of Versailles and Centre).

6, place de la Pyramide
92908 Paris la Défense Cedex

Represented by Jean-Marie Le Guiner.

Date of appointment: 4 June 2019.

End of term of office: General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2023.

Mazars

Member of the Compagnie régionale des Commissaires aux comptes de Versailles et du Centre (the Regional Association of Auditors of Versailles and Centre).

Tour Exaltis – 61, rue Henri-Regnault
92075 Paris la Défense Cedex

Represented by Marc Biasibetti.

Date of appointment: 19 April 2021.

End of term of office: General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2026.

7.4 Documents available to the public

The Company's Bylaws, the minutes of general shareholders' meetings and other statutory documents, as well as any valuation or statement made by an independent expert at the Company's request, which must be made available to shareholders in accordance with applicable regulations, may be consulted at the Company's registered office.

Information is available on the Company's website (www.exclusive-networks.com).

7.5 Persons responsible

7.5.1 Person responsible for the Universal Registration Document

Jesper Trolle, Chief Executive Officer of the Company.

7.5.2 Declaration by the person responsible for the Universal Registration Document

"I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no material likely to affect its import.

I also declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the Management Report (here attached) gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted".

Boulogne-Billancourt, 24 April 2023

Jesper Trolle

chief executive officer

7.5.3 Contact person for the financial information

Nathalie Bühnemann, Chief Financial Officer of the Company.

7.6 Third-party information, experts' reports and declarations of interests

This Universal Registration Document contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, including market studies commissioned by the Company from Bain & Company, Inc. (the "Company Market Study") and information otherwise obtained from International Data Corporation (IDC), AV-Test, Canalys, Cleveland Research Corporation, Crunchbase, Cybersecurity Ventures, Hampleton, Momentum Cybersecurity Group, Morgan Stanley, PitchBook and World Economic Forum (together with the Company Market Study, the "Market Reports"). Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain, no facts have been omitted which would render the reproduced information provided inaccurate or misleading.

With respect to statements based on the Company's analysis or calculations of such information, the Company cannot guarantee that another party using different methods to analyse or calculate the data on these markets would obtain the same results.

7.7 Intellectual property

The Group's portfolio of intellectual property and rights consists of a limited portfolio of brands, trademarks, domain names and licences.

Brand and Trademark Licences

The Group's significant brands and trademarks are Exclusive Networks and Exclusive On Demand (X-OD).

In addition, the Group continuously monitors the brands registered by third parties in order to take action if a trademark is damaging to the Group.

Domain Names

The principal domain names registered by the Group are exclusive-networks.com, supervadnet.com, x-od.com, itec-is.com, exclusive-networks.de and exclusive-capital.com, ignition-technology.com, ignition-technology.uk and ignition-technology.eu.

The Group's domain names are all reserved and hosted by the same service provider and renew automatically.

7.8 Material contracts

None.

Glossary

2021 Consolidated Financial Statements
The Group's consolidated financial statements for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union (EU) on 31 December 2021

2022 Consolidated Financial Statements
The Group's consolidated financial statements for the year ended 31 December 2022, prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union (EU) on 31 December 2022

Adjusted EBIT
Recurring operating profit before amortisation of intangible assets, as adjusted for certain costs that do not impact the day-to-day operations and which are of an unusual nature. These include information system implementation costs, restructuring costs, costs relating to the allocation of free shares and certain one-time costs

Adjusted EBIT as a percentage of Net Margin
Adjusted EBIT divided by Net Margin

Adjusted EBITDA
Adjusted EBIT restated for depreciation, amortisation and impairment

Adjusted Net Income
Net income restated for non-GAAP and non-recurring operating income and expenses, net of taxes

AEB
A trade compliance management tool that is one of the company AEB's solutions for shipping, customs clearance, import/export management, sanctions list screening and export controls (Source: https://www.aeb.com/en).

AMF
Autorité des marchés financiers, the French Financial Markets Authority

APAC
Refers to the Asia-Pacific region

ASC
Authorised Support Centre

BIS
Bureau of Industry and Security. Part of the U.S. Department of Commerce

CAGR
Compound Annual Growth Rate: a statistical measure for estimating the average annual growth between two dates

CapEx
Operating capital expenditure

CASB
Cloud Access Security Broker (CASB): a software tool or service that sits between an organisation's on-site infrastructure and a cloud service provider's infrastructure. The CASB is a gatekeeper that enables the organisation to extend the reach of its security policies beyond its own infrastructure

CDC
Cyber Defence Council, composed of our Global Vendor Alliances SVP, the CSOs of our specialist subsidiaries Ignition and Nuaware, our CISO, the Group's engineers and the Group's IT Infrastructure Director, which meets on a monthly basis to discuss best practices across the regions, new technology, cybersecurity solutions coming to the market, network monitoring, fraudulent access attempts (if any, the specific business case is reviewed), sometimes cyber surveillance and many other cybersecurity topics

Churn Rate
The percentage of salespeople generating over €1 million of revenue in a given year but then generating less than 95% of the revenue from said year in the following year

CORE
Commercial & Operations Roadmap for Excellence. The plan launched in September 2018 to harmonise processes and systems around the globe through the deployment of the Oracle solution NetSuite and hosting on the cloud

Dual-use items
Sensitive assets (items, equipment, software, technology, intangible expertise) with one or more civilian and military (proliferation, traditional weapons or weapons of mass destruction) applications. For this reason, they are state-controlled by way of special laws and regulations and may be subject to authorisation prior to export

EAR
Export Administration Regulations. The U.S. Export Administration Regulations (EAR, 15 C.F.R. section 730 et seq.)

EBITDA
Recurring operating profit restated for depreciation, amortisation and impairment

EFH
Refers to Exclusive France Holding SAS

EMEA
Refers to the Europe, Middle East, and Africa region

ERP
Enterprise Resource Planning. The program located on cloud, regional and local servers

Euronext Paris
Refers to the regulated market of Euronext Paris

EXN TAC
Exclusive Networks Technical Assistance Centre

GDPR
Refers to the Regulation (EU) 2016/679 of the European Parliament and of the Council of 25 May 2016 on Data Protection

Gross Sales
Revenue recognised by the Group on a gross basis for each revenue stream, net of returns, discount and rebates

Group
Refers to (i) the Company, its consolidated subsidiaries, branches and its direct and indirect equity interests, collectively, or (ii) prior to the date of incorporation of the Company, Exclusive France Holding SAS, its consolidated subsidiaries, branches and its direct and indirect equity interests, collectively

GSO
Global Service Operations. The professional services operations carried out worldwide, an offer including installations, deployments, releases and maintenance, as well as the full lifecycle available to the Group's resellers as and when needed

HoldCo
Everest HoldCo S.A.S., the former name of Exclusive Networks S.A. when it was a société par actions simplifiées (simplified joint stock corporation)

IaaS
Infrastructure as a Service. IaaS is one of the four components of **Cloud Computing**, the others being:

- SaaS (Software as a Service);
- DaaS (Desktop as a Service); and
- PaaS (Platform as a Service).

IaaS is a platform that hosts information resources online in a virtual environment such as a cloud. It enables a third-party vendor to host other companies' servers and resources

IFRS
International Financial Reporting Standards

IOR
Importer of Record. An authorised entity responsible for ensuring that exported goods comply with legal requirements and regulations in the country of import

IoT
Internet of Things. The methods of protection used to secure internet-connected or network-based devices

IPO
Initial public offering of the Company's shares on the Euronext Paris market

IPO Price
The price of the shares offered in the proposed IPO

Market Reports
Market studies commissioned by the Company from Bain & Company, Inc. and information otherwise obtained from International Data Corporation (IDC), Gartner, AV-Test, Crunchbase, Cybersecurity Ventures, Hampleton, Momentum Cybersecurity Group, PitchBook, Canalys and Cleveland Research Company

MSSD
Managed Security Services Distributor. The Group's managed security service dedicated to creating value within the distribution channel

MSSP
Managed Security Services Provider. The Group's managed security service dedicated to creating value within the distribution channel for the needs of our MSSDs and VARs

Net Debt
Bank borrowings, bank overdrafts, short-term loans and factoring liabilities, less cash and cash equivalents

Operating FCF before Tax
Net income deducted from Net financial income/ expense, Income Tax, Depreciation, amortisation, impairment and provisions, Gains/losses on disposal of fixed assets, Other non-cash items, Change in Net Working Capital trade and Net Operating CapEx and Repayment of lease liabilities.

OpEx
Operational expenditure required for the day-to-day functioning of a business, as opposed to CapEx

Permira VI
Refers to the Permira VI Fund

Renewal Rate
The gross sales generated in year N from vendors or customers active in year N-1 divided by gross sales from the same vendors or customers in year N-1

SIs
System Integrators. Businesses specialised in the organisation of sub-systems that form the component parts of systems. They also ensure that those sub-systems work together, a practice known as system integration, on a global scale

Telcos
Telecommunications companies, providing telecommunications services such as telephony and data communications access

VARs
Value-added resellers. These resell vendor products along with complementary products or services (e.g. installation and consulting)

X-OD
Exclusive On Demand, the platform that enables resellers to subscribe to the solutions offered by the Group's vendors

Cross-reference tables

Cross-reference table for the Universal Registration Document

The following cross-reference table aims to facilitate access to the sections of this Universal Registration Document that describe the information referred to in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or chapter
1	**Persons responsible, third-party information, experts' reports and competent authority approval**	7
1.1	All persons responsible for the information or any parts of it, given in the Universal Registration Document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	7.5.1
1.2	A declaration by those responsible for the Universal Registration Document that to the best of their knowledge, the information contained in the Universal Registration Document is in accordance with the facts and that the Universal Registration Document makes no omission likely to affect its import.	7.5.2
1.3	Where a statement or report attributed to a person as an expert, is included in the Universal Registration Document, provide the following details for that person: (a) name; (b) business address; (c) qualifications; (d) material interest if any in the issuer. If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the Universal Registration Document with the consent of the person who has authorised the contents of that part of the Universal Registration Document for the purpose of the prospectus.	N/A
1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	7.6
1.5	A statement that: (a) the Universal Registration Document has been approved by the French Financial Markets Authority, as competent authority under Regulation (EU) 2017/1129; (b) the French Financial Markets Authority only approves this Universal Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; (c) such approval should not be considered as an endorsement of the issuer that is the subject of this Universal Registration Document.	Cover page
2	**Statutory Auditors**	7
2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	7.3
2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A
3	**Risk Factors**	2

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or chapter
4	**Information about the issuer**	7.1
4.1	The legal and commercial name of the issuer	7.1.1
4.2	The place of registration of the issuer, its registration number and legal entity identifier ("LEI")	7.1.2
4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite	7.1.3
4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	7.1.4
5	**Business overview**	1.5
5.1	Principal activities	1.5 1.5.3
5.1.1	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information.	1.5.2 1.5.3
5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of their development	1.5.2 1.5.3
5.2	Principal markets A description of the principal markets in which the issuer competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.	1.5.1
5.3	The important events in the development of the issuer's business.	5.4
5.4	Strategy and objectives A description of the issuer's business strategy and objectives, both financial and extra-financial (if any). This description shall take into account the issuer's future challenges and prospects.	Introduction 1.3
5.5	If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.	7.7
5.6	The basis for any statements made by the issuer regarding its competitive position.	1.4.2 1.4.3
5.7	Investments	1
5.7.1	Main investments	1.6
5.7.2	Material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).	1.6.1 1.6.2
5.7.3	Joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	1.6.1
5.7.4	Environmental issues that may affect the issuer's utilisation of the tangible fixed assets.	3.5
6	**Organisational structure**	1
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	1.7.1
6.2	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.	1.7.2

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or chapter
7	**Operating and financial review**	5
7.1	Financial condition	Introduction – 5.1
7.1.1	To the extent not covered elsewhere in the Universal Registration Document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes. The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business. To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, extra-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.	Introduction – 5.1.
7.1.2	To the extent not covered elsewhere in the Universal Registration Document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of: (a) the issuer's likely future development; (b) activities in the field of research and development. The requirements set out in item 7.1 may be satisfied by the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU of the European Parliament and of the Council.	1.3 1.5
7.2	Operating results	5.1
7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations and indicate the extent to which income was so affected.	5.1
7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	5.1
8	**Capital resources**	5.1.3
8.1	Information concerning the issuer's capital resources (both short term and long term).	5.1.3
8.2	An explanation of the sources, amounts of and a narrative description of the issuer's cash flows.	5.1.3
8.3	Information on the borrowing requirements and funding structure of the issuer.	5.1.3
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	5.1.3
8.5	Information regarding the anticipated sources of funds needed to fulfil current commitments.	5.1.3 5.2 Note 10 5.2 Note 12 5.2 Note 14
9	**Regulatory environment**	1
9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	1.5

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or chapter
10	**Trend information**	5
10.1	A description of: (a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Universal Registration Document; (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the Universal Registration Document, or provide an appropriate negative statement.	5.1.4.1
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	5.1.4.2
11	**Profit forecasts or estimates**	N/A
11.1	Profit forecast or a profit estimate.	N/A
11.2	Statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.	N/A
11.3	Statement that the profit forecast or estimate has been compiled and prepared on a basis comparable with the historical financial information and consistent with the issuer's accounting policies.	N/A
12	**Administrative, management and supervisory bodies and senior management**	**4**
12.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital; (c) founders, if the issuer has been established for fewer than five years; (d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business. Details of the nature of any family relationship between any of the persons referred to in points (a) to (d). In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information: (a) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies; (b) details of any convictions in relation to fraudulent offences for at least the previous five years; (c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years; (d) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. If there is no such information required to be disclosed, a statement to that effect is to be made.	4.1.3 4.2.2
12.2	Conflicts of interests	4.2.6

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or chapter
13	**Remuneration and benefits**	4.
13.1	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the persons referred to in point 12 by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.	4.4
13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits.	4.4
14	**Board practices**	4
	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 12.1.	
14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	4.2.1 4.2.2
14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.	4.2.3 4.6.2
14.3	Information about the issuer's Audit Committee and Remuneration Committee, including the names of committee members and a summary of the duties carried out by the Committees.	4.2.8
14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	4
14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition (in so far as this has been already decided by the board and/or shareholders meeting).	4.2.1
15	**Employees**	3
15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the Universal Registration Document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	3
15.2	Shareholdings and stock options With respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1, provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	6.1 3.4.4 4.2.2 4.4.4 5.2 Note 18
15.3	Description of any arrangements for involving the employees in the capital of the issuer.	3.4.4 4.4.4
16	**Major shareholders**	6
16.1	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as at the date of the Universal Registration Document or, if there are no such persons, an appropriate statement to that effect that no such person exists.	6.1.1
16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.	6.1.1
16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	6.1.1
16.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	6.1.3

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or chapter
17	**Related party transactions**	4.6 5.2 Note 19.4
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	5
18.1	Historical financial information	
18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.	5.2 – 5.3
18.1.2	Change of accounting reference date If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.	N/A
18.1.3	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with: (a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002, the financial statements shall be restated in compliance with that Regulation.	5.2 Note 3 and 5.3
18.1.4	Change of accounting framework The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the Universal Registration Document. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.	N/A
18.1.5	Where the audited financial statements is prepared according to national accounting standards, it must include at least the following: (a) the balance sheet; (b) the income statement; (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; (d) the cash flow statement; (e) the accounting policies and explanatory notes.	5.2 5.3
18.1.6	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the Universal Registration Document.	5.2
18.1.7	Age of financial information The balance sheet date of the last year of audited financial information may not be older than one of the following: (a) 18 months from the date of the Universal Registration Document if the issuer includes audited interim financial statements in the Universal Registration Document; (b) 16 months from the date of the Universal Registration Document if the issuer includes unaudited interim financial statements in the Universal Registration Document.	31 December 2022
18.2	Interim and other financial information	N/A

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or chapter
18.2.1	If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the Universal Registration Document. If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, state that fact. If the Universal Registration Document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year. Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002. For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.	N/A
18.3	Auditing of historical annual financial information	5
18.3.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU of the European Parliament and Council and Regulation (EU) No 537/2014 of the European Parliament and of the Council. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the Universal Registration Document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard; (b) if audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	5
18.3.2	Indication of other information in the Universal Registration Document that has been audited by the statutory auditors.	N/A
18.3.3	Where financial information in the Universal Registration Document is not extracted from the issuer's audited financial statements, state the source of the information and state that the information is not audited.	N/A
18.4	Pro forma financial information	N/A
18.4.1	In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. This requirement will normally be satisfied by the inclusion of pro forma financial information. This pro forma financial information is to be presented as set out in Annex 20 and must include the information indicated therein. Pro forma financial information must be accompanied by a report prepared by independent accountants or statutory auditors.	N/A
18.5	Dividend policy	6.3
18.5.1	A description of the issuer's policy on dividend distributions and any restrictions thereon. If the issuer has no such policy, include an appropriate negative statement.	6.3.1
18.5.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	6.3.2
18.6	Legal and arbitration proceedings	2.1
18.6.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	2.1.4
18.7	Significant change in the issuer's financial position	N/A
18.7.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.	N/A

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or chapter
19	**Additional information**	6 and 7
19.1	Share capital	6.4
19.1.1	The amount of issued capital.	6.4.1
19.1.2	Shares not representing capital.	6.4.2
19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	6.1.1
19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	N/A
19.1.5	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	4.3
19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	6.1.2
19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	6.4.3
19.2	Memorandum and Articles of Association	7.2
19.2.1	The identification number within the Trade and Companies Register, a description of the corporate purpose of the issuer and references to the Articles of Association.	7.2.1
19.2.2	Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class.	7.2.4
19.2.3	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	7.2.8
20	**Material contracts**	7.8
21	**Documents available**	7.4

Cross-reference table for the Annual Financial Report

To facilitate the reading of this document, the cross-reference table below identifies in this 2022 Universal Registration Document the information which constitutes the Annual Financial Report and needs to be published by listed companies in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulation.

Information	Chapters/ Sections
Person responsible for the Annual Financial Report	7.5.1
Company financial statements	5.3.1
Consolidated financial statements	5.2.1
Management report	Cf. cross-reference table above
Declaration from the person responsible for the Annual Financial Report	7.5.2
Statutory Auditors' report on the Company financial statements	5.3.1
Statutory Auditors' report on the consolidated financial statements	5.2.3
Statutory Auditors' fees	5.2 Note 19.3
Report of the Board of Directors on corporate governance	4
Statutory Auditors' report on regulated agreements	4.6.3

Cross-reference table for the Management Report

The cross-reference table below identifies in the 2022 Universal Registration Document the information included in the annual management report to be provided by the Company's Board of Directors, as required by Articles L. 225-100 et seq. of the French Commercial Code.

Articles	Chapters/Sections
1. Activity report	
Position, activities and business developments of the Company and its subsidiaries during the past financial year	5.1, 5.2 and 5.3
Results of the Company and its subsidiaries during the past year (including debt situation)	5.1, 5.2 and 5.3
Key financial performance indicators	Introduction – 5.1
Key risks and uncertainties	2.1
Information on market risk and financial risk management	2.1 and 2.2
Five-year financial summary for the Company	5.5
Acquisition of equity interests	5.2 Note 2.1
Research and development, patents, licences	7.7
Predictable developments and future outlook	5.1.4
Subsequent events	5.2, Note 19.6 and 5.3
2. Capital and shareholding	
Composition and evolution of ownership and capital	6.1
Summary table of the outstanding delegations regarding capital increases and the use made of those delegations during the financial year	4.5
Acquisitions and disposals of treasury shares by the Company	6.4.5
Employee ownership of shares in the Company's capital	4.4.4
Transactions carried out by executives and corporate officers on the Company's securities	6.1.3
Items that may have an impact in the event of a public offer	6.1.3
The name of controlled companies and the share of the Company's capital held	6.4, 5.2 Note 19.7
Disposals of shares in order to sort out cross-shareholdings	N/A
3. Governance	
Executive management structure	4.1
Composition of the Board of Directors	4.2.1
4. Remunerations of corporate officers and executives	
Remuneration of corporate officers and executives	4.3 and 4.4
Details on pension commitments (other than basic and mandatory supplementary pension plans) and other benefits paid for the termination of duties in whole or in part in the form of an annuity, when these commitments are the responsibility of the Company	4.4
5. Social and environmental responsibility of the Company	
Information on how the Company takes into account the social and environmental consequences of its business	3
Key extra-financial performance indicators, including environmental and social	3
6. Other legal and tax information	
Dividends distributed	6.3.2
Information on payment times for vendors and customers	5.4
Key characteristics of internal control and risk management procedures relating to the development and processing of accounting and financial information	2.2

Designed & published by LABRADOR +33 (0)1 53 06 30 80

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