Exclusive Networks SA
A French *société anonyme*

with a share capital of € 7,318,122.88
Registered office: 20, Quai du Point du Jour, 92100 Boulogne-Billancourt

839 082 450 Nanterre Trade and Companies Register

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT AND THE MANAGEMENT REPORT

AUTORITÉ DES MARCHÉS FINANCIERS

The English version of the Universal Registration Document was approved on 27 April 2022 by the French *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. Universal Registration Document has the following approval number: R.22- 012

This approval should not be considered as a favorable 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 27 April 2023 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.

Copies of this Universal Registration Document may be obtained free of charge at the Exclusive Networks SA's registered office at 20, Quai du Point du Jour, 92100 Boulogne-Billancourt, as well as on the websites of Exclusive Networks SA (www.exclusive-networks.com) and of the AMF (www.amf-france.org).

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

- the Group's 2020 Consolidated Financial Statements of the year ended 31 December 2020 and the Statutory Auditors' report on these consolidated financial statements are contained in the Chapter 18: "Financial Information concerning the issuer's assets, liabilities, financial position, profit 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/);

- the Group's 2019 Consolidated French GAAP Financial Statements of the year ended 31 December 2019 and the Statutory Auditors' report on these consolidated financial statements are contained in the Chapter 18: "Financial Information concerning the issuer's assets, liabilities, financial position, profit 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/);

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GENERAL COMMENTS

Exclusive Networks SA) a French société anonyme, with a share capital of €7,318,122.88, having its registered office at 20 quai du Point du Jour, 92100 Boulogne-Billancourt, and registered under the identification number 839 082 450 (Nanterre Trade and Companies Register) is referred to as the "Company" in this Universal Registration Document (the "Universal Registration Document").

The term "Group" used herein, unless otherwise stated, 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.

Forward-looking Statements

This Universal Registration Document contains"forward-looking statements" regarding the prospects and growth strategies of the Group. Forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of the future tense, the conditional tense and forward-looking terms, such as "may", "will", "consider", "assume", "plan", "anticipate", "envisage", "think", "have the objective", "expect", "intend", "should", "could", "aim", "estimate", "believe", "wish" and "might" or, as applicable, the negative form thereof, other variations thereon or comparable expressions or formulations. Forward-looking statements are not historical data and must not be interpreted as guarantee of future performance nor guarantees that the facts and data set forth will occur. The Group's actual financial condition, results of operations and cash flows and the developments in the industry where the Group operates may differ materially from those made in or suggested by the forward-looking statements contained in this Universal Registration Document. The forward-looking statements contained in this Universal Registration Document are based on data, assumptions and estimates that the Group considers reasonable. Such information may change or be modified because of uncertainties related in particular to the economic, financial, competitive or regulatory environment. Moreover, the occurrence of certain risks described in Chapter 3 "Risk Factors" of this Universal Registration Document could have an impact on the activities, financial position and the results of the Group and its ability to achieve its objectives. The Group operates in a competitive and rapidly changing environment. New risks, uncertainties and other factors may emerge that may cause actual results to differ materially from those contained in any forward-looking information.

This information is given only as of the date of the Universal Registration Document. The Group expressly disclaims any obligation to update any forward-looking statements or the assumptions on which they are based, except as required by applicable law or regulation.

IFRS and Non-IFRS Financial Measures

*This Universal Registration Document includes the Group's consolidated financial statements prepared in accordance with international financial reporting standards as adopted by the European Union ("**IFRS**") as of and for the year ended 31 December 2021 (including the year ended 31 December 2020 as comparative).*

*This Universal Registration Document also includes certain unaudited measures of the Group's performance that are not required by, or presented in accordance with IFRS, including (as defined in Section 7.5 "Key performance indicators"): Adjusted EBITA, Adjusted EBITA as a percentage of Net Margin, Adjusted EBITDA, Adjusted Net Income, Cash Conversion, Capex, Gross Sales, Net Debt and Operating Free Cash Flow before Tax ("**Operating FCF before Tax**"). The Group presents these measures because it believes them to be important supplemental measures of performance and cash flow that are commonly used by securities analysts, investors and other interested parties in the* *evaluation of companies in the Group's industry and that such measures can prove helpful in enhancing the visibility of underlying trends in the Group's operating performance. However, these measures have limitations as analytical tool and they should not be treated as substitute measures for those stated under IFRS and they may not be comparable to similarly titled measures used by other companies. Please see Chapter 7"Analysis of the Group's Financial Position and Results" and Chapter 8 "Liquidity and Capital Resources" of this Universal Registration Document for a discussion of these financial measures and certain reconciliations to comparable IFRS measures.*

Risk Factors

Investors are invited to carefully consider the risk factors described in Chapter 3 "Risk Factors". The occurrence of all or any of these risks, separately or in combination, could have an adverse impact on the activities, financial position or the results of the Group. Moreover, other risks not yet identified or not considered material by the Group, could have the same adverse impact.

Information on the Market and Competitive Environment

Certain market data and certain industry forecast data relating to the industry in which the Group operates contained in this Universal Registration Document were obtained from market research, publicly available information and industry publications and organizations, including, among others, third-party reports, research and studies (see Section 1.3 "Third-party information, experts' reports and declarations of interest"). In addition, certain statements about the Group's industry, its market position within the industry or estimates of future growth are based on internal estimates developed by the Group based on data included in reports published or provided by the above-mentioned sources, as well as its own experience and investigation of market conditions, and other information available to the Group. Such market data and industry forecast data included in this Universal Registration Document are also based on a number of assumptions by the Group that it believes to be reasonable, but that may prove to be untrue.

While the Group believes the market research referred to in this Universal Registration Document, is reliable and has been accurately extracted by the Group for the purposes of this Universal Registration Document, such market research has not been independently verified, and consequently the Group is unable to guarantee its accuracy or completeness.

Rounding

Certain figures contained in this Universal Registration Document, including financial data expressed in thousands or millions, as well as certain percentages, have been subject to rounding adjustments. Accordingly, in certain instances, the totals of such data presented in this Universal Registration Document may differ slightly from the totals that would have been obtained by adding the exact values (not rounded) of these data.

Websites and Hyperlinks

The content of the website of the Company or any member of the Group, or of any site accessible by hyperlink included on any such websites, does not form a part of this Universal Registration Document.

Glossary

A glossary providing the definitions of the main technical and financial terms used herein appears at the end of this Universal Registration Document.

MESSAGE FROM JESPER TROLLE

Cyber breaches have become the scourge of modern-day businesses, increasing in scale and complexity every year. An increased reliance on digital technologies, the transition to cloud infrastructure, the move to ‘everything-as-a-service’ IT consumption and new hybrid working environments, have significantly increased the cyber threat landscape. Cybersecurity is now a board level discussion as every organisation looks to build cyber resilience.

At Exclusive Networks we are committed to help combat these growing cybersecurity threats. We are on a mission to drive the transition to a totally trusted digital world for all people and organisations. It is a journey we started over a decade ago and one that continues to drive us forward as a public company today.

Over the last decade we have achieved consistent, sustainable, and profitable growth, establishing Exclusive Networks as a global cybersecurity specialist. Today we sit at a pivotal position within the growing cybersecurity ecosystem - trusted by industry leading cyber innovators to scale their businesses across global markets and by our specialist ecosystem of over 21,000 partners enabling them to safeguard and protect their customers’ businesses in the face of rising cyber-attacks.

At the heart of our ‘mission’ is a relentless focus on specialism. We have a commitment to specialist knowledge and skills and a highly attuned understanding of market needs. Our engineering-led approach enables us to design and deliver highly specialised solutions, and we continue to invest in accumulating this specialist knowledge across the business.

Operating from 43 office locations worldwide with a total reach into 170 countries across 5 continents, we have a true global presence. Our mix of local market knowledge, insight and context combined with a global outlook, perspective, and reach, gives a unique proposition for partners and customers.

We believe this specialist combination of people, pioneers, partners, and purpose will help us achieve our mission.

Thank you,

Jesper Trolle - CEO, Exclusive Networks

1. PERSONS RESPONSIBLE, THIRD PARTIES INFORMATION AND EXPERTS' REPORTS

1.1 Name and position of the person responsible for the Universal Registration Document

Mr. Jesper Trolle, Chief Executive Officer of the Company.

1.2 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 hereby 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, 27 April 2022

Mr. Jesper Trolle
Chief Executive Officer

1.3 Third-party information, experts' reports and declarations of interest

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, 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 analyze or calculate the data on these markets would obtain the same results.

1.4 Contact person for the financial information

Mr. Pierre Boccon-Liaudet, Chief Financial Officer of the Company.

2. STATUTORY AUDITORS

2.1 Principal statutory auditors

DELOITTE & ASSOCIÉS
6 place de la Pyramide, 92908 Paris la Défense Cedex

Represented by M. Jean-Marie Le Guiner.

Member of the *Compagnie régionale des Commissaires aux comptes de Versailles et du Centre* (the Regional Association of Auditors of Versailles and Centre).

DELOITTE & ASSOCIÉS was appointed by decision of the general shareholders' meeting of the Company on 4 June 2019 for a term of five years to end at the general shareholders' meeting to be convened to approve the financial statements for the year ending 31 December 2023.

MAZARS
Tour Exaltis - 61, rue Henri-Regnault, 92075 Paris la Défense Cedex

Represented by M. Marc Biasibetti.

Member of the *Compagnie régionale des Commissaires aux comptes de Versailles et du Centre* (the Regional Association of Auditors of Versailles and Centre).

MAZARS was appointed by decision of the general shareholders' meeting of the Company on 19 April 2021 for a term ending at the general shareholders' meeting to be convened to approve the financial statements for the year ending 31 December 2026.

2.2 Statutory auditors that have resigned

Mr. Bruno PALASSET, 49 rue Carnot, 95240 Cormeilles-en-Parisis, resigned on 17 June 2021, with effect on 21 June 2021.

3. RISK FACTORS

Before proceeding with an investment in shares of the Group, investors are invited to consider all of the information set forth in this Universal Registration Document, including the risk factors described below. Given the Group structure (as described in Section 6.1.1 "Simplified Group organizational chart on the date of this Universal Registration Document") and the position of the Company within the Group, risk factors described in this Chapter are those applicable to the Group.

As of the date of this Universal Registration Document, these risks are those that the Group believes could have a material adverse effect on the Group, its business, financial position, reputation, results of operations or growth prospects, and that are material to any investment decision by an investor. The attention of investors is drawn to the fact that the list of risks presented in this Chapter 3 of the Universal Registration Document is not exhaustive and that additional risks, that are unknown as of the date hereof or that the Group has currently identified as not material based on the information available to it, may have a material adverse effect on the Group, its business, financial position, reputation, results of operations or growth prospects, as well as on the market price of the Group's shares once listed on Euronext Paris.

In accordance with the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and the Council, this Chapter 3 sets forth the principal risks that could, as of the date of this Universal Registration Document, impact the Group, its business, financial position, reputation, results of operations or growth prospects. Such risks were identified primarily in the context of the preparation of the Group's major risks mapping, which assessed their materiality based on the probability of occurrence and the expected magnitude of their negative impact, after taking into account the mitigation measures put in place. Within each of the risk categories described below, the risk factors that the Group considers to be the most material as of the date of this Universal Registration Document are described first and are marked with an asterisk.

3.1 Risks Related to the Group's Business and Industry

3.1.1 ***The Group's failure to maintain its relationships with its vendors, or material changes in the pricing or other terms of its existing agreements with such vendors, could materially adversely affect its business.***

The Group distributes cybersecurity products and solutions of its vendors in partnerships and operates in a highly competitive international environment. The business approach has evolved towards better integrated solutions selling (ie sale of heterogeneous components together with professional services) which strengthen Exclusive Networks value proposition. Although in some instances the Group may be the sole distributor, the cybersecurity products & solutions the Group distributes are developed by vendors with which the Group has nonexclusive distribution agreements, which are typically signed for at least one year and are automatically renewed until terminated by either party pursuant to the terms and conditions of the agreement. As a result, maintaining distribution agreements with its key vendors, and on the terms and conditions that are favorable to the Group, is essential to the Group's business.

While the Group's relationship with a vendor typically only ceases with respect to distribution in a specific country or region (as opposed to with respect to all products and services), the Group has experienced a limited number of vendor terminations during the period under review.

Between 2020 and 2021, the percentage of the Group's vendors from whom the Group derived more than €1 million in Gross Sales in a given year who generated less than 5% of the Gross Sales amount the following year (i.e., a reduction in Gross Sales of more than 95%) ("Churn Rate"), averaged approximately 3%. The impact on the Group's Gross Sales from these "churn" vendors was less than 1% in 2020 and 1% in 2021.

While the Group manages vendors relationships in performing high pace's cadences & regular quarterly reviews with vendors' executives and implements internal performance acceleration & improvement plans where needed, it may not be able to maintain its distribution agreements with its key vendors.

To the extent that the Group's key vendors reduce the number of cybersecurity products and solutions they sell through distribution or cease doing business with the Group, the Group's business could be materially adversely affected. See Section 3.1.2 "*The Group relies on certain key vendors for a significant percentage of its revenue.*" The Group's failure to identify suitable alternative sources of products to distribute could have a material adverse effect on the Group's business, results of operations or profitability.

The Group's vendors may limit the prices at which the Group on-sells their products, terminate distribution agreements, fail to renew, extend or continue existing agreements without interruption, enter into new relationships or agreements with other distributors, be acquired by other vendors, distribute directly to resellers or end-users or impose more stringent payment terms, each of which could materially adversely affect the Group's business and cash flow. For example, if vendors expand their offerings and sales directly to resellers or end-users, the demand for the Group's distribution services may decrease. Vendors and resellers could decide to work on the basis of a 1-tier model where vendors sell their solutions directly to resellers. If this were to happen, distributors like the Group would no longer be involved in these transactions.

Any of these may also require that the Group change its pricing structure, which could have a material adverse effect on the Group's business, results of operations or profitability.

3.1.2 ***The Group relies on certain key vendors for a significant percentage of its revenue.***

While the Group distributes products to about 260 active vendors, it relies heavily on certain key vendors for a substantial portion of its revenues in any particular period. Of these 260 vendors, the top five accounted for 61% and the top twenty for 81% of the Group's revenues for the years ended 31 December 2021, respectively 66% and 86% in 2020. The revenue derived from the Group's top five and top twenty vendors was divided among 43 countries.

As a result of this vendor concentration, loss of one or more of the Group's top 20 vendors in its entirety, failure of any of these vendors to maintain its ability to innovate and produce attractive cybersecurity solutions, or the inability of the Group to obtain a greater percentage of the vendor's business could have a material adverse effect on the Group's business, results of operations or profitability.

3.1.3 ***The Group experiences significant competitive pressures for reseller customers and the Group's failure to maintain and expand its relationships with its existing resellers or attract new resellers could materially adversely affect its business.***

The technology distribution industry is characterized by intense competition, based primarily on product availability, credit terms and availability, price, effectiveness of information systems and e-commerce tools, speed of delivery, quality and depth of product lines and training, service and support. The Group's customers are not required to purchase any specific volume of products from the Group and may move business if pricing for the same or similar products and services is reduced by competitors, resulting in lower sales to the Group. As a result, the Group must be extremely flexible in determining when to reduce prices to maintain market share and sales volumes and when to allow its sales volumes to decline to maintain the quality of its profitability. The size and number of the Group's competitors vary across markets, as do the resources the Group has allocated to the sectors and geographic areas in which it does business. Therefore, some competitors may have greater resources or a more extensive customer or supplier base than the Group in one or more of its market sectors and geographic areas, which may result in the Group not being able to effectively compete in certain markets, which, in turn, could impact the Group's profitability and prospects. For example, Global broadliners (see Section 5.5.3 "*Competition*"), such as Ingram Micro, TD-SYNNEX and Arrow ECS, have a wide range of IT products and services with a strong global footprint. The Group also competes for customers with regional distributors and some of the Group's own suppliers that maintain direct sales efforts. Despite their small size, these Regional Broadliners (see Section 5.5.3 "*Competition*"), such as Also, Redington and Westcon, may compete with the Group on a local level. Competition is also present with more niche-focused Regional Specialists (see Section 5.5.3 "*Competition*"), such as Infinigate, ADN, Miel, Nuvias and TIM AG Distributions, which do not have a wide reach, but offer greater specialization. In addition, as the Group expands its offerings and geographies, the Group may encounter increased competition from current or new competitors. While the Group aims to develop new and incremental services that are sought after by vendors and resellers, it cannot be certain that it will maintain or enhance its market positions.

The Group's failure to maintain and enhance its competitive position for any of the reasons above or maintain or expand its relationships with its resellers could have a material adverse effect on the Group's business, results of operations or profitability.

See also Section 5.7.3 "*Products sold to resellers*" and Section 5.7.5 "*Resellers*" for further information on the Group's reseller relationships.

3.1.4 ***The Group is exposed to credit risk from its customers and may be exposed to delays and/or defaults in payments by its customers, which would adversely affect its cash flows and financial results.***

Credit risk relates to the risk of loss resulting from the non-performance by a customer of the Group of its contractual obligations. The Group details in its annual financial statements the principles applied for recording provisions for doubtful receivables (See Section 18.1 of the 2021 consolidated financial statements, Note 9).

Exposure generally relates to receivables from resellers in relation to the sale of cybersecurity solutions to them. Generally, the Group is obligated to pay its vendors regardless of whether and when the resellers pay the Group under their contractual agreements. Exposure also arises where the Group pays its vendors in advance of receiving payment from the final customer. While the Group assesses recoverability of receivables, actual payment defaults may be higher than the provisions recorded in the Group's financial statements.

Further, foreign currency instability and disruptions in the credit and capital markets may increase credit risks relating to some of the Group's customers and may impair the customers' ability to repay existing obligations. While the Group has in place credit insurance, it may be insufficient to cover defaults by the Group's customers.

If the Group were to encounter significant delays or defaults in payment by its resellers or were otherwise unable to recover its trade receivables, the Group's cash flow would be negatively impacted and the future losses due to the inability to collect these future payments could have a material adverse effect on the Group's business, results of operations or profitability.

Without any contradiction to the above, given the large and diversified base of reseller relationships working with over 21,000 accounts, credit risk is assessed as very limited by the Group. Trade receivables (gross) represent € 901 million with a provision for doubtful account amounting to € 8 million for the year ended 31 December 2021, and € 804 million with a provision for doubtful account amounting to € 8 million for the year ended 31 December 2020.

3.1.5 ***If the Group fails to maintain an effective system of internal controls or discovers material weaknesses in its internal controls, it may not be able to report its financial results accurately or timely or detect wrongdoing, which could have a material adverse effect on its business.***

With offices in 43 countries and the ability to service customers across five continents and in over 170 countries, an effective internal control environment is necessary for the Group to produce reliable financial reports, safeguard assets, and is an important part of its effort to prevent financial fraud or other wrong doings. The Group has internal controls in place that address its code of conduct and ethics, delegation of authority, financial reporting, audit reviews, and monthly remediation plans. The Group is required to annually evaluate the effectiveness of the design and efficiency of its internal controls over financial reporting. Based on these evaluations, the Group may conclude that enhancements, modifications, or changes to internal controls are necessary or desirable. While management evaluates the effectiveness of the Group's internal controls on a regular basis, these controls may not always be effective and management has identified failures in the past in its internal controls framework that have led it to implement improvements in that framework, including additional training, self-assessment and audits (see Section 3.4.1(c) "*Internal controls and compliance monitoring*").

There are inherent limitations on the effectiveness of internal controls, including collusion, management override, and failure in human judgment. In addition, control procedures are designed to reduce rather than eliminate financial statement and compliance risk. If the Group fails to maintain an effective system of internal controls, or if management or the Group's independent registered public accounting firm discovers material weaknesses in the Group's internal controls, it may be unable to produce reliable financial reports or prevent fraud or other wrongdoing, which could have a material adverse effect on the Group's business. In addition, the Group may be subject to sanctions or investigation by regulatory authorities for failure to ensure accurate financial disclosure or maintain effective controls or other legal or regulatory violations. Any such actions, or a loss of confidence in the reliability of the Group's financial statements, could result in an adverse reaction in the financial markets, which could cause the market price of its common stock to decline or limit the Group's access to capital.

The Group's failure to maintain its internal controls, discover internal weaknesses or report its financial results accurately could have a material adverse effect on the Group's business, results of operations or profitability.

3.1.6 ***The Group faces risks related to its intensive acquisition strategy, including the inability to successfully integrate acquired companies, and may fail to realize expected benefits of such acquisitions, which may adversely affect the Group's results of operations.***

The Group has made, and expects to continue to make, strategic acquisitions or investments in companies around the world to further its strategic objectives and support key business initiatives. The Group has an intensive acquisition strategy to expand into new territories, reinforce its market share in certain countries where it currently operates and to add new service capabilities. Since 2013, the Group has completed 18 significant acquisitions, in particular, Fine Tec in 2017, expanding the Group's presence into the USA, Veracomp in 2020, a value-added distribution group, expanding the Group's presence into Central and Eastern Europe. In 2021, the Group acquired Ignition Technology to reinforce its ability to address the needs of its emerging vendors and Networks Unlimited, expanding the Group's geographical reach into Sub-Saharan Africa.

Although the Group has in place a dedicated committee to oversee financial integration, any failure to properly integrate acquired businesses or realize the expected benefits of the Group's acquisition strategy could have a material adverse effect on the Group's business, results of operations or profitability.

If the Group is not successful in mitigating or insuring against such risks, it could have a material adverse effect on the Group's business or financial performance. Significant risks and uncertainties related to the Group's acquisition and investment strategies include the following:

– failure to identify risks or to accurately quantify the probability and potential impact of the risks on the Group's business;

– inability to successfully integrate the acquired businesses, including difficulties with integrating different business systems and technology platforms and consolidating corporate, administrative, technological and operational infrastructures, which may be more difficult, costly or time-consuming than anticipated;

– inability to retain key employees and to adequately bridge differences in cultures and management philosophies;

– distraction of management's attention away from existing business operations while coordinating and integrating new and sometimes geographically dispersed organizations;

– insufficient profit generation to offset liabilities assumed and expenses associated with the strategy;

– inability to preserve the Group's and the acquired company's customer, vendor or other important relationships;

– inability to adapt to challenges of new markets, including geographies, new cybersecurity solutions and services, or to identify new profitable business opportunities from expansion of existing products or services;

– disruptions in the Group's business as a result of an acquisition, limited opportunities or acquisitions that do not strategically align with the Group's goals and growth initiatives, issues not discovered in the due diligence process or costs or liabilities associated with the companies acquired, or costs associated with failure to complete an acquisition;

– substantial increases in the Group's debt or the inability to obtain financing with conditions favorable to the Group;

– valuation methodologies that result in unfavorable prices or overpayment for an asset; and

– exposure to new regulations, such as those in new geographies or those applicable to new cybersecurity solutions or services. In addition, the Group may divest business units that do not meet its strategic, financial and/or risk tolerance objectives. The Group cannot ensure that it will be able to dispose of business units on favorable terms or without significant costs.

3.1.7 ***The Group's success depends upon its ability to attract, retain, motivate and develop key executives and employees with the requisite technical expertise, and the failure to do so could adversely affect the Group's results.***

One of the Group's strengths is its experienced management team, who are experts in the industry and the Group's success depends, to a significant extent, on the capability, expertise, and continued services of its key executives. See also Section 5.2.7 "*Experienced leadership team, with an entrenched entrepreneurial culture, supported by a visionary founder.*" Failure to attract, retain, motivate and develop key executives could adversely affect the Group's ability to develop and execute its business strategies, manage its business operations, and maintain relationships with customers and vendors. The Group believes it offers competitive rates and incentives as it closely follows market trends and practices to have competitive key executive on-target earnings ("**OTE**"). The key executives will be part of a long-term incentive plan ("**LTIP**") approved by the Company's Board of Directors on 20 January 2022 that will align their interests to those of the shareholders. The LTIP applies to a select number of senior executives and employees, both at central and local levels. See Chapter 15 and Annex I, Section 2 for further details. The Group believes that additional non-financial levers of retention include the Group's strong cybersecurity focus and brand, its strategic vendor expansion, and the ability to identify emerging vendors with high future potential, thereby providing the ability to work with new and various technologies. Although the Group believes it offers competitive rates and incentives, if the Group were to lose any of its key executives, it may not be able to find a suitable replacement with comparable knowledge and experience in a timely manner, or at all.

The Group's success also depends on identifying, developing internally or hiring externally, training and retaining qualified employees, particularly engineers with product and technical knowledge. There is a limited number of qualified potential employees with the requisite cybersecurity expertise and experience, and competition for these employees can be intense. Attrition of experienced employees is also a risk for the Group. Although the Group has implemented tools to manage employee performance, employee succession, provide employee training and has increased the number of its employees from 1,711 to 2 375 from 2019 to 2021 (see also Chapter 15 "*Employees*"), there can be no assurance that the Group will not lose existing qualified personnel or be able to hire new qualified personnel, as needed. In addition, as global opportunities and industry demand evolve, and as the Group expands its solutions and services, redeployment, training and hiring of skilled personnel may not be sufficiently rapid. For more information, please refer to the Extra Financial Statement of Performance, Annex II of the present 2021 Universal Registration Document.

Any failure to attract, retain, motivate and develop key executives and employees with the requisite technical expertise could have a materially adverse effect on the Group's business, results of operations or profitability.

3.1.8 ***The Group is currently transitioning from certain legacy IT systems, which may cause disruptions, delays or deficiencies to the Group's business information systems.***

The Group's current global operations are dependent on a variety of information systems that reside on multiple technology platforms, most of which are hosted by third-party providers. In 2019, the Group started a transition towards the implementation of a new global enterprise resource planning ("**ERP**") system, expected to be completed by 2024, to replace certain legacy systems. Although we have created procedures to reduce and manage any difficulties which arise during this process, such as full project visibility, a strong change management process that starts nine to twelve months before the launch date, deep involvement throughout the design phase, fit/gap analysis and user acceptance testing, this implementation is a major undertaking from a financial, management and personnel perspective. The implementation of the global ERP system may prove to be more difficult, costly or time consuming than expected. Although the Group has not experienced any significant difficulties in implementing its ERP system, there can be no assurance that there will be no major problems during this remaining transition period or with the new global ERP system, or that this system will be beneficial to the extent anticipated. The Group has numerous protocols to prevent implementation and migration issues and that allow the Group to anticipate and detect issues, such as weekend migration and go/no-go procedures that allow rollback to legacy systems.

Any disruptions, delays or deficiencies in the design and implementation of the Group's new global ERP system could adversely affect the Group's ability to fulfill contractual obligations or otherwise operate its business. However, since the beginning of the transition in 2019, and through 18 launch events, the Group has not experienced any significant business disruption and no penalties were paid to partners as a result of business disruption.

As the Group implements the new global ERP system, the Group's exposure to system attacks may be elevated, regardless of the procedures the Group has put in place to reduce such risk, because the Group will be running old and new processes in parallel and must simultaneously protect both the new global ERP system and the existing legacy systems.

Should any one of these risks materialize, it could have a material adverse effect on the Group's business, results of operations or profitability.

3.1.9 ***If the Group's information technology (IT) systems are not properly functioning or available, or if they experience system security breaches or other cyber-attacks, its business, reputation and revenues could suffer.***

The Group's IT systems have been subject to, and could in the future be subject to, breakdown, malicious intrusion, cyber-attack, phishing, social engineering, attempts to overload the servers with denial-of-service attacks or data privacy breaches by employees, others with authorized access, and unauthorized persons. 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 unauthorized access to data, the cyberattack did not impact the Group's day-to-day operations. Following the breach, the Group inspected and upgraded its global systems and processes to strengthen their integrity and efficacy. Further attacks could result in disruption to the Group's operations and the further loss or disclosure of, or damage to, the Group's or any of its customers' or vendors' data or confidential information could damage the Group's reputation.

The Group's IT systems' security measures may also be breached due to employee error, malfeasance, or otherwise. Additionally, outside parties may attempt to fraudulently induce employees, customers, or vendors to disclose sensitive information in order to gain access to the Group's data and IT systems. Any such breach could result in 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 that could potentially have an impact on the Group's business.

As the techniques used to obtain unauthorized access, disable or degrade, or sabotage the Group's IT systems change frequently and often are not recognized until launched, the Group may be unable to anticipate these techniques or to implement adequate preventative measures. Further, third parties, such as the solution providers that host the Group's systems, could also be a source of security risk in the event their own security systems and infrastructure fail.

Although the Group has developed systems and processes that are designed to protect information, prevent data loss and other security breaches and reduce the impact of a security breach, such breaches, whether successful or unsuccessful, could cause the Group to incur additional expenses or face regulatory sanctions, among other negative consequences. Furthermore, 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.

Should any one of these risks materialize, it could have a material adverse effect on the Group's business, results of operations or profitability.

3.1.10 ***If the Group is unable to capture technological changes by successfully distributing new and enhanced cybersecurity solutions, the Group's business, results of operations, financial position and cashflows could be adversely affected.***

The Group's business model as a market specialist depends on market acceptance of the solutions it distributes. This market acceptance is dependent on a number of factors beyond the Group's control, including vendors' ability to anticipate changes in technologies and customer demand and to timely respond to such developments with competitive cybersecurity solutions, and the perceived utility and cost-effectiveness of their products.

The cybersecurity solutions market is characterized by incremental technological change, new product and service introductions and enhancements, changing customer demands and evolving industry standards. The Group depends on its vendors responding to these incremental technological changes to continually distribute relevant cybersecurity solutions to meet market demands.

In addition, cybersecurity solutions embodying new technologies can make existing products obsolete and unmarketable. Cybersecurity solutions are inherently complex, requiring significant time and research and development expenditures for vendors to develop and test new or enhanced solutions. The success of any enhancements, improvements or new solutions depends on several factors, including timely introduction, competitive vendor pricing, adequate quality testing, integration with existing technologies and the Group's platform and overall market acceptance.

The Group may not always succeed in marketing and delivering, on a timely and cost-effective basis, enhancements or improvements to the cybersecurity solutions distributed by the Group or any new solutions and services that respond to technological change or market demands. If the Group fails to capture and distribute solutions with these technological advances, resellers and customers may seek out products distributed by its competitors, which could adversely affect the Group's business.

Moreover, even if the vendors whose products the Group distributes introduce new solutions, the Group may experience a decline in revenue from its existing solutions that is not offset by revenue from the new solutions. Resellers and end-users may delay making purchases of new solutions to permit time for a more thorough evaluation of these solutions or until industry and marketplace reviews become widely available. This could result in a temporary or permanent revenue shortfall for the Group.

Any failure by the Group's vendors to anticipate industry trends and customer preferences and introduce enhancements to their products or new products in a timely manner could have a material adverse effect on the Group's business, results of operation or profitability.

3.1.11 ***Changes in macroeconomic and geopolitical conditions can affect the Group's business and results of operations.***

The Group's revenues, profitability, financial position and cash flows depend, to some extent, on macroeconomic trends and geopolitical conditions. For example, continued political tensions between China and Taiwan threaten trade relations between China, Taiwan, and its trade partners, which could impact the Group, since hardware components of the solutions the Group distributes are often manufactured in Taiwan, with component parts imported from China. Any political tensions or disputes between the two countries could disrupt the supply chain and thus the Group's ability to respect its contracts.

The global economy is currently experiencing a shortage of semiconductors, which is affecting all electronics and IT manufacturers. In the fourth quarter of 2021, the Group's hardware manufacturing partners have been affected by this shortage, which translated in delays in the Group's ability to distribute cybersecurity appliances and solutions and increased freight costs.

Additionally, the continuing economic weakness and uncertainty in many countries and regions, as well as instability in emerging markets where the Group has a presence, such as India, Thailand, Vietnam, Malaysia and Indonesia, continue to contribute to sustained lack of confidence in the global economy, potentially impacting the Group's future revenue and profits.

At the time of issuance of this Universal Registration Document, the current conflict between Russia and Ukraine, and related European, US and British sanctions have very limited direct impact on the Group's activity. The Group is not present in Russia, Belarus nor Ukraine and has no significant revenue nor margin from those countries. Furthermore, none of our major vendors nor partners are expecting a significant business disruption due to the conflict. The main area of vigilance for the Group will be to monitor the impact of the conflict on the economies of the countries where it operates, and in particular Eastern European countries where the Group is present, such as Poland, Romania, Hungary.

The increasing tension between countries adds to volatility and instability globally, potentially impacting future revenue and profits and the Group's ability to manage its cybersecurity solutions.

Such conditions may lead to the following consequences for the Group:

– reduced demand for cybersecurity solutions and services in general;

– more intense competition, which may lead to loss of sales and/or market share;

– reduced prices, and lower Net Margin;

– loss of vendor rebates;

– extended payment terms with customers;

– increased bad debt risks;

– shorter payment terms with vendors;

– reduced access to liquidity and higher financing and interest costs; and

– increased currency volatility making hedging more expensive and more difficult to obtain.

In addition, the United Kingdom ("**UK**") left the European Union ("**EU**") on 31 January 2020 ("**Brexit**"). The UK and EU signed an EU-UK Trade and Cooperation Agreement, which became formally applicable on 1 May 2021. Although this EU-UK Trade and Cooperation Agreement provides details on how some aspects of the UK and EU's relationship will operate, there are still some uncertainties that may impact the Group's global deals that contain multi-site launches.

Although the Group has implemented measures to counter the risks of these effects, such as currency hedging, increasing inventory amounts to counter delivery shortfalls, maintaining geographic balance among regions and limiting exposure in certain regions, each of these factors, individually or in the aggregate, could have a material adverse effect on the Group's business, results of operations or profitability.

3.1.12 ***The Group in its current form has a limited track record and the limited availability and comparability of historical financial information related to the Group may make it difficult for investors to evaluate the Group's historical performance and future prospects.***

Here is a reminder of the historical financial information that was gathered for the purposes of the Universal Registration Document: "The availability of historical financial information for the Group is limited. Certain factors as well as past events and transactions have had, and may continue to have, an impact on the comparability of the Group's business, results of operations or profitability. These factors and events include (i) the acquisition of the Group by Permira in 2018, (ii) other acquisitions, divestitures and changes in the scope of consolidation, and (iii) changes in accounting standards. In connection with Permira's acquisition of the Group, a new holding company, the Company, was incorporated for the purposes of acquiring 100% of the shares of Exclusive France Holding SAS (the then holding company of the Group). Exclusive France Holding SAS prepared its last consolidated financial statements for the year ended 31 December 2018 in accordance with French GAAP while the Group prepared its first statutory consolidated financial statements in accordance with French GAAP for the 19-month period ended 31 December 2019. For the purposes of this Universal Registration Document, the Group prepared reconstituted financial statements for the 12-month period ended 31 December 2019, with comparative financial information for the 7-month period ended 31 December 2018, in accordance with French GAAP. As a result of these changes in scope of consolidation and presentation, the financial statements for the periods following 2018 are not comparable with those periods prior to 31 December 2018. Accordingly, the Group's historical financial information may not reflect its current business, which may impact investors' ability to make an informed evaluation of the Group."

For the purposes of this Universal Registration Document, the Group prepared consolidated financial statements 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.

3.1.13 ***General business conditions are vulnerable to the effects of epidemics and pandemics, such as the Covid-19 pandemic, which could materially disrupt the Group's business and have a negative impact on the Group's financial results and financial condition.***

Due to the outbreak of Covid-19 in March 2020, there has been a substantial curtailment of travel and business activities, which is causing significant disruptions to the European and global economies. The Covid-19 outbreak has negatively impacted the global economy, disrupted global supply chains, constrained workforce participation due to travel restrictions and quarantine orders, disrupted logistics and distribution systems, and created significant volatility and disruption of financial markets.

The year 2021 was affected by lockdown measures in many countries where the Group operates. In most countries, the cybersecurity activity continued to be recognized as essential, allowing the activity to continue. Although the Group has not experienced any material disruption to its operations because of the Covid-19 pandemic, it has been impacted by lockdowns in certain countries such as in Singapore, Malaysia, the Philippines and has experienced some disruptions to product availability and logistics operations as a result of such lockdowns. Nonetheless, thanks to the work of the operations teams and the strategic and critical nature of cybersecurity, the impact has been non-material.

However, the Group could experience future disruptions in its supply chain for the hardware components of the solutions it distributes, a substantial portion of which are manufactured in the US, Taiwan and China, countries where some production was interrupted as a result of potential future Covid-19-related lockdowns. The extent to which Covid-19 or any future pandemic will impact the Group's results will depend primarily on future developments, which are highly uncertain and cannot be predicted with confidence, including the severity and duration of the crisis, the speed and effectiveness of vaccine and treatment developments and deployment, potential mutations of Covid-19, and the impact of actions taken and that will be taken to contain Covid-19 or treat its impact, among others. The Group may be affected by the general economic impact of this continued disruption. In addition, a European or global recession or a banking crisis triggered by the Covid-19 pandemic could reduce the demand for the Group's solutions and services, reducing access to its vendors, increasing customer defaults, reducing its access to capital, and reducing the value of its common stock.

Each of these considerations, individually or in the aggregate, could have a material adverse effect on the Group's business, results of operations or profitability.

3.2 Financial Risks

3.2.1 ***Currency fluctuation may adversely affect the Group's revenues and costs.****

The Group has offices in 43 countries, and the ability to service customers across five continents and over 170 countries and is therefore exposed to foreign currency exchange rate fluctuations. The Group has operations primarily in Europe but distributes cybersecurity solutions and services to customers globally. The majority of the Group's sales are made in local currency, including euro, U.S. Dollar and pound sterling, while the vast majority of its cost of goods sold is denominated in U.S. Dollars, since most of its vendors are located in the United States. In addition, the Group also incurs other expenses denominated in euro. As a result, the Group's revenues, results of operations and cash flows are therefore subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the value of the U.S. Dollar, euro and pound sterling. In particular, because the Group conducts business in currencies other than euro but reports its results of operations in euro, the Group also faces translational risk as a result of fluctuations in currency exchange rates. See Section 7.2.8 "*Foreign exchange rate fluctuations*" for a further description of this translational risk.

In most cases, the Group hedges its transactional foreign currency exposure with standard forward contracts. These hedging instruments lessen most trading risks, but do not completely eliminate the effects of foreign currency exposures on the Group's financial results. Since the hedging activities are designed to lessen volatility, they not only reduce the negative impact of a stronger U.S. Dollar or other trading currency, but they also reduce the positive impact of a weaker U.S. Dollar or other trading currency. The Group's future financial results could be significantly affected by the value of the U.S. Dollar, euro, pound sterling and other currencies in relation to the foreign currencies in which the Group conducts business. The degree to which the Group's financial results are affected for any given time period will depend in part upon the Group's hedging activities, and there can be no assurance that these hedging activities will be effective.

See Note 19.1.2 to the 2021 Consolidated Financial Statements for further information.

In addition, fluctuations in currency exchange rates may reduce the demand for products as local currencies depreciate, thereby increasing prices of the products we distribute.

3.2.2 ***Tariffs may result in increased prices and could adversely affect the Group's business and results of operations.***

The Group is engaged in the worldwide distribution of cybersecurity products, and consequently, is subject to risks inherent in international business activities, including the burden of complying with a wide variety of tariffs and other trade barriers in the various countries in which it operates.

The Group's import procedures are determined in accordance with international and domestic laws, including case law, which may be interpreted in different ways. The Group often relies on generally available interpretations of laws and regulations and sometimes follows its own interpretations of such rules. The Group cannot be certain that the relevant authorities agree with these interpretations. The Group is regularly audited, and tariff calculations and interpretations of laws are reviewed by various authorities.

Tariff amounts depend on the classification of the products the Group distributes through a harmonized system of product codes. The Group uses the product codes supplied by the vendor and applies the tariffs that are linked to these product codes. The under-classification of goods by a vendor could result in additional tariff liability under the various tariff regimes, as well as the payment of penalties, interest or sanctions. Although the Group believes that its tariff estimates and calculations, based on product classification and valuation, are reasonable, it cannot be certain that the relevant authorities agree with its estimates, calculations and interpretations. The final outcome of any audits or reviews could result in the Group being obligated to make increased tariff payments.

Past audits have led to non-material adjustments that have caused the Group to review its tariff position. For example, in the past, certain authorities have argued that the product codes for specific products distributed by the Group were incorrect, resulting in higher tariffs than originally expected. Any additional liabilities resulting from such final determinations or any interest or any penalties or any regulatory, administrative or other sanctions relating thereto could have a material adverse effect on the Group's business, results of operations and financial condition.

Furthermore, in recent years, the U.S. government-imposed tariffs on certain products imported into the United States and the Chinese government-imposed tariffs on certain products imported into China, have increased the prices of many of the products that the Group distributes. Any further changes to such tariffs (including the imposition of new tariffs or increases in existing tariffs), their interpretation or the manner in which they are administered by the relevant government agency would result in further price increases and impact the operational or financial performance of the Group.

While the Group's vendors aim to pass price increases on to their customers, the effects of tariffs on prices may impact the Group's results of operations. For example, although the Group does not buy products directly from China, its vendors purchase products, such as cybersecurity solutions with hardware components imported from China, which could result in increased prices to the Group as the Group is generally not able to pass on these increased prices to its customers. See Section 3.1.10 "*If the Group is unable to capture technological changes by successfully distributing new and enhanced cybersecurity solutions, the Group's business, results of operations, financial position and cashflows could be adversely affected*."

The tariffs and the additional operational costs incurred in minimizing the number of products subject to the tariffs could adversely affect the operating results for certain of the Group's vendors and customer demand for certain products which could have an adverse effect on the Group's business, results of operations or profitability.

3.2.3 ***The Group is subject to tax risks, which could arise in particular as a result of tax audits or past measures and changes in tax legislation.***

The Group's tax liabilities and returns are calculated and prepared in accordance with international and domestic laws, including case law, which may be interpreted in different ways. The Group often relies on generally available interpretations of tax laws and regulations and sometimes follows its own interpretations of such rules. It cannot be certain that the relevant tax authorities agree with such interpretations. The Group is regularly audited, and tax calculations and interpretation of laws are reviewed by tax authorities.

Although the Group believes that its tax estimates and calculations are reasonable, the final outcome of any such tax audits or reviews could result in tax liabilities that differ from the Group's historical tax payments, provisions and accruals, and the results of such audits or reviews, such as additional tax liabilities, interest, penalties, or regulatory, administrative or other sanctions could have a material adverse effect on the Group's business, results of operations and financial condition.

Due to the international nature of its business, the Group is subject to complex and evolving income taxes and other tax rules across a number of jurisdictions. In particular, in many jurisdictions, there is substantial uncertainty as to the classification of cybersecurity solution license proceeds as business profits or royalties. Tax authorities may therefore disagree with the Group's treatment of such revenues as far as sales tax, value added tax and withholding taxes are concerned. A different interpretation by tax authorities on the qualification of such revenues can create a significant additional tax burden for the Group, in particular with regard to withholding taxes. However, the Group has not been involved in any significant tax dispute in the past.

Moreover, and considering its cross-borders activities, the Group is subject to transfer pricing regulations, which are complex and can be subject to differing interpretations by the relevant tax authorities. For example, tax authorities could disagree with the Group's transfer pricing policy or the appropriate allocation of profits or tax liabilities in various jurisdictions.

The Group is, and may in the future become, involved in proceedings with national or regional tax authorities. For example, the Group is currently engaged in tax proceedings with the Italian authorities regarding the Group's prior tax assessments, including in relation to the classification of certain cybersecurity solution license proceeds as royalties, in relation to which penalties could apply. If the outcome of these or other tax proceedings in which the Group is or may become involved is adverse, this could result in substantial liabilities.

In addition, future changes in tax legislation, including the creation of new taxes or rate increases of existing taxes, whether direct or indirect, could have an adverse effect on the Group's tax rate, on the carrying value of deferred tax assets or deferred tax liabilities. They can also have material impact on the Group's profitability.

Below are two examples of changes in tax legislation which will affect the Group's tax rate:

- the UK parliament has approved an increase of the corporate income tax rate from 19% to 25%. This increase will enter into force for financial year starting from April 1st, 2023.

- the OECD has released the Global Base Erosion rules (GloBE rules) on December 20th, 2021. These rules introduce a global minimum corporate tax rate of 15% for Group which turnover exceeds €750 million. They are expected to be enacted in domestic legislations in 2022 and enter into force on January 1st, 2023.

The Group's effective tax rate in the future could also be adversely affected by changes to its operating structure, the acquisition of other businesses, and changes in the mix of earnings in countries with differing statutory tax rates.

The outcome of any tax proceedings in which the Group is or may become involved, any tax audit or changes in tax legislation or other factors resulting in higher taxes for the Group could have a material adverse effect on the Group's business, results of operations or profitability.

3.2.4 ***Failure to comply with the covenants or other obligations contained in any of the Group's Facilities Agreements could result in an event of default. Any failure to repay or refinance the outstanding debt under any of the Group's Facilities Agreements when due could have a material adverse effect on the Group's business.***

The Group has incurred indebtedness (see Section 18.1- Note 14.2 "*Financial liabilities*"). In the context of the Initial Public Offering in 2021, the Group refinanced its former Senior Debt dating from 4 July 2018. The proceeds from the Initial Public Offering in 2021 and the new Senior Facilities Agreement allowed to repay the intra-group debts to Everest BidCo which was the borrower of the former Senior Debt. In return, Everest BidCo reimbursed the terms loans and the revolving credit facility of the former Senior Facilities Agreement and merged with the listed company Exclusive Networks SA.

Everest SubBidCo, as an indirect wholly owned subsidiary of the listed company Exclusive Networks SA, became the borrower of the new Senior Debt. Under the terms and conditions of the new Senior Facilities Agreement, Everest SubBidCo must maintain a net leverage ratio below a maximum of 4.75:1 until end of March 2024, which is reduced to 4.00:1 until the end of September 2026. This leverage is subject to equity cure provisions and financial covenant acquisition adjustments. See Section 6.1.2 "*Description of the Reorganization*", Section 8.4.2 "*The Group's former financial liabilities*" and Section 8.4.3 "*The Group's new financial liabilities*".

If there were to be an event of default under any of the Facilities Agreements that is not cured or waived in accordance with the terms of the applicable facilities agreement, the lenders under the facilities agreement could terminate commitments to lend and cause all amounts outstanding with respect to the loans granted under the facilities agreement to become due and payable immediately.

In such a situation, the creditor under the Facilities Agreements could seek to enforce upon the security and collateral from which it benefits, including the security over shares in certain direct and indirect material subsidiaries of the Company, the credit balance of the debtor's bank accounts, and the debtor's receivables. In the context of the shares and receivables security provided by Everest SubBidCo, lenders may be entitled to take control of the operating group (SubBidCo and its subsidiaries) by enforcing the shares and receivables pledge to recover any outstanding sums. Section 8.4.3 (i) "Security" for further details.

The Group's assets and cash flow may not be sufficient to fully repay its outstanding debt under one or more of the Facilities Agreements when due whether upon an acceleration of the loans granted under the applicable facilities agreement or on the maturity date of any of the facilities agreement. In addition, a default under any of the Facilities Agreements could result in a default under the Group's other financing arrangements and could cause or permit lenders under those other financing arrangements to accelerate such financing arrangements, causing the amounts owed under those arrangements to become immediately due and payable.

Furthermore, any inability to meet its debt payment obligations could result in insolvency proceedings or debt or other restructuring and could result in investors losing all or a substantial portion of their investment.

Failure to comply with these covenant or obligations, or any failure to repay or refinance any of the Group's outstanding debt could have a material adverse effect on the Group's business, results of operations or profitability.

There has been no breach in the net leverage ratio as of December 31, 2021.

3.2.5 ***Substantial leverage and obligations under certain of the Group's debt facilities may adversely affect the Group's cash flow and impair its ability to expand or finance its future operations.***

The Group has significantly reduced its indebtedness since the allocation of €248 million IPO proceeds to the reimbursement of the former Senior Debt which took effect on September 27, 2021. As a result, the Group's leverage ratio, calculated as Net Debt to Last-Twelve Month Adjusted EBITDA, has decreased from 4.7x on 31 December 2020 to 3.1x on 31 December 2021.

However, the Group's indebtedness remains high. As of 31 December 2021, the Group's Financial Gross Debt (including Bank Borrowings, Bank Overdrafts, Short Term Loans and Factoring Liabilities) amounted to €521.3 million and its Net Debt amounted to €391.5 million. The Group's outstanding debt is mainly floating rate based on EURIBOR and SONIA and is exposed to fluctuations in interest rates as the debt has not been hedged.

The Group's indebtedness may limit the Group's financial flexibility and affect its operations in several ways, including, but not limited to: (i) putting the Group at a competitive disadvantage compared to similar companies that have less debt and greater access to capital resources; (ii) preventing the Group from obtaining additional financing in the future for working capital, capital expenditures, acquisitions, general corporate or other purposes; or (iii) causing the Group to incur higher borrowing costs to obtain such funding and being required to accept more restrictive covenants for such financing.

3.2.6 ***The Group's goodwill and identifiable intangible assets could become impaired, which could reduce the value of its assets and reduce its net income in the year in which a write-off occurs.***

Goodwill represents the excess of the cost of an acquisition over the fair value of the assets acquired. For the years ended 31 December 2021, the Group's goodwill amounted to € 313.7 million. The Group also ascribes value to certain identifiable intangible assets, which consist primarily of intellectual property, customer relationships and trade names, among others, as a result of acquisitions, and the Group's trademarks. For the years ended 31 December 2021, the Group's intangible assets amounted to €1,154.3 million. The Group may incur impairment charges on goodwill or identifiable intangible assets if it determines that the fair values of the goodwill or identifiable intangible assets are less than their current carrying values. The Group evaluates, on a regular basis, whether events or circumstances have occurred that indicate all, or a portion, of the carrying amount of goodwill may no longer be recoverable, in which case an impairment charge to earnings would become necessary.

A decline in general economic conditions or global equity valuations could impact the Group's judgments and assumptions about the fair value of its businesses and the Group could be required to record impairment charges on its goodwill or other identifiable intangible assets in the future.

The Group may incur additional depreciation and amortization expense over the useful lives of certain assets acquired in connection with business combinations, and to the extent that the value of goodwill or intangible assets with indefinite lives acquired in connection with a business combination and investment transaction become impaired, the Group may be required to incur material charges relating to the impairment of those assets.

For further details on Goodwill and Intangible Assets, please refer to Section 18.1 Note 7.1 and Note 7.2 of the consolidated financial statements. For 2021, in the event of a 50-basis point increase in discount rates with no change in growth rates, impairment losses would be recorded for the CGU UK & Ireland for €8.6 million. The Group estimates that an increase of 50 basis point in discount rates used would represent the maximum scenario considering the market environment as at 31 December 2021 and recent historical changes in Group structure.

3.2.7 ***The Group faces a variety of risks in its reliance on third-party service companies and sub-contractors.***

The Group relies on various third-party service companies to provide services and support to the Group, including IT services, shipping, logistics, import and export services. The Group uses third party air-freight carriers with short lead time and worldwide limited capacity and since the Group do not have its own internal operations teams in every country in which it distributes products, it relies heavily on third-party logistics companies and sub-contractors. Without these third-party services, the Group's day-to-day functions would be greatly impaired. In particular, the Group relies on third-party specialists in over 170 counties for consulting and professional services relating to sales of its products, such as installation, implementation and maintenance. At the same time, the Group is subject to the consequences of these third parties' and sub-contractors' actions, quality of services. Failure of any third-party service company or any sub-contractor to timely and efficiently provide its service to the Group or its customers could result in a number of adverse consequences, including operational disruptions (of either the Group or its customers to whom the service is provided), damage to the Group's reputation or liability of the Group toward its customers, any of which could have a material adverse effect on the Group's business, results of operations or profitability.

3.3 Risks Related to the Group's Regulatory and Legal Environment

3.3.1 ***The Group operates a global business that exposes it to risks associated with conducting business in multiple jurisdictions***

The Group operates a global business, with offices in 43 countries and the ability to service customers across five continents and in over 170 countries, including in EMEA, APAC, and the Americas. See Section 5.7.1 "*Principal Markets*" for further detail. An increasing portion of the Group's business activity is being conducted in emerging markets. As a result, the Group's operating results and financial condition have in the past been, to a non-material degree, and could be significantly in the future, affected by risks associated with conducting business in multiple jurisdictions, including in less-developed countries. The associated risks include, but are not limited to, political instability, terrorism and potential military conflicts or civil unrest; economic instability in a specific country or region; as well as violations of increasingly complex regulations that vary by jurisdiction, such as trade protection laws (including import/export regulations), policies and measures, anti-corruption laws, consumer and data protection and privacy laws, network security laws, environmental laws and regulations, intellectual property rights, employment and labor laws and practices and tax laws. The potential criminal penalties for violations of such laws and regulations create heightened risks for the Group's international operations. In the event that the Group violated any of these laws, the Group could be fined significant sums, incur sizable legal defense costs or face limitations on its import/export capabilities, which could have a material and adverse effect on the Group's business and reputation.

While the Group has and will continue to adopt measures designed to promote compliance with these laws, such as internal control procedures, policies and standards, compliance reviews, evaluations and the hiring of additional staff (see also Section 3.4.1(c) "*Internal controls and compliance monitoring*"), these measures may prove to be inadequate. The Group's failure to comply with any of the laws of the jurisdictions in which it operates, or an alleged violation of such laws, could have a material adverse effect on the Group's reputation, business, results of operations or profitability.

3.3.2 ***The Group is subject to governmental, economic and trade sanctions laws and regulations and export and import controls that could subject the Group to liability in the event of non-compliance or impair the Group's ability to compete in international markets.***

The Group is subject to risks inherent in international business activities, including those relating to complying with a wide variety of economic and trade sanctions laws and regulations and export and import controls in various countries (see also Section 9.1 "*Customs*"). Most of the products and solutions distributed by the Group incorporate encryption technology and are classified as dual-use items (i.e., items that can be used for both civilian and military purposes). Dual-use export controls affect the research and development, production and trade of high-tech, advanced products across a wide range of industries, including telecommunications, information and cybersecurity, including the products bought and sold by the Group. The trade in dual-use items is subject to controls to prevent the risks that these items may pose to international security (see also Section 9.2 "*Dual-use products*").

As a result of the nature of the Group's business activity, the Group is subject to the export control regimes of the countries in which it operates, including the United States, European Union and the United Kingdom, and has implemented complex procedures to ensure that the final destination of the products is known to the Group and the Group's vendors (to whom the Group gives an information undertaking). These procedures may be time-consuming and may result in the delay or loss of sales opportunities. Vendors who have been found to have not complied with certain laws and regulations may also seek recourse against the Group if the Group has not assisted it adequately in its compliance obligations, for example, by accurately informing it of the countries in which its products are distributed.

As with U.S.-origin cybersecurity products generally, the products the Group distributes on behalf of its vendors are subject to U.S. export control laws and regulations, including the U.S. Export Administration Regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. Exports of these products must be made in compliance with these laws and regulations. Further, U.S. export control laws and economic sanctions prohibit the shipment or provision of certain products to U.S.-embargoed or sanctioned countries, governments or persons as well as the exposure of software code to nationals of embargoed countries. Although the Group takes precautions to prevent the products it distributes from being shipped to U.S. sanctions targets, the products could be shipped to those targets by the Group's customers. Any such shipments could have negative consequences for the Group, including governmental investigations, penalties and reputational harm.

The products the Group distributes on behalf of its vendors are also subject to EU export control and economic sanctions laws and regulations. The EU export control regime is governed by Regulation (EC) No 428/2009 of 5 May 2009 setting up a community regime for the control of exports, transfer, brokering and transit of dual-use items, as amended by Regulation (EU) 2019/496 (the "**Dual-Use Regulation**"), which provides for common EU control rules, a common EU control list of dual-use items and harmonized policies for implementation. Under the EU regime, the export of dual-use items is subject to control and dual-use items may generally not leave the EU customs territory without an export authorization. The Dual-Use Regulation is binding and directly applicable throughout the EU.

In addition, in a number of countries, import and export of dual-use items requires obtaining local licenses through a complex license process that is time consuming and may result in delays or the loss of business opportunities. When exporting from the Group's jurisdictions or when the Group's warehouses or internal systems are utilized in the transaction, the Group must acquire and maintain its own export licenses.

Changes in export or sanctions laws and regulations, shifts in the enforcement or scope of existing laws and regulations, or changes in the countries, governments, persons or products targeted by such laws and regulations, could also limit the Group's ability to distribute its products, or increase its distribution costs, with a consequent negative impact on revenues and profit.

Finally, the Group's failure to comply with applicable economic and trade sanctions and import and export laws of the jurisdictions in which it operates could lead to substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, reputational harm, and other consequences, each of which could have a material adverse effect on the Group's business, results of operations or profitability.

3.3.3 ***The Group is subject to UK, European, U.S. and certain foreign anti-corruption laws, anti-bribery laws, and anti-money laundering laws and regulations. In the event of non-compliance, the Group can face serious consequences, which can harm its business.***

The Group is subject to the EU regulatory measures targeted at preventing and countering financial crime, anti-money laundering and countering the financing of terrorism, France's Sapin II anti-corruption law, the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. §201, the UK Bribery Act 2010 and other state and national anti-bribery and anti-money laundering laws in the countries in which it conducts business (see also Section 9.4 "*Anti-corruption, anti-money laundering and anti-bribery*"). Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors, and other collaborators from authorizing, promising, offering, or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector.

The Group's rapid expansion has largely been based on acquisitions, and it has been a constant challenge for the Group to implement and maintain a unified compliance culture. In addition, the Group is exposed to risk as it is an intermediary business that engages third-party providers in a number of markets in which it operates. Since the Group may not be able to control the actions of these third-party providers, the Group could be held liable for their actions. Operating in certain markets, such as the APAC, Eastern Europe and Africa regions, subjects the Group to greater bribery and corruption risks. The Group can be held liable for the corrupt or other illegal activities of its employees, agents, and contractors, even if it does not explicitly authorize or have actual knowledge of such activities. The Group' Internal Audit carries out internal audits to ensure that any compliance-related incidents are identified and addressed, and it will continue to use internal audits as a monitoring tool. For more information, please refer to the Extra Financial Statement of Performance, Annex II of the present 2021 Universal Registration Document.

Violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences, each of which, individually or in the aggregate, could have a material adverse effect on the Group's business, results of operations or profitability.

3.3.4 ***The Group may not be able to adequately anticipate, prevent, or mitigate damage resulting from criminal and other illegal or fraudulent activities committed against it or as a result of misconduct or other improper activities by its employees or contractors.***

Global businesses are facing increasing risks of criminal, illegal, and other fraudulent acts. The evolving nature of such threats, considering new and sophisticated methods used by criminals, including phishing, misrepresentation, social engineering and forgery, is making it increasingly difficult for the Group to anticipate and adequately mitigate these risks. For example, the Group has been subject to phishing, misrepresentation, social engineering and forgery attempts in the past and may be subject to such attempts in the future. In addition, designing and implementing measures to defend against, prevent, and detect these types of activities are increasingly costly and invasive into the operations of the business.

In addition, misconduct or failure of its employees or contractors to adhere to Group policy may further heighten such risks. As a result, the Group could experience a material loss to the extent that controls and other measures implemented to address these threats fail to prevent or detect such acts. In addition, misconduct by its employees or contracts may include intentional failures to comply with the applicable laws and regulations in the European Union and abroad, report financial information or data accurately or disclose unauthorized activities to the Group.

It is not always possible to identify and deter employee misconduct, and any other precautions the Group takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting the Group from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against the Group, and it is not successful in defending itself or asserting its rights, those actions could result in the imposition of significant civil, criminal and administrative penalties. Whether or not the Group is successful in defending against such actions or investigations, it could incur substantial costs, including legal fees, and divert the attention of management in defending itself against any of these claims or investigations.

Any such misconduct or actions instituted against the Group could result in legal or regulatory sanctions, cause serious harm to the Group's reputation and could have a material adverse effect on the Group's business, results of operations or profitability.

3.3.5 *Any real or perceived privacy breaches or improper use of, disclosure of, or access to such data could harm the Group's reputation as a trusted brand, as well as have a material and adverse effect on its business, financial condition, results of operations and prospects.*

The Group collects and processes customer personal data in the context of its distribution activities, as well as the personal data of its clients, end-users and prospects in its marketing activities, the provision of its value-added services, such as support services, and its subscription-based services, such as X-OD. Global privacy legislation, enforcement, and policy activity are rapidly expanding and creating a complex compliance environment (see also Section 9.3 "*Data Protection*"). The European Union's General Data Protection Regulation ("GDPR"), which entered into application in May 2018, created a range of new compliance obligations for the Group in addition to the obligations the Group already had under Directive 2002/58/EC (the "e-Privacy Directive"). Failure to comply with the GDPR may lead to regulatory enforcement actions, which could result, for example, in administrative fines up to €20,000,000 or up to 4% of annual worldwide revenue of the preceding financial year, orders to discontinue certain data processing operations, private lawsuits or reputational damage. 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 has experienced cybersecurity attacks, of which it informed its customers, and took corrective action. The Group's systems, those of its vendors and customers, and those of the Group's third-party service providers are under constant threat. For more information, please refer to the Extra Financial Statement of Performance, Annex II of the present 2021 Universal Registration Document.

The Group's failure to comply with cybersecurity, privacy-related or data protection laws and regulations could result in proceedings against the Group by governmental entities or others. 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.

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.

3.3.6 ***The Group cannot predict the outcome of litigation matters or other investigations in which it may be involved from time to time.***

From time to time, the Group may become involved in legal proceedings, including government investigations, that arise out of the ordinary conduct of the Group's business, including matters involving intellectual property rights, commercial matters, merger-related matters, product liability and other actions. Although the Group is not currently party to litigation or investigations it believes are material, the Group has from time-to-time received pre-claims notices.

Furthermore, the Group is currently involved in limited claims, disputes, and lawsuits. Although the Group does not believe that the ultimate resolution of these matters will have a material adverse effect on its consolidated financial position, results of operations or cash flows, the Group may not ultimately prevail in any of these matters.

3.3.7 ***The Group may be subject to intellectual property rights claims, which are costly to defend, could require payment of damages or licensing fees and could limit the Group's ability to use certain technologies in the future.***

The Group distributes cybersecurity products that include intellectual property owned by the Group's vendors. Substantial litigation and threats of litigation regarding intellectual property rights exist in the cybersecurity solutions and certain ancillary service industries. Although the Group, to its knowledge, has had no intellectual property issues, third parties (including companies which acquire patents solely with the intention of aggressively seeking licensing revenue from purported infringers and not to develop technology) may, from time to time, assert patent, copyright and/or other intellectual property rights to technologies that are important to the products distributed by the Group. Depending on the nature of the claim, the Group may be able to seek indemnification from its vendors for itself and its customers against such intellectual property claims, but it may not always be successful or be fully protected against such claims. The Group has received such claims in the past, which have been forwarded to and handled directly by the relevant vendors. In addition, the Group is exposed to potential liability when it combines multiple technologies of its vendors, for which it may have limited or no indemnification protection.

The Group may be obligated to indemnify and defend its customers if the products or services it distributes are alleged to infringe any third party's intellectual property rights. Any infringement or indemnification claim brought against the Group, regardless of the duration, outcome, or size of damage award, could:

– result in substantial cost to the Group;

– divert management's attention and resources;

– be time consuming to defend;

– result in substantial damage awards; or

– cause product shipment delays.

Additionally, if an infringement claim against the Group or its customers is successful, the Group or the vendor may be required to pay damages or the vendor may be required to seek royalty or license arrangements, which may not be available on commercially reasonable terms. The payment of any such damages or royalties may significantly increase the Group's operating expenses as a result of vendors increasing the costs of their cybersecurity products. Further, royalty or license arrangements may not be available at all, which would then require the Group to stop distributing certain cybersecurity solutions or using certain technologies.

Should any of the foregoing risks materialize, it could have a material adverse effect on the Group's business, results of operations or profitability.

3.3.8 ***If the solutions provided by the Group's vendors are defective or fail to meet the required standards, or if the Group causes damage or injuries through its negligent acts or omissions in providing its vendors' cybersecurity solutions, the Group's business and reputation may be adversely affected.***

The Group sources the cybersecurity solutions offered to its customers from a variety of international vendors. The quality of the cybersecurity solutions provided by the Group's vendors is not under its control. Performance issues with the cybersecurity solutions from the Group's vendors may result from the products themselves or from their settings. There is no assurance that the Group or its vendors would be able to detect and resolve these defects and errors in a timely manner or at all. For example, in the past, hardware components sold by the Group resulted in a fire on the premises of an end-user.

Although the Group's vendors generally warrant to end-users, through an end-user license agreement, that the solutions will perform in accordance with their specifications for a certain period upon delivery, such cybersecurity solutions may have coding, design or other defects or errors that may impair customers' operation or cause malfunctions. As is standard in the industry, the Group's agreements with its vendors contain no such provisions providing a warranty to the Group and, as a result, warranty or product liability claim may be asserted against the Group. However, while this is the case for the sale of licensed products, in the case of the provision of support and maintenance services, the Group's vendors generally warrant to end-users an end-user support agreement, which limits the liability of the Group to non-material support services.

The Group's business could be materially adversely affected as a result of a significant quality or performance issue in the cybersecurity solutions it sells, if it is required to pay for the associated damages or if it is exposed to any reputational damage. Although the Group currently has product liability insurance, such insurance is limited in coverage and amount and may not be sufficient to cover all possible claims. Further, when relying on contractual liability exclusions, the Group could lose customers if their claims are not addressed to their satisfaction.

As part of its agreements with its vendors, the Group indemnifies the vendors against any breach of the Group's obligations when acting on behalf of a vendor. Further, if a reseller causes the Group to be in breach of its obligations under a vendor agreement, for example, if the reseller breaches export control requirements, the Group may be required to indemnify the vendor but may not have an indemnity claim against the reseller, as the reseller does not indemnify the Group.

In addition, many of the cybersecurity solutions distributed by the Group form a critical part of the operations of the end-users' businesses and any defects or errors in these solutions could affect the end-users' operations. Although the cybersecurity solutions distributed by the Group typically run through user acceptance testing before final launch by the vendor, there is no assurance that all bugs, errors or flaws have been detected and corrected, and the Group may be liable for damage to the end-user's operations.

There may also be compatibility issues between the products the Group sources from its vendors and its customers' existing IT environment that may be outside of the control of either the Group or its vendors. There is no assurance that the Group would be able to detect and resolve these compatibility issues in a timely manner or at all.

Finally, in order to provide cybersecurity solutions, the Group's employees may be required to work on the customers' premises and thus the Group may be exposed to potential liabilities or may face claims or legal actions brought by the Group's customers for damages caused by the negligent conduct or fault of the Group's employees. In such event, the Group may need to incur additional costs to settle or defend these claims or legal actions.

Each of these considerations, individually or in the aggregate, could have a material adverse effect on the Group's business, results of operations or profitability.

3.4 Risk Management and Insurance

3.4.1 *Overview of risk management policy*

The Group has implemented risk management procedures and designed internal controls in order to ensure that (i) risk exposure is identified, (ii) plans are made for mitigating such risks and (iii) there is adequate monitoring of the progress made on key mitigating actions. Risk management is closely monitored within the Group, with the involvement of senior managers from the legal or finance teams, as well as from the operational teams.

(a) Organizational framework

The identification, assessment, prioritization and management of the risks faced by the Group are closely and regularly monitored, under the ultimate supervision and responsibility of the Board of Directors.

The Board of Directors delegates to the Audit Committee the task of reviewing the implementation of mitigating measures, the effectiveness and consistency of the related internal controls and risk management systems.

The reviews are conducted by the Internal Audit team, which, as an independent body within the Group, evaluates the effectiveness of the main processes of the audited companies. Internal Audit reports to the Audit Committee regularly on the results of such reviews.

The company risk management system is reviewed on a regular basis by the Audit Committee (please refer to the Chapter 1 of the Governance Corporate report of the Board of Directors for the description on the duties of the Audit Committee).

(b) Implementation and update of the Risk Register

As part of its risk management processes, and under the supervision of the Audit Committee, the Group has drawn up a risk register (the "**Risk Register**"), first produced in 2014 and regularly updated based on the evolution of the Group's risks and the implementation of mitigating measures (with an ultimate approval of each update by the Audit Committee, the most recent update having taken place in May and June 2021). Prepared on the basis of feedback from managers at Group level (including the CEO and CFO) and at local level (including regional managers and country managers), the Risk Register presents the Group's main markets, strategy, operations, IT, finance, compliance and human capital risks and provides guidance to the Group's management as to such main risks faced by the Group. The Risk Register provides:

- a mapping of risks, allowing the Board of Directors and the Group's 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 key risks within each main category (e.g. business, operational and finance);

- an overview for each key risk of (i) the potential causes of such risks, (ii) the potential consequences of such risk, (iii) existing mitigating actions, and (iv) further mitigating actions to be taken,

- an indication on the level of the probability of the occurrence of a risk and the impact on the Group should that risk occur; and

the identity of the risk owners and deputies (all members of the Executive Committee) that are assigned responsibility for implementing mitigating actions under the Board of Director's supervision.

(c) Internal controls and compliance monitoring

Alongside the identification and management of the Group's main risks, the Group has an internal control and compliance monitoring system which is based upon:

- formal training for Group employees on the Group's code of conduct and ethics,

- delegation of authority through region-specific matrixes which set out when authority from certain individuals is needed before certain actions can be taken,

- yearly self-assessment of financial monitoring control,

- Regular reviews by Internal Audit, covering the Group's compliance with anti-corruption and export control laws and regulations and financial controls, and

- following each internal audit review, the drawing up of a remediation plan.

The Group has regularly upgraded its internal controls and compliance monitoring after discovering compliance failures in the past.

The Group continues to improve its internal controls, including strengthening its governance, providing supplemental training to its teams, and introducing improved technology to monitor the implementation of the controls.

3.4.2 ***Insurance***

The Group's insurance is mainly coordinated by the Group's legal and Risks and Compliance departments, while certain specific policies (including the Group's policies for credit insurance and transport insurance, which are coordinated by the Group's finance and operations departments, respectively) may be managed by other dedicated departments within the Group in order to make sure that the coverage of such policies is adequate given the business specificities. In each case, support is provided by the Group's local management.

The Group's insurance policies, including the Group's cybersecurity insurance policy are negotiated at Group level, with the exception of property insurance, health insurance and car insurance, each of which are established and managed at a local level.

The Group's legal and finance departments negotiate with the major insurance carriers on an annual basis or at every end of multi-year period to set up the most appropriate coverage for the Group's risk. The premium charged by the Group's insurance counterparties depends on the level of risk, as does the capped amount which the Group can claim under each policy (on a claim-by-claim and aggregate basis) and the deductible amount per claim.

The implementation of insurance policies is based on the determination of the level of coverage necessary to deal with the reasonably estimated occurrence of liability, damage or other risks. This assessment takes into account the assessments made by insurers as risk underwriters. Uninsured risks are risks for which there is no coverage available on the insurance market or for which the coverage offer 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 main policies, underwritten by internationally renowned insurance companies, include cybersecurity insurance, civil liability insurance, product liability insurance, directors' and officers' indemnification, transport insurance and credit insurance.

4. INFORMATION ABOUT THE ISSUER

4.1 Legal and commercial name of the Company

The corporate name of the Company is Exclusive Networks SA.

4.2 Registration location and number and legal entity identified (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.

4.3 Date of incorporation and term of the Company

The Company was incorporated on 19 April 2018. The Company's duration is 99 years from the date of its registration subject to early dissolution or extension.

The Company has a fiscal year of twelve months beginning on 1 January and ending on 31 December of each year.

4.4 Registered office, legal form and applicable legislation

The Company's registered office is located at 20, quai du Point du Jour, 92100 Boulogne-Billancourt. The telephone number of the headquarters is +33 (0)1 41 31 53 04.

The Company is a French *société anonyme* governed by French law. The Company was formerly a French *société par actions simplifiée*. 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 Universal Registration Document and has not been reviewed or approved by the AMF.

5. OVERVIEW OF THE GROUP'S ACTIVITIES

5.1 Overview

The Group is a leading global specialist in innovative cybersecurity technologies, products and solutions. The Group provides services to accelerate the sale of cybersecurity disruptive technologies on a global scale. The Group is positioned at the center of the cybersecurity ecosystem to help, on the one hand, cybersecurity vendors efficiently scale their businesses globally, and, on the other hand, provide its customers (i.e., Solutions Providers ("**SPs**"), value-added resellers ("**VARs**"), system integrators ("**SIs**"), Global Systems Integrators ("**GSIs**"), telecommunications companies ("**Telcos**"), managed service providers ("**MSPs**"), managed security services providers ("**MSSPs**"), Cloud Services providers ("**CSPs**"), with cybersecurity expertise, disruptive technologies and services to fit the needs of their corporate customers.

The Group buys and sells the cybersecurity products & solutions as well as adjacent products of its disruptive and established vendors. The Group offers the entire portfolio of cybersecurity solutions provided by its vendors except for those that fall outside of the Group's cybersecurity segments. The Group's cybersecurity segments include Next Generation Firewall, Content Security, Data Security, Endpoint Security, Email Security, Security & Vulnerability Management, Identity & Privilege Access Management, Cloud Security, Cloud Access Security Broker (CASB), Security Access Service Edge (SASE) and Others Segments (Network Access Control, Intrusion Detection and Prevention, Virtual Private Network (VPN), Distributed Denial of Services (DDoS), Domain Networks System (DNS), Network Detection and Response and Software Defined Networking (SD-WAN)). The Group provides its vendors and customers with standard services (e.g., shipping, billing, logistics, customs, invoicing, cash collection and foreign exchange) in addition to another layer of services only a specialist can provide (e.g., evangelization of new technology, specialized training and support, global expansion, channel management, marketing, demand generation and pre-sales technical advice). The Group also provides services such as training, support and installation. See Section 7.2.1 (a) "*Profitability*" for further discussion.

The Group employs over 2375 employees, including more than 500 technical engineers and 150 other cyber and certified tech salespeople, thus maintaining a ratio of approximately one technical engineer for every 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. These trainers provide classroom and remote vendor-accredited training courses or courses created by the Group. This makes the Group a valuable, credible partner in the highly technical and ever-evolving cybersecurity market. Thanks to its strong technical staff and specialization, the Group has developed a proven ability to launch new cybersecurity solutions, from both disruptive and established vendors, in the geographic markets where the Group operates. This ability to promote disruptive technologies and solutions in local markets is at the center of the Group's value proposition, regardless of the solution's nature, enabling coverage of a range of products, including, for example, licenses, support services or subscriptions.

The Group excels by combining global scale with local execution. With offices in 43 countries and the ability to service customers across five continents and in over 170 countries, the Group, headquartered in France, offers a "global scale, local sale" model. This model enhances performance in local operations by providing both global support (such as global support centers, vendor onboarding, global deal desk and global delivery services) and local support (such as local and regional distribution, local team onboarding, delivery follow-up coordination and POD consolidation). This approach has enabled the Group to (i) develop one of the world's broadest portfolios of cybersecurity solutions from over 260 leading vendors and (ii) develop a worldwide customer base, consisting of over 21,000 partners such as SPs, GSIs, SIs, Telcos SIs, MSPs, MSSPs indirectly serving more than 110,000 end-customers. Over the period from 2018 to 2021, the Group conducted business in more than 170 countries.

The Group's approach enables vendors to adopt a simple and agile go-to-market model in relation to their cybersecurity solutions, while benefitting from the Group's local expertise and market knowledge in each jurisdiction where it operates. The Group's scale is equally important to its customers as their own end-users may be located in multiple regions of the world. In addition, the Group helps its customers through its expertise in vendor selection as cybersecurity solutions become ever more complicated and keep evolving in the face of increasing cybersecurity threats.

The Group offers technical expertise and a wide range of services to both vendors and customers. Services to resellers mainly include (i) (multi-)vendor professional and technical services, (ii) implementation and support, (iii) asset financing and leasing, (iv) project management and logistics and (v) accredited training. Several of these services are billable services. Services to vendors include channel development enablement and management, marketing and demand generation. This broad service offering helps the Group maintain and strengthen its relationship with vendors currently under contract, as well as develop new relationships with vendors offering innovative solutions. The Group has been the go-to-market expansion partner for some of the fastest growing vendor brands in the cybersecurity market, including Fortinet, Palo Alto Networks, F5, Netskope, Thales, Infoblox, Proofpoint etc... and has contributed to their journeys to become major players in international markets.

The Group's proven ability to secure sole distribution's contracts with net new and disruptive vendors is an important strength as these disruptive vendors represent future growth opportunities for the Group and its customers. The Group's services offering also strengthens the development of its customer base, whether in relation to its larger or smaller resellers. In less mature markets, the Group's services are particularly valuable to smaller resellers, who benefit from the training, support, and technical expertise of a specialist such as the Group. For larger resellers that cover a broad range of IT services, but are not cybersecurity specialists, the Group's general expertise in cybersecurity helps them understand key market trends and identify the best technologies for their end-users.

5.2 Competitive Strengths

The Group believes that it has the following key strengths:

5.2.1 *At the center of a large and fast-growing Global cybersecurity market*

The cybersecurity value-chain is highly complex and continuously evolving, with a fragmented ecosystem of players including vendors, partners and end-customers. The overall Global Cybersecurity products (hardware & software), consulting and services market was believed to be worth approximately ± €165 Billion in 2020, according to various sources below referenced:

https://www.globenewswire.com/news-release/2022/01/05/2361317/0/en/Cyber-Security-Market-to-Reach-USD-366-10-Billion-by-2028-Surging-Number-of-E-Commerce-Platforms-to-Amplify-Market-Growth-Says-Fortune-Business-Insights.html

https://www.fortunebusinessinsights.com/industry-reports/cyber-security-market-101165

https://www.helpnetsecurity.com/2022/01/21/cybersecurity-market-2027/

Between 2016 and 2020, the overall Global market grew at an approximately ±9% Compound Annual Growth Rate ("**CAGR**") and is expected to continue to grow significantly, at approximately ±12% CAGR between 2021 and 2030, according to the Market Reports, driven primarily by continued increases in product adoption.

Exclusive Networks is a key player in several categories of the Entreprise Cyber Security market. The Enterprise Cyber Security market represents ± 61 Md $ of spending worldwide.

The vast majority of the Group's sales originate from distributing and servicing cybersecurity solutions, with a small portion coming from non-cyber related business, such as cloud transformation and unified communications. The Group's central role in the distribution chain and its ability to add value to this highly attractive market should enable it to capitalize on the expected continued structural growth opportunities. The Group believes that it is well-placed to continue to grow its share of the overall market given its differentiated product offering and its services portfolio, which enable it to play a critical role within the cybersecurity ecosystem.

5.2.2 *Partner of choice for industry leaders, driving network effects*

The Group has developed a best-in-class vendor portfolio. The Market Reports have identified the Group's vendors, such as Arista, BeyondTrust, Crowdstrike, Exabeam, Extreme Networks, F5, Fortinet, Gigamon, Imperva, Juniper, LogRhythm, Netskope, Nutanix, Okta, Palo Alto, Rubrik, SentinelOne, Tanium, Tenable and Thales, to be market leaders in key sub-sectors. This portfolio has been cultivated through a robust and efficient vendor selection framework, enabling the Group to partner with the industry leaders of the future. The Group has a rigorous process of (i) information gathering and screening, (ii) formal valuation and presentation, (iii) internal product committees and (iv) momentum planning to determine with which vendors to partner. In 2021, the Group added 14 new vendors with greater than €100 thousand in Gross Sales[1] after screening more than 50 over the course of the year. The Group believes that this rigorous framework will enable it to continue to identify the future industry leaders and provide opportunities for the Group to grow alongside its judiciously selected vendors.

Exclusive Networks' ability to identify future industry leaders translates to powerful network effects. The Group's best-in-class vendor portfolio leads to Exclusive Networks continuing to grow and expand its partner base. This expansion of the partner base enables the Group to further enhance its cybersecurity expertise, which in turn enables Exclusive Networks to reinforce its existing international reputation. This status, in turn, enables Exclusive Networks to attract and retain the best talent, which enables the Group to continue to identify and maintain relationships with existing and future industry leaders. The Group believes that this cycle enables it to continue driving sustainable growth on an ongoing basis, with the related network effects creating high barriers for new market entrants.

5.2.3 *Unique value proposition across cybersecurity ecosystem underpinned by specialization*

Cybersecurity has mission-critical implications for all organizations relying on IT and digital tools to operate their businesses. Consequently, the distribution channels from vendors to end-customers are numerous and complex and require players that combine deep technical expertise as well as global market capacities. The Group represents a critical component of the global cybersecurity distribution chain, positioned between the approximatively 3,500 vendors that exist industry-wide, and more than 100,000 VARs, SIs, SPs, GSIs, Telcos, MSSPs, CSPs, MSPs, who then address over 40 million end-customers. It offers a wide range of value-added services at both ends of the value chain, enabling vendors to benefit from a global marketing

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1 See Sections 7.5 "*Key performance indicators*" and 7.5.1"*Reconciliation of KPIs*" for a reconciliation of the Group's KPIs with IFRS and/or French GAAP measures.

and sales strategy so they can focus on their core software development activity, while helping resellers navigate a fragmented, technically challenging and constantly evolving product offering.

The Group's upstream positioning in the value chain is derived from its ability to deliver a very broad range of technical and commercial services. Today, the Group successfully addresses the majority of the key cybersecurity market segments, according to the Market Reports. Technical services, including product training, professional services, technical support and managed services are essential for some of the Group's reseller clients, who lack the technical familiarity with the vendors' products to master the fragmented and constantly evolving cybersecurity solutions landscape. Commercial services, including partner enablement and management, lead generation and marketing are important for vendors, many of which cannot dedicate large parts of their organization to their marketing strategy, especially outside of their home market.

The Group's positioning as a specialist in cybersecurity comes from a deep technical expertise made possible by more than 500 engineers, or approximately 25% of the Group's workforce. In October 2020, the Group launched an initiative enabling the shift to cloud-based subscription with Exclusive On-Demand ("**X-OD**"). X-OD has already been launched successfully with five vendors and is now being applied in key geographies in Europe, namely the UK, Ireland, France, Germany, Austria, the Netherlands, Belgium, Spain and Finland, and is also available in the USA. The Group believes that X-OD highlights how the Group continues to innovate to best serve its clients.

5.2.4 *Global footprint with local presence, providing access to a large and diversified customer base*

The Group operates globally. With significant scale and geographical reach, it combines offices in 43 countries and the ability to service customers across five continents with a global network of third-party specialists that create value for clients by providing on-the-ground services in over 100 countries and logistics capabilities in more than 170 countries. This global footprint is managed with a decentralized organization and five global support centers.

The cybersecurity ecosystem is highly complex and therefore Exclusive Networks is critical for both vendors and resellers to navigate that complexity. Through the Group's extensive network, vendors are able to scale globally despite lacking the necessary presence in their target geographies, utilizing the Group's local expertise. The Group provides access to over 21,000 partners VARs, SIs, SPs, CSPs, MSSPs, Telcos, GSIs and MSPs, enabling vendors to unlock a large, diversified customer base. Exclusive Networks is able to grow alongside the vendor, with both parties benefitting from the symbiotic relationship. The Group believes that global presence and local expertise will remain critical within the cybersecurity ecosystem, and that it is best placed to continue benefitting from such trends.

5.2.5 *Strong track record of profitable growth at scale, with software-like attributes*

The Group believes that it offers a powerful and unique combination of leading market positions, with an established track record of strong revenue growth, proven profitability, and an asset light model supporting strong cash generation.

The Group has a strong revenue profile, with Gross Sales growing at approximately 33% CAGR, and more than 27% organic growth[1], between 2013 and 2021. Between 2019 and 2021, Gross Sales grew at 18% CAGR driven by both organic growth (10%) and acquisitions (8%, of which Veracomp accounted for 6%). For the year ended 31 December 2021, the Group

[1] Organic growth is calculated considering an acquired company's performance as organic from the year following the Group's acquisition of it, and is an unaudited measure not calculated in accordance with IFRS.

reported Gross Sales of €3.3 billion, which represent a year-on-year growth of 15%, including Veracomp as it had been acquired on 1st January 2020, driven by organic growth (13%) and acquisitions less than €100 millions of gross Sales (2%).

The nature of the business model is such that the Group has a highly sticky revenue stream that provides the foundation for future growth both organically, and as businesses are acquired and integrated.

Exclusive Networks has demonstrated profitability, with an Adjusted EBITA at 37% as a percentage of Net Margin[2] for the year ended 31 December 2021, which is stable when compared to prior year.

The Group operates an asset light model, as measured by its Return on Capital Employed ("**ROCE**"). For the year ended 31 December 2021, the Group's ROCE was 52%[3]This asset light model enables strong cash conversion, with the Group's average Cash Conversion[4] at approximately 80% over the past three years. For the years ended 31 December 2021, the Group's Cash Conversion percentages was 64%.

5.2.6 *Proven industry consolidation platform on a global scale*

Exclusive Networks has acquired 18 businesses since 2013 and has a proven track record of making disciplined acquisitions, adhering to specific acquisition criteria. The Group believes it has a best-in-class M&A playbook that is focused on geographical coverage and service offering. Through selective acquisitions, Exclusive Networks has expanded into over 28 new geographies with offices since 2013, adding capabilities including training and education platforms and global project management. Most recently, the Group acquired Ignition Technology in July 2021 to reinforce its ability to address the needs of its emerging vendors and Networks Unlimited in December 2021, expanding the Group's geographical reach into Sub-Saharan Africa.

The Group has a highly selective and efficient screening process, with between 10 and 15 targets reviewed annually, that have resulted historically in one to three acquisitions per year. Exclusive Networks has a clear and robust approach to integration aimed at maximizing the target's performance while preserving their own identity and entrepreneurial spirit (usually focusing on founder retention of a significant minority stake in the company or share options granted to key managers), within the parameters of the Group's framework. The Group has a track record of accelerating acquired companies' growth and achieving synergies by sharing technical and commercial expertise. The Group believes this disciplined approach to acquisitions will ensure that the Group is able to continue to enhance its growth trajectory as an extension to organic growth, enabling Exclusive Networks to scale further effectively.

5.2.7 *Experienced leadership team, with an entrenched entrepreneurial culture, supported by a visionary founder*

Exclusive Networks is led by a dynamic senior leadership team, who are fully dedicated to the continued success of the Group and have deep experience within the industry. The team comprises long-standing employees, and more recent joiners with extensive industry experience and specialist expertise. Exclusive Networks has a clear identity focused on a strong

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2 See Sections 7.5.1 "*Reconciliation of KPIs*" for a reconciliation of the Group's KPIs with IFRS and/or French GAAP measures.

3 . The Group's 2020 ROCE excludes a €28 million exceptional decrease in Net Working Capital due to a one-off delayed VAT payment in the UK and exceptional improvement of payments terms with one vendor.

4 See Sections 7.5.1 "Reconciliation *of KPIs*" for a reconciliation of the Group's KPIs with IFRS.

engineering culture, with approximately 25% of the Group's employees as technical engineers, and an approximate ratio of 1:2 engineers to salespeople. The Group employs more than 500 technical engineers, who have an average of five technical certifications. This is combined with a customer-centric approach and a wider focus on creating positive benefits for society. See Section 5.12 and the Annex II of this Universal Registration Document.

Exclusive Networks' management team is led by Mr. Jesper Trolle, who was appointed as Chief Executive Officer in September 2020. Jesper's appointment as Chief Executive Officer was part of a planned succession strategy from the Group's visionary founder, Mr. Olivier Breittmayer who remains involved with the Group as a Non-Executive Director on the Board. Jesper is vastly experienced with the IT industry having worked for over 28 years in the sector both within the reseller community and distribution (for further information, see the Report on the Corporate Governance, Annex I, Section 1 of the present Universal Registration Document.

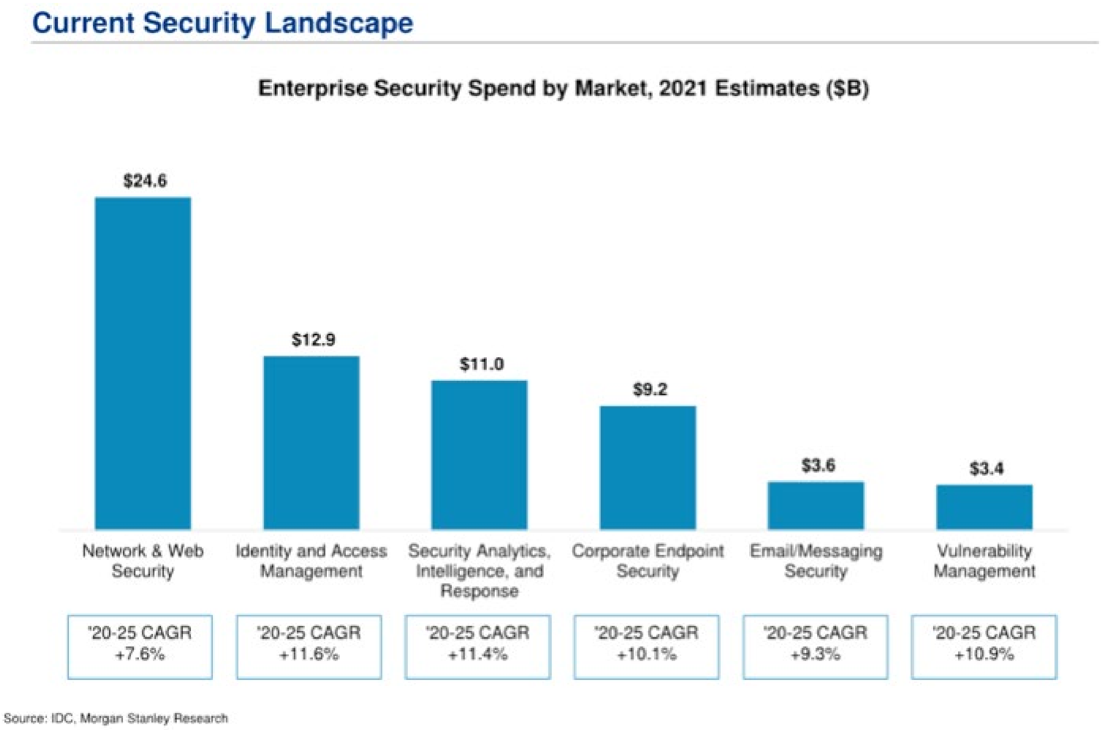
The Group believes that the current composition of the senior management team combines deep knowledge of the industry, with the expertise of operating globally within a highly complex ecosystem. The Group's committed and highly capable senior leadership team has enabled Exclusive Networks to establish itself as the global cyber-security distribution specialist that is very well placed to transition successfully to become a publicly listed business.

5.3 Group Strategy

The Group has historically demonstrated a strong track record of profitable growth and has a clear strategy in place, with the aim of delivering future growth. This strategy is founded on five core pillars: (i) continuing to leverage the underlying growth of existing vendors in current geographies; (ii) adding new geographies for existing vendors; (iii) attracting new vendors to its existing services and solutions offering; (iv) expanding its services and solutions offering to serve customers' needs; and (v) pursuing value-accretive M&A.

5.3.1 *Continue to leverage the underlying growth of existing vendors in current geographies*

The Group expects that future growth will be underpinned by the continued growth in cybersecurity spending. The Group operates in a highly attractive market which benefits from strong underlying growth with multiple structural drivers (see Section 5.5 "*Industry*"). According to the Market Reports, the global cybersecurity market is forecast to grow at a CAGR of approximately ±12% over 2021-2026, with specific industry sub-segments expected to grow at an even higher rate, such as Content Management (CAGR of approximately 9%), Network & Web Security (CAGR of approximately 8%), Identity and Access Management Software (CAGR of approximately 12%), Endpoint Security (CAGR of approximately 10%) and Security and Vulnerability Management Software (CAGR of approximately 11%).



Source: Morgan Stanley Cybersecurity outlook 2022 (January 18th)

Within the Content Management segment, the Cloud-Access Security Broker (CASB), Secure Access Service Edge (SASE), Security Email Gateway (SEG), Data Discovery (DD)/Data Classification (DC)/Data Loss Prevention (DLP) and Web Application Firewall (WAF) sub-segments are expected to grow at 2020-2026E CAGRs of approximately 30%, 29%, 14%, 12% and 8%, respectively. Within the Network Security segment, the Software-Defined Networking (SDN)/Zero Trust Access sub-segment is expected to grow at a 2020-2026E CAGR of approximately 17%. Within the Identity and Access Management Software segment, the Privileged Access Management (PAM), Advanced Authentic and ID Governance & Administration sub-segments are expected to grow at 2020-2026E CAGRs of approximately 20%, 14% and 13%, respectively. Within the Endpoint Security segment, the Containers Serverless sub-segment is expected to grow at a 2020-2026E CAGR of approximately 10%. Within the Security & Vulnerability Management segment, the Security Information and Event Management (SIEM) sub-segment is expected to grow at a 2020-2026E CAGR of approximately 10%.

The Company's vendor base is continuing to grow and evolve focusing on newer areas of the cybersecurity market such as cloud security, next-generation firewall and ransomware detection. In addition, vendors continue to actively pursue mergers and acquisitions, with Palo Alto's acquisition of Twist lock and Parsec as examples. These dynamics ensure that the market continues to evolve and grow, with potential benefits for the market position and growth of Exclusive Networks.

This substantial upside potential is evident in the Company's cross-sell and up-sell abilities. The Company has significant opportunity for a "one-stop-shop" approach by cross-selling extra vendors or products to the existing customer base. Over 70% of the Group's partners purchase products from one or two of the Group's vendors. The substantial upside potential is evident in the Group's average vendors per re-seller which, in 2020, was approximately 2.2. The Group also has a strong up-sell opportunity, particularly upon renewal, as partners and end customers have a significant need for multiple products averaging more than 50 products per end-customer. The substantial upside potential is evident from the average revenue per re-seller which, in 2020, was approximately €160 thousand. An increase in the average revenue per reseller allows for growth without adding additional resellers to the Group's reseller base. The Company intends to leverage these dynamics to support future growth. Approximately 80% of the Group's growth stems from its existing customer base and 20% from new customers acquired.

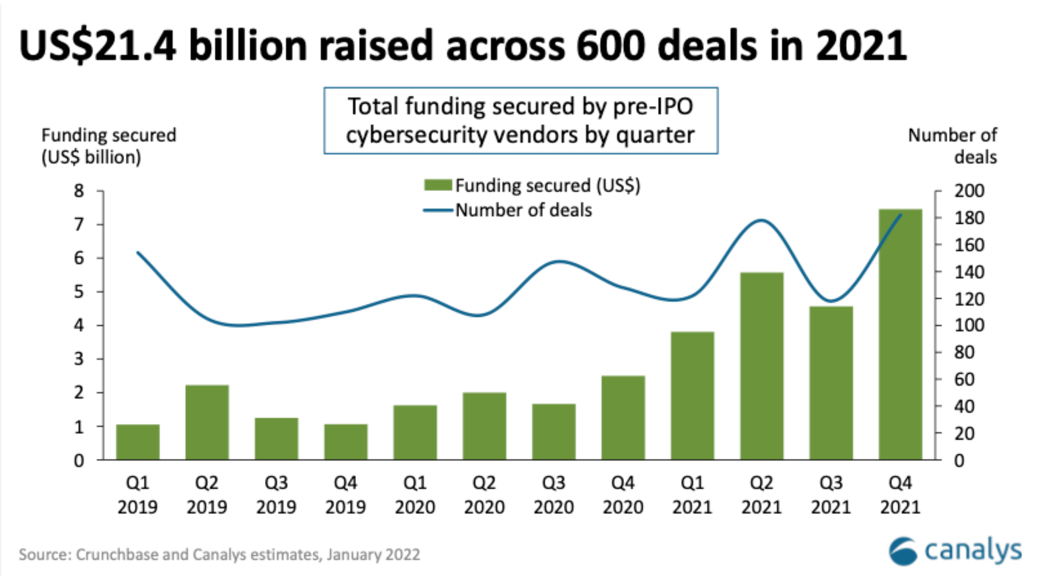
5.3.2 *Add new geographies for existing vendors*

The Company is typically engaged by its vendors to operate as their partner in a specific country or countries, because of the Group's strong track record of introducing vendors' products to geographies where it already has existing presence and capabilities. As of today, no key vendor of the Group is contracted across all territories. The Company has a strong record of geographic expansion and has grown significantly in the Americas and APAC regions since it entered those markets in 2015 and 2017 (approximately 57% and 47% CAGR, respectively).

A key geography in which the Company is targeting to expand is the US, where, in 2021, it had less than 5% market share by revenue and which represented 10% of the Company's revenue. Given that the majority of cybersecurity vendors are based in the US and the US is the largest market globally, there is a lower proportion of 2-Tier distribution models, with only approximately 50% of total sales of cybersecurity products being sold indirectly via distributors, compared to approximately 80% in EMEA and in APAC, in each case, according to the Market Reports. However, given the size of the US cybersecurity market, the opportunity remains significant, and the Company believes that it has a strong offering to address that market opportunity. As of today, the Company has a large number of US vendors for whom it sells internationally but a small handful of vendors for whom it sells into the US and approximately 90% of the Company's US revenue is generated by one vendor. As such, there is a clear opportunity to increase US growth such as the signature of Juniper and Docker in 2021. There are also trends that the Company believes are supportive of its aim to gain US market share, including continued consolidation of distributors, resulting in fewer distribution options for existing vendors and greater competition amongst vendors within newly merged distributors, which will likely trigger the desire for some of Exclusive's existing vendors.

5.3.3 *Expansion of the vendor portfolio*

The cybersecurity market is continuously evolving with over 100 new cybersecurity start-ups emerging every year and over $21 billion in venture capital raised in cybersecurity in 2021 alone.



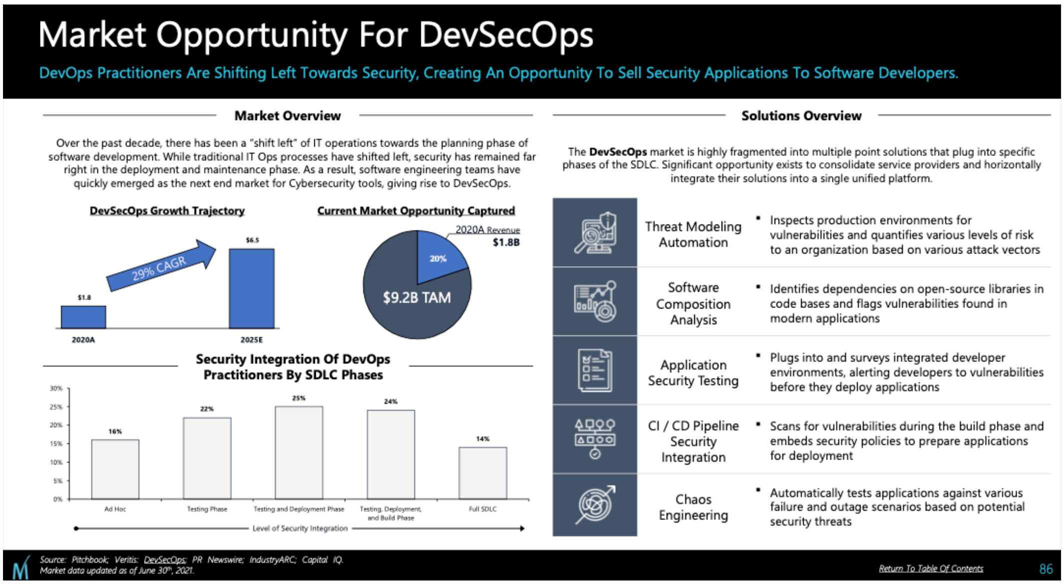
Source: CANALYS (January 18th)

Through its dedicated focus on cybersecurity and continuous tracking of new, often disruptive, solutions, the Group has been able to consistently add new vendors to its portfolio, adding 10 new vendors with over €100 thousand in Gross Sales in 2019 and 21 in 2020. In 2021, the Group has added 14 new vendors (representing more than €110M net new annual signing DTAM[5]) of which 13 as sole distributor and with another 13 new vendors in pipeline / development. The Group believes several of its newer vendors (such as for example Docker, Hashicorp, Netskope, Salt Security, Tenable) have strong potential to meaningfully outgrow the overall market.

The Group does not cover all sub-segments of the cybersecurity market. Adding leading disruptive vendors in other sub-segments represents a real opportunity for the Group to generate cross-sales across its portfolio of customers.

Furthermore, existing vendors spend a significant amount on developing new solutions, with $13 billion spent on research and development over the last three years by certain of the major cybersecurity players[6]. Moreover, several of the Group's top vendors have been acquisitive (e.g., Palo Alto Networks), thereby expanding their product offerings, which in turn presents an opportunity for Exclusive Networks to increase its offerings to the markets it serves.

The Group also aims to enter relevant IT segments adjacent to cybersecurity. For example, the Group acquired Nuaware in 2020 to enter the fast-growing DevSecOps market. The move added immediate global scale, marketing and services capability to the Nuaware proposition and portfolio, while providing the Group, its vendors and resellers' community a unique skill set for capitalizing on increasing demand in the DevSecOps market.



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[5] the « *net new annual signing* » is defined as the projection based on each new vendor' Distribution Total Addressable Market (DTAM) factorised by YoY growth of this same vendor with the assumption that Exclusive Networks will capture around 20% of market share

[6] Public filings by Okta, Zscaler, Crowdstrike, Cloudflare, CyberArk, SailPoint, Mimecast, Fortinet, Palo Alto Networks, Qualys, Proofpoint, Rapid7, Tenable

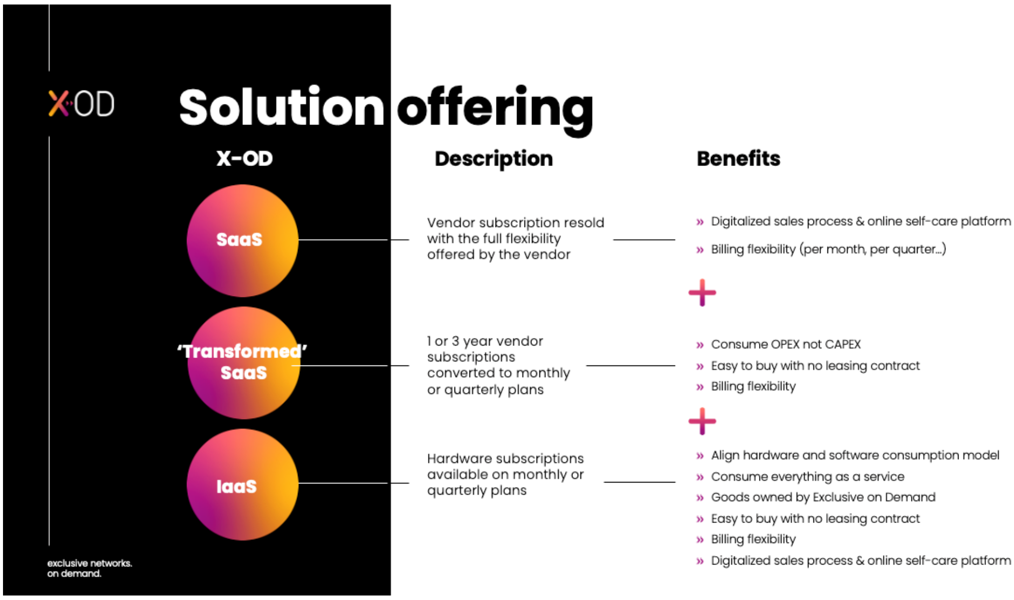
Source: Cyber Security 2022 Almanac

The Group aims to continue to grow its vendor and solutions base over time and identify the leading vendors across market segments, driving Group revenues due to the wider portfolio that it can offer to its customers.

5.3.4 ***Expand services and solutions offering to continuously increase the value proposition***

The Group aims to continually adapt its product and services offering to offer best in class solutions to its vendors and customers, either organically or through M&A.

Most recently, the Group has been focused on developing a leading solution to tap into the changing market landscape of cloud-based delivery and billing models. In October 2020, it launched the Exclusive On Demand ("**X-OD**") platform:



- X-OD is the online subscription-based service for selected Exclusive Networks cybersecurity and infrastructure products and services, designed to simplify technology consumption and drive growth by accelerating the evolution to the subscription economy.

- X-OD enables the transition to subscription-based consumption by bundling and selling licenses through a subscription-based billing model. The new platform marks a shift in how cyber and infrastructure solutions and related services are bought and sold, enabling partners to meet the market need for OpenX-based consumption, deliver a fully digital customer experience across the value chain and optimize ongoing customer success with rich data insights.

- X-OD is fully embedded in and complements the Group's sales organization. X-OD is not another division or business unit running in parallel with the core business of the Group but is a service proposed within the existing business to solve operational, administrative and financial challenges of the Group. As X-OD facilitates the sale and consumption of subscription-based cybersecurity solutions, the Group is able to propose both standard and X-OD options.

- X-OD is expected to lead to strong recurring revenue and better visibility, driving differentiation and sustainable growth at scale, providing access to valuable customer and business insight and minimizing churn and maximizing customer loyalty.

The Group intends to continue to develop its service offering to support future growth and maintain its product leadership and level of offering to its vendors and customers.

5.3.5 ***Selectively pursue M&A opportunities to accelerate the company's strategy***

The Group has a strong track record of accretive acquisitions and efficient integrations and in industry consolidation. The Group has made 18 acquisitions since 2013 which have added both capabilities (including training and education, global project management and DevSecOps) as well as geographic reach across an additional 25 countries. To date, the Company has typically looked to add regional or country presence through acquisition rather than organically, such as the acquisition of FineTec to enter the US or the acquisition of Transition to enter South-East Asia and Veracomp in December 2020 to enter the Eastern Europe market.

The Group has a best-in-class playbook across the below aspects:

– Highly disciplined M&A strategy with well-defined key criteria: geographical coverage and specialist service expansion

– Selective and efficient screening: 10-15 targets reviewed annually (generally in addition to 10-12 reverse enquiries), almost always on a bilateral basis, for 1-3 acquisitions per annum historically

– Recurring pipeline of small M&A targets: <€5m Adjusted EBITDA contribution, seen as an extension to organic growth

– Clear and robust approach to integration aimed at maximizing the target's performance while preserving their own identity and entrepreneurial spirit (usually focusing on founder retention of a significant minority stake in the company or share options granted to key managers), within the parameters of the Group's framework

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

The acquisition of Nuaware in 2020 represents a strong example of the Company's successful M&A strategy. Nuaware is a born-in-the-cloud distributor at the cutting edge of DevSecOps whose acquisition added immediate global scale and distribution and services capability to the Nuaware proposition and portfolio, while providing the Group, its vendors and partner community with a unique skillset for capitalizing on immense demand shifts brought about by digital transformation.

The acquisition of Veracomp in December 2020 provides a good illustration of the Group's ability to complete acquisitions to expand its geographic reach. As a result of this acquisition, the Group is able to serve its vendors and reseller partners in the fragmented Central and Eastern European region.

In July 2021, the Group acquired Ignition Technology to reinforce its ability to address the needs of its emerging vendors. As a result of the acquisition, the Group will be even better positioned to support the development of emerging vendors.

In December 2021, the Group acquired a stake in Networks Unlimited, expanding the Group's reach in Sub-Saharan Africa.

The Group utilizes a consistent approach to integration aimed at maximizing performance while preserving the Group's entrepreneurial spirit. The Group's integration process focuses on four key pillars: (1) ensuring business growth and synergy maximization; (2) implementing strong finance and business monitoring; (3) reinforcing IT capabilities and existing teams; and (4) preserving identity and entrepreneurial spirit. When integrating a newly acquired business, the Group utilizes its organization, tools and people.

Organization

– Integration committee meets every six weeks

– Weekly updates with subject owners

– Continuous involvement from the regional manager, the region senior vice president and the integration leader

Tools

– Provide target with integration plan focused on key areas such as business, QlikView, finance, marketing, IT and compliance

– Connect to business intelligence tool within a maximum of three months

– Allow for substantial leeway before full IT integration, usually after at least one year

People

– Trust existing teams and leaders by keeping them on board

– Ensure preservation of local identity and introduce the group's culture

– Offer long-term personal development and training resources

The Group intends to continue its strategy for M&A and business integration in order to support and accelerate the implementation of its growth strategy.

5.4 History

Since its inception in 2003, the Group has increased its global presence, partly organically, by adding vendors, growing with its vendors in existing markets, expanding their presence in new markets and establishing operations in new countries, and partly through an intensive acquisition strategy to expand into new territories, reinforce its market share in certain markets in which it already operates and to add new service capabilities.

The Group has completed several acquisitions since its inception, the most significant of which are included in the table below.

Key dates

2003:	HTIV acquires 70% of Techniland, a company founded in 1995 in France by Mr. Xavier Lafaure, which initially focused on IT integration services and later shifted to distribution of communication products. HTIV was owned 50%/50% by Mr. Philippe Dambrine and Mr. Olivier Breittmayer. Olivier Breittmayer was a shareholder in Techniland and sold his shares to Xavier Lafaure in 1998.

Following the acquisition, the Fortinet distribution contract is signed, representing a first step for the Group in the cybersecurity market.

2005: Mr. Olivier Breittmayer takes over the management of Techniland from Mr. Xavier Lafaure.

2007: Techniland is renamed Exclusive Networks.

Funds managed by Edmond de Rothschild acquire a minority stake in Exclusive Networks.

Exclusive Networks begins its international development:

- The Group acquires Qdis in Holland and Deltalink in Belgium.
- The Group establishes operations in Spain and Italy.

2008: The Group establishes operations in Sweden and Finland.

2009: Exclusive Networks acquires Arc Technology, expanding the Group's presence into the United Kingdom.

2010: The Group is acquired by Omnes Capital (formerly Crédit Agricole Private Equity). Mr. Xavier Lafaure and Mr. Philippe Dambrine sell all their shares.

2011: Exclusive Networks acquires TLK Distribution, expanding the Group's presence into Germany, Austria and Switzerland.

2013: Exclusive Networks acquires Secureway, expanding the Group's presence into the Middle East.

2014: Exclusive Networks acquires White Gold, expanding the Group's presence into Australia and New Zealand, signifying its first step outside of the EMEA region.

2015: The Group is acquired by Cobepa through a leveraged buy-out providing the Group with additional resources to pursue its growth.

Exclusive Networks acquires Transition Systems, expanding the Group's presence into South-East Asia.

2017: Exclusive Networks acquires Fine Tec, expanding the Group's presence into the USA.

2018: The Group is acquired by Permira, providing support to continue the Group's ambitious development plan.

2020: Mr. Olivier Breittmayer takes on a non-operative role and Mr. Jesper Trolle is appointed as CEO of the Group.

Exclusive Networks enters DevOps (the combination of software development and IT operations) and Containers segments through the acquisition of Nuaware in the UK.

Exclusive Networks acquires Veracomp, expanding the Group's presence into Central and Eastern Europe.

2021: Continuation of the Group's growth strategy: The Group continues its growth strategy, consolidates its position and reinforces its ability to address the specific needs of emerging vendors through further acquisitions, notably, Ignition Technology in Europe and Networks Unlimited, to cover the Sub-Saharan region.

Initial public offering: the Group has been listed on the Euronext regulated stock market in Paris since September 23, 2021.

5.5 Industry[7]

5.5.1 *Overview of the Global Cybersecurity Market*

Global cybercrime damage predicted to hit $10.5 trillion annually by 2025

If it were measured as a country, then cybercrime —estimated to inflict damages totaling $6 trillion USD globally in 2021 — would be the world's third-largest economy after the U.S. and China. Cybersecurity Ventures expects global cybercrime costs to reach $10.5 trillion USD annually by 2025, up from $3 trillion USD in 2015. This represents the greatest transfer of economic wealth in history, risks the incentives for innovation and investment, is exponentially larger than the damage inflicted from natural disasters in a year, and will be more profitable than the global trade of all major illegal drugs combined. Cybercrime costs include damage and destruction of data, stolen money, lost productivity, theft of intellectual property, theft of personal and financial data, embezzlement, fraud, post-attack disruption to the normal course of business, forensic investigation, restoration and deletion of hacked data and systems, and reputational harm.

Global cybersecurity spending will exceed $1.75 trillion cumulatively from 2021-2025

The imperative to protect increasingly digitized businesses, Internet of Things (IoT) devices, and consumers from cybercrime will propel global spending on cybersecurity products and services to $1.75 trillion cumulatively for the five-year period from 2021 to 2025, according to Cybersecurity Ventures.

In 2004, the global cybersecurity market was worth just $3.5 billion and now it's one of the largest and fastest-growing sectors in the information economy.

The world will have 3.5 million unfilled cybersecurity jobs by the end of 2021

Every IT position is also a cybersecurity position now. Every IT worker, every technology worker, needs to be involved with protecting and defending apps, data, devices, infrastructure and people. There were 3.5 million estimated unfilled cybersecurity jobs globally in 2021 — enough to fill 50 NFL stadiums — according to Cybersecurity Ventures. This is up from Cisco's previous estimation of 1 million cybersecurity openings in 2014. The cybersecurity unemployment rate is at zero percent in 2021 (for experienced workers, not entry-level positions), where it's been since 2011. Surging cybercrime will result in a similarly large number of unfilled positions over the next 5 years.

Global ransomware damage costs are predicted to exceed $265 billion by 2031

[7] Unless otherwise stated, market information in this Section 5.5 "*Industry*", including size and growth prospects, is from the Market Reports presented in Section 1.3 "*Third-party information, experts' reports and declarations of interest*" of this Registration Document.

Global ransomware damage costs are predicted to reach $20 billion annually in 2021, up from $325 million in 2015, which is a 57X increase. In a decade from now, the costs will exceed $265 billion.

Cybersecurity Ventures estimates businesses falling victim to a ransomware attack every 11 seconds by 2021, up from every 14 seconds in 2019. This makes ransomware the fastest growing type of cybercrime.

The frequency of ransomware attacks on governments, businesses, consumers, and devices will continue to rise over the next 5 years and reach every two seconds by 2031.

The world will need to cyber protect 200 zettabytes of data by 2025

Total global data storage is projected to exceed 200 zettabytes by 2025. This includes data stored on private and public IT infrastructures, on utility infrastructures, on private and public cloud data centers, on personal computing devices — PCs, laptops, tablets, and smartphones — and on IoT (Internet-of-Things) devices. Cybersecurity Ventures predicts that the total amount of data stored in the cloud — which includes public clouds operated by vendors and social media companies (think Apple, Facebook, Google, Microsoft, Twitter, etc.), government-owned clouds that are accessible to citizens and businesses, private clouds owned by mid-to-large-sized corporations, and cloud storage providers — will reach 100 zettabytes by 2025, or 50 percent of the world's data at that time, up from approximately 25 percent stored in the cloud in 2015.

The cyber insurance market is predicted to hit $14.8 billion annually by 2025

The increasing rate of cyber insurance adoption is expected to surge over the next decade, as the growing profile of large-scale cyberattacks — and the accompanying financial risk they impose — prompts company directors and executives to move to limit their company's exposure to cybersecurity compromise.

Cybersecurity Ventures predicts the cyber insurance market will grow from approximately $8.5 billion in 2021 to $14.8 billion in 2025, and exceed $34 billion by 2031, based on a CAGR (compound annual growth rate) of 15 percent over an 11-year period (2020 to 2031) calculated.

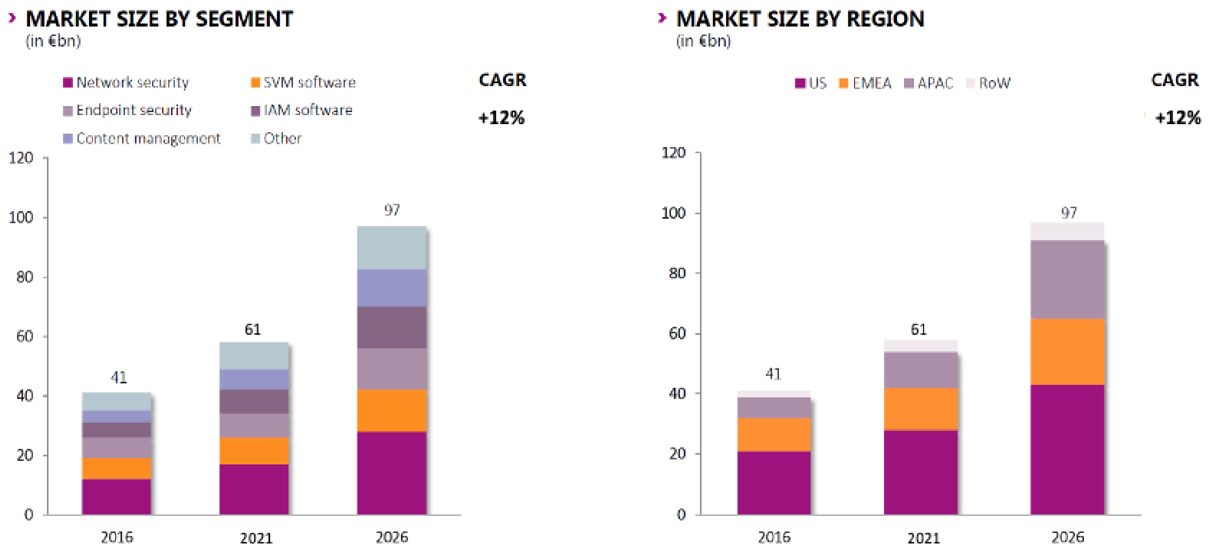
The Group's offering is focused on the large and growing global cybersecurity market. Within this market, the Global Cyber Security Market Addressable Market ("**TAM**") which includes Consumer and Enterprise technologies had an estimated value of approximately USD 165 billion in 2020 and is predicted to reach ± USD 539.78 billion by 2030, with a CAGR of ±12% from 2021-2030, which comprises consulting, software, hardware & services sales elements of the market.

Cyber Security provides protection against phishing, malware, ransomware, cyber-scams, identity theft, cyber theft, cyber-attacks, and other types of cybercrimes. It is also known as information technology security. Over the period of time there has been increase in the internet penetration with increase in the number of enterprises. Also, increase in technological advancement and developments in infrastructure are expected to enhance the growth of cyber security market. The other factors include increasing use of integrated system coupled with rising cyber-crimes with growth in awareness are further expected to support the market growth. However, complex nature of regulatory policies, along with unmet industry standards are expected to inhibit the growth of cyber security market during the forecast period.

The global Enterprise Cyber security market share has been analyzed based on components, user type, deployment, industry vertical and geography. Based on components, the market is segmented into solution and services. The solutions segment is further sub segmented into Identity and Access Management (IAM), infrastructure security, governance, risk, & compliance, unified vulnerability management service offering, and data security and privacy service offering. Based on user type, the market is large enterprises and Small & Medium Enterprises (SMEs). Based on deployment, the market is further categorized into cloud and on-premise. Based on industry vertical, the cyber security market is bifurcated into BFSI, IT & telecom, aerospace & defense, public sector, retail, healthcare, energy & utilities, manufacturing, and others. Geographic breakdown and analysis of each of the previously mentioned segments include regions comprising North America, Europe, Asia-Pacific, and RoW.

This sub-segment of the overall IT includes Endpoint Security, Network Security, Web & Email Security, Data Security, Vulnerability & Security analytics which are the main pillars of the Global Enterprise Cyber Security market which is expected to grow at a CAGR of approximately > 10% between 2021 to 2026.

Market size by segment and region



Source: Market Reports

Key drivers of the market growth is due to:

RANSOMWARE

Ransomware — a malware that infects computers (and mobile devices) and restricts their access to files, often threatening permanent data destruction unless a ransom is paid — has reached epidemic proportions globally and is the "go-to method of attack" for cybercriminals.

A 2017 report from Cybersecurity Ventures predicted ransomware damages would cost the world $5 billion in 2017, up from $325 million in 2015 — a 15X increase in just two years. The damages for 2018 were estimated at $8 billion, and for 2019 the figure rose to $11.5 billion.

The latest forecast is for global ransomware damage costs to reach $20 billion by 2021 — which is 57X more than it was in 2015.

It is predicted that there will be a ransomware attack on businesses every 11 seconds by 2021, up from every 40 seconds in 2016.

The FBI is particularly concerned with ransomware hitting healthcare providers, hospitals, 911 and first responders. These types of cyberattacks can impact the physical safety of American citizens, and this is the forefront of what Herb Stapleton, FBI cyber division section chief, and his team are focused on.

In September 2021, ransomware claimed its first life. German authorities reported a ransomware attack caused the failure of IT systems at a major hospital in Düsseldorf, and a woman who needed urgent admission diedafter she had to be taken to another city for treatment.

Ransomware, now the fastest growing and one of the most damaging types of cybercrime, will ultimately convince senior executives to take the cyber threat more seriously, according to Mark Montgomery, executive director at the U.S. Cyberspace Solarium Commission (CSC) — but he hopes it doesn't come to that.

CYBER ATTACK SURFACE

The modern definition of the word "hack" was coined at MIT in April 1955. The first known mention of computer (phone) hacking occurred in a 1963 issue of The Tech. Over the past fifty-plus years, the world's attack surface has evolved from phone systems to a vast datasphere outpacing humanity's ability to secure it.

In 2013, IBM proclaimed data promises to be for the 21st century what steam power was for the 18th, electricity for the 19th and hydrocarbons for the 20th.

"*We believe that data is the phenomenon of our time," said Ginni Rometty, IBM Corp.'s executive chairman, in 2015, addressing CEOs, CIOs and CISOs from 123 companies in 24 industries at a conference in New York City.* "It is the world's new natural resource. It is the new basis of competitive advantage, and it is transforming every profession and industry. If all of this is true — even inevitable — then cybercrime, by definition, is the greatest threat to every profession, every industry, every company in the world."

As a result of the COVID-19 pandemic, nearly half the U.S. labor force is working from home, according to Stanford University. As employees generate, access, and share more data remotely through cloud apps, the number of security blind spots balloons.

It is predicted that the total amount of data stored in the cloud — which includes public clouds operated by vendors and social media companies (think Apple, Facebook, Google, Microsoft, Twitter, etc.), government-owned clouds that are accessible to citizens and businesses, private clouds owned by mid-to-large-sized corporations, and cloud storage providers — will reach 100 zettabytes by 2025, or 50 percent of the world's data at that time, up from approximately 25 percent stored in the cloud in 2015.

Roughly one million more people join the internet every day. It is expected that there will be 6 billion people connected to the internet interacting with data in 2022, up from 5 billion in 2020 — and more than 7.5 billion internet users in 2030.

Cyber threats have expanded from targeting and harming computers, networks, and smartphones — to people, cars, railways, planes, power grids and anything with a heartbeat or an electronic pulse. Many of these Things are connected to corporate networks in some fashion, further complicating cybersecurity.

By 2023, there will be 3X more networked devices on Earth than humans, according to a report from Cisco. And by 2022, 1 trillion networked sensors will be embedded in the world around us, with up to 45 trillion in 20 years.

IP traffic has reached an annual run rate of 2.3 zettabytes in 2020, up from an annual run rate of 870.3 exabytes in 2015.

Data is the building block of the digitized economy, and the opportunities for innovation and malice around it are incalculable.

Threat sophistication: The threat landscape is continually evolving, causing high losses from cyber-attacks and requiring new technologies. More than 138 million new malicious programs were registered in 2020; in 2021 there was a ransomware attack on businesses every 11 seconds, up from every 40 seconds in 2016. This is exponentially larger than the damage inflicted by natural disasters in a year, and more 'profitable' than the global trade of all major illegal drugs combined.

Technology complexity: The overall attack surface continues to expand, presenting a wider target for potential attackers. This has been enhanced by ongoing digital transformations, environment complexity with public cloud, hybrid/multi-cloud environments, and device proliferation, which has been further accelerated by increased work from home. This means that companies need consistent, integrated security across disparate environments. They are also seeking increasing solutions for new technologies / new solutions and enhanced protection across automated workflows.

- Capability gaps:
    - Companies tend to have significant skill shortage in the cybersecurity area. For example, there are currently approximately 500,000 open positions for experienced individuals in the US and 3.5 million across the rest of the world, resulting from a high level of voluntary attrition (with average turnover of 2-3 years).
    - This increases the need for companies to seek a technological solution with a high level of automation and strong workflow orchestration as well as driving the need to consume product in a more managed manner (e.g., managed services).
- Breach implications:
    - The overall risk and impact of breaches continues to expand, including financial impact (clean-up, revenue, lawsuits), reputational harm and executive departures (CEO, CISO). This is enhanced by ongoing changes in compliance with new stipulations and breach implications (GDPR, NYDFS 23 NYCRR 500, CCPA, POPI).
    - For companies, this increases the need for strategic advisory services (95% breaches preventable) and other professional services (IR, forensics, remediation) as well as increasing demand for cybersecurity warranties and insurance and more straightforward support to meet their compliance needs.

The cybersecurity market is constantly changing, and as a result, the Group sees a constant, high level of continued investment and innovation by vendors. For example:

- Over 100 new cybersecurity companies are launched every year.
- Over $21 US Billion of venture capital funding was raised in the cybersecurity market in 2021 (+160% YoY).
- Over $13 billion in aggregate was spent on R&D over the last four years by certain vendors, primarily to upgrade their product set to match the threat sophistication and needs of their end-users.

Cybersecurity vendors spend approximately twice as much on R&D than the software category average.

5.5.2 *2-Tier model*

The global cybersecurity market is highly fragmented, with around 3,000 vendors, mostly US-based and representing 48% of the global TAM, and over 100,000 re-sellers, targeting more than 40 million end-customers. End-customers need trusted partners, the resellers, to navigate in this increasingly sophisticated environment.

Resellers are mostly local, highly fragmented and lack the resources or capabilities in cybersecurity.

– Reseller's focus relies entirely on the end-customer, and they often have very limited knowledge of the latest developments in the cybersecurity vendor landscape.

– Resellers are generally local and lack the ability to provide global 24/7 technical support.

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

The vendor landscape is highly fragmented, constantly evolving with vendors more typically focused on R&D and sales.

– The core focus of vendors is typically on investing in research and development to enhance their own core product offering rather than providing detailed technical support around this offering.

– From a sales perspective, their focus is to sell to large companies, not smaller companies that work through a highly fragmented local base of resellers.

– Vendors typically focus on larger markets, that are closer to their core geographic presence and often have no presence in smaller countries.

– Finally, vendors focus on their own solutions and naturally have limited in-house knowledge on other cybersecurity vendors.

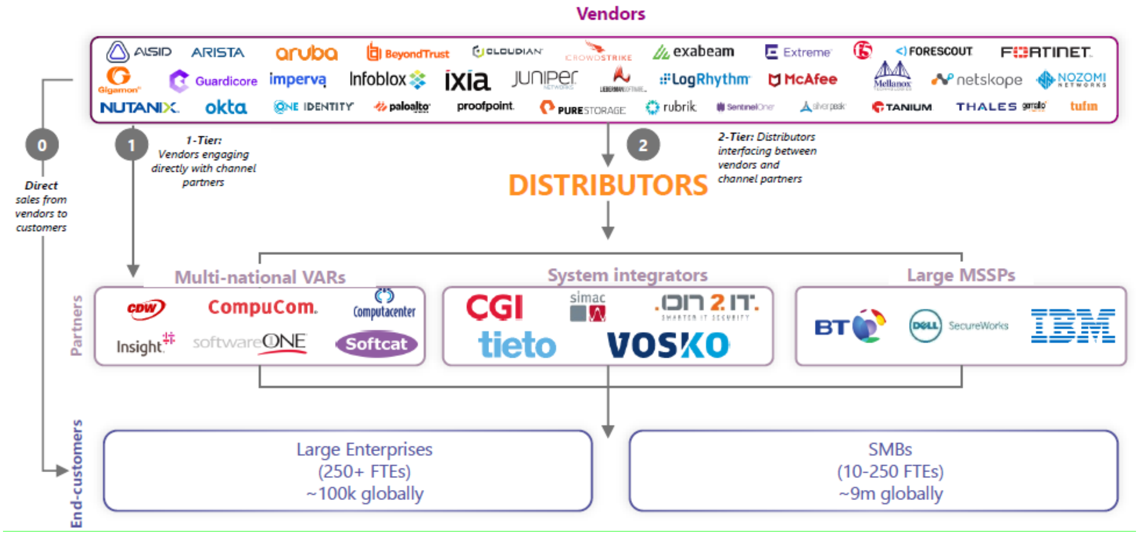
Whilst several potential routes to market exist, as a result of the above dynamics, the global cybersecurity market is mainly driven by the 2-Tier channel.

– Direct: The vendor sells directly to the end-user. This is typically reserved for very large companies with suitable in-house expertise and normally only in the core locations where the vendor operates, hence it has sufficient leverage to go-to-market directly.

– Reseller (1-tier): The vendor partners directly with the reseller. Channels are mostly used by the larger and more established vendors (e.g., Cisco, Microsoft) and typically several large and upper mid-market customers who often have in-house cybersecurity 'know-how' to solve their complex security needs.

– Distributors (2-Tier): The vendor connects with a distributor who sells the vendor's products to resellers who in turn sell to end-customers. This is further explained below.

Overview of the 2-Tier distribution model

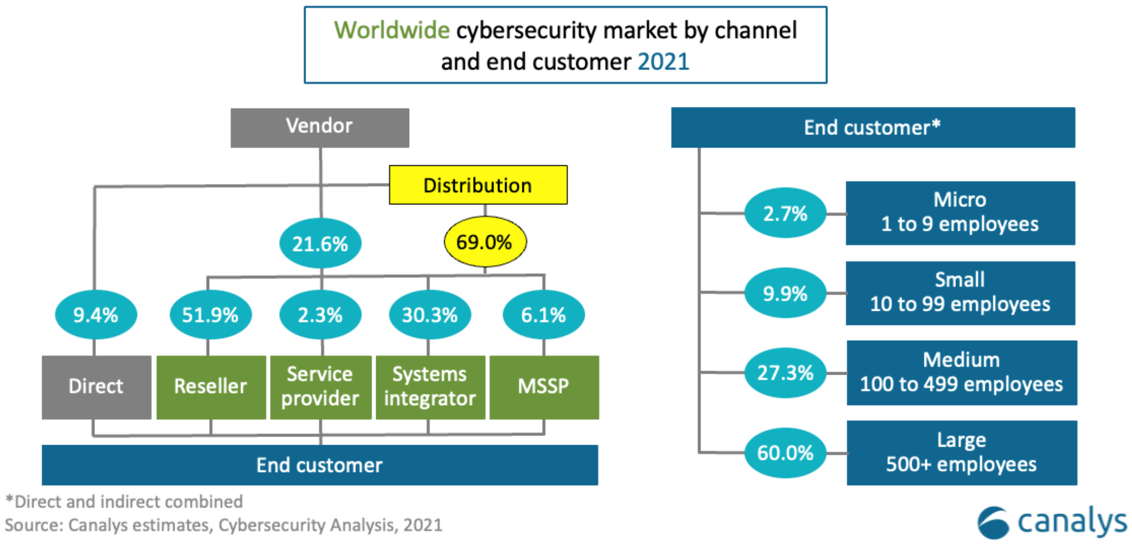


Source: Market Reports

This 2-Tier model is served by two types of distributors: specialist Value-Added Distributors 'VADs' and traditional distributors known as 'broadliners'. Given the complexity of the cybersecurity ecosystem and the resulting requirements for education and support, there has been strong appetite for the added array of services provided by VADs, powering the 2-Tier model. VADs assist resellers (VARs, managed service providers, etc.) with technical education and product/ implementation support, providing a quick ramp-up on new security technologies with minimal up-front investment, as well as technical resources to enable selling incremental solutions to existing customers. VADs offer vendors several essential benefits:

- Avoid added costs of multi-lingual sales teams and back office by providing reach across different geographies;
- Accelerate their go-to-market and sales growth;
- Transfer financial risk of end-users and resellers; and
- Streamline logistics.

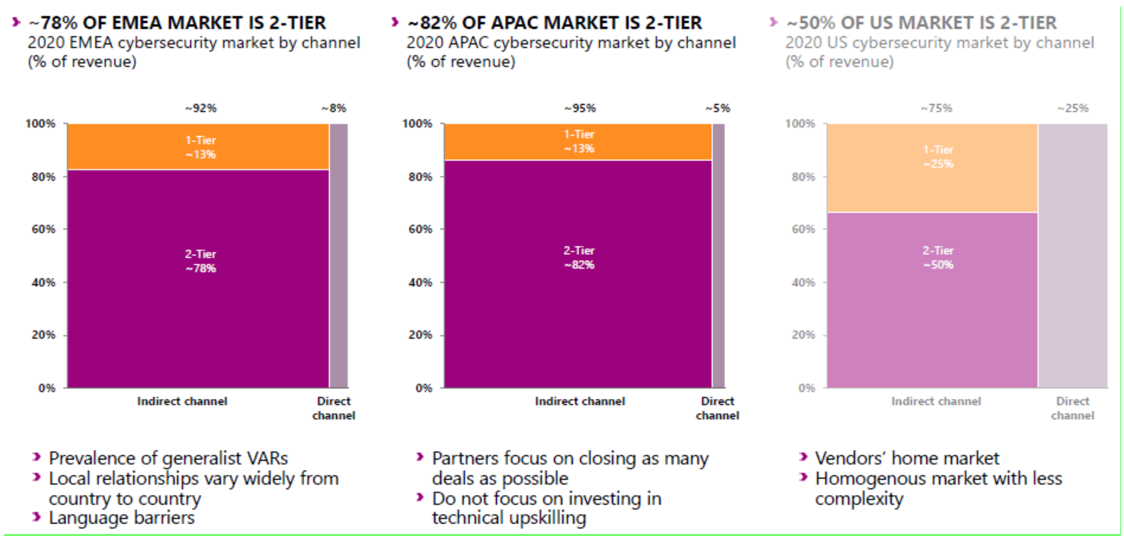
Total shipments by channel and end customer



Source: CANALYS

Globally, approximately 69% of the Enterprise cybersecurity market is distributed through the 2-Tier model, but the prevalence of this model varies by region. In EMEA, approximately 78% of the cybersecurity market is distributed through the 2-Tier channel, mainly driven by local relationships that vary from country to country, different currencies and due to language barriers, meaning that vendors usually do not see value in the direct approach in EMEA. The prevalence of the 2-Tier channel in EMEA is expected to slightly decline to 76% by 2026. In APAC, approximately 82% of cybersecurity is distributed through the 2-Tier channel, which is driven by the same factors as in EMEA, and also by resellers usually focusing on quantity, which does not allow them to invest in technical upskilling. In the US, only approximately 50% is distributed through the 2-Tier channel (whereas 1-Tier and direct sales each account for 25%), as a consequence of the fact that the US is the domestic market of many vendors and resellers are very large and have the ability to carry out many of the value-add functions themselves, enabling them to buy directly from the vendors.

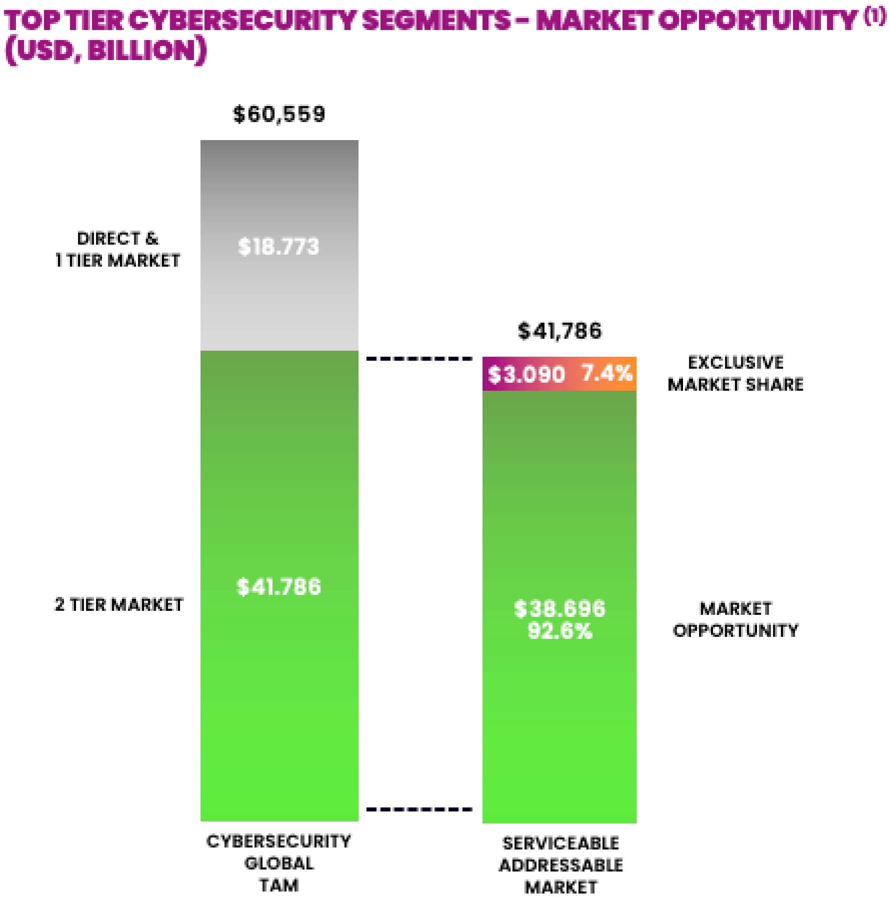
2-Tier model by region (2020)



Source: Market Reports

Despite the lower prevalence of the 2-Tier model, the US market reflects a key opportunity for the Group. The US TAM is €28 billion, and it is estimated that it will grow at 8% per annum between 2020 and 2026. The US market contains the vast majority of vendors, representing 48% of the global TAM with approximatively 3,500 vendors.

Exclusive Network's serviceable addressable market
The global market for **Enterprise** cybersecurity products and select services (ExN market) is estimated at ± USD61 billion for 2021. Exclusive Networks' serviceable addressable market ("**SAM**") of USD41 billion is in 2-Tier global distribution of cybersecurity products and select services (assuming current penetration[1]).



(Source: Canalys)

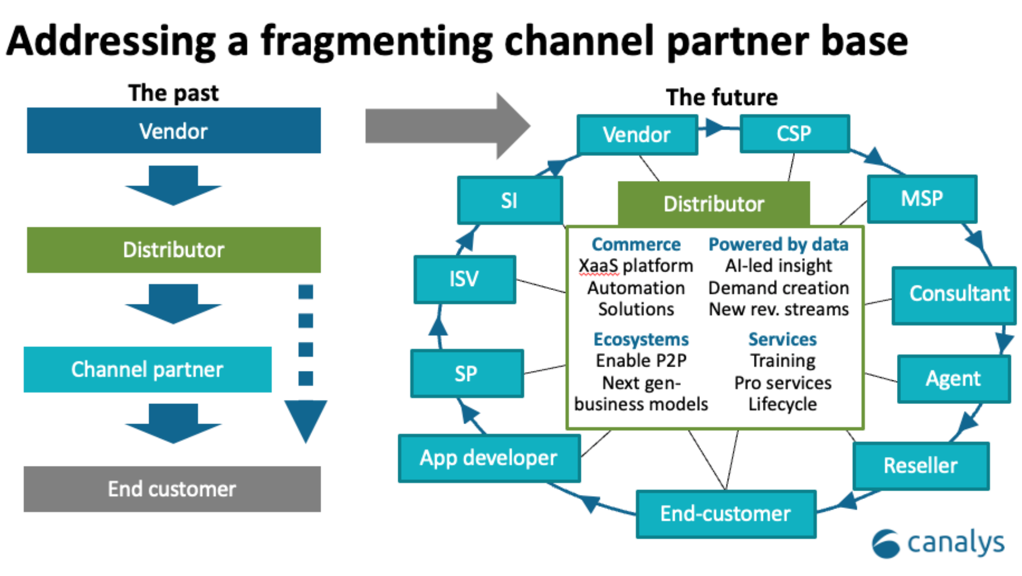
Globally, cybersecurity market penetration in this SAM is approximately 65%, with a cybersecurity penetration of 60%, 50% and 75% in the EMEA, APAC and Americas regions, respectively. The product categories in this SAM include all cybersecurity hardware and software products (excluding consumer products) and select services. Within this SAM, the Company has a current "Sweet Spot" of ±USD28 billion in the EMEA, APAC and Americas regions, which represents a more select offering of cybersecurity products and services at today's penetration levels.

Globally, cybersecurity market penetration in this Sweet Spot is approximately 65%, with a cybersecurity penetration of 60%, 50% and 75% in the EMEA, APAC and Americas regions, respectively. The select products and services in the Sweet Spot represent the majority of the Group's sales. The product categories in this Sweet Spot include Network Security (growing at 10% in 2021 to USD12.5bn), Endpoint Security (growing at 18% in 2021 to USD5.6 Bn), Web and Email Security (growing at 16% in 2021 to USD6.4bn), Data Security (growing at 12% in 2021 to USD1.6bn), Vulnerability and Security Analytics (growing at 15% in 2021 to USD8bn) and Identity Access Management (growing at 15% in 2021 to USD7.6bn) and select services such as training, support services, and professional services (including consulting, installation and on-site configuration). The Company's SAM and Sweet Spot are expected to grow at approximately 12% CAGR from 2020 to 2026, respectively.

[1] "Penetration" means the percentage of companies (out of all companies) using cybersecurity tools across all product categories and is a high-level average to show product adoption and potential for growth in the market.

Ongoing trends within the 2-Tier model

As the market continues to transition to cloud-based products, these present certain risks and opportunities for the market:



Source: CANALYS

– Cloud transformation:

  - Cloud-based products increase the risk of cyber-attacks due to a number of factors, including multiple points of security control, higher-order security requirements, regulatory compliance, increased complexity of threat detection and requirements for multi-device and multi-environment management.

  - The shift to cloud-based products introduces new IT complexity, creating new requirements for cybersecurity products related to (i) dispersed digital assets requiring multiple points of security control, (ii) higher-order security requirements, (iii) regulatory compliance, (iv) complex threat detection and (v) multi-device management.

  - Alongside this, the increased prevalence of cloud offerings presents an opportunity for vendors to potentially sell their products in new manners, so-called "Security-as-a-service" or "SECaas". This enables vendors to deliver selected products directly, via the cloud. Whilst the overall penetration of SECaas is expected to increase, this will more be seen in products such as messaging/web products, with limited impact on network security products. Overall, the impact is expected to be felt more by Cloud Service Providers (“CSPs”) rather than companies such as Exclusive Networks.

  - The overall impact on Exclusive Networks is expected to be relatively limited as the business’ core proposition remains in-place. Additionally, the business has already been making significant progress on its subscription offering with subscription-based Gross Sales representing approximately 21% of revenue for Q1 21, as compared to 15% for Q1 19. The Company has a clear product offering in place via X-OD to enable subscription and cloud consumption that is growing Annual Recuring Revenue (ARR) by +27% per month all along H1-FY21

- CSP dynamics:

  - CSPs, such as Amazon Web Services (AWS), Google Cloud Platform (GCP) and Microsoft Azure, also offer cybersecurity products to end-users via their platforms. These typically constitute a mix of third-party vendor products or some in-house solutions, notably for Microsoft.

  - This offering has relatively limited impact on the majority of the market with larger companies still looking to consume their cybersecurity products in their usual manner driven by their scale and complexity of their needs. CSP offerings are likely to be most appealing to smaller SMBs with limited security sophistication where a ‘good-enough’ solution may be sufficient.

  - The main segments in which Exclusive Networks operates (IAM, SVM and Network security) are likely to see limited impact as the product complexity favors a 2-Tier distribution model versus more commoditized products like VPN which may be sold safely by CSPs.

CSPs represent only ± 3% of global cyber-security sales and even if that increases by a significant multiple, the impact on Exclusive Networks is expected to be limited.

5.5.3 *Competition*

The competitive landscape is characterized by companies with a varying degree of specialization, some of which are more or less focused on the cybersecurity segment and able to offer a more comprehensive range of value-added services, and companies with a varying level of geographical reach which is important to help its vendors scale in new geographies.

The Group typically competes with two types of companies: distributors and specialist resellers. A distributor’s main value relies in its ability to transact business (order processing, working capital management, basic logistics, etc.) while having limited business development capabilities for vendors and limited technical skills to assist resellers. Distributors can be local or global. Specialist partners, who are regional or local players, provide a value proposition closer to Exclusive Networks’, and typically are the ones with whom the group competes for new emerging vendors, but also who have limited geographic reach and scale to develop innovative services like X-OD or 24/7 Global Support.

The Group typically competes with other businesses in the below categories:

- Global Broadliners

  - Key competitors: Arrow ECS, Ingram & TD-SYNNEX.

- Global Broadliners typically distribute a wide range of IT products and services in large quantities and have a strong global footprint.

- Due to the above, Global Broadliners typically only offer basic services as tailored products are not part of their core value proposition. They also have limited specialized knowledge of the cyber-security market or the shifting dynamics. As a consequence, the Group faces minimal competition from Global Broadliners when signing with new disruptive vendors.

– Regional Broadliners

  - Key competitors: Also, Redington and Westcon.

  - As with Global Broadliners, these companies typically offer a generic range of IT products and services with limited specialized knowledge or support services.

  - They are typically more focused on specific regions and have a lower level of reach than the Global Broadliners.

– Regional Specialists

  - Key competitors: Infinigate, ADN, Miel, Distology, Starlink, Nuvias, TIM AG Distribution and others.

  - Similar to the Regional Broadliners, Regional Specialists have a more local footprint compared to Global Broadliners and have strong local presence.

  - In contrast to the Regional Broadliners, Regional Specialists focus more on niche technologies, allowing them to specialize in more complex IT sub-segments rather than generic services, albeit they are restricted by their geographic reach.

– Exclusive Networks' positioning

  - Exclusive Networks has the reach and volume of a broadliner, combined with the value and services of a specialist.

Exclusive Networks' vendor and reseller network, aligned with its expertise and broad coverage, equates to a powerful and defensive moat, meaning that Exclusive Networks has a unique place in the market.

Competitive landscape

Source: Market Reports

Exclusive Networks has a leading position in Europe with approximately 15-20% market share, closely followed by Arrow ECS (approximately 15-20%), then Westcon (approximately 10-15%) and Infinigate (approximately 5-10%). Within this core competitive set, Exclusive Networks differentiates on its specialization, its ability to best support vendors with customer reach (i.e., more countries and resellers) and ability to launch new products while enabling and educating resellers to sell these successfully in their local markets. This helps create a virtuous cycle where resellers rank Exclusive Networks highly on product breadth and innovation of its portfolio. Exclusive Networks is well positioned to continue taking share, driven by its exposure to an accelerated growth vendor portfolio.

This quality of offering is reflected in the positive views of Exclusive Networks' vendors and customers, who generally value their partnership with Exclusive Networks.

5.6 Business Model

The Group benefits from a premium and unique positioning in the industry value chain, connecting both disruptive and established vendors of cybersecurity solutions, who are looking to provide cutting-edge technology, to end-users, but lack (or do not wish to develop) the resources and expertise to efficiently address a highly fragmented reseller and end-user base. See the chart titled "*Overview of the 2-Tier distribution model*" in Section 5.5.2 "*2-Tier model*" above as an example of this industry value chain. Exclusive Networks is the only player combining a specialization in cybersecurity with an ability to launch new cybersecurity solutions and a global reach. As well as providing basic distribution services (logistics, cash collection, inventory management and freight services), the Group provides higher value-added services for its vendors and customers, such as specialist support throughout the sales cycle of vendors' solutions thanks to its team of engineers, comprehensive management of global deals, technical support, training and professional services.

The Group's scale and ability to identify high-growth vendors is important to the Group's customer network who mostly do not engage in direct acquisitions from vendors because (i) many are not cybersecurity solution specialists and are therefore less able than the Group to identify the right vendors offering innovative solutions and services, (ii) others are cybersecurity and cloud solution specialists but do not have the scale offered by the Group or (iii) most vendors do not sell directly to resellers. These factors also explain why end-users, who tend to be large companies and small- and medium-sized companies with varied IT needs, do not purchase directly from vendors and mostly prefer to work with VARs who offer their own value-added services, focusing on architecture, design and project management, solution specification, and equipment installation and integration.

The Group believes that its customers also order from it because of its technical expertise and knowledge of cybersecurity solutions, which help them understand how to apply the cybersecurity and cloud solutions offered by vendors. As a result of trainings and certifications provided to the Group by its vendors, the Group possesses in-depth technical knowledge in relation to the cybersecurity solutions it distributes. The Group's broad product mix helps create synergies between different products.

5.7 Principal activities

The Group provides its vendors with market knowledge in relation to the Europe, Middle East, and Africa ("**EMEA**"), the Asia-Pacific ("**APAC**") and the Americas regions to help them expand their geographical reach into new markets with limited risk to them. The Group has an established track record of ensuring delivery of its vendors' products throughout the network, and for certain of its vendors into as many as over 100 countries and expanding vendors' international customer base.

The Group provides services tailored to its partners' expectations.

- Exclusive Networks' range of services can vary from one vendor to another depending on the vendor's level of maturity, its own resources available on the ground and its own policy regarding services.

- The vendors and resellers' expectations may be different from one country to another, depending, among other things, on the size of the market and the market's level of development.

- Expectations from one reseller to another can be different depending, especially, on the reseller's size, its technical resources and its level of specialization in cybersecurity.

The Group provides the core distribution services provided by broadliners (particularly logistics and cash collection) but distinguishes itself from its competition by leveraging its product expertise and specialization as a digital infrastructure expert to provide vendors with additional high value-added services adapted to vendors at different stages of maturity including:

(A) (multi-)vendor professional and technical services;

(B) implementation and support, including marketing and business development (e.g., public relations activities, trade shows, direct marketing);

(C) financial services; and

(D) project management and complex logistics, particularly for multi-country deployment.

The Group also provides value-added services to its reseller customers who can benefit from the Group's size and reach, its knowledge of cybersecurity and adjacent segments and its ability to identify the right vendors and products. The Group proposes, among other services, training, technical support, installation and global logistics services. More information on the value-added services offered by the Group is set out in Section 5.7.5 "*Resellers*" below.

5.7.1 *Principal markets*

The Group has operations in each of the three largest corporate (rather than consumer) IT markets: the EMEA theater, the Americas theater and the APAC theater. 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 theater has characteristics that are favorable to the Group. It is far from most vendors' domestic markets (namely the US) and is very fragmented (127 countries (Europe 50, Middle East 23, Africa 54) with different languages, cultures and a variety of currencies). As a consequence, vendors rely heavily on Exclusive Networks to develop their businesses.

The APAC theater, despite being less developed than EMEA, is also an interesting area with a high degree of fragmentation.

The Americas has a number of characteristics that are specific to the theater. Since the US represents the domestic market for most vendors, vendors and resellers expect less services from the Group. However, this is the biggest market and represents strong potential for the Group.

In addition to its offices in 43 countries, the Group's global reach is 55 countries with headcounts on the field and is supported by (i) a sophisticated third-party global logistics network allowing the Group to manage multi-site deployments and projects from a single point of contact with logistics in more than 170 countries and (ii) third-party, on-the-ground services capabilities, such as installation, implementation and maintenance, in over 100 countries as at 31 December 2021.

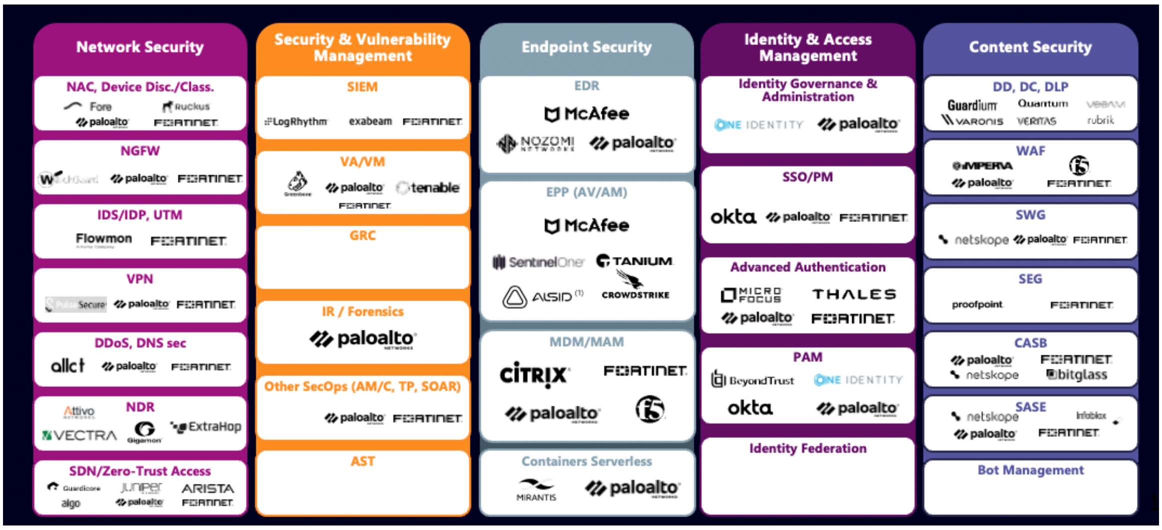
The Group operates five global logistics hubs and over 20 permanent supply-chain warehouses throughout the world and utilizes third-party logistics and service providers where the Group does not have local capabilities or when customers want a regional hub for their product distribution. When a project requires local assistance, the Group utilizes its network of contractors to organize the installation, implementation and maintenance of the project in all relevant countries.

5.7.2 *Vendors*

In the context of the cybersecurity solutions industry, vendors are companies that research, develop and produce cybersecurity solution goods and services.

The Group works with around 260 active vendors and its vendor portfolio comprises both disruptive and established vendors covering key cybersecurity and adjacent segments. According to the Market Reports, the Group's key vendors are often recognized as leaders in their respective sub-segments of the cybersecurity industry. For example, the Group's established vendors (i.e., vendors that are among the leaders in their respective fields, according to the Market Reports) include (i) Palo Alto, a leader in the corporate networks firewalls segment, (ii) Fortinet, a leader in unified threat management, (iii) Imperva, a leader in web application firewalls, (iv) Exabeam & LogRhythm, leaders in security information and event management, (v) Nutanix, a leader in hyperconverged infrastructure and (vi) Arista Networks, a leader in data center networking. The Group also works with several vendors offering solutions in other specific sub-segments, including Proofpoint, Crowdstrike, Infoblox, Okta, SentinelOne, Rubrik, Thales, F5, Netskope and several others. The Group began its partnership with many of its established vendors, such as Palo Alto and Fortinet, very early in their development (in 2003 and 2009 in the case of Fortinet and Palo Alto, respectively), at a point in time when they did not have the same attractive market positions as today, highlighting the

Group's expertise in identifying and working with up-and-coming high-value vendors. These two vendors are now listed on the Nasdaq Stock Market.



Source : Exclusive Networks Global Vendor Management BU – January 2022

The Group maintains a balance between established vendors and disruptive vendors, with a focus on innovative cybersecurity solutions. Established vendors continuously make significant research and development investments to launch new solutions and need the assistance of the Group in this respect, while identifying and partnering with new disruptive vendors is very important to fuel the future growth of the Group and compensate for the growing maturity of certain vendors. For example, vendors whose products the Group continue to accelerate distribution of (i) SentinelOne, focusing on next-generation endpoint security, (ii) ExtraHop & Vectra, focusing on intrusion detection and prevention systems, (iii) Netskope, focusing on cloud access security broker solutions & SASE, (iv) Forescout & Nozomi, focusing on operational technology security, (v) Tenable, focusing vulnerability management, (vi) Crowdstrike, focusing on next-generation endpoint security, and (vii) Okta, focusing on identity access management.

Having a well-balanced portfolio at the country level is a key asset for the Group and is a critical point of differentiation from its distributor competitors. The portfolio of vendors can 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, the Group is the number one or number two partner of its top vendors. However, gross sales generated in any one country by any single vendor did not exceed 8.1% of the Group's global Gross Sales for 2021.The Group's well-balanced portfolio allows the Group to position itself as a provider of innovative and efficient cybersecurity solutions for resellers.

The Group closely monitors its vendor portfolio to ensure it focuses its resources on performing or promising vendors. The Group tracks the performance of vendors' products according to two key criteria (i) gross sales Compound Annual Growth Rate ("**CAGR**") and (ii) the difference between the actual price realized by the Group on a good purchased for sale and the price paid by the Group at the time it is purchased. A case-by-case analysis is then performed for vendors with poor performance on both criteria, involving, for example, interviews with vendors, analysis by the Group's technical teams and a review of the positioning of the vendor in the Group's overall product strategy.

Between 2019 and 2021, the percentage of the Group's vendors from whom the Group derived more than €1 million in Gross Sales in a given year who generated less than 5% of the Gross

Sales amount the following year (i.e., a reduction in Gross Sales of more than 95%) ("**Churn Rate**"), averaged approximately 1%. Based on its internal assessment, the Group may terminate its relationship with the vendor in question, allowing it to focus its resources on performing or promising vendors, or it may deploy a specific action plan to remedy the situation. The impact on the Group's Gross Sales from these "churn" vendors is less than 1% in 2021. The Group sees a 13% revenue increase from its existing and maintained vendors (those with Gross Sales greater than €100k in 2020) in 2021.

- *Key Vendors*

  For the year ended 31 December 2021, the Group's top five vendors accounted for 61% (-4% YoY) of the Group's Gross Sales while its top twenty vendors, with which it has long-standing relationships, accounted for 81% of the Group's Gross Sales.

However, gross sales generated in any one country by any single vendor did not exceed 8% of the Group's global Gross Sales for 2021. The Group's vendor renewal rate, defined as 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 ("**Renewal Rate**") for the years ended 31 December 2021 and 2020 was 113% and 106%, respectively, with a three-year average of 112%.

- *Contractual Arrangements*

  Most of the Group's agreements signed with vendors have the same structure and include clauses relating to the following terms:

  (a) Duration (agreements generally have a one-year term with automatic renewal, with a contractual notice period of 30-60 days for either party);

  (b) Territory (global agreements include a schedule of applicable countries, otherwise the agreement is country-specific);

  (c) Licenses, intellectual property and restrictions (generally providing for distribution rights, ownership, use of trademarks and transferability restrictions);

  (d) Records and reporting (generally providing for required data points, retention periods and accessibility);

  (e) Payment terms, price list, resale price and price changes (generally apply to specific orders and specify a limited time, usually one year);

  (f) Purchasing process (generally providing for order submission requirements, the effect of price and product changes and delivery and title);

  (g) Shipping and delivery (generally providing for delivery date and location, additional delivery costs and acceptance or rejection);

  (h) Compliance, including as to export controls (warranty usually provided by the Group as to compliance with export controls);

  (i) Indemnity provided by the Group to the vendor (vendor indemnifies the Group, but only as to intellectual property);

(j) Inventory and stock (generally providing for inventory levels required to meet customer needs, minimum purchase requirements, purchase and use of demonstration stock and stock rotation rights); and

(k) Partner program (training, minimum sales, effect of product discounts and logistical support).

Renegotiations of the Group's agreements generally occur on a case-by-case basis and only for older agreements in regard to which certain terms can be improved. For example, in preparation for the signing of an amendment, the Group aims to improve the entire agreement as to key provisions.

- *Vendor Selection Process*

The Group is typically contacted by vendors seeking the Group's distribution services, receiving approximately 50 requests annually. The Group completes a thorough screening and selection process of such vendors. After selecting a vendor, the Group generally launches the vendor's products in specific countries, and if successful, expands distribution to other countries. The Group's rigorous vendor selection process can be split into four phases.

Phase 1 — *Initial information gathering and screening*

The Group carries out initial information gathering and screening on roughly 50 vendors per year, of which 80% operate in the cybersecurity market. The criteria by which vendors are judged include (i) the nature of the solution, (ii) duplication avoidance, (iii) strategic and commercial value, (iv) backers and (v) management.

Phase 2 — *Formal evaluation and presentation*

Roughly 20 vendors per year reach this stage, which consists of (a) a detailed analysis of the vendors' value proposition and its potential conflict with the Group's existing strategic vendors, (b) a technical evaluation (consisting of product testing and diligence to ensure quality control), (c) a detailed commercial evaluation, especially of sales and total addressable market potential, (d) a partner mapping ("heatmap") together with all countries involved and (e) negotiation of contractual terms and conditions.

Phase 3 — *Product committee decision / local decisions*

Roughly three vendors per year reach this stage which comprises (a) a presentation to the Group's product committee, (b) a presentation to the Group's general management team, (c) a vote and action plan and (d) the finalization of contractual and commercial terms.

Phase 4 — *Roll-out planning and support*

The Group provides roll-out planning and support for vendors in four key ways:

Go to market planning: including the provision of template resources for planning, region selection, a decision as to fast-path tracking and enablement team training;

Enablement: including investment in technical pre-sales training and skills, sales training, go-to-market planning and support and collateral and launch events;

Case studies: including analysis of previous case studies from the vendor and new case studies from test-bed customers; and

Momentum plan: including a quarterly business review and selection of second stage targets and additional region planning and roll-outs.

The Group also provides a level of flexibility to its local management to onboard new vendors for the local market. This allows the Group to test a new vendor on a smaller scale before introducing it in multiple countries.

In addition, the Group's central vendor team continually assesses the ability to roll out the Group's vendors in new geographies.

5.7.3 ***Products sold to resellers***

Below is an overview of the key solutions portfolio provided by the Group's selected families of vendors.

(a) Network security - Protecting the usability and integrity of the network and its data

Network security is the strategic combination of hardware and software designed to protect the sensitive data housed within the corporate data center. It consists of the policies, processes and practices adopted to prevent, detect and monitor unauthorized access, misuse, modification, or denial of a computer network and network-accessible resources. Network security involves the authorization of access to data in a network, controlled by an administrator.

In this field, the Group proposes solutions from **Fortinet and Palo Alto Networks**, among others.

(b) Endpoint security - Software and procedures aimed at protecting a device from an external attack

Endpoint security is the process of securing the various endpoints on a network, often defined as end-user devices, such as Internet-of-Things devices, any wireless devices, mobile phones, tablets, laptops, and desktop PCs, although hardware such as servers in a data center are also considered endpoints. As the connection of these devices creates potential attack paths for security threats, endpoint security attempts to ensure that such devices follow a defined level of compliance with standards.

In this field, the Group distributes solutions such as **Crowdstrike, Palo Alto Networks, Sentinel One & Tanium.**

(c) Identity and access management (IAM) - Defining and managing the roles and access privileges of individual network users

Identity and access management (IAM) in corporate IT is about defining and managing the roles and access privileges of individual network entities to a variety of cloud and on-premises applications of customers, partners and employees' devices, including computers, smartphones, routers, servers, controllers and sensors. IAM & PAM solutions not only identify, authenticate, and control access for individuals who will be utilizing IT resources, but also the hardware and applications employees need to access IT resources.

In this field, the Group proposes solutions from vendors such as **BeyondTrust, Okta, One Identity / OneLogin & THALES.**

(d) *Security Information and Event Management (SIEM) - Software that monitors data traffic*

Security information and event management (SIEM) refers to software that monitors data traffic (both incoming and outgoing) from computers, servers, applications, and any other Internet-connected device or application that makes up an organization's network. The SIEM system constantly analyses this data and helps security systems administrators decide if there is a looming threat or an ongoing attack, in order to take appropriate steps to deal with these problems before they escalate.

In this field, the Group mainly works with **Fortinet, Exabeam and LogRhythm**.

(e) *Content and Email security - Inspecting incoming emails for malicious threats and encrypting or securing outbound emails*

Content and email security is a term for describing different procedures and techniques for protecting email accounts, content, and communication against unauthorized access, loss or compromise. Email is often used to spread malware, spam and phishing attacks, as attackers use deceptive messages to entice recipients to part with sensitive information, open attachments or click on hyperlinks that install malware on a victim's device. Email is also a common entry point for attackers looking to gain a foothold in a company's network and obtain valuable company data.

In this field, key vendors for Exclusive Networks are **Barracuda (APAC), Proofpoint (EMEA & NAM)**.

(f) *Application Security - Developing security features within applications to prevent security vulnerabilities*

Application security is the process of developing, adding, and testing security features within applications to prevent security vulnerabilities against threats such as unauthorized access and modification as today's applications are often available over various networks and connected to the cloud, increasing vulnerabilities to security threats and breaches.

Different types of application security features include authentication, authorization, encryption, logging, and application security testing.

In this field, the Group mainly works with **Citrix & F5**.

(g) *Cyber threat Intelligence - Data collecting, processing, and analysis to understand a threat actor's motives, targets and behaviors*

Cyber threat intelligence is information an organization uses to understand the threats that have, will, or are currently targeting the organization, in order to prepare, prevent, and identify cyber threats.

Threat intelligence can help organizations gain valuable knowledge about these threats, build effective defense mechanisms and mitigate the risks that could damage their bottom line and reputation. As targeted threats require targeted defense, cyber threat intelligence helps deliver the capability to defend against threats more proactively.

In this field, the Group works with **Trellix (formerly FireEye), Imperva & Palo Alto Networks.**

(h) *Internet of Things (IoT) Security - Securing internet-connected or network-based devices*

IoT security refers to the methods of protection used to secure internet-connected or network-based devices. IoT security is the family of techniques, strategies and tools used to protect these devices from becoming compromised, as the very connectivity inherent to IoT makes these devices increasingly vulnerable to cyberattacks.

In this cybersecurity segment, the Group works with **Forescout, Nozomi, Tenable and Palo Alto Networks.**

(i) *Cloud Access Security Brokers (CASB) - Protecting cloud data, applications and infrastructure*

A cloud access security broker (CASB) is a software tool or service that sits between an organization's on-premises infrastructure and a cloud provider's infrastructure.

CASBs are available as both an on-premises or cloud-based software as well as a service. A CASB acts as a gatekeeper, allowing organizations to extend the reach of their security policies beyond their own infrastructure.

In this field, Exclusive Networks sells solutions from **Fortinet, Netskope & Palo Alto Networks & ProofPoint** among others.

(j) *Others*

Exclusive Networks distributes many other cybersecurity solutions as well as 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; Containerization, Kubernetes, DevOps and DevSecOps; and Unified Communications. A brief description of each is provided below.

<u>Networking</u>

Networking, also known as computer networking, is the practice of transporting and exchanging data between nodes over a shared medium in an information system. Networking comprises not only the design, construction and use of a network, but also the management, maintenance and operation of network infrastructure, software and policies.

Computer networking enables devices and endpoints to be connected to each other on a local area network or to a larger network, such as the Internet or a private wide area network.

In this IT Networking segment, the Group works with **ARISTA, EXTREME NETWORKS, HPE & JUNIPER**

<u>Hyperconvergence Infrastructure</u>

Hyperconvergence (HCI) is an IT framework that combines storage, computing and networking into a single system in an effort to reduce data center complexity and increase scalability. Hyperconverged platforms include a hypervisor, which is a virtual machine monitor for virtualized computing, software-defined storage, and virtualized networking.

For data center modernization projects, hybrid cloud and multi-cloud adoption, hyperconvergence can provide the agility of public cloud infrastructure without relinquishing control of infrastructure on an end-customer's own premises (data center or private cloud).

In this HCI segment, the Group works with **NUTANIX**

Data Storage, Data Management and Data Protection

Data storage is the process of retaining data using computer and storage devices in the form of file storage, block storage or object storage.

Data management consists of the practices, architectural techniques, and tools for achieving consistent access to and delivery of data across the spectrum of data subject areas and data structure types in the company, to meet the data consumption requirements of all applications and business processes.

Data protection is the process of safeguarding important information from corruption, compromise, breach, ransom or loss.

In this Data Storage / Data Protection segment, the Group works with **RUBRIK & WASABI**

Adoption of and Migration to Hybrid Cloud and Multi-Cloud

A hybrid cloud infrastructure blends two or more different types of cloud services from different cloud vendors, while multi-cloud blends different cloud solutions of the same type.

Containers / Kubernetes / DevOps / DevSecOps

A container is a standard unit of software that packages up code and all its dependencies, so the application runs quickly and reliably from one computing environment to another. A container image is a lightweight, standalone, executable package of software that includes everything needed to run an application: code, runtime, system tools, system libraries and settings.

In this IT container segment, the Group works with **DOCKER**

Kubernetes is an open-source platform used to manage Linux Containers across private, public and hybrid cloud environments. Businesses can also use Kubernetes to manage microservice architectures. Containers and Kubernetes are deployable on most cloud providers.

In this Kubernetes segment, the Group works with **DIAMANTI, HASHICORP, MIRANTIS, PORTWORKS (PURE STORAGE)**

DevOps is a set of software development practices that combines software development (Dev) and information technology operations (Ops) to shorten the systems development life cycle while delivering features, fixes, and updates frequently in close alignment with business objectives.

DevSecOps (development plus security plus operations) is a management approach that combines application development, security, operations and infrastructure as a code in an automated, continuous delivery cycle. DevSecOps is used to automate, monitor and apply security at all phases of the software lifecycle (i.e., plan, develop, build, test, release, deliver, deploy, operate and monitor).

In this DevOps / DevSecOps segment, the Group works with **F5, PRISMA CLOUD, SONATYPE, SYSDIG**

Unified Communications

Unified communications (UC) are a conceptual framework for integrating various business communication methods—telephony, video calling and conferencing, email, instant messaging, presence, etc.—into a single platform, with the goal of streamlining and enhancing business communications, collaboration and productivity.

The term "unified communications" does not represent a single technology; rather, it indicates a high-level strategy for bringing together an array of disparate tools and services, with the ability to use each in concert or separately via a common user interface.

In this UC segment, the Group works with **LOGITECH, POLY & ZOOM**

5.7.4 ***Examples of key value-added services offered by the Group***

(a) Vendor-oriented services

The Group aims to be considered by its vendors as an extension of their organization, helping them achieve their growth plans.

The Group offers a variety of services ranging from transactional to more value-added services depending on whether the vendors are more similar to Broadliners or Distribution Specialists. The Group provides services that support financing, transactions and business growth and renewals.

Services that support financing include cash collection and a credit shield. The Group helps provide liquidity to its vendors by managing cash collection in the highly fragmented reseller market with customers located in many countries and with varying payment terms and currencies. The Group also provides its vendors with a credit shield by consolidating and managing the credit of reseller customers.

Services that support transactions include product and inventory management and selling support. The Group provides product and inventory management by maintaining more than 20 permanent warehouses globally and by facilitating services such as warehouse storage, integration and staging, standard exchange and transit and consolidation services. The Group provides selling support by advising vendors on planning and strategy, global collaboration with local execution and vendor strategy alignment.

Services that support business growth include business intelligence, channel management, professional services, partner education, market making, product management services and recruitment services. Business intelligence services include providing information on targeted activity including the sales recorded between the vendor, partner, or end-user. Channel management includes deal registration and lead management. The Group provides professional services via specialists covering pre-sales, consulting and engineering as well as field services and engineers-as-a-service. The Group provides partner education services on behalf of its vendors by providing sales, product and technical education. Market making focuses on innovation days and solution selling. The Group manages vendor announcements, launches and program changes through its product management services. Finally, given its distribution-led business, the Group engages in proactive marketing and partner recruitment for its vendors. The Group's marketing services cover all aspects from strategic development to tactical execution, from messages and stories to media planning and prospect engagement. The Group's marketing machine includes approximately 19 thousand social posts per year, five thousand email campaigns, two thousand onboarding campaigns, three thousand webinars, four thousand lead generation campaigns and two thousand technical workshops per year. The Group leverages its global network to share best practices and advise on planning and strategy, global collaboration with local execution and vendor strategy alignment.

The Group also offers its vendors a variety of "pre-sale" and "post-sale" services. Pre-sale services include go-to-market sales and acceleration services, including global demand generation, customized marketing campaigns, support in solution design, partner enablement across large networks, professional technical workshops, high quality proof of concept, and relevant certifications. The Group's post-sale services include education and training, technical support services and professional services.

The Group also assists the vendors on the technical side by delivering proofs of concept, organizing technical workshops and providing solutions design, for example.

(b) Reseller-oriented services

The Group offers a variety of financing, transaction and value-added services to its resellers.

To support financing, the Group offers credit lines (see Section 5.7.4(f) "*Financing and Leasing Services*" below) and discounts. The Group provides discounts based on credit strength while leveraging bulk inventory to increase its margin.

To support transactions, the Group offers logistics and quoting and ordering services. Logistics services include services tracking, local invoicing, IOR services and global asset management services. The Group provides logistics services in more than 170 countries. The Group's quoting and ordering services provide fast turn-around, high accuracy and choice and availability in stock.

To support overall business growth, the Group offers its resellers marketing support, professional services (global events, local events, physical events and virtual events), product training, technical support, enablement services and managed services. The Group provides partner education services by providing sales, product and technical education. The Group's products training trains partners for accreditation and end-customer certifications. The Group provides professional services via specialists covering pre-sales, consulting and engineering as well as field services and engineers-as-a-service. The Group's enablement services include GTM, sales training, enablement and lead-generation services. Finally, the Group provides 24/7 access to technical support and post-sales support.

The Group also helps resellers with locating prospective leads, lead generation, lead nurturing and telemarketing, and advises on vendor strategy alignment.

(c) 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 Group operates five global support centers. In 2021, the Group's technical support service addressed more than 15 thousand tickets and cases in Europe, providing support in more than 22 countries. The Group has strong customer satisfaction, with Net Promoter Scores (a metric used to measure customer satisfaction based on a range of -100 to 100) of 81, 78, 71 and 77 in 2021, 2020, 2019 and

2018, respectively. The EXN TAC works with various technology vendors, as a certified Authorized Support Centre (ASC) to provide technical support and services. 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.

(d) Professional training

The Group 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 a global team of more than 130 skilled and certified cybersecurity trainers and has trained more than 10,000 professionals in 2021 on various technologies and own courses. For example, the Threat Hunting Academy, a two-day training where students learn how to add early detection and response capabilities to their current "defence in depth" security infrastructure.

Exclusive Networks is an authorized training center for some of the technologies distributed by the Group. As a consequence, the Group trains teams of resellers and end-users and is able to deliver certifications for such technologies.

Also, in support of resellers who may be less familiar with the potential offered by cloud technology, the Group offers Arcitura-certified training courses. The training helps resellers convert cloud transformation opportunities, meet new customer challenges and exploit the latest cloud innovations. Arcitura is a leading global provider of progressive, vendor-neutral training and certification programs.

(e) Consulting and professional services

The Group offers global consulting and professional services, with global capabilities, to help fill the gaps of resellers, stand out from competitors and access larger deal opportunities by adding value to the customer lifecycle—from initial pre-sales engagement to global delivery, complex deployment, installation, configuration and handover and multi-site maintenance to worldwide management. Resellers can select from a range of modular and bespoke services offerings and apply them to local, multi-national or global needs. The Group provides a curated partner network for services delivery. The Group has third-party, on-the-ground specialists covering pre-sales and consulting and engineering personnel in more than 100 countries worldwide as at end of 2021. The Group has its own engineers in the 43 countries where it has an office, and its global services operations team also relies on a network of qualified third-party partners to manage installation and support in those countries where the Group is not present.

(f) Financing and Leasing Services

The Group provides a financing and leasing program that enables its reseller partners to sell bigger IT solutions that more customers can afford and more easily address the business market's increasingly OPEX-orientated, subscription-based IT consumption demands.

(g) Global Service Operations ("GSO")

GSO, together with the Global Deal Desk, is a full lifecycle service wrap that is available to the Group's resellers as and when needed. It allows resellers to benefit from, among other things, Import of Record (IOR) services (i.e., ensuring that exports of goods comply with legal requirements and regulations of the destination country) to more than 170 countries as at 31 December 2021, global logistics and warehousing and installation (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 the Group's local teams, coordinate via a single point of contact, address complex deployments, provide 24/7 support management and increase partners' and vendors' loyalty by serving as an enabler for upcoming projects. The Global Deal Desk includes (1) a global logistics desk for complex locations, IOR and export support, (2) regional strategy validation for logistics solutions and compliance, (3) local team support for logistics partners management and (4) a global focal point that tracks and traces reporting and KPI consolidation. The Global Deal Desk has supported more than 188 projects in 2021 with a success rate (i.e., the orders received after the quotation process as compared to the total number of quotations done) of 18% on international deals.

This is a powerful tool to assist resellers dealing with the complexity of multi-country deals.

(h) Exclusive On Demand ("X-OD")

As part of its efforts to provide multiple consumption options alongside its main procurement model, and in the context of an increased end-user demand of "as a service" solutions, the Group launched in October 2020 a platform to facilitate the consumption of subscription-based solutions.

The X-OD platform 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 (i.e., 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.

This is an important tool to help (i) vendors to deal with the administrative burden to shift from their current model to a subscription model, (ii) resellers in their journey to become MSPs and (iii) end-users to shift from CapEx to consumption of their cybersecurity.

Exclusive Networks is currently in the process of onboarding vendor and reseller partners related to this service.

(i) Other

The Group offers other services, such as:

(l) Managed Security Services Distributor (MSSD) is the Group's managed security service dedicated to creating value within the channel. Demand for managed security services is high and the Group provides such services to resellers who might not be able to provide them themselves due to (i) high setup costs, (ii) skills shortages, (iii) restricted back-office capabilities, (iv) distribution channel conflicts (such as the disadvantage of subscribing to such services from rival resellers) and/or (v) problems tracking rapid market evolution.

The Group's offering comprises a security operation center and covers monitoring, alerting, prevention and countermeasures on a white label basis (i.e., the resellers can provide these services to their end-users under their own brand). The services are actually operated by a third party.

Infrastructure as a Service (IaaS) is a managed virtual cloud hosting platform operated by a third party and based on technology from Nutanix, one of the Group's vendors.

5.7.5 *Resellers*

The resellers with which the Group partners generally provide a wider range of IT solutions beyond cybersecurity solutions to end-users. This means that the Group's ability to source vendors offering innovative cybersecurity solutions and provide technical advice on how to apply such products makes it an attractive partner. The Group provides its reseller partners with global resources and capabilities to leverage in their local markets. The Group works with global resellers as well as local resellers, both of which need the geographic scale, training, support, and technical expertise of the Group. The Group ensures that the resellers are trained on the specific vendor products. The Group's global network of resellers allows it to propose world-wide roll-outs to its vendors, further differentiating itself from other value-added distributors.

The Group has a large and diversified base of reseller relationships, working with over 21,000 accounts: VARs, SIs, Telco SI, CSPs, MSPs and MSSPs, as at the date of this Universal Registration Document. From a regional perspective, the Group works with over 15,500 resellers in the EMEA region, 3,800 resellers in the APAC region and 1,800 resellers in the Americas region.

For the year ended 31 December 2021, the Group's top three and top ten resellers represented 11% and 20% of the Group's revenues, respectively.

However, the Group is not dependent on any single reseller globally as no reseller represents more than 4% of the Group's revenue. The Group's reseller Renewal Rate for the years ended 31 December 2021 and 2020 was 112% and 103%, respectively, with a three-year average of 108%.

The Group also has a history of large and diversified deal sizes with its reseller customers based on Gross Sales. For the year ended 31 December 2021, 11% of the Group's reseller deals exceeded €1.0 million, 9% exceeded €500 thousand but were less than €1.0 million, 32% exceeded €100 thousand but were less than €500 thousand, 29% exceeded €20 thousand but were less than €100 thousand and 20% were less than €20 thousand.

– *Value-Added Resellers (VARs)*

  Value-added resellers (VARs) resell vendor products along with complementary products or services (e.g., installation and consulting). Their focuses are architecture, design and project management, solution specification, and equipment installation and integration. VARs are generally interested in access to the right technologies at the right price, which makes the Group and its portfolio of fast-growing, disruptive vendors an attractive source of business.

  The VAR market is very fragmented. The Group recruits VARs through a process of sales and marketing activity and manages these VARs based on addressable market, business focus, credit worthiness and compliance. Attrition of VARs generally occurs when the Group decides to stop selling a certain vendor's products.

– *System Integrators (SIs)*

  A System Integrator (SI), known as a global system integrator when managing projects on a global scale, is a company that specializes in bringing together component subsystems into a whole and ensuring that those subsystems function together, a practice known as system integration. The Group works with more than 500 SIs, including the top 20 global SIs.

– *Telcos SI*

Telcos System Integrators are telecommunication providers in a given country, be it fixed line or mobile. Their businesses have evolved over the years to encompass both a larger geographic coverage through additional countries and a wider range of products and services. While their products historically were fixed line communications and telephone, broadband and Internet connections, today they have an extensive range of solutions, combining connectivity with networking and cybersecurity offerings for end-users. The Group works with more than 50 Telcos SI.

In most countries, the market for Telcos is generally quite concentrated.

– *Managed Service Providers (MSPs)*

Managed service providers (MSPs) are outsourcers who specialize in maintaining, and anticipating need for, a range of processes and functions to improve operations and cut expenses. This is a growing category of customers and other kinds of customers are shifting towards this model as a result of end-user's expectations.5.7.6. Sales and Marketing

The Group's sales team is split into three regions: EMEA, APAC and Americas, with a senior vice-president heading each region. Within each region, each country has a designated country manager.

The Group has also central teams dedicated to the management of vendor relationships, global system integrators and marketing. These teams work closely with the Group's in-country local teams to support them in their day-to-day business.

5.8 Dependency factors

Information about the Group's dependency factors is provided in Chapter 3 "*Risk Factors*" of this Universal Registration Document.

5.9 Information Technology (IT)

The Group's 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 the Group's IT organization. The Group can leverage global governance, compliance and a network and domain structure using a central team, while also utilizing local IT representatives (over 50 engineers) as well as the Group's best local cyber engineers for day-to-day IT operations and systems maintenance. The Group's growth over the past ten years has come from several acquisitions. As a result, the Group currently operates six different enterprise resource planning ("**ERPs**") and customer relationship management ("CRMs") programs. These ERPs and CRMs are located on cloud, regional and local servers. The Group's IT structure is finalizing a complete reorganization through the Group's Project "CORE" (Commercial & Operations Roadmap for Excellence), a plan launched in September 2018 to harmonize processes and systems around the globe through the deployment of the Oracle solution NetSuite and to be hosted on the cloud.

5.9.1 *Description of IT tools used*

As stated above, the Group currently operates numerous ERPs and CRMs. However, the Group's operations and financial data are collected on a daily basis from all the ERPs and entered into a central database, which gives a global and detailed view of the business to tools like QlikView.

QlikView is a connected Business Intelligence ("**BI**") tool for efficient and accurate decision making and provides a connected platform that collects data from every country and every operating entity, reloaded daily from local and global systems. QlikView provides both internal and vendor benefits. Internal benefits include business and financial monitoring (strategic KPIs, market trends and full P&L overview for each entity), operational improvements (identify efficiency gains with entity, country and region benchmarking) and quarterly business review preparation. This tool has more than 500 internal users worldwide, has more than 50 connected entities and provides access to more than ten years of historical data. This tool is used by the Group's leadership teams around the world. From the vendor perspective, QlikView provides complete visibility on the vendor's operations across the globe in one, central place, tracks vendor KPIs with a multi-dimensional analysis shared with vendors at a global, regional and local scale, and a vendor cockpit, which includes market analysis, new customers acquired, sales evolution and territory preparation.

On top of this business decision-making tool, the Group utilizes a services and logistics tool, MyTower, which provides a best-in-class platform for end-to-end visibility to track the Group's record of service, provide consistent, on-time delivery and ensure partner trust and confidence. MyTower is a collaborative tool shared with the Group's internal logistics hubs, services providers and key partners. It tracks and traces all ongoing shipments, provides tailor-made information to capture partners' needs and incorporates key features such as quote, transport and tracking modules. Since inception, MyTower has facilitated more than 2,000 project quotes, covers more than 88 countries and currently tracks more than 30,000 shipments with the whole France activity that has been migrated in 2021.

The Group also has export compliance software ("GAN") that screens reseller profiles (from a "bill to-ship to" perspective) to make sure the Group complies with any US and EU export regulations for the Group's "dual-use" products portfolio. The Group also invested in a new marketing tool (Oracle/Eloqua) that can be deployed and used as a standalone tool (or connected to CORE), or in special cases, with legacy systems. The Group recently designed a renewal module link to the CORE platform that is currently in the production rollout phase. The Group continues to explore a light eCommerce/customer web portal to facilitate access to product information and is currently running several pilot programs in the EU, APAC and soon in the North America region. In September 2018, the Group decided to implement Oracle/NetSuite for every Exclusive Networks legal entity, where ERP and CRM will be used in NetSuite.

5.9.2 *On-going CORE implementation*

The Group's Project CORE was born around the selection of a new, fully integrated ERP/CRM software editor. This process was driven by a selection of end-users, rather than selected through a typical "request for quotation" process. After a rapid selection process, Oracle's NetSuite received the best score for the Group's needs.

NetSuite offers the immediate ability to transfer business operations without disruption, produce short-term productivity gains and provide long-term structural efficiencies. The Group's Project CORE is part of a much larger digitalization project combining electronic data interchange, eCommerce solutions and other third-party tools to support future scalability and efficiency gains through process automation. For example, the Group believes it can achieve EBITDA over Net Margin improvements through limited growth in operating expenses as compared to Net Margin growth, as a result of process automation by growing the Group's sales force while keeping back-office resources flat.

With 22 countries already on board, the goal of CORE project has brought approximately 57% of the Group's business transactions onto NetSuite by the end of 2021. In the past three years, 22 countries have been migrated to CORE and were on time, on budget and migrated with no critical business disruptions. The CORE roadmap is to finish the CORE migration by the end of 2023, with necessary adjustments reflecting additional acquisitions by the Group. Although CORE is standardized, the migration process requires (i) specialization in local countries and (2) the migration of data, which is time consuming.

The Group uses minimal consulting services from an external consulting company and has built a strong and knowledgeable internal team. This team is composed of experienced NetSuite consultants as well as key people from the Group's business operations. CORE team members are based in almost all of the Group's business regions.

The CORE team is built around five main areas: (i) solution architecture and deployment; (ii) governance, master data, training and post-go live maintenance; (iii) development (localization, renewal module, and external application programming interfaces); (iv) project management (located in Paris and Singapore) and change management; and (v) business operations (the link between the ERP project team and business).

5.9.3 *IT team*

The Group CTO has been appointed mid-2021 to enable the move to the Cloud of our global infrastructure. The Group's IT infrastructure is mainly based in the UK with approximately 15 employees who also leverage the local IT representatives and the Group's local cyber-engineering community. The IT infrastructure is monitored 24x7 by different teams and various applications. The Group centralizes all user requests though a ticketing system (Helpdesk) whereby an individual can open a ticket simply using email. The Group's service-level agreement dashboard is global. The Group's IT team covers the following activities:

- Network infrastructure (global and local);
- Databases / email / Share Point / Office 365;
- Legacy and CORE platforms (system engineers and technical support);
- BI Development (QlikView);
- Online training tool (VLE);
- Helpdesk (Tickets);
- Cybersecurity (Cyber Defense Council in place); and

GDPR compliance/System access policy and security.

5.9.4 *Cybersecurity*

As far as Cybersecurity is concerned, a global CISO was appointed in July 2021 to build up a Security Operation Center (SOC) now implemented in all countries where the Group operates. The Group's main network is protected by the cybersecurity solutions the Group sells as well as by any new technology that could reinforce the Group's protection against fraudulent access as well as reinforce its data protection worldwide. The Group leverages its internal cybersecurity engineers (approximately 25% of the employees worldwide) through the "CDC" (Cyber Defense Council). The CDC brings the Group's best engineers together with the Group's IT Infrastructure Director and meets monthly to debate best practices across the regions, share new technology, cybersecurity solutions coming to the market, discuss network monitoring, fraudulent access attempts (if any, the specific business case is reviewed) and cyber surveillance, in some cases, and many other cyber-related topics.

5.9.5 *IT organization in general*

Due to the Group's fast-growing operations and recent large acquisitions, a new chief information officer was appointed and arrived in May 2021 and has provided an opportunity for the Group to review and re-assess specific points of the Group's IT organization and global infrastructure, with a key focus on the CORE deployment.

5.10 Intellectual Property

The Group's portfolio of intellectual property and rights consists of a limited portfolio of brands, trademarks, domain names and licenses.

5.10.1 *Brand and Trademark Licenses*

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.

5.10.2 *Domain Names*

Among the domain names registered by the Group, the most important ones 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.

5.11 Property, Plant and Equipment

The Group does not have any material leases.

5.12 Environment, social and governance overview and policy

See Annex II to this 2021 Universal Registration Document.

5.13 Investments

5.13.1 *Significant investments during the period covered by the historical financial information*

The Group's total investments in tangible and intangible assets (other than changes in scope) for the years ended 2020 and 2021 amounted to €1.2 million and €3 million, for tangible assets, and €0.8 million and €1.7 million, for intangible assets, respectively.

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

Please see Sections 6.2.2 "*Recent acquisitions and disposals*" and 7.3.2 "*Acquisitions, divestitures and changes in consolidation*" regarding the Group's acquisitions and buyout of minority interests for the years ended 2020 and 2021.

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 8 "*Liquidity and Capital Resources*".

5.13.2 ***Significant investments in progress or firmly committed to by management bodies***

During the fiscal year ending 31 December 2022, investments are expected to remain in line with previous investments and the Group's strategy (see Section 5.3 "*Group Strategy*").

The Group is currently involved in discussions for various acquisitions in line with its acquisition strategy. See also Section 5.3.5 "*Selectively pursue M&A opportunities to accelerate the Company's 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 of 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.

5.13.3 ***Information on joint ventures and significant shareholdings***

The Group is not involved in any joint venture and does not have any undertakings in which it 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. Information on ownership interests is provided in Section 6.2 "*Subsidiaries and equity interests*" and in Note 19.4.1 to the 2021 Consolidated Financial Statements.

6. ORGANIZATIONAL STRUCTURE

6.1 Group legal organizational chart

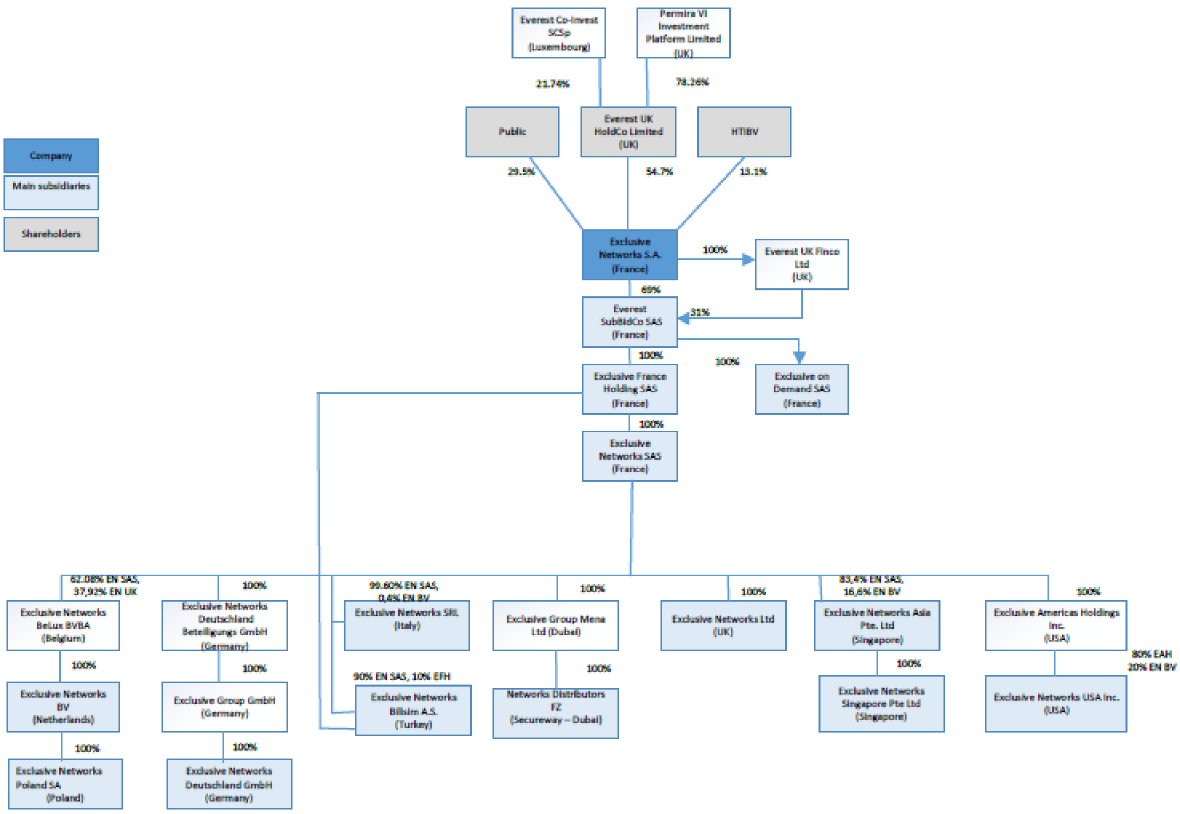
6.1.1 *Simplified Group organizational chart on the date of this Universal Registration Document*

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 simplified organizational chart presents the legal organization of the Group and its principal subsidiaries at the date of this 2021 Universal Registration Document. The percentages indicated below represent percentages of share capital and voting rights.

The principal subsidiaries listed in this chart correspond to the principal subsidiaries listed at section 6.2.1 below of this 2021 Universal Registration Document.

No Group subsidiary is listed.



6.1.2 *Description of the Reorganization*

In the context of the initial public offering of the Company, the Group simplified its legal structure and refinanced certain of its outstanding indebdness. Such a reorganisation and refinancing took effect on the date of settlement and delivery of the shares offered in the initial public offering. Key steps of the reorganization and refinancing are described respectively in Section 18.1-Notes 3.2.5 and 15 of the consolidated financial statements for the reorganization aspects, and Sections 8.4.2 and 8.4.3 for the indebtedness aspects.

6.2 Subsidiaries and equity interests

6.2.1 *Principal subsidiaries*

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 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 Emites) 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 ul. Zawiła 61 30-390 Krakow, Poland and registered with the National Court Register held by the District Court for Krakow under number 0000703564.

6.2.2 *Recent acquisitions and disposals*

The Group's recent acquisitions and disposals are described in the 2021 Consolidated financial statements, 18.1-Note 3.2 and the Section 7.3.2 "*Acquisition, divestitures, and changes in consolidation*" of this 2021 Universal Registration Document.

7. ANALYSIS OF THE GROUP'S FINANCIAL POSITION AND RESULTS

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. See "General Comments—IFRS and Non-IFRS Financial Measures" for further information.

The Deloitte & Associés and Mazars' review report on the 2021 Consolidated Financial Statements can be found in section 18.2 of this document.

The following information on the Group's results should be read in conjunction with the Financial Statements, as set out in sections 18.1, 18.2, 18.3 and 18.4 of this document.

7.1 Overview

7.1.1 *Introduction*

The Group is a leading global specialist in innovative cybersecurity technologies. The Group provides services to accelerate the sale of cybersecurity disruptive technologies on a global scale. The Group is positioned at the center of the cybersecurity ecosystem to help, on the one hand, cybersecurity vendors efficiently scale their businesses globally, and, on the other hand, provide its customers (i.e., Value Added Resellers, System Integrators, Telecom companies and Managed Services Providers) with cybersecurity expertise, disruptive technologies and services to fit the needs of their corporate customers.

The Group buys and sells the cybersecurity solutions and adjacent products of its disruptive and established vendors. The Group offers the entire portfolio of cybersecurity solutions provided by its vendors except for those that fall outside the Group's cybersecurity segments. The Group's cybersecurity segments include Next Generation Firewall, Content Security, Endpoint Security, Security & Vulnerability Management, Identity & Access Management and Other Segments (Network Access Control, Intrusion Detection and Prevention, Virtual Private Network, Distributed Denial of Services, Domain Networks System, Network Detection and Response and Software Defined Networking). The Group provides its vendors and customers with standard services (e.g., shipping, billing, logistics, customs, invoicing, cash collection and foreign exchange) in addition to another layer of services only a specialist can provide (e.g., evangelization of new technology, specialized training and support, global expansion, channel management, marketing, demand generation and pre-sales technical advice). The Group also provides services such as training, support and installation.

The Group employs 2,375 employees including more than 500 technical engineers and 150 other cyber and certified tech salespeople, thus maintaining a ratio of approximately one technical engineer for every 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. These trainers provide classroom and remote vendor-accredited training courses or courses created by the Group. This makes the Group a valuable, credible partner in the highly technical and ever-evolving cybersecurity market. Thanks to its strong technical staff and specialization, the Group has developed a proven ability to launch new cybersecurity solutions, from both disruptive and established vendors, in the geographic markets where the Group operates. This ability to promote disruptive technologies and solutions in local markets is at the center of the Group's value proposition, regardless of the solution's nature, enabling coverage of a range of products, including, for example, licenses, support services or subscriptions.

The Group excels by combining global scale with local execution. With offices in 43 countries and the ability to service customers across five continents and in over 170 countries, the Group, headquartered in France, offers a “global scale, local sale” model. This model enhances performance in local operations by providing both global support (such as global support centers, vendor onboarding, global deal desk and global delivery services) and local support (such as local and regional distribution, local team onboarding, delivery follow-up coordination and POD consolidation). This approach has enabled the Group to (i) develop one of the world's broadest portfolios of cybersecurity solutions from over 260 leading vendors and (ii) develop a worldwide customer base, consisting of over 21,000 VARs, SIs, Telcos and MSPs, indirectly serving more than 110,000 end-customers.

The Group’s approach enables vendors to adopt a simple and agile go-to-market model in relation to their cybersecurity solutions, while benefitting from the Group’s local expertise and market knowledge in each jurisdiction where it operates. The Group’s scale is equally important to its customers as their own end-users may be located in multiple regions of the world. In addition, the Group helps its customers through its expertise in vendor selection as cybersecurity solutions become ever more complicated and keep evolving in the face of increasing cybersecurity threats.

The Group offers technical expertise and a wide range of services to both vendors and customers. Services to resellers mainly include (i) (multi-)vendor professional and technical services, (ii) implementation and support, (iii) asset financing and leasing, (iv) project management and logistics and (v) accredited training. Several of these services are billable services. Services to vendors include channel development enablement and management, marketing and demand generation. This broad service offering helps the Group maintain and strengthen its relationship with vendors currently under contract, as well as develop new relationships with vendors offering innovative solutions. The Group has been the go-to-market expansion partner for some of the fastest growing vendor brands in the cybersecurity market, including Fortinet, Palo Alto Networks, F5 Networks, SentinelOne, Infoblox and Proofpoint, and has contributed to their journeys to become major players in international markets.

The Group’s proven ability to secure contracts with disruptive vendors is an important strength as these disruptive vendors represent future growth opportunities for the Group and its customers. The Group’s services offering also strengthens the development of its customer base, whether in relation to its larger or smaller resellers. In less mature markets, the Group's services are particularly valuable to smaller resellers, who benefit from the training, support, and technical expertise of a specialist such as the Group. For larger resellers that cover a broad range of IT services, but are not cybersecurity specialists, the Group’s general expertise in cybersecurity helps them understand key market trends and identify the best technologies for their end-users.

7.2 Key factors impacting results

The Group's results have been and are expected to continue to be, affected by certain key factors as described in more detail below.

7.2.1 *Pricing structure*

The Group's results of operations and profitability are significantly affected by the Group's sales of cybersecurity products and the provision of services.

(a) Profitability

The Group purchases cybersecurity solutions from its vendors and sells them to its resellers, along with certain services related to the products, keeping the difference between the purchase price agreed with the vendor and the sales price agreed with the reseller. For example, for cybersecurity solution license sales, the Group invoices resellers for the sales price (revenue) and records the Cost of Purchase (as is billed by the vendor). The Group's profitability also depends on its ability to sell its own services, such as training, support and installation. The more services the Group sells, the higher its profitability. The sales price the Group is able to charge for its vendors' solutions, as well as the Group's ability to contain its costs of services affect its results. See Section 7.2.1(b) "*Sales prices and competitive pressures*" and Section 7.2.1(c) "*Costs of Services*", below.

(b) Sales prices and competitive pressures

The Group's Net Margin and, in turn, its results of operations and profitability are significantly affected by the sales prices the Group can charge for the cybersecurity products it distributes.

The price that the Group can charge for the products it distributes is dependent on a variety of factors, including the vendor distribution agreements between the Group and its vendors (see Section 7.2.2(b) "*Terms and conditions of vendor agreements*"), the size and profile of the customer, the size and complexity of the project, the maturity of the vendor, the relevant geography, any tariffs and other import or export requirements and any other competitive pressures exerted by its resellers, such as relationships with multiple distributors.

For example, where the vendor has a direct relationship with the reseller, this generally results in a smaller margin for the Group. More complex projects will generally lead to higher margins for the Group.

The Group's customers are not required to purchase any specific volume of products from the Group. Competitive pressures, such as when the Group's competitors offer the same or similar products or services at lower prices, affect the Group's prices. Reductions by the Group of its sales prices to maintain its competitive position impact its results of operations and profitability. In a different context, when the Group is facing products shortage, supply chain challenges, or general inflation in pricing due to industry practice, the Group is also in capacity to reflect such trends on its customers.

(c) Costs of services purchased

The Group's results of operations are significantly affected by the Group's costs of services purchased. The Group generates revenue, and a portion of its profitability, through the sale of services to its customers. The majority of the Group's services, including classic distribution services and value-added services, are included in the costs of the cybersecurity products it distributes. However, the Group also provides services such as training, support and installation that are separately billable to its customers. Although these represent a small proportion of the Group's revenue, they generate a significantly larger proportion of its results.

The Group's profit is affected by its ability to estimate its costs of services and maintain its costs of services at estimated levels and ensure that its compensation for such services adequately reflect its costs. The Group's costs of services, in turn, are impacted by the prices that third-party service companies or sub-contractors charge for their services to the Group, as well as by the costs of logistics, import and export compliance, and other services. Should the Group incur unanticipated costs associated with these services, the Group's net margin would be adversely impacted.

7.2.2 ***Vendors***

The Group's results of operations are significantly affected by the Group's ability to maintain and expand its relationships with its key vendors, the ability to attract and retain new vendors and by the terms and conditions the Group is able to negotiate with them.

(a) Relationships with key vendors and ability to attract new vendors

The Group derives revenue from the sale of cybersecurity solutions pursuant to distribution agreements with its vendors and the Group's results of operations are therefore significantly dependent on its relationships with its vendors, the loss of which could significantly impact the Group's revenues and Net Margin. More generally, entering into relationships with new vendors and expanding relationships with current vendors is essential to the Group's revenue growth. The Group invests up-front in sales and technical resources and training and certification in the technologies of the Group's new vendors and depends on the ability to grow sales over time to recoup this investment. The Group derived 61% of its revenue from its top five vendors and 81% of its revenue from its top 20 vendors for the year ended 31 December 2021. However, gross sales generated in any one country by any single vendor do not exceed 8% of the Group's global Gross Sales for 2021. While the Group's relationship with a vendor typically only ceases with respect to distribution in a specific country or region (as opposed to with respect to all products and services), the Group has experienced a limited number of vendor terminations during the period under review. In 2020 and in 2021, the Group retained 99% of its vendors.

The Group selects these new vendors according to a selection process, involving approximately 50 vendors per year at the initial information gathering and screening phase and culminating in a small number of new vendors selected each year. See Section 5.7.2 (c) "*Vendor Selection Process*" for a further explanation of the vendor selection process.

(b) Terms and conditions of vendor agreements

The Group's Net Margin is driven by the terms of its distribution agreements with its vendors as they relate to deal origination (distributor vs. vendor), competitive intensity, size of deal, maturity of a product, share of billable services, alongside many others, which impact the Group's cost of goods sold.

The Group's results of operations and profitability are therefore significantly dependent on the terms and conditions of its distribution agreements with its vendors, which include, for example, minimum purchase requirements by the Group and clauses governing the effect of price and product changes. Unfavorable terms and conditions may limit the prices at which the Group may on-sell its vendors' products, limit or affect the Group's ability to distribute its vendors' products, limit the availability of cybersecurity products, limit the vendors' speed of delivery or limit the support provided by vendors, resulting in adverse changes to the Group's pricing structure.

The Group's ability to generate revenue and profit is therefore dependent on favorable terms and conditions in its vendor agreements.

7.2.3 ***Cost efficiency***

The Group's profitability is driven by its ability to monitor and maintain its cost efficiency for personnel and operating expenses. Strong cost controls have been implemented in all regions, notably in the continuity of savings initiatives. Recruitment costs are tightly monitored, replacements are not automatically renewed, and travel expenses are limited to necessary business trips.

The Group's operating expenses include salaries and indirect costs, such as IT maintenance, professional charges (consulting, tax, legal fees), marketing costs, rent, office supplies and audit fees. For a further description of the Group's personnel costs for the periods under review, see Sections 7.5.4.4 ("*Personnel costs*").

The Group focuses on strict budgeting exercising and monitoring of cost versus budget as well as other reorganization actions to respond to changes in the economy and to further enhance productivity and profitability. However, there may be unexpected expenses. These actions have included pre-approval requirements for recruitment and monthly reviews.

7.2.4 ***Industry trends and growth***

The Group's ability to generate revenue is influenced by trends in the cybersecurity solutions market. Growth in the cybersecurity solutions market is driven by a number of factors, including the number of cyberattacks, the average cost of a cyberattack and evolving regulation. The increasing complexity of cyberattacks generates demand for new cybersecurity solutions from end-users. These trends drive vendors to develop new, improved and disruptive cybersecurity solutions, who then need specialists such as the Group to sell these solutions.

The Group monitors its current vendor portfolio for product performance and terminates vendor relationships where and when appropriate.

See also Section 3.1.12 "*If the Group is unable to capture technological changes by successfully distributing new and enhanced cybersecurity solutions, the Group's business, results of operations, financial position and cashflows could be adversely affected*"

7.2.5 *Macroeconomic environment*

Generally, macroeconomic conditions can affect the level of demand for a vendor's products and the Group's results of operations may be affected by general macroeconomic conditions in its principal markets, particularly the EMEA, the Americas and the APAC theaters. The cybersecurity industry has historically been relatively resilient to downturns in macroeconomic cycles, since cybersecurity is generally viewed as non-discretionary and essential spending. Although a prolonged slowdown in the global or regional economies of the Group's principal markets may reduce general economic activity and has done so to a limited extent in the past, the Group's business has been generally resilient in the face of negative macroeconomic conditions.

For example, the recent macroeconomic downturn as a result of the COVID-19 pandemic has not had a significant effect on the Group's results of operations as customers in numerous jurisdictions in which the Group operates deemed the provision of cybersecurity solutions as essential and the need for cybersecurity products continued to increase.

7.2.6 *Effectiveness of the Group's technical resources and salesforce*

The Group's results of operations are dependent on the effectiveness of its technical and sales staff in selling its vendors' offerings. As of 31 December 2021, cyber certified cloud technicians comprised one-third of the Group's salesforce, with one cyber certified cloud technician for every two salespeople. The Group's technical resources consisted of more than 500 technical engineers with local capabilities in 43 countries and the ability to serve customers in more than 170 countries by way of local sub-contractors. The Group's future success will further depend significantly on its ability to continue to hire, train, retain and effectively incentivize skilled technicians and engineers who have significant technical knowledge in cybersecurity products. See also Section 3.1.9 "*The Group's success depends upon its ability to attract, retain, motivate and develop key executives and employees with the requisite technical expertise, and the failure to do so could adversely affect the Group's results.*".

7.2.7 *Level of working capital and credit quality*

The Group's average working capital requirements amount to 4.5% of its gross sales. As the Group's sales grow, its working capital requirements also increase, especially as the Group expands into regions where cash collection takes longer. The Group's working capital requirements are dependent on the Group's payment terms with vendors, payment terms with resellers and their capacity to pay on time, as well as the inventory levels which the Group is required to purchase prior to receiving payment from its resellers. Since margins represent a small proportion of the sales price, the rate at which the Group collects cash significantly impacts the Group's overall liquidity.

The Group's resellers may fail to pay their obligations to the Group in a timely manner. The failure of any of the Group's resellers to pay their obligations to the Group could adversely affect the Group's business, results of operations and profitability.

The Group protects itself from cash collection risks with its selection of creditworthy resellers (including approval of credit limits) and credit insurance. The Group has also responsive measures should resellers fail to make timely payments, such as escalating communications and eventually reseller blockage.

7.2.8 *Foreign exchange rate fluctuations*

Because the Group buys a significant portion of its products in U.S. Dollar, and sells its products in various currencies, including euro, pound sterling, U.S. Dollar and Polish Zloty, among other currencies, the Group is exposed to fluctuations in the foreign currency exchange rates. Due to the broad scope of the Group's international operations, a portion of its assets, liabilities, revenue and expenses are also denominated in various currencies. Additionally, a significant portion of the Group's outstanding debt is denominated in currencies other than the Group's reporting currency. For example, the Group's outstanding debt is denominated in pound sterling. Changes in the exchange rates between these currencies can therefore affect the Group's results of operations and financial position, as a result of both translational and transactional exchange rate effects. Generally, appreciation of the U.S. Dollar will have a negative impact on the results of the Group.

Translational effects of exchange rate fluctuations arise because the Group conducts business in currencies other than euro and then translates the results of operations into euros for presentation of the Group's financial results in the consolidated financial statements. For example, for the year ended 31 December 2021, of the Group's consolidated Gross Sales, 39% denominated in euro, 18% in U.S. Dollar, 15% in pound sterling, 7% in Polish zloty and 3% in Australian dollar. As currency exchange rates fluctuate, the Group's financial results may change as a result of such translation even though no real change in its results of operations has occurred. The Group's primary translational currency exposure is to the euro and, to a lesser extent, to the U.S. Dollar.

Transactional effects of exchange rate fluctuations arise when the Group enters into projects or the sales or purchases of cybersecurity solutions in a currency other than the currency of the related expenses. The Group prices the products and services it provides to its customers various currencies, whereas the price lists issued by the Group's vendors are denominated in the vendor's local currency, generally U.S. Dollar, as the majority of the Group's vendors are US-based. This currency mismatch creates a trading risk between the Group and its vendors.

Further, as the Group expands its global reach, more of its operating expenses are expected to be incurred in currencies other than those in which the Group invoices its services. An increase or decrease in the value of the currencies in which the Group incurs costs compared to the currencies in which the Group records its revenue can increase or decrease costs for the delivery of services by increasing labor and other costs that are denominated in local currency, without any offsetting increase in amounts payable to the Group under contracts with its customers.

The Group generally hedges a substantial amount of its transactional foreign exchange rate exposure on the balance sheet and employs a combination of financial derivatives and natural hedges to do so. However, in certain countries, hedging is only allowed after invoicing for the products or services. See Section 3.2.1 "*Currency fluctuation may adversely affect the Group's revenues and costs.*"

7.2.9 *Impact of acquisitions/investments*

In order to expand into new geographic markets, support its growth and strengthen its service offering, the Group may acquire distributors, resellers or other companies in the cybersecurity solutions market. Through its acquisition strategy, the Group aims to fill gaps in its geographical coverage, to broaden the technologies it offers, and to strengthen its operations in existing geographies. The frequency of acquisitions varies and depends on the expansion opportunities offered to the Group and the development of its strategic decisions in light of market conditions. When acquiring companies, the Group generally acquires a majority stake, while the historical management retains a minority stake in order to align incentives. The Group then aims, depending on the specifics of the acquisition, to incorporate the acquired company into the Exclusive Networks brand anywhere from a few months to a few years after the acquisition.

Since 2013, the Group has completed 18 acquisitions, expanding its global presence. See Sections 7.3 "*Comparability of Results*" and 7.3.2 "*Acquisitions, divestitures and changes in consolidation*".

As the Group continues to expand its business operations, the Group intends to make additional geographic and service-related acquisitions to ensure its competitive position in the market.

7.2.10 *Level of indebtedness*

The Group has had a significant level of debt, inherited from its LBO structure. The completion of the IPO along with the adjacent refinancing brough additional liquidity in the Group which was fully dedicated to reduce the level of debt. As of 31 December 2021, the Group's Financial Gross Debt amounted to €521.3 million and Net Debt amounted to €391.5 million whereas, as of 31 December 2020, the Group's Financial Gross Debt amounted to €752.4 million and Net Debt amounted to €589.2 million.

7.2.11 *Seasonality*

The Group's Gross Sales and Adjusted EBITA, as defined in Section 7.5 "*Key performance indicators*", are affected by the seasonal nature of the Group's business. Over the periods under review, for example, the Group's Gross Sales and Adjusted EBITA tended to be higher in the fourth quarter because, as is typical in the IT industry, both vendors and resellers tend to close their accounts during this quarter. As a result, the last quarter of the year contributes more than 30% to the Group's annual Gross Sales and Adjusted EBITA over the periods under review.

7.3 Comparability of Results

Certain key factors as well as past events and transactions have had, and may continue to have, an impact on the comparability of the Group's business and results as discussed below. The main factors affecting the comparability of the Group's results include (i) changes in accounting standards, (ii) the successful Initial Public Offering on 23 September 2021, (iii) other acquisitions, divestitures and changes in scope of consolidation.

7.3.1 *Change in accounting standards*

In January 2021, "demo stocks" (devices purchased for demonstration and commercial support purposes which are not held for sale in the ordinary course of business nor consumed in the rendering of services) previously classified as inventories and depreciated on a straight-line basis have been reclassified as tangible assets for a net book value of €2.6 million.
Should this reclassification be performed into the Consolidated Financial Statements opening balance on 1 January 2021, it would have been of similar value.
Going forward and as presented in the financial statements ended 31 December 2021, "demo stocks" will be recorded directly as tangible assets and are amortized on a straight-line basis over a 3-year period.

7.3.2 *Acquisition, divestitures and change in consolidation*

During the period under review, the Group made the following acquisitions which are reflected in the Group's consolidated financial statements from the date on which control of such businesses was acquired (see also Note 3.2 to the 2021 Group's Consolidated Financial Statements):

In 2021, the Group acquired three businesses:

- **Ignition –** On 2 July 2021, Exclusive Networks signed and completed the acquisition of Ignition Technology. The acquisition price of €14.9 million was paid on the date of acquisition and an earn-out based on the financial performance amounting to €3.1 million is scheduled to be paid during the first semester of 2022. As at 31 December 2021, the Group own 75.30% of Ignition Technology which fully consolidated in the financial statements and integrated in the Other Services Cash Generating Unit.

- **Networks Unlimited –** On 2 December 2021, the Group completed the acquisition of Networks Unlimited (NU), the South Africa, Mauritius and Kenya based cybersecurity specialist, to create a market presence in the region. The acquisition price paid on the date of acquisition amounts to €4.4 million and the company is fully consolidated as at 31 December 2021, Exclusive Networks benefits from an operational control in spite of an indirect minority ownership. The company is integrated to the Middle East Cash Generating Unit.

- **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 closed in December 2020. The determination of the goodwill is provisional and may be adjusted during a 12-months measurement period after the acquisition date, specially to identify and measure the identifiable assets acquired, liabilities assumed and any non-controlling interest as well as the consideration transferred.

- **Non-controlling interests**
    - On 23 February 2021, the Group acquired 2.05% non-controlling interests in Exclusive Capital SAS for a total purchase price of €0.2 million and, consequently, holds 89% of the shares of company as at 31 December 2021.
    - On 23 December 2021, the Group acquired 12% non-controlling interests in Exclusive Networks Ireland Limited for a total purchase price of €1.1 million and, consequently, holds 100% of the shares of the company as at 31 December 2021.
    - On 30 December 2021, the Group acquired 7.5% non-controlling interests in Veracomp D.o.o in Croatia for a total purchase price of €0.3 thousands and, consequently, holds 100% of the shares of the company as at 31 December 2021.

There were no disposals during the periods under review.

7.4 Main items of the statement of consolidated income

7.4.1 *Main items of the statement of consolidated income in accordance with IFRS*

The main income statement line items used by the Group's management to analyze its consolidated financial results in accordance with IFRS are summarized below:

Revenue

Revenue is generated from the sale of third-party cybersecurity solutions and services through separate and/or bundled contracts. In addition to cybersecurity solutions, the Group sells related maintenance and support services. Revenues are recorded net of discounts, rebates, and returns, which historically have not been material.

For IFRS 15 purposes, the Group acts as a principal when selling cybersecurity solutions and professional services and as an agent when selling vendor's support and maintenance services. Revenue from the latter activity is recorded as Net Margin, with an equal reduction to both revenue and cost of purchased goods and services in the income statement. Net Margin represents Revenue less costs of purchased goods and services and Freight on sales.

Cost of purchased goods and services

Cost of purchased goods and services includes purchases of goods, change in inventories and net allocation to inventories depreciation.

Personnel costs

Personnel costs comprise wages, social security contributions, profit-sharing plans and pension costs. Pension costs include the allocation to provisions for retirement benefits for the year as well as the reversal of provisions as a result of benefits paid during the year.

Other operating costs

Other operating costs comprise rental expenses (under IFRS 16 only for immaterial and short-term leases), travel expenses, external fees, insurance cost, bank fees, advertising expenses, taxes other than income tax and other expenses such as maintenance, repair and telecommunication costs. Other operating costs also include the allocation to provisions for doubtful accounts for the year as well as the reversal of provisions.

Depreciation and amortization

Depreciation and amortization represent the depreciation of property, plant and equipment and right-of-use following the application of IFRS 16. Amortization relates to intangible assets, which are mainly vendor relationships, excluding indefinite intangible assets such as goodwill and brands.

Non-recurring operating income and expenses

Non-recurring income and expenses include items which are defined as unusual, extraordinary and infrequent items of a particularly significant amount at Group level that are limited in number and presented separately to facilitate an understanding of the Group's underlying performance. Non-recurring operating income and expenses can include gains and losses on the disposal of fixed assets as well as costs related to major acquisitions.

Financial debt costs

Financial debt costs include interest on loans from unrelated parties payable by the Group.

Interest on lease liabilities

Interest on lease liabilities comprises solely interest charges related to the non-current lease liabilities following the application of IFRS 16.

Other financial income and expenses

Other financial income and expenses comprise discounting of borrowings and debt, expenses related to financial instruments, foreign exchange losses and other financial expenses.

Income tax

Income tax consists of current tax expense and changes in deferred taxes.

7.5 Key performance indicators

The Group presents several additional performance indicators, including Adjusted EBITA, Adjusted EBITA as a percentage of Net Margin, Adjusted EBITDA, Adjusted Net Income, Cash Conversion, Capex, Gross Sales, Net Debt and Operating FCF before Tax, defined as follows:

- Adjusted EBITA – Recurring operating profit before amortization of intangible assets, as adjusted for certain costs that do not impact the day-to-day operations (including implementation costs for finance and operation, group management systems, restructuring costs and one-time costs).
- Adjusted EBITA as a percentage of Net Margin – Adjusted EBITA over Net Margin.
- Adjusted EBITDA - Recurring operating profit less depreciation and amortisation, less other non-recurring items ("Other" in the IFRS consolidated financial accounts).
- Adjusted Net Income – Net income adjusted for amortization of intangible assets, other operating expenses/income (post tax at effective tax rate) and deferred tax.
- Cash Conversion – Operating FCF before tax divided by Adjusted EBITDA.
- Capex – Net Operating Capex plus Repayment of Lease Liabilities.
- Gross Sales – Represents revenue recognized by the Group on a gross basis for each revenue stream (i.e. Solutions and Support/Maintenance) and before intra- and inter-segment intercompany eliminations.
- Net Debt – Calculated by subtracting the Company's total cash and cash equivalents from its total bank borrowings, bank overdrafts, short term loans and factoring liabilities.
- Operating FCF before Tax (1) – Net income deducted from Net financial income/expense, Income Tax, Depreciation, amortization, impairment, and provisions, Gains/losses on disposal of fixed assets, Other non-cash items, Change in Net working capital – trade and Net Operating Capex & Repayment of lease liabilities.

These performance measures are not defined by IFRS 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.

	Year ended 31 December	
	2021	**2020**
Adjusted EBITA	€119m	€95m [1]
Adjusted EBITA growth %	25.3 % [2]	17.3 %
Adjusted EBITA as a percentage of Net Margin	37.3%	37.0% [3]
Adjusted Net Income	€73m	€39m
Operating FCF before Tax	€57m	€137m
Cash Conversion	43.1%	130.8%
Gross Sales	€3.320m	€2,564m
Net Debt	€391.5m	€589.2m

[1] The Group's Adjusted EBITA would have been €108 million, including Veracomp as if it has been acquired at 1 January 2020.

[2] The Group's Adjusted EBITA growth percentage would have been 10%, including Veracomp as if it had been acquired at 1 January 2020.

[3] The Group's Adjusted EBITA as a percentage of Net Margin would have been 37%, including Veracomp as if it had been acquired at 1 January 2020.

7.5.1 ***Reconciliation of KPIs***

Reconciliation of Gross Sales to Revenue/Net Sales

	Year ended 31 December	
	2021	**2020**
Revenue (IFRS)	**2,483.4**	**1,891.7**
Agent vs Principal (Mainly Vendors' Support) – IFRS 15	793.5	657.8
Timing of Revenue Recognition – IFRS 15	-3.5	-10.7
Intercompany	47.0	25.0
Gross Sales	**3,320.4**	**2,563.9**

Reconciliation of Adjusted EBITDA to Adjusted EBITA and to Net Income

	Year ended 31 December	
	2021	**2020**
Adjusted EBITDA	**131**	**104**
Depreciation	-12	-9
Adjusted EBITA	**119**	**95**
Non-recurring Operating Income and Expenses	-4	-6
Amortization of Intangible Assets	-57	-54
Adjustments	-8	-6
Operating Profit	**51**	**30**
Net Financial Expense/income	-39	-39
Profit (Loss) Before Income Tax	**12**	**-9**
Income Tax	-25	12
Net Income	**-13**	**3**

Reconciliation of Net Income to Adjusted Net Income

	Year ended 31 December	
	2021	**2020**
Net Income	**-13**	**3**
Amortization of Intangible Assets	57	54
Non-recurring Operating Income & Expenses and Adjustments (Post-Tax)	23	9
Deferred Taxes	6	-26
Adjusted Net Income	**73**	**39**

Reconciliation of Financial Gross Debt to Net Debt

	Year ended 31 December	
	2021	**2020**
Bank Borrowings	454.2	684
Bank Overdraft	4.9	1
Short-term Loans	39.1	29.6
Factoring Liabilities	23.1	37.7
Financial Gross Debt	**521.3**	**752.4**
Cash & Cash Equivalents	-129.8	-163.2
Net Debt	**391.5**	**589.2**

Reconciliation of Net Income to Operating FCF

	Year ended 31 December	
	2021	**2020**
Net Income	**-13**	**3**
Net Financial Income / Expense	39	39
Income Tax	25	-12
Depreciation, Amortization, Impairment and Provisions	69	64
Gains/Losses on Disposal of Fixed Assets	1.3	-0.1
Change in NWC	-54	52
Net Operating Capex & Repayment of Lease Liabilities	-14	-9
Share based expenses	3	
Operating FCF Before Tax (1)	**57**	**137**
Cash Conversion..............	43%	131%
Current Tax Paid	-17.9	-11.8
Operating FCF	**39**	**125**

(1): Please note that the definition of Operating FCF before Tax has been improved in 2021 to reflect 2021-and-onward share-based-payments related to non-cash items, as well as to restrict the Net Working Capital variations to trade-only items (inventory, receivables, payables). Therefore, the reconciliation of this KPI with the one disclosed in the IPO prospectus is as follows:

Operating FCF before tax in the IPO prospectus	**141**
Income tax receivable	-3
Earn-out Nuaware	-4
Other	3
Operating FCF before tax in 2021 URD	**137**

Reconciliation of Operating FCF to Free Cash Flow

	Year ended 31 December	
	2021	**2020**
Operating FCF	**39**	**125**
Impact of Changes in Scope of Consolidation	-22	-69
Free Cash Flow	**17**	**56**

Reconciliation of Net Operating Capex to Capex

	Year ended 31 December	
	2021	**2020**
Net Operating Capex	4	2
Repayment of Lease Liabilities	10	7
Capex	**14**	**9**

7.5.2 ***Analysis of Adjusted EBITA***

	Adjusted EBITA			
	by segment		*as a percentage of Gross Sales*	
	Year ended 31 December		**Year ended 31 December**	
In € millions	**2021**	**2020**	**2021**	**2020**
EMEA……..	118	95	4.6%	4.9%
APAC………	19	17	4.8%	4.6%
AMERICAS..	8	5	2.3%	2.0%
Corporate…...	-26	-22		
Total Adjusted EBITA	**119**	**95**		

7.5.3 *Group financial performance*

€ in millions	2020 Reported	2021 Reported *	Var. in % incl Veracomp	Var. in % Reported	
Gross Sales	**2 564**	**3 320**	*15,1%*	*29,5%*	**
Revenue	**1 892**	**2 483**	*16,1%*	*31,3%*	***
Net Margin	**257,3**	**319,9**	*9,2%*	*24,3%*	
Adj EBITA	**95,2**	**119,2**	*10,0%*	*25,3%*	
% Net Margin	*37,0%*	*37,3%*			
Adj. Net Income	**39,2**	**72,6**	n.a	*85,1%*	

* Extracted from unaudited 2021 accounts
** +30.4% at constant currency
*** +32.3% at constant currency

Gross Sales were €3.3 billion, an increase of 29.5% year over year on a reported basis and up 15.1% including Veracomp in 2020. This growth was 73% attributable to existing vendors, 13% to vendor expansion and 15% to acquisitions. All our top 10 vendors contributed to the growth. From the resellers side, we saw strong demand from the Enterprise market. Geographically, executing on our strategy, we delivered growth in all three regions. The supply issues experienced during 2021 contributed to building up a strong backlog for 2022.

Revenue as reported in the Consolidated Financial Statements takes into account the recognition of the sales of support and maintenance on a Net Margin basis as per IFRS as we are not the primary obligor for these solutions. Revenue grew in line with Gross Sales.

Net Margin reached €320 million in 2021, an increase of 9.2% compared to 2020 (including Veracomp). The mix of sales evolved over the last six months of 2021 with an increasing portion of large deals and the accelerated growth in the Americas. Net Margin as a percentage of Gross Sales was 9.6%, driven by mix effect, while we benefited from operational efficiency from the larger deals and from the operating leverage, notably in the Americas. This can be seen in the expansion of the Adj. EBITA margin, up to 37.3%. Exclusive Networks continues to assess every new deal based on its marginal Adj. EBITA contribution.

Adjusted EBITA was €119.2 million, up 10.0% year over year including Veracomp in 2020 and up 25.3% on a reported basis.

Adjusted Net Income was €72.6 million, an increase up 85.1% year over year on a Reported basis.

7.5.4 ***Performance by segment***

€ in millions	2020 Reported	2021 Reported *	Var. in % Reported
EMEA			
Gross Sales	1,931.5	2,579.5	*33.5%*
Adj.EBITA	94.6	117.5	*24.2%*
APAC			
Gross Sales	362.8	394.3	*8.7%*
Adj.EBITA	16.8	18.7	*11.7%*
Americas			
Gross Sales	269.5	346.7	*28.6%*
Adj.EBITA	5.4	8.5	*56.3%*
Corporate			
Adj.EBITA	(21.7)	(25.6)	*18.2%*
Total			
Gross Sales	2,563.9	3,320.4	*29.5%*
Adj.EBITA	95.2	119.2	*25.3%*

* Unaudited Accounts. The 2021 financial statements are currently being audited.

EMEA: Gross Sales at €2,579.5 million, up 14.5% vs 2020 (including Veracomp as if acquired since January 2020). In EMEA, we saw an acceleration of the developments in the Enterprise market and an increasing share of large deals. The mix effect along with the product shortage issues at the end of the year impacted the conversion from Gross Sales to Adjusted EBITA. Additionally, operating expenses included a €1 million investment in Poland as part of the integration of Veracomp.

APAC: Gross Sales reached €394.3 million, up 8.7% vs 2020. The region experienced the greatest adverse impact from COVID-19 in 2020 and still in 2021. However, APAC benefited from a robust operational leverage through strong growth of services in 2021.

AMERICAS: Gross Sales were €346.7 million, up 28.6% vs 2020. Despite a less fragmented market, the Americas experienced strong demand for the 2-tier model. The growth was very strong with historical vendors and further accelerated by the onboarding of new vendors. Combined with an already scaled local platform, the region benefited from the full delivery of its operating leverage to reach an Adjusted EBITA of €8.5 million with a record growth of +56.3%.

CORPORATE: Operating expenses at Corporate reflect the investments made to structure the long-term strategy of the group, design and launch initiatives to support and structure countries and regional developments and, also, to consolidated and monitor the Group's performance.

7.5.5 *Cash Flow and Financing*

Operating Free Cash Flow Before Tax was €56.5 million in 2021, a 64.4% normalized cash conversion from Adjusted EBITDA, down €80.0 million from last year. This was mainly driven by one-off items from 2020 COVID measures (€56m) as well as a higher working capital following the growth in activity (€20m) and some inventory build-up as part of our strategy to adapt to the global shortage of products and components (€4m).

Leverage: Exclusive Networks' Financial Gross Debt as at December 31, 2021, was €521.3 million, with Cash & Cash Equivalents standing at €129.8 million and Net Debt at €391.5 million. This resulted in a leverage ratio of Net Debt over Adjusted EBITDA after Leases of 3.1x, impacted by non-recurring items at year-end closing which were reversed in early January 2022.

8. LIQUIDITY AND CAPITAL RESOURCES

8.1 Overview

The Group's principal financing needs include its working capital, its capital expenditure (including acquisitions) and interest payments.

The main sources of liquidity for the Group are the following:

- Revolving credit facilities;
- Overdraft facilities; and
- Factoring.

See Section 8.4.2 "*Financial liabilities*" for further details on the financial debt.

8.2 Description and analysis of the principal categories of the use of Group cash

8.2.1 ***Financing working capital requirements***

(a) Net Working Capital as of 31 December 2021 and as of 31 December 2020, prepared in accordance with IFRS

Net Working Capital primarily corresponds to operating working capital (inventories, trade receivables and trade payables) as well as non-operating working capital. The Group's operating working capital comprises inventories, trade receivables and trade payables as well as other receivables and payables which primarily include tax and social payables.

The Group primarily finances its Net Working Capital requirements with cash flows from operating activities.

The Group also utilizes various factoring arrangements for its receivables. In accordance with IFRS 9, 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. For more details, please refer to note 9 of the 2021 consolidated financial statements.

On 11 May 2021, the Group entered into a pan-European factoring program pursuant to which the receivables arising from the sales of cybersecurity solutions in several countries are sold. As at 31 December 2021, the program has only been deployed in France and Spain through a local contract. Deployments are also planned for the Netherlands, Belgium, Germany & the United Kingdom in 2022. Derecognised receivables amounted to €27.7 million as at 31 December 2021.

Net Working Capital was €155.3 million as of 31 December 2021, €106.3 million as of 31 December 2020. Please refer to Note 12 for further details.

The change in "Net Working Capital – Trade" reflects a consumption of cash of €53.6 million in 2021 compared to a generation of cash of €44.2 million in 2020, so a variation of €97.8 million. €56.0 million is explained by two one-off disbursements which shifted from 2020 to 2021 (governmental Covid support measures in the UK and a vendor payment term extension, for a total of €28.0 million). Once these one-offs normalized, the variance in “Change in Net Working Capital – Trade” is €41.8 million. Inventories increased along with the growth of activity to sustain demand in stock-building activities in the Americas and in EMEA with some vendors. In addition, as a consequence to product shortage tensions APAC created some temporary buffer inventory and some payments to resellers were temporarily extended. For more details, please refer to note 12 of the 2021 consolidated financial statements.

8.2.2 *Acquisitions of companies or activities*

Expenditures related to acquisitions, net of cash acquired, amounted to €(21.8) million in 2021, corresponding mainly to the acquisition of three businesses:

- Ignition Technology for a total amount of cash paid, net of cash acquired, of €(10.5) million
- Networks Unlimited for a total amount of cash paid, net of cash acquired, of €(1.5) million
- 90% of the share capital of Veracomp KFT Hungary for a total amount of cash paid, net of cash acquired, of €(0.4) million

8.2.3 *Interest payments and repayment of financial debt*

A portion of the Group’s cash flows is allocated to servicing and repayment of its debt (see Section *8.4* “*Financial liabilities*” of this Universal Registration Document).

The Group disbursed interest payments for €26.5 million compared to €31.8 million, respectively, for the year ended 31 December 2021 and the year ended 31 December 2020. The decrease in interest payments in 2021 resulted primarily from the Group’s refinancing following the IPO on Sept 27 (reduction of gross amount and reduction in interest rates). For more details, please refer to note 14.2 of the 2021 consolidated financial statements.

8.3 Group consolidated cash flows

8.3.1 *Group consolidated cash flows for the years ended 31 December 2021 and 2020*

The following table summarizes the Group’s cash flows for the years ended 31 December 2021 and 2020, based on the Consolidated Financial Statements, prepared in accordance with IFRS.

As at December 2021, following a review of its financial statements, the Group decided to modify the presentation of its Consolidated Statement of Cash-Flows in order to provide information that is more relevant to users. This new presentation did not lead to any material reclassification between operating, financing, and investing cash flows, except for the interests paid which are now presented both years under financing rather than operating activities.

	Year ended 31 December	
	2021	**2020**
	(in € thousands)	
Net cash flows provided by/(used in) operating activities	42,481	126,695
Net cash flows from/(used in) investing activities	(26,625)	(71,145)
Net cash flows provided by/(used in) financing activities	(44,084)	4,522
Net effect of foreign exchange rates on net cash	(9,138)	(3,864)
Change in cash and cash equivalents	**(37,366)**	**56,208**
Net cash at the beginning of the period	162,217	106,008
Net cash at the end of the period	**124,851**	**162,217**

As of 31 December 2021, Group cash and cash equivalents amounted to €124,9 million, compared to €162.2 million as of 31 December 2021.

(a) Net cash flows provided by/(used in) operating activities

The following table shows the Group's net cash flows from operating activities for the years ended 31 December 2021 and 2020.

	Year ended 31 December	
	2021	**2020**
	(in € thousands)	
Profit/(loss) for the year	(12,513)	2,719
Non-cash items	119,619	78,069
Change in Net Working Capital (trade and other)	(64,624)	45,907
Net cash flows from operating activities	**42,481**	**126,695**

Group net cash flows from operating activities amounted to €42.5 million for the year ended 31 December 2021, compared to €126.7 million for the year ended 31 December 2020. While operating the activity of the Group allowed a cash generation of € 107.1 million in the course of 2021, a significant portion of this cash generation was used by the change in net working capital - trade, for € (53.6) million, materially affected year-over-year by some one-off items shifting from 2020 to 2021. See note 12 for further details on change in Net Working Capital – Trade.

(b) Net cash flows provided by/(used in) investing activities

The following table shows the Group's net cash flows from investing activities for the years ended 31 December 2021 and 2020:

	Year ended 31 December	
	2021	**2020**
	(in € thousands)	
Additions to property, plant and equipment and intangible assets	(4,756)	(1,433)
Disposal of fixed assets	367	333
Changes in other financial assets	(453)	(871)
Impact of changes in scope of consolidation	(21,783)	(69,174)
Net cash flows provided by/(used in) investing activities	**(26,625)**	**(71,145)**

Group net cash flows provided by/(used in) investing activities amounted to €(26.6) million for the year ended 31 December 2021, compared to €(71.1) million for the year ended 31 December 2020.

The total amount of cash used for acquiring new companies in 2021 was lesser than in 2020, being noticed that Veracomp represented a large portion of last year's investments. Please refer to section 3.2.1 for further details.

(c) Net cash flows provided by/(used in) financing activities

The following table shows the Group's net cash flows from financing activities for the years ended 31 December 2021 and 2020:

	Year ended 31 December	
	2021	**2020**
	(in € thousands)	
Proceeds from Share capital issuance	253,183	
Dividends paid	(41)	(206)
Disposal (acquisition) of Treasury shares	(99)	-
Purchase of non-controlling interests	(751)	(893)
Proceeds from issuance of bank borrowings	450 649	50,695
Proceeds from issuance of other financial liabilities	51,763	20,451
Factoring liabilities	(14,682)	(12,767)
Short-term financing	34,986	(885)
Interests paid	(26,525)	(31,811)
Repayment of bank borrowings	(693,342)	
Repayment of other financial liabilities	(71,656)	(12,808)
Repayment of lease liabilities	(9,568)	(7,255)
Net cash flows provided by/(used in) financing activities	**(44,084)**	**4,522**

Group net cash flows provided by/(used in) financing activities amounted to €(44.1) million for the year ended 31 December 2021, compared to €4.5 million for the year ended 31 December 2020.

As part of the IPO proceeds, the Group refinanced its debt in the course of the year, resulting into the issuance of new share capital, the full reimbursement of its prior debt together with the reception of new cash under its new debt structure. The net of these proceeds resulted into a quasi-neutral impact (€ 8 million) including the reimbursement of RCF credit facilities in full. In addition, and as a result of the new financing, the interests paid on financing facilities were reduced by more than € 5 million compared to the prior year with only 3 months of impact.

8.4 Financial liabilities

8.4.1 *Group financial liabilities for the years ended 31 December 2021 and 2020*

The Group's financial liabilities totalled €801.0 million and €575 million as of 31 December 2020 and as of 31 December 2021, respectively. The change in the Group's debt is detailed in Note 14.2.2 to the 2021 Consolidated Financial Statements.

The following table shows the distribution of the Group's gross and net debt as follows:

	Year ended 31 December	
	2021	2020
	(in € thousands)	
Bank Borrowings	454,203	684,024
Short-term loans	39,109	29,633
Factoring liabilities	23,076	37,729
Bank overdraft	4,940	1,014
Financial Gross Debt	**521,328**	**752,400**
Cash and Cash equivalents	(129,791)	(163,232)
Net Debt	**391,537**	**589,169**

The Group's Bank Borrowings, which represent the major portion of the total Gross Debt, have been restructured on 16 July 2021. Here below is a reminder of the former financial liabilities (Section 8.4.2) and a description of the new existing financial liabilities (Section 8.4.3).

Bank borrowings also include a loan of €2.8 million from BPI France, granted to Exclusive Networks SAS in July 2020.

8.4.2 ***The Group's former financial liabilities***

The main elements of the Group's former financial liabilities are described below.

(a) Summary of the Group's long-term borrowings

On 4 July 2018 the Group entered into a Senior Credit Agreement with a syndicate of international banks that included:

- A senior debt, raised by Everest BidCo SAS, consisting of (i) a long-term loan (Term Loan Facility) for a principal amount of €500 million and bearing interest at 3-month EURIBOR (with a floor rate of 0%) and a 3.25% margin, as of 30 June 2021, with a maturity of 7 years ("**Facility B**"), and (ii) a secured revolving credit facility line with a nominal amount of €90 million and bearing interest at 3-month EURIBOR and a 2.25% margin (the "**Original RCF**" and together with the Facility B, the "**First Lien Facilities**"). As of 30 June 2021, the Group's net carrying amount of the First Lien facilities was €546.4 million; and

- A subordinated bank debt, raised by Everest BidCo SAS and consisting of a long-term loan with a principal amount of £105 million (the equivalent of €119.2 million on the subscription date), bearing interest at 3-month GBP LIBOR (with a floor rate of 1%) plus a 7.50% margin, as of 30 June 2021, with a maturity of eight years (the "**Second Lien Facilities**" together with the First Lien Facilities, the "**Facilities**"). As of 30 June 2021, the Group's net carrying amount of the Second Lien Facilities was £105 million (the equivalent of €119.2 million).

(b) First Lien Facilities

On 1 July 2018, in connection with the acquisition of all the issued share capital of Exclusive Management SAS (the "**Target Group**") by Everest BidCo SAS ("**Bidco**") (the "**Acquisition**"), BidCo as Borrower, Morgan Stanley Bank, International Limited, Société

Générale, London Branch, Deutsche Bank AG, London Branch, Goldman Sachs International, ING Bank N.V., acting through its French Branch and Royal Bank of Canada as mandated lead arrangers (the "Mandated Lead Arrangers"), and financial institutions listed therein as underwriters, amongst others, entered into a commitment letter providing commitments for: (i) the Facility B, a term loan facility of €500 million; and (ii) the Original RCF, a €90 million revolving credit facility.

First Lien Facilities Agreement

On 1 July 2018, the Borrower, the Mandated Lead Arrangers, the financial institutions listed therein as original lenders (the "**Original Lenders**"), ING Bank N.V., London Branch as agent (the "**Agent**") and ING Bank N.V., London Branch as security agent (the "**Security Agent**") entered into an English law governed senior facilities agreement pursuant to which the Original Lenders will make the First Lien Facilities available to the Borrower (the "**First Lien Facilities Agreement**").

The termination date for Facility B will be 84 months from the date of first utilization of either of the First Lien Facilities (the "**Closing Date**") and that of the Original RCF will be 78 months after the Closing Date. The Facility B is repayable by a bullet repayment on the termination date. Commitments under the Original RCF will be available to take the form of cash loans, ancillary facilities and letters of credit.

Use of Funds

Pursuant to the First Lien Facilities Agreement, the Borrower shall apply the borrowings under the Facility B towards financing or refinancing: (i) the consideration payable in connection with the Acquisition (including any interest payments and/or purchase price adjustments (however structured) under the Acquisition Documents); (ii) the repayment or refinancing of existing indebtedness of the Target Group (including back-stopping or providing cash-cover in respect of any letters of credit, guarantees or ancillary, revolving, working capital or local facilities or arrangements) and payment of breakage costs, any redemption premium and any other costs related to such refinancing; (iii) financing any other payments contemplated by the transaction documents entered into in connection with the Acquisition; (iv) maintaining any cash over-funding and/or (v) the payment of fees, costs, expenses and/or other liabilities incurred or payable by the Borrower or any other member of the Group (including the Target Group) in connection with the Acquisition, the transaction documents entered into in connection with the Acquisition and/or the repayment and/or refinancing contemplated by (ii).

The Borrower shall apply any amounts drawn under the Original RCF in or towards (directly or indirectly) financing or refinancing the general corporate and working capital purposes of the Group including, without limitation, the payment of interest amounts in relation to the Term Facilities and the Second Lien Facility, for net working capital adjustments at Completion, bridging Target Group cash at the Closing Date, any other payments contemplated by the transaction documents entered into in connection with the Acquisition, restructuring and reorganization costs, capital expenditure and Permitted Acquisitions, investments and joint ventures, repayment or refinancing of existing indebtedness of the Group or any acquisition target (including back-stopping or providing cash-cover in respect of any letters of credit, guarantees or ancillary, revolving, working capital or local facilities or arrangements), the payment of any original issue discount, fees, costs, expenses and/or other liabilities incurred or payable by the Company or any other member of the Group (including the Target Group) in connection with the Acquisition, the transaction documents entered into in connection with the Acquisition, any Permitted Acquisition (as defined therein) and/or any repayment and/or refinancing contemplated above.

Interest and fees

Loans under Facility B will bear interest at a rate per annum equal to EURIBOR for utilizations in euro, and LIBOR for all other transactions, plus a margin of 3.25% per annum, as of 30 June 2021. Loans under the Original RCF will bear interest at a rate per annum equal to EURIBOR for utilizations in euro, and LIBOR for all other transactions, plus a margin of 2.25% per annum, as of 30 June 2021. However, provided certain conditions are met, the applicable margin will be determined by the First Lien Net Leverage Ratio (calculated in accordance with the First Lien Facilities Agreement). In connection with the First Lien Facilities, the Borrower will be required to pay to the lenders and/or certain other finance parties an arrangement fee and certain other customary fees and expenses.

Voluntary prepayment

The Borrower may, upon not less than three business days' prior notice to the Agent (subject to certain exceptions), cancel and/or voluntarily prepay outstanding loans without penalty or premium (but including any breakage fees) under the First Lien Facilities Agreement.

Covenants and restrictive clauses

With respect to the First Lien Facilities, the Borrower will also be required under a financial covenant to maintain a net leverage ratio not in excess of 10.35:1, to be tested on each quarter date, with the first test date on the quarter date which is the last day of the third complete financial quarter commencing after the Closing Date), subject to equity cure provisions and a financial covenant acquisition adjustment.

Incremental Facilities

Subject to certain conditions, the First Lien Facilities Agreement will permit the Borrower (subject to the receipt of commitments) to increase the Facility B and/or the Original RCF and/or add one or more additional facilities (i.e., an incremental facility) under the First Lien Facilities Agreement at any time without the consent of any Finance Party (as such term is to be defined therein). Such additional facilities will be repaid, at the Borrower's election, by a bullet repayment or amortizing repayment.

Mandatory Prepayment—Exit Event

The First Lien Facilities Agreement shall provide for mandatory prepayment in the event of a change of control, sale or listing which results in a change of control (each an "**Exit Event**"). Other than an Exit Event or if it becomes unlawful for any lender to perform its obligations under the First Lien Facilities Agreement, there shall be no other circumstances that shall require a mandatory prepayment under the First Lien Facilities Agreement.

In the case of the occurrence of an Exit Event, the Borrower shall promptly notify the Agent of such occurrence of such an Exit Event, upon which each lender under the First Lien Facilities Agreement shall have 15 business days to exercise an individual right: (i) on five business days' notice to the Borrower, to cancel all its undrawn commitments; and (ii) on 60 days' notice to the Borrower, to require that all its outstanding participations in utilizations are repaid with accrued interest and any other amounts accrued to that lender under the Finance Documents (as such term is defined therein).

(c) Second Lien Facilities

On 1 July 2018, in connection with the Acquisition, BidCo as Borrower, Morgan Stanley Bank, International Limited, Société Générale, London Branch, Deutsche Bank AG, London Branch, Goldman Sachs International, ING Bank N.V., acting through its French Branch and Royal Bank of Canada as mandated lead arrangers (the "**Mandated Lead Arrangers**") and financial institutions listed therein as underwriters, amongst others, entered into a commitment letter providing commitments for a term loan facility of £105 million (the "**Second Lien Facilities**").

Second Lien Facilities Agreement

On 1 July 2018, the Borrower, the Mandated Lead Arrangers, the financial institutions listed therein as original lenders (the "**Original Lenders**"), ING Bank N.V., London Branch as agent (the "**Agent**") and ING Bank N.V., London Branch as security agent (the "**Security Agent**") entered into an English law governed senior facilities agreement pursuant to which the Original Lenders will make the Second Lien Facilities available to the Borrower (the "**Second Lien Facilities Agreement**").

The termination date for the Second Lien Facilities will be 96 months from the date of first utilization of the Second Lien Facilities (the "**Closing Date**"). The Second Lien Facilities are repayable by a bullet repayment on the termination date.

Use of funds

Pursuant to the Second Lien Facilities Agreement, the Borrower has applied the borrowings under the Second Lien Facilities towards financing or refinancing: (i) the consideration payable in connection with the Acquisition (including any interest payments and/or purchase price adjustments (however structured) under the Acquisition Documents); (ii) the repayment or refinancing of existing indebtedness of the Target Group (including back-stopping or providing cash-cover in respect of any letters of credit, guarantees or ancillary, revolving, working capital or local facilities or arrangements) and to pay breakage costs, any redemption premium and any other costs related to such refinancing; (iii) financing any other payments contemplated by the transaction documents entered into in connection with the Acquisition; (iv) maintaining any cash over-funding; and/or (v) the payment of fees, costs, expenses and/or other liabilities incurred or payable by the Company or any other member of the Group (including the Target Group) in connection with the Acquisition, the transaction documents entered into in connection with the Acquisition and/or the repayment and/or refinancing contemplated by (ii).

Interest and fees

Loans under the Second Lien Facilities bear interest at a rate per annum equal to EURIBOR for utilizations in euro, and LIBOR for all other transactions, plus a margin of 7.50% per annum, as of 30 June 2021.

Voluntary prepayment

The Borrower may, upon not less than three business days' prior notice to the Agent (subject to certain exceptions), cancel and/or voluntarily prepay outstanding loans without penalty or premium (but including any breakage fees) under the Second Lien Facilities Agreement.

Incremental Facilities

Subject to certain conditions, the Second Lien Facilities Agreement permits the Borrower (subject to the receipt of commitments) to increase the Second Lien Facilities and/or add one or more additional facilities (i.e., an incremental facility) under the Second Lien Facilities Agreement at any time without the consent of any Finance Party (as such term is to be defined therein). Such additional facilities may be repaid, at the Borrower's election, by a bullet repayment or amortizing repayment.

Mandatory Prepayment—Exit Event

The Second Lien Facilities Agreement provides for mandatory prepayment in the event of a change of control, sale or listing which results in a change of control (each an "**Exit Event**"). Other than an Exit Event or if it becomes unlawful for any lender to perform its obligations under the Second Lien Facilities Agreement, there are no other circumstances that require a mandatory prepayment under the Second Lien Facilities Agreement.

In the case of the occurrence of an Exit Event the Borrower shall promptly notify the Agent of such occurrence of such an Exit Event, upon which each lender under the Second Lien Facilities Agreement shall have 15 business days to exercise an individual right: (i) on five business days' notice to the Borrower, to cancel all its undrawn commitments; and (ii) on 60 days' notice to the Borrower, to require that all its outstanding participations in utilizations are repaid with accrued interest and any other amounts accrued to that lender under the Finance Documents (as such term is defined therein).

(d) Former Intercreditor Agreement

In order to establish the relative rights of the Borrower's creditors under the Facilities Agreement, the Borrower, MidCo and SubBidCo (together, the "**Debtors**"), among others, enter into an English law governed intercreditor agreement dated 1 July 2018 (the "**Existing Intercreditor Agreement**") with, among others, the Agent and the Security Agent. The Existing Intercreditor Agreement sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of certain indebtedness of the Debtors, when enforcement action can be taken in respect of that indebtedness and the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

(e) Former Security

The Facilities are secured by a security package established in favor of the Security Agent under the Existing Intercreditor Agreement, consisting of security interests customary for this type of transactions. The Debtors and the Security Agent entered a master security agreement dated 1 July 2018 (the "**Master Security Agreement**"), in satisfaction of their obligation under the Intercreditor Agent to provide a parallel debt undertaking whereby they grant security over amongst other things: (i) securities accounts; (ii) the credit balance of each Debtor's bank accounts; and (iii) receivables, in the case of MidCo an BidCo, under shareholder and intra-group loans, and in the case of SubBidCo, under the Acquisition Agreement. Certain other security interests are required to be granted by members of the Group pursuant to the terms of the First Lien Facilities Agreement and Second Lien Facilities Agreement, with security being limited to security over shares in borrowers or subsidiaries and security over certain material structural intragroup loan receivables. Security will only be required to be granted in security jurisdictions which include England and Wales, New York, France, the Netherlands and Germany.

(f) Overdraft facilities

On 21 December 2020, Everest SubBidCo SAS the Borrower, as the company, and BNP Paribas as original lender entered into an overdraft facility agreement (as amended and/or restated from time to time) (the “**Overdraft Facilities Agreement**”, and together with the First Lien Facilities Agreement and the Second Lien Facilities Agreement, the “**Existing Facilities Agreements**”) consisting of an overdraft facility in an aggregate principal amount of €13 million (the “**Overdraft Facility**”).

8.4.3 *The Group’s new financial liabilities*

(a) Credit lines

On 16 July 2021, Everest SubBidco SAS (the “Original Borrower”), Exclusive Networks SAS and Everest UK FinCo Limited (each “RCF Borrowers” and together with the Original Borrower, the “Borrowers”), BNP Paribas SA, Citibank, N.A., London Branch, Credit Agricole Corporate And Investment Bank, Intesa Sanpaolo S.P.A., Paris Branch, J.P. Morgan AG, Mizuho Bank, Ltd., Morgan Stanley Bank AG, Raiffeisen Bank International AG and Société Générale as mandated lead arrangers (the “Mandated Lead Arrangers”), the financial institutions listed therein as original lenders (the “Original Lenders”), Lucid Agency Services Limited as agent (the “Agent”) and Lucid Trustee Services Limited as security agent (the “Security Agent”) entered into an English law governed senior facilities agreement (the “New Facilities Agreement”, together with the Existing Facilities Agreements, the “Facilities Agreements”) consisting of: (i) a term loan facility B1 in an aggregate principal amount of EUR 315 million (the “New Term Loan B1 Facility”); (ii) a term loan facility B2 in an aggregate principal amount of GBP 120 million (the “New Term Loan B2 Facility” and together with the New Term Loan B1 Facility, the “New Term Loan Facilities”); and (iii) a multicurrency revolving credit facility in an aggregate committed amount of EUR 120 million (the “New RCF” and together with the New Term Loan Facilities, the “New Facilities”).

The termination date for the New Term Loan Facilities and the New RCF is September 2026 of either of the New Facilities (the “Closing Date”). The New Term Loan Facilities are repayable by a bullet repayment on the termination date. Commitments under the New RCF will be available to take the form of cash loans, ancillary facilities and letters of credit.

(b) Use of funds

Pursuant to the New Facilities Agreement, the Original Borrower shall be permitted to use the borrowings under the New Term Loan Facilities to finance directly or indirectly, including by way of on-lending to any of its subsidiaries (together with the Original Borrower, the “Borrower Group”): (a) the refinancing, redemption, discharge and/or acquisition of existing indebtedness of the Borrower Group (including under the Existing Facilities Agreements, shareholder loans and hedging) and to pay breakage costs, make-whole, prepayment premium and/or close-out costs and any other fees, costs and expenses related to such refinancing, redemption, discharge and/or acquisition finance; (b) making payments (directly or indirectly) to certain shareholders of the Original Borrower (including by way of dividend or other distribution or the payment of interest on, or the repayment of the principal of an intragroup loan or the making of any up-stream loan or reduction of capital (or any combination thereof)) as contemplated by the Structure Memorandum (as defined in the New Facilities Agreement); (c) any other payments, purposes or transactions contemplated by the Structure Memorandum, the Funds Flow Statement and/or the Finance Documents (as each term is defined in the New Facilities Agreement); (d) the general corporate purposes and/or working capital requirements of the Borrower Group (including capital expenditure, restructuring costs, acquisitions, investments, joint ventures, operational restructuring and reorganization requirements of the Borrower Group) and any related fees, costs, expenses, liabilities, taxes (including stamp duty) and other amounts (including drawing the proceeds thereof onto the balance sheet to fund such items); (e) maintaining any cash over-funding; (f) the payment of fees, commissions, costs, expenses and stamp, registration and other taxes arising or incurred in connection with the Admission and any related transaction, operational restructuring or permitted re-organizations of the Borrower Group and certain of its holding companies (including the HoldCo Mergers) and working capital related adjustments (however structured) relating to or arising in connection with the Admission; (g) fees, costs and expenses arising or incurred in connection the negotiation, preparation, execution, notarization, syndication and registration of the Finance Documents (as such term is defined in the New Facilities Agreement (the "Finance Documents")); and (h) the fees, commissions, costs and expenses incurred in connection therewith.

The New Facilities Agreement will permit the Borrowers to use amounts borrowed under the New RCF towards (directly or indirectly, including by way of on-lending to any member of the Borrower Group) financing or refinancing the general corporate and/or working capital purposes of the Borrower Group including, without limitation: (a) for any acquisition, investment, joint venture, operational restructuring, reorganization, capital expenditure, payment of any stamp, registration and other taxes arising or incurred in connection with Admission, and/or payment of any fees, costs and expenses arising or incurred in connection with the negotiation, preparation, execution, notarization, syndication and registration of the Finance Documents; and (b) the rolling over, financing, refinancing or backstopping of any existing ancillary facilities, letters of credit or bank guarantees or providing cash collateral or other credit support for any existing ancillary facilities, letters of credit or bank guarantees and financing costs relating to such cash collateral, other credit support or the existing ancillary facilities, letters of credit or bank guarantees.

It is intended that (a) the Existing Facilities will be repaid in full and (b) the full amount of the New Term Loan Facilities will be drawn on Admission.

(c) Interest and fees

The New Facilities will bear interest at a rate per annum equal to EURIBOR (in respect of EUR) or SONIA (in respect of GBP), subject to a rate switch to SOFR in 2023 (in respect of USD), as applicable, plus a margin determined by reference to total net leverage (calculated in accordance with the terms of the New Facilities Agreement and shall vary, in respect of (i) the New Term Loan Facilities, between 3.00% per annum and 1.75%.

per annum and (ii) the New RCF, between 2.50% per annum and 1.25% per annum). In connection with the New Facilities, the Borrowers will be required to pay to the lenders and/or certain other finance parties an arrangement fee and certain other customary fees and expenses. As at December 31, 2021, margins for the two Term Loans and the Revolving Credit Facility were respectively 2.5%, 2.5% and 2.0%.

(d) Voluntary prepayment

The Borrowers may, upon not less than three business days' prior notice to the Agent (subject to certain exceptions), cancel and/or voluntarily prepay outstanding loans without penalty or premium (but including any break fees) under the New Facilities Agreement.

(e) Covenants and restrictive clauses

With respect to the New Facilities, the Original Borrower will also be required under a financial covenant to maintain a maximum total net leverage ratio not in excess of 4.75:1 (stepping down to 4.00:1 after 30 months have elapsed after the Closing Date), to be tested twice annually (at the end of each financial half-year period and at the end of each financial year, with the first test date on 31 December 2021), subject to equity cure provisions and a financial covenant acquisition adjustment. A financial covenant acquisition adjustment would permit the Original Borrower (subject to certain conditions and on no more than two occasions prior to the termination date in respect of the New Term Loan Facilities) to elect to increase by 0.25:1 the total net leverage level which would otherwise apply under the financial covenant.

As at 31 December 2021, such net debt ratio reached 2.8:1, therefore no breach of covenant occurred. Covenant conditions remain therefore unchanged.

(f) Incremental Facilities

Subject to certain conditions, the New Facilities Agreement will permit the Borrowers (subject to the receipt of commitments) to increase the New Term Loan Facilities and/or the New RCF and/or add one or more additional facilities (i.e., an incremental facility) under the New Facilities Agreement at any time without the consent of any Finance Party (as such term is to be defined therein).

(g) Mandatory Prepayment—Change of Control

The New Facilities Agreement shall provide for mandatory prepayment in the event of a Change of Control (as such term is to be defined therein). Other than a Change of Control, or if it becomes unlawful for any lender to perform its obligations under the New Facilities Agreement, there shall be no other circumstances that shall require a mandatory prepayment under the New Facilities Agreement.

In the case of the occurrence of a Change of Control, the Original Borrower shall promptly notify the Agent of such occurrence of such an event, upon which each lender under the New Facilities Agreement shall have 15 business days to exercise an individual right: (i) on five business days' notice to the Original Borrower, to cancel all its undrawn commitments; and (ii) on 60 days' notice to the Original Borrower, to require that all its outstanding participations in utilizations are repaid with accrued interest and any other amounts accrued to that lender under the Finance Documents (as such term is to be defined therein).

(h) New Intercreditor Agreement

In order to establish the relative rights of the Borrowers' creditors under its financing arrangements, the Borrowers, together with any other entity which accedes as a debtor (together, the "Debtors") will, among others, enter into an English law governed intercreditor agreement dated 16 July 2021 (the "New Intercreditor Agreement") with, among others, the Agent and the Security Agent. The New Intercreditor Agreement will set out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of certain indebtedness of the Debtors, when enforcement action can be taken in respect of that indebtedness and the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

(i) Security

The New Facilities under the New Facilities Agreement are secured by a security package established in favor of the Security Agent under the New Intercreditor Agreement (as defined below), consisting of security interests customary for this type of transactions and to be limited to: Closing Date security of (i) a French law governed third party securities account pledge granted by Everest Bidco SAS – now Exclusive Networks SA - (which was automatically assumed by the Company upon completion of the HoldCo Mergers) with respect to the shares it owns in the Original Borrower and a French law governed third party receivables pledge in relation to receivables owed to it by the Original Borrower, (ii) a French law governed third party securities account pledge granted by Everest UK FinCo Limited with respect to the shares it owns in the Original Borrower and a French law governed third party receivables pledge in relation to receivables owed to it by the Original Borrower and (iii) an English law governed third party limited recourse security agreement entered into by Everest BidCo SAS – now Exclusive Networks SA - (which was automatically assumed by the Company upon completion of the HoldCo Mergers) over the shares it owns in Everest UK FinCo Limited and the receivables owed to it by Everest UK FinCo Limited. Certain other security interests were granted by members of the Borrower Group pursuant to the terms of the New Facilities Agreement, with security being limited to security over shares in borrowers or Material Subsidiaries (as such term is to be defined therein) and security over certain material structural intragroup loan receivables (including, but not limited to, (i) upon the occurrence of the HoldCo Mergers, two intragroup loans of approximately made by the Company to Everest SubBidco and Everest UK FinCo Limited respectively which were set off immediately post completion against the Company's obligation to pay the subscription price for its subscribing to a share capital in Everest SubBidco and a share capital in Everest UK FinCo Limited and (ii) an intragroup loan made by Everest UK FinCo Limited to Everest SubBidco which was set off against Everest UK FinCo Limited's obligation to pay the subscription price for its subscribing to a share capital in Everest SubBidco). Security is only required to be granted in security jurisdictions which include France, Germany, England, the United States of America, Belgium, the Netherlands and Luxembourg.

The share and receivables security provided by Everest BidCo – now Exclusive Networks SA - (which were automatically assumed by the Company once the HoldCo Mergers were effective) is the primary point of enforcement for the lenders under the New Facilities. If there were to be an event of default under any the New Facilities that is not cured or waived in accordance with the terms thereof, the lenders under the New Facilities Agreement could terminate commitments to lend and cause all amounts outstanding with respect to the loans granted under the New Facilities to become due and payable immediately. In such a situation, the lenders under the New Facilities Agreements could seek to enforce upon the security and collateral from which it benefits. In the context of the share and receivables security provided by Everest BidCo (which have been automatically assumed by the Company once the HoldCo Mergers were effected) lenders may be entitled to take control of the operating group (SubBidCo and its subsidiaries) by enforcing the share and receivables pledge to recover any outstanding sums (for more details, see Section 3.2.4 "Failure to comply with the covenants or other obligations contained in any of the Group's Facilities Agreements could result in an event of default. Any failure to repay or refinance the outstanding debt under any of the Group's Facilities Agreements when due could have a material adverse effect on the Group's business").

8.5 Contractual obligations and off-balance sheet commitments

The Group contracted certain off-balance sheet commitments corresponding to financial commitments for a total amount of €385 million as at 31 December 2021. These commitments mainly include guarantees given to business operations (€205 million), guarantees given to banks in consideration of short-term loans granted to subsidiaries (€180 million), corresponding to the opening of credit lines not used as at 31 December 2021. Under IFRS, financial assets such as forwards or hedging position are reflected in the balance sheet and presented in Note 14.3 to the 2021 Consolidated Financial Statements. In the same manner, commitments towards pensions, retirement and related commitments are included in the balance sheet and detailed in Note 17 to the 2021 Consolidated Financial Statements.

9. REGULATORY ENVIRONMENT

While the Company is not currently a regulated entity, its activities are subject to various regulatory requirements under European and applicable national laws of the countries in which it operates.

The regulatory requirements applicable to the Group's business activities are subject to change, as they are continuously modified at the national, European and international levels.

Within the EU, EU regulations apply directly in all EU member states and the Group's business is therefore subject to these rules in a consistent manner in all EU member states, while EU directives, although binding for all EU member states as to the results to be achieved, need to be implemented into each member states' national law. Hence, regarding the provisions of EU directives that are applicable to the Group's business, national implementing rules may differ slightly from one EU member state to another. To the extent governed by EU regulations or national laws that are based on EU directives, the regulatory environment in most EU member states and the member states of the EEA is similar.

The following provides a brief overview of selected regulations that are applicable to the Group's business operations. For further information on the Group's risk management policy, see Section 3.4.1 "*Overview of risk management policy*".

9.1 Customs

As a global distributor of cybersecurity solutions, the Group is subject to the customs and export control regimes of the various jurisdictions in which it operates.

The products which are distributed by the Group are each assigned a harmonized system code (the "**HTS Code**"), obtained from the relevant vendor(s) of such products, and these codes are used by customs authorities to monitor and control the import and export of such products through, for example, the imposition of tariffs. HTS Codes are updated and modified to reflect product innovation, emerging technology, and changed in response to government evaluation of new revenue sources and trade decisions with other countries.

The Group is subject to customs tariffs in certain jurisdictions in which it operates.

In the EU, the key customs regime is governed by Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013, which lays down the Union Customs Code, as amended and supplemented. The Union Customs Code sets out the general rules and procedures applicable to goods brought into or taken out of the customs territory of the EU and is adapted to modern trade models and communication tools. In particular, it sets out the rules governing the acceptance of an application for a customs decision, as well as the 'right to be heard' principle (under which the customs authorities have the obligation to communicate to the applicant the grounds on which they intend to base their decision, following receipt of which the applicant has a set amount of time to express its point of view) and the exceptions where such principle does not apply.

9.2 "Dual-use" products

Most of the products and solutions distributed by the Group incorporate cryptology and encryption technology that can be used for both civilian and military applications and are therefore classified as "dual-use" items. The Group is subject to the export control regime, in relation to the dual-use products it distributes, applicable in each of the countries in which the Group operates.

Dual-use products are issued by the Group's vendors with an ECCN (Export Control Classification Number) and appear on a controlled goods list under EU Regulation No 388/2012 of 19 April 2012 and under the Commerce Control List at Supplement No. 1 to Part 774 of the Export Administration Regulations.

EU Regulation

The EU controls the export, transit and brokering of dual-use items so that the EU can contribute to international peace and security and prevent the proliferation of Weapons of Mass Destruction (WMD). Regulation (EC) No 428/2009 of 5 May 2009, setting up a community regime for the control of exports, transfer, brokering and transit of dual-use items, as amended by Regulation (EU) No 1232/2011 of 16 November 2011 and further modified by Regulation (EU) 2019/496 of the European Parliament and of the Council of 25 March 2019 granting an EU general export authorization for the export of certain dual-use items from the EU to the UK, governs the EU's export control regime, which includes:

- common export control rules;
- common EU list of dual-use items;
- controls on brokering dual-use items and their transit through the EU;
- specific control measures to be introduced by exporters; and
- provisions setting up a network of competent authorities.

In certain cases, EU countries implement extra controls on non-listed dual-use items and in practice the Group has to obtain an export license from every country from which it distributes products.

The export of dual-use products outside of the EU is subject to control and such items may generally not leave the EU customs territory without an export authorization.

U.S. Regulation

Since some of the Group's vendors are located in the United States, the Group is also subject to the U.S. Export Administration Regulations (EAR, 15 C.F.R. 730 et seq) (the "**EAR**") administered by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**"). Under the EAR, the BIS can impose export licensing restrictions on all goods, technology and software (collectively, "items") subject to the EAR. Items subject to the EAR can be items that are physically located in the United States, are US-origin (wherever located), or contain a certain level of U.S.-origin material, or are the foreign-produced direct product of certain U.S.-controlled software or technology (collectively "**EAR Items**"). For EAR Items, a license may be required for export, re-export, or transfer depending on the destination country, receiving party, and end-user, or use, unless an exclusion or exemption applies. BIS primarily administers the general export licensing and enforcement functions of the US dual-use and commercial export control system.

The EAR generally applies to the export of goods, software, and technology from the United States to foreign countries, re-export from one foreign country to another, and transfer (in country) from one party to another. Further, the EAR regulates exports, re-exports and transfers of EAR Items everywhere in the world, even if the transaction is between non-U.S. persons and takes place outside the United States.

Operations in violation of the EAR may be sanctioned with a fine and, in severe cases, with criminal sanctions. Violations of the EAR may also result in civil proceedings, denial of export privileges, and reputational harm.

See also Section 3.3.2 "*The Group is subject to governmental, economic and trade sanctions laws and regulations and export and import controls that could subject the Group to liability in the event of non-compliance or impair the Group's ability to compete in international markets.*"

9.3 Data Protection

The Group collects and processes personal data in the context of its distribution activities, its marketing activities and the provision of its value-added services (in particular support services and subscription-based services). Hence, the Group is subject to local laws, such as the UK Data Protection Act 2018, and international laws, such as Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**GDPR**") as well as Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (the "**e-Privacy Directive**").

The GDPR applies to organizations processing the personal data of individuals located in the EU, or offering goods or services to such people, regardless of their own location. It imposes a number of stringent requirements upon such organizations: data must be processed in a restricted number of instances, data must be lawfully processed, organizations may collect and process only as much data as absolutely necessary for the purposes specified, organizations may only store personal data for as long as necessary for the specified purpose, and processing must be done in such a way as to ensure appropriate security, integrity, and confidentiality. It also provides data subjects with certain rights and sets strict rules about what constitutes consent from a data subject.

Supervisory authorities have different options to sanction in case of non-compliance with the data protection rules such as warnings, reprimands, temporary or definitive bans on processing or administrative fines of up to €20 million or 4% of the business' total annual worldwide turnover, etc.

See also Section 3.3.5 "*Any real or perceived privacy breaches or improper use of, disclosure of, or access to such data could harm the Group's reputation as a trusted brand, as well as have a material and adverse effect on its business, financial condition, results of operations and prospects.*"

9.4 Anti-corruption, anti-money laundering and anti-bribery

See Section 3.3.3 "*The Group is subject to UK, European, U.S. and certain foreign anti-corruption laws, anti-bribery laws, and anti-money laundering laws and regulations. In the event of non-compliance, the Group can face serious consequences, which can harm its business.*"

10. TREND INFORMATION

10.1 Business trends

A detailed description of the Group's results for the year ended 31 December 2021 can be found in Chapter 7 "Analysis of the Group's financial position and results" of this Universal Registration Document.

10.2 Outlook

The outlook set forth below has been compiled and prepared on a basis which is comparable with the historical financial information. The outlook published to potential investors during the IPO was both directional and educational, as Exclusive Networks' business and its business model required support explanations. Now that this phase is completed, Exclusive Networks will communicate on four metrics which relate to the volume of activity, margin, profitability and cash generation, for the year to come.

The Group's outlook is based on data, assumptions, and estimates that the Group considers to be reasonable at the date of issuance 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 may change or be modified during the relevant period, in particular as a result of changes in the economic, financial, competitive, tax or regulatory environments, market changes or other factors of which the Group is not aware of or that it may not have accurately anticipated as of the date of this Universal Registration Document. In addition to such changes or inaccuracies, the occurrence of any of the risks described in Chapter 3 "*Risk Factors*" of this Universal Registration Document could affect the Group's business, competitive position, financial condition, results or future prospects, and therefore its ability to achieve the objectives presented below.

The Group's assumptions include, in particular, (1) the continued general growth of the cybersecurity market, based on data from the past 5 years and the growth analysis set out in the Market Reports, and the growth of certain of the Group's vendors, (2) the Group's continued growth by the way of other levers, such as expansion into new territories by the Group's existing vendors and the signing of additional new vendors (some already mature with large volumes and some early stage with superior margins), (3) the continuation of small to mid-size acquisitions , in line with historical trends, (4) that the Group's business model will continue to promote high renewal rates for both its vendors and clients, (5) that the currency exchange rates in effect would remain constant over 2022, that there would be no mid-term translation effects, and that there would be no inflation impacts given that, historically, the Group has been able to pass inflation effects onto its customers, (6), any consequence of the global geopolitical situation, (7) any severe further degradation of the transport and product shortage issues the industry is going through and (8) that no material risks would materialize that would prevent the Group from operating in any of its current countries of operation.

The Group can give no assurances or provide any guarantee that the objectives set forth below will be met and does not undertake to publish corrections or communicate updates to this information in the future. The forecasts presented below and the underlying assumptions, also been prepared in accordance with the provisions of Delegated Regulation (EU) No. 2019/980 supplementing Regulation (EU) No. 2017/1129 and the ESMA recommendations on forecasts. The forecast presented below has been prepared on a comparable basis with historical financial information and in accordance with the accounting methods applied to the Group's consolidated financial statements.

Gross Sales

The Group is targeting Gross Sales above €3.8 billion for the year ending 31 December 2022 (including mergers and acquisitions).

At the timing of writing this report, 2022 feels like a normal demand environment and the Group expects it will reflect a similar mix of size of deals and a similar trend of faster growth in the Americas, softer development in APAC and EMEA in line with the outlook Group trend. The baseline outlook assumes that supply does not materially deteriorate and impacts negatively Gross Sales beyond what has been experienced in the second half of 2021. The Group expects it to be at the lower end of our premium range if we are experiencing moderate levels of supply constraints. We would be at a higher level if hardware supply improves.

Currency is expected to be neutral for the full year.

Net Margin

For the year ending 31 December 2022, the Group is targeting Net Margin including mergers and acquisitions to grow and reach a range between € 362 million to € 368 million. This is higher than the outlook provided during the IPO.

Adjusted EBITA

For the year ending 31 December 2022, the Group is targeting Adjusted EBITA to grow and reach a range between € 133 million to € 138 million. This is also an upgrade from the outlook provided at the time of the IPO.

Operating Free Cash Flow Before Tax

The group is targeting Operating Free Cash Flow Before Tax as a percentage of Adj EBITDA (after lease) to be above 80%.

10.3 Dividend

The Group's objective is to distribute dividends to its shareholders starting from and subject to shareholder approval at the annual shareholders' meeting convened in 2022 to approve the financial statements for the year ending 31 December 2021.

10.3.1 *Dividend policy*

The Group's objectives remain consistent with what was shared during the IPO process last year. 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, a dividend payment in the range of 25% of its Annual Adjusted Net Income. The structure of the distribution policy might be adjusted should growth opportunities to complement organic growth arise or should other mechanisms to return value to shareholders be assessed as being more compelling. This distribution target in no way represents an undertaking by the Group. The actual 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.

Compliant with this policy during its meeting held on March 29, 2022, the Board of Directors has decided to propose to the shareholder approval at the next annual shareholders' meeting convened in 2022 to approve the financial statements for the year ending 31 December 2021, the payment of a dividend of €0.20 per share (representing an aggregate amount of €18.3m), with a payment in cash.

10.3.2 *Dividend paid over the last three fiscal years*

No dividends were paid in 2019 and 2020.

10.3.3 *Timeframe 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.

11. PROFIT FORECASTS OR ESTIMATES

Refer to Section 10.2.

12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

See Chapter 1, "Corporate Governance" of the Corporate Governance Report contained in Annex I to this 2021 Universal Registration Document.

A brief description of the key provisions of the Company's Bylaws pertaining to the Board of Directors, and in particular its powers, as well as a brief description of the key provisions of the internal rules of the Board of Directors which have been adopted by the Board of Directors on 27 September 2021, and entered into force as from the settlement and delivery of the shares offered in the context of the initial public offering (the "**Internal Rules**") can be found in Chapters 14 "*Rules Applicable to Corporate Bodies and Management Committes*" and 19 "*Additional Information*" of this 2021 Universal Registration Document.

Statements relating to administrative, supervisory and management bodies

As of the date of this Universal Registration Document, to the Company's knowledge, there are no family relationships among the members of the Board of Directors and Statutory Corporate Officers.

To the Company's knowledge, over the past five years: (i) none of the above persons has been convicted of fraud, (ii) none of the above persons has been involved in bankruptcy, receivership, liquidation or companies put into administration, (iii) none of the above persons has been subject to any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies), and (iv) none of the above persons has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

Conflicts of interest

As of the date of this Universal Registration Document and to the Company's knowledge, there are no potential conflicts of interest between the duties of the members of the Board of Directors and the Statutory Corporate Officers of the Company and their private interests.

13. COMPENSATION AND BENEFITS

See Chapter 2, “Corporate Governance” of the Corporate Governance Report contained in Annex I to this 2021 Universal Registration Document.

14. RULES APPLICABLE TO CORPORATE BODIES AND MANAGEMENT COMMITTEES

See Chapter 1, “Corporate Governance” of the Corporate Governance Report contained in Annex I to this 2021 Universal Registration Document.

15. EMPLOYEES

15.1 Description of the workforce

As of 31 December 2021, the Group had 2,375 employees within its scope of consolidation, with approximately 74% employed in Europe, Middle East and Africa (with France accounting for approximately 8% of the Group total), 23% in Asia-Pacific and 3% in Americas. The increased weight of Europe, Middle East and Africa when compared to 2020, is mainly driven by the acquisition of Veracomp (423 employees), Ignition (46 employees) and Networks Unlimited (104 employees).

The Group's workforce is diverse, qualified and experienced.

Of the Group's total employees as of 31 December 2021, 40% were female and 60% were under 40 years old. Of the total number of Group employees, 19% are managers.

The Group also benefits from a good mix and balance between new employees and long term ones, with a strong knowledge of Exclusive Networks. In 2021, 36% of the employees had a tenure between 1 to 3 years and 30% had a tenure between 5 to 10 years.

15.1.1 *Evolution and breakdown of the workforce*

The table below shows the evolution of the full-time equivalent workforce over the last three years per geographic area.

	Headcount* as of 31 December(1)		
Geographic area	**2021**	**2020**	**2019**
Europe, Middle East and Africa	1,762	1,086	1,055
Asia-Pacific	536	578	592
Americas	77	69	64
Total	**2,375**	**1,733**	**1,711**

The table below shows the evolution of the number of employees over the last three years for each employee's category:

	Headcount* as of 31 December(1)		
Employees category	**2021**	**2020**	**2019**
Country managers	52	34	35
Sales managers	381	293	285
Product manager / BDM	307	200	184
Inside sales / internal sales	370	299	314
Technical / System engineers	478	384	431
Marketing	110	78	70
Administration	665	433	382
Apprentices and trainees	12	12	10
Total	**2,375**	**1,733**	**1,711**

* Headcount excluding independent workers.

(1) The Group's employee figures as of the referenced dates correspond to the Group's monthly averages.

15.1.2 ***Human resources policy***

The involvement and the development of the Group's employees is a key driver of its performance in the short, medium and long term as its employees are fully part of its intrinsic value. Profile of the Group's employees is in line with the Group's philosophy consisting of a unique human resources approach while maintaining a diversity of talents.

The human resources department is therefore an essential element of the Group's strategy which explains why the Group carefully monitors the integration and well-being of its employees, its ability to create an inclusive, cohesive and respectful working environment, to enhance the promotion and motivation of right people, and to maintain a positive dialog and relationships with its employees.

Fairness, inclusion, agility and empowerment are part of the core values of the Group that are pragmatically supported by a data driven approach. The analysis of certain human resources related data is intended to measure the application, the impact and the adequacy of the human resources policy and to adapt and anticipate the needs in terms of recruitment and internal promotion. The Group's human resources policy is therefore key to ensure a smooth succession plan maintaining business sustainability and continuity.

One of the key objectives of the Group's human resources policy is to implement, as far as possible, a coherent career path for each employee within the Group in order to actively participate in their personal development within the Group and to strengthen their sense of belonging and commitment, reflecting the Group's overall philosophy. This approach is expected to apply across all functions and operational countries and is part of the talent retention policy, particularly with respect to engineers having product and technical knowledge, who play a key role and whose recruitment is exposed to increased competition (for more details, see Section 3.1.7 "*The Group's success depends upon its ability to attract, retain, motivate and develop key executives and employees with the requisite technical expertise, and the failure to do so could adversely affect the Group's results*" of this Universal Registration Document).

Hence, the Group is considering the implementation of an ambitious and innovative human resources policy to enable each employee to find the best fit in terms of job assignment, personal development and skills in response to the business needs and concerns.

(a) Diversity and gender equality policy

The Group is deeply engaged in the development of diversity and gender equality, which has evolved significantly and positively over the past years.

Going forward, the Group is therefore willing to strengthen its efforts in order to implement a policy supporting gender equality, as well as gender and generational diversity of its staff and the integration of people with disabilities, which are part of the Group's strategy as key drivers of its efficiency and success.

More generally, the Group has always seriously considered all discrimination behaviors towards its employees, which are in breach of its core values. The Group therefore aims at reinforcing its internal non-discrimination policy, at the occasion of internal and external hiring processes as well as along the career path of its employees.

The main focus of the Group's diversity and gender equality policy will include:

- ensuring that applications are received from, and that recruitment practices carefully consider on a non-discrimination basis, (i) all genders, and (ii) people with a broad scope of backgrounds, in particular in terms of studies, experiences, age and nationality,

- raising staff awareness about the need for gender balance,

- creating more employment opportunities for people with disabilities and changing employee biases and behaviors towards disability,

- ensuring equal gender chances and treatment in terms of promotion access; and

- balancing internal promotion (international and local) with external recruitment.

(b) Training

The Group is continuously investing in training to enable its employees to improve their capabilities and develop new skills in line with the Group's objectives and their foreseeable evolutions, and to maintain their abilities and employability throughout their career. The training policy aims at offering each employee the opportunity to realize their respective potential and to fulfil their ambition and is also in line with the above-mentioned diversity and gender equality policy's objectives.

The Group's general training programs cover compliance, leadership and management, business/services-related training, soft skills, technical, tools and systems and health and safety issues. As part of the Group's human resources policy, training programs are reviewed on an annual basis and training needs are considered during annual appraisals.

(c) Health and safety

The Group is very attentive to employment-related issues, and in particular, to health and safety in the workplace, security and quality of the work environment.

In this context, the Group's human resources established a Health, Safety and Environment (HSE) Policy in February 2020 that is intended to apply uniformly to everyone working on any Group site or remotely and that aims at preventing workplace accidents and occupational illnesses by ensuring safe, secure and healthy working conditions.

The HSE Policy is articulated around the following focuses:

– compliance with applicable legal, regulatory, industry and corporate requirements,

– design of companies' facilities in a safe, secure, efficient and environmentally responsible manner,

– zero incident, and

– continuous improvement of HSE performance.

The health and safety strategy is primarily based on compliance, resources, training, equipment and awareness-raising.

(d) Compensation policy

The compensation policy, which applies to each entity within the Group, is based on global principles which are applied in each country, taking into account their economic, social and competitive characteristics, as well as the legal and regulatory requirements in effect, in particular with regards to minimum wages.

The Group has developed a compensation policy that seeks to reinforce the link and the adequacy between performance and remuneration.

The Group's compensation policy is intended to be in line with the highest standards of the markets in which the Group operates, in order to attract and retain talents and to create a fair and incentive working environment. Employees' compensation is reviewed on an annual basis, taking into account both their respective performance and the Group's performance. The compensation system includes a fixed compensation which rewards the ability to hold a position satisfactorily, to which is added, where appropriate, a variable compensation which is intended to acknowledge and reward the collective and individual performance, and which depends on the results obtained with regard to objectives, which are defined at the beginning of the year and evaluated on a quarterly basis.

(e) Employee relations

The Group's subsidiaries are subject to different legal and regulatory requirements regarding employee representation depending on the country in which they are located.

In France, Exclusive Networks and Everest SubBidCo have each set up an Economic and Social Committee (Comité social et économique). A collective agreement regarding working time (reduction du temps de travail) was entered into on 22 December 2014 within Exclusive Networks.

The Group considers that it has satisfactory relations with its employees and their representatives, including with works council opinions regularly favorable to the projects presented by the management.

Please refer to the Extra Financial Statement of Performance, Annex II of the present 2021 Universal Registration Document for further details on the assessment of the efficiency of such policies.

15.2 Shareholdings and stock options

15.2.1 ***Shareholdings***

As of the date of this 2021 Universal Registration Document, and as a result of the Reorganization transactions that preceded the Company's initial public offering, certain senior officers and managers of the Group have become direct shareholders of the Company. For more information on the changes in the Company's share capital and the Reorganization transactions that preceded the Company's initial public offering, see Sections 16.1 "*Shareholders*" and 19.1 "*Share capital*" of the 2021 Universal Registration Document", and the Notes 3.2.5 of the 2021 consolidated financial accounts.

For further detail regarding the shareholdings of each member of the Board of Directors (including the Chief Executive Officer and the Chairperson of the Board of Directors), see Chapter 1, "*Corporate Governance*" of the Corporate Governance Report contained in Annex I to this 2021 Universal Registration Document.

15.2.2 ***Stock options***

Not applicable.

15.3 Profit-sharing agreements and incentive schemes

Profit sharing

In France, Exclusive France SAS only, benefits from profit-sharing, depending on performance, in accordance with the statutory conditions. This profit-sharing agreement will be extended for the Group's companies in France in 2022; In this respect, a profit-sharing agreement is ongoing for a signature during the first 2022 semester and will be effective with retroactive effect as from 1st January 2022.

Incentive scheme

The Company has implemented a long-term incentive policy for senior executives and key employees.

On January 20, 2022, the Board, upon recommendation of the Nomination and Compensation Committee decided to grant 284 184 performance shares. This award benefited slightly more than 50 Group executives and senior managers, including the Chief Executive Officer.

The shares awarded under the 2022 LTIP Plan vest at the end of a two-year + 4 months vesting period. The vesting of the shares is subject to a condition of continuous service and to the achievement of performance targets. The performance targets are defined in reference to two internal financial criteria linked to Adjusted Profit Before Tax and Adjusted operating free cash flow before tax. The final number of shares vested at the end of the vesting period will be determined over a two-year performance period for all beneficiaries, whose performance is measured over two consecutive fiscal years. The number of fully vested shares will thus depend on the number of targets achieved. In this respect, the Board defines a threshold below which no shares will vest. This 2022 LTIP Plan seeks to (i) act as a transition between the IPO and the full future LTIP payout and (ii) provides the right level of incentives to the Group's key employees following the Initial Public Offering.

There is no lock-up period under this 2022 LTIP Plan, but the Chief Executive Officer and the members of the Executive Committee are required to hold their shares until such time as they step down from their duties, according to the terms described in the Board's report on corporate governance in Annex I, Section 2 of the 2021 Universal Registration Document.

For further details, see Note 18 "*Share-Based Payment*" of the Consolidated Financial Statements as of 31 December 2021 and the Annex I, Section 2 "*Compensation" of the Governance Corporate Report*" of the present 2021 Universal Registration Document.

16. MAJOR SHAREHOLDERS

16.1 Shareholders

The table below shows the breakdown of the Company's major shareholders as at 31 December 2021:

	31 December 2021					31 December 2020				
Shareholder	**Number of shares**	**% of share capital**	**Number of voting rights**	**% of theoretical voting rights**	**% of exercisable voting rights**	**Number of shares**	**% of share capital**	**Number of voting rights**	**% of share capital and theoretical voting rights**	**% of share capital and exercisable voting rights**
Everest UK HoldCo Limited (a)	52,509,355	57.4	52,509,355	57.4	57.4	569,050,890(i)	77.77	569,050,890	77.77%	77.77%
HTIVB(a) (b)	11,982,095	13.1	11,982,095	13.1	13.1	98,182,558(ii)	13.42	98,182,558	13.42%	13.42%
EM Networks 1(c)	0	0	0	0	0	34,466,890(iii)	4.71	34,466,890	4.71%	4.71%
EM Networks 2(c)	0	0	0	0	0	29,262,606 (iv)	4.00	29,262,606	4.00%	4.00%
Executives and managers (Including the Selling Managers)	8,370,682	9.2(5)	8,370,682	9.2(5)	9.2(5)					
Other Co Investors(d)						750 000	0.10	750 000	0.10	0.10
Treasury stock	5 391	NS	0	0	0	-	-	-	-	-
Free-float, o/w	18,609,013	20.3	18,609,013	20.3	20.3	-	-	-	-	-
• BPI (e)	5 152 977	5.63(4)	5 152 977	5.63(4)	5.63(4)	-	-	-	-	-
TOTAL	**91,476,536**	**100**	**91 471 145**	**100**	**100**	731 712 944	100	731 712 944	100	100

(a) Shareholders who have disclosed that they are bound by a shareholders' agreement (see Annex I, Section 3.4.5 of the present 2021 Universal Registration Document)

(b) 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 Mr. Olivier Breittmayer.

(c) As par the Reorganization of the share capital structure which preceded the Company's initial public offering, EM Networks 1 and EM Networks 2 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 shares as consideration of their contribution, on the understanding that such shares are non transferable (restricted) during 360 days following the Initial Public Offering of the Company.

(d) In the context of the initial public offering of the Company, the Selling Managers and certain other managers have undertaken, 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 on 27 September 2021 (see Section 7.4.3 of the securities note approved by the Financial and markets authority on 23 September 2021) (as these terms beginning with a capital letter are defined in the securities note).

(e) Through the fund LAC I SLP, on the basis of the legal notification of crossing threshold dated 29 September 2021.

(i) 341,430,574 PS2 preference shares et 227,620,316 PS3 preference shares
(ii) 89,999,992 ordinary shares, 8,182,565 PS1 preference shares and 1 PS4 preference share
(iii) 34,466,890 PS1 preference shares
(iv) 29,262,606 ordinary shares

16.2 Crossing thresholds disclosures made to the AMF in 2021

Name of entity notifying the threshold crossing	Date of threshold crossing	Date of reporting	AMF declaration N°	Direction	Share capital threshold crossing	Voting rights threshold crossing
Bpifrance Investissement [1]	09/27/2021	09/29/2021	221C2540	↗	Yes (5%)	Yes (5%)

(i) Acting on behalf of LAC I SLP, specialized and professionnal fund managed by BPIfrance Investissement

To the best of the Company's knowledge, as at December 31, 2021 no shareholder other than those mentioned above held, directly or indirectly, 5% or more of the Company's share capital and voting rights.

Since the start of the 2022 financial year, BPI has disclosed to the Company in a letter dated 13 January 2022, that its holding (via the fund LAC I SLP) exceeded the 8% statutory threshold of Exclusive Networks' share capital and voting rights on 12 January 2022, and that it held, at that date, 7.329.803 Exclusive Networks' shares, representing 8.01 % of the share capital and voting rights of the Company.

16.3 Statement relating to voting rights of the Company

According to the Company's Bylaws, each share of the Company entitles to one vote.

The double voting right provided for by article L. 225-113 of the French Commercial Code is expressly excluded by the Bylaws, as effective as of the admission of the Company's shares to trading on Euronext Paris.

16.4 Statement relating to control of the Company

Please refer to the Section 3, "Corporate Governance" of the Corporate Governance Report contained in Annex I to this 2021 Universal Registration Document.

16.5 Arrangements that could lead to a change of control

To the Company's knowledge, there is no agreement as of the date of this 2021 Universal Registration Document the implementation of which might lead to a change of control.

17. RELATED PARTY TRANSACTIONS

17.1 Principal related-party transactions

Related- party transactions within the meaning of Articles L.227-10 and L. 225-38 of the French Commercial Code for the financial years ended 31 December 2021 are described below in Section 17.2 "*Special reports of the auditors on related party transactions*" of this 2021 Universal Registration Document.

The related party transactions within the meaning of IFRS are described in Note 19.4 to the Group's 2021 Consolidated Financial Statements which are included in Section 18.1 "*Group's 2021 Consolidated Financial Statements*" of this 2021 Universal Registration Document.

As described in Note 19.4.2 of the Consolidated Financial Statements, Exclusive Networks Belux BV granted, on 21 April 2021, a €1.5 million 7-year non-mortgage term loan to Mr. Jesper Trolle. The loan was granted to Mr. Jesper Trolle for the purpose of financing the exercise of various share options in EM Networks 1. This loan was partially repaid in 2021 and the balance amounts to € 901 372.68 as of 31 December 2021.

17.2 Special reports of the auditors on related-party transactions

17.2.1 *Special report of the auditors on related-party transactions for the financial year ended 31 December 2021*

This is a free translation into English of a report issued in French and it is provided solely for convenience. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Exclusive Networks SA

Statutory auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2021

Exclusive Networks SA

Société anonyme
20, quai du Point du Jour, 92100 BOULOGNE-BILLANCOURT
RCS Nanterre 839 082 450

Statutory auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2021

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.

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. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the Shareholders' Meeting

Agreements authorized and entered into during the year

Pursuant to Article L.225-40 of the French Commercial Code, we have been informed of the following agreement entered into during the year and previously authorized by your Board of Directors.

- **Underwriting Agreement**

<u>Purpose of the agreement</u>: On September 22, 2021, the Company, Everest Holdco UK Limited and HTIVB (the "Selling Shareholders"), BNP Paribas Securities Services, a banking syndicate comprising J.P. Morgan AG and Morgan Stanley Europe SE (the "Global Coordinators "), BNP Paribas, Citigroup Global Markets Europe AG and Société Générale (the "Joint Bookrunners") and Intesa Sanpaolo S.p.A., Mizuho Securities Europe GmbH and Raiffeisen Bank International AG (the "Co-Lead Managers" and, together with the Joint Global Coordinators and Joint Bookrunners, the "Underwriters") signed an underwriting agreement, the purpose of which is to manage security investments in connection with the Company's IPO.

Under this agreement, all banking fees and expenses related to the Company's IPO shall be payable, under certain limits, by Exclusive Networks and Everest UK Holdco Limited. This agreement provides that a basic banking fee equal to 1.50% of the gross proceeds from the share capital increase carried out in connection with the Company's IPO and the sale of existing shares shall be payable by the Company with respect to the New Shares issued as part of a share capital increase, and by Everest Holdco UK Limited with respect to the initial Shares Sold and additional Shares sold under the over-allotment option.

This underwriting agreement also provides for the possible payment of an additional discretionary fee equal to 1.25% of the gross proceeds from the IPO, which shall also be payable by the Company with respect to the New Shares (such as these terms beginning with a capital letter are defined in the underwriting agreement).

This agreement also contains various warranties and representations made in particular by the Company. Any inaccuracy in these warranties and representations or non-compliance with any of its undertakings could, under certain conditions, result in the Company having to pay compensation.

Reasons justifying that such agreement is in the Company's interest: The Board of Directors considered that it was in the Company's interest to sign this underwriting agreement to facilitate the completion and success of the Company's IPO, which is itself in the Company's interest, insofar as it will enable the Group to reduce its indebtedness and increase its financial flexibility in order to accelerate its development and support its growth strategy.

Authorization and approval procedure: The signing of this underwriting agreement was authorized by the Board of Directors on September 22, 2021.

Person involved: Olivier Breittmayer, in his capacity as controlling shareholder of HTIVB, a shareholder owning over 10% of the Company; Olivier Breittmayer is also a member of the Company's Board of Directors.

Terms and conditions: The fees in connection with the Underwriting Agreement payable by the Company amount to €6,973,564.37.

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 year.

Paris La Défense, April 26, 2022

The Statutory Auditors

Mazars	Deloitte & Associés
Marc BIASIBETTI	Jean-Marie LE GUINER

18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, LIABILITIES, FINANCIAL POSITION, PROFITS AND LOSSES

18.1 Group's Consolidated Financial Statements for the year ended 31 December 2021

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CONSOLIDATED STATEMENT OF INCOME

(in € thousand)	Notes	31 Dec 2021	31 Dec 2020
Revenue	5.1	**2,483,425**	**1,891,746**
Costs of purchased goods and services	5.2	(2,158,061)	(1,630,861)
Freight on sales		(5,453)	(3,546)
Net Margin		**319,912**	**257,339**
Personnel costs	5.3	(153,446)	(119,865)
Other operating costs	5.4	(42,963)	(39,081)
Depreciation and amortization	5.5	(68,724)	(63,056)
Recurring operating profit		**54,778**	**35,337**
Non-recurring operating income and expenses	5.6	(3,897)	(5,580)
Operating profit		**50,881**	**29,757**
Finance debt costs	14.4	(27,982)	(34,232)
Interest on lease liabilities	8.3	(565)	(673)
Other financial income and expenses	14.4	(10,245)	(3,791)
Net financial income/(expense)		**(38,792)**	**(38,695)**
Profit/(loss) before income tax		**12,089**	**(8,937)**
Income tax	6.1	(24,602)	11,657
Profit/(loss) for the period		**(12,513)**	**2,719**
Profit/(loss) attributable to:			
- Owners of the parent company		(13,522)	2,169
- Non-controlling interests		1,009	550
Earnings per share attributable to parent company (in €):			
- Basic earnings per share	15.5	(0.15)	(0.05)
- Diluted earnings per share	15.5	(0.14)	(0.05)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € thousand)	Notes	31 Dec 2021	31 Dec 2020
Profit/(loss) for the period		**(12,513)**	**2,719**
Exchange differences on translation of foreign operations		18,609	(33,200)
Total items that may be reclassified to profit or loss		18,609	(33,200)
Remeasurements of post-employment benefit obligations net of deferred tax(1)	17	201	(35)
Total items that will not be reclassified to profit or loss		201	(35)
Other comprehensive income/(expense)		**18,810**	**(33,235)**
Total comprehensive income/(expense)		**6,297**	**(30,515)**
Comprehensive income/(expense) attributable to:			
- Owners of the parent company		5,031	(30,956)
- Non-controlling interests		1,266	440

(1) The amount disclosed here is net of deferred tax

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € thousand)	Notes	31 Dec 2021	31 Dec 2020
ASSETS			
Goodwill	7.1	313,709	288,639
Other intangible assets	7.2	1,154,320	1,166,885
Property, plant and equipment	7.3	7,320	5,875
Right-of-use assets	8.1	19,304	21,984
Non-current other financial assets	14.1	34,521	25,306
Deferred tax assets	6.3	11,144	12,685
TOTAL NON-CURRENT ASSETS		**1,540,317**	**1,521,375**
Trade receivables and other receivables	9	959,785	863,607
Inventories	10	149,502	113,478
Current other financial assets	14.1	9,933	13,707
Cash and cash equivalents	13	129,791	163,232
TOTAL CURRENT ASSETS		**1,249,011**	**1,154,024**
TOTAL ASSETS		**2,789,328**	**2,675,398**
EQUITY AND LIABILITIES			
Share capital and share premium	15.1	975,747	740,399
Retained earnings and other reserves		(43,796)	(33,916)
Foreign currency translation reserve		405	(20,216)
Equity attributable to the owners of the parent company		**932,356**	**686,267**
Non-controlling interests	15.4	2,095	1,293
TOTAL EQUITY		**934,451**	**687,561**
Non-current other financial liabilities	14.2	485,495	706,538
Non-current lease liabilities	8.2	12,363	15,238
Non-current provisions	16	3,599	3,261
Other non-current liabilities	14.2	4,564	-
Deferred tax liabilities	6.3	294,480	278,890
TOTAL NON-CURRENT LIABILITIES		**800,502**	**1,003,928**
Trade payables and other liabilities	11	950,204	869,689
Current other financial liabilities	14.2	89,617	94,476
Current lease liabilities	8.2	7,313	7,283
Current provisions	16	1,523	1,503
Current derivative liabilities	14.3	-	5,680
Current tax liabilities		5,718	5,279
TOTAL CURRENT LIABILITIES		**1,054,376**	**983,910**
TOTAL EQUITY AND LIABILITIES		**2,789,328**	**2,675,398**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € thousand)	Notes	31 Dec 2021	31-Dec 2020[1]
OPERATING ACTIVITIES			
Profit/(loss) for the period		**(12,513)**	**2,719**
Adjustments for:			
- Depreciation, amortisation, impairment and change in provisions		69,090	63,562
- Financial debt costs & interests on lease liabilities	14.4	28,548	34,905
- Share-based expenses	18.3	2,762	-
- Income tax expenses	6.2	24,602	(11,657)
- Gains and losses on disposal of fixed assets		1,332	(81)
- Other non-cash items	1.2	11,170	3,136
Income tax paid		(17,885)	(11,796)
Cash flows from op. activities before change in working capital		**107,106**	**80,788**
Change in inventories	12	(35,137)	(3,898)
Change in trade receivables and other receivables	12	(98,220)	(70,957)
Change in trade payables and other liabilities	12	79,752	119,053
Change in net working capital - trade	12	**(53,605)**	**44,199**
Change in net working capital - other		(11,019)	1,708
NET CASH FROM OPERATING ACTIVITIES		**42,481**	**126,695**
INVESTING ACTIVITIES			
Additions to property, plant and equipment and intangible assets	7	(4,756)	(1,433)
Disposals of fixed assets	7	367	333
Changes in other financial assets		(453)	(871)
Impact of changes in scope of consolidation	3.2.1	(21,783)	(69,174)
NET CASH FROM INVESTING ACTIVITIES		**(26,625)**	**(71,145)**
FINANCING ACTIVITIES			
Proceeds from Share capital issuance	15	235,183	-
Dividends paid		(41)	(206)
Disposal (acquisition) of Treasury shares	15	(99)	-
Purchase of non-controlling interests	3.2.1	(751)	(893)
Proceeds from issuance of bank borrowings	3.2.3	450,649	50,695
Proceeds from issuance of other financial liabilities	14.2	51,763	20,451
Factoring liabilities	14.2	(14,682)	(12,767)
Short-term financing	14.2	34,986	(885)
Interest Paid		(26,525)	(31,811)
Repayment of bank borrowing	14.2	(693,342)	-
Repayment of other financial liabilities	14.2	(71,656)	(12,808)
Repayment of lease liabilities	8.2	(9,568)	(7,255)
NET CASH FROM FINANCING ACTIVITIES		**(44,084)**	**4,522**
Effects of exchange rate fluctuations on cash and cash equivalents		(9,138)	(3,864)
INCREASE IN NET CASH AND CASH EQUIVALENTS		**(37,366)**	**56,208**
Net cash and cash equivalents at the beginning of the period		162,217	106,008
Net cash and cash equivalents at the end of the period	13	124,851	162,217

[1] As at December 2021, following a review of its financial statements, the Group decided to modify the presentation of its Consolidated Statement of Cash-Flows in order to provide information that is more relevant to users. Changes consist of:

- a more detailed presentation of Other non-cash items;
- a split between core operating and non-core operating changes in working capital.
- Interest Paid presented as part of the Financing Activities, for €(26.5) million and €(31.8) million in 2021 and 2020 respectively.

This new presentation did not lead to any material reclassification between operating, financing and investing cash flows, except for the Interest Paid which are now presented both years under Financing rather than Operating Activities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent company										
	Total capital and premiums		Total Share capital and premiums	Retained earnings and other reserves (excl. OCI)	Other comprehensive income (OCI)			Total OCI	Total attributable to owners	Non-controlling interests	Total equity
(in € thousand)	Share capital	Share premiums			Foreign currency translation adjustment	Employee benefit obligations	Related income tax				
Balance at 31 December 2019	**7,317**	**733,082**	**740,399**	**(30,661)**	**12,874**	**(103)**	**26**	**12,797**	**722,534**	**1,165**	**723,699**
Profit for the period	-	-	-	2,169	-	-	-	-	2,169	550	2,719
Other comprehensive income	-	-	-	-	(33,090)	(47)	12	(33,125)	(33,125)	(110)	(33,235)
Total comprehensive income	**-**	**-**	**-**	**2,169**	**(33,090)**	**(47)**	**12**	**(33,125)**	**(30,956)**	**440**	**(30,515)**
Changes in scope & other changes	-	-	-	(5,089)	-	-	-	-	(5,089)	(115)	(5,204)
Dividends	-	-	-	-	-	-	-	-		(206)	(206)
Other	-	-	-	(223)	-	-	-	-	(223)	9	(214)
Balance at 31 December 2020	**7,317**	**733,082**	**740,399**	**(33,804)**	**(20,216)**	**(149)**	**37**	**(20,328)**	**686,267**	**1,293**	**687,561**
Profit for the period	-	-	-	(13,522)	-	-	-	-	(13,522)	1,009	(12,513)
Other comprehensive income	-	-	-	-	18,353	252	(51)	18,554	18,554	257	18,810
Total comprehensive income				**(13,522)**	**18,353**	**252**	**(51)**	**18,554**	**5,031**	**1,266**	**6,297**
Net proceeds for the IPO [(1)]	1,040	234,143	235,183	-	-	-	-	-	235,183	-	235,183
Change in capital structure	(1,193)	1,193	-	-	-	-	-	-	-	-	-
Share-based payments [(2)]	-	-	-	2,562	-	-	-	-	2,562	-	2,562
Change in group structure [(4)]	155	11	166	-	-	-	-	-	166	-	166
Dividends	-	-	-	-	-	-	-	-	-	(41)	(41)
Put options on non-controlling interests [(3)]	-	-	-	2,659	-	-	-	-	2,659	(1,635)	1,024
Other	-	-	-	488	-	-	-	-	488	1,212	1,700
Balance at 31 December 2021	**7,319**	**968,429**	**975,748**	**(41,617)**	**(1,863)**	**103**	**(14)**	**(1,774)**	**932,356**	**2,095**	**934,451**

[(1)] Net proceeds for the IPO: increase in share capital and in share premium related to the Initial Public Offering performed by Exclusive Networks on 23 September 2021 (*see note 1.2 "Initial Public Offering (IPO) of Exclusive Networks on Euronext Paris"*) minus direct costs incurred during this operation.
[(2)] Share-based payments related service costs (*see note 18 "Share-based payments"*).
[(3)] Put options on non-controlling interests (*see note 14.2*).
[(4)] Impact of mergers with EM Networks 1 and EM Networks 2 that were shareholders of Exclusive Networks SA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

1.1 Presentation of the Group

Exclusive Networks SA (previously Everest HoldCo SAS, as the Company changed its name and legal form on 1 September 2021 prior to the Initial Public Offering on Euronext Paris on 23 September 2021) ("Exclusive Networks") was initially incorporated on 19 April 2018 for the purposes of acquiring, through its direct subsidiary Everest SubBidCo SAS, all outstanding shares in Exclusive France Holding SAS on 4 July 2018.

As a leading global specialist in innovative cybersecurity technologies, Exclusive Networks and its subsidiaries (the "Group") buy and sell the cybersecurity solutions and adjacent products of its established vendors including software licence, hardware, support & maintenance. It also provides services such as training, support and installation. With offices in over 43 countries across five continents, the Group operates through three theaters EMEA (Europe, Middle East, Africa), APAC (Asia-Pacific) and Americas.

The Group is incorporated and domiciled in Boulogne-Billancourt, France. Its registered office is located at 20, Quai du Point du Jour, 92100 Boulogne-Billancourt. The Group is listed on Euronext, Paris, France.

1.2 Significant events of the period

Initial Public Offering (IPO) of Exclusive Networks on Euronext Paris

On 23 September 2021, 2021, Exclusive Networks completed its initial public offering in compartment A of the regulated market of Euronext Paris. The offering price was set at €20.00 per share, valuing the Group at approximately €1.8 billion.

The size of the offering was as below:

- 13,000,000 new shares were issued by the Company, resulting in gross proceeds of approximately €260 million.
- 5,295,307 existing shares were sold by Everest UK Holdco Limited (a Permira entity), HTIVB (a legal entity ultimately controlled by Olivier Breittmayer, founder of the Group) and certain managers, employees and former employees of the Company, resulting in gross proceeds of approximately €106 million.

The stabilization period began on 23 September 2021 (following the publication of the results of the offering by Exclusive Networks) and ended on 22 October 2021. Out of the total number of shares offered in the Offering, 303,456 shares were allocated to the French public offering. J.P. Morgan, as stabilizing agent, acting on its own and on behalf of the managers, exercised in part the over-allotment option to purchase an aggregate 319,097 additional existing shares from Everest UK HoldCo Limited (259,811 shares) and HTIVB (59,286 shares), at the Initial Public Offering price of €20.00 per share. As a result, the total number of Exclusive Networks shares offered in its Initial Public Offering amounts to 18,614,404 shares, thereby increasing the total offering size to €372 million. After exercise of the over-allotment option, the free float represents approximately 20.3% of Exclusive Networks' share capital (*see note 15*).

J.P. Morgan and Morgan Stanley acted as Joint Global Coordinators and Joint Bookrunners. BNP Paribas, Citigroup and Société Générale acted as Joint Bookrunners. Lazard acted as independent financial advisor.

Following its public offering the Group enacted a legal reorganization (*see note 3.2.5*) and refinanced its debt (*see note 14.2.5*) leading to a €11.2 million financial expenses (IFRS9 derecognition of unamortised set-up fees, *see note 14.4*).

Acquisition of Ignition Technology

On 2 July 2021, Exclusive Networks signed and completed the acquisition of Ignition Technology. The group specializes in the distribution of early stage disruptive cybersecurity vendors. The Group's headquarter is located in the United Kingdom, and it also operates in the Nordics and Benelux regions. Its annual gross sales are in the range of €50 million at the date of acquisition. After the acquisition, the founders remain minority shareholders. The acquisition price has been paid on the date of acquisition with an earn-out mechanism put in place which, based on performance, should be paid during the first semester of 2022 (*see note 3.2.1*).

Acquisition of Networks Unlimited

On 2 December 2021, the Exclusive Networks completed the acquisition of Networks Unlimited (NU), a South Africa-based cybersecurity specialist, to create a new market presence in the region: Exclusive Networks Africa. NU is headquartered in South Africa with further operations in Mauritius and Kenya, and a partner ecosystem giving access to 38 national markets across sub-Saharan Africa. Networks Unlimited is a major regional value-added distributor focused predominantly on cybersecurity and infrastructure markets, with key vendor relationships, some in common with Exclusive Networks. Its annual gross sales are in the range of €50 million. This acquisition expands Exclusive Networks' global footprint and creates more opportunities for vendors and customers of both organisations (*see note 3.2.1*).

United Kingdom income tax revision

In the first quarter of 2021, the income tax in the United Kingdom has been revised from 19% to 25% effective 1 April 2023. This sole increase in income tax will result in an increase in deferred tax liabilities related to vendor relationships assets for an amount of €13.8 million and an increase in deferred tax liabilities related to trademark for an amount of €3.1 million.

New factoring arrangement

On 11 May 2021, the Group entered into a pan-European factoring program pursuant to which the Group will sell the receivables arising from the sales of cybersecurity solutions to debtors in several countries. As at 31 December 2021, the factoring program has been deployed in France and Spain through a local contract (*see note 9*).

Covid-19 pandemic crisis

The year 2021 was affected by lockdown measures in many countries where the Group operates. In most countries, the cybersecurity activity continued to be recognised as essential, allowing the activity to continue. Although the Group has not experienced any material disruption to its operations as a result of the Covid-19 pandemic, it has been impacted by lockdowns in certain countries such as in Singapore, Malaysia, the Philippines and has experienced some disruptions to product availability and logistics operations as a result of such lockdowns. Nonetheless, thanks to the work of the operations teams and the strategic and critical nature of cybersecurity, the impact has been non-material.

In addition, during the period, the Group did not seek additional funding or government assistance related to the health crisis. The only measures from which the Group benefited were those that were mandatory in some very few geographical areas. As a result, the Covid-19 pandemic has not had a negative impact on the Group's liquidity position or lead to goodwill impairment and has had no material adverse impact on the Group's financial statements for the year ended 31 December 2021. The Group considers that Covid-19 did not impact either its exposure to financial risks associated with operating and financing activities or the monitoring of those risks.

2 Accounting policies

2.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2021 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 2021.

The consolidated financial statements for the year ended 31 December 2021were reviewed by the Audit Committee and approved by the Board of Directors on 25 April 2022.

The consolidated financial statements are presented in euro currency. Unless otherwise stated, all amounts are stated in thousands 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*),
- assets acquired and liabilities assumed in business combinations, measured using the fair value model (*see note 3.2.1*).

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*.

Change in accounting policy – "Demo Stocks"

In January 2021, "demo stocks" (devices purchased for demonstration and commercial support purposes which are not held for sale in the ordinary course of business nor consumed in the rendering of services) previously classified as inventories and depreciated on a straight-line basis have been reclassified as tangible assets for a net book value of €2.6 million.
Should this reclassification be performed into the Consolidated Financial Statement opening balance on 1 January 2021, it would have been of similar value.
Going forward and as presented in the financial statement ended 31 December 2021, "demo stocks" will be recorded directly as tangible assets and are amortised on a straight-line basis over a 3-year period.

2.2 Accounting policies

IFRS Standards, amendments, and interpretations effective in 2021

The IFRS amendments whose application is mandatory as at 1 January 2021 include:

- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform (Phase 2)
- Amendments to IFRS 16 - COVID 19 rent related concessions
- Narrow scope amendment to IFRS 3 - Business combinations
- Annual improvements 2018-2020
- Amendments to IAS 1 - Presentation of financial statement IFRS practice statement 2
- Amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors

These new standards and amendments did not impact significantly the financial statements of the Group as at 31 December 2021.

IFRS Standards, amendments, and interpretations adopted by the European Union and effective from 1 January 2022

- Amendments to IAS 37 - Onerous contacts, cost of fulfilling a contract
- Amendments to IFRS 3 - Reference to the conceptual framework
- Amendments to IAS 16 - Proceeds before intended use

The Group is assessing the potential impact on these amendments on its consolidated financial statements.

IFRS Standards, amendments and interpretations not yet adopted by the European Union

- Amendments to IFRS 3 - Business Combinations, IAS 16 - Property, Plant and Equipment, IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements to IFRSs - 2018-2020 cycle
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)

The Group is assessing the potential impact on these amendments on its consolidated financial statements.

2.3 Consolidation method

2.3.1. Controlled entities

The consolidated financial statements include the financial statements of Exclusive Networks SA and its directly or indirectly controlled entities. Under IFRS 10, an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Companies over which the Group has control are fully consolidated.

As at 31 December 2021, all subsidiaries owned by the Group have been consolidated using the full consolidation method. Furthermore, all consolidated entities have a 31 December year-end, with the exception of Exclusive Networks Sales India Pte Ltd (India), whose year-ends is 31 March and Exclusive Networks TopCo South Africa whose year-end is end of February. Accounts were drawn up for the entity as at 31 December 2021 for the purposes of preparing the Group's consolidated financial statements.

2.3.2. Intra-group transactions

All intercompany transactions and balances are eliminated for consolidation purposes.

2.3.3. Foreign currency transactions and translation

These consolidated financial statements are presented in euros, which is the Group's presentation currency. The functional currency of each Group entity is the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are converted into the functional currency using the rate prevailing on 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 translated at the average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the transaction dates), and

-all resulting exchange differences are recognised as currency translation adjustments within Other Comprehensive Income.

2.4 Use of judgements and estimates

2.4.1. Estimates

The preparation of the consolidated financial statements requires Group management to make estimates and assumptions that affect the reported amounts of assets and liabilities at reporting date, income and expenses for the period and accompanying disclosures. Management also needs to exercise judgement in applying the Group's accounting policies. Actual results may differ from these estimates, due to changes in facts and circumstances.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and changes in assumptions. 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 and 7.2*);
- measurement of the fair value of assets acquired and liabilities assumed in a business combination (*see note 3.2*);
- allocation of total transaction price amongst the distinct performance obligations under IFRS 15 – Revenue from Contracts with Customers (*see note 5.1*);
- measurement of the recoverable value of deferred tax assets (*see note 6*);
- measurement of right-of-use assets and lease commitments in accordance with IFRS 16 – Leases (s*ee note 8*);
- measurement of liabilities related to put options granted to non-controlling interests (*see note 14*);
- compliance with financial ratios (see note 14.2.4);
- measurement of derivatives and other financial instruments at fair value (*see note 14.5*);
- measurement of provisions for credit risk on trade and other receivables (*see note 16*);
- measurement of employee benefits, mainly pensions (*see note 17*);
- measurement of share-based payment plans newly granted *(see note 18*);
- and, in the context of Covid-19, factoring the uncertainty in measuring these recoverable amounts and their sensitivity to potential changes in key assumptions (*see note 1.3*).

Notwithstanding the Covid-19 pandemic, the Group managed to maintain business continuity during the year ended as at 31 December 2021, and its estimates and judgements therefore remain valid.

2.4.2. 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*);
- determining whether certain financing arrangements (factoring agreements, Exclusive Capital financing solutions and the new pan-European factoring agreement) may result in derecognition or not (*see notes 9 and 14*).

The Group did not change its judgments assessment in the framework of the Covid pandemic compared to prior periods.

2.5 Going concern

Notwithstanding the Covid-19 pandemic, Management considers the Group has sufficient resources to continue operating for at least 12-months and that there are no material uncertainties about the Group's ability to continue as a going concern. Furthermore, following the restructuring of its debt subsequent to its IPO, the Group reduced significantly its liquidity risk (*see note 14.2*).

3 Scope of consolidation

3.1 List of main companies included in the scope of consolidation

		2021		2020	
Entity	Country	Consolidation method	% of interest	Consolidation method	% of interest
Exclusive Networks S.A. (formerly Everest HoldCo SAS)	France	Parent company	100	Parent company	100
Exclusive Networks PTY Ltd	Australia	FC	100	FC	100
Exclusive Networks Belux	Belgium	FC	100	FC	100
Exclusive Networks Canada Inc	Canada	FC	100	FC	100
Exclusive Networks Finland OY	Finland	FC	100	FC	100
Everest SubBidCo SAS	France	FC	100	FC	100
Exclusive Networks SAS	France	FC	100	FC	100
Exclusive Capital SAS	France	FC	89.18	FC	87.13
Exclusive Networks Deutschland GmbH	Germany	FC	100	FC	100
Exclusive Networks Sales India Pte Ltd	India	FC	100	FC	100
PT Exclusive Networks Indonesia	Indonesia	FC	100	FC	100
Exclusive Networks S. r. l.	Italy	FC	100	FC	100
Exclusive Networks B. V.	Netherlands	FC	100	FC	100
Veracomp Exclusive Networks Poland SA	Poland	FC	100	FC	100
Exclusive Networks Asia Pte Ltd	Singapore	FC	100	FC	100
Exclusive Networks Singapore Pte Ltd	Singapore	FC	100	FC	100
Exclusive Networks SL	Spain	FC	100	FC	100
Exclusive Networks Sweden AB	Sweden	FC	100	FC	100
Exclusive Networks Switzerland AG	Switzerland	FC	100	FC	100
Transition Systems and Networks (Thailand) Co. Ltd	Thailand	FC	86.67	FC	86.67
Exclusive Networks Bilişim A. Ş.	Turkey	FC	100	FC	100
Network Distributors FZ- LLC	United Arab Em.	FC	100	FC	100
Exclusive Networks Ltd	United Kingdom	FC	100	FC	100
Ignition Technology Ltd	United Kingdom	FC	75.30	-	-
Exclusive Networks USA Inc.	United States	FC	100	FC	100

3.2 Changes in the scope of consolidation

The changes in the scope of consolidation result from business combinations as defined by IFRS 3R 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:

- 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.

Business combinations may be recognised on a provisional basis, as the amounts allocated to the identifiable assets acquired, liabilities assumed, and goodwill may be amended during a maximum period of one year from their acquisition date.

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. In other words, 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.

3.2.1. Acquisitions in the current reporting period

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 closed in December 2020. The determination of the goodwill is provisional and may be adjusted during a 12-months measurement period after the acquisition date.

Acquisition of Ignition Technology

On 2 July 2021, Exclusive Networks signed and completed the acquisition of Ignition Technology (*see note 1.1*). The acquisition price of €14.9 million was paid on the date of acquisition and an earn-out based on the financial performance amounting to €3.1 million is scheduled to be paid during the first semester of 2022. As at 31 December 2021, the Group own 75.30% of Ignition Technology which fully consolidated in the financial statements and integrated in the Other Services Cash Generating Unit.

Acquisition of Networks Unlimited

On 2 December 2021, the Group has completed the acquisition of Networks Unlimited (NU), the South Africa, Mauritius and Kenya based cybersecurity specialist, to create a market presence in the region. The acquisition price paid on the date of acquisition amounts to €4.4 million and the company is fully consolidated as at 31 December 2021, Exclusive Networks benefits from an operational control in spite of an indirect minority ownership. The company is integrated to the Middle East Cash Generating Unit.

3.2.1.1. Summary of material acquisitions

At acquisition date *(in € thousand)*	**Ignition Technology**	**Networks Unlimited**	**Earn out Nuaware**	**Veracomp Hungary**	**Others**	**Total**
Acquisition price (A)	18,297	4,409				**22,706**
Proportionate share of the net assets remeasured at fair value (B)(1)	2,501	1,454				3,955
Provisional goodwill (A) - (B)(2)	**15,796**	**2,955**				**18,751**
Impact in the cash flow statement (cash paid, net of cash acquired)	(10,488)	(1,535)	(4,287)	(357)	89	**(16,578)**
Including:						
- Cash acquired	6,155	2,899		607		9,661
- Other impacts of change in scope of consolidation (3)						**(5,205)**
Impact of changes in scope of consolidation						**(21,783)**

(1) For both Ignition Technology and Networks Unlimited, the Group is still performing the purchase price allocation which could lead during the first semester of 2022 to the recognition of vendors relationships, distribution agreements and associated deferred tax assets and liabilities.

(2) Converted in euro as at 31 December 2021

(3) In relation with the acquisition of Veracomp assets in December 2020, the Group has adjusted the value of certain of those assets that have been mainly overestimated. The consequence of this error results in the following correction: an increase in inventories by €0.4 million, a decrease in payables by €0.5 million and in a decrease of cash by €5.2 million. The counterpart is an increase in the goodwill for a total amount of €4.4 million.

3.2.1.2. Acquisition price and goodwill

The determination of the goodwill above is provisional and may be adjusted during a 12-months measurement period after the acquisition date.

3.2.2. Acquisitions in the comparative period

3.2.2.1. Summary of main acquisitions

In 2020, Exclusive Networks Group acquired several companies. Veracomp is considered as material. Nuaware and JJNET are considered as individually, and collectively immaterial business combinations compared to all acquisitions of the year 2020 and to the Group's consolidated financial statements.

3.2.2.2. Acquisition price and goodwill

In accordance with IFRS 3R – Business Combinations, the fair value measurement of the identifiable assets acquired, and liabilities assumed was finalised during 2020. The final allocation of the acquisition cost is as follows:

At acquisition date *(in € thousand)*	**Veracomp**	**JJNET**	**Nuaware**	**Total**
Acquisition price (A)	**73,945** (1)	**3,118**	**9,579** (3)	**86,642**
Proportionate share of the net assets remeasured at fair value (B)	**64,018**	**3,081**	**4,548**	**71,647**
Including (at 100%):				
- Vendor relationships (2)	16,667	-	6,940	23,608
- Distribution agreement	-	1,953	-	1,953
- Net deferred tax	(3,070)	(354)	(1,319)	(4,743)
Provisional goodwill (A) - (B)	**9,927**	**37**	**5,031**	**14,995**
Impact in the cash flow statement (cash paid, net of cash acquired)	63,949	2,352	2,773	69,074
Including: **- Cash acquired**	(9,765)	(874)	(2,142)	(12,781)

(1) The acquisition price of Veracomp includes €72.5 million related to Veracomp SA, and €1.4 million related to the subsidiaries.

(2) As a part of the Veracomp acquisition, the Group recognised vendor relationships at their fair value based on the excess earnings method. The vendor relationships are amortised over 8 to 10 years depending on vendors.

(3) As additional consideration for Nuaware shares, the Group paid the seller an earn-out of €4 million (£3.6 million) in cash on 30 June 2021. This amount is disclosed within trade and other payables (*see note 11*). A contingent liability of €0.8 million relates to tax and/or National Insurance Contributions liability

The acquisition costs related to the acquisition of the assets of Veracomp, JJNET and Nuaware are respectively €4.1 million, €0.4 million and €0.2 million

3.2.3. Non-controlling interest acquired

3.2.3.1. Non-controlling interest acquired in the current reporting period

On 23 February 2021, the Group acquired 2.05% non-controlling interests in Exclusive Capital SAS for a total purchase price of €0.2 million and, consequently, holds 89% of the shares of company as at 31 December 2021 (*see note 14*).

On 23 December 2021, the Group committed to acquire 12% non-controlling interests in Exclusive Networks Ireland Limited for a total purchase price of €1.1 million (*see note 14*) and, consequently, will hold 100% of the shares of the company as at 31 December 2021.

On 30 December 2021, the Group acquired 7.5% non-controlling interests in Veracomp D.o.o in Croatia for a total purchase price of €0.3 thousand (*see note 14*) and, consequently, holds 100% of the shares of the company as at 31 December 2021.

3.2.3.2. Non-controlling interests acquired in the comparative period

On 23 September and 16 October 2020, Exclusive Networks SAS acquired a 21.5% minority stake in Exclusive Networks Ireland Ltd for a total amount of €884 thousand, bringing its total stake to 88%.

3.2.4. Creation and liquidation

3.2.4.1. Creation and liquidation in the current reporting period

Exclusive Capital Limited was liquidated on 12 January 2021.

On 29 January 2021, the activity of Exclusive on Demand expanded to the US with the creation of Exclusive on Demand USA, while the Exclusive on Demand APAC has been created on 26 July 2021.

3.2.4.2. Creation and liquidation in the previous comparative period

Creation of Exclusive on Demand SAS

On 17 March 2020, the Group created Exclusive on Demand SAS, a wholly owned subsidiary of Everest SubBidCo SAS with a shared capital of €5 thousand. The company markets cutting-edge IT security, storage, and infrastructure subscription-based solutions.

Liquidation of VADition Ltd and Exclusive UK Holding Ltd (UK)

VADition Ltd and Exclusive UK Holding Ltd were subject to a liquidation request on 18 December 2019. Their liquidation took effect on 31 March 2020.

Merger of EC GmbH

EC GmbH has been merged with EN Deutschland with a retroactive effect as at 1 January 2020.

3.2.5. Legal Reorganization

The Group simplified its legal structure with changes that took effect on the date of settlement and delivery of the shares offered in the proposed IPO. Key steps of the reorganization are summarized below:

- the merger into the Company of the two dedicated entities through which the senior officers and managers of the Group hold their stake in the Group (EM Networks 1 and EM Networks 2) was submitted for approval to the shareholders on the date of the pricing of the Company's shares in the context of the IPO, and took effect immediately before the settlement and delivery of the shares offered;
- the conversion of all the outstanding preferred shares of the Company into ordinary shares, took effect before the settlement and delivery of the shares offered in the IPO (*see note 14*);
- the successive mergers of certain intermediate legal entities of the Group (namely the merger of Everest BidCo into Everest MidCo, followed by the merger of Everest MidCo into Everest SubHoldCo, followed by the merger of Everest SubHoldCo into the Company) took effect after the settlement and delivery of the shares offered in the IPO, with a retrospective effect as at 1 January 2021 accounting and tax-wise.

The main objectives of the reorganization were as follows:

- to convert the Company into a "société anonyme" (since, under French law, the shares of a "société par actions simplifiée", cannot be listed);
- to allow the senior officers and managers of the Group who held their stake in the Group in dedicated management holding vehicles (EM Networks 1 and EM Networks 2) to become direct shareholders of the Company;
- to convert the current preferred shares issued by the Company into ordinary shares before the Company's shares are listed;
- to eliminate by merger the intermediate holding vehicles (Everest BidCo, Everest MidCo and Everest SubHoldCo) which are no longer required following the listing of the Company's shares;
- to change the Company's corporate name into "Exclusive Networks SA".

4 Segment information

Accounting policy

The Group operates as a distributor of innovative technology products and services to build global trusted digital infrastructure for its clients (*see note 5*).

For management and internal reporting purposes, the Group is organised by geographical regions that are supervised by Regional Senior Vice Presidents who are responsible for the local relationship with vendors and customers. The following geographical regions are the Group's operating segments: EMEA, APAC and Americas.

The Chairman 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 EBITA are the key performance indicators reviewed by the Chief Operating Decision Maker on a monthly basis and are defined as:

- Gross sales represent revenue recognized by the Group on a gross basis (before IFRS 15 adjustments) for each revenue stream from operations and before intra and inter segment intercompany eliminations.
- Adjusted EBITA represents recurring operating profit before amortization of intangible assets, as adjusted for certain costs that do not impact the day-to-day operations and which are of an unusual nature. As such, these include implementation costs for finance and operations group management systems, restructuring costs, cost related to long term incentive plans and key management one-time costs.

"Corporate" represents Corporate Group functions such as CEO office, strategy, business development, global sales & marketing, vendor global alliances, finance, human resources, legal, operations, Information Technology.

4.1 Gross sales and adjusted EBITA by operating segments

For the year ended 31 December 2021:

(in € thousand)	**EMEA**	**APAC**	**Americas**	**Corporate**	**Total**
Gross sales	2,579,455	394,255	346,729	-	**3,320,439**
Adjusted EBITA	117,521	18,738	8,506	(25,597)	**119,168**

For the year ended 31 December 2020:

(in € thousand)	**EMEA**	**APAC**	**Americas**	**Corporate**	**Total**
Gross sales	1,931,495	362,828	269,542	-	**2,563,865**
Adjusted EBITA	94,617	16,775	5,443	(21,658)	**95,176**

Gross sales reconcile to IFRS Revenue as follows:

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Revenue	**2,483,425**	**1,891,746**
Agent vs Principal (Mainly Vendors' Support) - IFRS 15	793,525	657,794
Timing of Revenue Recognition - IFRS 15	(3,523)	(10,717)
Intercompany	47,012	25,042
Gross sales	**3,320,439**	**2,563,865**

For revenues from external customers for each product and service and by geography, *see note 5.1*.

The Group has no revenues from transactions with a single external customer exceeding 10% of total revenues.

Adjusted EBITA reconciles to Operating profit as follows:

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Operating profit	**50,881**	**29,757**
Non-recurring operating income & expenses – IFRS	3,897	5,580
Amortization of intangible assets	56,739	53,942
Implementation costs	3,624	2,522
Share-based payments	2,846	-
Other Non-recurring Operating Inc. & Exp. - Non-GAAP	1,181	3,375
Adjusted EBITA	**119,168**	**95,176**

- Non-recurring operating income & expenses - IFRS, *see note 5.6*.
- Amortization of intangible assets mainly relate the amortization of Vendor relationships, *see note 7.2*.
- Implementation costs are mainly information technology projects in relation with the implementation of new finance and operations management systems at group level.
- Share-based payments, *see note 18*.

Main non-current assets are disclosed by CGU or group of CGUs and segment in *note 7.1.1*.

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 licences, 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 recognizes an agency relationship in the transaction. Revenue is therefore recognised in the amount of the net fee associated with serving as an agent. These arrangements primarily relate to sales of vendors' maintenance and support/extended warranty services.

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 shipment. 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 criteria.

Management concluded that the Group is the principal with respect to the sale of software licence and hardware as it assessed that (i) the Group controls these specified products before they are transferred to the customer, (ii) it is primarily responsible for fulfilling the promise to the customer as it ensures compatibility of products and customer requirements, (iii) it has some discretion in establishing the selling price for such products and bears inventory risk. In arrangements where the Group does not have control over the service and is not primarily responsible for fulfilling it such as vendors' support and maintenance, management concluded that the Group is qualified as an agent.

Revenues are recorded net of returns, which historically have not been considered as material. Revenues are also recorded net of discounts and rebates and volume rebates and other discounts to certain customers which overall, have a limited materiality. A contract liability for customer rebates and other discounts is recorded as a deduction from revenue at the time of sale based on an evaluation of the contractual terms and historical experience.

Accounting policy (continued)

Exclusive Capital

The Group - through its Exclusive Capital entities - sells products to its customers under financing arrangements. More specifically, Exclusive Capital entered into leasing-type agreements with its customers, generally over 36 months based on subscription contracts of similar duration. At the same time, Exclusive Capital entered into a refinancing agreement with a financial institution, sells the equipment's to the financing institution along with the leasing-type contract at a discounted price that remunerates it for the financing service, and also transferred the legal ownership to the financial institution during the period of the contract. Exclusive Capital contractually commits to repurchase the equipments at the end of the lease contract to the financing institution at a residual price.

Revenue is recognised at the fair value, or, if lower, the present value of the lease payments accruing, discounted using a market interest rate. As the dealer/lessor, the Group recognises the profit or loss on the sale of finance leases at commencement date.

See *note 14.2* for IFRS 9 analysis of these financing arrangements.

Revenue can be analysed by nature of products and services as follows:

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Software and software associated to hardware	2,232,445	1,724,797
Other (1)	250,979	166,949
Revenue	**2,483,425**	**1,891,746**

(1) This includes vendors' support and maintenance, finance lease revenue and professional services performed by the Group (installation, training, …).

Revenue related to geographies representing more than 8% of total revenue can be analysed as follows:

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Revenue by geography		
United Kingdom	343,552	272,436
France	315,810	233,261
Rest of the world (1)	1,824,064	1,386,049
Total revenue	**2,483,425**	**1,891,746**

(1) No other country represents more than 8% of consolidated revenue individually.

In 2021, the revenue generated by entities located in the Group's significant countries (United Kingdom and France) represented a total of €659 million.

For each of the fiscal years presented, no single customer accounted for more than 5% of the Group's consolidated revenue.

Exclusive Capital activities contributed to €25.9 million in 2021 and €25.7 million in 2020 and. Also *see note 14.2.*

5.2 Costs of purchased goods and services

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Purchase of goods	(2,191,986)	(1,634,690)
Change in inventories	33,050	6,936
Net allowance for stock depreciation	875	(3,108)
Costs of purchased goods and services	**(2,158,061)**	**(1,630,861)**

5.3 Personnel costs

The average workforce expressed in full-time equivalent for the period was 2,226 people.

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Wages and salaries	(131,339)	(102,129)
Social security costs and other costs	(22,107)	(17,736)
Personnel costs	**(153,446)**	**(119,865)**

Increase in personnel costs in 2021 is mainly driven by the change in scope-in effect in relation with acquisitions (Veracomp, Ignition and Networks Unlimited altogether representing a €17.0 million increase) and to the IFRS 2 expenses (see *note 18*). The remaining increase reflects the investment in resources to serve the dynamic growth in revenue.

5.4 Other operating costs

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
External fees	(16,640)	(13,632)
Other operating expenses [1]	(26,323)	(25,449)
Other operating costs	**(42,963)**	**(39,081)**

[1] includes travel expenses, marketing and advertising costs, insurance, and bank fees.

Increase in Other operating expenses in 2021 is mostly driven by the acquisitions of Veracomp, Ignition and Networks Unlimited altogether representing a €4.1 million increase.

5.5 Depreciation and amortisation

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Amortisation of intangible assets	(56,739)	(53,942)
Depreciation of tangible assets	(3,831)	(1,902)
Depreciation of right-of-use assets	(8,154)	(7,212)
Depreciation and amortisation	**(68,724)**	**(63,056)**

Amortisation of intangible assets mainly relates 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. This mainly refers to the acquisition of Exclusive France Holding Group by Exclusive Networks SA (previously Everest HoldCo S.A.S.) on 4 July 2018. Increase in Depreciation and amortisation in 2021 is mostly driven by the change in scope-in effect in relation with 2020 and 2021 acquisitions (Veracomp, Ignition and Networks Unlimited altogether representing a €4.6 million increase).

5.6 Non-recurring operating income and expenses

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
IPO related costs	(1,808)	-
Acquisition costs	(1,667)	(5,660)
Other	(239)	-
Gain and losses on disposals of property, plant and equipment	(184)	81
Non-recurring operating income and expenses	**(3,897)**	**(5,580)**

Most costs incurred for the IPO were allocated to share premium (when directly attributable as per IAS 32) and some costs impacted the non-recurring operating income and expenses caption “IPO related costs” (when not directly attributable).

The acquisition costs relate to Ignition and Networks Unlimited in 2021.

Non-recurring income and expenses include items which are defined as unusual, abnormal and infrequent items that are of limited number and that are presented separately in order not to distort the understanding of the Group's underlying performance.

6 Income tax

Accounting policy

"Income tax" caption includes current and deferred taxes.

Current taxes include the taxes due on profit. Deferred taxes are recognised on the temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the balance sheet, as well as on the tax losses carry 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 IAS12 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 balance sheet.

Applying IFRIC 23, 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 tax

The income tax is broken down as follows:

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Current tax	(18,774)	(14,378)
Deferred tax	(5,828)	26,035
Income tax	**(24,602)**	**11,657**

The €(5,828) thousand deferred tax expense includes:

- the 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 recognized in 2018 for €(16,891) thousand
- the reverse of the deferred tax liability further to the depreciation of the vendors relationships for €12,804 thousand
- the impact of the net use of tax losses carried forward, which had been activated in the tax group consolidation in France in 2020 for €(1,761) thousand

6.2 Analysis of the tax charge

The income tax charge may be analysed as follows:

(in € thousand)	31 Dec 2021	31 Dec 2020
Profit/(loss) before taxes	**12,089**	**(8,937)**
Taxable income at the statutory tax rate	28.41%	32.02%
Theoretical tax expense (A)	**(3,434)**	**2,862**
Impact of permanent differences	(1,445)	(2,822)
Change in tax rate [(1)]	(14,323)	7,446
Recognition or utilization of tax income on previously unrecognized tax losses carry-forward [(2)]	152	10,378
Effect of unrecognized deferred tax assets on tax losses carry-forward generated in the year and on other non-deductible temporary differences	(726)	(3,610)
Withholding tax [(3)]	(2,337)	(747)
Other	(2,489)	(1,849)
Total tax effect (B)	**(21,168)**	**8,796**
Effective tax expenses/(income) (A+B)	**(24,602)**	**11,657**

[(1)] Including in 2021:
- the differences between the French tax rate and the tax rates abroad.
- the impact of the corporate income tax rate increase in the United Kingdom from 19% to 25% as at 1 April 2023 on vendor relationships for €13,825 thousand and trademark for €3,066 thousand. In 2020 the impact was related to a change in deferred tax liabilities on intangibles for €7.607 thousand.

[(2)] Including the recognition in 2020 of a deferred tax asset on losses carry-forward in France (€6,292 thousand).
[(3)] Including in 2021, €1,761 thousand of withholding tax not used due to tax losses generated in the tax consolidation group in France.

6.3 Deferred taxes in the statement of financial position

Change in deferred tax assets and liabilities are as follows:

(in € thousand)	Deferred tax assets	Deferred tax liabilities
At 31 December 2019	**6,099**	**301,312**
Change in scope	742	7,279
Net impact in the income statement	6,718	(19,317)
Reclassification and others	(753)	(793)
Translation adjustments	(122)	(9,591)
At 31 December 2020	**12,685**	**278,890**
Change in scope	1,084	(134)
Net impact in the income statement	(2,402)	3,426
Reclassification and others	(278)	(374)
Translation adjustments	55	12,672
At 31 December 2021	**11,144**	**294,480**

Deferred tax assets and liabilities recorded in the statement of financial position are broken down as follows:

	At 31 December 2021		**At 31 December 2020**	
(in € thousand)	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
On temporary differences	6,100	6,715	6,393	6,048
On losses carry-forward	5,044		6,292	-
On valuation differences		287,765	-	272,842
Total	**11,144**	**294,480**	**12,685**	**278,890**

Deferred tax assets on losses carry forward

As at 31 December 2021, the tax losses carry-forward amounted to €52,619 thousand, of which €20,204 thousand have been activated generating a deferred tax assets of €5,044 thousand. Most of the increase compared to 2020 is due to costs incurred by Exclusive Networks SA for the IPO that were allocated to share premium and that are fully deductible for tax purposes in 2021.

As at 31 December 2020, the tax losses carry forward amounted to €23,749 thousand, of which €23,268 thousand in France. A deferred tax asset was accounted for on the French losses carry-forward for €6,292 thousand as at 31 December 2020, based on tax planning procedure.

Deferred tax on valuation difference

Deferred tax liabilities on valuation differences result from temporary taxable differences arising from the recognition at fair value of intangible assets (vendor relationships and trade name) in accordance with IAS 12. These deferred tax liabilities are reversed in the income statement over the depreciation period, where applicable, of the assets to which they relate, and will cover the tax consequences of possible capital gains in the event of a separate disposal of the intangible asset.

6.4 Income tax audits

Some subsidiaries are subject to audits by local tax authorities at the end of the reporting period, as part of periodic routine procedures. 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.

Following a tax audit initiated in 2018, the Italian entity of the Group received in June 2021 a tax reassessment notice for financial years 2014 and 2015 amounting to €9.6 million including late interest and penalties. The Group's advisors analysis, based on domestic and international applicable laws and rulings, is that the claim of the Italian Administration is ungrounded. Based on this opinion the Group considers that it has solid arguments in its defense and the Italian entity has launched a procedure in front of the Italian Court to appeal against the Tax administration reassessment notice.

The Group on-going tax audits are taken into account when measuring the income tax liability under IFRIC 23. After a comprehensive review of the tax risks with tax experts, no liability under IFRIC 23 has been accounted for as at 31 December 2021

7 Fixed assets

7.1 Goodwill

Accounting policy

Upon a business combination in accordance with the IFRS 3, goodwill is measured as the difference between:

- the consideration transferred,
- the amount of non-controlling interests in the acquiree,
- in a business combination achieved in stages, the fair value of any pre-existing equity interest in the acquired company; less
- the net fair value of the identifiable assets acquired, and liabilities assumed.

The amount of goodwill recognized at the acquisition date cannot be adjusted after the end of the 12-month measurement period.

When the difference is negative, a bargain purchase 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 results from operations described in *note 3.2*.

(in € thousand)	**Gross**	**Accumulated impairment**	**Net carrying value**
At 1 January 2020	**274,125**	**-**	**274,125**
Acquisitions[1]	14,995	-	14,995
Translation adjustments & other	(482)	-	(482)
At 31 December 2020	**288,639**	**-**	**288,639**
Acquisitions[1]	17,735	-	17,735
Effect of Purchase Price Allocation	5,879		5,879
Translation adjustments & other	1,456	-	1,456
At 31 December 2021	**313,709**	**-**	**313,709**

[1]Converted in euro as at the date of the acquisitions

7.1.1. Impairment tests

Accounting policy

In accordance with IAS 36, 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.

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 and representing the lowest operating level at which the Group monitors the rate of return in investment of this goodwill.

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. CGUs identified by the Group are geographical areas based on location of the Group's customers and impairment tests are performed at CGU/group of CGU levels (see table below).

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.

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 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), which, in turn, are based on financial return and industry-specific risk metrics for the market in which the Group operates,
- The terminal values are calculated by aggregating the discounted cash flows to infinity, based on normative cash flows and perpetual growth rates.

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 is less than the carrying value of the CGU. Impairment losses are recorded in “non-recurring operating expenses”.

As at 31 December 2021 and 2020, the recoverable amounts of each CGU/group of CGUs were determined on the basis of value in use. No goodwill impairment was recognised in 2021 or in 2020.

In 2021, impairment tests were carried out based on revised future discounted cash flows reflecting the Group’s current best estimate of the impact expected from the public health crisis and the economic conditions expected to prevail post crisis. Such impairment tests did not indicate any evidence that the different goodwill had become impaired.

(in € thousand)		31 Dec 2021				31 Dec 2020			
Segments	CGUs / group of CGUs	Goodwill	Trademark	Discount rate	Perpetual growth rate	Goodwill	Trademark	Discount rate	Perpetual growth rate
EMEA	France (incl. Africa)	38,972	22,200	9.56%	1.50%	40,442	22,200	8.82%	1.50%
	UK and Ireland	57,917	50,615	9.21%	1.50%	64,879	47,307	8.92%	1.50%
	DACH [(a)]	24,824	39,900	8.66%	1.50%	25,507	39,900	8.31%	1.50%
	Northern Europe	18,292	36,500	8.76%	1.50%	16,264	36,500	8.39%	1.50%
	Southern Europe [(b)]	15,683	13,200	11.73%	1.50%	14,230	13,200	11.80%	1.50%
	Middle East[(c)]	5,617	8,440	9.16%	1.50%	1,123	7,790	8.49%	1.50%
	Central & Eastern Europe [(d)]	18,504		9.93%	1.50%	9,927	-	-	-
	Other services [(e)]	80,546	3,700	9.71%	1.5%–4.0%	63,525	3,700	8.70%	2–3.5%
APAC	APAC	31,062	18,425	9.68%	1.50%	31,257	17,006	9.35%	1.50-2%
Americas	Americas	22,292	27,791	8.59%	1.80%	21,485	25,651	8.22%	1.50-1.80%
Total		**313,709**	**220,771**			**288,639**	**213,254**		

[(a)] Germany, Austria and Switzerland
[(b)] Spain, Italy, Turkey and Israel
[(c)] Includes Networks Unlimited acquisition
[(d)] Veracomp
[(e)] Includes Ignition, Nuaware, Itec and Exclusive Capital

Sensitivity analysis

The Group analysed 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 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.

Sensibility analysis: break event point (Net carrying value equal the recoverable amounts)				**31 December 2021 - Actual rates**	
Segments	CGUs / group of CGUs	Discount rate	Growth rate	Discount rate	Growth rate
EMEA	France (incl. Africa)	13.84%	-4.53%	9.56%	1.50%
	UK and Ireland	9.44%	1.22%	9.21%	1.50%
	DACH	10.74%	-0.74%	8.66%	1.50%
	Northern Europe	12.07%	-3.88%	8.76%	1.50%
	Southern Europe	15.41%	-11.90%	11.73%	1.50%
	Middle East	15.77%	-86.4%	9.16%	1.50%
	Central and Eastern Europe	13.51%	-11.94%	9.93%	1.50%
	Other services	10.69%	2.10%	9.71%	1.5%–4.0%
APAC	APAC	13.93%	-6.54%	9.68%	1.50%
Americas	Americas	9.27%	0.76%	8.59%	1.80%

For 2021, in the event of a 50-basis point increase in discount rates with no change in growth rates, impairment losses would be recorded for the CGU UK & Ireland for €8.6 million. The Group estimates that an increase of 50 basis point in discount rates used would represent the maximum scenario considering the market environment as at 31 December 2021 and recent historical changes in Group structure.

7.2 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 finite useful lives. They are subject to amortisation on a straight-line basis over a period reflecting the expected pattern of consumption of the future economic benefits. The remaining useful life is estimated based on the time needed to generate more than 90% of the related economic benefits.

The Group uses the following average useful lives for the amortisation of vendor relationships:

- Fortinet: 20 years
- Palo Alto: 22 years
- Other: 10 to 20 years

Vendor relationships are tested for impairment at each CGU/group for CGU level (similar to goodwill and trademark).

The brand name is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the Exclusive Networks Trademark is expected to generate net cash inflows for each CGU. It is not subject to amortisation. Impairment is recorded in the event of confirmed indications. (*see note 7.1.1.)*

The other intangible assets are predominantly composed of licenses and are amortised using the straight-line method over their estimated useful life (1 to 3 years).

Intangible assets are broken down as follows:

(in € thousand)	**Trademark [1]**	**Vendor relationships [2]**	**Licences**	**Other intangible assets**	**Total intangible assets**
At 31 December 2020					
Gross	213,254	1,080,465	3,256	1,874	1,298,850
Accumulated depreciation	-	(129,637)	(1,898)	(430)	(131,965)
Net carrying value	**213,254**	**950,828**	**1,358**	**1,444**	**1,166,885**
At 31 December 2021					
Gross	220,771	1,121,281	1,855	5,689	1,349,596
Accumulated depreciation	-	(190,989)	(1,369)	(2,918)	(195,276)
Net carrying value	**220,771**	**930,292**	**486**	**2,770**	**1,154,320**

[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 Intangible Assets *(in € thousand)*	**Trademark**	**Vendor relationships**	**Licences**	**Other intangible assets**	**Total intangibles assets**
At 31 December 2019	**220,593**	**1,093,763**	**2,754**	**489**	**1,317,599**
Acquisitions	-	-	520	316	836
Disposals & retirements	-	-	-	-	-
Changes in scope (1)	-	25,556	3	1,719	27,277
Reclassification and other	-	-	-	(646)	(646)
Translation adjustments	(7,338)	(38,854)	(20)	(3)	(46,216)
At 31 December 2020	**213,254**	**1,080,465**	**3,256**	**1,874**	**1,298,850**
Acquisitions	-	-	338	1,376	1,714
Disposals & retirements	-	-	(107)	(0)	(107)
Changes in scope (2)	-	-	18	(19)	(1)
Reclassification and other	0	-	(1,667)	2,401	734
Translation adjustments (3)	7,517	40,816	18	57	48,407
At 31 December 2021	**220,771**	**1,121,281**	**1,855**	**5,689**	**1,349,596**

(1) Change in scope are mainly related to Veracomp, Nuaware, et JJNET acquisitions
(2) Change in scope are mainly related to Ignition and Networks Unlimited acquisitions
(3) Intangible assets (and mainly vendors relationships) are booked in the local currencies of the entities

Changes in the accumulated amortisation of intangible assets are broken down as follows:

Accumulated Amortization Intangible Assets *(in € thousand)*	**Trademark**	**Vendor relationships**	**Licences**	**Other intangible assets**	**Total intangibles assets**
At 31 December 2019	**-**	**(80,559)**	**(1,171)**	**(428)**	**(82,159)**
Increase	-	(53,196)	(741)	(5)	(53,942)
Translation adjustments	-	4,118	14	3	4,136
At 31 December 2020	**-**	**(129,637)**	**(1,898)**	**(430)**	**(131,965)**
Increase	-	(55,383)	(139)	(1,216)	(56,738)
Disposals & retirements	-	-	107	-	107
Changes in scope(1)	-	-	(18)	(565)	(583)
Reclassification and other	-	-	592	(683)	(92)
Translation adjustments(2)	-	(5,969)	(13)	(24)	(6,005)
At 31 December 2021	**-**	**(190,989)**	**(1,369)**	**(2,918)**	**(195,276)**

(1) Change in scope are mainly related to Ignition and Networks Unlimited acquisitions

(2) Intangible assets (and mainly vendors relationship) are booked in the local currencies of the entities

7.3 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

Property, plant and equipment are broken down as follows:

(in € thousand)	Leasehold improvements	Office furniture	Computer equipment	Transport equipment	Other tangible assets	**Total property, plant and equipment**
At 31 December 2020						
Gross	2,021	3,533	7,017	1,280	1,815	15,666
Accumulated depreciation	(1,593)	(2,390)	(5,025)	(244)	(538)	(9,791)
Net carrying value	**428**	**1,142**	**1,992**	**1,036**	**1,277**	**5,875**
At 31 December 2021						
Gross	3,168	968	10,215	1,306	5,538	21,195
Accumulated depreciation	(2,438)	(787)	(7,900)	(694)	(2,056)	(13,876)
Net carrying value	**730**	**180**	**2,315**	**612**	**3,482**	**7,320**

Changes in the gross amount of property, plant and equipment are broken down as follows:

(in € thousand)	Leasehold improvements	Office Furniture	Computer equipment	Transport equipment	Other tangible assets	**Total property, plant and equipment**
At 31 December 2019	**2,002**	**3,232**	**6,524**	**538**	**799**	**13,095**
Acquisitions	65	297	875	-	12	1,249
Disposals & retirements	(18)	(50)	(604)	(247)	(43)	(963)
Changes in scope [(1)]	43	67	499	1,015	618	2,243
Reclassification and other	-	98	(60)	-	493	531
Translation adjustments	(70)	(111)	(217)	(25)	(64)	(488)
At 31 December 2020	**2,021**	**3,533**	**7,017**	**1,280**	**1,815**	**15,666**
Acquisitions	113	20	1,128	107	1,674	3,042
Disposals & retirements	(66)	(17)	(411)	(233)	(1,738)	(2,465)
Changes in scope [(2)]	44	65	280	32	179	599
Reclassification and other	968	(2 656)	1 915	121	3 600	3 950
Translation adjustments	88	22	286	(2)	8	402
At 31 December 2021	**3,168**	**968**	**10,215**	**1,306**	**5,538**	**21,195**

[(1)] Change in scope mainly relates to Property, plant and equipment that were acquired as part of Veracomp acquisition.

[(2)] Change in scope mainly relates to Property, plant and equipment that were acquired as part of Ignition and Networks Unlimited acquisitions

Changes in accumulated amortization of property, plant and equipment is broken down as follows:

(in € thousand)	Leasehold improvements	Office Furniture	Computer equipment	Transport equipment	Other tangible assets	**Total property, plant and equipment**
At 31 December 2019	**(1,346)**	**(1,963)**	**(4,818)**	**(503)**	**(474)**	**(9,102)**
Depreciation expense	(306)	(470)	(1,012)	(7)	(105)	(1,901)
Disposals & retirements	15	16	584	241	32	888
Reclassification and other	-	(45)	65	-	(29)	(10)
Translation adjustments	44	71	156	24	38	334
At 31 December 2020	**(1,593)**	**(2,390)**	**(5,025)**	**(244)**	**(538)**	**(9,791)**
Depreciation expense	(266)	(36)	(1,423)	(407)	(1,712)	(3,846)
Disposals & retirements	64	16	347	150	1,462	2,039
Changes in scope	(31)	(46)	(145)	(16)	(116)	(353)
Reclassification and other	(539)	1 668	(1 439)	(176)	(1 148)	(1 634)
Translation adjustments	(72)	-	(215)	(2)	(2)	(290)
At 31 December 2021	**(2,438)**	**(787)**	**(7,900)**	**(694)**	**(2,056)**	**(13,876)**

Changes in the net carrying value of property, plant and equipment are broken down as follows:

(in € thousand)	Leasehold improvements	Office Furniture	Computer equipment	Transport equipment	Other tangible assets	**Total property, plant and equipment**
At 31 December 2020	**428**	**1 142**	**1 992**	**1 036**	**1 277**	**5 875**
Acquisitions	113	20	1 128	107	1 674	3 042
Depreciation expense	(266)	(36)	(1 423)	(407)	(1 712)	(3 846)
Disposals & retirements	(2)	(1)	(64)	(83)	(275)	(426)
Changes in scope	13	19	135	16	62	246
Reclassification and other	429	(988)	477	(55)	2 452	2 316
Translation adjustments	17	22	70	(3)	6	113
At 31 December 2021	**730**	**180**	**2 315**	**612**	**3 482**	**7 320**

"Reclassification and other" mainly correspond to the change in accounting policy on "Demo Stocks" from inventories to "other tangible assets", as detailed in *note 2.1*.

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 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 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 is presented as cash flows from financing activities, consistent with the presentation of interest payments chosen by the Group, and
- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities as cash flows from operating activities.

The Group leases offices, cars, IT and office equipment, and machinery.

Lessor accounting

Exclusive Capital sell products to its customers under financing arrangements. *See note 5.1* for revenue recognition and *note 14.2* for IFRS 9 analysis of these financing arrangements.

8.1 Right-of-use assets

The right-of-use assets are broken down as follows:

(in € thousand)	Offices	Cars	Equipment & Others	Total Right-of-use
At 31 December 2020				
Gross	28,171	5,533	661	34,364
Accumulated depreciation	(9,722)	(2,334)	(325)	(12,381)
Net carrying value	**18,449**	**3,199**	**336**	**21,984**
At 31 December 2021				
Gross	31,478	7,417	549	39,444
Accumulated depreciation	(15,728)	(4,166)	(246)	(20,140)
Net carrying value	**15,750**	**3,251**	**303**	**19,304**

Change in gross amount of right-of-use assets is broken down as follows:

Gross value Right-of-use assets *(in € thousand)*	Offices	Cars	Equipment & Others	Total Right-of-use
At 31 December 2019	**20,587**	**4,379**	**454**	**25,420**
Increase	5,911	1,667	272	7,850
Decrease	(357)	-	-	(357)
Changes in scope (1)	3,048	232	20	3,300
Translation adjustments	(648)	(67)	(15)	(729)
Leases termination	(284)	(679)	(70)	(1,033)
Other movements	(85)	-	-	(85)
At 31 December 2020	**28,171**	**5,533**	**661**	**34,364**
Increase	4,205	1,721	263	6,189
Changes in scope (2)	322	-	-	322
Translation adjustments	642	(20)	0	623
Leases termination	(1,916)	(116)	(216)	(2,248)
Other movements	55	298	(159)	194
At 31 December 2021	**31,478**	**7,417**	**549**	**39,444**

(1) Change in scope mainly resulting from Veracomp acquisition.

(2) Change in scope mainly relates to Ignition and Networks Unlimited acquisitions

Change in accumulated depreciation of right-of-use assets is broken down as follows:

Accumulated depreciation right-of-use assets *(in € thousand)*	Offices	Cars	Equipments & Others	Total Right-of-use
At 31 December 2019	**(4,780)**	**(1,444)**	**(177)**	**(6,402)**
Depreciation expenses	(5,399)	(1,590)	(224)	(7,212)
Changes in scope (1)	(152)	(11)	(2)	(164)
Translation adjustments	234	31	8	274
Leases termination	284	679	70	1,033
Other movements	91	-	-	91
At 31 December 2020	**(9,722)**	**(2,334)**	**(325)**	**(12,381)**
Depreciation expenses	(6,214)	(1,813)	(148)	(8,175)
Translation adjustments	(355)	17	1	(338)
Leases termination	577	62	159	798
Other movements	(14)	(98)	67	(45)
At 31 December 2021	**(15,728)**	**(4,166)**	**(246)**	**(20,140)**

(1) Change in scope are mainly related to Veracomp acquisition.

8.2 Lease liabilities

(in € thousand)	31 Dec 2021	31 Dec 2020
Current	7,313	7,283
Non-current	12,363	15,238
Total lease liabilities	**19,676**	**22,521**

(in € thousand)	Total liabilities
At 31 December 2019	**19,100**
Increase	7,822
Decrease in lease liabilities following rental payments	(7,255)
Changes in scope [(1)]	3,119
Translation adjustments	(376)
Other movements	111
At 31 December 2020	**22,521**
Increase	6,180
Decrease in lease liabilities following rental payments	(9,558)
Changes in scope [(2)]	354
Translation adjustments	113
Other movements	67
At 31 December 2021	**19,676**

[(1)] Change in scope are mainly related to Veracomp acquisition.
[(2)] Change in scope are mainly related to Ignition and Networks Unlimited acquisitions

The maturity analysis of lease liabilities is as follows:

(in € thousand)	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Lease liabilities by maturity	7,314	8,942	2,466	955

Undiscounted cash flows of lease liabilities:

(in € thousand)	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Undiscounted lease liabilities	7,835	9,440	2,753	1,189

8.3 Amounts recognised in the statement of income

The statement of income shows the following amounts relating to leases:

(in € thousand)	31 Dec 2021	31 Dec 2020
Depreciation of right-of-use assets (*cf. note.5.5*)	(8,154)	(7,212)
Interest on lease liabilities (included in Net financial expense)	(565)	(673)
Rental expenses (included in "other operating costs", *note 5.4*)	(2,402)	(2,023)
Expense relating to leases of low-value assets [(1)]	(482)	(76)
Expense relating to short-term leases [(1)]	(177)	(193)
Expense relating to services payments not included in lease liabilities [(1)]	(903)	(1,060)
Expense relating to taxes payments not included in lease liabilities [(1)]	(244)	(177)
Other expenses not included in lease liabilities [(1)]	(594)	(516)
Total of Rental expenses	(2,402)	(2,023)

[(1)] Related to payments that are not included in the measurement of the lease liabilities and/or that relate to IFRS 16 exemptions (short-term leases and leases of low-value assets).

The total cash outflows for leases were €11,025 thousand and €9,527 thousand in 2021 and 2020 respectively.

9 Trade receivables and other receivables

Accounting policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and are all classified as current.

Trade receivables are classified as financial assets measured at amortised cost (*see note 14*). 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.

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. 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 over a period of 60 months before the end of the period and the corresponding historical credit losses experienced within this period. As mentioned in note 1.3, the Covid pandemic has no negative impact on client payments, the number of extensions of payment terms requested by clients was limited.

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 recognise fully the transferred assets in its balance sheet. Amounts repayable under the factoring agreement are presented as financial liabilities (*see note 14*). The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The receivables items are broken down as follows:

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Trade receivables – gross	900,700	803,735
Provision for doubtful account	(8,174)	(8,286)
Total trade receivables - net amount	**892,526**	**795,449**

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Advance payments	15,400	13,348
Prepaid expenses	23,755	18,495
Tax and social security receivables	20,756	34,015
Income taxes receivables	3,834	1,089
Other receivables	3,513	1,212
Total other receivables	**67,258**	**68,158**

Total trade receivables and other receivables	**959,785**	**863,607**

As at 31 December 2021, all trade receivables, net of impairment, other receivables and prepaid expenses mature in less than one year except for €2,664 thousand with regard to Exclusive Networks Ltd (UK), which matures within 1 to 5 years (deferred revenue support services performed by Exclusive Networks Ltd (UK).

The breakdown of the nominal amount of trade receivable by age is as follows:

For the year ended 31 December 2021:

(in € thousand)	**0 days (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 + days**	**Total**
Total	716,596	129,584	27,798	26,722	900,700

For the year ended 31 December 2020:

(in € thousand)	**0 days (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 + days**	**Total**
Total	683,349	76,926	18,124	25,335	803,735

The present value of trade receivables is identical to their carrying amount.

Bad debt expense amounted to €1,854 thousand and €454 thousand for 2021 and 2020 respectively and is recognised in “Other operating expenses” (*note 5.4*).

Changes in gross amounts of trade receivables are as follows:

(in € thousand)	**Trade receivables**	**Provision for doubtful account**
At 31 December 2020	**803,735**	**(8,286)**
Increase (Decrease) (1)	105,249	490
Changes in scope (2)	18,636	(1,368)
Translation adjustments	11,798	(238)
Reclassification	(38,718)	1,228
At 31 December 2021	**900,700**	**(8,174)**

(1) Increase of trade receivables reflected increase of sales over the fourth quarter of 2021

(2) Change in scope mainly resulting from Ignition and Networks Unlimited acquisitions

Factoring programs

The Group operates several receivables factoring programs. In accordance with IFRS 9, 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.

During the year 2021, the total amount of receivables eligible for sale under several agreements reached €587.2 million, of which €551.3 million have been transferred to a factor. The related factoring fees amount to €1.1 million.

Receivables transferred but not derecognized

For two subsidiaries, Exclusive Networks SL in Spain and Exclusive Networks BV in the Netherlands, trade receivables have been transferred to factors but did not qualify for derecognition. The related factoring agreements are annual contracts that have been tacitly renewed at least over the last 3 years and with a maximum amount of €11.2 million for the Spanish contracts and €15 million for the

Netherlands one.

The factoring liability amounted to €23.1 million as at 31 December 2021.

Receivables transferred and derecognized in a new factoring arrangement

On 11 May 2021, the Group entered into a pan-European factoring program pursuant to which the receivables arising from the sales of cybersecurity solutions in several countries are sold. As at 31 December 2021, the program has only been deployed in France and Spain through a local contract. Deployments are also planned for the Netherlands, Belgium, Germany & the United Kingdom in 2022. Derecognised receivables amounted to €27.7 million as at 31 December 2021.

The main features of the French local contract include:

- a maximum funding level of €93 million from December to March and €50 million from April to November of each year. Any receivable that is transferred/financed under the program between December and March will not be de-financed in April once the maximum funding amount decreases
- an indefinite contractual term
- a termination clause of the contract at each party's discretion with a 3-month notice period and in case of stop purchase events or event of defaults.

Under this contract, the Group transfers the contractual rights to receive the cash flows of the receivables and substantially all the risks and rewards of ownership of these receivables. Consequently, transferred receivables have been derecognised.

10 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, an allowance is accounted for when the purchase price of materials and goods exceed their net realisable value. The net realisable 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 analysed as follows:

(in € thousand)	**Gross**	**Impairment**	**Net book value**
At 31 December 2019	**117,345**	**(16,375)**	**100,970**
Changes	6,998	(3,100)	3,898
Reclassification	(1,974)	766	(1,207)
Changes in scope	16,149	(1,754)	14,395
Translation adjustments	(5,494)	918	(4,577)
At 31 December 2020	**133,023**	**(19,545)**	**113,478**
Changes	34,591	546	35,137
Reclassification	(11,547)	9,056	(2,492)
Changes in scope (1)	1,246	(145)	1,101
Translation adjustments	2,770	(493)	2,277
At 31 December 2021	**160,082**	**(10,580)**	**149,502**

(1) Change in scope mainly relates to inventories that were acquired as part of Networks Unlimited acquisition.

"Reclassification" mainly corresponds to the change in accounting policy on "Demo Stocks" from inventories to "other tangible assets", as detailed in *note 2.1*.

11 Trade payables and other liabilities

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Trade account payable	789,912	677,605
Advances and down payments received	4,772	3,029
Payable to customers	15,079	12,324
Social and other tax payables	92,214	133,867
Deferred income and accruals	35,700	29,639
Other liabilities (1)	12,526	13,224
Trade payables and other liabilities	**950,204**	**869,689**

(1) As mentioned in note 3.2.1., as part of 2021 acquisitions, the Group will pay an earn out in cash by €3.1 million while a €0.9 million in relation with Nuaware acquisition in 2020 is still to be paid. As at 31 December 2020 a €4 million earn out was booked under the same line in relation with 2020 acquisitions and paid as at 30 June 2021.

As at 31 December 2021, trade payables and other liabilities mature in less than one year.

12 Operating Working Capital

		Net Working Capital	Variation				Net Working Capital
(in € thousand)	Notes	**31 Dec 2020**	**Net Working Capital - Trade**	**Translation Adjustments**	**Scope**	**Other Movements**	**31 Dec 2021**
Trade receivables and other receivables	9	**863,607**	98,220	14,259	17,755	(34,056)	**959,785**
Excluding Income taxes receivables	9	**(1,089)**	-	(81)	-	(2,665)	**(3,834)**
Trade payables and other liabilities	11	**(869,689)**	(79,752)	(15,327)	(15,862)	30,427	**(950,204)**
Inventories	10	**113,478**	35,137	2,277	1,101	(2,491)	**149,502**
TOTAL		**106,308**	53,605	1,128	2,994	(8,785)	**155,250**

Analysis of the main changes between cash flows as at 31 December 2021 and cash flows as at 31 December 2020 are summarized here below:

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**	**Variation**
Change in trade receivables and other receivables	(98,220)	(70,957)	(27,263)
Change in trade payables and other liabilities	79,752	119,053	(39,301)
Change in inventories	(35,137)	(3,898)	(31,239)
Change in Net Working Capital - Trade	**(53,605)**	**44,199**	**(97,804)**

The change in "Net Working Capital – Trade" reflects a consumption of cash of €53.6 million in 2021 compared to a generation of cash of €44.2 million in 2020, so a variation of €97.8 million. €56.0 million is explained by two one-off disbursements which shifted from 2020 to 2021 (governmental Covid support measures in the UK and a vendor payment term expansion, for a total of €28.0 million). Once these one-off normalized, the variance in "Change in Net Working Capital – Trade" is €41.8 million. Inventories increased along with the growth of activity to sustain demand in stock-building activities in the Americas and in EMEA with some vendors. In addition, as a consequence to product shortage tensions APAC created some temporary buffer inventory and some payments to resellers were temporary extended.

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 that are readily convertible into known amounts of cash and are 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*.

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Cash equivalents	521	1,522
Cash at bank	129,270	161,709
Total cash and cash equivalents	**129,791**	**163,232**
Bank overdrafts	(4,940)	(1,014)
Total Net cash and cash equivalents	**124,851**	**162,217**

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities. The cash equivalent is mainly related to short term deposits.

As at 31 December 2021 and as at 31 December 2020, there were no restricted cash.

14 Financial assets and liabilities, financial income and expenses

14.1 Financial assets (excl. derivatives)

Accounting policy

Financial assets consist of trade and other receivables (*see note 9),* guarantee deposits and loans granted to non-consolidated companies and other financial securities (*note 14.1*).

In accordance with IFRS 9, 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 amortized 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 and are therefore 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:

(in € thousand)	31 Dec 2021			31 Dec 2020		
	Non-current	Current	Total	Non-current	Current	Total
Fin. assets at amortised cost	**34,521**	**969,718**	**1,004,239**	**26,971**	**874,996**	**901,967**
Trade receivables and other receivables	-	959,785	959,785	1,665	861,942	863,607
Other financial assets:						
Exclusive Capital Finance Asset [(1)]	30,430	9,492	39,922	22,666	12,937	35,603
Guarantee deposits [(2)]	2,883	-	2,883	2,484	-	2,484
Loans	987	-	987	156	-	156
Other	220	442	662	-	117	117
Fin. assets at fair value through P&L	**-**	**-**	**-**	**-**	**653**	**653**
Other financial securities [(3)]	-	-	-	-	653	653
Total financial assets	**34,521**	**969,718**	**1,004,239**	**26,971**	**875,649**	**902,620**

(1) Exclusive Capital Finance Asset relates to IT solution systems sold through Exclusive Capital financing arrangements.
(2) Guarantee deposits relate to lease agreements on offices.
(3) Other financial securities represent Exclusive Networks SA securities hold by the Group (*see note 14.4*).

The Group's exposure to the various risks associated with financial instruments is discussed in note 19.1. 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 (excl. 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 will 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 as 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 (for more information, see *note 9.*).

Other financial liabilities, Exclusive Capital

The Group provides financing solutions to its customers through its Exclusive Capital entities. The solutions consist of finance lease agreements (usually over a three-year period) that are sold by Exclusive Capital to financial institutions together with the assets. The Group analysed sales of lease contracts to financial institutions under IFRS 9 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 recognized 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 will be paid in cash and are recorded as financial liabilities at present value of the redemption amount. Subsequent changes are recognized in equity.

These put options granted to non-controlling interests are recognized for €10,876 thousand and €12,212 thousand as at 31 December 2021 and 2020 respectively.

14.2.1. Debt by type

(in € thousand)	31 Dec 2021			31 Dec 2020		
	Non-current	Current	**Total**	Non-current	Current	**Total**
Bank borrowings	453,495	708	454,203	683,382	643	684,024
Bank overdrafts	-	4,940	4,940	-	1,014	1,014
Short-term loans	-	39,109	39,109	-	29,633	29,633
Factoring liabilities [1]	-	23,076	23,076	-	37,729	37,729
Other financial liabilities [2]	32,001	10,907	42,908	23,157	13,246	36,403
NCI put options [3]	-	10,876	10,876	-	12,212	12,212
Total financial liabilities	**485,495**	**89,617**	**575,112**	**706,538**	**94,476**	**801,015**

[1] Factoring agreement mainly in the Netherland and in Spain.
[2] As at 31 December 2021, this mainly relates to solutions specific third-party financing agreements
[3] Non-controlling interests

Details of the Group's exposure to risks arising from current and non-current borrowings (liquidity risk and interest rate risk) are set out in note 19.1.1.

The Group main borrowings relate to the senior bank debt which was reduced by €260 million due to the net proceeds of the initial public offering and to the funds flow of the new Group refinancing which occurred on 27 September 2021. The Group totally reimbursed the former senior debt raised by Everest BidCo on 4 July 2018 which was split between i) a €500 million long-term loan (Lien 1); ii) a €90 million secured revolving credit facility (RCF) and iii) a £105 million subordinated long-term loan (equivalent to €122 million at the reimbursement date).

On July 16, 2021, Everest SubBidCo entered into a new senior facilities agreement negotiated with a syndicate of international banks including Morgan Stanley, JP Morgan, Société Générale, BNP Paribas, Citibank, CA CIB, Intesa, Mizuho and Raiffeisen. The new senior facilities agreement consists of i) a term loan facility in an aggregate amount equal to €450 million which is split between a Euro tranche of €315 million and a GBP tranche of £120 million (equivalent €135m on 27 September 2021) and ii) a multicurrency revolving credit facility which total commitments (original and additional revolving facility) equals to an aggregate amount of €120 million.

The new credit facilities agreements maturity dates and interest rates are detailed below:

Credit Facilities	**Maturity date**	**Interest rates**
Facility B1 Tranche EUR €315 million	27 September 2026 (5 years after closing date)	**Euribor** 3 months (subject to a 0% floor) + a certain margin initially set at 2.50%
Facility B2 Tranche GBP £120 million	27 September 2026 (5 years after closing date)	**Sonia** (sterling overnight index average) (subject to a 0% floor) + a certain margin initially set at 2.50%
Secured Revolving Credit Facility €120 million	27 September 2026 (5 years after closing date)	**Euribor** 3 months (subject to a 0% floor) + plus a 2.0% margin

Everest SubBidCo used the new facilities B1 (€315 million) and B2 (£120 million) and the net proceeds of the initial public offering to repay to Everest BidCo the former internal company loans between Everest BidCo and its subsidiaries Exclusive Networks SAS (€209.6 million), Everest SubBidCo (€197.9 million), Exclusive France Holding (€92.5 million) and Everest UK Finco (£118.2 million). Thus, Everest BidCo could reimburse the former senior debts (Lien 1, Lien 2 and RCF). In return, Everest SubBidCo has contracted new internal company loans with Exclusive Networks SAS (€209.6

million), Exclusive France Holding (€92,5 million), Exclusive Networks BV (€79.8 million) and Everest UK Finco (£105.0 million).

The new revolving credit facility for an initial amount of €120 million is intended to finance external growth transactions and working capital needs. The revolving credit facility was used up to €22 million for the financing of working capital. It was entirely repaid at the end of December 2021.

Bank borrowings' split between floating and fixed interest rates is detailed below:

(in € thousand)	**Currency**	**Interest rate 2021**	**31 Dec 2021 [1]**
Bank Borrowings at floating rates			
Term Loan Facility B1 at 3-months Euribor	EUR	2.50%	309,536
Term Loan Facility B2 at 3-months Sonia	GBP	2.50%	141,441
Secured revolving credit facility	EUR	2.00%	-
Bank Borrowings at fixed rates			**450,977**
BPI Loan	EUR	**1.05%**	2,768
Other		**-**	458
Total Bank Borrowings			**454,203**

[1] Including set-up fees for senior debt and subordinated debt of €6.8 million in 2021.

As at December 2021, the floating-rate debt (facility B1 and facility B2) have not been hedged by derivative instruments like swaps and cap.

14.2.2. Change in debt

(in € thousand)	**31 Dec 2020**	**Cash**		**Non-cash**		**31 Dec 2021**
		Increase	**Decrease**	**Change in scope**	**Other**	
Bank Borrowings	684,024	450,649	(693,342)	-	12,872	454,203
Bank overdrafts	1,014	3,788	-	-	138	4,940
Short-term loans	29,632	62,589	(57,121)	3,059	950	39,109
Factoring liabilities	37,729	12,009	-	-	(26,661)	23,076
Other financial liabilities	36,403	24,114	(16,822)	-	(788)	42,908
NCI put options	12,212	-	(1,336)	-	-	10,876
Total financial liabilities	**801,015**	**553,150**	**(768,621)**	**3,059**	**(13,490)**	**575,112**

14.2.3. Debt by maturity date

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Bank Borrowings Less than 1 year	710	643
Bank Overdrafts	4,940	1,014
Short-term loans	39,109	29,633
Factoring liabilities	23,076	37,729
Other financial liabilities	10,906	13,246
NCI put options	10,876	12,212
Less than 1 year	**89,617**	**94,476**
Bank Borrowings 1 to 5 years	453,493	567,041
Other financial liabilities	32,002	23,157
1 to 5 years	**485,495**	**590,198**
Bank Borrowings more than 5 years	-	116,340
More than 5 years	**-**	**116,340**
Total financial liabilities	**575,112**	**801,015**

14.2.4. Financial covenants

The senior facilities agreement dated 16 July 2021, contains a financial covenant for the benefit of the lenders of the Facility B and the Secured Revolving Credit Facility. To comply with this financial covenant, the Group must do a test at each financial half year period or on twelve consecutive months ending period.
This test determines whether the total Net Debt of the Group exceeds 4.75:1 of the consolidated pro forma EBITDA. The leverage is reduced to 4.00:1 on 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 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 minority 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 investments held by members of the Group.

14.2.5. 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 € thousand)	**31 Dec 2021**	**31 Dec 2020**
Bank borrowings	454,203	684,024
Short-term loans	39,109	29,633
Factoring liabilities	23,076	37,729
Financial Gross Debt (A)	**516,388**	**751,386**
Cash equivalents	(521)	(1,522)
Cash at bank	(129,270)	(161,709)
Bank overdraft	4,940	1,014
Net Cash and cash equivalents (B)	**(124,851)**	**(162,217)**
Net Debt (A) - (B)	**391,537**	**589,169**

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 rate 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 or in Other Comprehensive Income.

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. The Group does not currently hedge its net investment in foreign operations.

All derivatives of the Group are designated as hedging instruments.

Changes in fair value are presented in the statement of income in operating income for the hedging of foreign currency on purchases and in Other Comprehensive Income for the hedging of interest rates on financial debt.

Items hedged in a fair value hedge relationship are revalued according to the hedged risks (interest rate or foreign exchange) through the income statement to offset the change in value of the hedging derivatives.

Refer to note 19.1 for more details about the Group's risk management strategy.

14.3.1. Foreign exchange hedging instruments

To hedge against foreign exchange risk, (mainly purchases denominated in US dollar made by a large number of Group's subsidiaries), the Group holds forward currency purchase contracts that qualify as fair value hedge. On 31 December 2021, the outstanding currency hedging position on USD was as follows:

- Nominal value of forward purchase contracts: $373,787 thousand.
- Nature of the hedged items: dollar-denominated purchases of goods and services
- Fair value of the contracts at the foreign exchange rate of 31 December 2021: unrealised gain of €444 thousand (net position).
- Maturity of the contracts staggered between January and July 2022

14.3.2. Interest rate hedging instruments

Under the former refinancing of 4 July 2018, the Group entered into two standard interest rate derivative (cap) contracts that qualify as cash flow hedge. These interest rate derivatives were used to convert a part of the debt contracted at a variable rate to a fixed rate, when the Euribor and Libor variable rates exceed 1.25% and 1.75% respectively. These derivative contracts were terminated on 27 September 2021 when the debts were reimbursed.

Under the new refinancing of 27 September 2021, the Group has contracted two Term Loans of €315 million indexed on Euribor 3 months and £120 million indexed on Sonia. As at 31 December 2021, these two term loans have not been hedged.

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, *see note 13.5*), such as Exclusive Network's 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 Dec 2021			31 Dec 2020		
(in € thousand)	Fair value assets	Fair value liabilities	Nominal amount	Fair value assets	Fair value liabilities	Nominal amount
Fair value hedges	**2,560**	**2,116**	**339,809**	**56**	**5,736**	**232,063**
Currency hedges	2,560	2,116	339,809	56	5,736	232,063
Cash flow hedges	**-**	**-**	**-**	**-**	**-**	**320,522**
Interest rate hedges	-	-	-	-	-	320,522
Total	**2,560**	**2,116**	**339,809**	**56**	**5,736**	**552,585**

14.4 Financial income and expenses

(in € thousand)	31 Dec 2021	31 Dec 2020
Financial debt costs (A)	**(27,982)**	**(34,232)**
Interest expense on lease liabilities (B)	**(565)**	**(673)**
Other Financial Income and expense (C)	**(10,245)**	**(3,791)**
Net interest expense on retirement benefit plans	(35)	(52)
Unrealised Foreign Exchange gains & loss	1,924	(4,043)
Other financial expenses	(12,737)	(100)
Other financial income	604	401
Net financial expense (A)+ (B)+ (C)	**(38,792)**	**(38,695)**

Financial expenses mainly include interest expense on borrowings, interest expense on lease labilities in the scope of IFRS 16 (*see note 8*) and other financial expenses (including financial expense related to retirement benefit plans, fair value changes on derivatives, factoring expenses, commitment fees, debt restructuring and unrealised and realised foreign exchange gains and losses).

Other financial expenses mainly include €11.2 million of financial expenses resulting from the derecognition of unamortised set-up fees incurred at commencement of the former senior bank debt.

The Group has used factoring agreements to assign some of its receivables. These factoring programs allows the Group to benefit from shortened payment terms, thus the cost associated (about €1.1 million).

Interest expenses on borrowings and similar mainly correspond to interests on:

- the former senior bank debt of €500,000 thousand bearing interests at the 3-month Euribor (floor at 0%) plus a margin of 3.25%, which was terminated on 27 September 2021;
- the former subordinated rank bank debt of £105,000 thousand, bearing interest at the 3-month Libor (with a floor of 1%) plus a margin of 7.5% which was terminated on 27 September 2021;
- the drawdown of the former revolving credit facility bearing interest at the 3-month Euribor plus a margin of 2.25%, which was terminated on 27 September 2021
- the new senior bank debt of €315,000 thousand bearing interest at the 3-month Euribor (floor at 0%) plus a margin of 2.50%, which started on 27 September 2021;
- the new senior bank debt of £120,000 thousand bearing interest at Sonia on a 3-month period (floor at 0%) plus a margin of 2.50%, which started on 27 September 2021;
- the drawdown of the new revolving credit facility bearing interest at the 3-month Euribor plus a margin of 2%, which started on 27 September 2021

14.5 Fair value of financial assets and liabilities

This table 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.

		31 Dec 2021			**31 Dec 2020**		
(in € thousand)	Classification under IFRS 9	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value		**-**	**-**	**-**	**-**	**653**	**-**
Other financial securities*	FVPL [1]	-	-	-	-	653	-
Derivatives – Assets		**-**	**2,560**	**-**	**-**	**56**	**-**
Currency	FVPL [1]	-	2,560	-	-	56	-
Interest rate	FVOCI[2]	-	-	-	-	-	-
Derivatives – Liabilities		-	**2,116**	**-**	-	**5,736**	**-**
Currency	FVPL [1]	-	2,116	-	-	5,736	-

[1] "FVPL" stands for "fair value through profit or loss".
[2] "FVOCI" stands for "fair value through other comprehensive income".

15 Equity and earning per share

15.1 Share capital

In connection with the change in control of the Exclusive France Holding (EFH) Group, which occurred in July 2018, Everest HoldCo SAS's share capital was increased by means of both contributions in cash and contributions in kind.

Before the completion of the IPO, these capital contributions resulted in the creation of 731,712,944 shares with a nominal value of one euro cent each, totalling €7,317 thousand of share capital, €733,082 of share premiums, for a total amount of €740,399 thousand.

After the legal reorganization, the change in capital structure and the IPO completion, share capital in terms of number of shares are down as follows:

(in number of shares)	**Ordinary shares (OS)**	**Preferred shares 1 (PS 1)**	**Preferred shares 2 (PS 2)**	**Preferred shares 3 (PS 3)**	**Preferred shares 4 (PS 4)**	**Total**
At 31 December 2020	119,262,598	42,649,455	341,880,574	227,920,316	1	731,712,944
Capital increase	2	9	2	4	7	24
Shares before reverse stock split	119,262,600	42,649,464	341,880,576	227,920,320	8	731,712,968
Reverse stock split (ratio 8:1)	**14,907,825**	**5,331,183**	**42,735,072**	**28,490,040**	**1**	**91,464,121**
Merger by absorption of EM Networks 1 and EM Networks 2	6,235,803	(4,308,362)	-	-	-	1,927,441
Conversion of the preferred shares into Ordinary shares	57,332,913	(1,022,821)	(42,735,072)	(28,490,040)	(1)	(14,915,021)
Initial Public Offering	13,000,000	-	-	-	-	13,000,000
At 31 December 2021	**91,476,541**	**-**	**-**	**-**	**-**	**91,476,541**

<u>Change in share capital in euros over the year:</u>

Date	**Type of transaction**	**Amount of the share capital (before transaction) - in Euros**	**Amount of the share capital (after transaction) - in Euros**
13 September 2021	Share capital increases of the Company for an aggregate nominal amount of €0.24	7,317,129.44	**7,317,130**
13 September 2021	Reverse stock split (ratio 8:1)	7,317,130	**7,317,130**
23 September 2021	Merger by absorption of EM Networks 1 and EM Networks 2	7,317,130	**7,471,325**
23 September 2021	Initial Public Offering	7,471,325	**6,278,123**

The share capital is fully paid-up.

Before the IPO, some of the Group's managers have invested through management entities EM Networks 1 in Preferred shares 1 (34 466 809 shares) and through EM Networks 2 in ordinary shares (29 262 606 shares) issued by Everest HoldCo SAS. The shares were acquired by managers at fair value.

As a result of the IPO, these managers are now holders of ordinary shares of Exclusive Networks SA.

15.2 Preferred shares

Prior to the IPO, preferred shares 3 were shares with a cumulative annual fixed priority return of 10% of subscription price investment. Ordinary shares as well as PS1, PS2 & PS4 were equity instruments that were subordinated to PS3 equally.

As part of the IPO process, all preferred shares were converted into ordinary shares.

15.3 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. The total amount of cash transferred to Parel with respect to this agreement was €500 thousand.

As at 31 December 2021, an amount of €99 thousand was invested in EXN's treasury shares and the cash balance amounted to €401 thousand.

Self-owned treasury shares have been eliminated from Group's equity in accordance with IAS32§33.

15.4 Non-controlling interests

As mentioned in *note 14.2*, 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.

In accordance with IAS 32 Financial Instruments 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.

The Group also acquired non-controlling interests as part of these put options which had the effect of decreasing the put option liabilities.

As mentioned in *note 3.2*, transactions with non-controlling interests that do not result in a gain or loss of control and not subject to a put option are accounted for as equity transactions. In other words, 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.

As at 31 December 2021 and 2020, the non-controlling interests of €2.1 and €1.3 million consist mainly in the non- controlling interests in Thailand (€1.3 million in 2020 and 2021) and in the Ignition Technology acquired in July 2021 (€ 0.5 million)"

15.5 Earnings per share

Accounting policy

Basic earnings per share is calculated by dividing attributable profit for the period by the weighted average number of ordinary shares outstanding during the year. The average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year.

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 (options, warrants and convertible bonds, etc.).

As at 31 December 2021, all IPO pre-existing PS1, PS2, PS3 and PS4 shares have been converted into Exclusive Networks S.A. ordinary shares.

	31 Dec 2021	31 Dec 2020
Profit (loss) for the period attributable to owners of the parent company *(in € thousand)*	(13,552)	2,169
After tax PS3 preference dividend *(in € thousand)*	-	(26,307)
Profit (loss) for the period attributable to owners of the parent company for earning per share calculation *(in € thousand)*	(13,552)	(24,139)
Weighted average number of ordinary shares and similar	91,472,031	503,792,628
Basic earnings per share (in €)	(0.15)	(0.05)
Profit (loss) for the period attributable to owners of the parent company for diluted earnings per share calculation *(in € thousand)*	(13,552)	(24,139)
Weighted average number of ordinary shares (diluted) [1]	91,581,666	503,792,628
Diluted earnings per share (in €)	(0.14)	(0.05)

[1] Dilution effect is coming from the free ordinary shares programs (*see note 18*) increasing the weighted average number of ordinary shares.

In units of shares	**Units of shares**	**Unit of shares after dilution**
Number of ordinary shares as of 1st January 2021 (pro forma*)	91,464,097	91,464,097
Merger by absorption of EM Networks 1 and EM Networks 2	1,927,441	1,927,441
Conversion of the preferred shares into Ordinary shares	(14,915,021)	(14,915,021)
Initial Public Offering	**13,000,000**	**13,000,000**
Number of ordinary shares outstanding as of 31 December 2021	**91,476,517**	**91,476,517**
Weighted average ordinary shares outstanding before dilution as of 31 December 2021	91,472,031	91,472,031
Weighted average self-owned treasury shares outstanding in 2021 (Self-owned treasury shares as of 31 December 2021: 5,391)	2,971	2,971
Dilutive instruments: Free Shares		**112,606**
Weighted average shares outstanding after dilution as of 31 December 2021	**91,469,060**	**91,581,666**

** Application of a parity of 1 share after the I.P.O as at 27 September 2021 for 8 shares prior to the IPO*

16 Provisions

Accounting policy

Provisions are intended to cover probable outflows of resources whose maturity or amount is not precisely set. They mainly relate to litigation, personnel costs and post-employment benefit arrangements.

The estimation of the provision is based on the most likely assumptions or by using statistical methods, depending on the nature of the risks.

Provisions are recorded either as non-current or current provisions, depending on their timing of settlement. 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.

16.1 Detail of provisions

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
Provisions for contingencies	1,503	1,503
Provisions for pensions and other employee benefits	19	-
Current provisions	**1,523**	**1,503**
Provisions for contingencies	414	836
Provisions for pensions and other employee benefits	3,185	2,425
Non-current provisions	**3,599**	**3,261**
Total provisions	**5,122**	**4,764**

See note 17 for more details on defined benefit obligations.

16.2 Changes in provisions for contingencies

The changes in provisions are broken down as follows:

(in € thousand)	**31 Dec 2021**	**31 Dec 2020**
At the beginning of the period	**2,339**	**1,179**
Increases	365	1,089
Reversals	(528)	(663)
Changes in scope	78	823
Reclassification (1)	(452)	-
Translation adjustments	115	(89)
Ant the end of the period	**1,917**	**2,339**

(1) Upon reception of the actuarial, some provisions have been reclassified to pension provisions

17 Employee benefit obligation

Accounting policy

The Group operates pension and other employee benefit schemes depending on local legislation and regulations. The actuarial assumptions used to calculate these obligations take into account 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 balance sheet and measured using the projected unit credit method. The main assumptions are presented below.

The expense recorded in the income statement includes:

- 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 5.4*), the third is presented within Net financial result (*see note 14.4*).

Actuarial gains and losses for experience, demographic and financial assumptions are recorded in other comprehensive income.

Group pensions and other employee benefit schemes mainly relate to France, Italy, Poland, Indonesia, Dubaï and Thailand.

The main assumptions in 2020 were as follows:

31 Dec 2020	France	Italy	Indonesia	Thailand	Poland
Discount rate	1.45%	0.34%	7.25%	1.97%	2%
Salary increment rate	2%	2.10%	8%	5%	N/A
Normal retirement age	65	First requirement coming for the AGO [1] retirement	55	60	N/A

[1] *Assicurazione Generale Obbligatoria* "General Compulsory Insurance Scheme"

The main assumptions in 2021 are as follows:

31 Dec 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"

Fluctuations of the period are as follows:

(in € thousand)	**Net book value**
Defined benefit obligation at December 31, 2019	**2,026**
Service cost	142
Interest cost	52
Benefit paid	(256)
Actuarial (gains)/losses for experience adjustments	5
Actuarial (gains)/losses for demographics assumptions	2
Actuarial (gains)/losses for financial assumptions	38
Translation adjustments	(4)
Change in scope	419
Defined benefit obligation at 31 December 2020	**2,425**
Service cost	430
Interest cost	35
Benefit paid	(335)
Actuarial (gains)/losses for experience adjustments	(113)
Actuarial (gains)/losses for demographics assumptions	(4)
Actuarial (gains)/losses for financial assumptions	(135)
Translation adjustments	1
Reclassification	805
Other	76
Defined benefit obligation at 31 December 2021	**3,185**

The liability corresponding to the Group's defined benefit obligation in respect of its employees is recorded in the balance sheet as a non-current provision and employee benefit obligation for €3,185 thousand in 2021 and €2,425 thousand in 2020.

18 Share-based payment

Accounting policy

IFRS 2 provides for operating expenses to be recognized for services acquired in exchange for equity instruments. These services are measured at fair value of the instruments granted.

All the share-based plans granted to some members of the Group personnel are in the form of instruments settled in shares (the company has no obligation to settle these plans in cash); the counterparty of the expense is then offset in shareholders' equity. 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 Everest HoldCo SAS or indirectly through the holding of shares of EM Networks 1 ("EM N1") and EM Networks 2 ("EM N2") that were shareholders of Everest HoldCo SAS and hold 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 SA.

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 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 S.A.

Free ordinary shares

Free ordinary shares granted in June 2021 are measured at the grant date fair value of the ordinary shares of Everest HoldCo SAS, using a Monte Carlo option model. The vesting period of these instruments ends as at 30 June 2022.

Call option 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, using a Monte Carlo option model. 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 is no call option plans anymore.

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 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 2021 are set out in the tables below:

(in thousand of shares)	Outstanding as at 1 January 2021	Rights issued	Rights exercised	Rights forfeited	Outstanding as at 31 December 2021
Free ordinary shares		1,550,000	-	-	1,550,000
Call options EM N1		2,098,223	2,098,223	-	-
Call options EM N2		2,742,177	2,742,177	-	-

Rights reported above correspond to the amount prior to the Reverse stock split of all issued shares of the Company, the par value of all the outstanding shares of the Company being increased from €0.01 to €0.08, 8 existing ordinary shares being grouped into 1 ordinary share.

18.2 Fair value measurement of instruments

Call options

A total of options for 2,098,223 for EM N1 shares at an exercise price of €1 per share and options for 2,742,177 for EM N2 shares at an exercise price of €0.83 per share has been granted on May 2021.

The features of the call options are set out in the table below:

Types of instruments	Grant date	Expected vesting date	Maximum vesting period	Number of options	Exercise Price	Value of underlying Share (in €)	Value of the instrument (in €)
EM N1 call options	May 11, 2021	Sept 15, 2021	7 years	2,098,223	1.00	1.06	0.23
EM N2 call options	May 11, 2021	Sept 15, 2021	7 years	2,742,177	0.83	1.18	0.41

These options have been fully exercised in the course of the IPO. A premium of a total amount of €217.8 thousand was paid by the beneficiaries in exchange for call options. As at 31 December 2021, there is no call option plans anymore.

Free shares

The features of the free shares are set out in the table below:

Types of instruments	Grant date	Expected vesting date	Maximum vesting period		Number of options	Value of underlying Share (in €)	Value of the instrument (in €)
Free Ordinary shares	June 30, 2021	June 30, 2022	7 years	Before the reverse stock split	1,550,000	1.18	1.18
				After the reverse stock split	193,750	9.48	9.48

The vesting period for beneficiaries' free shares is one year from the date on which they are granted following the Shareholders meeting. On 30 June 2021, the shareholders approved a capital increase of up to 7,000,000 shares and the grant of 1,550,000 free shares to some members of the management.

As a consequence of the reverse stock split, the maximum number of shares to be issued under the free share plan is now equal to 875,000 of which 193,750 ordinary shares of a nominal value of 0.08 euro per share have already been granted.

The conditions for granting these free shares are set by the Shareholders.

Purchase of EM N1 & EM N2 shares

Managers and employees were proposed and invested in the following instruments.

Types of shares	Acquisition date	Acquisition price (in €)	Number of shares acquired	Estimated value under IFRS 2 (in €)
EM N1	April/May 2021	1.05	5,217,253	1.06
EM N2	April/May 2021	1.00	934,844	1.18

In the course of the IPO, the EM N1 and EM N2 shares were converted in Exclusive Networks SA shares.

18.3 Impacts of IFRS 2 in the financial statements

An expense of €2,776 thousand for share-based plans was recognized as at 31 December 2021 in personnel costs (*see note* 5.3) and the counterpart was recorded in equity.

19 Other information

19.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including liquidity, interest rate, foreign exchange, and credit risk.

The Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Group's the financial performance.

The Group's risk management system is predominantly supervised by a central treasury department (Group Treasury) which identifies, evaluates and hedges financial risks in close co-operation with the Group's entities. Financial risk management within the Group is governed by policies approved by key management personnel. It provides principles for overall risk management as well as policies covering specific areas such as interest rate risk, foreign exchange risk, credit risk, the use of derivative financial instruments and the investment of cash.

Where all relevant criteria are met, hedge accounting is applied to align the accounting treatments between the hedging instrument and the hedged item. This effectively involves recognising interest expense at a fixed interest rate for the hedged floating rate financings and purchases at the hedged foreign currency rate.

The Group does not enter into derivatives or other financial transactions which are unrelated to its business needs or for speculative purposes.

19.1.1. Interest rate risk

Interest rate risk mainly includes the risk of fluctuations in cash flows relating to floating- rate debt, which is partly linked to Euribor and Sonia indices and which can impact financial net results.

The interest rate risk management policy is centralised. Group Treasury is informed of any proposed new financing facility and, after review, gives or not its approval to the subsidiaries.

As at 31 December 2021, the Group had €513 million of floating-rate gross debt outstanding and €16 million of fixed-rate gross debt outstanding. The largest portion of floating-rate debt relates to a Term Loan Facility of €315 million (Facility B 1) bearing interest at the 3-months Euribor (with a floor of 0%) plus a 2.50% margin and a long-term loan of £120m (Facility B 2) bearing interest at Sonia plus a 2.50% margin.

As at 31 December 2021, there is no hedge on the interest rate risk of the two term loans of €315 million and £120 million.

19.1.2. Foreign exchange risk

Currency transaction risk is the risk of an unfavourable change in exchange rates having an adverse effect on cash flows on operating transactions denominated in foreign currency.

The Group is exposed to foreign exchange transaction risk. A significant portion of its purchases is denominated in US dollar while its sales are mainly denominated in local currency. Therefore, the subsidiaries are exposed to fluctuations in the US dollar which can have negative effects on their operating margin.

According to the Group's policy and when not limited by local laws and regulations, the subsidiaries must hedge all their US dollar exposures after review and approval by Group Treasury. The subsidiaries aggregate all the US dollar exposures on confirmed transactions (receivables and payables) and report them to the Group Treasury at least once a month. Group Treasury validates the nominal and the time horizon of the exposures and gives its approval for hedging operations. The subsidiaries only trade forward contracts whose maturities rarely exceed three months. They trade only with top-ranking banking institutions. They do not use derivative instruments for speculative purposes (*see note 14.3*).

The Group is also exposed to translation risk which concerns all the subsidiaries outside the eurozone (such as the United States of America, United Kingdom, Sweden, Denmark, Turkey, United Arab Emirates) whose functional currency is different from the consolidated Group's functional currency, which is the euro. In the consolidated financial statements, the contribution of these foreign subsidiaries to net assets and to the profit, translated into euros, may be significantly reduced due to currency fluctuations. So far, the Group has not implemented hedging solutions to mitigate its currency translation risk, except for debt of £120 million, to partly offset the fluctuation of the net assets denominated in pounds sterling.

Most forward contracts have short maturities of around three months as the Group does not hedge highly probable operating transactions but only firm commitments. These hedging transactions qualify for fair value hedge accounting.

The net notional amount of derivatives instruments hedging main currencies and the pertaining mark-to-market are further detailed hereafter:

(in € thousand)	**Nominal**		**Market value**	
	31 Dec 2021	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**
USD/AUD	24,892	16,091	(107)	(773)
USD/EUR	217,222	168,054	1,077	(3,304)
USD/GBP	34,213	20,312	(170)	(561)
USD/NOK	5,871	5,480	(89)	(292)
USD/SEK	12,811	8,149	12	(367)
USD/PLN	11,478		(99)	
Other Currencies	33,320	13,976	(179)	(383)
Total	**339,809**	**232,063**	**445**	**(5,680)**

At 31 December 2021 and 2020, 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 US dollars on the mark-to-market value of the forward currency contracts:

Currency of exposure (in € million equivalent)	**31 Dec 2021**	**31 Dec 2020**(1)

	Decrease of 10%	Increase of 10%	Decrease of 10%	Increase of 10%
EUR	24	(20)	18	(15)
GBP	4	(3)	2	(2)
AUD	3	(2)	2	(1)
Other Currencies	6	(5)	3	(3)
Total P&L impact	**37**	**(30)**	**26**	**(21)**

(1) Please note that 2020 exposures are hereby correctly reported for their relevant year.

These forward currency contracts and the hedged items typically have maturities of around three months. As these instruments are hedging account payables denominated in US dollar, the same decrease and increase fluctuation would have an opposite impact on the underlying producing zero impact on the net profit.

19.1.3. Credit risk

Credit risk with respect to financial activities

The Group works with several financial institutions to manage its cash surpluses and to trade derivatives for hedging interest rate and foreign exchange risks. The Group is exposed to the credit risk, especially with banking counterparties. The failure of these counterparties to comply with one or more of their commitments could adversely affect the Group's financial situation.

To limit the counterparty risk with financial institutions, the Group's policy aims at reducing the number of banks and bank accounts. When it is possible, the Group stops the relationship with ancillary banks and focuses on the centralization of the financial risks with a limited number of core banks which have credit ratings at least in the BBB+ category; which have a strong international presence and which can provide financing either at Group level or at the subsidiaries' level.

Credit risk on cash & cash equivalents: due to historically low and significantly negative interest rates on Euro investments, the Group's policy is to minimize its cash position in order to reduce its debt and optimize its financial expenses. The cash excess remains on the bank accounts of the counterparties that finance the Group. It is not invested in short-term money market funds except in Turkey where cash deposits in US dollar does not exceed 30 days.

Exposure related to cash & cash equivalent

Counterparty rating (Standard & Poor's)		
(as percentage of the total cash and cash equivalent as at 31 December)	**31 Dec 2021**	**31 Dec 2020**
[AAA - A-]	86.53%	85.50%
[BBB+ - BBB-]	5.20%	9.70%
[BB+ - B-]	6.56%	3.60%
Unrated	1.71%	1.20%

Credit risk with respect to operating activities

The Group is exposed to default risk from customers to which it sells cybersecurity solutions. *See note 14.*

Credit risk in the Covid context

See note 1.

19.1.4. Liquidity risk

Liquidity risk is the risk that the Group be unable to settle its financial liabilities when they fall due. 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.

The Group needs available liquidity to finance: the growth of its business (working capital and day-to-day operations), specific projects like a new Group ERP, new activities like Exclusive On Demand and acquisitions. The Group can access liquidity mainly through the cash flow from operating activities, factoring solutions contracted with financial institutions, short-term and long-term bank overdrafts and credit facilities.
As at 31 December 2021, the Group's available liquidity amounts to €323 million (130 million cash equivalent and €193 million of undrawn credit lines to secure its liquidity). The financial gross debt amounts to €575 million and includes confirmed financings for a total amount of €458 million (Senior debt of €315 million, Subordinated debt of €143 million) and unconfirmed bilateral financing for a total amount of €117 million which can be terminated unilaterally by the credit institutions in delays which generally do not exceed 60 days.
The Group is exposed to a risk of liquidity in case of its financial resources are not sufficient to meet its contractual commitments. This risk of liquidity is mitigated by the regularity of the cash flows generated by the Group and is also reduced by a financing policy based on the following principles:

Cash centralization

The Group manages its available cash balances prudently and has set up cash management agreements in 27 countries in which it operates and where local regulations allow it to do so. These agreements are designed to optimize and facilitate the daily physical transfer of cash to the central treasury entity, Everest SubBidCo SAS. The Group has also been implementing automatic cash pooling (ZBA) solutions with the subsidiaries of the following countries: France, Germany, Belgium, Spain, Austria and keeps on implementing this solution in the year 2022 with plans in the USA, the Netherlands, Great Britain, Czech Republic and Slovakia.

Diversification of the financing solutions

The Group manages liquidity risk by constantly monitoring the duration of its financing arrangements, the permanence of its available credit facilities, and the diversification of its creditors and of its financing solutions (overdrafts, loans, factoring, receivable financing).

Maintaining undrawn credit lines

The Group keeps a permanent and significant buffer of undrawn credit lines to secure its liquidity. The undrawn credit lines amount respectively to €66.2 million on 31 December 2020 and to €193 million on 31 December 2021.

Weekly liquidity monitoring

In the context of the crisis stemming from Covid-19 epidemic, the Group immediately made liquidity monitoring a priority. This resulted in the follow-up of weekly cash and debt positions, by the regular review of the functioning of the Finance back office of the subsidiaries (invoicing, collections, payments, suppliers) and by a weekly update on the situation of the financial markets at the Group level.

19.2 Off-balance sheet commitments

As at 31 December 2021, the Group had not entered into any commitments likely to have a significant effect on its current or future financial position other than those mentioned in this note.

19.2.1. Off-balance sheet commitments related to operating activities

19.2.1.1. Guarantees granted in the course of business

Exclusive Networks SAS, Veracomp Poland, Exclusive Networks Asia and Everest SubbidCo grant corporate guarantees to certain vendors in connection with the balance/account payable related to purchases made by all Group entities at the end of the reporting period. This guarantee amounted to €204,916 thousand as at 31 December 2021.

19.2.1.2. Guarantees given to lessors under rental agreements entered into by subsidiaries

Guarantees given to lessors under rental agreements entered into by subsidiaries amounted to €516 thousand as at 31 December 2021.

19.2.2. Off-balance sheet commitments related to the scope of consolidation

19.2.2.1. Asset and liability commitments received in connection with acquisitions

Liabilities guarantees are received from sellers as part of acquisitions and amounted to €66,815 thousand as at 31 December 2021.

19.2.3. Off-balance sheet commitments related to financing activities

19.2.3.1. Securities granted on assets

As part of the debt refinancing on 27 September 2021, the following securities were given by Exclusive Networks SA and its subsidiaries:

- Security (limited recourse) over shares in Everest SubBidCo SAS granted by Exclusive Networks SA
- Security (limited recourse) over receivables owed to Exclusive Networks SA by Everest SubBidCo SAS
- Security over the shares in Exclusive Networks Limited (UK) granted by Exclusive Networks SAS
- Security (limited recourse) over shares in Everest UK Finco Limited granted by Exclusive Networks SA
- Security (limited recourse) over receivables owed to Exclusive Networks SA by Everest UK Finco Limited
- Security over the shares in Exclusive Networks BV (the Netherlands) granted by Exclusive Networks Belux (Belgium)
-

19.2.3.2. Financing commitments given

Refers to guarantees given to banks in consideration or short-term loans granted to subsidiaries: opening of credit lines of €179,759 thousand (none of which was used as at 31 December 2021)

19.2.3.3. Financing commitments received

Refers to commitments received on short term line of credits:

- Commitments received from banks for confirmation of lines of credit for €178,785 thousand (of which €130,115 thousand were not used as at 31 December 2021)
- Commitments received from factoring companies for confirmation of factoring lines for €186,032 thousand maximum (of which €133,455 thousand were not used as at 31 December 2021).

- Commitments received from clients for €3,187 thousand (not used as at 31 December 2021)

19.3 Statutory Auditors' fees

The following table shows the amount of fees of the Statutory Auditors of the parent company and their partner firms in respect of the fully consolidated subsidiaries.

(in € thousand)	**Deloitte**				**Mazars**				**Others**				**Total**	
	Amounts		*% of total*		**Amounts**		*% of total*		**Amounts**		*% of total*			
	2021	**2020**	*2021*	*2020*	**2021**	**2020**	*2021*	*2020*	**2021**	**2020**	*2021*	*2020*	**2021**	**2020**
Statutory audit fees, certification, auditing of the accounts	1,173	752	*58%*	*63%*	779	-	*38%*	*0%*	78	447	*4%*	*37%*	2,030	1,199
o/w issuer[(1)]	378	215	*50%*	*95%*	378	-	*50%*	*0%*	-	11	*0%*	*5%*	756	226
Other services rendered by auditors' networks	1,794	-	*65%*	*0%*	975	-	*35%*	*0%*	-	14	*0%*	*100%*	2,769	14
Total	2,967	752	*62%*	*62%*	1,754	-	*37%*	*0%*	78	461	*2%*	*38%*	4,799	1,213

(1) Exclusive Networks SA.

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 2021 the Group is controlled by the following entities:

Name	Ownership interest in 2021
Everest UK HoldCo Limited (UK) [(1)]	57.40%
HTIVB [(2)]	13.10%
Executives and managers (Including the Selling Managers)	9.20%
Free-float [(3)]	20.30%

(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, Parent party (the Group's ultimate parent and controlling party) is controlled by Permira Limited.

19.4.2. Transactions with related parties

For the Group, related parties within the definition of IAS 24 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.

	31 Dec 2021			31 Dec 2020			
(in € thousand)	Key Manager	HTIVB	**Total**	PERMIRA ADVISERS LTD (GBR)	HTIVB	EM N1	**Total**
Consolidated Statement of income							
Recharged expenses	-	-	**-**	26	-		**26**
Sales of assets		12	**12**				
Interest income	24	-	**24**				
Management fees	-	-	**-**	-	816		**816**
Total	**24**	**12**	**36**	**26**	**816**		**842**
Consolidated Statement of financial position	**-**	**-**	**-**	**-**	**-**		**-**
Financial securities			**-**			652	**652**
Loan granted	907	-	**907**				
Management fees	-	-	**-**	-	192		**192**
Total	**907**	**-**	**907**	**-**	**192**	**652**	**844**

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 SAS.

In the course of the IPO reorganization process, Exclusive Networks SA acquired shares of EM N1 and EM N2 from Everest UK HoldCo Limited (UK) for the purpose of reselling them to key manager as described in *note 18*.

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. At closing date, this loan amounts to €907 thousand.

19.4.3. Key management personnel compensation

Detailed compensation disclosures are provided in the remuneration report in note 5.3 Personnel costs. The key management personnel are the members of the Executive Committee.

In 2021, the compensation was mainly impacted by the expansion of the Executive Committee Team, the implementation of share-based payments as detailed in note 18 and one-off bonuses in relation to the IPO.

(in € thousand)	31 Dec 2021	31 Dec 2020
Short-term benefits excluding employer's social security contributions	5,036	3,358
Short-term benefits: employer's social security contributions	1,250	629
Share-based payment benefits	2,001	-
Total key management compensation	**8,287**	**3,987**

19.5 Subsequent events

Long-term incentive plan ("LTIP")

In January 2022 an LTIP was approved by the Board of Directors and will apply to a select number of seniors executives and employees, both at central and local levels.

Ukraine Conflict

Following ESMA's (European Securities and Market Authority) recommendations subsequently relayed by the AMF (Autorité des Marchés Financiers), the French market authority, the Group confirms that its exposure to the conflict in Ukraine is very limited, the Group having neither revenue from nor employee in Russia and Gross Sales less than €1 million and no employee in Ukraine. The Group does not work with any Russian or Ukrainian reseller or end-customer.

18.2 Statutory Auditors' report on the Consolidated Financial Statements for the year ended 31 December 2021

Exclusive Networks SA

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2021

Exclusive Networks SA

Société anonyme

20, quai du Point du Jour, 92100 BOULOGNE-BILLANCOURT

RCS Nanterre 839 082 450

Statutory auditors’ report on the consolidated financial statements

For the year ended December 31, 2021

This is a translation into English of the statutory auditors’ report on the consolidated 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 specifically required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report. 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 consolidated financial statements of Exclusive Networks SA for the year ended December 31, 2021.

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, 2021 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, 2021 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

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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 “Intangible assets” and 2.4.1 “Estimates” to the consolidated financial statements

Identified risk

As of December 31, 2021, goodwill and trademarks were recorded in the net amount of €314 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 (iii), in a step acquisition, the acquisition-date fair value of the equity interest previously held by the Group, and
- the net amount of identifiable assets acquired and liabilities assumed measured at acquisition-date fair value.

Trademarks correspond to the “Exclusive Networks” trademark and have an indefinite life.

Goodwill and trademarks are allocated to Cash-Generating Units (CGU) 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 recognized 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 and 7.2 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 EBITA 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:

- test 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 and 2.4.1 to the consolidated financial statements, and particularly Note 7.1.1 which describes the main assumptions used to determine the recoverable amounts and sensitivity analyses.

Revenue recognition

Notes 5.1 "Revenue" and 2.4 "Use of judgments and estimates"

Identified risk

In 2021, consolidated revenue totaled €2,483 million.

Customer contracts may comprise several distinct performance obligations (license, software, hardware, maintenance and support sales etc.) and be negotiated for an overall price. In this case, the transaction price is allocated to the various performance obligations.

The Group operates as a principal or agent depending on the nature of the performance obligations as explained in Note 5.1 to the financial statements. The Group acts as principal for software and hardware sales and as agent for maintenance and support services.

Furthermore, the volume of sales generated in the last quarter of the year is often considerably higher than that of previous quarters.

In this context, the audit risk relating to revenue recognition mainly concerns:

- the cut-off; and
- the correct allocation of contract prices to the various performance obligations when they include maintenance and support services. The lack of clear allocation with certain customers requires Group Management to make estimates and judgments in accordance with IFRS 15.

We therefore considered revenue recognition to be a key audit matter as, in terms of volume, this aggregate is significant with regard to the consolidated financial statements.

Audit response

We obtained an understanding of the process adopted by the Group to determine revenue recognition criteria and our procedures mainly consisted 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 set up by the Group;

- Conducting audit procedures on the information systems and database used to ensure revenue is correctly allocated to the various performance obligations, particularly those relating to maintenance and support services. Our IT system specialists recalculated a portion of the revenue relating to maintenance and support services as identified by the Group that was recognized in the net margin of the transactions.
- Performing substantive tests using sampling techniques on the sales transactions for the year to verify the occurrence, accuracy and valuation of the various performance obligations to corroborate the Group's estimates and judgments within a single contract where applicable, as well as the correct cut-off according to proof that the obligations were satisfied.

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 non-financial performance statement required by Article L.225-102-1 of the French Commercial Code is included in the Group management report in the information pertaining to the Group presented in the 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 English translation of the consolidated 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 Chairman and 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 consolidated financial statements, our work includes verifying that the tagging of the English translation of these 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 English translation 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.

We have no responsibility to verify that the English translation of 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, 2021, Deloitte & Associés was in its fourth year of uninterrupted engagement, of which one year since the company's shares were admitted to trading on a regulated market, and Mazars was in its first year of uninterrupted engagement.

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

Objectives 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, April 26, 2022

The Statutory Auditors

Mazars	Deloitte & Associés
Marc BIASIBETTI	Jean-Marie LE GUINER

18.3 Statutory Financial Statements for the year ended 31 December 2021

CONTENT

BALANCE-SHEET - ASSETS

Financial period from 01/01/2021 to 31/12/2021 (in € thousand)	**31/12/2021**			**31/12/2020**
	Gross	**Accumulated impairment**	**Net book value**	**Net book value**
Capital subscribed but not called				
FIXED ASSETS				
Intangible assets:				
Start-up costs				
Research and development costs				
Concessions, patents, licences, trademarks, processes, …				
Commercial goodwill				
Other intangible assets				
Intangible assets in progress				
Advances and instalments				
Tangible assets:	**2**		**2**	**2**
Land				
Buildings				
Machinery, equipment and industrial tools				
Other tangible assets	2		2	2
Tangible assets in progress				
Advances and instalments				
Financial fixed assets:	**1,065,574**		**1,065,574**	**783,442**
Investments in subsidiaries and affiliates	978,350		978,350	399,468
Investment-related receivables	12,922		12,922	383,967
Portfolio investments				
Other fixed investments				
Loans				
Other financial assets	74,302		74,302	7
Total I	**1,065,577**		**1,065,577**	**783,445**
CURRENT ASSETS				
Inventories and work in progress:				
Raw materials and other supplies				
Work in progress (goods and services)				
Semi-finished and finished products				
Goods				
Payments on account on orders	**2**		**2**	
Receivables:	**6,144**		**6,144**	**33,336**
Trade receivables	1,005		1,005	1,383
Other Receivables	5,139		5,139	31,953
Subscribed capital - called but not paid				
Short-term investment securities:	**500**		**500**	
Treasury shares – own shares	99		99	
Other securities				
Marketable securities	401		401	
Cash at bank	**20**		**20**	
Prepaid expenses	**304**		**304**	**119**
Total II	**6,971**		**6,971**	**33,454**
Deferred charges (III)				
Loan redemption premiums (IV)				
Currency translation gains/losses and valuation differences - Assets (V)				
TOTAL (I + II + III + IV + V)	**1,072,547**		**1,072,547**	**816,899**

BALANCE-SHEET - LIABILITIES

Financial period from 01/01/2021 to 31/12/2021 (in € thousand)	**31/12/2021**	**31/12/2020**
EQUITY		
Share capital	7,318	7,317
Share premium, premium from merger and transfer	968,429	733,082
Revaluation variance		
Equivalence difference		
Reserves:		
Legal reserve	732	732
Statutory or contractual reserves		
Regulated reserves		
Others	74,118	
Retained earnings		41,839
Profit/(loss) for the year	(2,112)	32,278
Investment grants		
Regulated provisions		
Total I	**1,048,485**	**815,249**
OTHER SHAREHOLDERS' EQUITY		
Earnings from issues of equity securities		
Advances with conditions		
Others		
Total I a	**1,048,485**	**815,249**
PROVISIONS		
Provisions for contingencies		
Provisions for charges		
Total II		
LIABILITIES		
Convertible bonds		
Other bonds		
Loans and debts with credit companies		
Other loans and borrowings	12,832	722
Advances and instalments received on outstanding orders		
Trade payables	10,634	571
Tax and social security payables	473	259
Creditors for fixed assets and related accounts		
Other payables	124	98
Forward financial instruments		
Deferred income		
Total III	**24,062**	**1,650**
Currency translation gains/losses and valuation differences - Liabilities (IV)		
TOTAL (I + II + III + IV)	**1,072,547**	**816,899**

INCOME STATEMENT

Financial period from 01/01/2021 to 31/12/2021 (in € thousand)			31/12/2021	31/12/2020
Operating income	**France**	**Export**	**TOTAL**	**TOTAL**
Sale of goods				
Sales of services	2,948		2,948	3,699
Revenue	**2,948**		**2,948**	**3,699**
Production held in inventory				
Capitalised production				
Operating subsidies				
Reversals of provisions (and depreciation), transfer of charges			(65)	69
Other earnings				
Total I	**2,948**		**2,883**	**3,768**
Operating costs				
Purchase of goods				
Change in inventories				
Purchases of raw materials and other supplies				
Inventory changes				
Other purchases and external expenses			(3,089)	(2,408)
Taxes and similar			(214)	(85)
Wages and salaries			(755)	(507)
Social security contributions			(84)	(206)
Allowances for depreciation on fixed assets				
Allowances for provisions on fixed assets				
Allowances for provisions on current assets				
Allowances for provisions for liabilities and charges				
Other expenses			(97)	()
Total II			**(4,240)**	**(3,206)**
1. OPERATING INCOME (I - II)			**(1,357)**	**562**
Share of joint venture profits/losses:				
Transferred profits/losses III				
Transferred losses/profits IV				
Financial income:				
Income from investments in subsidiaries and affiliates			22,052	31,869
Other securities and fixed asset receivables				
Other interest received and similar				
Reversals of provisions and impairment and transfers of costs				
Foreign exchange gains			105	
Net proceeds on disposals of marketable securities			5,345	
Total V			**27,502**	**31,869**
Financial expenses:				
Depreciation, impairment, and provisions				
Interest expenses			(21,420)	
Foreign exchange losses			(113)	(1)
Net expenses on disposals of marketable securities			(4,929)	
Total VI			**(26,462)**	**(1)**
2. FINANCIAL RESULT (V - VI)			**1,040**	**31,869**
3. PROFIT/LOSS FROM ORDINARY ACTIVITIES before tax (I – II + III − IV + V – VI)			**(317)**	**32,430**

INCOME STATEMENT (CONTINUED)

Financial period from 01/01/2021 to 31/12/2021 (in € thousand)	**31/12/2021**	**31/12/2020**
3. PROFIT/LOSS FROM ORDINARY ACTIVITIES before tax (I – II + III − IV + V – VI)	**(317)**	**32,430**
Extraordinary income:		
Extraordinary income on revenue transactions		
Extraordinary income on capital transactions		
Reversals of provisions and impairment and transfers of costs		
Total VII		
Extraordinary costs:		
Extraordinary costs on revenue transactions	(1,965)	
Extraordinary costs on capital transactions		
Extraordinary depreciation, impairment, and provisions		
Total VIII	**(1,965)**	
4. EXTRAORDINARY PROFIT (OR LOSS (VII - VIII)	**(1,965)**	
Employee profit-sharing (IX)		
Corporate income tax (X)	170	(152)
Total income (I + III + V + VII)	**30,385**	**35,637**
Total expenses (II + IV + VI + VIII + IX + X)	**(32,497)**	**(3,359)**
Profit/(loss) for the year	**(2,112)**	**32,278**

1. IMPORTANT INFORMATION

1.1. Activity

Exclusive Networks SA (formerly Everest HoldCo SAS) (« the Company ») was registered on 19 April 2018. It 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.

1.2. Significant Event of The Year

1.2.1. Initial Public Offering (IPO) - Euronext

On 23 September 2021, Exclusive Networks completed its initial public offering in the regulated market of Euronext Paris (compartment A, ISIN code FR0014005DA7, mnemonic EXN).

This has resulted from an increase in share capital by the way of a public offering without preferential subscription rights for the pre-existing shareholders for a nominal value of €1,040,000 by issuing 13,000,000 new ordinary shares with a nominal value of €0.08 for €20 per share resulting in a €260,000,000 increase in equity.

The net issue premium amounts to €234 143 thousands, which is the outcome of the €258,960 thousand gross issue premium, being the difference between the issue price and the share nominal value, decreased by the €24,817 thousand costs directly attributable to the IPO.

Significant changes described hereafter occurred prior to the IPO.

1.2.2. Change Of Legal Form and Corporate Name - Exclusive Networks SA

In their Extraordinary meeting dated 1 September 2021, the Partners modified the Company's legal structure (conversion from a « société par actions simplifiée » to a « société anonyme » led by a Board of Directors) and its corporate name from Everest HoldCo SAS to Exclusive Networks SA.

As a result, new articles of association have been adopted.

The Company's corporate name is "Exclusive Networks SA".

1.2.3. Change in Corporate Officer

In their Extraordinary meeting of 1 September 2021, the Partners decided to terminate the mandate of Mr Jesper Trolle as Chairman of the Company, to dissolve the Supervisory Committee, statutory body created in according to the legal rules of a « société par actions simplifiée » and automatically put an end to the mandate of Mr Benoit Vauchy as Chairman and member of the Supervisory Committee as well as to the mandates of members of the Supervisory Committee of Messrs Michail Zekkos, Pierre Pozzo, Olivier Breittmayer, Nicolas Trombert and Pierre Boccon-Liaudet.

The Partners decided to appoint as Directors of the « société anonyme »

- Mr Jesper Trolle;
- Mr Michail Zekkos (appointed Chairman of the Board from 1 to 27 September);
- Mr Pierre Pozzo; and
- Mr Olivier Breittmayer.

New directors have been appointed during the General Meeting of September 1st, subject to the condition precedent of the settlement of the Offer in connection with the admission of the company's shares to trading on the regulated market of Euronext Paris:

- Barbara Thoralfsson, Chairman of the Board as of 27 September 2021;
- Nathalie Bühnemann, Chairman of the Audit Committee as of 27 September 2021;
- Marie-Pierre de Bailliencourt, Chairman of the Nomination and Compensation Committee, as of 27 September 2021.

The Directors have been appointed for a term of four years expiring at the end of the Annual General Meeting called to approve the financial statements for the year ending December 31, 2024, to be held in 2025.

1.2.4. Capital structure reorganization

During the Extraordinary General Meeting dated 10 September 2021, the shareholders approved the following resolutions:

- Capital increase of €0.24 by issuing 2 ordinary shares, 9 Preference shares PS1, 2 Preference shares PS2, 4 Preference shares PS3 and 7 Preference shares PS4 with a par value of € 0.01 each.
- Reverse stock split, 8 shares of €0.01 € being combined into 1 share of €0.08 €.

1.2.5. Group reorganisation and change in the shareholding structure of the Company

As at 30 June 2021, and subject to the condition precedent of the completion of the proposed listing of the Company's shares on the regulated market of Euronext Paris (the "IPO"), the Supervisory Board decided to simplify the Company's group and shareholding structure. This was done through:

- the merger into the Company of the entities EM Networks 1 (839 991 478 RCS Nanterre) ("EMN 1") and EM Networks 2 (840 232 698 RCS Nanterre) ("EMN 2"), keeping in mind that EMN1 held 34,466,890 preference shares PS1 and EMN2 held 29,262,606 ordinary shares of the Company.

- the merger into Everest MidCo (839 758 604 RCS Nanterre) of its wholly-owned subsidiary Everest BidCo (839 080 009 RCS Nanterre), followed immediately by the merger into Everest SubHoldco (839 874 484 RCS Nanterre) of its wholly-owned subsidiary Everest MidCo (839 758 604 RCS Nanterre), followed immediately by the merger into the Company of its wholly-owned subsidiary Everest SubHoldCo (839 874 484 RCS Nanterre).

1.2.5.1. Merger of entities EM Networks 1 (EMN 1) and EM Networks 2 (EMN 2)

Further to the Extraordinary meeting of 30 June 2021, and considering the intermediary operations, in particular the increase in the nominal value of shares and the reduction of the number of shares, the following capital operations occurred as at 22 September 2021:

(a) Share capital increase
- by €498,925.44 through the issue of 6,236,568 new ordinary shares in consideration for contributions granted by EMN 1
- by €292,564.88 through the issue of 3,657,061 new ordinary shares in consideration for contributions granted by EMN 2

- resulting in a capital increase amounting in total to €791,490.32 through the issue of 9,893,629 new ordinary shares.

(b) Creation of a €197,114,020.91 merger premium of which:
- €124,245,517.30 coming from EM Networks 1 merger
- €72,868,503.61 coming from EM Networks 2 merger

(c) Share capital decrease related to the cancellation of 3,657,826 ordinary shares previously held by EMN 2 and 4,308,362 preferred shares 1 previously held by EMN 1, own shares as a consequence of the merger of EMN1 and EMN2 into Exclusive Networks S.A., ie a capital nominal reduction of €637,295.04

(d) The difference between the consideration for €197,740,124.23 contributions and the €637,295.04 nominal value is deducted from the total merger premium referred to above.

1.2.5.2. Merger of Everest companies

The cascading mergers of the Everest companies were completed on 27 September 2021, with retroactive tax and accounting effects as at 1 January 2021. These mergers are governed by the legal regime for so-called "simplified" mergers between joint stock companies, as provided for in article L. 236-11 of the French Commercial Code.

The assets contributed by the absorbed companies pursuant to the Merger include all the assets of the absorbed companies based on their statutory accounts as of 31 December 2020.

1.2.6. Conversion of Preference Shares into Ordinary Shares

As a result of the Supervisory Board's decision as at 30 June 2021, the following capital transactions took place on 27 September 2021:

- Capital increase of the Company in the amount of €36,462.56 as a result of the conversion of preference shares 1 (PS1) into ordinary shares
- Capital decrease (not motivated by losses) in the amount of €190,051.84 as a result of the conversion of the preference shares 2 (PS2) into ordinary shares
- Capital reduction (not motivated by losses) of €1,039,612.40 as a result of the conversion of preference shares 3 (PS3) into ordinary shares

ie a €1,193,202.08 net capital reduction in nominal amount

1.2.7. Changes of Statutory Auditor

1.2.7.1. Resignation of the joint auditor Mr. Bruno PALASSET

In their decision of 21 June 2021, the Partners took note of the resignation of Mr. Bruno PALASSET from his duties as joint auditor of the Company.

1.2.7.2. Appointment of Mazars as joint statutory auditor

In their decision of 19 April 2021, the Partners decided to appoint Mazars, whose registered office is at 61, rue Henri-Regnault, 92075 Paris La Défense Cedex, as joint auditor of the Company.

1.2.8. Impact of the Covid-19 pandemic

The Covid-19 pandemic did not have a significant impact on the individual financial statements of the Company.

In addition, the Company did not request additional financing or governmental subsidies directly related to the health crisis, and did not implement partial activity arrangements giving rise to a government compensation package.

1.2.9. Acquisitions and sale of EMN1 And EMN2 Shares

During the year and before the IPO, the Company acquired and sold the shares EMN1 and EMN2.

The purchases were made from Everest Holdco and the sales to certain managers of Exclusive Networks.

The financial impacts are presented in the note to the accounts 5.3 Extraordinary result.

1.2.10. Free Allocation of Shares

In their decision as at 30 June 2021, the Partners authorized the Chairman of the Company to set up a free allocation plan of a maximum number of 7,000,000 ordinary shares before the reverse stock split, or 875,000 after the reverse stock split

This plan was implemented as at 30 June 2021. It has a one-year vesting period and is subject to a condition of presence.

As at 31 December 2021, the number of shares granted to certain managers of the Group amounts to 193,750.

1.3. Subsequent Event

None The Group's exposure to the conflict in Ukraine is very limited and nil for the Company.

1.4. Other Legal Information

The English company Everest UK HoldCo Limited has been the Company's majority shareholder since 25 May 2018. As at 31 December 2021, Everest UK HoldCo Limited owns 57.4 % of the Company share capital. 20.3% of the share capital correspond to the "free-floating part", shares available in compartment A of the regulated market of Euronext Paris.

1.5. Tax Group

Exclusive Networks SA owned 100% of Everest SubHoldCo SAS, which owned 100% of Everest MidCo SAS, which owned 100% of Everest BidCo SAS.

A tax consolidation group was made-up of these four entities with a start date as at 1 June 20218. Following the merger of the entities, the tax consolidation group ceased to exist as at 1 January 2021.

***

The financial statements cover the 12-month period from 1 January 2021 to 31 December 2021.

The following notes are an integral part of the annual financial statements.

These financial statements were adopted on 25 April 2022 by the Board of Directors.

2. ACCOUNTING PRINCIPLES AND METHODS

The financial statements for the period ended 31 December 2021 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 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:

2.1.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.

2.2.Investments in Subsidiaries and affiliates and investment-related receivables

Investments in subsidiaries and affiliates are initially recognized 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 capitalization, and net present value of future cash flows based on Group business plan.

Investment-related receivables are recognized 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 2021.

2.3.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.

2.4.Trade Receivables and Trade Payables

Receivables and payables are valued at their nominal value.

Receivables, where appropriate, are subject to a provision for impairment, to take into account the credit risk. The analysis of the credit risk is individualised. No provision for impairment is recorded on statistical criteria.

2.5.Foreign Currency Transactions

Foreign-currency payables and receivables at the end of the period are converted to their equivalent value in euros, based on either the official closing price on that date or the hedged rate if hedged.

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 month.

2.6.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 price; the foreign exchange differences thus recognised are recorded in the profit and loss statement (foreign exchange losses or gains).

2.7.Provisions for Contingencies and Charges

Provisions are recorded for obligations (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.

All known claims and litigation involving the Group are examined by the Management at the balance sheet date. Further to advice from the Group’s counsel, the provisions have been assessed and recognised 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.

2.8.Revenue Recognition

Revenue corresponds to services rendered to Group subsidiaries, which are invoiced, then recognised upon completion of the services.

2.9.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.

3. NOTES TO THE FINANCIAL STATEMENTS - ASSETS

3.1. Fixed assets

The movements of the financial year are detailed in the tables below:

Fixed assets - Gross	Opening	Increase	Merger	Decrease	Closing
Concessions and similar rights	-	-		-	-
Subtotal - Intangible fixed assets					
General facilities					
Office and computer equipment	2				2
Furniture					
Subtotal - Intangible fixed assets	*2*				*2*
Investments in subsidiaries and affiliates	399,468	239,344	340,190	(653)	978,350
Investment-related receivables	383,967		(371,045)		12,922
Other financial assets	7		74,296		74,302
Financial assets	*783,442*	*239,344*	*43,441*	*(653)*	*1,065,574*
TOTAL	**783,445**	**239,344**	**43,441**	**(653)**	**1,065,577**

Fixed assets - Depr. / impairment	Opening	Increase	Merger	Decrease	Closing
Concessions and similar rights	-	-	-	-	-
Subtotal - Intangible fixed assets	-	-	-	-	-
General facilities	-	-	-	-	-
Office and computer equipment	-	-	-	-	-
Furniture	-	-	-	-	-
Subtotal - Intangible fixed assets	-	-	-	-	-
Investments in subsidiaries and affiliates	-	-	-	-	-
Investment-related receivables	-	-	-	-	-
Other financial assets	-	-	-	-	-
Financial assets	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**

Fixed assets - NBV	Opening	Increase	Merger	Decrease	Closing
Concessions and similar rights	-	-	-	-	-
Subtotal - Intangible fixed assets	-	-	-	-	-
General facilities	-	-	-	-	-
Office and computer equipment	2				2
Furniture					
Subtotal - Intangible fixed assets	*2*				*2*
Investments in subsidiaries and affiliates	399,468	239,344	340,190	(653)	978,350
Investment-related receivables	383,967		(371,045)		12,922
Other financial assets	7		74,296		74,302
Financial assets	*783,442*	*239,344*	*43,441*	*(653)*	*1,065,574*
TOTAL	**783,445**	**239,344**	**43,441**	**(653)**	**1,065,577**

Change in Investments in subsidiaries and affiliates are driven by:

- The sale of EMN1'shares for €652 thousand
- the subscription of share capital resulting from the offset of intragroup loan agreement for €165,147 thousand with Everest SubBidCo SAS and for €74,197 thousand with Everest UK Finco Ltd, totalling and increase in investments for €239,444 thousand.
- The effects of the merger of Everest Companies
  - Offset of Everest HoldCo's shares for €398,816 thousand as a consequence of the merger;
  - Recognition of investments previously recorded in Everest BidCo SAS of Everest SubBidCo SAS for €589,006 thousand and of Everst UK Finco for €150,000 thousand.

Other changes in financial assets result from the merger loss generated by operations between Everest Companies.

3.2. Receivables and Prepared Expenses

As at 31 December 21, the receivables and prepared expenses amount to €6,448 thousand are mainly composed by the group current accounts positions, VAT assets and unbilled revenue.

As at 31 December 2020, these captions were mainly composed by the current account with Everest SubHoldCo for €31,869 thousand.

3.3. Short-Term Investment Securities

Short-term securities comprise to the liquidity contract signed with Parel SA, a subsidiary of Société Générale which is in charge of managing the Exclusive Networks SA 'shares on Euronext. The Company has opened a liquidity account (security and cash) managed by Parel. As at 31 December 2021, €99 thousand correspond to own-shares and €401 thousand correspond to cash available.

4. NOTES TO THE FINANCIAL STATEMENTS - LIABILITIES

4.1. Share Capital

As at 31 December 2021, after the legal reorganization, the change in capital structure and the IPO completion, share capital in terms of number of shares are down as follows:

(in number of shares)	Ordinary shares (OS)	Preferred shares 1 (PS 1)	Preferred shares 2 (PS 2)	Preferred shares 3 (PS 3)	Preferred shares 4 (PS 4)	Total
At 31 December 2020	119,262,598	42,649,455	341,880,574	227,920,316	1	731,712,944
Capital increase	2	9	2	4	7	24
Shares before reverse stock split	119,262,600	42,649,464	341,880,576	227,920,320	8	731,712,968
Reverse stock split (ratio 8:1)	**14,907,825**	**5,331,183**	**42,735,072**	**28,490,040**	**1**	**91,464,121**
Merger by absorption of EM Networks 1 and EM Networks 2	6,235,803	(4,308,362)	-	-	-	1,927,441
Conversion of the preferred shares into Ordinary shares	57,332,913	(1,022,821)	(42,735,072)	(28,490,040)	(1)	(14,915,021)
Initial Public Offering	13,000,000	-	-	-	-	13,000,000
At 31 December 2021	**91,476,541**	**-**	**-**	**-**	**-**	**91,476,541**

4.2. Statement of Changes in Equity

Items	01/01/2021	Allocation of 2020 Net Result	Profit/loss for the year	Capital increase	Merger by absorption of EM Networks 1 and EM Networks 2	Conversion of the preferred shares into Ordinary shares	IPO Net Proceed	31/12/2021
Capital	7,317				154	(1,193)	1,040	**7,318**
Share premium	733,082					1,193	234,143	**968,418**
Legal reserve	732							**732**
Premium for merger	-				11			**11**
Other reserves	41,839	32,278						**74,118**
Retained earnings	-							**-**
Income	-							**-**
Dividends	-							**-**
Equity before income	**782,970**	**32,278**	**-**		**165**	**-**	**235,183**	**1,050,597**
Profit/loss for the year	32,278	(32,278)	(2,112)					**(2,112)**
Equity at year end	**815,249**	**-**	**(2,112)**		**165**	**-**	**235,183**	**1,048,485**

4.3. Detail of Liabilities

Detail of liabilities	Total amount	< 1 year	> 1 and < 5 years
Financial debts			
Loans and debts with credit companies	-	-	-
Other loans and borrowings	12,832	12,832	
Trade payables	10,634	10,634	-
Tax and social security payables	473	473	-
Other payables	124	124	-
Deferred income			-
TOTAL	**24,062**	**24,062**	**-**

Other loans and borrowings correspond to the current account credit position with Everest SubBidCo SAS.

4.4. Tax And Social Security Payables and Other Payables

Tax and social liabilities	31/12/2021	31/12/2020
Tax and social security payables	**473**	**259**
Employee and related liabilities	281	47
Social organization	192	56
State		156
Other payables	**124**	**89**
State		4
Other taxes and similar	124	85
Deferred income		
TOTAL	**596**	**348**

5. NOTES TO THE FINANCIAL STATEMENTS - INCOME STATEMENT

5.1. Revenue Breakdown

Breakdown by business sector	31/12/2021	31/12/2020
Services	2,948	3,699
TOTAL	**2,948**	**3,699**

Breakdown by geographical area	31/12/2021	31/12/2020
France	2,948	3,699
Exports and European Union	-	-
TOTAL	**2,948**	**3,699**

Revenue is generated with group entities (Exclusive France Holding SAS and Everest SubBidco SAS) and corresponds to the provision of support services: general management, strategy, acquisitions and investment management, and financial and tax assistances.

5.2. Financial Result

Financial result	31/12/2021	31/12/2020
Income from investments	**22,052**	**31,869**
Income from investments in subsidiaries and affiliates	*22,052*	*31,869*
Other interest received and similar		**-**
Other financial income		*-*
Reversals on provisions and expense reclassification	**-**	**-**
Foreign exchange gains	**105**	
Foreign exchange gains	*105*	
Net income from sales of marketable securities	**5,345**	**-**
Total financial income (1)	**27,502**	**31,869**
Allowances for amort./depr. and provisions	**-**	**-**
Interest expenses	**21,420**	**()**
Interests on financing transactions	*21,420*	*()*
Foreign exchange losses	**113**	**1**
Foreign exchange losses	*113*	*1*
Net expenses on sales of marketable securities	**4,929**	**-**
Total financial expenses (2)	**26,462**	**1**
FINANCIAL RESULT	**1,040**	**31,869**

Income and expenses on marketable securities correspond to the sales and purchases of EMN1 and EMN2 shares prior to the IPO.

5.3. Extraordinary Profit or Loss

As at 31 December 2021, the extraordinary result amounts to €1,965 thousand in comparison to zero as at 31 December 2020. This amount corresponds mainly to indirect costs supported for the IPO.

6. INCREASE OR DECREASE IN FUTURE TAX LIABILITY

Type of temporary difference	Amount (€)
Increases in future tax liability - TOTAL (1)	**NONE**
Future tax debt relief - TOTAL (2)	**NONE**
Net relief (1) - (2)	**0**

7. OFF-BALANCE-SHEET COMMITMENTS

Financial commitments given and received

Commitments relating 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 2021, the commitment to retirement benefits was €5,549 (vs. €1,790 at the end of the 2020), the primary assumption being the discount rate of 0.87% used for the valuation of the commitments (1.45% in 2020).

8. 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)										
(1) Everest SubBidCo S.A.S.	**1 095 375 732 €**	**-**	**69%**	**754 153 224**	**754 153 224**	**12 922 303**	-	**18 300 581**	**-31 878 686**		**-**
(2) Everest UK Finco Ltd	**195 209 148 £**	**23 842 624 £**	**100%**	**224 196 587**	**224 196 587**	**-**	**-**	**-**	**17 259 355 £**		**-**
	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

9. RELATED PARTIES

	2021		2020	
Net values	**Related companies**	**Other related parties (*)**	**Related companies**	**Other related parties (*)**
Investments in subsidiaries and affiliates	978,350	-	399,468	-
Investment-related receivables	12,922	-	383,967	-
Trade debtors and related accounts	1,005	-	1,368	-
Other receivables	2,569	-	31,947	-
Miscellaneous receivables - tax consolidation	-	-	170	-
Financial debts	-	-	722	-
Trade creditors and related accounts	54	-	30	-
Other debts	-	-	9	-
Revenues from operations	2,948	-	3,699	-
Financial income	22,052	-	31,869	-
Financial expenses	21,393	-	-	-
Fees	225	-	241	816
Other operating income	-	-	-	-
Other operating expenses	-	-	-	-

(*) Other related parties

The HTIVB company, whose president is Olivier Breittmayer, provided his services as a corporate officer of Everest HoldCo SAS. These services were billed to Everest HoldCo SAS in the amount of €816,201 for the 2020 financial year.

10. MISCELLANEOUS INFORMATION

10.1. Number of Employee

	31/12/2021	31/12/2020
Executives	1	2
Supervisors and technicians	0	0
Employees	0	0
Blue collar workers	0	0
TOTAL	**1**	**2**

18.4 Statutory Auditors' report on the Financial Statements for the year ended 31 December 2021

Exclusive Networks SA

Statutory auditors' report on the financial statements

For the year ended December 31, 2021

Exclusive Networks SA

Société anonyme

20, quai du Point du Jour, 92100 BOULOGNE-BILLANCOURT

RCS Nanterre 839 082 450

Statutory auditors' report on the financial statements

For the year ended December 31, 2021

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, 2021.

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, 2021 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, 2021 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

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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 and related receivables

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, 2021, equity investments and related receivables were recorded for a net amount of €978 million and €13 million, respectively, representing as a whole 92% of total assets.

As stated in Note 2.2 to the financial statements, equity investments are recognized at their purchase price including related acquisition costs. Related receivables are recognized at nominal value.

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 capitalization and the present value of future cash flows determined using business plans. The fair value of the related receivables is determined according to the probability of their recovery.

At the year-end, an impairment loss is recorded if the carrying amount exceeds the value in use or fair value. An impairment loss is first recognized for equity investments and then for the related receivables.

In this context, and given their materiality in the company’s balance sheet and the inherent uncertainties surrounding certain items, particularly the probable realization of forecasts, we considered the measurement of equity investments and related receivables to be a key audit matter.

Audit response

To assess the reasonableness of the estimated value in use of equity investments and related receivables, 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 familiarized ourselves with the methodology used by management to assess the value in use of each equity investment and the recoverability of the related receivables;
- 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 and related receivables by subsidiary.

Our work also consisted in assessing the recoverability of the related receivables.

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 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 English translation 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 English translation of 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, 2021, Deloitte & Associés was in its fourth year of uninterrupted engagement, of which one year since the company's shares were admitted to trading on a regulated market, and Mazars was in its first year of uninterrupted engagement.

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, April 26, 2022

The Statutory Auditors

Mazars	Deloitte & Associés
Marc BIASIBETTI	Jean-Marie LE GUINER

18.5 Pro forma financial information

Not applicable.

18.6 Dividend policy

The Company made no dividend distributions for the years ended 31 December 2020 and 2019. The Group's dividend policy is described in Section 10.3 “Dividend” of this Registration Document.

18.7 Legal and arbitration proceedings

The Group may be involved in legal, arbitration, administrative or regulatory proceedings in the ordinary course of business, which may notably include disputes with its customers, suppliers, competitors or employees, as well as tax or other authorities. As of the date of this Universal Registration Document, the Group is not aware of any government, legal or arbitration proceedings (including any proceedings that to the Group's knowledge are under way or imminent) that could have or have had, during the last 12 months, a material impact on the financial position or profitability of the Company or the Group.

18.8 Significant change in the issuer's financial position

To the Company's knowledge, there has been no significant change in the Group's financial position since 30 June 2021.

18.9 Maturity of amounts owed to suppliers and from customers

Pursuant to Article D.441-6, amounts owed to suppliers and from customers can be analysed as follows by maturity:

	D.441 I.-1: Overdue invoices from suppliers unpaid at Dec. 31, 2021						Article D.441 I.-2: Overdue invoices to customers unpaid at Dec. 31, 2021					
(in EUR)	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												
Total value of invoices incl. VAT	65,723	119,512	8,037	114,714	6,009	313,995	0	0	0	0	5,720	5,720
Percentage of 2021 total purchases incl. VAT	2.13%	3.87%	0.26%	3.71%	0.19%	10.16%						
Percentage of 2021 sales incl. VAT							0.00%	0.00%	0.00%	0.00%	0.19%	0.19%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables/receivables												
Number of invoices												
Total value of invoices 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					

18.10 Five year financial summary

Five year financial summary				
Period from	**01/01/2021**	**01/01/2020**	**01/06/2018**	**16/04/2018**
to	**31/12/2021**	**31/12/2020**	**31/12/2019**	**31/05/2018**
NATURE OF INDICATIONS				
I. Financial position at the end of the year				
Share capital	7,318,122.88	7,317,129.00	7,317,129.00	1.00
Number of common shares outstanding	91,476,541.00	731,712,944.00	731,712,944.00	100.00
II. Results of operations (in EUR thousands)				
Sales	2,948	3,699	2,585	0.00
Income before tax, depreciation, amortization and provisions	(2,217)	32,362	42,475	0.00
Income tax	170	(152)	(2)	0.00
Income after tax, depreciation, amortization and provision	(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, amortization and provision	-0.02	0.04	0.06	0.00
Income after tax, depreciation, amortization and provision	-0.02	0.04	0.06	0.00
Net dividend per share	0.20	0.00	0.00	0.00
IV. Employee information				
Average number of employees during the year	1	2	2	0.00
Total payroll for the year	755	507	554	0.00
Total benefits paid for the year	82	184	229	0.00

19. ADDITIONAL INFORMATION

19.1 Share capital

19.1.1 *Subscribed share capital and authorized but unissued share capital*

As of the date of this Universal Registration Document, the Company's share capital amounts to €7.318.122,88, divided 91,476,536 ordinary shares with a par value of €0.08 each. fully paid-up and all of the same category.

To enable the Company to access the financial market and, as necessary, for the pursuit of the Group's development, the Extraordinary General Meeting held on 1st September 2021 granted some financial authorizations to the Board of Directors. For more information, please refer to the Annex I, Section 3.3 "*Delegations and authorization granted by the General Shareholders' meeting in respect of capital increase*" of the 2021 Universal Registration Document.

19.1.2 *Non-equity securities*

As of the date of this 2021 Universal Registration Document, the Company has not issued any securities not representing share capital.

19.1.3 *Shares held by or on behalf of the Company*

As of 31 December 2021, the Company held 5.391 of its own shares.

The combined ordinary and extraordinary shareholders' meeting held on 1st September 2021 authorized the Board of Directors, for a period of 18 months following such shareholders' meeting, subject to the settlement and delivery of the shares offered in the IPO, and with the right to sub-delegate, 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 General Regulation of the AMF 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 authorization may be used in order to carry out the following transactions:

- cancel shares subject to the adoption of the resolution authorizing cancellation of the shares by the extraordinary shareholders' meeting;
- meet obligations arising from share options programs, or other allocation 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 service provider under a liquidity agreement, in accordance with a market practice recognized by the AMF;
- carry out any market practice which may be authorized 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 program that can be carried out through block trades may represent the entire program. The total amount allocated to the share buyback program shall not be greater than €100,000,000.

Under this program, purchases, sales or transfers of the Company's shares may take place at any time in accordance with legal and regulatory requirements, by the exception during public offers for the purchase or exchange of shares concerning the Company's shares.

The Board of Directors may decide and implement such authorization, specify, if necessary, the terms and conditions, and, more generally, do whatever is necessary for the successful completion of the envisaged operations.

The only use made of the share buyback program during the financial year ended December 31, 2021 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).

The table below shows the transactions conducted by the Company under the share buyback program in 2021:

Treasury shares held as at 23 September 2021 at the start of trading	0
Number of shares purchased between 23 September 2021 and 31 December 2021	5,391
Number of shares canceled in the last 24 months	0
Treasury shares held directly and indirectly as at December 31, 2021	5,391 [(a)]

(a) As at December 31, 2021, the Company's 5 391 treasury shares were fully allocated for liquidity purpose.

At the combined general meeting convened for 21 June 2022, the shareholders will be asked to terminate the 13th resolution approved by the general meeting of 1st September 2021 and to authorize the implementation of a new share buyback program.

19.1.4 *Liquidity agreement*

On 6 December 2021, Exclusive Networks 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 March 8, 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 € 500,000.00 was credited to the liquidity account to fund these marketmaking transactions. As at December 31, 2021, the Company's 5 391 treasury shares entirely allocated to liquidity purposes represented €101,674.

19.1.5 *Other securities giving access to share capital*

None.

19.1.6 *Terms of any acquisition rights and/or any obligation over authorized but unissued capital*

See Section 15.3 "*Profit-sharing agreements and incentive schemes*" with respect to the free shares granted on 30 June 2021, which will be issued on 30 June 2022 at the end of the one-year vesting period subject to the presence of the beneficiaries on such date.

19.1.7 *Share capital of any member of the Group that is the subject of an option or of an agreement to put it under option*

At the date of this 2021 Universal Registration Document, there is no share capital of the Company or its subsidiaries under option or agreed conditionally or unconditionally to be put under option (including the identity of those persons to whom such options relate).

19.1.8 *Evolution of the Company's capital over the past three years*

Date	Type of the transaction	Number of shares	Transaction Amount (in euros)	Issue Premium (in euros)	Capital social (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	**91 476 541**
As at 31 December 2021								0,08	

(1) Under the Company's reverse stock split (ratio 8:1), 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 comprised of:

- 14 907 825 ordinary shares per a nominal value of € 0.08
- 5 331 183 prefered shares of categorie 1 PS1 per a nominal value of € 0.08
- 42 735 072 prefered shares of categorie 2 PS2 per a nominal value of € 0.08
- 28 490 040 prefered shares of categorie 3 PS3 per a nominal value of € 0.08
- 1 prefered share of categorie 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) In the context of the Inital Public Offering

19.2 Bylaws

The 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 principal provisions described below have been taken from the Company's Bylaws as adopted by the shareholder's meeting on 1 September 2021, whose provisions are effective since the Company's IPO.

19.2.1 *Corporate purpose (Article 3 of the Bylaws)*

The purpose of the Company is, in France and abroad, directly or indirectly:

- to acquire, hold, manage and dispose of securities giving access, directly or indirectly, immediately or in the future, to the capital, in any form whatsoever, of other companies; to acquire securities, rights and assets by way of participation, contribution, subscription, underwriting, purchase or purchase option, negotiation and any other manner and to acquire, manage and develop patents and licenses. 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;

- to manage the Company's treasury, in particular by acquiring, subscribing to, holding and/or disposing of securities in undertakings for collective investment in transferable securities (UCITS) and cash investment funds;

- to grant any securities, guarantees and, more generally, any operations authorized under the terms of article L. 511-7 3° of the French Monetary and Financial code;

- to 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.

19.2.2 *Provisions of the Bylaws relating to administrative and management bodies (Articles 12 to 18 of the Bylaws and Articles 1 to 4 of the Internal Rules)*

(a) Board of Directors

The description below summarizes the main provisions of the Bylaws relating to 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 set out how the Board of Directors' committees are organized, as well as define their powers and responsibilities (see Annex 1, Section 1.3.6 "*Internal Rules*" also available on the Company website: www.exclusive-networks.com).

<u>Composition</u>

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 the office

Directors are appointed for a four (4) -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 (6) years or reduce the term of office of one or more Directors in office to a period of less than four (4) years, in order to allow for a staggered renewal of Directors' terms of office.

When a Director is appointed, in accordance with the applicable laws and regulations, 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 director expires.

Chairperson of the Board of Directors

The Board of Directors elects a Chairperson from among the members of the Board of Directors who are natural persons and determines the term of his/her office, the term of which may not exceed his/her Director's term.

The Chairperson organizes 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.

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 General Shareholders' meeting and within the limit of the Company's corporate purpose, the Board of Directors deliberates on any questions affecting the proper operation of the Company and settles matters though its deliberations.

Convening and holding of Board of Directors meetings

The Board of Directors meets as often as necessary in the Company's interest upon convening by 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 convening notice.

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 in charge of the study of 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.

(b) Executive Management

Organization 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 office.

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 the 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 thereof given the circumstances, publication of the Bylaws not being 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 (5) 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.

19.2.3 ***Provisions of the Bylaws relating to General Shareholders' Meetings (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 Shareholders' Meetings and participate in the deliberations personally or through an agent, under the conditions defined by the applicable laws and regulations, with proof of his/her identity and the ownership of his/her 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 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 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.

Meetings are chaired by the Chairperson of the Board of Directors, or in his/her absence, by a Director specifically delegated in this purpose by the Board of Directors. If not, the meeting elects its own chairperson.

19.2.4 *Rights, preferences and restrictions attached to shares (Articles 7, 8 and 9 of the Bylaws)*

Fully paid-up 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 the case may be, 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 of by a common agent of their choice in all dealings with the Company. If shares are subject to usufruct, 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.

19.2.5 *Modification of the rights of shareholders*

The rights of the 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.

19.2.6 *Clauses in the bylaws restricting share transfers*

There are no clauses in the Company's bylaws restricting share transfers. However, 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, are applicable to Exclusive Networks SA (see Annex I, Section 3.4.2 of the present 2021 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*").

19.2.7 *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.

19.2.8 *Provisions that would have an effect of delaying or preventing a change in control of the issuer*

The Bylaws and the Internal Rules do not contain any provisions that delay, postpone or prevent a change of control of the Company.

19.2.9 *Provisions of the Bylaws relating to ownership threshold disclosures (Article 11 of the Bylaws)*

In addition to the thresholds provided for by applicable laws and regulations, and as long as the Company's shares are admitted to 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 Regulations of the French *Autorité des Marchés Financiers*) equal or greater than 1.00% of the Company, must inform the Company within four (4) trading days after crossing such threshold. The declarant must also specify at the time of such declaration, their identity and that of the natural or legal persons acting in concert with them, the total number of shares or voting rights they hold directly or indirectly, alone or in concert, the number of securities held giving 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 1.00%, each additional threshold crossing of 1.00% of the share capital or voting rights must also be notified to the Company under the conditions set out above.

Any shareholder, acting alone or in concert, must also be under obligation to inform the Company within four (4) trading days if the percentage of capital or voting rights held falls below each of the thresholds referred to in this Article.

Failure to comply with the above provisions will be sanctioned in accordance with the applicable laws and regulations 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

19.2.10 *Identification of securities holders (Article 10 of the Bylaws)*

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.

20. MATERIAL CONTRACTS

The year of 2021 was marked by the major transactions, in particular, the Company's initial public offering and the related financial transactions (increases in the Company's share capital, the signing of agreements for private placement and the process of prepayment and renegotiation of senior debt).

In this respect, the Company and the Group have signed financing agreements and have carried out the financing transactions described in Note 14.2.1 "*Debt by type*" for the refinancing and Note 15.1 "*Share Capital*" for the changes in share capital, to the consolidated financial statements at December 31, 2021 (Section 18.1) of this Universal Registration Document.

21. DOCUMENTS AVAILABLE TO THE PUBLIC

The Company's Bylaws, 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)

GLOSSARY

2020 Consolidated Financial Statements	Refers to the Group's consolidated financial statements for the year ended 31 December 2020, prepared in accordance with IFRS
2021 Consolidated Financial Statements	Refers to the Group's consolidated financial statements for the year ended 31 December 2021, prepared in accordance with IFRS
AEB	Stands for "export compliance software" that screens reseller profiles (from a "bill to-ship to" perspective) to make sure the Group complies with any US and EU export regulations for the Group's "dual-use" products portfolio
Adjusted EBITA	Recurring operating profit before amortization of intangible assets, as adjusted for certain costs that do not impact the day-to-day operation (including implementation costs for finance and operation, group management systems, restructuring costs and one-time costs)
Adjusted EBITA as a percentage of Net Margin	Adjusted EBITA divided by Net Margin
Adjusted EBITDA	Recurring operating profit less depreciation and amortisation, less other non-recurring items ("Other" in the IFRS consolidated financial accounts).
Adjusted Net Income	Net income adjusted for amortization of intangible assets and other operating expense/income (post tax at effective tax rate) and deferred tax
Adjusted PBT	Profit before tax plus amortization of intangible assets
AMF	Autorité des marchés financiers
APAC	Refers to the Asia-Pacific region
ASC	Stands for "Authorized Support Center"
Audit Committee	Refers to the Group's audit committee composed of Mrs. Nathalie Bühnemann (Chair), Mr. Pierre Pozzo and Mrs. Barbara Thoralfsson, which is responsible for audit and risk management.
BI	Refers to Business Intelligence i.e. the business decision making tool, QlikView, which is referred to in Section 5.9.1 "Description of IT tools used"
BIS	Stands for the U.S. Department of Commerce's Bureau of Industry and Security
CAGR	Stands for "Compound Annual Growth Rate" and is an approximate measure in % of market growth opportunity

CASB	Stands for "Cloud Access Security Broker" and is a Cloud native software tool or service that sits between an organization's on-premises infrastructure and a cloud provider's infrastructure
Capex	Net Operating Capex plus Repayment of Lease Liabilities
Cash Conversion	Operating FCF before tax divided by Adjusted EBITDA
CDC	Stands for the "Cyber Defence Council", composed of the Group's engineers and the Group's IT Infrastructure Director, which meets on a monthly basis to debate best practices across the regions, share new technology, cybersecurity solutions coming to the market, discuss network monitoring, fraudulent access attempts (if any, the specific business case is reviewed) and cyber surveillance, in some cases, and many other cyber-related topics
Churn Rate	Churn rate, sometimes known as attribution rate, is the rate at which customers stop doing business with a company over a given period of time
CORE	Stands for "Commercial & Operations Roadmap for Excellence" and refers to the plan launched in September 2018 to harmonize processes and systems around the globe through the deployment of the Oracle solution NetSuite and to be hosted on the cloud
CRM	Stands for the "Customer Relationship Management" program which is located on cloud, regional and local servers
Dual-use	Means the products and solutions distributed by the Group incorporate cryptology and encryption technology that can be used for both civilian and military applications
e-Privacy Directive	Refers to the Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector
EAR	Refers to the U.S. Export Administration Regulations (EAR, 15 C.F.R. 730 et seq)
EBITDA	Means Earnings before Interest, Tax, Depreciation and Amortization.
EFH	Refers to Exclusive France Holding SAS
EMEA	Refers to the Europe, Middle East, and Africa region
ERP	Stands for the "Enterprise Resource Planning" program which is located on cloud, regional and local servers
Euronext Paris	Refers to the regulated market of Euronext in Paris
EXN TAC	Stands for "Exclusive Networks Technical Assistance Centre"

French GAAP	French generally accepted accounting principles
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	Represents revenue recognized by the Group on a gross basis for each revenue stream (i.e. Solutions and Support/Maintenance) and before intra- and inter-segment intercompany eliminations
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	Stands for "Global Service Operations", a full lifecycle service wrap that is available to the Group's resellers as and when needed, especially for large / Global deals
HoldCo	Refers to Everest HoldCo SAS
IaaS	Infrastructure as a service (IaaS) is a type of cloud computing service that offers essential compute, storage, and networking resources on demand, on a pay-as-you-go basis. IaaS is one of the four types of cloud services, along with software as a service SaaS, platform as a service PaaS & serverless.
IFRS	International Financial Reporting Standards
Interim Condensed Consolidated Financial Statements	Refers to the Group's interim condensed consolidated financial statements for the six-month period ended 30 June 2021
IOR	Stands for "Import of Record" services (i.e., ensuring that exports of goods comply with legal requirements and regulations of the destination country)
IoT	The internet of thing, or loT, is a system of interrelated computing devices, mechanical and digital machines, objects, animals of people that are provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction.
IPO	Initial Public Offering of the Company's shares
IPO Price	Means the price of the shares offered in the proposed IPO
MSP	Stands for "Managed Service Providers", Managed service providers (MSP) are businesses that offer multiple, managed, information technology (IT) services to other businesses. MSPs today largely deliver their services remotely, over a network, although they may maintain other revenue streams that require onsite support.

Market Reports	Means market studies commissioned by the Company from Bain & Company, Inc. and information otherwise obtained from International Data Corporation (IDC), AV-Test, Crunchbase, Cybersecurity Ventures, Hampleton, Momentum Cybersecurity Group and PitchBook.
MSSD	Stands for "Managed Security Services Distributor", the Group's managed security service dedicated to creating value within the distribution channel.
Net Debt	Calculated by subtracting the Group's total cash and cash equivalents from its total bank borrowings, bank overdrafts, short term loans and factoring liabilities.
Nomination and Compensation Committee	Refers to the Group's nomination and compensation committee composed of Mrs. Marie-Pierre de Bailliencourt (Chair), Mrs. Nathalie Bühnemann and Mr. Michail Zekkos, which is responsible for the Group's compensation policy.
Operating FCF before Tax	Net income deducted from Net financial income/expense, Income Tax, Depreciation, amortization, impairment and provisions, Gains/losses on disposal of fixed assets, Other non-cash items, Change in Net Working Capital trade and Net Operating Capex & Repayment of lease liabilities.
OPEX	Refers to the operational expenditure required for the day-to-day functioning of a business, as opposed to CapEx, capital expenditure required to create a benefit in the future
Permira VI	Refers to the Permira VI Fund
Renewal Rate	Defined as 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.
Reorganization	Refers to the corporate reorganization that was implemented in the context of the IPO of the Company as further described in Section 6.1.2 "Description of the Reorganization"
ROCE	"Return on Capital Employed", calculated as the Adjusted EBITA (including Veracomp) divided by the sum of non-current assets (excluding Goodwill and other intangible assets) and Net Working Capital (excluding EXN Capital Finance Asset, which relates to IT solution systems sold through Exclusive Capital financing arrangements)
SG&A	Stands for selling, general and administrative expenses
SIs	Stands for "System Integrators", companies that specializes in bringing together component subsystems into a whole and ensuring that those subsystems function together, a practice known as system integration, on a global scale

Telcos	Stands for "Telecommunications Companies" which provide telecommunications services such as telephony and data communications access
VARs	Stands for "Value-added Resellers" who resell vendor products along with complementary products or services (e.g., installation and consulting)
X-OD	Stands for "Exclusive On Demand", ExN digital platform handling subscription and consumption based models. X-OD allows ExN partners to subscribe to the products offered by the Group's vendors.

Appendix I

Report of the Board of Directors on corporate governance (Articles L. 225-37 and following and Articles L.22-10-8 and following of the French Commercial Code)

This report has been **prepared** in accordance with the provisions of Articles L. 225-37 and following and with the provisions of Articles L.22-10-8 and following of the French Commercial Code, to supplement the management report.

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OPENING REMARKS

This corporate governance report contains information relating to the compensation of the Corporate Officers, various aspects of the practices of the Company's administrative and management bodies and factors likely to have an impact in the event of a public offering. The Chairpersonship of the Board of Directors tasked the Finance, Legal and Compensation and Benefits 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 29 March 2022.

Note that the Nomination and Compensation Committee assisted with the preparation of the section of the report that presents the principles and criteria for determining, structuring, and awarding the Chief Executive Officer elements of compensation for 2022, and the fixed, variable and special elements of total compensation and benefits of any kind paid or awarded to the corporate officers (Chief Executive Officer, Directors and Chairperson of the Board of Directors) for financial year 2021.

1. CORPORATE GOVERNANCE

1.1. COMPLIANCE WITH THE AFEP-MEDEF CODE OF CORPORATE GOVERNANCE

The Company refers to the AFEP-MEDEF Code, (the "**AFEP-MEDEF Code**") which was revised in January 2020, according to the preparation of the Board of Directors' report on corporate governance.

The AFEP-MEDEF Code is 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 stipulated in Article L. 22-10-10 of the French Commercial Code and Article 27.1 of the AFEP-MEDEF Code, and as a result of the Board of Directors' annual assessment performed on 29 March 2022 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**
Evaluation of the Board of Directors - (Article 10)	In view of the date of its creation, the Board of Directors did not carry out an evaluation of its ability to meet the expectations of the shareholders that have mandated it to direct the corporation, by periodically reviewing its membership, organization and operation in fiscal year 2021 (this involves a corresponding review of the Board of Directors committees). The Board of Directors intends to carry out this evaluation in fiscal year 2022 and in subsequent years.
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 organized each year - (Article 11.3)	During fiscal year 2021 and given the recent appointment of Directors in the context of the Initial Public offering of the Company, no meetings of the Board of Directors were held in the absence of the Chief Executive Officer. The Chairperson of the Board of Directors will determine whether it is beneficial to the Board of Directors' work to hold or arrange a meeting without the Chief Executive Officer. In any case, the Chief Executive Officer will not attend Board of Directors' discussions about his compensation policy or the level of achievement of targets related to his variable compensation. Moreover, the Board members met the Auditors without the presence of the CEO 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	According to the Article 12 of the Company's Bylaws, the Directors are appointed for a four (4) year term of office. By way of exception, the General Shareholders' Meeting may appoint one or more Directors, or renew his/her term of office, for a different term not exceeding six (6) years or reduce the term of office of one or more Directors in office to a period of less than four

favour a smooth replacement of Directors - (Article 14.2)	(4) years, in order to allow for a staggered renewal of Directors' terms of office. All seven Directors (the "**Director**") were appointed for four-year terms following the General Meeting of Shareholders of 1st September 2021, which will expire on the date of the General Meeting of Shareholders convened to approve the financial statements for the year ending 31 December 2025. At this General Meeting, the Board of Directors will propose to renew the term of office of certain Directors for a period of less than 4 years in order to allow for a staggered renewal of the Directors' terms of office.
Fixed compensation of executive officers - (Article 25.3.1)	In principle, fixed compensation may only be reviewed at relatively long intervals. The remuneration of the Chief Executive Officer, set up in 2020 at the time of his appointment of legal representative of the Company under its former corporate legal form as *Société par actions simplifiée* was reviewed in September 2021 in the context of the admission of the Company's shares on the Euronext Paris regulated market Initial Public Offering (the "**IPO**") of the Company and re-assessed with effect as from 1st January 2022.
Variable compensation of the executive officers (Article 25.1.1)	(…) The compensation of these executive officers must be competitive, adapted to the company's strategy and context and must aim, in particular, to improve its performance and competitiveness over the medium and long term, notably by incorporating one or more criteria related to social and environmental responsibility. The compensation of the Chief Executive Officer for 2021 does not incorporate any criteria related to social and environmental responsibility, as recommended by the AFEP MEDEF code. Nevertheless, ESG criteria is highly embedded in the Group as further explained in the DPEF In the context of the setting up of the 2022 compensation policy of the Chief Executive Officer, the Board of Directors held on 29 March 2022, upon recommendation of the Nomination and Compensation Committee, reviewed the performance conditions of the variable portion of the compensation package of the Chief Executive Officer and decided to include a ESG criterion counted for 10% of the annual variable compensation. The Board of Directors, upon recommendation of the Nomination and Compensation Committee will assess the evolution of this criteria in the future in the context of the determination of the variable compensation of the Chief Executive Officer and opportunity to include a ESG criterion in the pluriannual compensation of the Chief Executive Officer (Long Term Incentive Plan).
Independence of the Board of Directors (Article 9)	In the context of assessment of the independency of the Board of Directors, and, for the purpose of assessing the business relationships of the Group with the companies in which independent Directors hold executive positions or/and mandates, the Board of Directors upon recommendations of the Nomination and Compensation Committee will determine a quantitative, and if appropriate, a qualitative criterion to assess whether or not the business relationship is material in nature. This procedure will be implemented during the year 2022.

1.2. CURRENT GOVERNANCE STRUCTURE

1.2.1. Executive management

The Company was initially 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 in the Shareholders' General Meeting of 1st September 2021.

The Board of Directors held a meeting on 27 September 2021, upon recommendation of the Nomination and Compensation Committee, at which it was decided to separate the offices of Chairperson of the Board of Directors (the "**Chairperson**") and of chief executive officer (the "**Chief Executive Officer**", and together with the Chairperson, the "**Statutory Officers**") as expected in the prospectus filed with the AMF in the context of the IPO. As a consequence, since 27 September 2021, the Statutory Officers are Ms. Barbara Thoralfsson as non-executive and Mr. Jesper Trolle as Chief Executive Officer of the Company.

Indeed, by this decision to separate the functions of the Chairperson and the ones of the Chief Executive Officer, the Board of Directors wished to ensure continuity with the Company's former management structure as a simplified joint stock company, under which the operational management was exercised by the President, assisted by an Executive Committee to ensure coordination between the head office and the subsidiaries in accordance with the Group's decentralized model, while the control function was exercised by a Supervisory Board, representing the shareholders that was not chaired by the President.

Above all, 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 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 will be an additional asset for the Group.

In addition, the choice to appoint Mr. Jesper Trolle as a Director allows for regular exchanges between shareholders and General Management and ensures that the definition of the Group's strategy takes into account the expectations and interests of the shareholders. The Chief Executive Officer's membership of the Board of Directors thus fosters a close and trusting relationship between the executive and the shareholders.

1.2.2. 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:

- Independence of the Board of Directors: the Board of Directors is composed of 42,8% of independent Directors (3 out of 7);
- Presence of Committees: the Board of Directors has constituted two internal Committees:
  - the Audit Committee, and
  - the Nomination and Compensation Committee;

  both chaired by an independent Director;
- Limitation of powers of the Chief Executive Officer: the Internal Rules (as defined in section 1.3.6.) specify the Board of Directors' reserved matters which require the Board of Directors' prior authorization as well as the missions of the Chairperson (see below).

1.2.3. Missions 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 of the Company and those powers that the applicable laws and regulations expressly confer to the 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 acts went beyond the Company's corporate purpose or could not have been unaware thereof given the circumstances, publication of the Company's Bylaws not being sufficient to constitute such proof.

1.2.4. Limitations on the powers of the Chief Executive Officer

Pursuant to Article 3.1 of the Internal Rules, the Board of Directors examines and approves before their implementation, at a simple majority of the members present or represented, any decision listed below (the "**Reserved Matters**"):

- 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 euros (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 euros (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 euros (or its equivalent in any other currency);
- any financing operation which exceeds 100 million euros (or its equivalent in any other currency) for new medium or long-term borrowing or 70 million euros (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 authorization 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 (*Directeur Général*);
- any decision to settle or initiate a dispute relating to a claim for an amount exceeding 5 million euros (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 fiscal year, more than 5% of the Company's consolidated annual revenue;
- any merger, demerger or winding up of a Material Subsidiary, excluding intra-Group reorganizations;
- 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.

1.2.5. 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 natural persons and determines the term of his/her office, the term of which may not exceed his/her Director's term.

The Chairperson organizes 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 is responsible for managing conflict of interest situations concerning executive directors and members of the Board of Directors. Where necessary he/she shall refer to the Nomination and Compensation Committee.

1.2.6. Executive committee

The Executive Committee is responsible for the Group's general management; it is also involved in defining and implementing the Group's strategy.

Due to the Group's size, its growth acceleration, and the specific requirements of the various markets and geographical areas where the Group operates, the Company needed to strengthen its general management structure in order to address the Group's new goals and new challenges.

In 2021 the Group set up its new organizational structure, based on six support functions and four operating functions. The operating functions are headed by the three regional Vice Presidents and by the Vice President Global Alliance and Ecosystem.

This organization is directly aligned with Exclusive Networks' DNA, as we consider our centralized management team, combined with local autonomy as essential to enabling agility and faster reaction to the changes that occur in the market.

As of the date of the present 2021 Universal Registration Document, Exclusive Networks' Executive Committee is composed of the 10 following members and is chaired by the Chief executive Officer[8]:

M. JESPER TROLLE – CHIEF EXECUTIVE OFFICER

Jesper Trolle joined Exclusive Networks in 2020. 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 several 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 out of Denver, Colorado.

Jesper Trolle holds an Executive MBA in General Management from Henley Business School

[8] Information about the Chief Executive Officer, Jesper Trolle, is described in detail in the Section 1.3.2.1 "*Information of the members of the Board of Directors*".

M. 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, 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 programs.

M. PIERRE BOCCON-LIAUDET – CHIEF FINANCIAL AND OPERATIONS OFFICER

Pierre Boccon-Liaudet joined Exclusive Networks in 2019 and brings over 25 years' experience in international financial management.

He leads on all aspects of finance and oversees the continual development of Exclusive Networks' global financial platform and associated processes.

He has a proven track record as a change-making CFO at major, high-growth global firms including Smartbox, Quiksilver and Schlumberger.

M. FABIO BUANNE– VICE-PRESIDENT STRATEGY AND M&A

Fabio Buanne is a specialist in Mergers & 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.

He joined Exclusive Networks in April 2022. One of Fabio's main focuses will be to work with the rest of the leadership team in designing the long-term company strategy as well as driving M&A and related initiatives that will support our growth plans for the future, and I have no doubt that he will be a huge asset to our business

M. GERARD ALLISON – VICE-PRESIDENT EMEA

Gerard Allison (VP, EMEA) is a highly experienced senior executive with a 30+ year track record of building successful teams in EMEA, working at vendors such as Juniper Networks and, most recently, Gigamon. He joined Exclusive Networks in 2020. With his extensive expertise and knowledge of the IT and security markets combined with his commercial astuteness, entrepreneurial vision, relationship building and management skills, Gerard brings a wealth of experience to the EMEA business.

M. BRAD GRAY – VICE-PRESIDENT APAC

Brad Gray (VP, APAC) 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 3 years previously in Indonesia, Brad's cultural, technological and commercial insights within the region bring a wealth of knowledge and expertise to the Exclusive Networks APAC business.

M. BRIAN VINCIK – VICE-PRESIDENT NORTH AMERICA

Brian Vincik (VP, North America) 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.

M. DENIS FERRAND AJCHENBAUM – VICE-PRESIDENT GLOBAL ALLIANCES AND ECOSYSTEM

Denis Ferrand-Ajchenbaum (VP Global Alliances and Ecosystems) joined Exclusive Networks in 2021, with over 30 years of experience in enterprise IT including stints at value-added distributors, resellers, and vendors. As VP Ecosystems and Alliances, he is responsible for maximizing the opportunities for our global ecosystem of partners and vendors. Denis is tasked with driving the strategy for our global system integrators (GSIs) and worldwide partner network along with maximizing the value and global penetration of existing vendor relationships while scouting and acquiring the next generation of Exclusive Networks' cyber security portfolio.

MS. 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 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's agile, inclusive and unique business culture: "*L'Esprit Exclusive*".

M. 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's global business activities.

Vincent has over 20 years' senior experience gained across numerous industries, both at legal practices and in-house for major corporations including Groupe Renault.

1.2.7. Gender Diversity on the management bodies (executive Committee and 10% of the people with the highest responsibilities)

Diversity remains a constant focus for the Group across the world.

In this respect, the Group has set a goal to reduce the representation gap of women and men in certain job categories, by increasing the number of women in positions with greater responsibility (including Executive Committee positions).

As of the date of the 2021 Universal Registration Document, the gender diversity level is about 60% male and 40% female employees.

The gender diversity in management functions is about 83% male and 17% female, though there is still a real room for improvement. As a methodology, we considered as "management functions ", the Executive committee, the Regional General managers and the Country managers from the strongest profit countries (generating >100M€ revenue countries).

Even though there is overall profiles shortage in the industry with a high level of competition combined with a gender gap still present, the Group intends to put in place measures in order to improve the representation of women in our workforce from entry to managerial levels

Some measures have already been taken to reach this goal. These include initiatives at Grandes Écoles and universities to inform students about Exclusive Networks' different business areas, where particular attention has been paid to promote women to management positions.

1.3. THE BOARD OF DIRECTORS: COMPOSITION AND ORGANIZATION PRINCIPLES

1.3.1. Composition of the Board of Directors

1.3.1.1. Article 12 of the Company's Bylaws

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.

Directors are appointed for a four (4) 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 (6) years or reduce the term of office of one or more Directors in office to a period of less than four (4) years, in order to allow for a staggered renewal of Directors' terms of office.

When a Director is appointed, in accordance with the applicable laws and regulations, 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 fiscal year and held during the year in which the term of office of such a director expires.

1.3.1.2. Composition of the Board of Directors as at 31 December 2021

All members of the Board of Directors were appointed during the general meeting of the Company's shareholders held on 1 September 2021. Mr. Jesper Trolle, Mr. Olivier Breittmayer, Mr. Pierre Pozzo and Mr. Michail Zekkos were appointed as Directors with immediate effect while independent members of the Board of Directors were appointed subject to the settlement and delivery of the shares offered in the IPO which occurred on 27 September 2021.

		Chief Executive Officer & Director	Chairperson	Directors				
Personal information	**Name**	**Jesper Trolle**	**Barbara Thoralfsson**	**Marie-Pierre De Bailliencourt**	**Michail Zekkos**	**Pierre Pozzo**	**Nathalie Buhnemann**	**Olivier Breittmayer**
	Age	49	63	52	45	33	44	58
	Gender	M	F	F	M	M	F	M
	Nationality	Danish	Norwegian American	French	British Greek	French	French	French
Position on the Board of Directors	**Independency** [(a)]	No	Yes	Yes	No	No	Yes	No
	Number of offices currently held in other listed companies	0	2	0	0	0	1	0
	Date of first appointment or latest renewal	1 September 2021[(d)]	27 September 2021[(c)]	27 September 2021[(c)]	1 September 2021	1 September 2021	27 September 2021[(c)]	1, September 2021
	Date of latest renewal	-	-	-	-	-	--	
	End of term of office	AGM 2025	AGM 2025	AGM 2025	AGM 2025	AGM 2025	AGM 2025	AGM 2025
	Number of Company's shares held [(b)]	181,900	15,000 [(**)]	1,250	1,500	1,500	2,083[(***)]	17,826 11,982,100 [(*)]
Committee member			Audit	Nomination & Compensation (chair)	Nomination & Compensation	Audit	Audit (chair) Nomination & Compensation	

AGM: Annual General Meeting; A: Audit Committee; NR: Nomination & Compensation Committee
(*) Indirectly through HTIVB
(**) Indirectly through Fleming Industrial AS
(***) Indirectly through Esta management Sprl
(a) As defined by the AFEP-MEDEF Code
(b) In accordance with the Internal Rules of the Board of Directors, the Directors are required to own at least 1,000 Company's shares (such a requirement does not apply for the Directors representing the employees).
(c) Appointment effective as from the date of settlement/delivery of the shares offered in the Company'sIP0 pursuant to the shareholders' meeting held on 1 September 2021 and the decision of the Board of Directors held on 27 September 2021
(d) Mr. Jesper Trolle is the legal representative of the Company since 1 December 2020 (successively as President of the Company under the SAS corporate form and then as Chief Executive Officer since 1 September 2021).

1.3.1.3. Directors representing the employees

The Board of Directors does not presently comprise any member representing either the employees (pursuant to Article L.225-27-1 of the French Commercial Code) or the employees shareholders (pursuant to Article L.225-23 of the French Commercial Code) for the following reasons:

- Regarding the representation of employees shareholders: the shares held by the Company's staff and by the staff of its affiliated companies as defined in Article L.225-180 of the French Commercial Code represents less than 3% (threshold above which such an appointment is required by law (see Section 16.1 " *Shareholders*" of the 2021 Universal Registration Document);

- Regarding the Directors representing the employees: this category of Director is not required as the Company has not exceed, at the end of two consecutive fiscal years, the thresholds indicated in Article L.225-27-1 of French commercial Code (at least one thousand permanent employees in the Company and its direct or indirect subsidiaries, whose registered office is located in France, or at least five thousand permanent employees in the Company and its direct or indirect subsidiaries, whose registered office is located in France and abroad).

1.3.1.4. Lead Director

Given the decision to separate the functions of Chairperson and Chief Executive Officer, the Board of Directors decided not to appoint a Lead Director. Any conflict of Interest is managed by the Chairperson (see Section 1.2 "*Current Governance structure*" of this report).

1.3.1.5. Evolution of the composition of the Board of Directors and its Committees in 2021

All members of the Board of Directors and Committees were appointed on 1 September 2021 in connection with the IPO and the conversion of the Company into a public limited Company. The appointment of the independent Directors (Barbara Thoralfsson, Nathalie Bühneman and Marie-Pierre de Bailliencourt) became effective as from the date of settlement/delivery of the shares offered in the IPO of the Company pursuant to the shareholders' meeting held on 1 September 2021 and the decision of the Board of Directors held on 27 September 2021.

	Board of Directors	Audit Committee	Nomination and Compensation Committee
Departure	**Michail Zekkos**[(a)] Chairperson of the Board of Directors (27 September 2021)	-	-
Appointment	**Barbara Thoralfsson** Chairperson of the Board (27 September 2021) **Jesper Trolle** Director and Chief Executive Officer (1 September 2021) **Michail Zekkos** Director (1 September 2021) **Nathalie Bühneman** Director (27 September 2021) **Marie-Pierre de Bailliencourt** Director (27 September 2021) **Olivier Breittmayer** Director (1 September 2021) **Pierre Pozzo** Director (1 September 2021)	**Nathalie Bühneman** Chairperson (27 September 2021) **Barbara Thoralfsson** Member (27 September 2021) **Pierre Pozzo** Member (27 September 2021)	**Marie Pierre de Bailliencout** Chairperson (27 September 2021) **Michail Zekkos** Member (27 September 2021) **Nathalie Bühneman** Member (27 September 2021)

(a) Michail Zekkos was appointed as Chairman of the Board of Directors at the time of conversion of the Company into a Société Anonyme on 1 September 2021 and resigned from his functions as Chairman on 27 September 2021, with no impact on his functions as Director of the Board of the Company.

1.3.1.6. Information on Directors

Barbara Thoralfsson

Professional address:

20 Quai du Point du Jour, 92100 Boulogne-Billancourt

France

Number of shares: 15,000(***)

Date of birth (and age): 16 January 1959 (63 years old)

Nationality:

Norwegian, American

Date of 1st appointment: 27 September 2021(**)

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 Committee: Audit Committee

Independent member

BIOGRAPHY – PROFESSIONAL EXPERIENCE – FIELDS OF EXPERTISE

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).

Barbara Thoralfsson holds a BA Psychology from Duke University (USA) and an MBA in Marketing and Finance from Columbia Business School (USA).

Main activities:
Director of Companies

LIST OF POSITIONS AND OFFICES HELD IN FRENCH AND FOREIGN COMPANIES

Other positions and offices held as at 31 December 2021	Other positions and offices held during the last five years
Within the Exclusive Networks Group France: None Foreign countries: None	**Within the Exclusive Networks Group** France: None Foreign countries: None
Outside the Exclusive Networks Group France: None Foreign countries: ● Essity(*) (Sweden) – Board Member & Chair, Audit Committee ● SCA* (Sweden) – Non-Executive Director and Chair, Audit Committee ● Hilti Group (Liechtenstein) – Non-Executive Director ● Fleming Industries (Norway) – Co-Founder and Owner	**Outside the Exclusive Networks Group** France: None Foreign 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.
(**) Appointment effective as from the date of settlement/delivery of the shares offered in the IPO pursuant to the shareholders' meeting held on 1 September 2021 and the decision of the Board of Directors held on 27 September 2021
(***) through Fleming Industries AS (Norway).

Jesper Trolle

Director

Professional address:

20, Quai du Point du Jour, 92100 Boulogne-Billancourt

France

Number of shares:

181,900

Date of birth (and age): 10 December 1972 (49 years old)

Nationality: Danish

Date of 1st appointment: 1 September 2021(*)

Date of renewal: -

Term expires on: 2025 AGM ruling on the accounts of the 2024 financial year

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 out of Denver, Colorado.

Jesper Trolle, holds an Executive MBA in General Management from Henley Business School

Main activities:

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 2021	Other positions and offices held during the last five years
Within the Exclusive Networks Group(**) France: None Foreign countries: None	**Within the Exclusive Networks Group** France: President of Exclusive Networks (*) Foreign countries: None
Outside the Exclusive Networks Group France: None Foreign countries:None	**Outside the Exclusive Networks Group** France: None Foreign countries: ● ECS Arrow Electrics - various positions including President of the Americas (2020)

(*) President of the Company under its former corporate form as French Société par actions simplifiée (1 December 2020 – 1 September 2021)

(**) by the exception of the mandates held in the Exclusive Networks Group' entities for which Jesper Trolle does not receive any compensation

Olivier Breittmayer

Director

Professional address:

Grand Route 2017, B-1428 Braine-l'Alleud, Belgium

Number of shares

17,826
11,982,100(**)

Date of birth (and age): 9 March 1964 (58 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

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 served also as (i) Chief Executive Officer of Cirel Systems from 1997 to 1999, (ii) Chief Executive Offer of Newlink from 1997 to 2000 and (iii) Managing Director of Alasso Southern Europe from 2000 to 2002.

Olivier Breittmayer, holds a graduate of the Ecole Supérieure de Gestion business school (France) and 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 2021	Other positions and offices held during the last five years
Within the Exclusive Networks Group France: None Foreign countries: None	**Within the Exclusive Networks Group** France: ● Chief Executive Officer of Exclusive Networks* (2005 – 2020) Foreign countries: None
Outside the Exclusive Networks Group France: ● Chairman of Colisée Group ● Exclusive Venture SA – Administrateur délégué ● HTIVB – Chief Executive Officer and Owner ● Omada Conseil SA – President of the Board Foreign countries : None	**Outside the Exclusive Networks Group** France: None Foreign countries: None

(*) Initially appointed as President and member of the Supervisory Board of the Company under its former corporate form as a Société par actions simplifiée
(**) Indirectly through HTIVB

Nathalie Bühnemann

Professional address:

21 rue Antonin Laborde, 69009 Lyon France

Number of shares: 2,083

Date of birth (and age): 27 November 1977 (44 years old)

Nationality: French

Date of 1st appointment: 27 September 2021(**)

Date of renewal: -

Term expires on: 2025 AGM ruling on the accounts of the 2024 financial year

Independent Director

Committee member:

- **Audit Committee (Chair)**
- **Nomination and Compensation Committee**

BIOGRAPHY – PROFESSIONAL EXPERIENCE – FIELDS OF EXPERTISE

Nathalie Bühnemann has served as Group Chief Financial Officer of Akka Technologies since 2018 and has been supervising the overhead structure of the AKKA group since 2020. She has also been a member of the board of directors of Akka Technologies since 2020. Nathalie Bühnemann has also served as Akka Technologies' (i) Group Finance Director from 2016 to 2019, (ii) Head of Corporate Finance from 2015 to 2016, (iii) Head of Group Reporting, Consolidation and Integration from 2014 to 2016 and (iv) Finance Controller from 2013 to 2014. Prior to joining Akka Technologies, she was a Financial Consultant at PwC from 2001 to 2013.

Nathalie Bühnemann, holds an Audit and Finance degree from ESCP European School of Management (France) and is certified as a public accountant in France (DEC).

Main activities:
Group Chief Financial Officer and board member of Akka Technologies*

LIST OF POSITIONS AND OFFICES HELD IN FRENCH AND FOREIGN COMPANIES

Other positions and offices held as at 31 December 2021	Other positions and offices held during the last five years
Within the Exclusive Networks Group France: None Foreign countries: None	**Within the Exclusive Networks Group** France: None Foreign countries: None
Outside the Exclusive Networks Group France: ● Akka Technologies (*) - Director and Group Chief Financial Officer Foreign countries: none (****)	**Outside the Exclusive Networks Group** France: ● Akka Technologies(*) – Group Finance Director (2016-2019) ● Akka Technologies(*) – Head Corporate Finance (2015-2016) ● Akka Technologies(*) – Head Group Reporting, Consolidation and Integration (2014-2016) Foreign countries: None

(*) Listed company
(**) Through the management company Esta management Sprl
(***) Appointment effective as from the date of settlement/delivery of the shares offered in the Company'sIP0 pursuant to the shareholders' meeting held on 1 September 2021 and the decision of the Board of Directors held on 27 September 2021.
(****) by the exception of the mandates held in the Akka Group' entities for which Nathalie Bühnemann does not receive any compensation.

Michail Zekkos

Professional address:

80, Pall Mall, London, England,
SW1Y 5ES

Number of shares:

1,500

Date of birth (and age): 20 December 1976 (46 years old)

Nationality:

British
Greek

Director

Committee member:

- **Nomination and Compensation Committee**

BIOGRAPHY – PROFESSIONAL EXPERIENCE – FIELDS OF EXPERTISE

Michail Zekkos joined Permira in 2007 and is a partner. At Permira, Michail focuses on investment opportunities in technology businesses and has extensive experience in the sector. Prior to joining Permira, Michail Zekkos worked in technology investment banking at JPMorgan. Michail Zekkos is a member of the board of directors of 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 activities:
Partner at Permira

Date of 1st appointment: 1 September 2021(**)

Date of renewal: -

Term expires on: 2025 AGM ruling on the accounts of the 2024 financial year

LIST OF POSITIONS AND OFFICES HELD IN FRENCH AND FOREIGN COMPANIES

Other positions and offices held as at 31 December 2021	**Other positions and offices held during the last five years**
Within the Exclusive Networks Group France: None Foreign countries: None	**Within the Exclusive Networks Group** France: ● Chairman of the Board of Directors of Exclusive Networks (1 September 2021 – 27 September 2021)(*) ● Member of the Supervisory Board of Exclusive Networks (until 1 September 2021) Foreign countries: None
Outside the Exclusive Networks Group France: None Foreign countries: ● Permira Advisers LLP – Member (appointed 03/15/2013) ● CRC Purchaser Corporation – Director (appointed 10/15/2019) ● CRC Group Holdings MLP, Inc. – Director (appointed 10/152019) ● CRC Group Holdings GP, Inc. – Director (appointed 10/15/2019) ● Curriculum Associates, LLC – Director (appointed 10/15/2019)	**Outside the Exclusive Networks Group** France: None Foreign countries: ● Teraco Data Environments – Director (02/02/2015 - 05/07/2020)

(*) Listed company
(**) Initially appointed as member of the Supervisory Board of the Company under its former corporate form as a French *Société par actions simplifiée*

Pierre Pozzo

Professional address: 31 rue de la Baume, 75008 Paris France

Number of shares: 1,500
Date of birth (and age): 12 March 1989 (33 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
Committee member: Audit Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE – FIELDS OF EXPERTISE

Pierre Pozzo joined Permira in 2013 and is a principal. At Permira, Pierre 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 activities: Principal at Permira

LIST OF POSITIONS AND OFFICES HELD IN FRENCH AND FOREIGN COMPANIES

Other positions and offices held as at 31 December 2021

Within the Exclusive Networks Group
France: None
Foreign countries: None

Outside the Exclusive Networks Group
France: None
Foreign countries:

- Eightplatform I Limited - (appointed 07/12/2021)
- Everest Uk Holdco Limited - (appointed 25/05/2018)
- Magnesium Bidco Limited - (appointed 30/11/2021)
- Magnesium Midco Limited - (appointed 29/11/2021)
- Magnesium Topco Limited - (appointed 07/12/2021)
- Magnesium Midco 2 Limited - (appointed 26/11/2021)
- Permira Advisers LLP – Member (appointed 01/01/2019)
- Teraco Data Environments – Director (appointed 07/05/2020)
- Nighthawk UK Holdco Limited – Director (appointed 22/02/2021)
- Artemilux Topco S.à.r.l. – Manager (appointed 23/03/2017)
- Kinailux S.à r.l. – Manager (appointed 23/09/2015)
- · Springlux Topco S.àr.l. – Manager (appointed 27/03/2015)
- · TigerLuxOne GP S.àr.l. – Manager (appointed 27/03/2015)
- TigerLuxOne S.àr.l. – Manager (appointed 27/03/2015)
- TigerLuxOne Midco S.àr.l. – Manager (appointed 28/04/2015)
- Springlux Midco S.àr.l. – Manager (appointed 28/04/2015)

Other positions and offices held during the last five years

Within the Exclusive Networks Group
France: None
Foreign countries: None

Outside the Exclusive Networks Group
France: None
Foreign countries:

- TigerLuxOne Topco S.àr.l. – Manager (appointed 03/27/2015, resigned 03/06/2020)

(*) Initially appointed as member of the Supervisory Board of the Company under its former corporate form as a French *Société par actions simplifiée*

Marie-Pierre de Bailliencourt

Independent Director

Committee member:

- **Nomination and Compensation Committee (Chair)**

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 (52 years old)

Nationality: French

Date of 1st appointment: 27 September 2021(*)

Date of renewal: -

Term expires on: 2025 AGM ruling on the accounts of the 2024 financial year

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 Director from January 2015 to November 2017. She currently sits on the board of directors of several French companies including Comgest and Le Groupe La Poste and teaches at the Institut de Sciences Politiques in Paris.

Marie-Pierre de Bailliencourt, holds a doctorate in Geopolitics from Paris-Sorbonne University and studied International Affairs at Johns Hopkins University.

Main activities:

Non-Executive Director of various companies
Teacher at the Institut de Sciences Politiques in Paris

LIST OF POSITIONS AND OFFICES HELD IN FRENCH AND FOREIGN COMPANIES

Other positions and offices held as at 31 December 2021	Other positions and offices held during the last five years
Within the Exclusive Networks Group France: None Foreign countries: None	**Within the Exclusive Networks Group** France: None Foreign countries: None
Outside the Exclusive Networks Group France: ● COMGEST – Director (appointed Jan 2021) ● Le Groupe La Poste – Director (appointed March 2016) Foreign countries: None	**Outside the Exclusive Networks Group** France: ● RUAG – Director (May 2018 - May 2021) ● DCNS Naval Group – Deputy Chief Executive Director (Jan 2015- Nov 2017) ● GTT – Independent Director (Dec 2014- March 2016) Foreign countries: None

(*) 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

1.3.1.7. Diversity Policy of the Board of Directors

It is specified that the Company was not subject to the recommendations of the AFEP-MEDEF before 23 September 2021, and it is not subject to the requirements of Article L. 22-10-10 2° of the French Commercial Code as it does not meet the thresholds of revenue, assets and employees. The Directors of the Company come from different backgrounds and have varied experience and expertise reflecting the objectives of the Board of Directors.

The Board of Directors shall ensure the balance of its composition and that of its Committees, in terms of diversity in accordance with the Article 6.2 of the AFEP-MEDEF Code, with respect to the criteria as age, gender, skills, professional experience, nationality and independence, and in light of the evolution of the Board of Directors composition and objectives.

The table below set the objectives and the outcomes of the diversity policy at board level since the Company'IPO:

CRITERIA	OBJECTIVES	IMPLEMENTATION AND OUTCOMES
Independence of the Board of Directors	Comply with the recommendations of the AFEP-MEDEF Code on the independence of the Board of Directors	Three independent Directors were appointed in September 2021 at the time of the conversion of the Company into a Société Anonyme in view of the IPO of the Company. As of the date of the Universal Registration Document, the ratio of Independent Directors was 42,8%, much higher than the 1/3 rate recommended by the AFEP-MEDEF Code for controlled companies.
Gender equality of the Board of Directors	Comply with legal provisions on gender equality, which require a minimum percentage of 40% of each gender (article L. 22-10-3, previously L. 225-18-1 of the French Commercial Code)	With respect to the balanced representation of women and men within the Board of Directors and in accordance with the French law, three women has been appointed as Directors by the shareholders on 1 September 2021. As of the date of the 2021 Universal Registration Document, the Board of Directors was composed of 42,8% women Directors (3 out of 7). The Board of Directors considered that the ratio was satisfactory and aims at upholding it above 40% minimum threshold required by law in view of future renewals and appointments
Age of Directors	Comply with the legal provision regarding the age of Directors which require that no more than a third of Directors may be over 70 years of age (article L225-19 of the French Commercial Code)	As of the date of the Universal Registration Document, Directors' age ranged from 33 to 63 with an average of 49 years old. The Board of Directors considered that the age average was satisfactory
Employee representation on the Board of Directors	Comply with legal provisions and Company's Bylaws	N/A (see Section 1.3.1.3 "*Directors representing the employees*" above)
Directors' nationality	To be in line with the geographical footprint of Exclusive Networks	As of the date of the 2021 Universal Registration Document and since the implementation of its new governance following the IPO, the proportion

	and reflects the leadership of the Group	of Directors of non-French nationality reached 42,8%, 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	Include members with technical abilities from a variety of realms of expertise and experience	It is the Board of Directors' policy to regularly assess its composition and the various areas of expertise and experience contributed by each of its members. It also regularly identifies the direction to be taken to ensure the best possible balance with regards to international development and the diversity of the Group's employees, changes in its shareholding base and the various challenges facing Exclusive Networks. It ensures that the Board of Directors retains a range of experience and nationalities and respects gender balance, while ensuring the commitment of all Directors to the Group's fundamental values

1.3.1.8. 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 judgment.

The AFEP-MEDEF Code, adopted by the Board of Directors as its 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.

The criteria are detailed in article 9 of the AFEP-MEDEF Code.

The assessment of the independency of a Director will be conducted at least once a year, and the resulting decisions will be made public in the annual corporate governance report of the Board of Directors. An evaluation of the independence of the Directors was conducted in September 2021 prior to the appointment of new Directors in preparation for the contemplated IPO.

According to the independence criteria set forth in the AFEP-MEDEF Code which provides that the number of independent Directors must be at least one third in controlled companies, three (3) members of the Board of Directors can be considered as independent.

The table below shows the evaluation of the independence pursuant to such criteria of each member appointed by the General Meeting of Shareholders on 1 September 2021:

Name of the Directors	Not to be an employee or an executive officer of the Company (including over the past 5 years)	No cross-Directorships (including over the past 5 years)	No business relationships	No family ties	Not to be an auditor of the Company (including over the past 5 years)	No to have been a Director of the Company for more than twelve years	Not receive any variable compensation or compensation related to the Company's or the Group's performance	Not hold more than 10% of the shares or voting rights	Independent
Barbara Thoralfsson	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jesper Trolle	X	X	✓	✓	✓	✓	X	✓	X
Olivier Breittmayer	X	✓	✓	✓	✓	✓	✓	X**	X
Nathalie Bühnemann	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pierre Pozzo	✓	✓	✓	✓	✓	✓	✓	X*	X
Michail Zekkos	✓	✓	✓	✓	✓	✓	✓	X*	X
Marie-Pierre de Bailliencourt	✓	✓	✓	✓	✓	✓	✓	✓	✓

In this table, √ represents satisfied independence criteria and X represents a non-satisfied independence criteria:
* Mr. Pierre Pozzo and Mr. Michail Zekkos are connected to Everest UK HoldCo Limited which holds more than 10% of the shares and voting rights of the Company
** Mr. Olivier Breittmayer is shareholder of HTIVB which hold more than 10% of the shares and voting rights of the Company since its proposed IPO.

For the purpose of assessing the business relationships (criterion 3) of the Group with the companies in which independent Directors hold executive positions or/and mandates, the Board of Directors upon recommendations of the Nomination and Compensation Committee will determine a quantitative, and if appropriate, a qualitative criterion to assess whether or not the business relationship is material in nature. This procedure will be implemented during the year 2022.

The internal Rules provide that Directors who are deemed independent are required to inform the Chairperson, as soon as such members become aware of it, of any change in their personal situation with respect to these same criteria.

1.3.2. Training for Directors

Each Director may, at the time of his/her appointment or throughout his/her term, receive training which might appear necessary for the exercise of the duties in particular in relation to specific aspects of the Group, its area of business and industry and on Group accounting and financial aspects.

This training is organized by the Company and are at the Company's expense.

1.3.3. Shareholding obligation

In accordance with the terms of the AFEP-MEDEF Code and independently of any statutory obligation to hold shares, each Director (except the Directors representing employees' shareholders as the case maybe) must personally be a shareholder and hold a relatively significant amount of shares.

Therefore, in accordance with the Internal Rules, each Director shall hold, directly or indirectly through any legal entity which is controlled by such a Director, a minimum of 1,000 shares of the Company at any time during his term of office as Director of the Company.

As of the date of this 2021 Universal Registration Document all Directors meet the requirement, contained in the Internal Rules and hold at least 1,000 shares.

1.3.4. Statement regarding the members of the Corporate Officers (Executive officers and members of the Board of Directors)

To the best of the Company's knowledge, there has been no official public incrimination and/or sanctions taken by statutory or regulatory authorities (including designated professional organizations) against any of the Executive officers and members of the Board of Directors. No court has, over the course of the past five years at least, disqualified the Executive officers and the members of the Board of Directors from acting as 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. No Executive officers and no Director have been convicted for fraud over the past five years at least. No Executive officers and no Director has taken part as senior manager in bankruptcy, receivership, liquidation or companies put into administration over the past five years.

1.3.5. Conflict of interest (extract from the Internal Rules)

The Chairperson is responsible for managing conflict of interest situations in respect of executive Directors and members of the Board of Directors. Where necessary he/she shall refer to the Nomination and Compensation Committee.

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 with respect to which they are conflicted.

Each Director shall also inform the Chairperson 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 inform the Chairperson 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: (i) upon taking up his/her office, (ii) each year in response to a request made by the Secretary of the Board of Directors upon preparation of the annual report, (iii) at any time where the Secretary of the Board of Directors so requests it, and (iv) within 10 (ten) calendar days following the occurrence of any event that renders the previous statement made by him/her in whole or in part inaccurate. The Chairperson may refer, when necessary, this issue to the Board of Directors.

A Director shall resign in the event this conflict 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.
- No arrangement or understanding 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.

1.3.6. Internal rules

On 27 September 2021, the Board of Directors of Exclusive Networks approved internal rules which govern the works of the Board of Directors. and the management of conflicts of interest (the "**Internal Rules**").

The Internal Rules specify the rules relating to the composition, rights and duties, operation and functioning of the Board; the remuneration of Directors; the evaluation of the Board of Directors' work; the information to be provided to Directors; the role, powers and operating rules of the Board of Directors' committees; and the duties of the Chairperson.

A copy of the Internal Rules is provided to the Directors on their appointment who acknowledge receipt of these documents. The Internal Rules are available on the Company's website (www.exclusive-networks).

1.4. OPERATION OF THE BOARD OF DIRECTORS, THE CHAIRPERSON OF THE BOARD OF DIRECTORS AND COMMITTEES

1.4.1. Attendance of the members to the Board of Directors

	Board of Directors		Audit Committee		Nomination and Compensation Committee	
Members	**Attendance rate**	**Number of meetings**[(a)]	**Attendance rate**	**Number of meetings**[1]	**Attendance rate**	**Number of meetings**[1]
Barbara Thoralfsson	100	4/4	100	2/2	–	–
Jesper Trolle	100	4/4	–	–	–	–
Olivier Breittmayer	100	4/4	–	–	–	–
Nathalie Bühnemann	100	4/4	100	2/2	100	1/1
Pierre Pozzo	100	4/4	100	2/2	-	-
Michail Zekkos	100	4/4	-	-	100	1/1
Marie-Pierre de Bailliencourt	100	4/4	–	–	100	1/1

(1) Number of Board and Committees' meetings since the date of admission of the shares of the Company to trading on the Euronext Paris regulated market

1.4.2. The Board of Directors' activity

1.4.2.1. Missions

The Board of Directors must deliberate on any issue falling within its legal or regulatory powers and devote sufficient time to perform its missions.

The Board of Directors must act in the corporate interest of the Company at any time, seeking to promote long-term value creation in all aspects of the Company's operations.

In performing its legal prerogatives, the Board of Directors examines and approves, before their implementation, at a simple majority of the members present or represented, the Reserved Matters (see article 1.2.4).

The Board of Directors may perform any audit and verification it deems appropriate to fulfill its missions.

1.4.2.2. Operating rules

The Board of Directors shall meet at least four (4) 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 Director or by the Chairperson and must include a precise agenda determined by the Chairperson, in consultation with the Chief Executive Officer (*Directeur Général*) 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 videoconference 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.

1.4.2.3. Activities of the Chairperson

The Chairperson organizes 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.

Before any meeting of the Board of Directors, the Chairperson shall provide, in a timely manner, the Directors with the details of the agenda of the meeting and all the relevant documents in relation to all the items of such an agenda requiring a prior review and a special analysis, subject to any restriction relating to confidentiality.

The Chairperson conjointly with the Chief Executive Officer shall provide to each Director, all information and documents necessary to perform their missions to each Director, in a timely manner, except in case of emergency.

1.4.2.4. Activities of the Board of Directors in 2021

During the 2021 fiscal year, the Board of Directors met 8 times, 4 of which, were after the IPO. Global attendance of Directors at these meetings was of 100%. The year of 2021 was marked by the major transactions as announced, in particular, the Company’s IPO and the related financial transactions (increases in the Company’s share capital, the signing of agreements for private placement and the process of prepayment and renegotiation of senior debt) which reflected on the Board of Directors’ activity.

The Board of Directors met to discuss the following topics:

As far as financial statements, budget and financial commitments are concerned:

- review and approval of the 2022 budget;
- review of the financial information and quarterly reports and forecasts;
- review of financial presentations and press releases;
- authorizations to implement the share buyback program and to sign a liquidity contract.

As far as strategic projects and operations are concerned:

- review of IT strategic trend;
- review of X-OD platform;
- review of the services portfolio;
- review of external growth operations (in particular, the acquisition of Ignition and Networks Unlimited (Sub-Saharan);
- review of intra-group restructuring transactions (merger transactions).

As far as compensation is concerned:

- setting of the compensation policy applicable to the Chairperson, the Directors and the Chief Executive Officer for 2021;
- review of the conformity of the executive officers’ compensation policy with the AFEP-MEDEF Code;
- review of a proposal for an offering reserved for employees

As far as governance is concerned:

- governance-related documentation:
    - adoption of the Internal Rules;
- Company governance:

    - implementation of the new governance of the Company as from its IPO:
        - setting up of two committees: the Nomination and Compensation Committee and the Audit Committee and appointment of its members;
        - appointment of independent Directors;
    - definition of the missions of the Chairperson;
    - definition of the limitation of powers of the Chief Executive Officer;
    - presentation of the executive committee'-members;
- operation of the corporate bodies:
    - renewal or approval of certain delegations of powers to senior executive officers;
    - approval of regulated agreements (for example Guarantee Contract over the issued shares, Insurance to cover the liability of the directors…).

As far as the IPO of the Company is concerned:

- review the prospectus and more generally all documentation filed with the French market Authority;
- approval of the underwriting agreement;
- update of the Company's Bylaws;
- setting up of the Insider Trading rules;
- convening of the combined shareholders' meeting, reviewing the proposed resolutions;
- conclusion of a liquidity agreement.

Executive session of the Board of Directors (without the presence of the Chief Executive Officer

As explained in Section 1.1. "*Compliance with the AFEP-MEDEF Code*" of the present report, given the recent implementation of the governance of the Company following the IPO of the Company, the Board of Directors did not hold unformal meeting outside the Chief Executive Officer's presence in 2021. The Chairperson of the Board of Directors will determine whether it is beneficial to the Board's work to hold or arrange a meeting without the Chief Executive Officer. In any case, the Chief Executive Officer will not attend Board of Directors discussions about his compensation policy or the level of achievement of targets related to his variable compensation. Moreover, during the Board meeting approving the annual financial statements, the Board meet the statutory auditors without the presence of the Chief Executive Officer.

1.4.3. Board of Directors' Committees

1.4.3.1. Creation of Committees

The Board of Directors can, upon a proposal by the Chairperson, set up Committees – whose composition and mandates are defined by the Board – as often as required in the best interests of the Company.

The Board of Directors, on the proposal of the Chairperson, has decided to set up two (2) permanent Committees:

- the audit, internal control and risk committee (the "**Audit Committee**"); and
- the nomination and compensation committee (the "**Nomination and Compensation Committee**"),

each of the Audit Committee and the Nomination and Compensation Committee being defined as a "**Committee**" and together the "**Committees**".

The Board of Directors may also create one or more "ad hoc" committees.

1.4.3.2. Competence

Any decision of the Board of Directors within the area of competence of a Committee shall be examined by the latter prior to its submission to the Board of Directors. Any Committee may issue non-binding written or oral recommendations to the Board of Directors. As part of their duties, the Committees may hear the managers of any Group company.

1.4.3.3. Composition

These Committees are composed of members of the Board of Directors who do not hold any management position within the Company and who have suitable knowledge for the performance of the missions of the Committee in which they participate.

1.4.3.4. Missions

They shall have the necessary resources to perform their missions and act under the responsibility of the Board of Directors.

Any Committee may request external technical studies on matters in their areas of competence, at the Company's expense, after having notified the Chairperson or the Board of Directors itself.

1.4.3.5. Meetings

Committees may hold valid deliberations, either in a meeting, or by phone or videoconference, under the same conditions as the Board of Directors, upon convening by its chairperson or the secretary of such Committee, if any, on condition that at least half its members participate in its meetings.

Convening notices of Committee meetings must include an agenda and may be given verbally or by any other means.

A Committee meeting is valid if at least half of its members are present or represented. It deliberates by simple majority of its present or represented members, being specified that any member of a Committee may be represented by another member of such a Committee.

Each Committee is chaired by a chairperson appointed by the Board of Directors upon proposal by the Nomination and Compensation Committee.

The composition of the Committees (as presented below) follows the recommendations of the AFEP-MEDEF Code.

The main provisions of the Internal Regulations applicable to the Audit Committee and the Nominating and Compensation Committee are set out below.

1.4.4. Audit Committee

1.4.4.1. Composition

The Audit Committee shall be composed of at least three (3) members, two (2) of whom shall be independent members of the Board of Directors, none of whom shall hold an executive position. The members of the Audit Committee shall have appropriate accounting and financial expertise.

Since the date of the IPO regulated market, and as the date of the present Universal Registration Document the following three persons have been appointed as members of the Audit Committee: Ms. Nathalie Bühnemann (Chair), Mr. Pierre Pozzo and Ms. Barbara Thoralfsson. The members of the Audit Committee shall have appropriate accounting and financial expertise (see Section 1.3.1.1.6 "*Information of the members of the Board of Directors*" above for the biography of each Director). The chairing of the Committee was entrusted to Ms. Nathalie Bühnemann who possesses the required skills, especially in view of her position as Group Chief Financial Officer of Akka and her directorships with large groups.

In addition to the Directors, the Audit Committee may hear the statutory auditors and the executives in charge of internal control, risk management and compliance.

The term of office of the members of the Audit Committee is the same as their term of office on the Board of Directors.

1.4.4.2. Functions

The Audit Committee, acting under the responsibility of the Board of Directors, will have notably the following duties:

- to review the financial statements prior to their submission to the Board of Directors and to ensure the relevance and consistency of the accounting principles and methods applied to establish corporate and consolidated accounts;

- to monitor the process for the preparation of the financial information, and in particular its quality and reliability, to make any proposal for its improvement and to ensure that any corrective actions have been implemented in the event of malfunction in the process;

- to issue a recommendation regarding the statutory auditors to be appointed by the shareholders' general meeting; to issue recommendations to the Board of Directors for the reappointment of the statutory auditors, as well as for their fees;

- to review the working program 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 compliance by the statutory auditors with the conditions of independence provided by the French Commercial Code, and in particular through the review of their fees granted by the Group as well as any network to which they may belong and by the prior approval of any duty which does not strictly fall within the statutory audit of the accounts;

- to monitor the effectiveness and consistency of the internal control and risk management systems, and if necessary, suggest complementary actions; and

- to report to the Board of Directors.

1.4.4.3. Presentation of the Committee's work

During the 2021 fiscal year, the Audit Committee met twice. Attendance of members at the meetings was of 100%.

During the fiscal year 2021, the Audit Committee reviewed in particular the following points:

- review of the Q3 closing process;
- review of the 2022 Budget;
- review of press releases and decisions for the next publications;
- review of IT security;
- analysis of the Exclusive Networks' Compliance framework;
- review of the risks register including the risk mapping;
- internal Audit update;
- presentation of external auditors.

1.4.5. Nomination and Compensation Committee

1.4.5.1. Composition

The Nomination and Compensation Committee is composed of at least three (3) members, two (2) of whom are independent members of the Board of Directors, and none of whom hold an executive position.

Since the date of the IPO, and as of the date of the 2021 Universal Registration Document the following persons have been appointed members of the Nomination and Compensation Committee: Ms. Marie-Pierre de Bailliencourt (Chairwoman), Ms. Nathalie Bühnemann and Mr. Michail Zekkos.

The term of office of the members of the Nominating and Compensation Committee is the same as their term of office on the Board of Directors.

1.4.5.2. Functions

The Nomination and Compensation Committee is a specialized committee of the Board of Directors whose principal duty is to help the Board of Directors in the composition of the managing bodies of the Company and the Group and in determining and regularly evaluating the compensation and benefits of the executives of the Group (including all deferred benefits and/or compensation for voluntary or involuntary departures from the Group).

In this context, the Nomination and Compensation Committee, acting under the responsibility of the Board of Directors, will have notably the following duties:

- to identify and to make proposals to the Board of Directors in relation to the appointment of members of the Board of Directors;

- to suggest nominations to the Board of Directors with a defined objective to ensure balanced representation of men and women within the Board of Directors, and to draft a policy for achieving that objective;

- to perform periodically an evaluation of the structure, size, and composition of the Board of Directors and the effectiveness of the Board of Directors' work; and

- to prepare the proposals and opinions on compensation and the compensation policy to be sent to the Board of Directors, and in particular, regarding the compensation granted to the Chief Executive Officer and to perform an annual evaluation of the principles of the compensation and benefit policy.

As the Nomination and Compensation Committee has only recently been set up, it will be working on the implementation of a selection procedure for future Directors in 2022.

1.4.5.3. Presentation of the Committee's work

During the 2021 fiscal year, the Nomination and Compensation Committee met once time. Attendance of members at the meetings was of 100%.

During the fiscal year 2021, the Nomination and Compensation Committee reviewed in particular the following points:

- review of the Chief Executive Officer's remuneration for 2021;
- review of the employee shareholding scheme.

1.5. ASSESSMENT OF THE FUNCTIONING OF THE BOARD OF DIRECTORS

Every year, the Board of Directors shall inform the shareholders, in the annual report, of the assessments it has carried out and, if need be, of any follow-up action.

Periodically, at least once a year, the Board of Directors devotes one item on the agenda to its functioning, notably about the following matters:

- the reviewing of its composition, operation and organization and of those of its Committees;
- the assessment of whether important matters are appropriately prepared and discussed; and
- the assessment of the individual effective contribution by each Director to the work of the Board of Directors.

The non-executive members of the Board of Directors shall meet periodically, at least once a year, without the executive or "in-house" Directors, in order, in particular, to assess the performance of the Chief Executive

Officer and the Chairperson, and, if applicable, the performance of one or more Deputy Managing Directors (*Directeurs Généraux Délégués*) and to think about the future of the executive management.

The Board of Directors shall assess under the same conditions and under the same frequency the operating methods of the permanent Committees set up by it.

Furthermore, at least once every three (3) years, the Board of Directors carries out or commissions a formal assessment of its work.

As the Board of Directors was only set up in September 2021, the Board of Directors was not self-assessed in 2021. A self-assessment of the Board of Directors will be conducted during the 2022 financial year. The results of this self-assessment will be disclosed in the next Universal Registration Document.

2. COMPENSATION OF CORPORATE OFFICERS

2.1. COMPENSATION POLICY FOR CORPORATE OFFICERS

2.1.1. General principles of compensation policy for Corporate Officers

The total 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.

The policy described below applies for all the Company's corporate officers. Whenever necessary, it is specified which components and principles of the remuneration policy are specific to the Executive Corporate Officer, namely, the Chief Executive Officer, and the other corporate officers, namely, the members of the Board of Directors.

2.1.1.1. Setting, amending and implementing the compensation policy

- **Setting the compensation policy**

The Company's compensation policy 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 Company's success and sustainability, which depends on the achievement of its strategic, commercial and financial objectives in both the medium and long term.

When determining the compensation policy for executive and non-executive corporate officers, the Board of Directors, upon recommendation of the Nomination and Compensation Committee:

- relies on compensation studies carried out by specialized firms analyzing market practices in general, and specifically the practices of a panel of companies considered the most comparable, especially in terms of market capitalization, business sector and international environment. The Nomination and Compensation Committee will propose changes to the panel as the Group, its businesses, its market capitalization and the companies in the panel evolve;

- ensures that the principles that govern the compensation of the Chief Executive Officer are aligned with the Groups strategic priorities and tailored both to the Group's financial objectives and to the personal performance of the Chief Executive Officer.

The compensation policy for the Chief Executive Officer takes into account the principles of:

- **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 portion of the Chief Executive Officer's compensation is subject to the achievement of Group mid-term and long-term financial and non-financial performance criteria; Thus, ensuring that the compensation of the corporate officers is closely linked to the Group's performance, mainly through annual variable compensation dependent on the achievement of targets based on quantitative and qualitative criteria relating to the Group's performance and strategy;
- **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 executive and non-executive officers is only reviewed on a long-term basis.

If the remuneration policy were to be reviewed over a short period, the Company would provide details of the reasons for such review.

The remuneration policy may be reviewed in advance in specific cases, 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' remuneration in relation to comparable companies, which have been used as a benchmark for determining the remuneration of the Company's executives.

The Nomination and Compensation Committee takes into account changes in employee compensation and employment conditions in making its recommendations to the Board of Directors.

- **Implementing the compensation policy**

The Company's compensation policy for the corporate officers will be set each year by the Board of Directors based on the recommendations of the Nomination and Compensation Committee, which will assist in particular the Board of Directors in determining and evaluating the compensation and benefits of the corporate officers according to his or her level of responsibility and the time spent on his or her duties.

In accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy will be subject to a shareholder' vote every year.

2.1.1.2. Taking into account the remuneration and employment conditions of employees

The compensation policy will take into account the Company employees' compensation and employment conditions. Indeed, the Company's compensation policy ensures that the various components of the compensation for the Chief Executive Officer stay coherent with the compensation policy applied for the Company's employees.

The performance conditions of equity-based long-term compensation 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.

2.1.1.3. 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 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 the 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), unforeseeable, constituting a major event and an unexpected change affecting the Company's sector of activity and having 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 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.

The cap on annual variable compensation, multi-year equity compensation may not be increased under any circumstances.

2.1.1.4. Methodology for assessing performance criteria of the annual and pluri-annual compensation

The 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 reference period to which they apply.

The targets are determined based on the Group's key financial, non-financial and qualitative indicators in line with the Group's activities, strategy and goals. The financial objectives are set based on the budget pre-approved by the Board of Directors, in line with market guidance.

For each of the financial and non-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.

As far as qualitative targets based on non-financial indicators are concerned, they may be based on a qualitative and quantitative assessment of the Chief Executive Officer's performance. Of the non-financial indicators, at least one indicator is quantitative logic oriented and based on one or more quantifiable factors determined each year according to the Group's scope, strategy, objectives, and priorities. The achievement of the criteria for the qualitative part of the variable compensation based on non-financial indicators is assessed by the Board of Directors on the recommendation of the Committee. In this respect, the Committee relies on the assessment elements communicated by the 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 variable portion is achieved if an indicator is equal to the budget.

If the Chief Executive leaves the Group during the fiscal year, the amount of the variable portion of his compensation for the current year will be determined pro rata to his time of presence during the year concerned.

2.1.1.5. 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.

Without prejudice to the prior authorization and control formalities required by law and the Company's Bylaws, he or she must inform the Chairperson of any conflict of interest, even potential, in which he may be directly or indirectly involved. In cases where he or she cannot avoid finding himself/herself in a conflict of interest, he or she shall abstain from participating in discussions and any decision on the matters concerned. The Chairperson may ask him/her not to attend the deliberations. The Chairperson of the Board of Directors, pursuant to the Internal Rules, shall arbitrate any conflict of interest that may concern a Director.

In addition, the Company's Board of Directors ensures that the number of independent Directors on its Board of Directors is sufficient, in particular with regard to the AFEP-MEDEF Code.

2.1.1.6. Allocation of the annual amount to members of the Board of Directors

The ordinary shareholders general meeting held on 1 September 2021, in view of the IPO of the Company, set the amount of the total compensation package for Directors at €190,000.

On 27 September 2021, the Board of Directors sets the rules for allocating this package among 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 theyear) and variable compensation that is predominant and linked to Directors' attendance at Board of Directors and Committee meetings. For more information, please refer to the section 2.1.3. "*Compensation policy for Directors for 2022*" below of the present report.

2.1.1.7. 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.

2.1.1.8. Compensation policy for the newly appointed Company Corporate Officers

If a new Chairperson of the Board of Directors is appointed, the compensation policy applicable to the current Chairperson of the Board of Directors will be applied taking into account the additional tasks that the Board of Directors could entrust to him or her, in particular under the Internal Rules.

If a new Chief Executive Officer is appointed, the compensation policy for the current Chief Executive Officer will apply.

If a new Director is appointed, the compensation policy for current Directors will apply.

However, the Board of Directors, on the proposal of the Nomination and Compensation Committee, may take into account specific situations and responsibilities with respect to each Company Corporate Officer.

2.1.2. Compensation policy for the Chairperson of the Board of Directors

2.1.2.1. General principles and term of office

Ms. Barbara Thoralfsson was appointed Chairperson of the Board of Directors with effect as of 27 September 2021, date of settlement and delivery of the Company's shares offered in the IPO.

The mandate of the Chairperson of the Board of Directors may be terminated at any moment by the Board of Directors.

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 judgment on the action of the executive management of the Company, the compensation of the Chairperson 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 companies similar to the Companies taking into account any special missions entrusted to the Chairperson in addition to his statutory missions.

The Chairperson has extensive experience as a Director and Chairperson.

She has served on several Boards of Directors prior to serving as chairperson of the Board of Directors of the Company.

These different experiences have enabled her to acquire significant skills in this field.

Her compensation has been determined by benchmarking the various compensation packages of Chairpersons of similar companies.

In accordance with the objectives of the compensation policy, the Board of Directors, on the recommendation of the Nomination and Compensation Committee held on 27 September 2021, subject to the admission to trading of the Company's shares on Euronext Paris, decided that the Chairperson of the Board of Directors is:

- Eligible to
    - a single fixed annual compensation;
    - Director's fees.

- Not eligible to:
    - 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;
    - attendance fees for functions and mandates held in Group companies (with the exception of the mandate held in the Company);
    - additional pension scheme beyond the basic and supplementary mandatory schemes.

The Chairperson is entitled to a reimbursement of expenses in connection with her mission, such as travel expenses.

2.1.2.2. Components of the 2022 compensation policy for the Chairperson of the Board of Directors

In compliance with the general principles of the compensation policy for the Chairperson of the Board of Directors, the Board of Directors upon recommendation of the Nomination and Compensation Committee held on 29 March 2022, decided the maintenance of the Chairperson' compensation to a fixed annual amount of €240,000 paid in 12 equal monthly installments The analysis carried out by the Nomination and Compensation Committee showed that the level of this compensation remains in line with the market.

It is specified that the fixed amount allocated for the duties of Chairperson of the Board of Directors being determined on an annual basis, the amount is calculated *prorata temporis* for term of office ending or starting during the year, for any reason.

In addition, the Chairperson should be reimbursed for expenses incurred in connection with her mandate.

The Chairperson will remain eligible for payment of the compensation allocated to Directors for her attendance at the Board of Directors and the Audit Committee' meetings to which she belongs.

2.1.3. Compensation Policy for Directors for 2022

2.1.3.1. General principles and term of office

Directors are appointed for a four (4) year term of office. By way of exception, the General Shareholders' Meeting may appoint one or more Directors, or renew his/her term of office, for a different term not exceeding six (6) years or reduce the term of office of one or more Directors in office to a period of less than four (4) years, in order to allow for a staggered renewal of Directors' terms of office.

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 fiscal year and held during the year in which the term of office of such a Director expires.

The criteria used to determine the compensation of the members of the Board of Directors reflect the Company's use of its compensation policy to promote the Company's success and sustainability.

2.1.3.2. Components of the 2022 compensation policy for the Directors

The Company's general shareholders' meeting of 1st September 2021, in view of the IPO of the Company, set the total amount of directors' fees to be allocated to members of the Board of Directors and its committees at €190,000 per fiscal year which will continue to apply until a further decision the shareholders' meeting of the Company on this topic. Based on the recommendation of the Nomination and Compensation Committee, the Board of Directors held on 25 April 2022 decided to increase the global package of remuneration of the Board members up to € 235,000 for 2022.

On 27 September 2021, the Board of Directors set the allocation rules of Directors' fees among its members and those on its committees. These rules are based on an allocation formula including a fixed compensation component and a variable compensation component based on the regularity of attendance at the Board of

Directors and its committee meetings, in accordance with the AFEP-MEDEF Code (it being specified that non-independent members Directors will not receive any compensation).

Based on the recommendation of the Nomination and Compensation Committee, at its meeting held on 28 March 2022, the Board of Directors decided to renew the same rules for 2022 for the allocation of the fixed annual sum allocated to the Board of Directors as compensation for their contribution to the work and meetings of the Board and to make a review for its committees. The Board of Directors maintained the principle according to which non-independent Directors are not eligible to the Directors' fees.

Thus, for 2022, the distribution of this global amount among the members of the Board of Directors and its Committees will be based on the following principles:

(i) 22,000 euros per independent member of the Board of Directors and per fiscal year as fixed compensation (including for the Chairperson in addition to her fixed compensation); It is specified that as the fixed amount is determined on an annual basis, the amount is calculated *prorata temporis* for term of office ending or starting during the year, for any reason;

(ii) 7,000 euros per independent member of the Board of Directors (including the Chairperson of the Board of Directors) for his or her physical presence or for his or her participation by conference call or videoconference at a meeting of the Board of Directors within the limit of four (4) meetings per fiscal year (i.e. a maximum amount per fiscal year of 28,000 euros per independent member of the Board of Directors, it being specified that in case of additional meeting(s), such an amount per meeting will be reduced accordingly in order not to exceed it the overall limit of 28,000 euros);

(iii) 15,000 euros per fiscal year for the Chairperson of each Board of Directors' committee (i.e. Audit Committee and Nomination and Compensation Committee); It is specified that as the fixed amount is determined on an annual basis, the amount is calculated *prorata t*emporis for term of office ending or starting during the year, for any reason;

(iv) 3,500 euros for the Chairperson of the Audit Committee and 2,000 euros per independent member of the Audit Committee for his or her physical presence or for his or her participation by conference call or videoconference in a meeting of the Audit Committee within the limit of six (6) meetings per fiscal year (i.e. a maximum amount per fiscal year of 21,000 euros for the Chairperson of the Audit Committee and 12,000 euros per independent member of the Audit Committee, it being specified that in case of additional meeting(s), such an amount per meeting will be reduced accordingly in order not to exceed the overall limit of 21,000 euros for the Chairperson of the Audit Committee and 12,000 euros per independent member of the Audit Committee); and

(v) 3,500 euros for the Chairperson of the Nomination and Compensation Committee and 2,000 euros per independent member of the Nomination and Compensation Committee for his or her physical presence or for his or her participation by conference call or videoconference in a meeting of the Nomination and Compensation Committee within the limit of four (4) meetings per fiscal year (i.e. a maximum amount per fiscal year of 14,000 euros for the Chairperson of the Nomination and Compensation Committee and 8,000 euros per independent member of the Nomination and Compensation Committee, it being specified that in case of additional meeting(s), such an amount per meeting will be reduced accordingly in order not to exceed the overall limit of 14,000 euros for the Chairperson of the Nomination and Compensation Committee and 8,000 euros per independent member of the Nomination and Compensation Committee).

SUMMARY TABLE OF ALLOCATION RULES OF THE GLOBAL AMOUNT OF DIRECTORS' FEES						
Years	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Board of Directors	**Fixed amount (annual lump sum) (in euro)**		**Variable amount (per meeting)**		**Maximum Variable Amount per year (in euro)**	
Chairperson	240,000	240,000	-		-	
Member[(*)] (including the Chairperson)	22,000	22,000	7,000[(a)]	7,000[(a)]	28,000	28,000
Committees	**Fixed amount (annual lump sum)**		**Variable amount (per meeting)**		**Maximum Variable Amount per year**	
Audit committee						
• **Chair**	5,000	15,000	2,500[(b)]	3,500[(c)]	10,000	21,000
• **Members[(*)]**	0	0	2,500 [(b)]	2,000 [(c)]	10,000	12,000
Nomination and Compensation Committee						
• **Chair**	5,000	15,000	2,500[(d)]	3,500[(e)]	5,000	14,000
• **Members[(*)]**	0	0	2,500 [(d)]	2,000 [(e)]	5,000	8,000

[(a)] within the limit of four (4) meetings per fiscal year, it being specified that in case of additional meeting(s), such an amount per meeting will be reduced accordingly in order not to exceed the overall limit of 28,000 euros.

[(b)]within the limit of four (4) meetings per fiscal year it being specified that in case of additional meeting(s), such an amount per meeting will be reduced accordingly in order not to exceed the overall limit of 10,000 euros.

[(c)]within the limit of six (6) meetings per fiscal year it being specified that in case of additional meeting(s), such an amount per meeting will be reduced accordingly in order not to exceed the overall limit of 21,000 euros for the Chairperson of the Audit Committee and 12,000 euros per independent member of the Audit Committee.

[(d)]within the limit of two (2) meetings per fiscal year it being specified that in case of additional meeting(s), such an amount per meeting will be reduced accordingly in order not to exceed the overall limit of 5,000 euros.

[(e)]within the limit of four (4) meetings per fiscal year it being specified that in case of additional meeting(s), such an amount per meeting will be reduced accordingly in order not to exceed the overall limit of 14,000 euros for the Chairperson of the Nomination and Compensation Committee and 8,000 euros per independent member of the Nomination and Compensation Committee.

(*) non-independent Directors are not eligible to the Directors' fees.

In accordance with the AFEP-MEDEF Code, if the independent members of the Board of Directors attend all Board of Directors' and Committees' meetings, the variable portion will thus structurally be higher 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 upon termination or change in role, with the exception of Mr Jesper Trolle in consideration of this duties as Chief Executive Officer of the Company.

2.1.4. 2022 Compensation policy for the Chief Executive Officer

2.1.4.1. General principles and term of office

Jesper Trolle was appointed Chief Executive Officer with effect as of 1 September 2021, date of the conversion of the Company into a limited liability corporation ("*société anonyme*"). Prior to such date, he had been President of the Company under its previous form as a simplified stock company ("*société par actions simplifiée*") since 1 December 2020.

The General Shareholders meeting held on 1 September 2021, subject to the IPO, and the Board of Directors held on 27 September 2021, set the following general principles and components of the 2022 compensation package of Mr. Jesper Trolle relating to his duties of Chief Executive Officer of the Company.

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 share award whose vesting is subject to the fulfillment of performance conditions assessed over several consecutive financial years.

This compensation structure is consistent with the one offered to the Group's senior executives. Each of the compensation components is complementary and aims at different objectives. Together they constitute a balanced package.

The Chief Executive Officer is also eligible to a severance indemnity in the event of forced departure, benefits in kinds and could receive exceptional compensation in specific circumstances

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 also 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 an external consulting firm namely Willis Towers Watson, two panels were studied to benchmark and position his compensation package:

- **the Mid 60**: this panel includes 60 companies of a similar size to Exclusive Networks. 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;

- **an IT panel** created to capture the Company's unique market position.

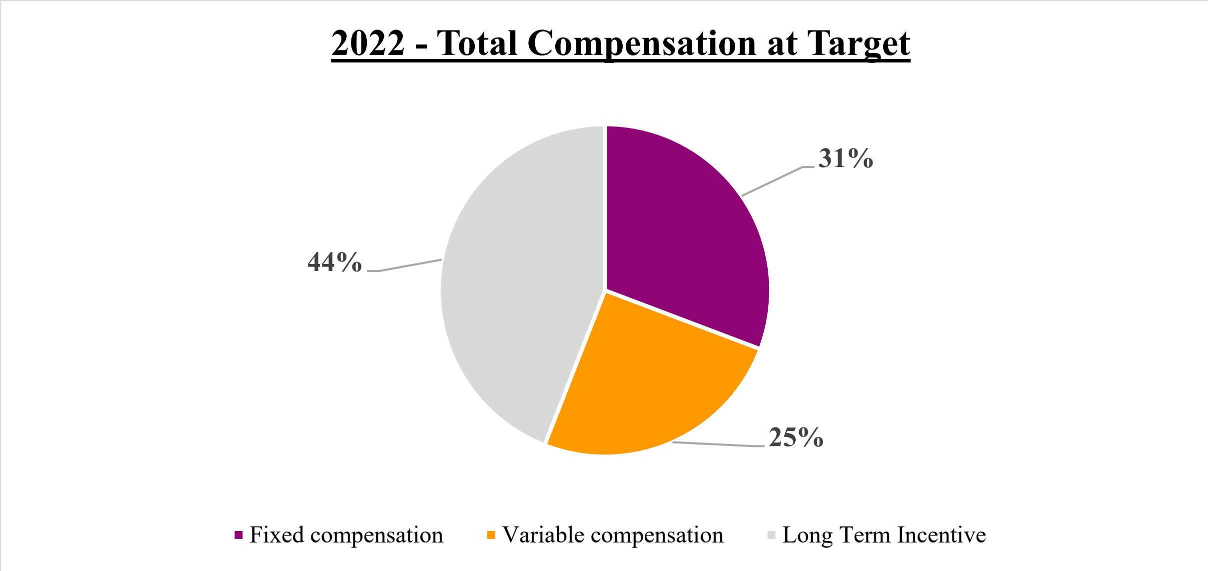
In consideration of the evolution of the responsibilities of the Chief Executive officer linked to the new status of the Company as a listed company, the increase in his responsibilities and new Group challenges, it has been decided to review the compensation package of Mr. Jesper Trolle as from 1 January 2022.

2.1.4.2. Components of the 2022 compensation policy for the Chief Executive Officer

The elements of the compensation of the Chief Executive Officer for 2022 were confirmed by the Board of Directors held on 20 January 2022 and 29 March 2022, as follows:

- **Compensation structure**

For 2022, the Chief Compensation 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 portion and long-term compensation, which include financial and non-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 of which 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 recognize the importance and complexity of the duties as well as the experience and the career path of the Chief Executive Officer.

On this basis, the annual fixed compensation of the Chief Executive Officer for 2022 was set by the Board of Directors at an amount of €550,000, unchanged from the decision of the General Shareholders of 1 September 2021.

- **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. The variable compensation is conditional, based on clear and demanding operating performance criteria related to quantitative, qualitative, and financial objectives. The specific, predetermined targets underlying the criteria have not been publicly disclosed for reasons of confidentiality, as provided for in Article 26.2 of the AFEP-MEDEF Code.

The performance criteria used to determine the Chief Executive Officer's annual variable compensation reflect the Company's use of its compensation policy to promote the Company's success and sustainability.

On this basis, on the 20 January 2020 the Board of Directors, upon recommendation of the Nomination and Compensation Committee, set the gross target annual variable remuneration at 45% of the total annual compensation i.e. € 450,000 (corresponding to a 100% achievement of the objectives), which may vary within a range between 0% and 172% (i.e., from €0 to € 774,000 maximum), unchanged from the decision of the General Shareholders of 1 September 2021 for fiscal year 2021.

The Chief Executive Officer's 2022 annual variable compensation is based on the following criteria:

- Financial criteria: € 360,000 is dependent on the Adjusted EBITA and the Net Margin. The variable portion based on financial criteria achievement may rise to a maximum amount of € 684,000.

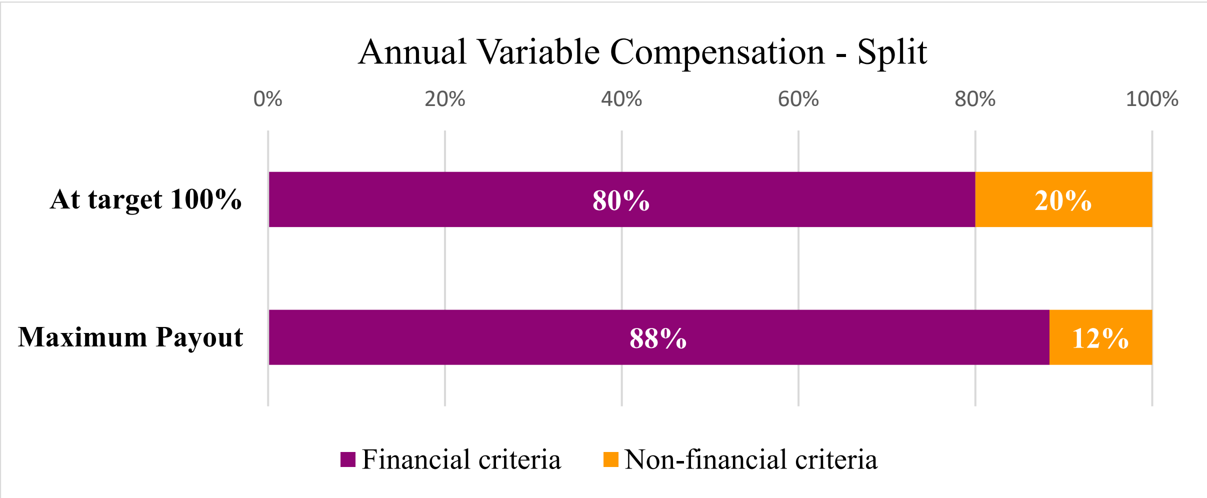
- Non-financial criteria: € 90,000 (maximum amount) based on qualitative objectives.

Performance criteria:

The 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 reference period to which they apply. The targets are determined based on the Group's key financial and non-financial indicators in line with the Group's activities, strategy and goals.

The financial targets (accounting for 80% of the variable compensation) are based on financial indicators the level of which is determined entirely on the budget preapproved by the Board of Directors.

The non-financial targets based on non-financial indicators (accounting for 20% of variable compensation) may be based on qualitative criteria determined in accordance with the Group's scope, strategy, objectives and priorities.



The Board of Directors considered that the financial and non-financial indicators on which the targets for the 2022 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. They contribute to reaching the objective of a balanced, performance-based and competitive compensation policy for corporate officers.

Furthermore, taking financial elements and criteria aligned with the Group's strategy into account when choosing the criteria used to calculate the annual variable portion of the Chief Executive Officer's compensation also contributes to the Group's performance.

Depending on the level of achievement of the financial criteria and on the basis of a variable compensation of 100% i.e. 450,000 euros (corresponding to a 100% achievement of the objectives), the variable portion of the Chief Executive Officer's compensation could range from 0% (i.e. 0 euro) to 172% (i.e. 774,000 euros maximum).

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;

  - **Adjusted EBITA** represents recurring operating profit before amortization of intangible assets, as adjusted for certain costs that do not impact the day-to-day operations. These include implementation costs for finance and operations Group management systems, restructuring costs, key management systems, key management one-time costs. *For the fiscal year 2022, it will be determined based on the percentage of achievement of the Adjusted EBITA targeted in the budget for fiscal year 2022 calculated based on the Non-IFRS Financial Measures for fiscal year 2022 (the "Adjusted EBITA Budget Achievement").* (see Section 7.5 "Key performance indicators" of the 2021 Universal Registration Document).

  - Depending on the level of achievement and on the basis of a variable compensation of 100% (i.e. €180,000), the variable portion for this criteria could range from 0% (i.e. 0 euro) to 220% (i.e. €396,000).

Adjusted EBITA	Threshold	Target	Maximum
Achievement	80%	100%	130%
Payout in %	60%	100%	220%
Payout in amount (€)	108,000	180,000	396,000

  - **The Net Margin** represents sales net of rebates to resellers minus cost of goods sold, freight in and freight out costs, commissions to agents, inventory obsolescence, plus or minus exchange gain or losses. The net margin has the same definition and calculation in Management accounts that are used to monitor day-to-day operations. *For the fiscal year 2022, it will be determined based on the percentage of achievement of the Net Margin targeted in the budget for fiscal year 2022 and calculated based on the Non-IFRS Financial Measures for fiscal year 2022 (the "**Net Margin Budget Achievement**")* (see Section 7.5 "*Key performance indicators"* of the 2021 Universal Registration Document).

  - Depending on the level of achievement and on the basis of a variable compensation of 100% (i.e. 180,000 euros), the variable portion for this criteria could range from 0% (i.e. 0 euro) to 160% (i.e. 288,000 euros).

Net Margin	Threshold	Target	Maximum
Achievement	80%	100%	130%
Payout in %	60%	100%	160%
Payout in amount (€)	108,000	180,000	288,000

BREAKDOWN OF FINANCIAL INDICATORS USED TO DETERMINE THE ANNUAL VARIABLE COMPENSATION OF MR JESPER TROLLE FOR 2022, TOGETHER WITH THE WEIGHTING OF EACH INDICATOR

Variable portion	Target	Min	Max
Financial indicators	**80%**	**0%**	**88%**
Adjusted EBITA compared to budget	**40%**	**0%**	**51%**
Net margin compared to budget	**40%**	**0%**	**37 %**

Non-financial criteria:

The non-financial criteria used to determine the Chief Executive Officer's 2022 Compensation are the following:

- ESG (10%)
  - Governance: Full transparency, compliance, reactivity with the Board based on smooth interactions with Board and stakeholders
- Strategic and management criteria (10%)
  - Onboarding 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.

The financial criteria do not offset each other. Financial and non-financial criteria do not compensate each other. Each criterion is independent.

Payment condition of the variable compensation:

Pursuant to Article L. 22-10-8 of the French Commercial Code, the payment of the variable compensation is subject to the favorable vote of the Annual General Meeting approving the financial statements for the previous year.

- **Allocation of performance shares**

The Chief Executive Officer's total compensation is fully aligned with the shareholders' interests as described above. Furthermore, as described in the Prospectus prepared for the IPO, the Group intends to conduct a compensation policy which aims at retaining and motivating the Group's talent and associating managers with its performance, including through a long-term incentive plan in the form of free share grants subject to performance criteria related to the Group's long-term strategy.

To this end, since the IPO in September 2021, the Company, implemented a long-term incentive plan (the "**2022 LTIP**") to incentivize and retain its management team, align managements and shareholders' objectives and ensure a smooth transition from an LBO private company to a publicly-listed entity.

The Board of Directors, upon recommendation of the Nomination and Compensation Committee, decided on 20 January 2022, in accordance with the authorization of the General Meeting of Shareholders dated 1 September 2021, to grant 42,049 Exclusive Networks performance shares to Mr. Jesper Trolle.

Vesting conditions of the shares granted:

Continued employment:

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). In the event the Chief Executive Officer leaves the Group during the vesting period for reasons other than dismissal for gross negligence or willful misconduct, he may, on a proposal from the Nomination and Compensation Committee, in accordance with the recommendations of the AFEP-MEDEF Code, retain his rights to outstanding performance shares as at the date of departure, subject to the fulfillment of the performance conditions; in such cases, the overall grant will be prorated.

Performance conditions:

The metrics used for the 2022 LTIP are based solely on the Group's financial performance, notably profitability and cash flow, to ensure a strong focus on value creation. Additionally, given the prominence of ESG matters in Exclusive Networks' values and strategy, the Company is carefully studying and intends to include performance of certain ESG metrics in future LTIPs.

The Company intends that, in the future, the performance shares plans will have a 3-year "cliff-vesting", which will provide management with long-term incentives that align with the Group's strategy. However, under the 2022 LTIP, implemented in January 2022, rights in 100% of the shares granted will vest after 2 years and 4 months. This first LTIP seeks to (i) act as a transition between the IPO and the full future LTIP payout and (ii) provides the right level of incentives to the Group's key employees following the IPO.

The expected level of performance for each of the absolute internal criteria applicable to the vesting of the shares granted under the 2022 LTI Plan 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. For the shares to vest, performance must at least be on a par with the business plan.

Calculating the number of shares vested and measuring performance:

The number of shares that will vest at the end of the minimum two-year and 4 months performance evaluation period for the 2022 LTIP is calculated by applying a coefficient to the number of shares granted that measures the performance of each of the criteria.

For the 2022 LTIP, on the Nomination and Compensation Committee's recommendation, the Board of Directors' meeting of 20 January 2022 defined an elasticity curve for each indicator as follows:

Financial Performance indicators	Weight	Payout		
		Threshold	Target	Cap
Adjusted Profit Before Tax[(a)]	50%	35%	100%	170%
Adjusted Operating Free Cash Flow Before Tax[(b)]	50%	35%	100%	170%

(a) Profit before tax plus amortization of intangible assets (see Section 7.5 "*Key performance indicators*" of the 2021 Universal Registration Document)

(b) Net income deducted from Net financial income/expense, Income Tax, Depreciation and amortization, Gains/losses on disposal of fixed assets, Change in Net Working Capital excluding the change in Exclusive Capital's financial assets and Net Operating Capex & Repayment of lease liabilities (see Section 7.5 "*Key performance indicators*" of the 2021 Universal Registration Document).

At the end of the performance assessment period, Exclusive Networks will report on the level of satisfaction for each of the criteria.

Rules for the retention of shares vested as part of equity-based compensation

Shares granted under the 2022 LTI Plan are subject to a two-year and four months vesting period, without a retention period, subject to the "black-out periods" set by the Company in the Insider Trading rules and to applicable laws.

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 + 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.

- **Fringe benefits**

The Chief Executive Officer benefits from the use of a company car. In addition, the Chief Executive Officer benefits from school tuition fees for children, and welfare benefits equivalent to employees (healthcare and insurance).

- **Elements of compensation related to termination or change in control**

Severance pay in the event of departure

In the event of the termination of office, Mr. Jesper Trolle in his capacity as Chief Executive Officer of the Company will be entitled to receive a severance indemnity equal to twelve (12) months of his fixed compensation and variable compensation subject to performance conditions related to achieving targets fixed for the annual variable compensation. This will be calculated based on the fixed and variable compensation paid over the last twelve (12) months preceding such termination. 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**

The Board of Directors has decided the principle whereby the Chief Executive Officer may be eligible for exceptional compensation if warranted by extraordinary circumstances or events (for example, 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 provided under Article L. L.22-10-9 I 1° of the French Commercial Code.

- **Compensation allocated to Directors**

The Chief Executive Officer does not receive any compensation as Director.

2.2. Elements of the compensation due or paid in respect of the fiscal year 2021 to the Company's corporate officers, subject to a vote by the shareholders

Pursuant to Article L. 22-10-34 of the French Commercial Code, the amounts and elements presented below, resulting from the implementation of the compensation policies approved by the Annual General Meeting on 1 September 2021, are subject to the approval of the shareholders during the Annual General Meeting approving the accounts for the fiscal year 2021. They form an integral part of the report of the Board of Directors on corporate governance.

2.2.1. Elements of compensation due or paid to members of the Board of Directors

Directors' compensation due for the fiscal year 2021 and those paid during the fiscal year 2021 for the fiscal year 2020 are presented below.

Table 3 (AMF Nomenclature)

Table of Directors' fees and other compensation received by Directors other than the executive corporate officers				
Members of the Board of Directors	**2020**		**2021**	
	Amounts granted in respect of 2020(*) (in euro)	Amounts paid in 2020(*) (in euro)	Amounts granted in respect of 2021(*) (in euro)	Amounts paid in 2021(*) (in euro)
Mr. Jesper Trolle				
Attendance fees (fixed and variable compensation)	N/A	N/A	N/A	N/A
Other compensation	362,354[a]	228,604[b]	1,959,125	1,826,475
Mr. Olivier Breittmayer				
Attendance fees (fixed and variable compensation)	N/A	N/A	N/A	N/A
Other compensation	816,021[c]	711,114[d]	N/A	192,174
Ms. Barbara Thoralfsson				
Attendance fees (fixed and variable compensation)	0	0	38,833[e]	27,500
Other compensation	0	0	63,636.70	43,636.36
Ms. Marie-Pierre Bailliencourt				
Attendance fees (fixed and variable compensation)	0	0	37,659.09[f]	28,409.09
Other compensation	0	0	0	0
Ms. Nathalie Bühnemann				
Attendance fees (fixed and variable compensation)	0	0	42,659.09[f]	28,409.09
Other compensation	0	0	0	0
Mr. Michail Zekkos				
Attendance fees (fixed and variable compensation)	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	N/A
Mr. Pierre Pozzo				
Attendance fees (fixed and variable compensation)	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	N/A
Total	**1,178,375**	**939,718**	**2,141,912,88**	**2,146,603.54**

N/A: Boxes are N/A because the members of the Board of Directors are not independent, they are not eligible for attendance fees.
(*) Gross amount (before social security contributions of 17.2% and withholding tax of 12.8% as a tax installment payment for resident and withholding tax for non-resident).

(a) Mr. Jesper Trolle is the legal representative of the Company since 1 December 2020 (successively as President of the Company under the SAS corporate form and then as Chief Executive Officer since 1 September 2021). This amount includes: (i) €97,500 as employee of the Company according to an employment agreement, (ii) a fixed compensation of €3,750 as legal representative of the Company, (iii) a fixed compensation of €33,750 as legal representative of Everest SubBidCo, (iv) a variable compensation of € 133,750 (of which € 13,375 were paid by the Company and € 120,375 were paid by Everest SubBidCo) and (iv) Benefits in kind amounting to €93,604 (car, accommodation fees, children school tuition fees and private healthcare insurance).
(b) This amount corresponds to the amount granted in 2020 less the variable compensation for fiscal year 2020 of €133,750 (which was paid in 2021)
(c) this amount includes (i) 500,003 as fixed compensation and (ii) 316,018 as variable compensation (of which €192,174 was paid in August 2021)
(d) Amount granted in 2020, including the €87,267 variable compensation for fiscal year 2019 and excluding the €192,174 variable compensation for fiscal year 2020 paid in 2021.
(e) Prorated amount for the period of service as Chairperson and Director of the Board of Directors (27 September 2021 – 31 December 2021)
(f) Prorated amounts for the period of service as Director (27 September 2021 – 31 December 2021).

2.2.2. ***Elements of compensation due or paid in respect of fiscal year 2021 to the Chairperson of the Board of Directors***

Barbara Thoralfsson was appointed Chairperson of the Board of Directors with effect as of 27 September 2021.

The compensation policy applicable to the Chairperson of the Board of Directors was approved by the Annual General Meeting held on 1 September 2021, under the 5th resolution.

The elements making up the total compensation and fringe benefits of all kinds paid or allocated to Barbara Thoralfsson comply with this policy which provides for an annual fixed compensation of €240,000 as the sole component.

The amount of compensation paid to the Chairperson of the Board of Directors is prorated according to the date she has joined the Company.

(in euros)	**2021**	
	Granted	**Paid**
Fixed compensation	63,636.70[(a)]	43,636.36
Variable compensation	0	-
Benefit of any kind	0	-
Directors' compensation	38,833[(a)]	27,500
TOTAL	102,469.70[(b)]	71,136.36[(c)]

[(a)] *Prorated amount for the period of service as Chairperson of the Board of Directors and Director (27 September 2021 – 31 December 2021).*
[(b)] *This amount granted in respect of 2021 including (i) the fixed compensation and (ii) the Directors' compensation.*
[(c)] *This amount paid in 2021 including (i) the fixed compensation and (ii) the Directors' compensation.*

2.2.3. *__Elements of compensation due or granted in respect of fiscal year 2021 to the Chief Executive Officer__*

Mr Jesper Trolle was appointed Chief Executive Officer with effect as of 1st September 2021.

The elements making up the total compensation and fringe benefits of all kinds paid or allocated in respect of 2021 to Mr. Jesper Trolle comply with the AFEP-MEDEF policy.

(in euro)	**2021**
Fixed compensation	450,000
Variable compensation	446,400
Exceptional bonus	1,000,000
Fringe benefits	62,725
Value of options granted during the year	N/A
Value of shares granted during the year	1,185,000
TOTAL	3,144,125

- **Fixed compensation**

The annual fixed compensation paid for the year 2021 amounts to 450,000 euros.

- **Variable compensation**

The target annual variable compensation amounts to 450,000 euros.

The total variable compensation in respect of 2021 amounts to € 446,400 corresponds to 99,20% of the target variable annual compensation and 99,20% of his fixed compensation.

INDICATORS	**WEIGHT (%)**	**LEVEL OF ACHIEVEMENT (%)**	**PAYOUT (IN EURO)**
Financial indicators	**80**		
Adjusted EBITA		99,60%	178,740
Net Margin		99,40%	177,660
Non-financial indicators	**20**		
Recruitment of new vendors, Geo performance, and Strategic acquisitions		100%	90,000
TOTAL		99,20%	446,400

As a reminder, the nature and weighting of each of the indicators making up the 2021 variable compensation of the Chief Executive Officer are as follows:

- A target objective in line with the budget, which requires 100% attainment to receive the target variable compensation linked to this indicator;
- A floor which reflects an underperformance of the objectives set, which has been set at 80% of its target amount;
- A ceiling which reflects an outperformance of the objectives set, which has been set at 130% of its target amount; and
- Between the floor and the ceiling, the variable compensation would be proportionate and determined on a linear basis.

Achievement of the performance criteria and the resulting variable compensation amount has been validated by the Board of Directors during the meeting held on 29 March 2022.

Qualitative criteria were related to the recruitment of new vendors, geo performance and strategic acquisitions. The Board of Directors considered that the Chief Executive Officer exceeded expectations, especially regarding business development and new governance set-up and that 100% of this variable is to be paid for a total amount of 90,000 euros.

An amount of 180,000 euros corresponding to the variable compensation for the period from 1st January 2021 to 30 June 2021 (included) was paid to the Chief Executive Officer in 2021 and will be deducted from the amount of the variable compensation for the fiscal year 2021 to be paid in 2022 following the approval by the Annual General Meeting of the shareholders.

- **Allocation of shares**

The attribution of 125,000 free shares completed the Chief Executive Officer compensation (fixed and variable). This attribution was made on 30 June 2021 prior to the Company's IPO. See table 6 (AMF nomenclature) for more information.

- **Exceptional compensation**

In 2021, exceptional bonuses for an aggregate amount of €2 million were paid to certain corporate officers and employees of the Group in connection with the IPO of the Company, of which, €1,000,000 was paid to Mr. Jesper Trolle.

- **Fringe benefits**

Mr. Jesper Trolle is also entitled to a company car, children school tuition fees (maximum global amount: €70,000 per year – €59,380 paid in 2021) and welfare benefits equivalent to employees (healthcare and insurance).

2.2.4. ***Summary of compensation, due or paid to the corporate officers by the Company – AMF tables 1 and 2***

Table 1 (AMF nomenclature)

Summary of compensation or benefits, options and shares granted to each Statutory Corporate Officer(*)		
(in euro)	**2020**	**2021**
Mr. Jesper Trolle, Chief Executive Officer		
Compensation or benefits granted during the year (*see Table 2 below for further details*)	362,354	1,959,125[(b)]
Valuation of multi-year variable compensation granted in the course of the fiscal year	N/A	N/A
Valuation of options granted during the fiscal year (*see Table 4 below for further details*)	N/A	N/A
Valuation of free shares granted during the fiscal year (*see Table 6 below for further details*)	N/A	1,185,000[(c)]
Valuation of other long-term incentive plans	N/A	N/A
Total	362,354 [(a)]	3,144,125
Ms. Barbara Thoralfsson, Chairperson of the Board		
Compensation or benefits granted during the year (*see Table 2 below for further details*)	N/A	102,469.70[(d)]
Valuation of multi-year variable compensation granted in the course of the fiscal year	N/A	N/A
Valuation of options granted during the fiscal year (*see Table 4 below for further details*)	N/A	N/A
Valuation of performance shares granted during the fiscal year (*see Table 6 below for further details*)	N/A	N/A
Valuation of other long-term incentive plans	N/A	N/A
Total	N/A	**102,469.70**

(*) The amounts are indicated in gross value.

[(a)] Mr. Jesper Trolle has been the legal representative of the Company since 1 December 2020 (successively as President of the Company under the *société par actions simplifiée* corporate form and then as Chief Executive Officer since 1 September 2021). This amount includes: (i) €97,500 as employee of the Company according to an employment agreement from 15 September 2020 to 30 November 2020 (ii) a fixed compensation of €3,750 as legal representative of the Company, (iii) a fixed compensation of €33,750 as legal representative of Everest SubBidCo, (iv) a variable compensation of €133,750 (of which €13,375 were paid by the Company and €120,375 were paid by Everest SubBidCo) and (iv) benefits in kind amounting to €93,604 (car, accommodation fees, children school tuition fees and private healthcare insurance).

[(b)] Compensation as a President of the Company under its former corporate form as a French Société par actions simplifiée (1 December 2020 – 1 September 2021) and as a Chief Executive Officer under its new corporate form as a French s*ociété anonyme* (1 September 2021 – 31 December 2021).

[c] the value of the free shares is equal to that used to prepare the 2021 consolidated financial statements calculated in accordance with the requirements of IFRS 2. This valuation does not necessarily reflect the value of the shares at the end of the vesting period.
[d] 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 Statutory Corporate Officer				
	2020		**2021**	
	Amounts granted** (in euro)	Amounts paid*** (in euro)	Amounts granted** (in euro)	Amounts paid*** (in euro)
Mr. Jesper Trolle, Chief Executive Officer				
Fixed compensation	135,000[(a)]	135,000	450,000	450,000
Annual variable compensation	133,750 [(b)]	0	446,400[(d)]	313,750[(c)]
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	1,000,000[(e)]	1,000,000[(e)]
Directors' fees	N/A	N/A	N/A	N/A
Benefits in kind	93,604[(f)]	93,604[(f)]	62,725[(f)]	62,725[(f)]
Total*	**362,354 [(g)]**	**228,604[(h)]**	**1,959,125**	**1,826,475**
Ms. Barbara Thoralfsson, Chairperson of the Board				
Fixed compensation	N/A	N/A	63,636.70[(i)]	43.636,36
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
Directors' fees	N/A	N/A	38,833[(i)]	27,500
Benefits in kind	N/A	N/A	N/A	N/A
Total*	**N/A**	**N/A**	**102,469.70**	**71,136.36**

*The amounts are indicated in gross value.
** Amount granted in respect of 2020 and 2021.
*** Amount paid in 2020 and 2021.
[(a)] This amount includes: (i) € 97,500 as an employee of the Company according to an employment agreement from 15 September 2020 to 30 November 2020 (ii) a fixed compensation of € 3,750 as legal representative of the Company, (iii) and a fixed compensation of € 33,750 as legal representative Everest SubBidCo.
[(b)] This amount includes € 13,375 paid by the Company and € 120,375 paid by Everest SubBidCo.

[c] 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.
[d] In accordance with the 2021 Compensation policy set up by the Shareholders' meeting held on 1 September 2021, applicable since the Company's IPO, the annual variable compensation of the Chief Executive Officer for fiscal year 2021 is based on ambitious targets and predefined financial performance criteria, accounting for 80%, and non-financial performance criteria, accounting for 20%. These criteria as well as the level of achievement and the corresponding payout for each criterion are described in Section 2.2.3 "*Elements of compensation due or granted in respect of fiscal year to the Chief Executive Officer*" of the present report.
[e] An exceptional compensation for an aggregate amount of €2 million were paid to certain corporate officers and employees of the Group in connection with the IPO of the Company to mark its successful, of which, €1,000,000 was paid to Mr. Jesper Trolle as Chief Executive Officer.
[f] This amount of these benefits in kind corresponds to the granting of a car, accommodation fees, school tuition fees for children and private healthcare insurance.
[g] Mr. Jesper Trolle has been the legal representative of the Company since 1 December 2020 (successively as President of the Company under the SAS corporate form and then as Chief Executive Officer since 1 September 2021). This amount includes: €97,500 as employee of the Company according to an employment agreement from 15 September 2020 to 30 November 2020, (ii) a fixed compensation of €3,750 as legal representative of the Company, (iii) a fixed compensation of €33,750 as legal representative of Everest SubBidCo, (iv) a variable compensation of €133,750 (of which €13,375 were paid by the Company and €120,375 were paid by Everest SubBidCo) and (iv) benefits in kind amounting to €93,604 (car, accommodation fees, children school tuition fees and private healthcare insurance)
[h] This amount corresponds to the amount granted less the variable compensation for fiscal year 2020 of €133,750 (which was paid in 2021)
[i] Prorated amounts for the period of service as Chairperson of the Board of Directors and Director (27 September 2021 – 31 December 2021).

2.2.5. ***Share subscription or purchase options granted to or exercised by executive Directors during the year - AMF Tables 4 and 5***

None.

2.2.6. *Performance shares granted to Executive Officers or which became available during the year - AMF table 6*

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 2021 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 fiscal year**	**Valuation of the shares according to the method used for the consolidated financial statements (In euro)**	**Vesting date**	**Availability date**	**Performance conditions**
Mr. Jesper Trolle	06/30/2021	125,000 [(a)(b)] 0,13% of the share capital as of 31/12/ 2021	1,185,000[(c)]	06/30/2022	06/30/2023	N/A

[(a)] The Chief Executive Officer has been granted ordinary shares under the free share plan which was implemented at the level of the Company on 30 June 2021, before the Company's IPO.
[(b)] Number of shares after reverse stock split (see Section 19.1.8 "*Evolution of the Company's capital over the past three years*" of the 2021 Universal Registration Document).
[(c)] This valuation does not necessarily reflect the value of the shares at the end of the vesting period.

The Chairperson of the Board of Directors is not eligible to pluri-annual compensation in accordance with the applicable compensation policy.

2.2.7. *Free shares that became available during the 2021 fiscal year for each Statutory Corporate Officer – AMF Table 7*

None.

2.2.8. *Past awards of subscription or purchase options – AMF Table 8*

None.

2.2.9. *Stock options granted to the top ten non-executive employees and options exercised by them during the 2021 fiscal year - AMF Table 9*

None.

2.2.10. ***Past grants of Shares – AMF Table 10***

Record of free shares awarded				
Information on free shares				
	Plan no. 1	**Plan no. 2**	**Plan no. 3**	**Plan no. 4**
Date of general shareholders' meeting	30 June 2021	1 September 2021		
Date of the Board of Directors	30 June 2021[(a)]	20 January 2022		
Total number of shares granted	193,750[(b)]	284,184		
Total number of beneficiaries	3	51		
Of which number of shares granted to Corporate Officers[(c)]: - Mr. Jesper Trolle	125,000[(b)]	42,049		
Vesting date	30 June 2022	15 May 2024		
Retention period end date	30 June 2023	N/A[(d)]		
Performance conditions	N/A	Yes[(e)]		
Number of shares granted as of 31/12/2021	193,750	284,184		
Total number of cancelled or lapsed shares	N/A	0		
Number of performance shares which may still be granted	0	1,136,254		

(a) Decision of the President of the Company under its former corporate form as a *société par actions simplifiée* before the Company' IPO.
(b) After reverse stock split (see Section 19.1.8 "*Evolution of the Company's capital over the past three years*" of the 2021 Universal Registration Document).
(c) The Chairperson of the Board of Directors is not eligible to pluri-annual compensation in accordance with the applicable compensation policy.
(d) By the exception of the Chief Executive Officer and the members of the Executive Officers who must keep, in registered form, 30% of the shares vested in his Company share portfolio reaching 100% of Total Cash (fixed compensation + annual variable compensation) until the end of his mandate as per the Chief Executive Officer is concerned, and their functions as per the members of the member of the executive committee are concerned (See Section 2.1.4.2 "*Components of the 2022 compensation policy for the Chief Executive Officer*".
(e) The vesting of these shares is subject to the fulfillment of internal financial performance conditions assessed over two financial years 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 the consolidated 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.

2.2.11. ***Commitments made to the Chief Executive Officer and the Chairperson of the Board of Directors - AMF Table 11***

Statutory Corporate Officer	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	
	Yes	No	Yes	No	Yes	No	Yes	No
Mr. Jesper Trolle Chief Executive Officer 1st September 2021 Annual general meeting to be held in 2025		X[a]		X	X[b]			X
Mrs. Barbara Thoralfsson Chairperson of the Board of Directors 27 September 2021 Annual General meeting to be held in 2025		X		X		X		X

[a] Mr. Jesper Trolle had an employment contract with the Company from 15 September 2020 to 30 November 2020.

[b] In the event of a termination of the office of Mr. Jesper Trolle in its capacity as Chief Executive Officer of the Company (and except in the event of (i) gross misconduct (*faute grave*) or serious and willful misconduct (*faute lourde*) committed by the Chief Executive Officer within the Group as these terms are defined and interpretated by French case law, (ii) he leaves the Company on his own initiative for any new position outside the Group, (iii) his position within the Group changes or (iv) he retires), Mr. Jesper Trolle will be entitled to receive a severance indemnity equal to twelve (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 twelve (12) months preceding such termination.

2.3. EQUITY RATIO TABLE

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.

Nevertheless, it is reminded that the Company was listed in the second half of 2021. Before then:

- the Company was incorporated as a *société par actions simplifiée* which corporate bodies are different from those of a *société anonyme*. Before its conversion into a *société anonyme* on 1 September 2021, the functions of Chairman of the Board of Directors and Chief Executive Officer did not exist as the Company was managed by a President assisted by a General Manager (*Directeur Général*) from December 2020 to September 2021, it being recalled that Jesper Trolle who was General Manager and became Chief Executive Officer was recruted in December 2020 in order to prepare the management transition and ultimately to replace Olivier Breittmayer in the Company's executive functions;
- the Company did not have a board of directors but a supervisory board (*Comité de Surveillance*) the chairman of which did not receive any compensation; and
- 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.

Therefore, 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, it has been decided to present the ratios for the fiscal year 2020 and 2021, it being specified that the President and the General Manager are presented together as these two corporate bodies 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 will allow the Company to present complete ratios and relevant comparative data.

The figures shown below include all Exclusive Networks employees in France (fixed-term and open-ended contracts) who were present continuously in 2020 and 2021 and provides an expanded scope representative of Exclusive Networks' operations in France. The Company only (S.A.) had only one employee present continuously during 2020 and 2021. As a consequence, the calculation of the equity ratios only on the basis the scope of employees of the Company was not possible because it would imply to give the compensation of the employee present continuously during 2020 and 2021.

The average and median compensation were established on a full-time equivalent basis for all employees other than the Chairperson and Chief Executive Officer (or President and General Manager for 2020), and the calculation is done on 12 months for 2020 and 2021. The compensation of the Chairperson of the Board of Directors and that of the Chief Executive Officer used to calculate this ratio includes all fixed, variable and exceptional compensation granted during fiscal year 2021, as well as the valuation of compensation in shares. The compensation for the role of President and General Manager used to calculate this ratio includes all fixed and variable paid during fiscal year 2020.

This compensation, taken into account on a gross basis, includes the following elements paid in 2020 and 2021: base pay, commissions, bonus, exceptional bonus, free shares granted during the year (2021 only), 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 (or equivalent in 2020), and the average and median compensation of the Company's employees with the Company's performance

	2020	2021
Ratio Chairperson's compensation / Average compensation	N/A[(a)]	3
Ratio Chairperson's compensation / Median compensation	N/A[(a)]	4
Annual evolution (in%) of the compensation of the Chairperson of the Board Directors	N/A[(a)]	N/A[(a)]
Ratio President / General Manager's compensation / Average compensation	13[(b)]	N/A[(c)]
Ratio Chief Executive Officer's compensation / Average compensation	N/A[(c)]	35[(d)]
Ratio President / General Manager's compensation / Median compensation	16[(b)]	N/A[(c)]
Ratio Chief Executive Officer's compensation / Median compensation	N/A[(c)]	49[(d)]
Annual evolution (in%) of the compensation of the Chief Executive Officer	N/A[(e)]	N/A[(e)]
Annual evolution (in%) of the average compensation of employees	N/A[(f)]	14,60%
Annual evolution (in%) of the median compensation of employees	N/A[(f)]	2,20%
Company performance Annual evolution (in%) of company performance Adjusted EBITA	N/A[(f)]	25,20%

[(a)] N/A because before the conversion of the Company into a *société anonyme* carried out in the context of the IPO in September 2021 which led to a change in the company's corporate bodies the Company did not have a Board of directors but a *Comité de Surveillance* the President of which did not receive any compensation in 2020 and 2021.

[(b)] For the calculation of this ratio, were included the compensations paid in 2020 when the Company was still incorporated as French "*société par actions simplifiée"* to both (i) Olivier Breittmayer, the legal representative of HTIVB, as President of the Company, and (ii) Jesper Trolle as General Manager (*Directeur général*).

[(c)] 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 President and a General Manager.

[(d)] For the calculation of this ratio, was included the compensation paid to Jesper Trolle with respect to the financial year 2021.

[(e)] N/A because no evolution can be presented as the Company did not have a Chief Executive Officer before 2021. Such evolution will be shown in the next years considering the continuity of the corporate bodies of the Company.

[(f)] N/A since no information are shown prior to 2020.

2.4. SHAREHOLDERS' APPROVAL AND PRESENTATION OF RESOLUTIONS RELATING TO COMPENSATION (SAY ON PAY)

Pursuant to Articles L.22-10-34 and L.22-10-8 of the French Commercial Code, the compensation policy for corporate officers, as well as the elements of compensation to be paid or awarded to corporate officers, will be submitted for shareholder approval at the next general shareholders' meeting.

The draft resolutions related to say on pay 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 meeting that will appear in the French bulletin of mandatory legal announcements (*Bulletin des annonces légales obligatoires* – BALO).

The results of the shareholder voting will be published on the Company's website on the first business day after the vote.

Draft resolution 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 21 June 2022

5th RESOLUTION ***Approval of the information on compensation cited in Article L. 22-10-9 of the French Commercial Code paid during financial year 2021 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' corporate governance report stipulated in Article L. 225-37 of the French Commercial Code, in Appendix I of the Company's 2021 Universal Registration Document, hereby approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the information cited in Article L. 22-10-9 I. of the French Commercial Code presented therein, as it appears in Section 2 of the Board of Directors' corporate governance report that appears in Appendix I of the 2021 Universal Registration Document.
6th 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 2021 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' corporate governance report stipulated in Article L. 225-37 of the French Commercial Code, in Appendix I of the Company's 2021 Universal Registration Document, hereby approves the fixed, variable and exceptional elements making up the total compensation and benefits of any kind paid during financial year 2021 or awarded for the same year to Jesper Trolle, Chief Executive Officer, as described in Section 2 of the Board of Directors' corporate governance report that appears in Appendix I of the 2021 Universal Registration Document.
7th 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 2021 or awarded for the same year to 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 on corporate governance stipulated in Article L. 225-37 of the French Commercial Code, in Appendix I of the Company's 2021 Universal Registration Document, hereby approves the compensation paid during financial year 2021 or awarded for the same year to Barbara Thoralfsson, Chair of the Board of Directors, as described in Section 2 of the Board of Directors' corporate governance report that appears in Appendix I of the 2021 Universal Registration Document.

8 th RESOLUTION ***Approval of the compensation policy applicable to the Chief Executive Officer for financial year 2022*** The General Meeting, ruling under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report stipulated in Article L. 225-37 of the French Commercial Code, in Appendix I of the Company's 2021 Universal Registration Document, hereby approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the 2022 compensation policy for Jesper Trolle, Chief Executive Officer, as it appears in Section 2 of the Board of Directors' corporate governance report that appears in Appendix I of the 2021 Universal Registration Document.
9th RESOLUTION ***Approval of the compensation policy applicable to the Chair of the Board of Directors for financial year 2022*** The General Meeting, ruling under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report stipulated in Article L. 225-37 of the French Commercial Code, in Appendix I of the Company's 2021 Universal Registration Document, hereby approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the 2022 compensation policy for Barbara Thoralfsson, Chair of the Board of Directors, as it appears in Section 2 of the Board of Directors' corporate governance report that appears in Appendix I of the 2021 Universal Registration Document.
10th RESOLUTION ***Approval of the compensation policy applicable to non-executive Directors for financial year 2022*** The General Meeting, ruling under the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report stipulated in Article L. 225-37 of the French Commercial Code, in Appendix I of the Company's 2021 Universal Registration Document, hereby approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the 2022 compensation policy for directors, as it appears in Section 2 of the Board of Directors' corporate governance report that appears in Appendix I of the 2021 Universal Registration Document.

3. <u>OTHER INFORMATION</u>

3.1. RELATED PARTY TRANSACTIONS

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.

3.1.1. Agreements and commitments authorized and concluded in 2021 and previous financial years

In accordance with the provisions of Article L. 225-38-1 of the French Commercial Code, at its meeting on 29 March 2022, the Board of Directors reviewed the regulated agreements signed and authorized in 2021 and during previous financial years that remained in effect in 2022, namely, the underwriting agreement signed on 22 September 2021 by the Company, HTIVB, Everest UK Holdco Limited and the banks charged with investing the shares in connection with the Company's IPO.

Under the terms and conditions of this Underwriting Agreement, all bank fees and transaction costs related to the Company's IPO are covered by Exclusive networks and Everest Holdco Limited, subject to certain limitations. The agreement provides in particular for basic bank fees equal to 1.50% of gross proceeds of the capital increase carried out as part of the Company's initial public offering and the sale of existing shares to be borne by the Company in the case of New Shares. This Underwriting Agreement furthermore provides for the possible payment of an additional discretionary commission of 1.25% of the gross proceeds from the offering (to be borne of the Company in the case of New Shares.

The Board considered that it was in the interest of the Company to enter into such an Underwriting Agreement in order to facilitate the completion and the success of the initial public Offering of the Company, this latter being in the interest of the Company as far as this operation will furthermore allow the Group to reduce its debt and increase its financial flexibility in order to accelerate and support its growth strategy.

In respect of the 2021 financial year, fees borne by the Company amounted to € 6,973,564.37.

The conclusion of this Underwriting Agreement was authorized by the Board on 22 September 2021 and will be subject to approval at the 2022 Annual General Meeting. Mr. Olivier Breittmayer, as control shareholder of HTIVB which is a shareholder with more than 10% of the Company's share capital and voting rights and member of the Board of Directors did not take part to the vote of the Board decision.

3.1.2. 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)

- **The loan granted to Mr Jesper Trolle**

As described in Note 19.4.2 of the 2021 consolidated financial statements, Exclusive Networks Belux BV granted, on 21 April 2021, a €1.5 million 7-year non-mortgage term loan to Mr. 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 of 31 December 2021.

3.1.3. 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.

3.1.4. 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.

3.1.5. Procedure for evaluating current agreements

The Board of Directors, in accordance with the provisions of Article L.22-10-12 of the French Commercial Code, will set up an internal procedure for the regular assessment of agreements on transactions which are deemed usual and carried out at arm's length by the end of the first 2022 semester.

3.2. PROCEDURE FOR PARTICIPATION IN GENERAL MEETINGS

3.2.1. Meeting notice and participation in General Meetings

According to article 19 of the Company's Bylaws, General Shareholders' Meetings are convened and held in accordance with the applicable laws and regulations.

Any shareholder has the right to attend General Shareholders' Meetings and participate in the deliberations personally or through an agent, under the conditions defined by the applicable laws and regulations, with proof of his/her identity and the ownership of his/her shares.

General Shareholders' Meetings take place at the Company's registered office or at any other place indicated in the notice to convene the meeting.

By decision of the Board of Directors published in the notice of meeting, shareholders who attend the meeting via videoconference or other telecommunication or electronic transmission methods, including 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.

By 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 for it to be considered.

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 meeting elects its own chairperson.

3.2.2. 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 the 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 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 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 the case may be, purchase or sale of the relevant number of shares.

3.3. DELEGATIONS AND AUTHORIZATIONS GRANTED BY THE GENERAL SHAREHOLDERS' MEETINGS IN RESPECT OF CAPITAL INCREASES

To enable the Company to access the financial market and, as necessary, for the pursuit of the Group's development, the Extraordinary General Meeting held on 1 September 2021 granted some financial authorizations to the Board of Directors, some of which being authorizations to modify the share capital and to issue shares and other securities.

The financial delegations in force on 31 December 2021, as well as their use by the Board of Directors in 2021 are as follows:

Financial Delegations in force as at December 31, 2021 and used by the Board of Directors in 2021						
Nature of the delegations of authority and authorizations granted to the Board by the General Meeting	**Maximum authorization Nominal amount *(in euro)***	**Grant date of the authorization**	**Authorization expiration date**	**Duration**	**Use as of 31 December 2021**	**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 (c.46% of the share capital [*] [(a)]	1 September 2021 (2nd resolution) [(e)]	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 (c.9% of the share capital[*] [(a)(b)]	1 September 2021 (3rd resolution) [(e)]	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 (c.9% of the share capital[*] 20%of the share capital per 12-month period[(a)(b)]	1 September 2021 (4th resolution) [(e)]	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) [(e)]	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[(c)]	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 capitalized at the date of the Board of Directors' decision to use this financial delegation	1 September 2021 (7th resolution)	1 November 2023	26 months	-	May not be used during a public offering
Authorization 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% du capital social [(*)] [(b)]	1 September 2021 (8th resolution)	1 November 2023	26 months	-	May not be used during a public offering
Share buyback program						

Authorization granted to the Board of Directors to carry out transactions on the Company’s shares (share buy-back program)	10% of the share capital Global maximum purchase price: 100 000 000	1 September 2021 (13th resolution)	March 1, 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-months periods	1 September 2021 (12th resolution)	AGM 2025	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(d)	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(d)	1 September 2021 (10th resolution)	1 March, 2023	18 months	-	-
Authorization to allot free shares to employees and executive officers	113,635(**) (c.2% of the share capital(*) Sub-cap of 11.14% of € 113,635(**) (c.0.0017% of the share capital(*) for the Chief Executive Officer)	1 September 2021 (11th resolution)	1 November, 2024	38 months	-	-

(*) Share capital as at 31 December 2021.

(**) Nominal amount.

(a) 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.

(b) 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.

(c) 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 right, the amount of the sub-cap mentioned in the 2nd resolution of the AGM of 1 September 2021.

(d) Common cap for the capital increases carried out under the 9th and 10th resolutions adopted by the AGM of 1st September 2021.

(e) 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).

3.4. ITEMS THAT MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

The following are the items that may have an impact in the event of a public offer.

3.4.1. Structure of the Company' capital

The share capital of the Company amounts to seven million three hundred eighteen thousand one hundred twenty-two euros and eighty-eight cents (€7,318,122.88) and is divided into ninety-one million four hundred seventy-six thousand five hundred thirty-six (91,476,536) ordinary shares with a par value of eight cents €0.08 each, fully paid-up.

The table below provides a breakdown of the Company's share capital at 31 December 2021:

Shareholder	Number of shares	% of share capital	Number of voting rights	% of theoretical voting rights	% of exercisable voting rights
Everest UK HoldCo Limited [(a)]	52,509,355	57.4	52,509,355	57.4	57.4
HTIVB[(a) (b)]	11,982,095	13.1	11,982,095	13.1	13.1
Executives and managers (Including the Selling Managers[(c)]	8,370,682	9.2	8,370,682	9.2	9.2
Treasury stock	5 391	NS	0	0	0
Free-float	18,614,404	20.3	18,614,404	20.3	20.3
o/w					
• **BPI**	5,152,977	5.63[(d)]	5,152,977	5.63[(d)]	5.63[(d)]
TOTAL	**91,476,536**	**100**	**91,471,145**	**100**	**100**

At 31 December 2021, the number of registered shareholders amounts to 163 individuals or legal entities.

(a) Shareholders who have disclosed that they are bound by a shareholders' agreement (see hereinafter, Section 3.4.5 of the present report)
(b) 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 Mr. Olivier Breittmayer.
(c) In the context of the IPO of the Company, the Selling Managers and certain other managers have undertaken, subject to certain exceptions, not to sell Exclusive Networks shares for a period of 360 calendar days following the settlement of the IPO on 27 September 2021 (see also section 7.4.3 of the securities note approved by the Financial and markets authority on 23 September 2021) (as these terms beginning with a capital letter are defined in the securities note).
(d) Through the fund LAC I SLP, on the basis of the legal notification of crossing threshold dated 29 September 2021.

3.4.2. ***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***

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, as well as the rules applicable to the appointment and replacement of the members of the Board of Directors and the 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 are described in Sections 16.3 "*Statement relating to control of the Company*" and 19.2. "*Bylaws*" of the 2021 Universal Registration Document.

The powers of the Board of Directors in particular the issuance or buyback of shares and agreements entered into by the Company that are amended or terminated in the event of a change in control of the Company are described in Section 3.4.7 "*Agreement entered into by the Company that are amended or terminated in the event of a change in control of the Company*" of the present report.

3.4.3. ***Direct or indirect 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***

In addition to the thresholds provided for by applicable laws and regulations, and as long as the Company's shares are admitted to 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 Regulations of the French *Autorité des marchés financiers*) equal or greater than 1% of the Company, must inform the Company within four (4) 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 them/him, the total number of shares or voting rights they hold directly or indirectly, alone or in concert, the number of securities held giving ultimately 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 additional threshold crossing of 1% of the share capital or voting rights must also be notified to the Company under the conditions set out above.

Any shareholder, acting alone or in concert, must also be under obligation to inform the Company within four (4) trading days if the percentage of capital or voting rights held, falls below each of the thresholds referred to in this Article.

Failure to comply with the above-mentioned notification obligations regarding statutory thresholds will be sanctioned in accordance with laws and regulations applicable to the breach of notification obligations regarding legal thresholds upon 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.

During 2021, the Company was informed of the following threshold crossing as provided for by law and Articles of Association:

By letter received on 29 September 2021, Bpifrance Investissement (27-31 avenue du Général Leclerc - 94710 Maisons Alfort Cedex), acting on behalf of the free partnership company LAC I SLP1, which it manages, declared that it had crossed over on 27 September 2021, the thresholds of 5% of the capital and voting rights of the Company and to hold on behalf of LAC I SLP, 5,152,977 EXCLUSIVE NETWORKS shares representing as many voting rights, i.e. 5.63% of the capital and voting rights of the Company.

Name of entity notifying the threshold crossing	Date of threshold crossing	Date of reporting	Direction	Share capital threshold crossing	Voting rights threshold crossing
Bpifrance Investissement[1]	27 September, 2021	29 September, 2021	↗	Yes (5%)	Yes (5%)

(1) Acting on behalf of the free partnership company LAC I SLP, specialized and professional fund managed by Bpifrance Investissement

To the best of the Company's knowledge, as of 31 December 2021 no shareholder other than those mentioned above held, directly or indirectly, 5% or more of the Company's share capital and voting rights.

Since the start of the 2022 financial year, Bpifrance Investments has disclosed to the Company in a letter dated 13 January 2022, that its holding (via the fund LAC I SLP) exceeded the 8% statutory threshold of Exclusive Networks' share capital and voting rights on 12 January 2022, and that it held, at that date, 7,329,803 Exclusive Networks' shares, representing 8.01 % of the share capital which in turn represented the same number of Company voting rights.

3.4.4. List of holders of any security with special control rights and the description of those rights and control mechanisms provided for in a potential employee ownership system, when the control rights are not exercised by the latter

There are no holders of securities with special control rights or control mechanisms provided for in any employee ownership system when the supervisory rights are not exercised by the latter.

3.4.5. 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

On 4 July 2018 Everest UK HoldCo Limited, HTIVB, EM Network 1, EM Network 2, and certain co-investors and Group's managers and executives entered into a shareholders' agreement. The purpose of the agreement was to govern their relationship as Company shareholders as well as the rules governing the functioning of the Company's management bodies for as long as the Company's shares were not listed for trading on a regulated market. This shareholders' agreement was automatically terminated on 23 September 2021, date of admission of the Company's shares to trading on Euronext Paris.

On the 22 September 2021, in connection with the IPO, Everest UK HoldCo Limited and HTIVB, which are the major shareholders of the Company, entered into a new shareholders' agreement to govern their relationship as shareholders of the Company (the "*Shareholders' Agreement*"). This shareholders' agreement entered into force since the date of the settlement and delivery of the shares offered in the context of the IPO of the Company (that is, 27 September 2021), will remain in full force and effect for so long as both shareholders, together with any of their respective affiliates, each hold at least 3% of the outstanding Company share capital and voting rights.

The Shareholders’ Agreement provides in particular:

− *Corporate governance*:

a) Everest UK Holdco Limited shall have the right to appoint (i) three directors for as long as it holds at least 15% of the outstanding Company share capital and voting rights, (ii) two directors for as long as it holds at least 10% of the outstanding Company share capital and voting rights, and (iii) one director for as long as it holds at least 5% of the outstanding Company share capital and voting rights.

b) HTIVB shall have the right to appoint one director for as long as it holds at least 5% of the outstanding Company share capital and voting rights.

c) Each of Everest UK Holdco Limited and HTIVB will undertake to (i) vote in shareholders meetings in favour of the appointment of the candidates to a directorship position 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.

d) Each of Everest UK Holdco Limited and HTIVB will undertake to instruct its 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.

e) Except where it is set out as 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.

− *Conditions to disposals of the Company shares*: In addition, and subject to the lock-up undertakings granted by each of Everest UK Holdco Limited and HTIVB described under the securities note (the "**Lock-Up**"):

Waivers to the Lock-Up:

During the Lock-Up period, and subject to compliance with, and without prejudice to, any other obligations or disposal restrictions in the Shareholders' Agreement, if a partial or total waiver to the Lock-Up is granted by the underwriters to one party (and not to the other), such a party will not be able to transfer its shares of the Company until the same waiver is also granted to the other party.

Orderly sell down agreement:

i. 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");

ii. HTIVB will be able to initiate a disposal at any time from, but not before, the date falling 24 months after the Admission (except for customary exceptions), and shall consult with Everest UK Holdco Limited before initiating any such disposal;

iii. Each party will have the right to participate in any disposal initiated by the other party in accordance with the above principle, and such right will be 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 - 10 - 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 to dispose 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 dispose a higher number of Company shares so that in aggregate the number of disposed Company shares equals the number of contemplated disposed shares.

− *Concerted action*: 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.

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 such an agreement, two Directors were appointed upon proposal of Everest Holdco Holding on 1st September 2021, and HTIVB is represented at the Board of Directors by one Director as from this same date (Please refer to the Section 1.3.1 "*Composition of the Board of Directors as at 31 December 2021*" of the present Corporate Governance Report).

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.

3.4.6. ***Powers of the Board of Directors in respect of capital increase and share buyback***

Information on the powers of the Board of Directors with respect to capital increases is detailed in Section 3.3 "*Delegations and current authorizations granted by the General Shareholders' Meeting with respect to capital increases*" of this report.

3.4.7. ***Agreements entered into by the Company that are amended or terminated in the event of a change in control of the Company***

- ***Financing agreements***

At the date of this 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 (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) gains control of the share capital providing the right to cast more than 50 per cent. of the votes at a general meeting of Everest SubBidco SAS, (ii) the Company and/or Everest UK FinCo Limited ceasing 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 of control, each lender may request the early repayment of all amounts owing to it under the New Senior Credit Facilities Agreement (particularly accrued interest), subject to certain terms and conditions.

- ***Share buyback program***

The combined ordinary and extraordinary shareholders' meeting held on 1st September 2021 authorized the Board of Directors, for a period of 18 months following such a shareholders' meeting, 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 General Regulation of the AMF 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 authorization may be used in order to carry out the following transactions:

- cancel shares subject to the adoption of the resolution authorizing cancellation of the shares by the extraordinary shareholders' meeting;
- meet obligations arising from share options programs, or other allocation 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 service provider under a liquidity agreement, in accordance with a market practice recognized by the AMF;
- carry out any market practice which may be authorized 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 internalizes or over the counter, including through block trades or derivative financial instruments, in accordance with applicable laws and regulations.

The portion of the buyback program that can be carried out through block trades may represent the entire program. The total amount allocated to the share buyback program shall not be greater than €100,000,000.

The Board of Directors may not, without prior authorization from the General Meeting, make use of this authorization from the date of filing by a third party of a proposed public tender offer for the Company's shares, until the end of the offer period.

The Board of Directors may decide and implement such authorization, specify, if necessary, the terms and conditions, and, more generally, do whatever is necessary for the successful completion of the envisaged operations.

- ***Share capital of any member of the Group that is the subject of an option or of an agreement to put it under option***

None.

3.4.8. 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

As stated in Section 2.1.4 "2*022 Compensation policy for the Chief Executive Officer*" "of the present report, the Chief Executive Officer is eligible for compensation payments in the event of departure.

3.4.9. ***Summary of the transactions on Company's shares performed by senior executives***

The following transactions on the Company's shares were carried out in 2021 by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code:

Name	**Number of shares purchased**	**Number of shares sold**	**Date**	**Purchase Price / sale price (in euro)**
Barbara Thoralfsson	15,000	-	09/23/2021	20
Marie Pierre de Bailliencout	2,500	-	09/23/2021	20
Nathalie Bühnemann	2,083	-	09/23/2021	20
Michail Zekkos	1,500	-	09/23/2021	20
Pierre Pozzo	1,500	-	09/23/2021	20

Appendix II

EXTRA-FINANCIAL STATEMENT OF PERFORMANCE

1 INTEGRATING ESG INTO EXCLUSIVE NETWORKS BUSINESS

1.1 Overview

The Group's mission is to drive the transition to a totally trusted digital world for all people and organizations. The Group directly contributes and plans to continue contributing in the future to improving the security in the digital infrastructures to ensure trust in all digital interactions.

The cyber threat landscape shows no sign of slowing down. In 2021 alone, it caused \$6 trillion in damages and this figure is estimated to grow to \$10.5 trillion by 2025. This is exponentially larger than the average annual cost of damages from natural disasters, and, if measured as a business, more 'profitable' than the global trade of all major illegal drugs combined. For further information about the cybersecurity market please refer to Section *5.5.1. "Overview of the Global Cybersecurity Market"* of the 2021 Universal Registration Document.

Exclusive Networks play a pivotal role within the cybersecurity ecosystem, we are the connecting pathways between technology manufacturers/ vendors and the end users. We bridge the gap - through our partner community - by distributing, enabling and facilitating their route to market.

The Group acknowledges the importance of global environmental, social and governance ("**ESG**") related challenges and believes that all industries and aspects of society have a role to play. It also believes that through its choices and its actions, it can create positive benefits for the environment and for society.

Due to its unique position, the Group represents a critical component of the global cybersecurity distribution chain, positioned between over 3,000 vendors that exist industry-wide, and more than 100,000 VARs, SIs, SPs, GSIs, Telcos, MSSPs, CSPs, MSPs, who then address over 40 million end-customers (see Section **5.2.3.** "*Unique value proposition across cybersecurity ecosystem underpinned by specialization*" of the 2021 Universal Registration Document). This gives the Group the ability to support others in the value chain to address ESG challenges.

The Group has a "global scale, local sale" model, combining the focus, value and entrepreneurship of local independent companies with the scale and service delivery of a single worldwide distribution powerhouse (see Section 5.1 "*Overview*" of the 2021 Universal Registration Document). This model gives the Group perspective on local ESG challenges, while also helping to maximize impact by acting at scale across a global network.

1.2 Business Model

Exclusive Networks

Disruptively Different

The cyber threat landscape shows no sign of slowing down, it is the exact opposite. In 2021 alone, it caused $6 trillion worth of damage and this figure is estimated to grow to $10.5 trillion by 2025. This is exponentially larger than the damages inflicted by natural disasters in a year, and more 'profitable' than the global trade of all major illegal drugs combined.

Exclusive Networks play a pivotal role within the cybersecurity ecosystem, we are the connecting pathways between technology manufacturers/ vendors and the end users. We bridge the gap - through our partner community - by distributing, enabling and facilitating their route to market.

The attack surface is increasing, these are growing in sophistication, they are occurring more often, and they are leaving more victims in their wake. As a global cybersecurity expert, Exclusive Networks are uniquely positioned to address the challenges in the industry whilst securing the digital society day after day.

Our Vision

A totally trusted digital world for all people & organisations.

Our Mission

A global trusted cybersecurity specialist for digital infrastructure, helping to drive the transition to a totally trusted digital world.

Fast facts

€3.3bn Gross Sales
>30% CAGR Gross Sales

Offices in 43 countries.
Servicing customers in >170 countries

>20,000 partners worldwide including the industries' biggest brands

>2300 people.
1:2 ratio of sales to technical internal resources

Market Opportunity

We have carved out a niche position in our field as a global cybersecurity expert delivering outstanding value at global scale. We have achieved substantial, continued growth since our creation and with the cybersecurity products and services market having been estimated to be worth $58 billion in 2020* and predicted to grow within a market that has an average double-digit rate of ±12% (CAGR) in the following four years*. Exclusive Networks are ideally positioned to capitalise on the considerable opportunity for growth. Our specialism and continued investment in technical expertise makes us the ideal partner of choice for technology partners and a large variety of business partners creating a large ecosystem to deliver products, services & solutions.

Financial Strength

We offer a powerful and unique combination of leading market positions, with a large and diversified partner base, covering all segments of cybersecurity.
We scaled rapidly over the years and have an established track record of strong revenue growth, more than 30% every year since 2013, including in 2021, where Gross Sales reached €3.3 billion."

People-first

e

In our 2021 employee engagement survey, we had a **77%** approval rating. Additionally, **83%** of staff would recommend Exclusive as a great place to work.

Exclusive Networks has a diverse workforce comprised of **40%** females. Females also hold **33%** of management positions at Exclusive.

We continually invest in the skills and education of our people. We provide access to cybersecurity training as well as wider business-related skills training.

Exclusive Networks also develop the skills of the next generation. Through educational partnerships we are preparing students for future roles within the industry.

The 2-Tier Distribution Model
Our pivotal role

Manufacturer (vendor)

Manufacturers produce technologies to secure the end customer. They sell these through value-added distributors like Exclusive Networks.

How Exclusive Networks add value

- Creating market opportunities at scale through our global footprint
- Incubating startups as they scale out to market leaders
- Enriching technology sales with our global service portfolio
- Providing specialist go-to-market and educational support
- Developing a diverse partner procurement network of niche consultancies through to global system integrators

Distributor

Exclusive Networks are a value-added distributor who sell technologies onto partners along with our global services offering.

We Are Exclusive Networks

- An ecosystem of best-of-breed cybersecurity, DevSecOps & Cloud native software technologies
- Specialist skills at global scale, servicing customers in more than 170 countries
- Expertise in designing secure, multi-vendor architectures
- A services-led approach, providing a portfolio of global services across the entire end customer procurement journey
- A proven ability to grow and scale vendors into market leaders

Partner (Reseller)

Partners sell technologies on to end customers along with services provided by distributors to support the sale of these technologies.

How Exclusive Networks add value

- Enabling partners to sell market leading vendor technology to end users
- Augmenting partners' global scale and reach through our worldwide geographic footprint
- Providing best of breed and unique cross selling & solution selling opportunities
- Supplementing partners' service capability through our global services supporting the entire product lifecycle
- Delivering specialist training and education to ensure partners maintain vendor accreditation

End Customer (End User)

End customers of all sizes, SMBs and large enterprises, buy vendor technologies from partners supported by services delivered by distributors like Exclusive.

How Exclusive Networks add value

- Simplifying the consumption of market-leading cybersecurity architectures
- Supporting the end-to-end procurement journey through our extensive global services portfolio
- Providing access to global, expert resources across the world
- Delivering efficient operational support across orders, invoicing, and logistics

Why we are different

Highly Skilled People

We have a highly skilled workforce with in-house resources that far exceed that of other global distributors. We maintain a ratio of approximately one technical engineer for every two salespeople. With this level of expertise, we are seen as a trusted advisor in an industry suffering a skills crisis, and we continually invest in our teams to maintain these skill levels.

Global Specialist

Our unique approach to distribution combines the extreme focus and value of local independent distributors with the scale and service delivery of a single worldwide distribution powerhouse. This is what sets us apart in the market. We have a broad geographic coverage coupled with deep cybersecurity expertise, positioning us as THE specialist at scale.

Best-of-Breed Vendors

Exclusive have cultivated a best-of-breed cybersecurity portfolio of technologies' vendors, many of whom have been identified by market analysts as leading in their segment*. To further complement our cyber technologies, we ensure our portfolio consists of adjacent and convergent technologies – Cloud native software, DevSecOps and containerization, software define networking - to enable end customers to elevate their cybersecurity architectures to meet today's demands.

Worldwide Services Portfolio

We have a world-wide services portfolio that spans the entire customer journey, from designing a solution right through to managing product end-of-life. We provide on-the-ground services in over 100 countries and logistics capabilities in more than 170 countries. We continue to evolve our services portfolio to ensure that our partners remain relevant and can deliver on the current and future needs of their customers.

Launchpad for Technology

We have a long heritage for bringing new cybersecurity technologies to market and scaling them into market leaders. To continue this legacy, we now have a dedicated business unit - Ignition Technology - who will act as a launchpad, incubator for startups as they scale, in providing hyper care vendor management, leveraging Exclusive's global services capabilities and geographic reach.

Disruptive Solutions to Market Demands

As an expert in our industry, we are ideally positioned to help address the challenges imposed by the market. To that extent Exclusive introduced an online platform named X-OD standing for Exclusive On Demand to address the changing demands of end customers who now consume technology on subscription & consumption based models. Exclusive Networks are helping to address the skills crisis in the industry through our partnerships with educational technological institutions. Through these partners we are investing in the future talent of the cybersecurity industry

1.3 Overview of the main ESG Challenges

Risk description	Ref	Link with the Business Model (see 1.2)	Actions taken	Ref	KPIs	Ref	2021 Value
Our people							
Failure to attract, retain, motivate and develop employess and key executives can lead to loss of trust from customers and vendors.	2.1	Our main competitive advantage is our highly skilled workforce, with in-house technical resources that far exceed that of other global distributors.	Continually invest in the skills and education of our people	3.1.3	Voluntary attrition rate	3.1.4	**19%**
			Develop the skills of the next generation - students Promote a culture of respect				
			Evaluate employee engagement thru an annual survey- launched in 2021	3.1.1	Engagement survey approval rating	3.1.4	**77%**
					Staff that would recommend Exclusive Networks as a great place to work	3.1.4	**83%**
			Promote diversity and inclusion	3.1.2	% of women in the workforce	3.1.2	**40%**
					% of women in management positions	3.1.2	**34%**
Data and Cyber Security							
Failure to comply with cybersecurity, privacy-related or data protection laws and regulations could result in proceedings against the Group that could lead to important losses	2.2	Given our position of an expert in our industry, any damage resulting from a Cyber Attack would not only damage us financially but also our reputation and the trust our vendors and partners place in us.	Implement a training program in order to raise awareness amongst our employees	3.3.2	% of employees completing cyber and data security training	3.3.3	**50%**
			Policies and procedures linking confidentiality and safeguard of company assets	3.3			
			Develop a strong cyber data governance	3.3.1			
			Increase our defenses by implementing several cyber secruity solutions	3.3.2			
Ethics and Compliance							
Violations of the global and local anti-corruption laws and regulations may result in substantial civil and criminal fines.	2.3	Our pivotal role in the 2-tier Distribution model means that we also need to comply with the regulations that are imposed to our vendors and partners. This includes anti-bribery and corruption, but also Tax compliance and Human rights	Continually strengthen the Group's compliace culture, including a strong Ethics and Code of Conduct, Whistleblowing, and policies. This also includes:	3.2.1			
			- Train our employees on internal policies		% of employees who completed Ethics training	3.2.6	**Ethics Champions 86%** **Country Managers 73%**
			- Internal Audits		Number of Internal Audits covering Anti Corruption		**6**
			Assess our Third-parties in order to ensure high standards of integrity and professionalism	3.2.2			
			Ensure Tax Compliance as a commitment to ethical behavior	3.2.3			
			Promote Social Respect in order to reinforce Human Rights	3.2.4			
Protecting the environment							
Not a significant risk for our industry	2.4	We aknowledge the importance of Climate Change and have a role to play. We also support our vendors and partners in their route to Carbon neutrality	Measure our Carbon Footprint in 2021, and build a reduction plan from 2023 onwards	3.4.1	Carbon footprint according to GHG protocol	3.4.2	**309 112**
			Promote recycling	3.4.3			

2 MAIN ENVIRONMENT, SOCIAL AND GOVERNANCE RISKS

The Group considers both its impact as a business on ESG issues, and the importance of these issues to its stakeholders including employees, vendors, resellers, end-customers and investors. In line with the Group's seven ethical principles (namely (i) honesty and integrity, (ii) fairness of commercial practices, (iii) data confidentiality, (iv) professional behavior, (v) professional skills and added value, (vi) social respect and (vii) environmental care) the Group has analyzed its Business risks, which included ESG-related risks.

The Extra Financial ESG risks were identified as part of the yearly company-wide Risk Register update conducted in 2021. For further details please refer to *3.4.1 (b) Implementation and update of the Risk Register* of the 2021 Universal Registration Document. All Risks, financial and extra financial are reported in section 3. Risk Factors of the Universal Registration Document.

In parallel, a third party was mandated to help identify the ESG challenges that the Group is facing. The Risk and Compliance team has then linked the two approaches in order to identify the main ESG risks for the Group.

The main ESG risks that the Group faces are:

2.1 Our people

Failure to attract, retain, motivate and develop employees and key executives could adversely affect the Group's ability to develop and execute its business strategies, manage its business operations, and maintain relationships with customers and vendors.- please refer to section 3.1.7 of the 2021 Universal Registration Document "*The Group's success depends upon its ability to attract, retain, motivate and develop key executives and employees with the requisite technical expertise, and the failure to do so could adversely affect the Group's results".*

2.2 Data and Cyber security

The Group's failure to comply with cybersecurity, privacy-related or data protection laws and regulations could result in proceedings against the Group by governmental entities or others. 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. Please refer to section 3.3.5 of 2021 Universal Registration Document "*Any real or perceived privacy breaches or improper use of, disclosure of, or access to such data could harm the Group's reputation as a trusted brand, as well as have a material and adverse effect on its business, financial condition, results of operations and prospects".*

2.3 Ethics and Compliance

Violations of the global and local anti-corruption laws and regulations may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences, each of which, individually or in the aggregate, could have a material adverse effect on the Group's business, results of operations or profitability. Please refer to Section 3.3.3 of the 2021 Universal Registration Document "*The Group is subject to UK, European, U.S. and certain foreign anti-corruption laws, anti-bribery laws, and anti-money laundering laws and regulations*". In the event of non-compliance, the Group can face serious consequences, which can harm its business.

2.4 Protecting the environment

As a global distributor, we recognize that our impacts on the environment are not as significant as for other industries. However, we acknowledge the importance of climate change and that we have a role to play. We are committed to minimizing our impact on the environment and managing the impact of climate change.

Therefore, the Group has made several ESG commitments, across all its operations, around two pillars:

- *acting with integrity:* being ethical in business interactions, promoting diversity, inclusion, and mutual respect in the workforce, engaging with stakeholders and communities and reducing its environmental footprint; and

- *promoting change*: using the company's skills, resources, and social connections to work with and influence others in ways that improve lives, bring about positive change, and have a lasting impact on the environment.

3 MITIGATING ESG RISKS

3.1 Our people

The human resources department is an essential element of the Group's strategy, which explains why the Group carefully monitors the integration and well-being of its employees, its ability to create an inclusive, cohesive and respectful working environment, to enhance the promotion and motivation of right people, and to maintain a positive dialogue and relationships with its employees. Exclusive Networks promotes a culture of respect of people at the workplace as well as in the employment process.

The Group has developed a comprehensive policy in order to ensure that the risk linked to its people is mitigated. For further details about the Group's Human Resources policy please refer to Section **15.1.2** of the 2021 Universal Registration Document "*Human resources policy*".

Please note that all data published in this section is based on actual headcount whereas the data of the 2021 Universal Registration Document is based on Full Time Equivalent (FTE)- see 5. Methodological note on data reporting. As at December 31, 2021, the Group's workforce amounted to 2,375 FTEs and 2,399 employees.

3.1.1 Human resources initiatives

In 2021, the following initiatives were implemented:

- company-wide HR system in order to support its HR strategy by providing real time analysis of the workforce thru a customized dashboard.
- Company-wide engagement survey in order to understand how Exclusive Networks can be a better employer
- Annual performance review

The following actions were initiated and will continue in 2022:

- Building a common career path in all the countries
- Implement a global compensation and benefit policy in order identify and address any pay gap/ inequalities.
- develop educational partnerships (in the USA and France for example), in order to prepare students for future roles within the industry and attract talents. Exclusive Networks is seen in the industry as an academy of young cyber security experts in the industry.

3.1.2 Diversity and gender equality

Diversity and gender equality is one of the core values of Exclusive Networks, as mentioned in the Ethics and Code of Conduct signed by all employees:

The Group is deeply engaged in the development of diversity and gender equality, which has evolved significantly and positively over the past years.

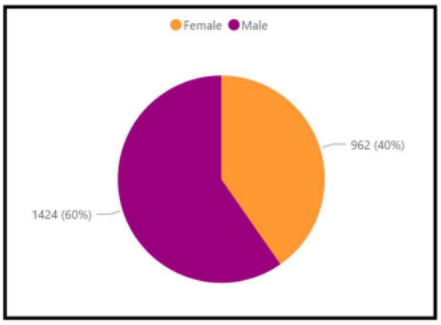
Exclusive Networks has always taken very seriously all discriminatory behavior towards its employees, which goes against our core values. The Group therefore aims at further reinforcing its internal non-discrimination policy, focusing both during internal and external hiring processes as well as during the entire career path of its employees in the Group.

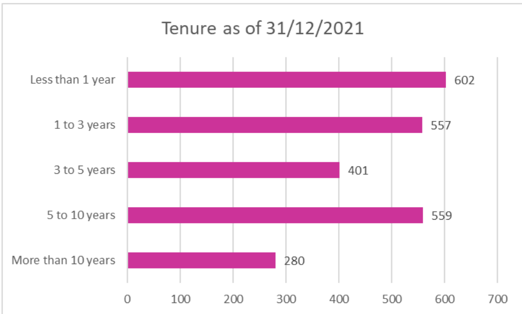
In order to ensure that its diversity and gender equality initiatives are on the right path, the Group closely monitors the following metrics:

- **% of female employees**: 40% of Exclusive Networks employees were female in 2021

- **% of female representation in management positions**: 34% of the positions managing teams were held by female employees in 2021

- **Employee average tenure**: The Group benefits from a good mix and balance between new employees and long-term ones providing a healthy combination of new ideas with an experience at the Group. At the end of December 2021, 48% of the employees had a tenure of less than 3 years and 35% had a tenure between 5 to 10 years.





3.1.3 Training

The Group continuously invests in both technical and general training to help employees to keep improve and developing their skills. This is a key part of our objectives for our people, and ensures that our employees remain highly skilled and on a constant learning path.

The Group's employees that are part of technical teams also receive technical trainings and certifications offered by vendors in order to credit their knowledge and better serve our customers. Please refer to paragraph 5.2.7 of the 2021 Universal Registration Document.

In addition, the group launched a 6-month pilot program for general training through LinkedIn's learning platform from June 1st to Nov. 30, 2021. 501 employees completed 2,156 courses and completed 45,734 videos. The Group intends to renew this in 2022 for the whole year following the positive feedback received from employees.

In addition, the Group's subsidiaries have organized various local trainings covering general management topics. As regards measures to promote sport and physical activities, several Group subsidiaries have given access to local employees to as online yoga or workout classes as well as wellbeing modules.

3.1.4 Measuring the effectiveness of the Human Resources policy

We measure the effectiveness of our Human Resources policy through two indicators:

- Employee engagement: this survey was first implemented in 2021 and will be renewed on a yearly basis. The results for 2021 showed a 77% approval rating. Additionally, 83% of staff would recommend Exclusive Networks as a "great place to work".

- Voluntary attrition: voluntary attrition is high in our industry, particularly for engineers with product and technical knowledge. 2021 was the first year we measured employee voluntary attrition, which stood at 19%.

3.2 Complying with applicable regulations and anti-corruption measures

3.2.1 Strong Compliance Culture

The Group has adopted strict and sophisticated risk and compliance policies and continuously seeks to improve them. See paragraph (c) of Section 3.4.1"*Overview of risk management policy*" of the 2021 Universal Registration Document for information on the internal control and compliance monitoring system that the Group has implemented.

The Group has developed a comprehensive compliance framework, in order to ensure compliance with both global and local laws and regulations. This compliance framework includes:

- yearly review of the framework;
- ethics and code of conduct
- internal audits;
- a comprehensive set of policies including:
  - gift and entertainment policy- including a gift register
  - third party onboarding policy- including due diligence
  - marketing documentation policy
  - export Control policy

- a whistleblowing policy and platform for anonymous reporting. This platform encourages employees and third parties to make fair and prompt disclosure of any concerns where they genuinely and reasonably believe that the high standards expected in Exclusive Networks have not been met.

These policies are regularly updated on the basis of the internal audits results.

3.2.2 Third party due diligence

As part of a channel, Exclusive Networks expect that their suppliers and partners maintain high standards of integrity and professionalism and seeks to avoid adverse environmental and social impacts. The Group has developed a new due diligence tool that will be deployed in Q2 2022. This platform will facilitate the pre-contracting ESG due diligence checks, covering anti-corruption procedures, IT security and data protection.

This platform will include:

- requiring prospective resellers and suppliers to provide information to allow the Group to make a judgement on the risks they are exposed to and how they are managing these risks;

- monitoring issues associated with suppliers' performance and managing the Group's relationship with suppliers accordingly;

3.2.3 Tax Compliance

Exclusive Networks has offices in 43 countries and operates in a sector in constant evolution. Due to the international nature of its activities, the complexity and the absence of clarity of certain specific national or international tax regulations, the Group is exposed to tax risks (see section 3.2.3 *The Group is subject to tax risks, which could arise in particular as a result of tax audits or past measures and changes in tax legislation* of the 2021 Universal registration Document).

We strive to consider all existing factors in this environment in order to make the right tax decisions, even when there is uncertainty. We operate within well established and publicly advocated core values, such as honesty and integrity, as highlighted in our Ethics and Code of Conduct.

The Group's commitment to ethical behavior is directly reflected in its management of fiscal affairs. The Group recognizes its revenue and pays its taxes in the countries where it is located, thus reflecting the actual value generated by its activities. It undertakes to apply arm's length prices in its internal cross-border transactions, in accordance with internationally recognized principles. Moreover, the Group does not have any subsidiary located in EU-listed non-cooperative jurisdictions for tax purposes.

The principles mentioned above apply to all entities which are part of the Group, in every country and to all taxes due.

3.2.4 Human rights

Exclusive Networks promotes a culture of respect of people, and is committed to human rights.

As specified in our Ethics and Code of Conduct, Social Respect is a key value and should be applied in everything we do. Employment decisions are to be based on skills, performance, values and job-related criteria. Person's origin, color, religion, sex, sexual orientation, age or any characteristic protected by law are not to be taken into account in the employment decision. In addition, the Group forbids harassment in any form, intimidation or offensive work environment.

3.2.5 Governance and training

Exclusive Networks Compliance program is designed at Group level and the application of the program is the ultimate responsibility of the country managers.

The implementation of our policies is facilitated by a network of about 40 correspondents (Ethics Champions). These Ethics Champions are coordinated by the Risk and Compliance team. Ethics Champions are trained at least once a year and they themselves then provide training for their respective country teams.

3.2.6 Measuring the effectiveness of the program

- the percentage of staff who completed ethics training: In 2021, 86% of Ethics Champions attended a training relating to the Group's anti-corruption program. In addition, 73% of country managers attended an anti-bribery and corruption training.

- the number of internal audits completed in relation to business ethics; in 2021, 6 internal audits focusing on business ethics were performed, covering 7 countries.

3.3 Cyber and Data security

As a distributor of cybersecurity solutions, the Group recognizes that it is important that it maintains good practices of cyber and data security.

As set out in our code of conduct, which is made available to the Group's employees, clients, vendors, agents, shareholders, business partners and third parties, the Group takes several measures to ensure that there is no unauthorized disclosure of confidential data.

- all employees are required to safeguard the Group's intellectual property and confidential information;

- information should only be shared displayed when there is a legitimate business need, after assessing the confidentiality level and with special attention when there is any transfer of personal data in any communication;

- if there is a need to provide specific confidential information in relation to the Group to business partners (for example, providing specific IT system accesses), non-disclosure agreements have to be signed by the relevant recipient;

- there is a requirement to respect the confidentiality of any information belonging to the Group's business partners (information that is in confidence and not publicly known or generally available) and the Group's employees have to comply with the Group's rules of engagement policy which further details the rules behind internal confidentiality related to vendor information; and

- in certain circumstances, independent teams separated by "Chinese Walls" are established internally to avoid sharing information between the Group's vendors that may have competitive technologies or products.

3.3.1 Governance

In 2021, the Group has strengthened its cybersecurity governance:

- o The Group Chief Information Officer (CIO) became member of the Executive Committee

- o Nomination of a Chief Information Security Officer (CISO), reporting to the CIO, whose primary responsibilities are establishing and maintaining a comprehensive information security strategy and program to ensure that information assets and technologies are appropriately protected

- Creation of a global Security Operations Center (SOC) which is in charge of helping local IT teams in the implementation of Cyber and Data security initiatives. In 2021, 37 countries and 57 sites were onboarded into the SOC.

- Cyber Defence Council (CDC): its mission is to build the Group's capabilities against cyberattacks and to provide cybersecurity tools, incident response services and assessment capabilities to safeguard the Group's networks that support the essential operations of local and global infrastructure.

3.3.2 Increasing our defenses

In addition to the creation of specific roles dedicated to protect the group's data and operating systems, the following actions were implemented in order to increase our Cyber and Data Security:

- Deployment of several cyber security solutions to protect the company's assets, including upgrading firewalls, network monitoring tools and email monitoring.

- Implementation of mandatory security awareness training for all employees, in the form of e-learning modules.

- Phishing exercises

- Penetration tests

3.3.3 Evaluating the effectiveness of our program

The Group evaluates the effectiveness of the Data and Cyber security program with the following KPI:

- the percentage of cyber and data security training completed by employees. In 2021, 3 cyber security awareness trainings were proposed to employees and 50% of employees completed the training as of 31/12/2021.

3.4 Helping to preserve the environment

The Group is committed to minimizing its impact on the environment and managing the impact of climate change.

3.4.1 Commitments

The Group's environmental commitments include:

- supporting business partners (vendors, customers, end users) to meet their carbon reduction/net zero commitments, by sharing data on the Group's carbon footprint, and in certain cases, collaborating on carbon reduction initiatives such as the use of sea freight rather than air freight and consolidating shipments;

- working with vendors and customers to support the circular economy, and promote an increased rate of reuse, refurbishment and recycling throughout the value chain. This implies that we support clients in building circularity and sustainable resource management.

- acknowledging the importance of tackling climate change by establishing a net zero commitment for the year 2035; and

- assessing the risk to the Group's business from a changing climate and from 2023, reporting this in line with the GHG protocol

Going forward, starting 2023, the Group intends to review and expand yearly its list of potentially material topics, in order to align with the UN Sustainable Development Goals and targets.

3.4.2 Carbon emissions

The Group has a relatively low level of Scope 1 and Scope 2 emissions, and climate change is not considered as a significant risk for its future performance. Nevertheless, Exclusive Networks has measured for the first time its global Carbon footprint in 2021, according to the GHG protocol.

Scope 1 includes direct emissions from resources that are owned or controlled by our company.

Scope 2 includes indirect GHG emissions from the generation of purchased electricity consumed by our offices. These emissions physically occur at the facility where electricity is generated.

Scope 3 emissions are a consequence of our activities but occur from sources not owned or controlled by us. These emissions occur upstream or downstream in the value chain.

Unsurprisingly, the main contributors to our Carbon footprint are the products we distribute:

			Total (t CO2e)
Scope 1	Fixed and Mobile Combustion Emissions		1 940
Scope 2	Electricity consumption		650
Scope 3	Upstream	Purchased goods and services	261 000
		Inbound and outbound transportation	36 460
		Commuting (home work trips)	3 800
		Fixed assets	670
		Business travel	100
		Others	100
	Total Upstream		**302 130**
	Downstream	Use of products sold	10 700
		End of life of products sold	8 740
	Total Downstream		**19 440**
	Total scope 3		**321 570**
Total			**324 160**

The Group's Carbon emissions per Region are as follows:

Region	Scope 1	Scope 2	Scope 3	Total scopes
EMEA	1 563	524	259 106	261 193
NAM	205	69	33 963	34 237
APAC	172	58	28 501	28 730
Total l	**1 940**	**650**	**321 570**	**324 160**

The group will work in 2022 on an action plan to reduce its emissions. This plan will be disclosed in 2023 and will involve:

- Supporting our vendors in their route to Carbon neutrality

- Investigating alternative means of transportation for the products we deliver from the vendor site to the end user site

- Helping our clients improve the way they install and use the products in order to reduce their energy consumption

- Other more local initiatives such as promoting carbon-free commuting

3.4.3 Promote recycling

With regards to the management of the end-of-life process of the products it distributes, the Group's GSO service helps businesses carry out their duty of care to operate in an ecologically responsible way. GSO's sustainability services simplify and manage the end-of-life process for technology solutions, enabling customers to reduce environmental impact while executing IT transformation. The services offered are:

– asset audits;
– decommissioning;
– reverse logistics;
– reuse and resale options;
– waste from electrical and electronic equipment (WEEE) (and equivalent) recycling; and
– Blancco-certificated wipe, shred and destruction.

4 TAXONOMY FOR SUSTAINABLE ACTIVITIES

4.1 EU Taxonomy framework & requirements

The European Union (EU) has published European Regulation 2020/852 of June 18, 2020 (the so-called "Taxonomy" Regulation) on the establishment of a framework to promote sustainable investments within the EU.

At present, sustainable activities are mapped with reference to the first two climate objectives: mitigation and adaptation (Annex I & II of the Climate Delegated Acts(2)). They will be extended to the four other environmental objectives during 2022, with a requirement to disclose in respect of operations for the 2023 financial year. Annex I and II provide definitions of eligible activities, including the corresponding NACE (statistical classification of economic activities) codes, and technical criteria to determine whether activities can be classified as effectively sustainable. Consequently, activities that do not meet those definitions are regarded as not defined in the reference framework (and as such, are deemed “not eligible”).

The disclosure requirements for the 2021 financial year relate solely to “eligibility”: Exclusive Networks is required to publish key performance indicators (KPIs) highlighting the proportion of its eligible revenues, capital expenditure (CAPEX) and operating expenditures (OPEX) resulting from products and/or services associated with economic activities defined as “sustainable” in Annex I & II of the Climate Delegated Acts.

The results of the review of the Group’s activity conducted by the Risk and Compliance team are presented below.

4.2 Key performance indicators required for 2021 financial year

As described in the Business Model in paragraph 1.2, Exclusive Networks distributes Cyber technology and provides go-to market services related to this technology. Therefore, with reference to the regulatory framework described above, Exclusive Networks has not identified any eligible activities, nor any revenue, CAPEX or OPEX related to such activities.

However, the Company has identified CAPEX and OPEX related to “individual measures”, which contribute to making its activities low-carbon or to leading to greenhouse gas reductions, as defined in the EU Taxonomy Regulation.

The financial information used for this analysis was sourced from Exclusive Networks information systems (capex tracking, consolidation) as of the end of the 2021 financial year.

4.2.1 Revenue

In respect of the first two climate change objectives applicable from the 2021 financial year (mitigation and adaptation), the European Commission has prioritized those sectors of activity that emit the most greenhouse gases within the European Union. Exclusive Networks activities are essentially related to the distribution of Cybersecurity Solutions and Services. Those activities are not currently considered to make a substantial contribution to the two climate objectives defined by the Taxonomy.

Due to the absence of eligible revenues, CAPEX and OPEX related to those activities cannot be classified as eligible. Consequently, our analysis of the eligibility of OPEX and CAPEX related solely to “individual measures” enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as defined in the EU Taxonomy Regulation.

4.2.2 CAPEX

In accordance with the Taxonomy Regulation, the CAPEX denominator includes acquisitions of property, plant and equipment (IAS 16) and intangible assets (IAS 38); acquisitions of right-of-use assets (under IFRS 16, a right-of-use asset is recognized on commencement of a lease); and acquisitions related to business combinations (IFRS 3(4)).

Overall, the denominator amounts to €11.3 million (as shown in the table below).

Investments related to	Amount €million
Property, plant and equipment (IAS 16)	3,0
Intangible Assets	1,7
Right-of-use assets (IFRS 16)	6,2
Business combinations (IFRS 3) 3.7	0,4
Total Denominator	**11,3**

Please refer to Notes 7.2, 7.3 and 8 to our consolidated financial statements, included at Chapter 7 of the 2021 Universal Registration Document.

Eligible CAPEX as reflected in the numerator includes:

Investments related to	Amount €million
Right of use- Buildings	4,5
Transport Equipment	0,1
Right of use- Car fleet	1,7
Total Numerator	**6,4**

As we rent all of the buildings were we operate, individual measures aimed at improving energy efficiency and mitigating greenhouse gas emissions were minimal in 2021.

Consequently, our CAPEX ratio amounted to 56% in 2021, with a major contribution from right-of-use assets recognized under IFRS 16.

4.2.3 OPEX

As further described in the Business model in paragraph 1.2, Exclusive Networks adds value to its vendors by offering unique go-to-market solutions, and to its resellers by delivering specialist advice, services and training, together with end user support. Therefore the Group's Operating expenses mainly include Personnel costs, external fees, rent, travel expenses, marketing and advertising costs, insurance, and bank fees (see chapter 5.3 and 5.4 of the company financial statement in Chapter 7 of the 2021 Universal Registration Document). The Group does not have any research and development expense.

In accordance with the Taxonomy Regulation, the OPEX denominator mainly comprises research and development expenses. Consequently, our review of the OPEX ratio concluded that this KPI was immaterial for Exclusive Networks.

5 METHODOLOGICAL NOTE ON DATA REPORTING

5.1 General comments

Unless otherwise stated, the KPIs presented in this Statement are for the full company consolidated scope.

5.2 Our People

- FTE calculation is based on the number of full-time equivalent employees reported by the countries in our reporting tool, and based on local payroll data

- Headcount; Employee data is issued from the HR system People HR. As of December 31, 2021, all consolidated legal entities were onboarded in this system.

  - Employees: total 2 399 employees, 1 431 male and 968 female.

  - Managers: total 450 managers, 296 male and 154 female

- Voluntary attrition: the metric is followed in our HR tool for all Exclusive Networks entities since April 2021, where the reason for departure is disclosed. Voluntary departures include: resignation, mutual agreement, retirement as well as "no reason provided". The calculation is based on the total voluntary departures since April 1, 2021 (340 voluntary departures over 9 months) divided by the average headcount for the year 2021 averaged out on 9 months.

- The data between the FTE calculation and the Headcount is reconciled on a monthly basis.

- Engagement survey: conducted in March 2021. Results based on 1 298 respondents out of 1 804 invited (72% voting participation).

5.3 Ethics and Compliance

- Ethics Champions training: 2 similar trainings conducted internally on June 9, 2021. 40 Ethics Champions were invited and 34 attended

- Country Managers: one training conducted internally on July 26, 2021. 45 country managers were invited and 33 attended.

5.4 Cyber and data security

- Based on 3 online trainings covering general cyber knowledge, phishing and ransomware. The e-learning modules were launched in July, August and December 2021. All employees were invited to attend.

5.5 Others

Our Group approach to diversity does not specifically address the the employment of people with disabilities, and it is not a KPI that we measure at Group Level. However, as mentionned in our Ethics and Code of Conduct, Employment decisions are to be based on skills, performance, values and job-related criteria – and no discrimination of any type is acceptable within the organization.

The issues listed below have not been dealt with, as they are considered irrelevant at Group level given that our business involves the distribution of Cyber security products:

- animal welfare; •
- reducing food waste
- responsible, fair and sustainable food; •
- the fight against food insecurity.

EXCLUSIVE NETWORKS SA

Report of the independent third-party organization on the verification of the consolidated non-financial performance statement included in the management report

Year ended December 31, December 2021

MAZARS SAS
SOCIETE PAR ACTIONS SIMPLIFIEE
SAS au capital de : 3 7000 euros - RCS : Nanterre 377 505 565 - SIRET : 377 505 565 00087 - APE : 7022Z
Siege social : Tour Exaltis 61 rue Henri Regnault - 92400 Courbevoie - N° de TVA intracom : FR 94 377 505 565

EXCLUSIVE NETWORKS SA
Public limited company with a capital of 7,318,122.88€
Head office: 20 quai du Point du Jour, 92100 Boulogne-Billancourt
RCS 839 082 450

Report by one of the Statutory Auditors on the verification of the consolidated non-financial statement included on a voluntary basis in the Group management report

For the year ended December 31, 2021

This is a free translation into English of the Statutory 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 Statutory Auditor, member of Mazars Group and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we have performed work to provide a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 31, 2021 (hereinafter respectively the "Information" and the "Statement"), presented in the management report of the group in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on the information we obtained, nothing has come to our attention that causes us to believe that the non-financial performance statement is not in compliance with the applicable regulatory requirements and that the information, taken as a whole, is presented fairly in accordance with the Reporting Standards.

Comment

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the Commercial Code, we make the following comment:

- Regarding the risk related to attracting, retaining, motivating and developing talent, the company has put in place an organization and actions to mitigate the risk. However, the policy is not formalized. Regarding the risk related to skills development (certifications), the group does not present key performance indicators.

Preparation of the non-financial performance 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 Statement has been prepared in accordance with the entity's procedures (hereinafter 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 provision 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 non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and also, the Information required by Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- and implementing internal control procedures deemed necessary to preparation of information, free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor

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 the 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 (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

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 (green taxonomy), and the fight against corruption and tax evasion);
- the truthfulness of the Information provided for in Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- 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 (reviewed).

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 French professional.

Means and resources

Our work was carried out by a team of 4 people between February and April 2022 and took a total of 4 weeks.

We called on our specialists in sustainable development and social responsibility to assist us in our work. We conducted 5 interviews with the people responsible for preparing the Statement, representing risk management, compliance, human resources, cyber-security departments.

Nature and scope of our work

We planned and performed our work considering the risks of significant misstatement of the Information.

We are convinced 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 and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where 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 and tax avoidance legislation;
- we verified that the Statement provides the Information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the Information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities’ activities, including where relevant and proportionate, the risks associated with their business

relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including 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 Appendix 1; concerning certain risks (ethics and compliance and cyber-security), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities[9];
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process 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 Appendix 1, 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, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[1] and covers between 20% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie nationale des commissaires aux comptes. Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

The independent third-party,

Mazars SAS

Paris La Défense, April, 2022

Marc BIASIBETTI	Edwige REY
Partner	CSR and Sustainable Partner

[9] *France, United Kingdom*

Appendix 1: list of qualitative and quantitative information, including key performance indicators

Qualitative information (actions and results) relating to the main risks

- Human resources
- Ethics and compliance
- Cybersecurity

Quantitative indicators including key performance indicators

Social information

- Total headcount (December 31st, 2021)
- Employee engagement
- Attrition

Ethics and compliance

- Percentage of staff who completed ethics training
- Number of internal audits completed in relation to business ethics
- Countries covered by an internal audit

Cybersecurity

- Percentage of cyber and data security training completed by employees

CROSS-REFERENCE TABLES

CROSS REFERFENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

The following cross-reference table aims to facilitate access to the sections of this Registration Document that describe the information referred to in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
1	**PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**	1
1.1	All persons responsible for the information or any parts of it, given in the 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.	1.1
1.2	A declaration by those responsible for the Universal registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the Universal registration document makes no omission likely to affect its import.	1.2
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 and 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 authorized the contents of that part of the 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	1.3

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	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.	
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 registration document.	Cover page
2	**STATUTORY AUDITORS**	2
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).	2.1
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.	2.2
3	**RISK FACTORS**	3
4	**INFORMATION ABOUT THE ISSUER**	4
4.1	The legal and commercial name of the issuer	4.1
4.2	The place of registration of the issuer, its registration number and legal entity identifier ("LEI")	4.2
4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite	4.3
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	4.4

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	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.	
5	**BUSINESS OVERVIEW**	5
5.1	Principal activities	5.7
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.	5.1 and 5.7
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	5.3.4
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.	5.2, 5.5 and 5.7.1
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 non-financial (if any). This description shall take into account the issuer's future challenges and prospects	5.3
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	5.8 and 5.10
5.6	The basis for any statements made by the issuer regarding its competitive position	5.5.3
5.7	Investments	5.13

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
5.7.1	Main Investments	5.13.1
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).	5.13.2
5.7.3	Main 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.	5.13.3
5.7.4	Environmental issues that may affect the issuer's utilization of the tangible fixed assets.	5.12
6	**ORGANISATIONAL STRUCTURE**	6
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 organizational structure if this helps to clarify the structure.	6.1
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.	6.2
7	**OPERATING AND FINANCIAL REVIEW**	**7**
7.1	**Financial condition**	**7.1**
7.1.1	To the extent not covered elsewhere in the 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, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and	7.1.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	additional explanations of, amounts reported in the annual financial statements.	
7.1.2	To the extent not covered elsewhere in the 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.	
7.2	**Operating results**	**7.2**
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.	7.2
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.	7.3
8	**CAPITAL RESOURCES**	**8**
8.1	Information concerning the issuer's capital resources (both short term and long term).	8.1
8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows.	8.2 and 8.3
8.3	Information on the borrowing requirements and funding structure of the issuer	8.4
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.	8.5
8.5	Information regarding the anticipated sources of funds needed to fulfil current commitments	8 18.1 note 9 18.1 Note 12 18.1 Note 14

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
9	**REGULATORY ENVIRONMENT**	9
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.	9
10	**TREND INFORMATION**	10
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.	10
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.	10
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 pointing out the comparison with the historical financial information consistent with the issuer's accounting policies.	N/A
12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
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	Annex I, Section 1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	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.	

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	If there is no such information required to be disclosed, a statement to that effect is to be made.	
12.2	Conflicts of interests	Annex I, Section 1..3.5
13	**REMUNERATION AND BENEFITS**	
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.	Annex I, Section 2
13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits.	Annex I, Section 2
14	**BOARD PRACTICES**	Annex I
	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	Annex I, Section 1.3
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.	Annex I, Sections 1.2, 1.3
14.3	Information about the issuer's audit Committee and remuneration Committee, including the names of Committee members and a summary of the terms of reference under which the Committee operates.	Annex I, Sections 1.3, 1.4
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.	Annex, Section 1.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
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).	Annex I, Section 1.3.1
15	**EMPLOYEES**	15
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 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.	15.1
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.	15.2 Annex I, Section 3.4.9
15.3	Description of any arrangements for involving the employees in the capital of the issuer.	15.3
16	**MAJOR SHAREHOLDERS**	16
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 registration document or, if there are no such persons, an appropriate statement to that that effect that no such person exists.	16.1
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.	16.2
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	16.3

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	describe the measures in place to ensure that such control is not abused.	
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.	16.4
17	**RELATED PARTY TRANSACTIONS**	17 17.1 and 17.2 18.1 Note 19.4 Annex I, Section 3.1
18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	**18**
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.	18.2 (2020) 18.3 (2019) 18.4 (2018)
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.	NA (2021) 18.2 (2020) 18.3 (2019) 18.4 (2018)
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	7 and 18.1 (Note 2)

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	financial statements shall be restated in compliance with that Regulation.	
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 prospectus. 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.	18.1 (Note 2)
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.	18.3.1 (2019) 18.4.1 (2018)
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 registration document.	18.1
18.1.7	Age of financial information	N/A

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	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 registration document if the issuer includes audited interim financial statements in the registration document; (b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.	
18.2	Interim and other financial information	N/A
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 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 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	
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.	18.2

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
	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 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.	
18.3.2	Indication of other information in the registration document that has been audited by the auditors.	N/A
18.3.3	Where financial information in the 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.	7.5
18.4	Pro forma financial information	18.5
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 auditors.	(N/A)
18.5	Dividend policy	10.3.1 and 18.6
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.	10.3.1 and 18.6
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	10.3.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
18.6	Legal and arbitration proceedings	18.7
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.	18.7
18.7	Significant change in the issuer's financial position	18.8
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
19	**ADDITIONAL INFORMATION**	19
19.1	**Share capital**	19.1
19.1.1	The amount of issued capital	19.1.1
19.1.2	Shares not representing capital.	19.1.2
19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself share or by subsidiaries of the issuer.	19.1.3 19.1.4
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.	19.1.5
19.1.5	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital.	19.1.6
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.	19.1.7

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	**Universal Registration Document section or chapter**
19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	19.1.8
19.2	**Memorandum and Articles of Association**	19.2
19.2.1	The register and the entry number therein, if applicable, and a brief description of the issuer's objects and purposes and where they can be found in the up-to-date memorandum and articles of association.	19.2.1
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.	19.2.4
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.	19.2.8
20	**MATERIAL CONTRACTS**	20
21	**DOCUMENTS AVAILABLE**	21

CROSS REFERFENCE TABLE FOR THE FINANCIAL REPORT

In order to facilitate the reading of this document, the cross-reference table, hereafter, allows identifying in this 2021 Universal Registration Document, the information which constitutes the Annual Financial report having to be published by the listed companies in accordance with article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the French Market Authorities' General Regulations.

Information	**Chapters/ Sections**
Person responsible of the annual financial report	1.1
Company financial statements	18.3
Consolidated financial statements	18.1
Annual Management report	Cf. table of concordance above
Certificate of the Annual Financial report responsible	1.2
Statutory Auditors' report on the Company financial statements	18.4
Statutory Auditors' report on the consolidated financial statements	18.2
Statutory Auditors fees	18.1 Note 19.3
Report of the Board of Directors on Corporate Governance and Internal Control	Annex I
Statutory Auditors' report on regulated agreements	17.2

CROSS REFERENCE TABLE FOR THE MANAGEMENT REPORT

The cross-reference table below identifies in the 2021 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.

Items	Chapters/Sections
1. Activity report	
Position, activities and business developments of the Company and its subsidiaries during the past financial year	5 and 7
Results of the Company and its subsidiaries during the past year (including debt situation)	7 and 8 and 18.10
Key financial performance indicators	7.5
Key risks and uncertainties	3
Information on market risk and financial risk management	3.1 and 3.2 and 18.1 Note 19.1
Acquisition of equity interests	7.3.2
Research and development, patents, licences	5.9.4 and 5.10
Predictable developments and futur outlook	10
Post-balance sheet events	18.1 Note 19.5
2. Capital and shareholding	
Composition and evolution of ownership and capital	16.1 and 19.1.7
Summary table of the outstanding delegations regarding capital increases and the use made of those delegations during the financial year	Annex I, §3.3
Acquisitions and disposals of treasury shares by the Company	19.1.3 and 19.1.4
Employee ownership of shares in the Company's capital	15.2.1 and 15.2.2
Transactions carried out by executives and corporate officers on the Company's securities	Annex I § 3.4.9
Items that may have an impact in the event of a public offer	Annex I, § 3.4
The name of controlled companies and the share of the Company's capital held	6
Disposals of shares in order to sort out cross-shareholdings	N/A
3. Governance	
Executive management structure	Annex I §1.2.1
Composition of the Board of Directors	Annex I §1.3.1
4. Remunerations of corporate officers and executives	
Remuneration of corporate officers and executives	Annex I, § 2
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	Annex I, § 2
5. Corporate social and environmental responsibility	
Information on how the Company takes into account the social and environmental consequences of its business	Annex II
Key non-financial performance indicators, including environmental and social	Annex II
6. Other legal and tax information	
Dividends distributed	10.3
Information on payment times for suppliers and customers	18.3 and 18.9
Key characteristics of internal control and risk management procedures relating to the development and processing of accounting and financial information	3.4.1