EXCLUSIVE NETWORKS

We Are Exclusive

2023 Universal Registration Document

Including the annual financial report and the management report

Contents

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Including the annual financial report and the management report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on 5 April 2024 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a transaction note and, where applicable, a summary of and any amendments made to the Universal Registration Document. The resulting set of documents then formed is approved in its entirety by the AMF in accordance with Regulation (EU) No 2017/1129.

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

- the Group's consolidated financial statements for the year 2022 and the Statutory Auditors' report in Chapter 18: "Financial Information concerning the issuer's assets, liabilities, financial position, profits and losses" of the Universal Registration Document approved by the AMF on 24 April 2023 under number R. 23-014 available on the Company's website (https://ir.exclusive-networks.com/);

- the 2021 Consolidated Financial Statements for 2021 and the Auditors' report in Chapter 18: "Financial Information concerning the issuer's assets, liabilities, financial position, profits and losses" of the Universal Registration Document approved by the AMF on 27 April 2022 under registry number R. 22-012 and available on the Company's website (https://ir.exclusive-networks.com/).

This document is a free translation of the French Universal Registration Document 2023 and is provided solely for reference and the convenience of English-speaking readers.

Message from Jesper Trolle

"Our model – 'global scale, local sale' – is at the heart of our success story and sets us apart from other players in a market that we have largely shaped over the years."

Jesper Trolle
Chief Executive Officer

Exclusive Networks enjoyed a record-breaking year in 2023

2023 set a new all-time record as we passed the 5-billion-euro mark in revenues, reaching 5,145 billion euros on reported basis.

This record-breaking performance is the result of the outstanding contribution of the company's more than 2,600 talented employees around the world, and I can only thank them for their unfailing commitment.

Our proven business model and strategy are no strangers to success and reflect the renewed confidence of our vendors, partners and customers in our ability to offer ever more innovative solutions and services that meet the global need to secure people and data.

Our position at the heart of the cybersecurity ecosystem makes us unique and allows us to take full advantage of its growth.

Our approach - «global scale, local sale» - is at the heart of our success story and sets us apart from other players in a market that we have largely shaped over the years.

I'm proud of the progress we've made this year, which, beyond the figures, testifies to the dedication of Exclusive Networks' men and women to our mission: accelerate the adoption of the most innovative cybersecurity technologies by facilitating connections between security companies and thousands of organizations across the globe.

As partner in securing organizations' data, we are also witnessing an increase in the frequency and severity of the attacks they are facing. Our specialization and in-depth experience in cybersecurity give us the opportunity to continue to be their reference partner, while requiring us to reinvent ourselves every day to stay relevant.

"We have the right trajectory, the right mix of technologies and expertise, the right strategy and positioning to continue making a decisive and positive impact on our ecosystem."

Our duty to our stakeholders is to continue raising global awareness of cyber risks, training future experts and detecting new technologies at an early stage, so that vendors, partners and customers can help protect as many people as possible.

For us, 2023 was also the year in which we resumed acquisitions, with the aim of extending our geographical coverage and service offering, and the year in which we exceeded our guidance on all our metrics. We have the right trajectory, the right mix of technologies and expertise, the right strategy and positioning to continue making a decisive and positive impact on our ecosystem.

I'm confident that, thanks to our business foundation and proven strategy, Exclusive Network is poised for the future.

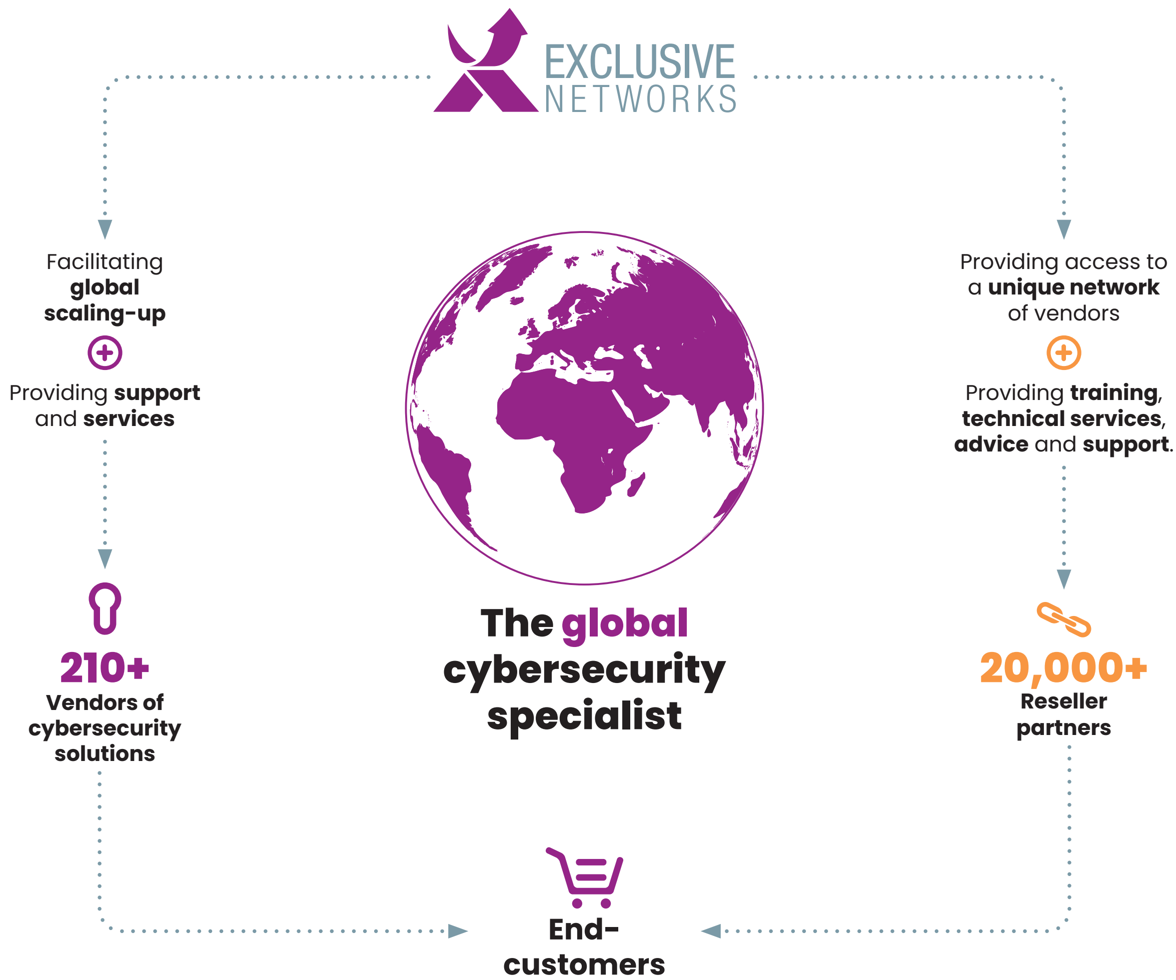
An overview of Exclusive Networks

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

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

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

A unique positioning: both specialist and global



The advantages of the Exclusive Networks ecosystem

For vendors:

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

For partners:

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

Our People Values

People focused

We care for our people:

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

Experts

We grow our own experts:

- Create your own development plan and carry out planned activities;
- support others' development activities;
- help others identify development opportunities;
- encourage team members/direct reports to apply for suitable internal opportunities.

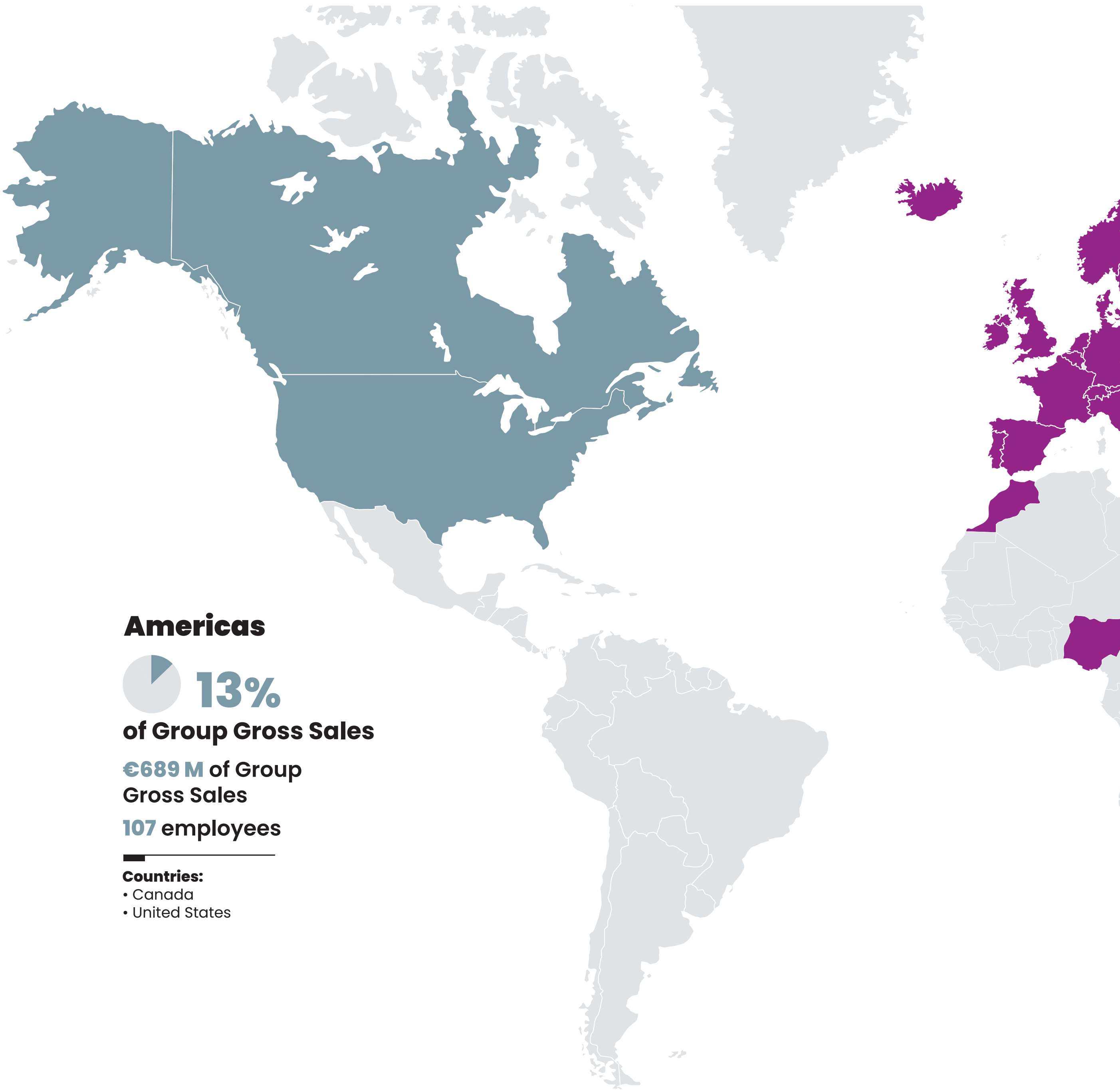
Trust & transparency

Our relationships are built on trust:

- positively challenge to understand a situation more clearly but believe the information that your colleague provides you;
- respect our commitments;
- we trust colleagues or reportees to do what they promise they will do;
- we delegate tasks appropriately to colleagues or reportees and trust that they will do them.

An international presence

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



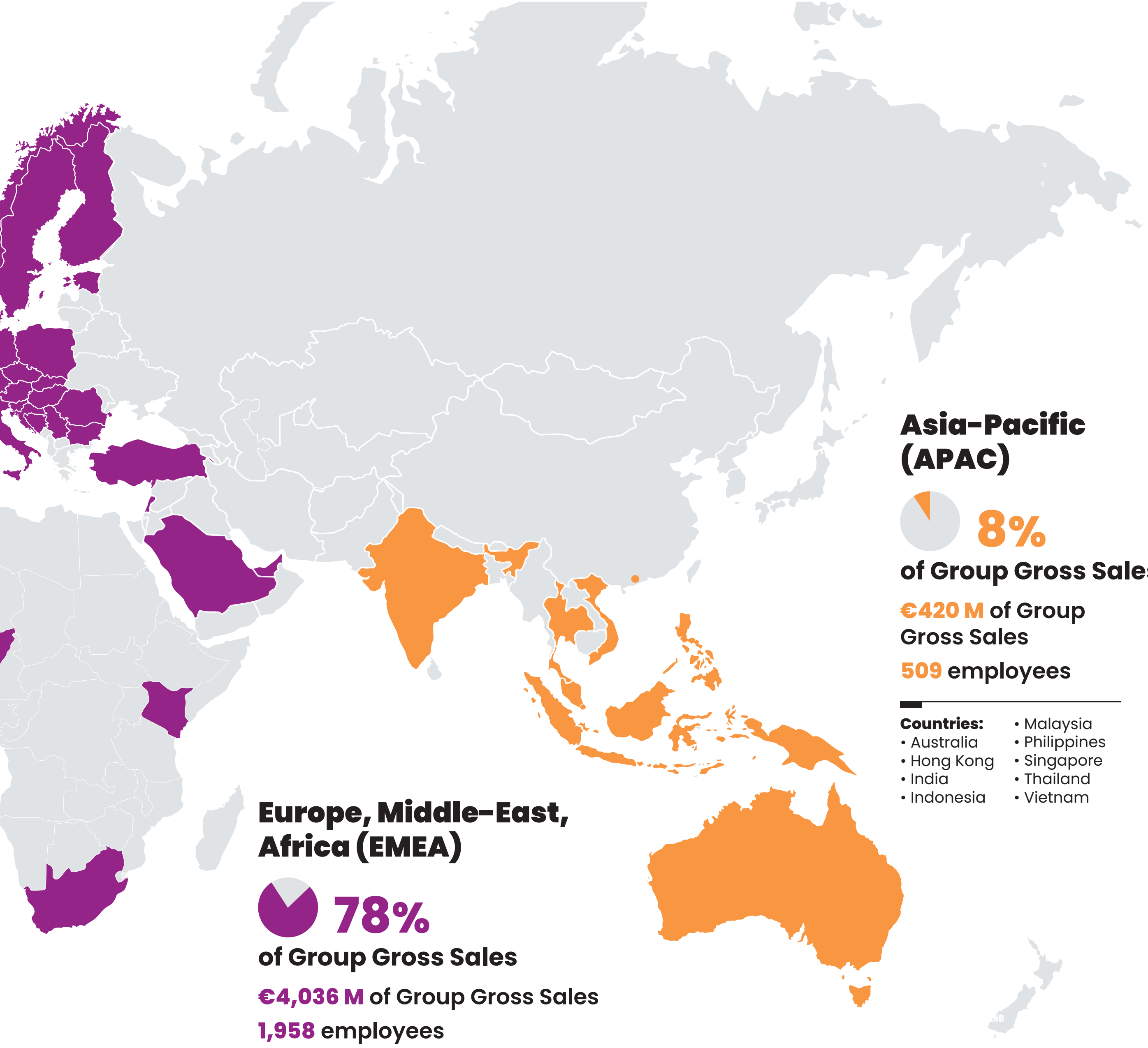
Americas

13%
of Group Gross Sales

€689 M of Group Gross Sales

107 employees

Countries:
- Canada
- United States



Asia-Pacific (APAC)

8%
of Group Gross Sales

€420 M of Group Gross Sales

509 employees

Countries:
- Australia
- Hong Kong
- India
- Indonesia
- Malaysia
- Philippines
- Singapore
- Thailand
- Vietnam

Europe, Middle-East, Africa (EMEA)

78%
of Group Gross Sales

€4,036 M of Group Gross Sales

1,958 employees

Countries:
- Austria
- Belgium
- Bosnia Herzegovina
- Bulgaria
- Croatia
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Kenya
- Mauritius
- Morocco
- Nigeria
- Norway
- Poland
- Portugal
- Romania
- Saudi Arabia
- Serbia
- Slovakia
- Slovenia
- South Africa
- Spain
- Sweden
- Swiss
- The Netherlands
- Turkey
- United Arab Emirates
- United Kingdom

2023 key figures

Financial

(See Chapter 5 "Financial information")

€5.145bn
Gross Sales

€186M
Adjusted EBIT

€108M
Adjusted Net Income

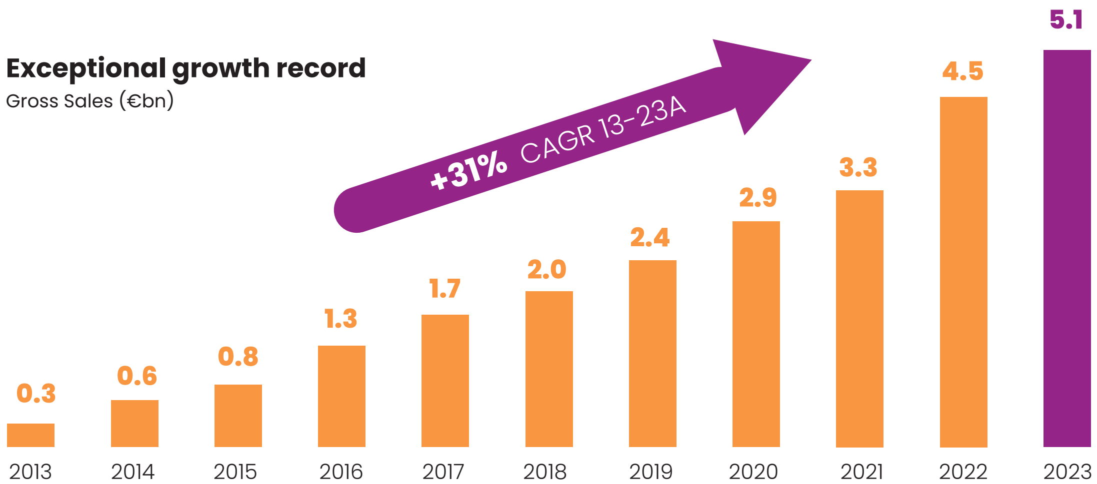
€254M
Operational Free Cash-Flow (FCF), adjusted

39.7%
Operating leverage

0.8x
Leverage ratio

€468M
Net Margin

Exceptional growth record
Gross Sales (€bn)



Extra-financial

(See Chapter 3 "Statement of non-financial performance")

2,600+
Employees

44% **56%**

170+
Countries covered

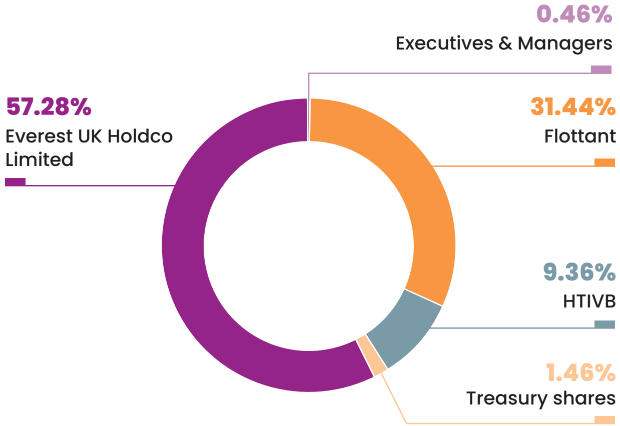
71%
Engagement rate

4.7 years
Average tenure

38%
Senior management positions held by women

Breakdown of capital at 31 December 2023

(See Chapter 6 "Capital and shareholding")



A Global Cybersecurity

Sector TRENDS

A $50 bn accessible market growing by 92% in 4 years

High needs for cybersecurity: a strategic risk, rising number of attacks

Increasingly complex range of products and solutions

RESOURCES

Experts

› Over 2,658 employees
- 22.1% of engineers
- 41.5% of sales
- 44% women / 56 % men

Intellectual capital

Unique knowledge of cybersecurity solutions
- **A single robust governance system** bringing together experienced experts

Exclusive Training Centres (ETCs)
- Delivering worldwide technical education and accreditation

Relational capital

Worldwide scale, local implementation
- **40+** warehouses
- **4** main logistic centres
- Trusted relationships with more than **20,000 reseller partners**
- (Local) resellers reach a global customer base
- (Local) vendors reach a global customer base

Natural capital

- **Climate plan**
- Focus on the **circular economy**

Financial capital

- **Strong balance sheet**
- Company listed on Euronext CAC Small, CAC Mid&Small, CAC All-tradable and MSCI Global Small Cap Index

VISION

A fully reliable digital world, made more secure by the most innovative technologies

UNIQUE POSITIONING
in a complex ecosystem

DIVERSIFIED VENDORS,
emerging, established

EXCLUSIVE NETWORKS

RESELLER PARTNERS:
consulting, systems integrators, managed services providers

THOUSANDS OF ORGANIZATIONS
to protect

5 STRATEGIC PILLARS

Take advantage of the underlying growth of our vendors and the wider Cybersecurity market in current geographical regions

Extend the geographical coverage of our partnerships with our existing vendors

specialist

MISSION

Be the most trusted digital infrastructure specialist and the gateway to the most innovative cybersecurity technologies.

SUSTAINABLE GROWTH

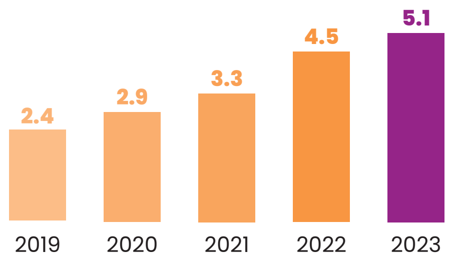
20 ACQUISITIONS in 10 years
INCLUDING INGECOM AND CONSIGAS in 2023

31% CAGR
between 2013 and 2023

Strong track record of profitable growth

GROSS SALES

(€bn)



Enter into new partnerships with cybersecurity solutions providers to complement the solutions offered in our portfolio

Develop our services range to strengthen our value offering and boost customer loyaltys

Pursue our external growth strategy with targeted acquisitions

IMPACTS & ACHIEVEMENTS

For our employees

- **31 employees** in the Rise Up Top Talents programme
- **10 hours of training** per employee
- Strong engagement **71%**
- **4.7 years** average tenure

For our customers and partners

- **170 Countries** served
- **1,500 tonnes** of freight transported
- **20,000 tickets** in Europe
- **11,000 partners** and customer trained in cybersecurity
- **Ethical audits performed on 100%** of our high-risk third parties

For society and the planet

- **14.3%** reduction in scope 3 emissions per revenue unit compared to 2022: (**174 ktCO$_2$e**/€ billion) to (**149 ktCO$_2$e**/€ billion)
- **18%** of our electricity comes from renewable energy
- Our carbon commitments: **-40% reduction by 2030 in scopes 1 and 2**
- A first intake of 20 students at the Exclusive Academy

For our shareholders

- **20 years of profitable growth**
- Global coverage and extension of business lines thanks to **20 acquisitions in 10 years**
- Asset-light model: **>124%** in 2023
- Partner of choice in our ecosystem:
  - >> Accelerate marketing capacity
  - >> Boost development of partners, of all types (GSI, SI, VAR, MSSP, etc.)

FINANCIAL PERFORMANCE 2023

€5.145 bn Gross sales
25% Hardware
49% Software
26% Support & Maintenance

€186 M Adjusted EBIT

39.7% Operating leverage

€254 M Operational Free Cash-Flow adjusted

Sustainability strategy

Improve our Operations

- Reduce our Carbon footprint
- Attract and Retain Talent
- Bridge Cybersecurity and Sustainability

We secure a Sustainable & Equitable future

Partner with Supply Chain

- Train our resellers on CyberESG
- Partner with our vendors on shared goals
- Continue to ensure the integrity of our Business Partners

Advance the Ecosystem

- Embed cybersecurity in the sustainability agenda
- Train Cybersecurity experts of the future
- Partner with non-profit organizations to promote cyberESG

Sustainability objectives

E	S	G
Reduce absolute Scopes 1 and 2 GHG emissions by **40%** in 2030, baseline year 2022	**77 %** engagement rate by 2025	**100%** of employees having certified the Group's Code of Conduct by 2025
Reduce Scope 3 emissions per unit of revenue by **33%** in 2030, baseline 2022	**40 %** of senior management positions held by women by 2025	**100%** of employees sensitised on Sustainability and Diversity, Inclusion by 2025
		Ethical audits performed on **100%** of our high-risk third parties in 2023

International & diversified governance

Composition of the Board of Directors as at 31 December 2023

8 Members

6 Nationalities

3 / 5 Parity

50 years Average age

50% Independent

97% Attendance rate

11 Meetings

1 Strategy day

Jesper Trolle
Chief Executive Officer

Barbara Thoralfsson
Chairperson of the Board of Directors
Member of the Audit and Risks Committee
Member of the Nomination and Compensation Committee
Independent

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

Paul-Philippe Bernier
Independent

Olivier Breittmayer

Nathalie Lomon
Chairperson of the Audit and Risks Committe
Independent

Pierre Pozzo
Member of the Audit and Risks Committee

Michail Zekkos
Member of the Nomination and Compensation Committee

Board of Directors' Committees

Audit and Risks Committee

3	7	100%	66.66%
Members	Meetings	Attendance rate	Independent

Nomination and Compensation Committee

3	3	100%	66.66%
Members	Meetings	Attendance rate	Independent

We Are Specialist

1.

Presentation of the Group: activities and strategy

1.1 History

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

The Group has over 2,600 employees, and in 2023 achieved Gross Sales revenue of over €5.145 billion, a 14% increase.

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

At the same time Exclusive Networks has applied a targeted acquisition policy enabling it to expand into new territories, to reinforce its market share in certain countries where it already operates, and to add new service capabilities. The Group has thus successfully completed 20 acquisitions over the last 10 years. Operating in 47 countries around the world, the Company has been listed on the Euronext regulated stock market (EXN: FP) Paris since 23 September 2021.

Company creation: 2003

HTIVB (50%/50% owned by Mr Philippe Dambrine and Mr Olivier Breittmayer) acquires 70% of Techniland, a French company founded in 1995 by Mr Xavier Lafaure, initially focused on IT integration services before focusing on the distribution of communication products. The signature of the Fortinet distribution contract represents a first step for the Group in the cybersecurity market.

European development (2007 -2010)

- 2007: Techniland is renamed Exclusive Networks.

  Acquisitions of Qdis (the Netherlands) and Deltalink (Belgium).

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

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

International development: (2013 -2017)

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

  Acquisition of Transition Systems (South-East Asia);
- 2017: Acquisition of Fine Tec (United States).

Development of new services and continued European expansion (2018 -2020)

- 2018: Exclusive Networks is acquired by Permira;
- 2020: Jesper Trolle is appointed as Chief Executive Officer;
- 2020: The Group enters the DevOps and Containers segments through the acquisition of Nuaware in the United Kingdom;
- 2020: Acquisition of Veracomp (Central and Eastern Europe).

IPO and continued international development (2021 - 2023)

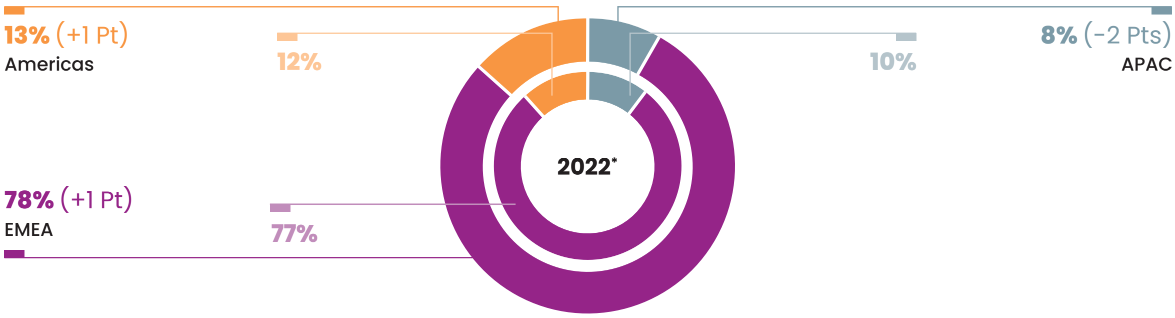
- 2021: Acquisition of Ignition Technology (Europe);
- 2021: Acquisition of Networks Unlimited (sub-Saharan region);
- 2022: Launch of Exclusive Academy;
- 2023: Strengthening of the Group's presence in Southern Europe with the acquisition of Ingecom and in Ireland with the acquisition of Consigas.

1.2 Activities

1.2.1 Geographical markets

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

Breakdown of Gross Sales by geography



** FY 2022: Inner pie chart*

For the financial year ended 31 December 2023, these three regions represented respectively 78%, 8% and 13% of the Group's Gross Sales.

The EMEA region has characteristics that are favourable to Exclusive Networks. This area is located far from the domestic market of most of the vendors (that is, the United States) and is extremely fragmented: 127 countries (50 in Europe, its historic market; 23 in the Middle East; and 54 in Africa). The languages, cultures, approaches and currencies in this region are all different. Vendors thus naturally rely heavily on Exclusive Networks to develop their businesses and local resellers then come to seek the resources and global capacities of Exclusive Networks.

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

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

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

1.2.2 The portfolio of the main solutions proposed

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

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

Segmentation of the main cybersecurity solution vendors

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

Networking	OT/IoT	Vulnerability & Security Analytic	Data Security	Others
Arista	Forescout	ExaBeam	HPE storage	Nutanix
Extreme Networks	Nozomi	LogRythm	Rubrik	Redhat
Juniper	Tenable		Pure Storage	Wasabi
Ruckus		Tufin	VEEAM	Zimperium

Main solutions

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

1.2.3 The Exclusive Networks ecosystem

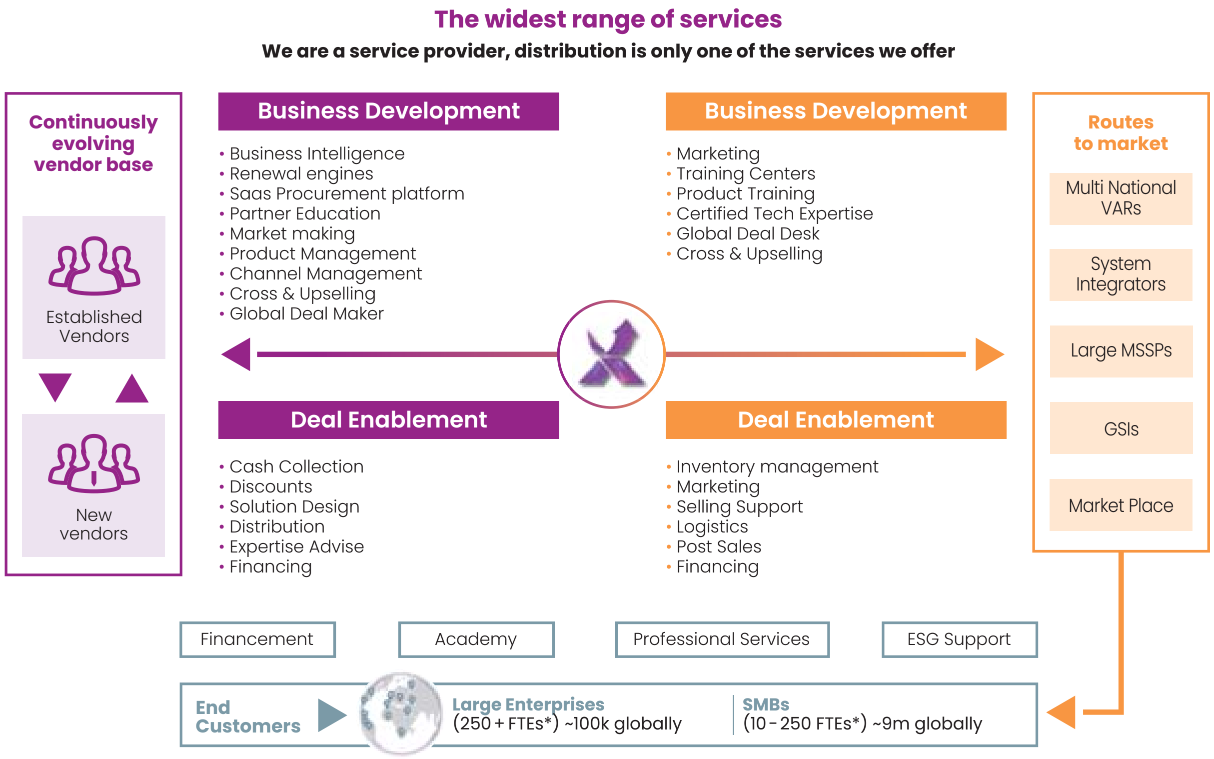
In addition to Exclusive Networks offering for established vendors, two brands bring new capabilities to create additional opportunities in the market.

Ignition Technology is a security distributor for the Saas world that believes in the power of the distribution channel to facilitate and secure business transformation. It acts as a launch pad and incubator for emerging technologies as they grow, leveraging Exclusive Networks' global scale and service capabilities. By discovering innovative and emerging cybersecurity solutions, Ignition Technology helps its partners reduce business risks, create value and remain relevant to their customers.

Nuaware is a distributor specialising in Dev (Sec) Ops, Cloud and Cloud native technologies. The Company enables organisations to adopt modern architectures by supporting them with the right technologies, expert training and an ecosystem of specialised partners. With Nuaware within Exclusive Networks, partners have a platform offering ready access to new high-growth opportunities in this segment, while vendors benefit from a turnkey distribution solution.

1.2.4 Added services

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



** FTE: full-time employees*

Vendor-oriented services

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

Reseller-oriented services

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

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

Technical support

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

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

Exclusive Networks operates five global support centres. In 2023, the Group's technical support department processed more than 30,000 tickets.

Professional training

Exclusive Networks offers a wide range of trainings, both on-site and online. The Group provides access to a comprehensive range of more than 1,500 courses and for this purpose has a global team of more than 130 skilled and certified cybersecurity trainers. In 2023, they trained more than 12,000 professionals in various technologies.

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

Global Service Operations (GSO)

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

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

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

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

Exclusive Access, our self-service platform for our business partners

Launched in 2022, Exclusive Access is an easy-to-use self-service platform created for our business partners to access real-time information about their Exclusive Networks sales transactions. The portal is built on an e-commerce platform integrated with our robust ERP system to ensure data privacy and security.

This platform allows our partners and staff to track orders, check inventory, access their licenses and contracts, view invoices, browse quotes and manage team access. Exclusive Access, which is already operational in 15 countries, has recently been enhanced with an e-commerce functionality that will be gradually rolled out.

1.2.5 Global IT infrastructure

Exclusive Networks' IT infrastructure is mainly based in the UK, where the Group has received ISO 27001 Certification, setting out the specifications for an information security management system. The concept of "think global, act local" fully applies to Exclusive Networks' IT organisation.

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

Exclusive Networks has carried out 20 acquisitions all over the world in the last 10 years. The Group currently operates six different enterprise resource planning (**ERP**) and customer relationship management (CRM) programmes. These ERPs and CRMs are located on regional and local cloud servers. The streamlining was launched in September 2018 to harmonise processes and systems worldwide through the deployment of the Oracle NetSuite solution and cloud hosting.

1.3 A market rich in opportunities

1.3.1 A fragmented and fast-growing market with complex and high-stakes challenges

Key figures:

- the amount of global cybercrime damage in 2023 totalled US$11,500 billion (+37% of growth in one year);
- the total value of the cybercrime insurance market was estimated at US$14.18 billion in 2023, and is forecast to reach US$23 billion by 2027;
- there will be 3.5 million unfilled cybersecurity jobs globally by late 2025.

The shortage of cyber talent and the skills gap

3.5 M
Unfilled jobs globally in cybersecurity at the end of 2025.

17.6 T$
Estimated costs of cyber crimes to the world by 2025.

435%
Increase in ransomware since 2020.

95%
Of all cybersecurity incidents involve the human factor.

The total investment in cybersecurity throughout the world for 2024 is estimated at between US$214 billion (Gartner) and US$249.9 billion (Canalys).

Total investment in cybersecurity (Global forecast) for 2024

Investment in cybersecurity will grow by 12% in 2024, as organizations deepen their defenses, expand detection capabilities and improve incident response.

2024 forecast
US $250 billion
(growth: +12%)

Products
US $87 billion
(+10%)

- Endpoint security
- Networks security
- Web and email security
- Data security
- Vulnerability and security analytics
- Identity access management

Services
US $163 billion
(+13%)

- Consulting
- Outsourcing
- Managed services
- Deployment and integration
- Maintenance and support

Source: Canalys forecasts, January 2024.

Forecast 2024 January

($ millions; current dollars)	2020	2023	2024	CAGR 2020-2024
End Point Security	7,576	12,419	14,076	16.7%
Network security	16,182	21,645	22,984	9.2%
Web and email security	7,980	11,791	13,229	13.5%
Data Security	2,061	2,847	3,096	10.7%
Vulnerability and security analysis	10,131	15,275	16,931	13.7%
Identity access management	9,659	14,808	16,302	14%
Consulting	16,173	23,861	26,830	13.5%
Outsourcing	4,220	5,342	5,593	7.3%
Managed services	43,837	70,428	80,873	14.8%
Deployment and integration services	7,281	13,574	15,945	21.6%
Maintenance and support	21,402	31,457	34,060	12.3%
Total	**146,509**	**223,452**	**249,924**	**14.3%**

1.3.2 Cybercrime: a crucial economic challenge

Extending digitisation

The digitisation of the economy and organisations, both public and private, involves the widespread use of digital technologies, including the internet, cloud and interconnected devices (IoT). This expanded digital landscape offers cybercriminals a greater surface area to attack and exploit vulnerabilities in systems, networks and applications.

The rapid pace of technological advances in the digital age often leads to the development of new tools and techniques for legitimate or malicious purposes. Cybercriminals rely on cutting-edge technologies to carry out sophisticated attacks, taking advantage of vulnerabilities in emerging digital systems.

In 2023, the Allianz risk barometer, conducted among Allianz customers (companies worldwide), brokers and industry organisations, once again ranked the risk of cyber incidents (cybercrime, malware/ransomware causing system failures, data breaches, etc.) as the main risk faced by organisations, just ahead of the risk of business interruption in the current climate of permacrisis.

The digitisation process involves the creation, storage and exchange of large amounts of data. These data, if not properly protected, become an attractive target for cybercriminals who seek to steal sensitive information for financial purposes, identity theft or other malicious purposes. Digitisation often leads to the creation of complex and interconnected systems. Managing the security of these complex systems becomes a significant challenge, as vulnerabilities in one component can potentially compromise the entire network, providing cybercriminals with the opportunity to exploit the weaknesses.

Faced with the increase in these risks, emerging or established cybersecurity solutions and services vendors are participating in the response with their growing investments in R&D and their ability to anticipate and thwart the various forms of attacks. The challenges of detecting and securing traditional or cloud systems are still the most effective means today, with awareness-raising and training of staff in organisations and individuals to combat attacks.

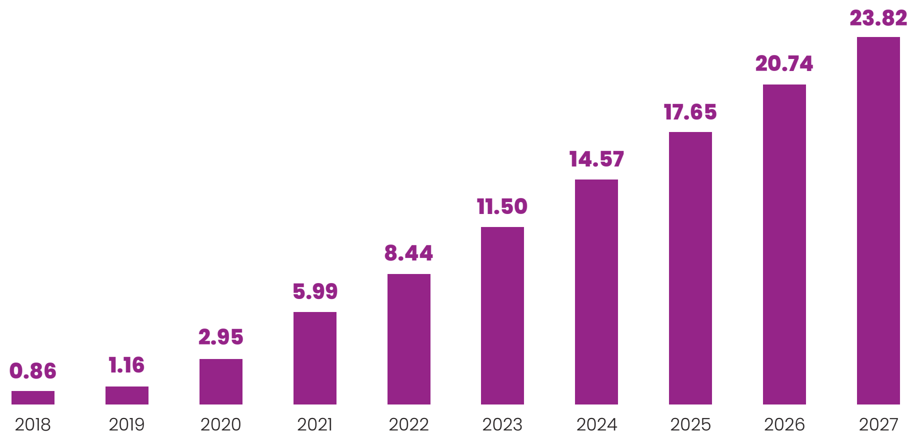
Soaring damage costs

Figures

The total amount of damage caused by cybercrime worldwide is estimated to be in the order of US$11,500 billion in 2023 (source: Statista Technology Market Outlook) and expected to reach US$23,820 billion in 2027.

Cybercrime is expected to soar in the coming years

Estimated cost of cybercrime worldwide (in trillions of US dollars)



As of November 2022. Data shown in using current exchange rates.

Sources : Statista Technology Market Outlook, National Cyber Security Organizations, FBI, IMF.

By way of comparison

Munich Re has estimated overall losses due to natural disasters for 2023 at some US$250 billion worldwide.

The costs linked to cybercrime include:

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

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

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

The global cyber insurance market, due to the growing demand for coverage against cybercrime-related risks, is expected to experience significant growth in the coming years. According to a study by Munich Re, the insurance market is expected to reach US$22.5 billion in 2025, due to the simultaneous increase in cyberattacks and the volume of compromised digital assets.

3.5 million unfilled cybersecurity job vacancies worldwide

At the same time, companies are being confronted with a significant shortage of manpower. Cybersecurity Ventures estimates that there will be 3.5 million job vacancies unfilled in the cybersecurity sector worldwide by 2025. Today, every IT job is also a cybersecurity job. All employees need to be committed to the protection and defence of their applications, data, devices, infrastructure and the people they work with, ensuring an ever-larger number of posts that are more and more mobile and inter-connected.

1.3.3 A fragmented ecosystem

Stakeholders: vendors, resellers, end-customers and distributors

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

Vendors

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

Resellers

Resellers are mainly locals. They include a wide variety of very different types of stakeholders. The following profiles can be distinguished:

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

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

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

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

End users

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

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

Distributors

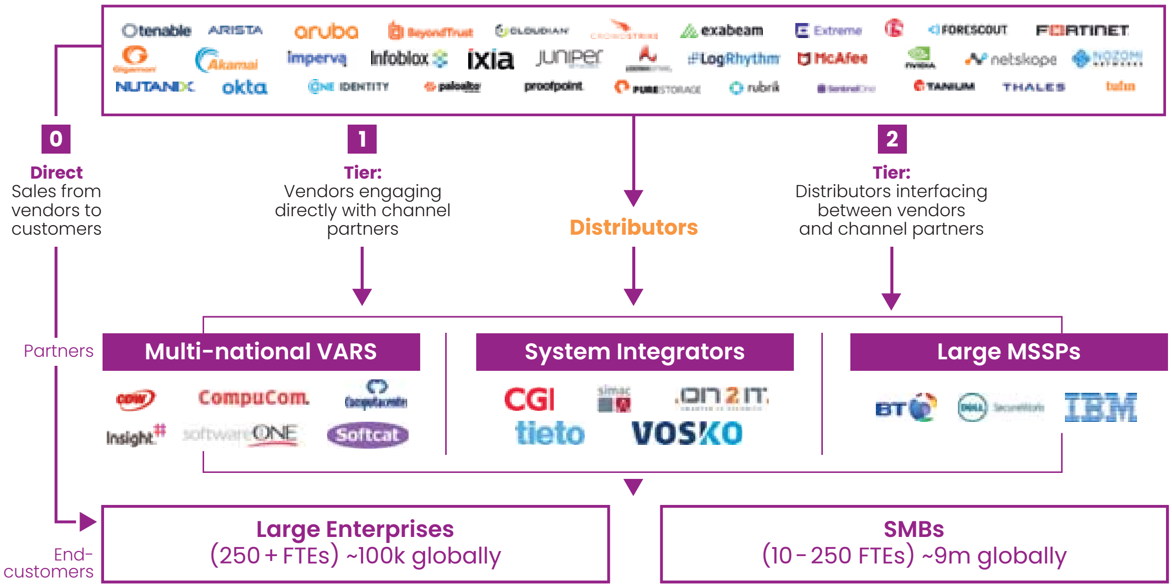
These are essential stakeholders in the two-tier market model presented below.

An essentially two-tier model of functioning

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

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

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



Source: Market Reports

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

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

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

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

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

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

Exclusive Networks thus proposes a very extensive range of services.

1.3.4 The cybersecurity market: a byword for exponential growth

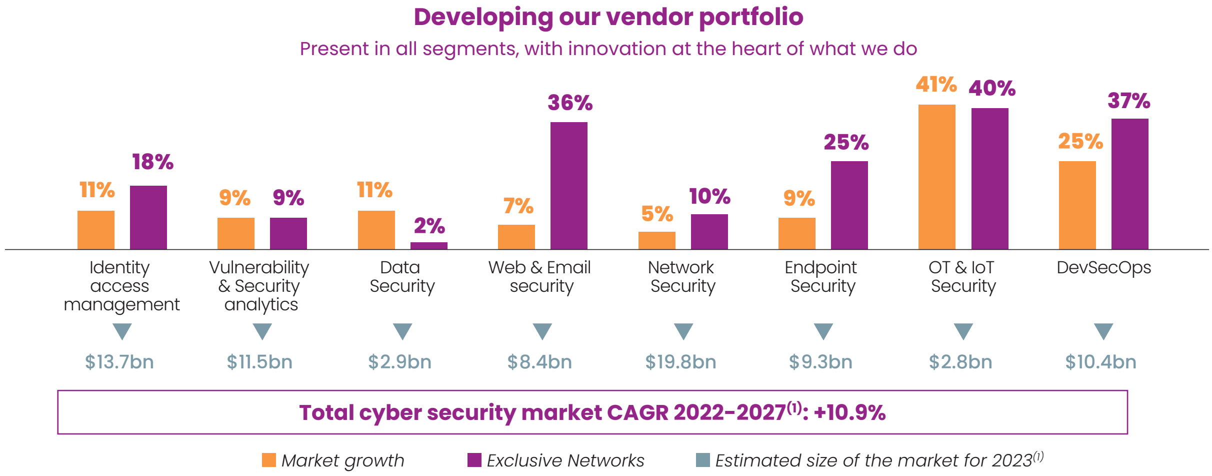
To protect increasingly digitised companies and increasingly connected consumers, the amount of investments in cybersecurity worldwide is estimated at US$249.9 billion (Canalys) for 2024, up by nearly 12% compared to 2023.

Exclusive Networks proposes a worldwide offer. The total value of the global cybersecurity products and services market has been estimated at US$87 billion in 2024 (source: Canalys) and is expected to reach approximately US$267 billion by 2026 (source: Gartner). These figures correspond to technological offerings for both the general public and the corporate market, and include elements of consultancy, software, hardware and sales of services.

Cybersecurity offers protection against:

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

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



(1) *Canalys forecast for the global market – January 2024 Research Report*

Exclusive Networks' Serviceable Addressable Market

Key figures

The prevalence of the two-tier model varies according to the geographical region concerned: 76% for the EMEA region, 85% for the APAC region, and 55% in the United States. The more complex and fragmented a market (with numerous barriers to easy access such as different languages, currencies, legal requirements etc.), the more prevalent is the two-tier model.

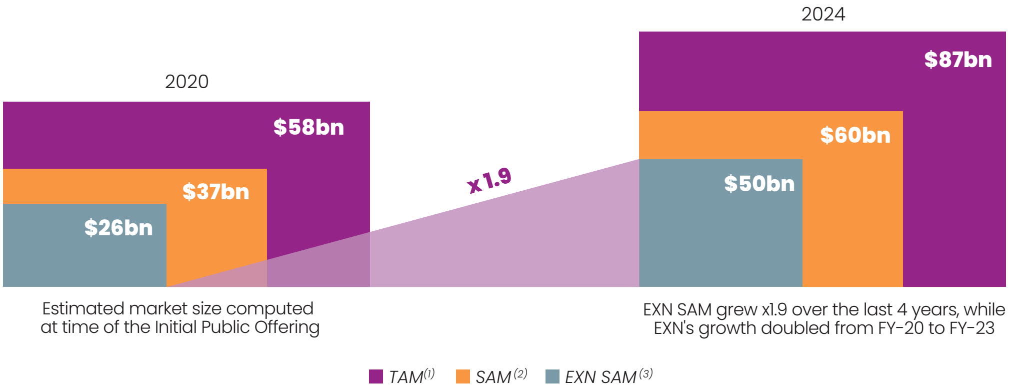
On a worldwide basis, for 69% of the corporate cybersecurity market, products and services are distributed via intermediaries, that is, according to a two-tier model. This model is less prevalent in the United States, the world's premier cybersecurity market, where the main vendors are based: the United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

The EMEA region covers 127 countries (50 in Europe, 23 in the Middle East, and 54 in Africa). There is a very wide variety of languages, approaches, equipment and currencies in this region. It is in fact a territory that is far too disparate for vendors, already obliged to take on onerous R&D expenses, to be able to create added value through a direct approach so far from their home bases. This explains why about 76% of the cybersecurity business transactions in this region are subject to a distribution system on the two-tier model. In the APAC region, approximately 85% of cybersecurity business is distributed through the same two-tier model. This region also covers extremely disparate territories, further exacerbated by a tighter volume effect.

Exclusive Networks' strength is that it combines a global approach with local positioning and an on-site presence.

In the United States, about 55% of market business is distributed via the two-tier model, while direct and one-tier sales each represent 25%. The United States is the largest market in the world for cybersecurity, with the same language and the same currency throughout its territory. It is naturally the local/domestic market for many vendors. Thus, many resellers of sufficient size have the capacity to provide value-added functions themselves, which enables them to purchase directly from vendors.

The global market for **Enterprise** cybersecurity products and related services (that is, the total addressable market or TAM) is estimated at about US$87 billion for 2024. The Serviceable Addressable Market (SAM) is estimated at US$60 billion, and Exclusive Networks' two-tier market is estimated at US$50 billion.



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

The American market represents major opportunities for Exclusive Networks. The total value of cybersecurity products and services in the United States (combining direct, one-tier and two-tier distribution, i.e. US TAM) represents US$46 billion (source: Canalys). Its growth rate is estimated at between ±10% and 12% per year between 2023 and 2026.

US$ millions (annual growth)	Q4 2023	Q1 2024	Full year 2024
Worldwide	**21,532 (+10%)**	**20,402 (+9%)**	**86,620 (+10%)**
Asia-Pacific	3,014 (+9%)	2,821 (+9%)	12,109 (+10%)
EMEA	6,425 (+9%)	6,186 (+8%)	25,716 (+10%)
Latin America	756 (+13%)	728 (+11%)	3,078 (+12%)
North America	11,335 (+11%)	10,665 (+10%)	45,716 (+10%)

1.4 Competitive strengths

1.4.1 A unique positioning: both specialist and global

Competition overview

- Exclusive Networks, a unique place in the market: Geographical coverage and the volumes of generalists AND the technical expertise of specialists.

Differentiated offering that permits unique positioning with respect to the competition

Worldwide scale and local implementation

Figures

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

The global dimension of Exclusive Networks goes hand-in-hand with its local operations. Exclusive Networks has nearly 20,000 reseller partners all over the world, out of a total of over 100,000 market players, who are mainly locally based.

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

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

Thanks to its worldwide network of partner resellers, Exclusive Networks is thus able to propose to its partner vendors (200+) the possibility of operating all over the world. This is what distinguishes it from other value-added distributors.

From value added resellers (VARs), system integrators (SIs & GSIs), telecommunications systems integrators (Telco SIs) and cloud service providers (CSPs) to managed service providers (MSPs) and managed security service providers (MSSPs), Exclusive Networks has a wide and diversified base of over 20,000 partner resellers.

For the 2023 financial year, Exclusive Networks' top three and top 10 resellers represented 11% and 23% of the Group's revenue, respectively. At the global level, no reseller represents more than 3.5% of the Group's revenue. As a sign of the dynamism of the partnership model, the reseller renewal rate was 112% in 2023.

Specialisation

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

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

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

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

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

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

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

1.4.2 Highly skilled people

Exclusive Networks has a clear identity focused on a strong engineering culture. The Group has over 2,600 employees, of whom over 20% are technical engineers and over 40% salespeople, in cybernetics and certified. These figures make it possible to maintain a ratio of approximately one engineer to two salespeople.

Approximately 20% of the Group's employees are part of the technical team and these engineers have an average of five certifications.These technical engineers provide services, such as technical support and professional services, after products are sold. Salespeople generally provide expertise and knowledge prior to the sale (*i.e.*, pre-sales support). Additionally, the Group employs more than 100 accredited trainers.

1.4.3 A best-in-class vendor portfolio

In the cybersecurity market, vendors search for, develop and produce product and service solutions. Exclusive Networks works with over 210 established and disruptive vendors, covering the key segments of cybersecurity and the related segments.

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

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

The maximum share of Gross Sales generated by a single vendor in any given country was no more than 8.6% of Exclusive Networks' Gross Sales in 2023.

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

The net vendors retention rate for Exclusive Networks was 113% in 2023.

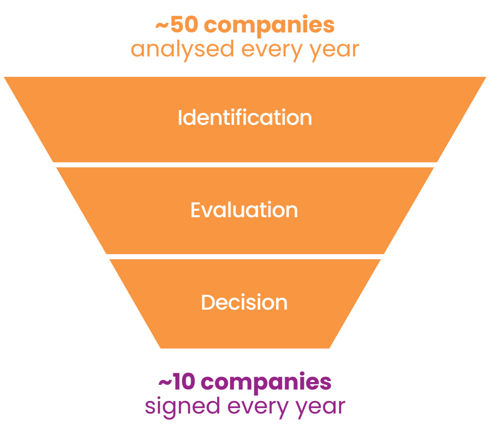
Key Vendors

For the 2023 financial year, the top five Exclusive Networks vendors represented 63% of the Group's Gross Sales. The top twenty vendors, with whom Exclusive Networks has long-established relationships, represented 84% of Gross Sales.

An effective selection process

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

A best-in-class vendor portfolio



1.5 Strategy and objectives

1.5.1 Vision and mission

Vision

A fully reliable digital world, made more secure by the most innovative technologies.

Mission

Our mission is to be the trusted digital infrastructure specialist.

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

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

How does Exclusive Networks performs its function?

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

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

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

1.5.2 Strategy and operational support

Exclusive Networks aims to become the world leader in cybersecurity solutions and services, with the following specific objectives in each market:

1.5.2.1 The five key elements of our strategic plan

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

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

Exclusive Networks' vendor base continues to grow as the Group focuses on the new segments of the cybersecurity market, such as cloud security; operational technology (OT) security; Internet of Things (IoT) security; new-generation firewalls (NGFWs); and ransomware detection/remediation. Vendors continue to actively conduct mergers and acquisitions, such as the acquisitions of Imperva by Thales, Lilac Cloud by F5, Dig Security and Cider Security by Palo Alto, and Bionic by Crowdstrike, etc.

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

Enter into new partnerships with cybersecurity solutions providers to complement the solutions offered in our portfolio

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

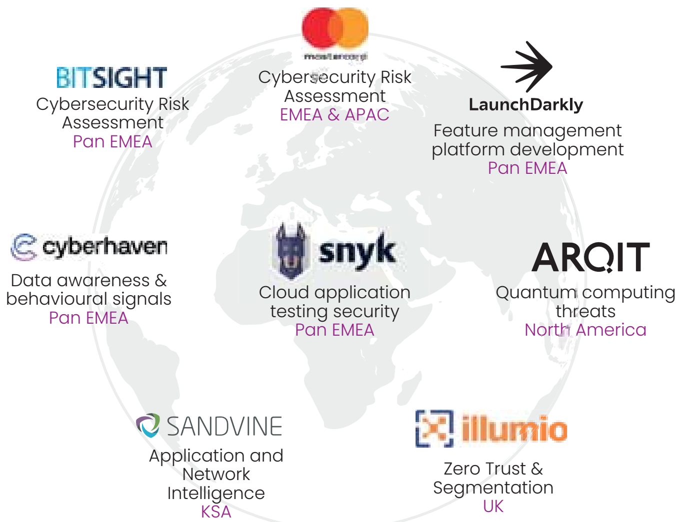
Thanks to the unique character of our position at the heart of our ecosystem, the Group has been in a position to regularly add new vendors to its portfolio, with a total of 129 new vendors added over the last five years.

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

Thanks to this technology watch and the continuous monitoring of new product offerings and solutions, Exclusive Networks has been in a position to regularly add new vendors to its portfolio. **The Group welcomed 22 new vendors in 2023 (compared with 13 in 2022).**

Developing our vendor portfolio

Main new vendors



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

Extend the geographical coverage of our partnerships with our existing vendors

Thanks to a solid track record of introducing products and services in the geographical areas in which it operates, Exclusive Networks is usually chosen by its vendors as a partner in one or more specific countries. As at now, no key vendor of the Group is contracted across all territories. The Group has a strong track record of successful expansion in new geographical areas.

Develop our service offering to strengthen our value proposition and build customer loyalty

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

Most recently, Exclusive Networks has also focused on developing a leading solution to take the best possible advantage of the changing market landscape of delivery and billing based on the "as a service" cloud model. In October 2020, the Group launched the Exclusive On Demand ("X-OD") platform, with the aim of accelerating the shift towards a subscription economy. The key: more recurrence, more visibility in the sale and consumption of cybersecurity solutions, with a fully digital customer experience, throughout the value chain.

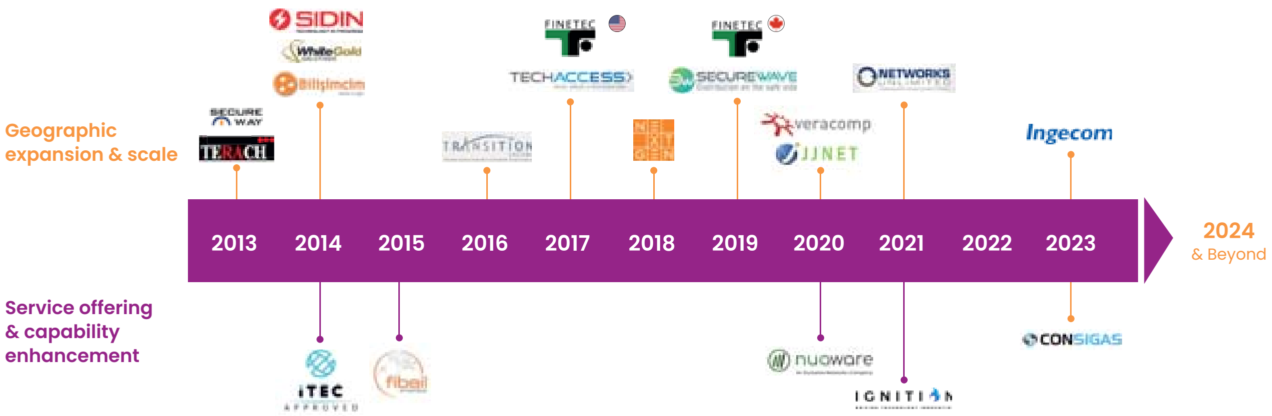
Pursue our external growth strategy with targeted acquisitions

Exclusive Networks has a strong track record in terms of acquisitions and mergers. Since 2013, the Group has carried out 20 external growth transactions, which have enabled it to strengthen its operational capacities in its markets and to complete its geographical coverage in 25 additional countries.

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

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

Ongoing M&A to add new capabilities and new geographical regions



1.6 Investments

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

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

For 2023, capital expenditure amounted to €16.3 million, broken down as follows:

- intangible assets: €2.0 million corresponding to IT developments;
- Tangible assets: €5.4 million for demonstration and IT equipment, as well as tangible assets in progress.
- right of use: €8.9 million corresponding to new rental leases as well as new vehicle leasing contracts.

During the year 2023, the Group acquired a 70% stake in Informatica y comuniciones Ingecom SL. It is a value-added distributor specialising in cybersecurity and cyber intelligence solutions for emerging and disruptive technologies. The head office is based in Spain and Ingecom operates in Southern Europe, mainly in Spain, Portugal and Italy.

Following the exercise of a put option by the minority shareholders on 6 October 2023, the Group acquired 30% of Nuaware Ltd for a total purchase price of €24.9 million, thus increasing to 100% the stake held by Exclusive Networks UK Ltd in Nuaware Ltd.

These transactions were paid in cash and financed by internal cash and debt, as indicated in Chapter 5 "Financial information".

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

For the current financial year, investments are expected to remain in line with previous investments and the Group's strategy (see section above "*Group strategy*") included in this Chapter 1. As the date of the Universal Registration Document, the Group has no significant investments in progress and no investment is subject to a firm commitment from the Group's management bodies, by the exception of the NEXTGEN Group acquisition, announced on 28 March 2024.

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

1.7 Organisational structure

1.7.1 List of the Group's main 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 its registered office located at 20 quai du Point du Jour, 92100 Boulogne-Billancourt, France and registered with the Nanterre Trade and Companies Register under number 839 198 140 (RCS Nanterre);

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

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

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

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

Exclusive Networks Bilisim AS is a company incorporated under the laws of Turkey, whose registered office is located in 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 SL is a company incorporated under the laws on Spain, with registered office located at 336 Calle Arturo Soria, 8 piso, 28033 Madrid, Sapin, and registered under number 85203;

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;

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

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

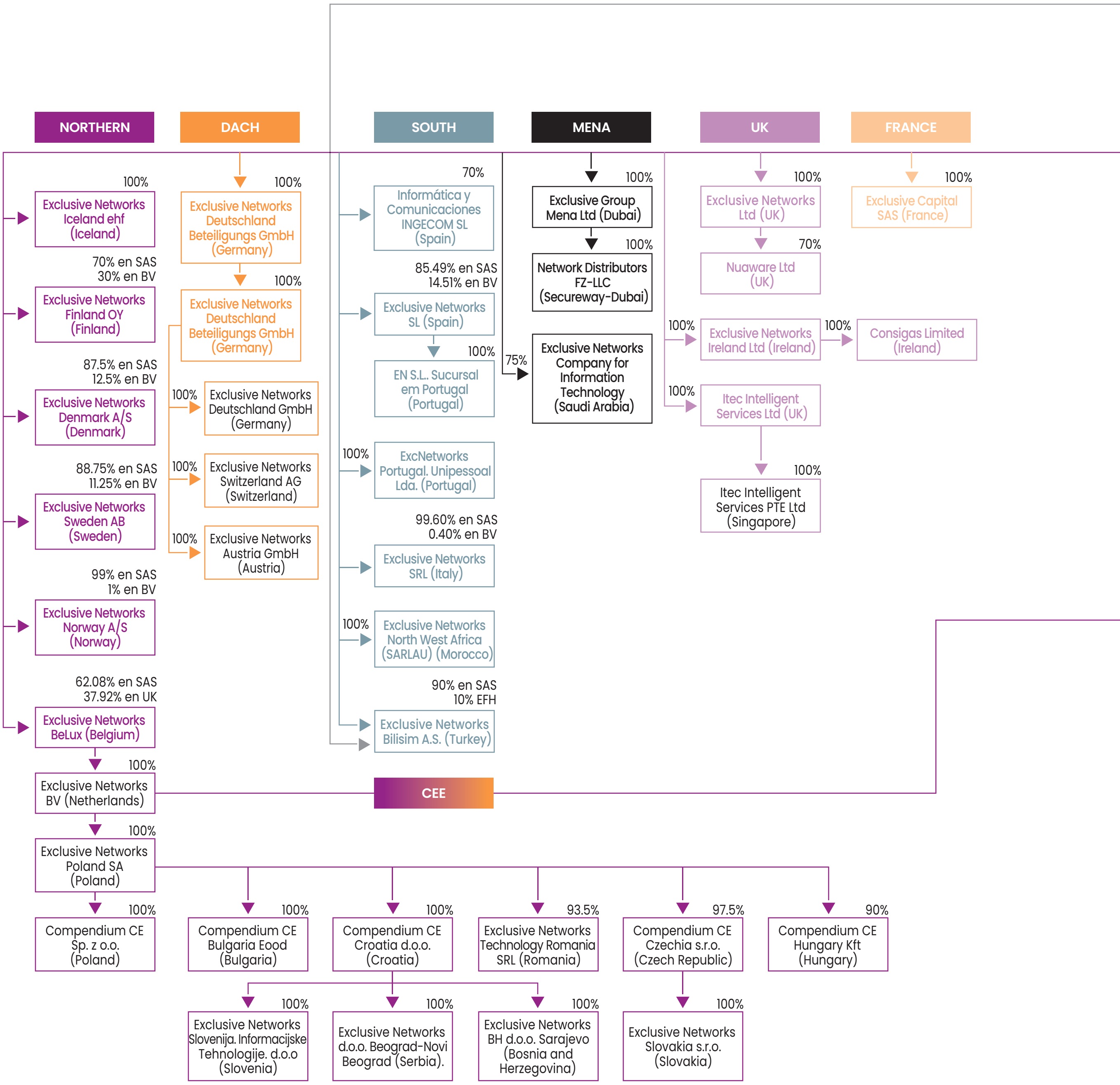
1.7.2 Group organisational chart at 31 December 2023

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

The following organisational chart presents the legal organisation of the Group and its principal subsidiaries at 31 December 2023. The percentages indicated below represent percentages of share capital and voting rights.

No Group subsidiary is listed.

Group legal organisational chart



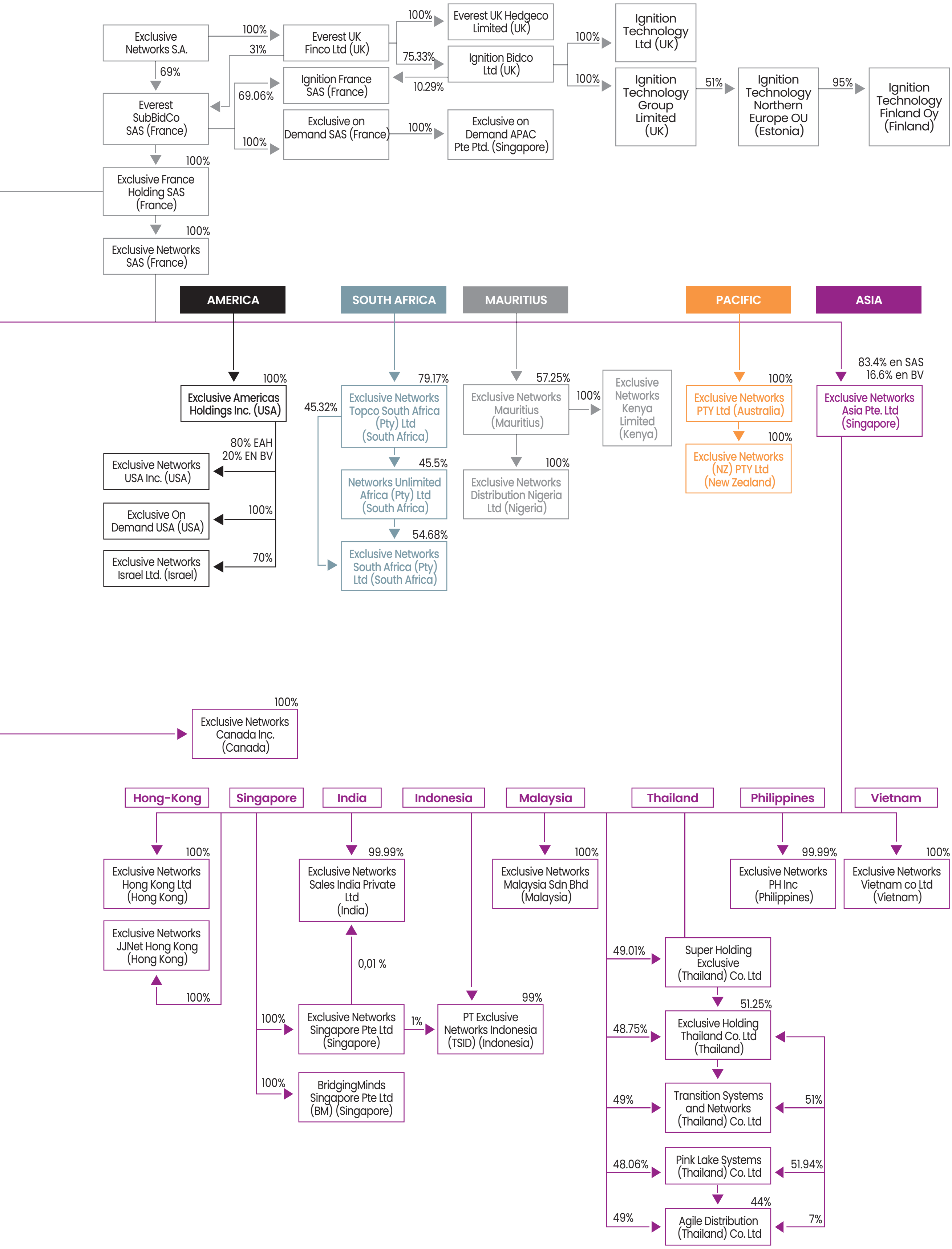
NOTES

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

2. Ignition Technology Finland OY (Finland) is owned by:
Ignition Technology Northern Europe OU (Estonia) at 95%
Anders Angstrom (minority shareholder) at 2.5%
Johan Lispers AB (minority shareholder) at 2.5%

3. Exclusive Networks Singapore Pte Ltd holds:
One share of Pink Lake Systems (Thailand) Co Ltd
One share of Transition Systems and Networks (Thailand) Co Ltd
Two shares of Exclusive Thailand Holding Co Ltd
One share of Exclusive Networks Sales India Private Limited
One thousand shares of Exclusive Networks Indonesia
One hundred shares of ITEC Singapore Pte Ltd

1.


Exclusive Networks S.A.
100%
31%
69%
Everest UK Finco Ltd (UK)
Everest SubBidCo SAS (France)
69.06%
100%
Ignition France SAS (France)
Exclusive on Demand SAS (France)
100%
Everest UK Hedgeco Limited (UK)
75.33%
10.29%
Ignition Bidco Ltd (UK)
100%
Exclusive on Demand APAC Pte Ptd. (Singapore)
100%
Ignition Technology Ltd (UK)
100%
Ignition Technology Group Limited (UK)
51%
Ignition Technology Northern Europe OU (Estonia)
95%
Ignition Technology Finland Oy (Finland)
100%
Exclusive France Holding SAS (France)
100%
Exclusive Networks SAS (France)
AMERICA
SOUTH AFRICA
MAURITIUS
PACIFIC
ASIA
100%
Exclusive Americas Holdings Inc. (USA)
80% EAH
20% EN BV
Exclusive Networks USA Inc. (USA)
100%
Exclusive On Demand USA (USA)
70%
Exclusive Networks Israel Ltd. (Israel)
79.17%
45.32%
Exclusive Networks Topco South Africa (Pty) Ltd (South Africa)
45.5%
Networks Unlimited Africa (Pty) Ltd (South Africa)
54.68%
Exclusive Networks South Africa (Pty) Ltd (South Africa)
57.25%
Exclusive Networks Mauritius (Mauritius)
100%
Exclusive Networks Kenya Limited (Kenya)
100%
Exclusive Networks Distribution Nigeria Ltd (Nigeria)
100%
Exclusive Networks PTY Ltd (Australia)
100%
Exclusive Networks (NZ) PTY Ltd (New Zealand)
83.4% en SAS
16.6% en BV
Exclusive Networks Asia Pte. Ltd (Singapore)
100%
Exclusive Networks Canada Inc. (Canada)
Hong-Kong
Singapore
India
Indonesia
Malaysia
Thailand
Philippines
Vietnam
100%
Exclusive Networks Hong Kong Ltd (Hong Kong)
Exclusive Networks JJNet Hong Kong (Hong Kong)
100%
99.99%
Exclusive Networks Sales India Private Ltd (India)
0,01 %
100%
Exclusive Networks Singapore Pte Ltd (Singapore)
1%
99%
PT Exclusive Networks Indonesia (TSID) (Indonesia)
100%
BridgingMinds Singapore Pte Ltd (BM) (Singapore)
100%
Exclusive Networks Malaysia Sdn Bhd (Malaysia)
99.99%
Exclusive Networks PH Inc (Philippines)
100%
Exclusive Networks Vietnam co Ltd (Vietnam)
49.01%
Super Holding Exclusive (Thailand) Co. Ltd
51.25%
48.75%
Exclusive Holding Thailand Co. Ltd (Thailand)
49%
Transition Systems and Networks (Thailand) Co. Ltd
51%
48.06%
Pink Lake Systems (Thailand) Co. Ltd
51.94%
44%
49%
Agile Distribution (Thailand) Co. Ltd
7%


We Are
Confident

2.

Risk factors & internal control – Insurance

Introduction

The Group conducts its activities in an international economic and political environment that was notably marked in 2023 by a tense geopolitical context, an acceleration of inflation and the tightening of monetary policy by central banks. Conflicts and economic crises could also have a significant impact on the Group's activities, results, financial position, reputation, or prospects.

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

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

The risks presented below are identified as the most significant and specific to the Group that could have a material impact on its business, financial condition, reputation, results of operations or growth prospects as at the date of this 2023 Universal Registration Document.

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

The selected risks are presented in a limited number of categories by type. Within each category, the most significant risks are presented first. Risk assessments are conducted while taking into account the probability of occurrence and the expected magnitude of their negative impact. As a result of the last update of the risk mapping in 2021 and in 2022 focussing on risks of corruption, action plans for each risk have been implemented and/or updated. The update of the risk and opportunities mapping to be completed in 2024 will make it possible to assess the results of the risk management measures and to present the net risk in the future.

The main risks discussed in section 2.1 "*Risk factors*" below include social, environmental, societal and governance risks, identified with a pictogram SNFP. These risks and the related risk management measures are briefly described in the "*Risk Factors*" section, in order to avoid redundancy with the information concerning these same risks developed in greater detail in the Statement of Non-Financial Performance (SNFP), which is the subject of Chapter 3 of this 2023 Universal Registration Document. It should be noted that the references to the Statement of Non-Financial Performance are considered as part of the "*Risk Factors*" section.

Furthermore, although climate change does not appear among the major risks described in this section, the Exclusive Networks group is fully aware of its wider responsibility within its ecosystem. The Group's greenhouse gas assessment clearly reflects this situation, with a very high proportion of the Group's emissions falling under Scope 3, both upstream and downstream in its value chain. The Group is committed to playing its full part in addressing climate change; the Group's measurement of its environmental footprint and its action plan to reduce it is also described in the Statement of Non-Financial Performance in Chapter 3 of this 2023 Universal Registration Document.

Investors should note that the list of risks presented below is not exhaustive and that other risks of which the Group is currently unaware or which have not been identified as significant as at the date of this 2023 Universal Registration Document may exist, and if they were to materialise could have a significant impact on the Group, its activities, its financial situation, its results, its ability to achieve its objectives or its reputation. It should be noted that no new critical risks were identified during the 2023 financial year.

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

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

Criticality: Low Medium High

2.1 Risk Factors

2.1.1 Strategic and market risks

Risk related to macroeconomic and political conditions

Criticality level:

Risk description

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

International tensions (for example, China-Taiwan relations, China-US tensions, the situation in the Middle East, and the Russian-Ukrainian conflict) may lead to a deterioration in the business climate and could result in increased trade barriers or international sanctions. This was the case in the trade war between the US and China, on the one hand, and the EU on the other.

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

The conflict between Russia and Ukraine and the associated European, American, and British sanctions had a very limited direct impact on the Group's activity in 2023 and the Group continued its policy of compliance with the sanctions imposed in the context of this conflict. The Group is not present in Russia, Belarus or Ukraine and has no significant revenue nor margin from those countries. The main area of concern for the Group remains the impact of the conflict on the economies of the Eastern European countries where the Group operates, in particular Poland, Romania and Hungary.

Nevertheless, the Group is suffering from the effects of a state of war and inherent costs (inflationary pressure fuelled by soaring energy and raw material prices, an increase in the cost of solutions offered to customers).

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

Risk management

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

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

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

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

Criticality level:

Risk description	Risk management

The Group depends on the sourcing strategy of its vendors of the products it distributes.
 	
Since 2020, the supply chains of IT industries (including those of the Group's partner hardware manufacturers) have been heavily impacted by the shortage of electronic components needed for the solutions distributed by the Group. These solutions are often manufactured in Taiwan.
 	
The shortage of electronic components affected the Group's supply capacity and caused significant delays in its ability to distribute cybersecurity products and solutions. However, the Group has been less impacted by the situation since the 2nd quarter of 2023, with a clear improvement in delivery times for its main vendors.
 	
Additionally, as described in section 2.1.1 which describes the risks related to macroeconomic and political conditions, the increase in inflationary pressure has resulted in a significant increase in freight costs due to the rise in energy costs. That said, market conditions have improved in this area with an increase in air capacity, driving prices down but not yet to the pre-Covid level.
	Although the transport procurement strategy has been revised (to favour air freight and consolidate flows), the Group has maintained the following measures to mitigate the risk:
	
	• adjustment of its logistics infrastructure and strengthening of inventory management in conjunction with key vendors, including;
	  ◦ the development of regional inventories for key vendors to improve product availability and cut delivery times,
	  ◦ the safeguarding of transport capacity and service levels and related costs (strengthening of partnerships with carriers with their own aircraft fleet),
	  ◦ strengthening collaboration with vendors in sharing forecasts and sales pipeline data to secure product availability;
	• currency hedging: see below, "Foreign exchange risk" described in section 2.1.3 "*Financial risks*" of this Chapter 2.

2.

Risk related to acquisitions & integrations

Criticality level:

Description

As part of its development strategy, the Group has made 20 acquisitions in the last ten years. These acquisitions are one of the Group's strategic pillars that have enabled it to strengthen its strategy towards emerging vendors and its geographical presence. For example, the acquisition of Ignition Technology has enabled the Group to offer a targeted proposition to emerging security vendors while the acquisitions of Veracomp in 2020 and Networks Unlimited in 2021 have enabled the Group to expand into Central and Eastern Europe and Sub-Saharan Africa. The acquisition of Ingecom in September 2023 will enable the Group to accelerate the expansion of Ignition Technology in Southern Europe, and of Consigas in Ireland, allowing the Group to strengthen its global leadership in value-added services for vendors, partners, and customers.

The main risks associated with these acquisitions relate to:

- *due diligence* that might sometimes be limited due to difficulties in gathering certain targeted information and/or the unavailability of such information. Furthermore, the Group cannot guarantee that the documents and information examined during these audits are complete, appropriate, or accurate. In particular, it is difficult to guarantee that this due diligence has made it possible to identify all the risks related to possible litigation of the acquired companies, or to possible breaches of applicable anti-corruption regulations;
- over- or under-estimated financial valuations of certain assets, which lead to the recognition of accounting discrepancies. Despite an in-depth analysis of each target, their valuation and the assumptions concerning them were sometimes found to be inaccurate and their actual performance different from the results initially expected;
- human risks related to the integration of employees of acquired companies and their adaptation to the human resources policy and working environment of a large Group;
- operational risks due to the need for a high level of team involvement to successfully integrate the acquired companies, which may have a negative impact given the additional workload this generates and the ability of these teams to carry out their daily activities.

Risk management

The Group has an M&A Department dedicated to (i) analysing opportunities in terms of strategic rationale, value creation and risks for the Group; (ii) execution of opportunities approved by the respective management bodies (Executive Committee and Board of Directors) and (iii) coordination of integration to the Group.

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

- preliminary audits of each target in as many areas as possible depending on the target, carried out by a multidisciplinary internal team (experts in the area audited) and external advisers who review all the elements provided to them by the target. Management sessions with the target's management are also organised to ensure that the target's business and identified risks are properly understood;
- the creation of dedicated Committees with the corresponding contacts by levels and departments at a frequency adapted to the phase of the acquisition project;
- the usual legal protections in acquisition contracts, in particular asset and liability guarantees;
- the Executive Committee examines all acquisition opportunities (rationale, business plan, value creation, risks, etc.). These opportunities are regularly presented to the Board of Directors;
- the implementation of an integration process and methodology coordinated by the team in charge of integrations covering all operational, financial, social, and legal aspects. They include, among others:
  - on the financial side (i) the implementation of a business plan, (ii) an integration manual detailing the necessary actions to be implemented in terms of reporting and financial monitoring with the support of the Group's Finance Department and (iii) an integration plan. The integration plan is supervised by a specific committee including the Group Chief Financial Officer, the Group Human Resources Director, and the operational manager for the area.

.../...

Description	Risk management
	.../... In accordance with IFRS, the Group Finance Department assesses the value and measures any impairment of *Goodwill* each year. The net book value of *Goodwill* was €295 million; Impairment tests are carried out and monitored by the Group's Finance Department and presented to *Note 7.2. Impairment tests* to the 2023 consolidated financial statements in Chapter 5 of this Universal Registration Document. • on the personal front, the Human Resources Department and HR managers are responsible for applying a progressive policy of adapting the targets' employees to the Group's policies and procedures in terms of training, compensation, and integration, • Legal and Risks & Compliance integration

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

Criticality level:

Risk description	Risk management
As part of its mission, the Group must constantly offer the most relevant solutions that meet the requirements of the market and the needs of its customers. In this respect, the Group depends on the ability of vendors to (i) keep ahead of technological changes, (ii) introduce and improve their products and services, and (iii) adapt to industry standards. New violations of IT system infrastructures are occurring with ever-increasing regularity, as cybercriminals become more and more adept at exploiting new "techniques", breaching vulnerabilities, and devising other methods of attack. Vendors of cybersecurity make every effort to anticipate and counter these attempts with equally ingenious solutions. The deployment of such solutions can nevertheless be extremely time-consuming, and a hundred or more new startups appear in the cybersecurity business every year. The approach developed by Exclusive Networks is not only to understand the market but also to anticipate the needs of its partners and their users. To this end the Group has set up a Technology Watch Committee (see opposite). Any inability of a vendor to anticipate industry trends and/or adapt to market needs could have a material adverse effect on the Group's business.	The Group has implemented a process for identifying and managing its vendors which includes: • the Technology Watch Committee which reviews the quality of the technological value propositions of potential new vendors. The role of this Technology Watch Committee is to propose the best market access for Exclusive Networks and its vendors; The Technology Watch Committee includes technical members from major countries and/or regions, Chief *Strategy Officers from* Nuaware and Ignition; • a process of integration of new vendors which ensures the roll-out of solutions to the Group's partners/clients; • a strategy for analysing the situation of existing vendors, which makes it possible to closely monitor their performance with the Group's clients and which can be accompanied by internal improvement plans if necessary.

Reputational risk

Criticality level:

Risk description	Risk management

The Group sources cybersecurity solutions exclusively from international vendors. The quality of Exclusive Networks' offering is therefore intrinsically linked to the performance of its vendors.
 	
A failure in a product resold by the Group could therefore have a negative impact on its brand image. Such failures could either result from the products themselves or from their parameters (coding or design defects or other failures or errors that could hinder the customer's operations or cause malfunctions).
 	
In addition, the cybersecurity solutions distributed by the Group are often essential to the conduct of end-user's operations; This means that any failure could also affect their operations, thereby indirectly exposing the Group to a risk of being held liable for damage caused to the end-user's operations.
 	
Lastly, if the Group were itself the victim of a cyberattack, this could affect its brand image and its credibility with its customers.
	As part of its activities and in order to mitigate reputational risk, the Group:
	• has a Security Operations Centre (SoC) to share best practices and protect against potential attacks (see below, "Risk of cyber-attacks, systems security, data protection");
	• monitors incidents and ensures that all vendors inform the Group of alerts on detected failures regarding new threats from cyber criminals;
	• ensures that vendors:
	  ◦ guarantee that end-users will receive solutions that work to their specifications through an end-user licence agreement, and/or
	  ◦ offer a support contract to end-users insofar as the legal agreements between the Group and vendors do not always cover the risks related to potential failures;
	• has third party liability insurance to cover claims under the dedicated policy (see section 2.3 "*Insurance*" of this Chapter 2 which presents the Group's insurance policy and programme).

2.1.2 Risk related to operations

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

Criticality level:

Risk description	Risk management
The Group's success depends, to a large extent, on its ability to identify and recruit the key skills of tomorrow, retain its talent over the long term and train the next generation of cyber experts to reduce its dependence on the thin supply of talent and build the effective and sustainable organisation of the future. This search for expertise, combined with a particularly competitive environment due to the scarcity of candidates, may lead to difficulties in recruiting such profiles. At the same time, the departure of experienced employees and key executives could have an impact on the governance and/or operational management of strategic projects.	The Group continues to focus on internal communication, diversity, equal opportunities, respect for human rights, working conditions, the quality of management and development of its Human Resources, and commitment of its employees. The Group continues its annual monitoring of employee commitment, which gives rise to global and local action plans, shared transparently with employees in order to strengthen this commitment. Whenever possible, the Group still allows employees to work remotely in order to foster their "work-life balance", while preserving time in the office to strengthen the sense of belonging and teamwork. In addition, the Group's information and personnel management system, deployed worldwide by the Human Resources Department, ensures the global management and monitoring of all processes relating to talent management, enabling a harmonised and consistent approach to performance monitoring. The main actions implemented in 2023 include: • the roll-out of policies on "Respect for Human Rights" and "Diversity and Inclusion", accompanied by training and awareness-raising modules for employees; • the implementation of granularity in the training modules for managers so they are specifically tailored to best meet the needs of both new managers and more experienced managers; • the extension of the Global Top Talents programme, a specific focus on the development, recognition and retention of the Group's *top talents* and the creation of a talent community to anticipate the future generation of internal leaders, running over two years, including one year dedicated to contributing to the Group's future strategic projects; • introduction of internal grades for the Company's roles, equipping the Group with a support tool for career and mobility management; .../...

Risk description	Risk management
	…/… • the initiatives launched in 2022 are now an annual event; in particular the succession plans, reviewed by the Nomination and Compensation Committee and presented to the Board of Directors, which secure the continuity of the Group; the extension of the Academy and the cultivation and training of the new generation of cybersecurity experts via established partnerships in France (Guardia) and the United States (CalPoli) as well as the structured and consistent global salary policy, now a reference point during annual compensation reviews. In 2023, the Group also reinforced: • its Human Resources Department, with the recruitment of a Talent Development Director, to enable targeted and impactful action on the integration and development of employees and managers, and the recruitment of a Global Communications Director, to articulate internal communication around appropriate formats and frequencies, share information and practices between countries and departments and create a transparent vision of the Group's strategy, while ensuring full alignment and consistency with external communication. (See Chapter 3, section 3.7 "*Social and societal information of the Group*" of this 2023 Universal Registration Document for more information on social matters, specifically, the organisation, policies and key achievements, and related indicators).

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

Criticality level:

Risk description

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

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

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

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

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

Risk management

Over the last three years, Exclusive Networks has significantly strengthened its cyber security resilience, enabling effective management and prevention of cyberattacks:

- cyber security capabilities are centralised within the Security & Technology division, which reports directly to the CIO;
- the *Global Security Operation Center* (GSOC) monitors all centralised and remote infrastructures in real time, and responds to any suspicious activity, abnormal behaviour, or potential risk. The GSOC makes use of the most recent and innovative technologies (*for example, Artificial Intelligence*) from the Group's vendors to counter the cyberattacks developed. The GSOC is currently undergoing an external audit to qualify as a SIM3 *(Security Incident Management Maturity Model)* certified team, which shows significant maturity in the incident response process. The GSOC is also connected to many trusted partners via the Intelligent Threat Platform, where information on threats is exchanged. For example, the GSOC has an Industrial Partnership Agreement (IPA) with the NATO Communication and Information Agency (NCI) as well as several private industry partners;
- the Governance and Security Strategy (GSS) team oversees the maturity of cybersecurity governance processes, by developing and implementing a new Information Security Management System (ISMS) to international standards (ISO 27002). A formal risk management methodology (aligned with ISO 27005) has been put in place to manage IT risk within the Group;
- an official Cyber Awareness Programme is in place, including mandatory monthly training for all employees, especially tailored training for high-risk teams, simulated attacks, ad hoc warnings sent to teams, a Cyber Security month in October with weekly initiatives and events, etc.;
- the Executive Committee and local departments receive quarterly updates on the status of Cyber Security within the Company from the CISO: review of threats, security awareness statistics, number of incidents, etc.

(See Chapter 3, section 3.7.9 "*Consumers and end-users*" for more information on data protection in terms of its organisation, policies and key achievements and related indicators).

Risk related to vendor concentration

Criticality level:

Risk description	Risk management
The Group distributes the products of approximately 220 established and disruptive vendors, covering the key segments of cybersecurity and the related segments. The Group's revenue is concentrated on a limited number of them. The top twenty-five vendors, with which Exclusive Networks has long-standing relationships, represented respectively 83% and 64% of revenue in 2023. The main vendors grew in line with the Group's growth, their respective weightings in revenue therefore remained stable in 2023. The termination of the contractual relationship with one of the key vendors could result in a significant decrease in the Group's activity and its turnover.	In 2023, the Group confirmed its diversification by signing contracts with 21 new software vendors and 28 contract extensions to ensure the expansion of Exclusive Networks' distribution rights in new countries and/or on new product and service lines. In its commercial relationships, the Group maintains strong relationships with its vendors and has set up a dedicated "Vendor Management" team (it organises quarterly reviews with vendor managers) and implements internal performance acceleration and improvement plans when necessary. In addition, relationships with vendors are primarily local and the risk of losing a contract is limited to a given geographical area. The largest vendor in any given country generates no more than 8.6% of the Group's gross revenue.

2.1.3 Financial risks

Foreign exchange risk

Criticality level:

Risk description	Risk management
Group companies mainly purchase products and services from vendors located in the United States with a foreign exchange risk on the US dollar and occasionally on euros or local currencies. The Group, which presents its consolidated financial statements in euros, is exposed to the risk of conversion into euros of the accounts in foreign currencies of its subsidiaries located outside the euro zone. Fluctuations in the euro, particularly upwards, against foreign currencies may affect the translated value in euros of the subsidiaries' assets, liabilities, and net income, even if their intrinsic value denominated in the original currency has not changed. (See Chapter 5, section 5.2.2 *Note 19.1.1 Foreign exchange risk* to the 2023 Consolidated financial statements in this 2023 Universal Registration Document.)	As part of its foreign exchange risk management, the Group: • has implemented a hedging policy to limit the effects of currency volatility, particularly that of the US dollar; • hedges its exposure to transactional foreign exchange risk by means of standard derivative financial instruments (forward purchases/sales, foreign exchange swaps) contracted with leading banking institutions. While these hedging instruments reduce most of the transactional risks, there may be residual effects of foreign currency exposures in the Group's financial result. Furthermore, to protect against the risk of the translation of the net assets of foreign subsidiaries into euros, the Group Treasury Department gives preference to the use of foreign currency financing. The Group does not enter into any transactions using derivative financial instruments or other financial transactions that are not related to its business needs.

Interest rate risk

Criticality level:

Risk description

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

Risk management

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

In 2022, the Group used derivative financial instruments to move the variable rates of the senior loan (*Facility B1* and *B2*) to fixed rates (see *Note 19.1.3 Interest rate risk* to the 2023 consolidated financial statements in Chapter 5 of this 2023 Universal Registration Document).

Liquidity risk

Criticality level:

Risk description

Liquidity risk is the risk that the Group is unable to settle its financial liabilities when they fall due. The Group must have available liquid assets to deal with its day-to-day business and to maintain its investment capacity.

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

Any failure by the Group to comply with the clauses of the financing contracts could result in or authorise the lenders to demand the reimbursement of the amounts due under the financing agreements, or the implementation of the guarantees and securities associated therewith (pledge of shares and bank accounts).

As of 31 December 2023, the Group's gross financial debt (including bank borrowings, bank overdrafts, short-term loans and factoring liabilities) amounted to €516 million, while its Net Debt amounted to €158 million (see Chapter 5, section 5.2.2 *Note 14.2.3 Financial Covenants*).

Risk management

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

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

- centralisation of the surplus cash positions of certain subsidiaries with the holding entity Everest SubBidCo SAS;
- centralisation of financing in the holding company Everest SubBidCo SAS, which transfers liquidity to its subsidiaries through intra-Group financing agreements;
- a permanent and significant retention of undrawn credit lines, including a confirmed multi-currency syndicated line of credit;
- a diversification of financing solutions negotiated with various international financial institutions whose maturities can be staggered between 1 and 4 years (loans, bank overdrafts, lines of credit) and the development of factoring programmes;
- frequent and regular monitoring of the Group's liquidity and financial market trends.

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

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

For information, it was 0.8x Adjusted EBITDA at 31 December 2023, while the maximum authorised by the contract is 4.

2.1.4 Legal and regulatory risks

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

Criticality level:

Risk description	Risk management
The Group directly or indirectly purchases and distributes products and solutions considered Dual-use, for example classified as Dual-use items (likely to have both civilian and military use) where they incorporate encryption technology. Their export or re-export may thus be subject to the obtaining of an export licence granted by the authorities of the exporting countries or an exemption. The development of the Group's activities and locations thus increases its exposure to political and economic risks specific to certain countries that could affect its activities and results. The Group's ability to market new products and enter new markets may depend on obtaining government certifications and approvals. Despite the Group's efforts to comply with all such laws and regulations, unintended violations, or failure to comply could result in the suspension of export privileges. This is because these rules are based on international, national, and regional security strategies, national independence, and global geopolitical developments. In the event of non-compliance with applicable laws and regulations, the Group could be exposed to significant fines and other administrative and criminal sanctions that could have a material adverse effect on its financial condition, business, and reputation.	The Group has taken all appropriate and necessary measures to comply with all international and national trade regulations applicable to its activities. It has set up a specific internal plan dedicated to these export control and embargo compliance regulations. This plan includes: • an internal organisation dedicated to export control with a Group level, and a second at the level of local entities; • a Group policy for the control of exports, with adapted procedures and IT tools, such as the one used to ensure the final destination of products; • employee awareness programmes; • a regular internal audit plan; • a system for monitoring legislative and regulatory developments and restrictions applicable to the Group's activities; • a system for screening vendors, resellers, end customers and other partners; • Group businesses and entities are provided with specific assistance and advice by the community of export control experts, country, and Group champions; Group companies report to the Group Export Control Manager any disputes or potential non-compliance with regulations, inform the relevant authorities of any non-compliance found and take all necessary steps to prevent any problems that may arise (see Chapter 3, section 3.8.4 "*Export control*").

Risk related to corruption (business ethics) SNFP

Criticality level:

Risk description

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

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

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

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

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

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

Risk management

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

The internal audit Department runs accounting control procedures and a system for evaluating the measures implemented. This department ensures that compliance-related incidents are identified and remedied.

The following are the main actions carried out in 2023:

- continued roll-out of anti-corruption procedures and reinforcement of the Group's commitments: the Code of Conduct (updated in 2022) defines and illustrates the types of behaviours to be adopted and prohibited in terms of preventing and fighting corruption and influence peddling. In this respect, the Group is committed to zero tolerance of corruption and influence peddling;
- monitoring of the remediation plans following the update of the corruption risk mapping for each of the Group's legal entities and the corresponding definition of specific remediation plans;
- continued deployment of the stakeholder integrity review system until the end of 2023 ("My TrustedPartner");
- continuation of the employee training and awareness-raising programme to ensure that employees are familiar with the procedures, particularly in the functions most exposed to this risk;
- an internal and external alert system, available to employees and stakeholders, also helps to counter this risk. Appropriate disciplinary measures are taken in consultation with the Human Resources Department and Executive Management when necessary;
- a regular internal audit plan.

For more information on the Group's preventive measures regarding corruption, see section 3.8 "*Corporate culture and business conduct policies*" appearing in Chapter 3 of this 2023 Universal Registration Document.

Risk related to litigation and disputes

Criticality level:

Risk description	Risk management
The Group may become involved in legal proceedings, including government investigations, that arise out of the ordinary conduct of its business, including matters involving intellectual property rights, commercial matters, merger-related matters, domestic and/or international regulations, product liability and other actions. The Group is currently not involved in any claims, litigation, or lawsuits. Although the Group may not always win its case, the risk is not expected to have a material adverse effect on its consolidated financial position, results of operations or cash flows. The Group can also not predict the outcome of litigation or other investigations in which it may be involved at any time. As at the date of the 2023 Universal Registration Document, there are no pending or potential legal or arbitration proceedings, including any proceedings of which the Group is aware, that are likely to have or have had in the last twelve months a material effect on the Group's financial position or profitability, other than those reflected in the financial statements or disclosed in the notes to the financial statements.	The Group closely monitors the status of ongoing litigation and disputes and has implemented reporting rules to enable the Group's Legal Department to be informed as soon as possible of the occurrence of a significant dispute and to optimise its handling and understanding of related risks and possible consequences. A provision is made in the financial statements for any litigation that may arise, in accordance with IFRS. The Group relies on a network of lawyers and advisers specialised in their field and selected by the Group's Legal Department to manage and monitor the main disputes and litigation. The Group considers that customer satisfaction and respect for good commercial and ethical practices are key to limiting the number of disputes to which the Group could be exposed. It therefore pays particular attention to customer satisfaction and the implementation of good practices on a daily basis.

Tax risk

Criticality level:

Risk description	Risk management
Due to the global and cross-border nature of its distribution business, and given the complex international tax environment, the Group faces tax risks and uncertainties inherent to its business. This is due to the number and complexity of tax regulations, both local and international (including transfer pricing rules and principles governing the application of withholding taxes), and their interpretation in each country. In particular, in many jurisdictions, there is an uncertainty as to the classification of cybersecurity solution licence proceeds as business profits or royalties. In this global environment, the Group aims to comply with all applicable tax rules and regulations in the countries in which it operates, ensuring that the correct amount of tax is paid in the jurisdictions where it generates profits and value. The Exclusive Networks group is committed to upholding local and international rules, including the principles laid down by the OECD.	The Exclusive Networks group handles tax issues with integrity and does not engage in any artificial tax schemes. The Group's tax department is organised around a central tax team that reports to the Group Finance Department and the local Finance Directors. The Group also uses external advisers to ensure that risks are identified and assessed and that measures to control them are put in place. Where applicable, a provision is made for tax risks in the financial statements. For more information on tax policy and tax avoidance, see section 3.8.3 "*Transparency and the fight against tax avoidance*" in Chapter 3 of this 2023 Universal Registration Document.

Risk related to personal data breach

Criticality level:

Risk description

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

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

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

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

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

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

.../...

Risk management

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

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

For more information, see Chapter 3, section 3.7.9 "*Consumers and end-users*" of this 2023 Universal Registration Document.

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

2.2 Internal control and risk management

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

2.2.1 Objectives of internal control and risk management

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

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

2.2.2 Organisational framework of risk management and internal control

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

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

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

Board of Directors

Audit & Risks Committee

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

Executive Committee

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

First line of defence

Operational Divisions

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

Second line of defence

Support Divisions

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

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

Third line of defence

Internal Audit

Independent department reporting directly to the Audit and Risks Committee:

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

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

- Results of risk matrix;
- Points raised by the external auditors.

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

2.2.3 Internal control and risk management players

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

Audit and Risks Committee

The Audit and Risks Committee periodically reviews the internal control and risk management system. The organisation, mission, and activities of the Audit and Risks Committee in 2023 are described in greater detail in the Board of Directors' report on Corporate Governance in Chapter 4, section 4.2.8 "*Audit and Risks Committee*" of this 2023 Universal Registration Document.

Risks & Compliance Department

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

Internal control Department

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

The internal control department reports to the Group Finance Department.

Human Resources Department

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

The Group's Human Resources Department, in coordination with the Risks & Compliance Department, ensures that the subsidiaries implement human resources policies that are adapted to their specific contexts and challenges, but always meet the best local standards. While the principle of autonomy and empowerment of subsidiaries is applied, the Group Human Resources Department is responsible for ensuring the consistency of the policies implemented and their alignment with the Group's values and the actions defined at Executive Committee level (see section 3.7.2 of Chapter 3 which describes the governance of the Human Resources Department). The Human Resources Department takes sanctions, if necessary, in accordance with policies that are implemented within the Group.

Internal audit Department

The internal audit Department independently and objectively assesses the functioning of the internal control, compliance, and risk management system. This assessment covers compliance with the anti-corruption programme defined by the Risks & Compliance department, export controls defined by the Operations Department and financial and operational controls defined by the internal control Department. In addition, the internal audit Department also relies on Risk Mapping.

2.2.4 Internal control and risk management analysis process

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

Risk analysis

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

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

This register is regularly updated to reflect changes in risks and the implementation of mitigation measures. It is developed after each review and update to the risk mapping.

The risk mapping established in 2021 was expanded in 2022 with the specific risk mapping for corruption. It was updated in 2023, though there was no significant change to the main risks in 2023. The risk and opportunity mapping will be repeated in 2024 with the help of a consulting firm specialising in this type of work.

Analysis of internal control

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

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

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

2.2.5 Internal control and risk management environment

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

Rules and procedures of the Group Country Manual

The internal control Department has drawn up a collection of internal control guidelines and procedures called the Country Manual, which was distributed to all employees in July 2022 and was updated early in 2024. This Country Manual is applicable at all levels within the Group. Each Country Manager is responsible for ensuring that it is properly applied and distributed.

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

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

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

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

Code of conduct

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

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

2.

Group ethical principles

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

Delegation of authority

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

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

2.2.6 Evaluation of internal control and monitoring of action plans

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

The self-assessment questionnaire on financial management control

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

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

A self-assessment campaign took place in the second half of 2023, and the next one is scheduled for the first half of 2025.

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

Monitoring of action plans

Action plans are regularly followed up, and a new platform was rolled out in 2023 to facilitate this monitoring. In this context, meetings between the Internal Control department and the Financial departments of the subsidiaries concerned are organised to ensure that the corrective measures defined during the review of the self-assessment questionnaire or during the review of the conclusions of internal or external audits are implemented.

This monitoring may result in specific communications sent to all subsidiaries, as well as new training sessions. The results of the self-assessment campaign carried out in 2023 took place at the beginning of 2024 and includes a reminder on the controls where analysis of the results revealed a gap between the Group's expectations and local practices.

2.2.7 Internal monitoring system

The internal audit Department carries out independent and objective audits of the workings of the internal control and compliance and risk management systems. Based on the results of its audits, the Internal Audit department draws up recommendations to improve the effectiveness of the internal control and risk management system and ensures the correct implementation of the action plan defined at local Executive Management level.

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

The Internal Audit department is independent and reports directly to the Audit and Risks Committee.

On a quarterly basis, the Internal Audit department reports on its work to the Audit and Risks Committee.

In 2023, the Internal Audit department carried out 10 audit missions covering 14 legal entities, including 9 missions with an anti-corruption component.

The audit plan is approved by the Audit and Risks Committee annually.

2.2.8 External monitoring system

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

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

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

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

In 2023, external audit engagements were split between Mazars and Deloitte, the Company's Statutory Auditors.

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

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

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

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

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

Procedure for preparing and validating the consolidated financial statements

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

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

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

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

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

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

Accounting and financial principles and methods

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

Management control and operational performance

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

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

Accounting and financial information system

The Group is in the process of deploying a common integrated management information system in several geographical areas, which contributes to the optimisation of financial and business management processes. Today, the integrated management system covers more than 80% of the Group's activities.

Procedure for preparing external financial reporting

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

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

2.3 Risk insurance and coverage

2.3.1 Insurance policy

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

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

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

Exclusive Networks' risk coverage policy is primarily based on:

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

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

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

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

2.3.2 Insurance programme

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

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

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


We Are
Visionary

3.

Statement of non-financial performance

Message from the Chief Executive Officer

At a time when sustainability initiatives are shaping the future, cybersecurity is a crucial pillar in securing these efforts.

Exclusive Networks shares the belief that the security and resilience of digital infrastructure are paramount to the success of global sustainability initiatives. These include:

- protecting the data integrity of smart city projects. The latter are expected to attract a global investment of $2.57 trillion by 2025, according to Grand View Research[(1)];
- the reliability of energy transitions, with cybersecurity proving to be a key enabler of the integration of renewable energy sources, according to the International Energy Agency[(2)]; and
- protecting SMBs, which are the victims of 43% of global cyberattacks. However, 60% of victims cease their activity within six months[(3)].

Cybersecurity is crucial to promoting social equity and business continuity.

This understanding is at the heart of our sustainability strategy for 2024-2030.

Our strategy combines our deep expertise in cybersecurity with our commitment to environmental and social responsibility. It includes improving our operations, partnering with our supply chain to expand our impact, and helping to advance the digital ecosystem as a whole.

At the heart of our strategy is our commitment to nurturing and guarding the future of cybersecurity.

We are committed to training the next generation of cybersecurity experts, providing comprehensive training and development programmes within our Exclusive Academy.

We also invest in the personal development of our employees through targeted training in cybersecurity, sustainability and leadership.

With a focus on both career development and personal skills, we promote employees who are not only competent but also deeply aligned with our sustainability values.

Our strategy is aligned with global sustainability frameworks such as the Global reporting Initiative (GRI), the United Nations Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB) and the Corporate Sustainability reporting Directive (CSRD), demonstrating our holistic approach to sustainability and underscoring our commitment to transparency and accountability.

Our adherence to the Science-Based Targets initiative (SBTi), the EcoVadis Bronze rating and participation in the Carbon Disclosure Project (CDP) are a testament to our ongoing sustainability efforts.

These achievements, while significant, are just a beginning. We are driven by the immense potential of our journey towards a sustainable and secure digital future.

Together with our partners, employees and stakeholders, we are enthusiastically exploring these opportunities, guided by our shared values and a vision of a world where sustainability and cybersecurity go hand in hand.

(1) Report: Smart Cities Market Size Worth $2.57 Trillion by 2025 | Grand View Research, Inc.
(2) Report: Net Zero by 2050: A Roadmap for the Global Energy Sector, IEA 2021
(3) 2023 Cybersecurity Almanac: 100 Facts, Figures, Predictions, and Statistics (cybersecurityventures.com)

3.1 Business model

The business model of the Exclusive Networks group is presented in the introduction to this 2023 Universal Registration Document.

3.2 Sustainability strategy 2024-2030

Exclusive Networks is committed to a transformative sustainability strategy that links cybersecurity to ESG (Environmental, Social and Governance) topics.

The approach is built on a multi-faceted analysis involving, among others, stakeholder engagement, risk assessment and strategic business considerations.

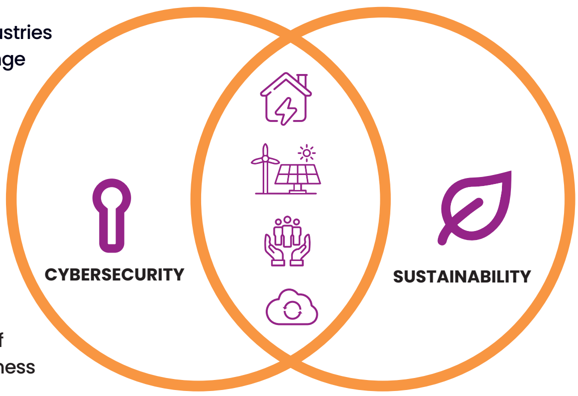
3.2.1 Cybersecurity at the service of sustainability

Exclusive Networks' expertise in cybersecurity is a cornerstone of its sustainability strategy. It secures key growth areas for the global economy in general and more specifically for major sustainability projects and initiatives such as smartification (the digitisation and connectedness of things and organisations), the energy transition and cloud adoption. Cybersecurity protects and enhances social equity and ensures that the advancement of technology does not come at the expense of the environment.

Cybersecurity securing sustainability

SMARTIFICATION
By 2030, the TAM* value across industries for IoT suppliers could reach the range $625B to $750B

ENERGY TRANSITION[3]
$4 trillion/year by 2030 to reach net zero emissions by 2050



SOCIAL EQUITY[2]
43% of cyber attacks target SMBs, of which 60% of victims go out of business within six months.

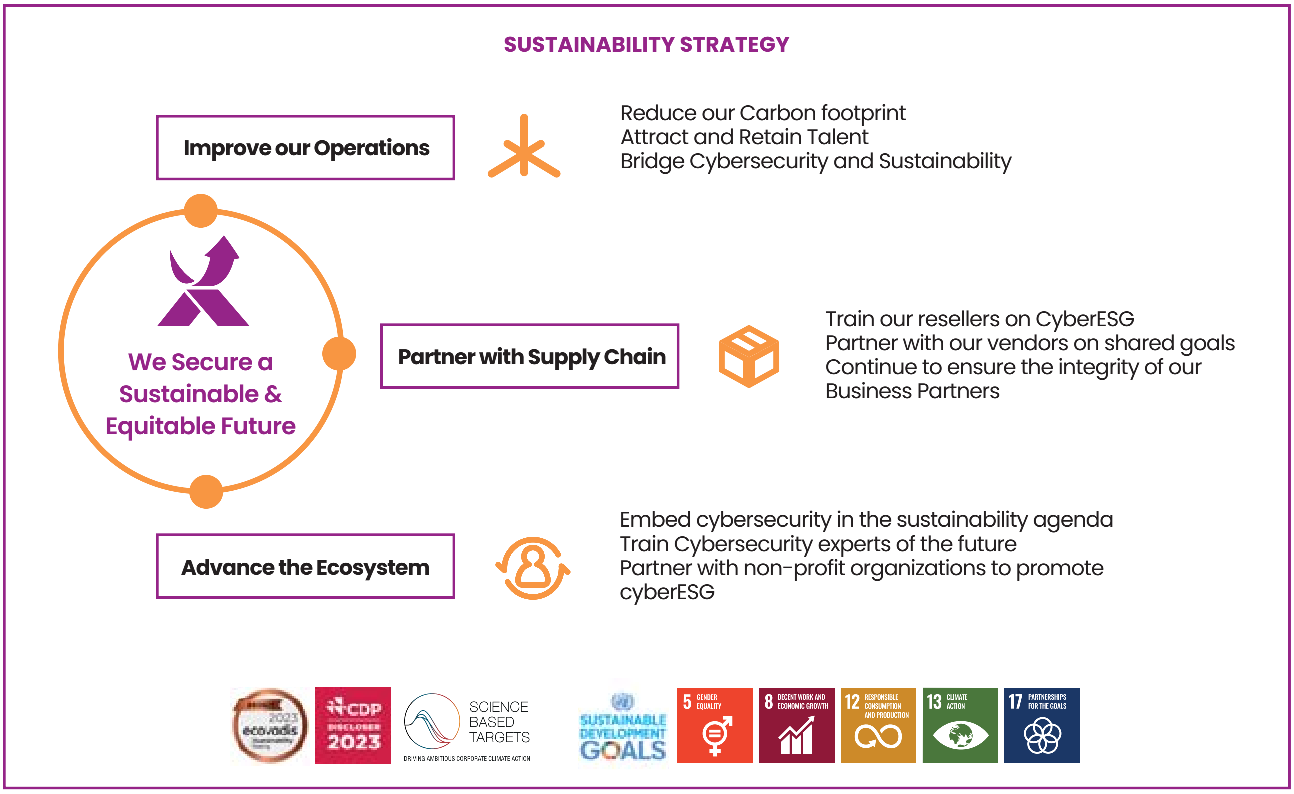
CLOUD ADOPTION[1]
Only 20 to 30% of Industries are using Cloud regularly and at scale

** TAM: target addressable market*

(1) Article Mckinsey : Cybersecurity for the IoT: How trust can unlock value, 17 April 2023
(2) Cybersecurityventures.com
(3) Report: Net Zero by 2050: A Roadmap for the Global Energy Sector, IEA 2021

3.2.2 Strategy development process

The strategy has been developed through a rigorous process that integrates, among other things, material issues for the Group, elements of international frameworks (GRI, SASB for example) and sustainability best practices, the particularity of Exclusive Networks' field of activity, risks and market opportunities. This holistic approach ensures the strategy is aligned with our central goal of securing a sustainable and equitable future.



3.2.3 Strategic pillars

Improve our Operations	Partner with Supply Chain	Advance the Ecosystem
We aim to create more efficient and lower carbon-emitting operations, while fostering an environment where talent thrives and sustainability is a shared goal.	Our strategy is extended to include our supply chain partners, with whom we aim to co-create a more sustainable and resilient network.	We are committed to promoting the integration of cybersecurity into the sustainability agenda, recognising its pivotal role in ensuring a safer and greener future.

3.2.4 Interaction between the sustainability strategy and the business model

Each pillar of the strategy is mapped out to Exclusive Networks' material issues (refer to the sustainability commitment table 3.5). This mapping directly influences the Group's sustainability commitments and actions, such as improving its employee engagement rate and reducing greenhouse gas (GHG) emissions, while monitoring progress with clear and quantifiable objectives.

For each commitment, specific actions to be taken have been defined, such as the implementation of energy management systems and circular procurement strategies. Ambitious targets for 2023 and beyond have been set, with progress markers to clarify our commitment.

3.2.5 CyberESG Initiative

The CyberESG initiative underpins the strategy with four key programmes:

- certification: empowering Employees with Knowledge that combines cybersecurity and sustainability;
- partner: enabling resellers to adopt and promote sustainable practices;
- podcast: sharing insights and fostering discussion on sustainability efforts through engaging conversations with industry leaders; and
- snippets: raising awareness and engaging a wider audience through pedagogical content on social media and blogs.

3.3 Sustainability governance framework

Exclusive Networks presents a comprehensive governance framework to guide the implementation and monitoring of its sustainability strategy for the 2024-2030 period.

This governance framework is designed to closely align with the Group's objectives and sustainability commitments, ensuring an integrated approach at all levels of the organisation.

3.3.1 Mission

Exclusive Networks is committed to securing a sustainable and equitable future, delivering long-term value to its stakeholders. This involves embedding sustainability into every facet of its operations and culture, underscoring its commitment to responsible and ethical business practices.

3.3.2 Scope and objectives

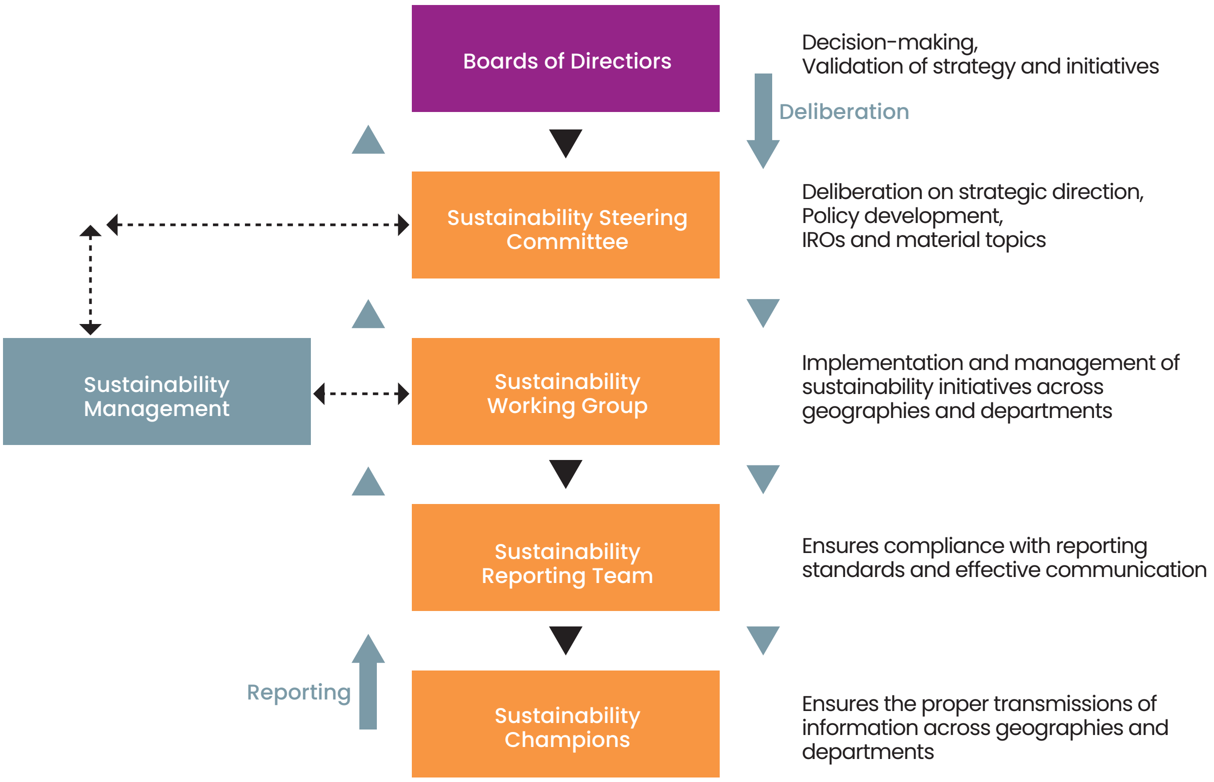
Exclusive Networks' governance framework encompasses all sustainability initiatives within Exclusive Networks with the main objectives of:

- aligning with global sustainability standards;
- defining clear roles and responsibilities;
- establishing measurable sustainability goals and performance indicators;
- ensuring accountability and transparency in sustainability reporting; and
- promoting stakeholder engagement and drive continuous improvement.

3.3.3 Governance Structure

The effectiveness of the 2024-2030 sustainability strategy is provided by a governance structure to be implemented in the first quarter of 2024. This organisation is supported and approved by the Company's Board of Directors, which is essential for integrating sustainability into its core processes. This structure includes several key instances covering all geographies:

Sustainability Governance Structure



Board of Directors

The Board of Directors decides on all decisions relating to the Group's strategic orientations, which include the Group's societal and environmental aspects. It ensures that they are implemented by the Executive Committee.

The Chief Executive Officer is a member of the Sustainability Committee (see below), facilitating a flow of information and ensuring strategic alignment at the highest level.

Sustainability Steering Committee (SSC)

This committee includes the Chief Executive Officer, members of the Executive Committee and key stakeholders to be determined by the Committee.

This Committee will focus on strategic direction, policy development and decision-making, including the validation and recommendation of Impacts, Risks and Opportunities (IROs) and material topics.

This Committee will support the culture of impact in the workplace by inviting the Group's employees to contribute to sustainability initiatives, sponsoring some of these initiatives and leading by example where possible.

The Chair of the SSC provides overall leadership for sustainability efforts. This role involves chairing SSC meetings, setting the agenda for sustainability discussions, and ensuring decisions are aligned with both our sustainability goals and the overall corporate strategy.

Sustainability Working Group (SWG)

The working Group is made up of an operational team drawn from various business units and geographies.

This Group is responsible for the implementation and management of sustainability initiatives.

The Head of the SWG plays a crucial role in managing the day-to-day execution of sustainability initiatives, including coordinating efforts across different business units, ensuring that initiatives are implemented effectively and aligning efforts with the strategic directions provided by the SSC. The Head of the SWG also serves as a liaison between the SSC and the operational teams, ensuring that feedback and perspectives from the field are incorporated into strategic discussions.

Sustainability Department

It provides coordination and advice for both the SSC and SWG Groups.

Sustainability Reporting Team (SRT)

Specialised in data collection, analysis and preparation of sustainability reporting, this team will ensure compliance with reporting standards and effective communication.

It is formed by:

- a project manager (PM), who is responsible for overseeing the collection, analysis, and reporting of sustainability-related data. He/she will ensure effective coordination and communication between different internal and external stakeholders, consistency with the management report, compliance with international reporting standards and timeliness. By providing accurate and timely data, the PM enables informed decision-making and helps track progress towards our sustainability goals;
- a project specialist who will support the drafting of the report and the verification of the various sections and the coordination with the reporting agency; and
- a Sustainability Leader who will bring his/her expertise in sustainability, verify alignment with the various international sustainability standards and establish the methodology for data collection and calculation of indicators.

Sustainability Champions

Sustainability Champions, corresponding between sustainability initiatives and different geographies and departments. Sustainability Champions will be required to have completed in-house training on sustainability topics and achieved a minimum of Level 1 CyberESG certification.

The assignment of responsibilities between different Groups and individuals within the organisation is designed to leverage diverse expertise and facilitate cross-functional collaboration, ensuring that sustainability is integrated into all aspects of business operations.

All levels supporting the Board of Directors are members of the CyberESG Community.

3.3.4 Membership requirements for the CyberESG community

Members are required to:

- Pass at least Level 1 of internal sustainability training, which covers the basic principles and practices of sustainability.
- Participate regularly in strategic meetings and reviews.
- Act as sustainability champions within their respective departments via LinkedIn and internal communication channels (newsletters, Teams, Slack, and emails).

3.4 Analysis of material Impacts, Risks and Opportunities (IROs)

3.4.1 Process for analysing double materiality

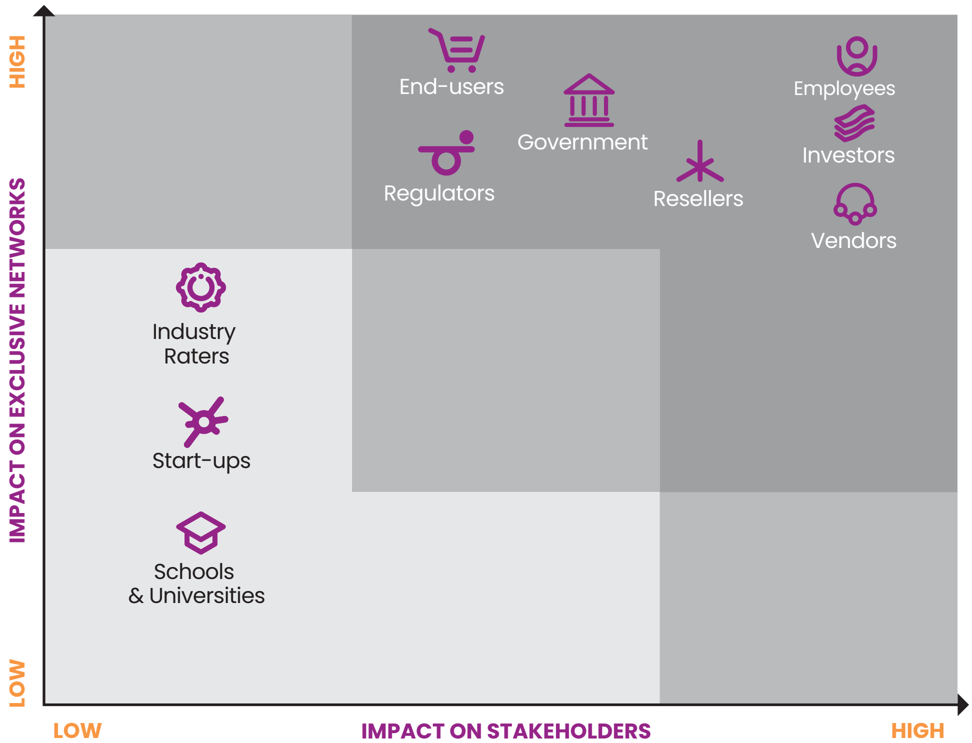
Stakeholders

As part of its materiality analysis work, the Group has established a matrix of relevant stakeholders. These include, within the meaning of the Corporate Sustainability reporting Directive (CSRD), those affected by the Group's activities as well as those interested in the Group's sustainability information (investors, regulators, suppliers, etc.).

In terms of granularity, the entire value chain of the Company and associated stakeholders was taken into consideration.

The different time horizons (short, medium and long term) were also taken into account.

Stakeholders Mapping



Selection of Issues and Double Materiality

In 2022, Exclusive Networks produced, for the first time, its materiality matrix in non-financial matters, in collaboration with an independent consulting firm. The firm worked with a panel of internal qualified individuals from various departments (CSR, finance, risk) to identify and prioritise the most significant sustainability issues for the Group and its stakeholders.

The 4 main **issues** identified at the end of this first exercise were as follows:

1. the ability to attract and retain talent, as well as the lack of skilled human resources;
2. bribery and corruption and other regulatory compliance issues;
3. cybersecurity; and
4. the ability to reduce the environmental footprint.

In 2023, the work carried out was revised and improvements were made to the materiality matrix, in particular by aligning material issues with the Sustainability Accounting Standards Board (SASB) methodology. This approach has made it possible to refine the nomenclature and align with the best practices recommended by the SASB. The results of this work were presented to stakeholders for validation.

The **13 SASB Challenges** for Exclusive Networks' sector are:

- environmental footprint of physical infrastructure;
- data privacy and freedom of expression;
- product Safety;
- data security;
- employee diversity and inclusion;
- recruiting and managing a global, diverse, and skilled workforce;
- workforce diversity and engagement;
- product lifecycle management;
- supply chain management;
- material sourcing;
- professional integrity;
- intellectual property protection and competitive conduct; and
- managing systemic risks from technological disruptions.

This reflection on the material issues was then revised to develop the double materiality matrix based largely on the regulatory framework of the CSRD directive. The intention is to prepare for the full application of the Directive for the financial year 2025.

Thus, we have aligned the titles of our challenges with those recommended in the CSRD's European Sustainability reporting Standards (ESRS) nomenclature for a better transparency and understanding of our challenges.

The sustainability issues selected are analysed from the perspective of double materiality (financial materiality and impact materiality). This principle is a central element of the European regulator's approach to structuring future sustainability strategies. It involves thinking about the issues in terms of risks and associated opportunities.

The issues selected for the materiality matrix cover all the themes listed by the ESRS standards, delegated acts of the CSRD.

These generic themes have been translated into a list of some twenty qualified issues for the Group. The trade-offs related to this selection from a more exhaustive list of issues are documented.

For each of the issues, the Group's impacts (actual or potential, positive or negative), as well as the risks and opportunities that affect or could affect it have been identified. At the identification stage, issues that have already materialised as well as emerging issues and more prospective issues have been considered.

These different horizons fed the initial reflection: they did not, however, intervene in the listing.

This approach has made it possible to enrich the Group's sustainability strategy, as detailed in section 3.2, by considering the impacts, risks and opportunities identified.

CSRD issues selected

16 issues were selected for the double materiality matrix (according to the CSRD classification), ranked below according to the 3 dimensions of ESG:

- dimension E (2 issues = 6 sub-issues)
  - climate Change (ESRS-E1-Issue);
  - circular Economy (ESRS-E5-Issue).
- dimension S (8 sub-sub-issues)

  key issue: Own workforce (ESRS-S1)
  - social Dialogue (ESRS-S1-Sub-sub-issue);
  - work-Life Balance (ESRS-S1-Sub-sub-issue);
  - health & Safety (ESRS-S1-Sub-sub-issue);
  - gender Equality and Equal Pay for Work of Equal Value (ESRS-S1- Sub-sub-issue);
  - training and Skills Development (ESRS-S1- Sub-Sub-Issue);
  - diversity (ESRS-S1-Sub-sub-issue);
  - privacy (ESRS-S1-Sub-sub-issue);
  - key issue: Consumers and End-Users (ESRS-S4);
  - privacy (ESRS-S4-Sub-sub-issue).
- the G-Dimension (2 sub-issues)
  - vendor Relationship Management Including Payment Practices (ESRS-G1-Sub-issue);
  - corruption and Bribery (ESRS-G1-Sub-iss.ue)

CSRD issues not considered

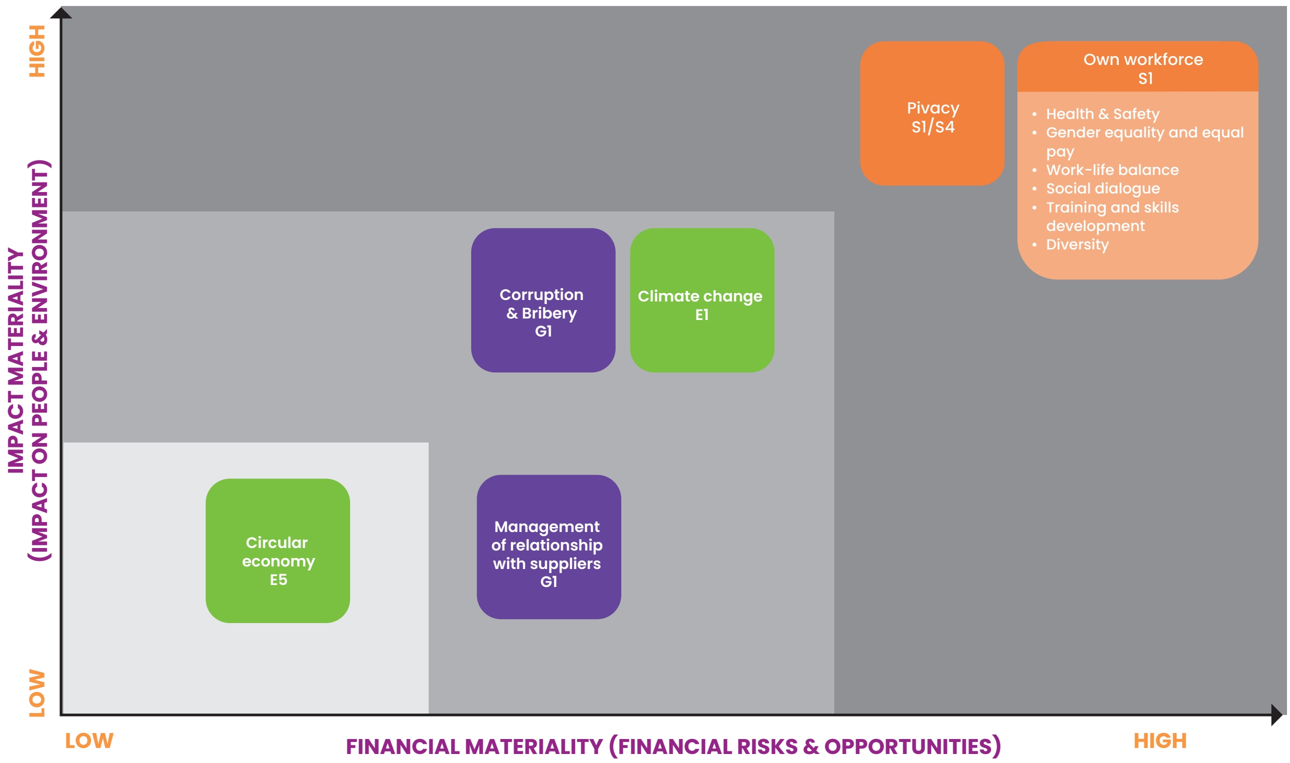
CSRD issues (included under issues and sub-sub-issues) were not included in the double materiality analysis for the following reasons:

- due to the lack of a direct link with the Group's activity, the ESRS-E2 (Pollution), ESRS-E3 (Water and Marine Resources), and ESRS-E4 (Biodiversity and ecosystems) issues;
- for their limited impact on the Group (and vice versa): the issues not mentioned above, such as: ESRS-S2 (Workers in the Value Chain) and ESRS-S3 (Affected Communities).

3.

In the following graphic, we offer a representation of Exclusive Networks' sustainability issues. To simplify reading, identification and comparisons, we have opted for the titles of the issues as mentioned in the ESRS:

Double Materiality Matrix



3.4.2 Key ESG-related risks and opportunities identified

The main environmental, social, human rights and corruption risks linked to the main challenges identified above:

CHALLENGES	IMPACTS	RISKS	OPPORTUNITIES
Climate change E1	The Group's ability to reduce its carbon Direct and indirect consumption of fossil fuels for logistics, transport, and the use of cybersecurity equipment by end-users.	Carbon tax	Low-carbon trajectory.
		Energy price increase	Possible economic gains associated with energy sobriety.
		restrictive regulatory framework	Switch to **electric or hybrid vehicles**. Switch to **renewable** energy for the use of electricity. Improve **energy efficiency** in operations. Implement **energy management systems**
Circular Economy E5	The Group's ability to reduce its carbon	Regulatory shift towards more e-waste requirements	Positive reputational impact
	The Group's ability to reduce its e-waste		Build customer loyalty through (Takeback) CyberCircular Programme
			Supporting communities

CHALLENGES	IMPACTS	RISKS	OPPORTUNITIES
Privacy S1 (Own workforce)	Loss of employee trust	Breach of personnel data leading to legal consequences	Implementing and promoting robust privacy protections can enhance reputation and position Exclusive Networks as a leader in data privacy and security.
Privacy S4 (Consumers and end-users)		Breach of customer data resulting in loss of trust, financial penalties, and reputational damage.	Implementing and promoting robust privacy protections can enhance reputation and position Exclusive Networks as a leader in data privacy and security.
Health and safety S1	Employees working in warehouses can be exposed to occupational injuries	damage to its reputation and operational difficulties	
Gender equality and equal pay S1	Social malaise	Loss of business continuity and reputational risks	strengthen expertise within teams, as well as an increased capacity for innovation.
Work-life balance S1	Absenteeism and workplace accidents	Increase in turnover	Positive contribution to the employer brand.
Social dialogue S1	Social malaise	Loss of business continuity and reputational risks	Internal cohesion
Training and skills development S1	Developing sustainable and ethical supply chains can create shared value, resilience against disruption, and strengthen the company's ESG profile	Loss of innovation capacity and competitiveness	Maintenance of differentiating know-how and interpersonal skills
Diversity S1		Unattractiveness and reputation of the company	Strengthen expertise within teams, as well as an increased capacity for innovation.
Corruption and bribery G1		Legal penalties, loss of business and reputational damage due to engaging in or being a victim of corruption and bribery	Establishing a reputation for high ethical standards can differentiate Exclusive Networks from competitors and build trust with partners and customers
Supplier relationship management G1		Vendor-related disruptions or unethical practices that reflect negatively on Exclusive Networks	Developing sustainable and ethical supply chains can create shared value, resilience against disruption, and strengthen the company's ESG profile

3.5 Exclusive Networks' sustainability commitments

				Progress	
Pillars of our strategy	**Material Topics ESRS Mapping***	**Our Commitments**	**Actions**	**2022**	**2023**
Improve our operations	**Comprehensive Talent Management** * ESRS : Social Dialogue, Balance between professional life and Privacy, Health & Safety, Gender Equality and Gender Equality Remuneration for work of equal value, Training and development of Skills, Diversity S1	Increase our employee engagement rate from 71% to 77% by 2025, base year 2022	Develop a **Performance Culture** built on : Clear recognition based on employees' performance Leaders **Education** **Feedback** culture and proper **onboarding**	72%	71%
		Increase the % of women in senior management roles from 34% to 40% by 2025, base year 2022	Monitor the **Diversity** ratio for Management roles	34%	38%
	Ethics * ESRS : Corruption & Bribery G1	Train 100% of employees on **DEI**, **Sustainability** and **Ethics** by 2025, base year 2023	Implement trainings and certification Programmes	NA	D&I : 84% Ethics: 100 % Sustainabiliy: NA
	Cybersecurity * ESRS : Privacy S1 S4	Reduce our **Cyber Exposure Score** from Medium to Low by 2025	Additional **SOC** reporting to address **vulnerabilities** Weekly meetings to identify vulnerabilities Collaboration with Digital Workplace team	Medium	Low
	Energy Management/ Scope 1-2 * ESRS : Climate change E1	Reduce **absolute Scope 1 & 2 GHG emissions** by 40% in 2030 , base year 2022	Switch to **Electric or Hybrid of Vehicles**, Switch to **Renewable** Energy of Electricity use Upgrade in **Energy efficiencies** in operations Implement **Energy Management Systems**	Baseline	Scope 1 : -5% Scope 2 : +10%
Partner with supply chain	**Product Lifecycle Management** * ESRS : Circular Economy E5	**Recycle** 100% of **end-of-life products** by end of 2030, base year 2024	**Circular** Procurement Strategies	NA	NA
	Energy Management/ Scope 3 * ESRS : Climate change E1	Reduce **Scope 3 emissions per unit of revenue** value added by 33% in 2030, base year 2022	Supplier Engagement for **Sustainable Practices** **Optimize** Logistics Product Redesign for **Efficiency** Remote Working and Public Transport **Incentives**	Baseline (174 ktCO_2e/ Billion €)	-14,3% (149 ktCO_2e/ Billion €)
	Export Control * ESRS : Management of Relationship with Suppliers G1	Ensure the **integrity** of 100% our Business Partners by 2023	Digital Partner **Onboarding** mandatory	NA	100 %
Advance the ecosystem	**Human Resource Adequacy and Capability** * ESRS : Training & Skills Development S1	Reduce the **skills gaps** in the cybersecurity sector	**Exclusive Academy** Programme training and certification of partners and customers	11,163 trainees	12,138 trainees

3.6 Environmental Information

3.6.1 Governance of environmental questions

Exclusive Networks is committed to embedding environmental governance in the core of its overall sustainability strategy. This governance is supported by the decision-making and implementation bodies of the ESG strategy.

3.6.2 Reporting on the Green Taxonomy regulation

Context

Exclusive Networks, a global leader in cybersecurity and cloud solutions, is committed to a sustainability approach that aligns with the most demanding international standards.

In this context, the Group follows the regulatory requirements for the disclosure of information related to the European Union's Green Taxonomy, an ambitious initiative aimed at standardising the classification of economic activities according to their contribution to environmental sustainability.

This approach not only accurately and transparently measures the share of activities aligned with sustainability goals, but also guides investment decisions towards more environmentally friendly practices.

Although the Group is highly committed to a sustainability approach that aims to support international commitments, and in particular European ones, its activities are not included in the scope of the taxonomy. Indeed, they are not among the sectors with the largest environmental footprint, nor do they directly contribute to reducing this footprint.

On the other hand, when the Group incurs capital or operating expenses, it considers whether or not they are aligned with the green taxonomy criteria.

It should be noted that to date, the Group's efforts to limit its footprint, for example the replacement of its vehicle fleet or the switch to renewable energies, are not covered by this regulation.

For the second year, an assessment of the eligibility of all the Group's consolidated activities was carried out on the basis of:

1. Delegated regulation 2023/2486 of 27 June 2023; and
2. an analysis of all activities within its various consolidated entities (interviews conducted by the Sustainability Department with the Finance Department, the Operations Department and the Strategy Department).

By integrating the rigorous criteria of the Green Taxonomy into its operations, Exclusive Networks is firmly committed to achieving the objectives of the European Green Deal, and actively contributes to the fight against climate change.

In the following sections, it will detail the key performance indicators that the Group will use to assess and communicate alignment with the Green Taxonomy, underlining the continued commitment to a more sustainable and responsible economy.

Revenue Indicator

As described in the business model presented in the introduction to this 2023 Universal Registration Document, the Exclusive Networks group is a global cybersecurity specialist that markets a wide range of services and products to its partners and end customers. These activities are not listed in the annexes to Delegated regulation (EU) 2023/2486 of 27 June 2023 as contributing substantially to the six environmental objectives (CCM, CCA, WTR, EC, PPC, BIO), either by virtue of their SIN Code or by virtue of their description. As such, they are not eligible.

For the year 2023, the share of the Exclusive Networks group's revenue from services or products related to economic activities aligned with the Taxonomy is 0%.

Share of turnover from products or services associated with Taxonomy-aligned economic activities – information for the year 2023

Financial year 2023		2023		Substantial Contribution Criteria					
	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Economic Activities (1)	OBJ X.X	Currency	**%**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1			%						
Activity 1 (d)			%						
Activity 2			%						
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0€	0%	%	%	%	%	%	%
Of which Enabling		€	%	%	%	%	%	%	%
Of which Transitional		€	%	%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)									
				EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)
Activity 1 (e)			%						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0€	0%	%	%	%	%	%	%
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**0€**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**
B. Taxonomy-non-eligible activities									
Turnover of Taxonomy-non-eligible activities		1,559 M€	100 %						
Total (A. + B.)		**1,559 M€**	**100 %**						

	DNSH criteria ('Does Not Significantly Harm')(h)									
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Garanties minimales (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	Y	Y	Y	Y	Y	Y	Y	%		
	Y	Y	Y	Y	Y	Y	Y	%	E	
	Y	Y	Y	Y	Y	Y	Y	%		T
	Y	Y	Y	Y	Y	Y	Y	0%		
	Y	Y	Y	Y	Y	Y	Y	%	E	
	Y	Y	Y	Y	Y	Y	Y	%		T
								%		
								0%		
								0%		

3.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities per environmental objective – disclosure covering year 2023

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Capital Expenditure (Capex) Indicator

The Capex to be considered corresponds to new acquisitions of property, plant and equipment and intangible assets during the year, before depreciation, amortisation or revaluation. Thus, the new rights of use of the leased properties are taken into account as soon as the leases are signed, and not the financing terms. Capital expenditures also include new assets resulting from business combinations completed during the year.

For 2023, the amount of these capital expenditures amounts to €16.3 million for the Exclusive Networks group, broken down as follows:

- intangible assets: €2.0 million for IT developments;
- property, plant and equipment: €5.4 million, corresponding to demonstration and office equipment; and
- right of use: €8.9 million for new leases and vehicle leasing contracts.

Eligible capital expenditure is the following:

- related to potentially sustainable activities;
- part of a plan to make an activity sustainable or expand such an activity; and
- related to economic activities referred to as "eligible individual measures" in the Taxonomy to reduce the Company's environmental footprint, such as expenses related to premises, vehicles and data hosting.

Within the meaning of Delegated regulation (EU) 2023/2486 of 27 June 2023, as the activities of the Exclusive Networks group are not considered to contribute substantially to the six environmental objectives (CCM, CCA, WTR, EC, PPC, BIO), they are not eligible as such. Therefore, only capital expenditure under individual measures can be taken into account.

As the Exclusive Networks group did not incur any capital expenditure for the year 2023 under these individual measures, the share of the Group's Capex relating to eligible economic activities and consequently aligned with the Taxonomy is not significant.

Share of Capex from products or services associated with taxonomy-aligned economic activities – information for the year 2023

Financial year 2023		2023		Substantial Contribution Criteria					
	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Economic Activities (1)	OBJ X.X	Currency	**%**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1			%						
Activity 1 (d)			%						
Activity 2			%						
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0€	0%	%	%	%	%	%	%
Of which Enabling		€	%	%	%	%	%	%	%
Of which Transitional		€	%	%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)									
				EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)
Activity 1 (e)			%						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0€	0%	%	%	%	%	%	%
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**0€**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities		16 M€	100%						
TOTAL (A. + B.)		**16 M€**	**100%**						

	DNSH criteria ('Does Not Significantly Harm')(h)									
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Garanties minimales (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	Y	Y	Y	Y	Y	Y	Y	%		
	Y	Y	Y	Y	Y	Y	Y	%	E	
	Y	Y	Y	Y	Y	Y	Y	%		T
	Y	Y	Y	Y	Y	Y	Y	0%		
	Y	Y	Y	Y	Y	Y	Y	%	E	
	Y	Y	Y	Y	Y	Y	Y	%		T
								%		
								0%		
								0%		

3.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities per environmental objective – disclosure covering year 2023

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Operating Expense (or OPEX) Indicator

OPEXs to consider include:

- related to eligible activities;
- part of a plan to expand an activity or make an activity sustainable; and
- related to economic activities referred to as "individual measures" in the Taxonomy to reduce the Company's environmental footprint, such as expenses related to premises, vehicles and data hosting.

Not all operating expenses are to be taken into account. Only R&D costs, building renovation costs, short-term lease charges, maintenance, servicing and repair costs of assets as well as any other direct expenses related to the routine maintenance of tangible assets necessary for their proper functioning are to be considered.

For the full year 2023, operating expenses amounted to €353.5 million for the Exclusive Networks group, broken down as follows:

- personnel costs: €199.6 million;
- asset depreciation: €73.1 million; and
- other current and non-recurring operating expenses: €80.8 million, of which €26.6 million correspond to external expenses.

The Exclusive Networks group's business model is essentially based on human resources. As a result, operating expenses consist mainly of personnel costs, asset depreciation, and other operating expenses such as rent, travel, marketing and advertising expenses, which do not fall within the scope defined in the Taxonomy. In addition, the Group does not have any expenses related to Research and Development.

Within the meaning of Delegated regulation (EU) 2023/2486 of 27 June 2023, as the activities of the Exclusive Networks group are not considered to contribute substantially to the six environmental objectives (CCM, CCA, WTR, EC, PPC, BIO) they are not eligible. Therefore, only operating expenses that fall within the scope of individual measures can be taken into account.

As the Exclusive Networks group did not incur any operating expenses for the year 2023 under these individual measures, the share of the Group's OPEX expenses relating to eligible economic activities and consequently aligned with the Taxonomy is not significant.

Share of OPEX for products or services associated with Taxonomy-aligned economic activities – information for the year 2023

Financial year 2023		2023		Substantial Contribution Criteria					
	Code (a) (2)	CapEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Economic Activities (1)	OBJ X.X	Currency	**%**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**	**Y ; N ; N/EL (b) (c)**
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1			%						
Activity 1 (d)			%						
Activity 2			%						
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0€	0%	%	%	%	%	%	%
Of which Enabling		€	%	%	%	%	%	%	%
Of which Transitional		€	%	%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)									
				EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)	EL ; N/EL (f)
Activity 1 (e)			%						
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0€	0%	%	%	%	%	%	%
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**0€**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities		353.5 M€	100%						
Total (A. + B.)		**353.5 M€**	**100%**						

DNSH criteria ('Does Not Significantly Harm')(h)									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Garanties minimales (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	%		
Y	Y	Y	Y	Y	Y	Y	%	E	
Y	Y	Y	Y	Y	Y	Y	%		T
Y	Y	Y	Y	Y	Y	Y	0%		
Y	Y	Y	Y	Y	Y	Y	%	E	
Y	Y	Y	Y	Y	Y	Y	%		T
							%		
							0%		
							0%		

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities per environmental objective – disclosure covering year 2023

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Legend

(a)	The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.: • Climate Change Mitigation: CCM • Climate Change Adaptation: CCA • Water and Marine Resources: WTR • Circular Economy: CE • Pollution Prevention and Control: PPC • Biodiversity and ecosystems: BIO For example, the Activity «Afforestation» would have the Code: CCM 1.1
(b)	• Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; • N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; • N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective
(c)	Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using templates in sheets CA (2), CapEx (2), and OpEx (2)
(d)	The same activity may align with only one or more environmental objectives for which it is eligible.
(e)	The same activity may be eligible and not aligned with the relevant environmental objectives.
(f)	• EL - Taxonomy eligible activity for the relevant objective; • N/EL - Taxonomy non-eligible activity for the relevant objective
(g)	Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.
(h)	For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL; and b) for DNSH – Y/N codes.

In addition, in response to Article R. 225-105 of the French Commercial Code and for the 2023 financial year:

- the Exclusive Networks group's strategic orientations in terms of social, societal and environmental responsibility are determined by the Board of Directors, on the proposal of the Executive Committee; Deployment is carried out locally at the country level;
- the Exclusive Networks group has no provisions or guarantees for environmental risk; and
- the resources devoted by the Group to the prevention of environmental risks and pollution are not significant as it does not represent a substantial subject of the sector of activity.

3.6.3 Climate Change

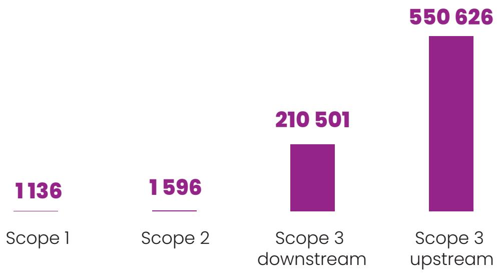
Carbon Footprint

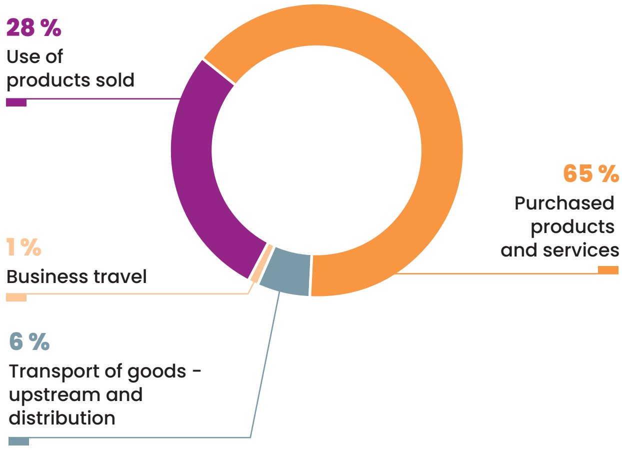
The decarbonisation strategy at Exclusive Networks is rooted in a comprehensive carbon footprint calculation in accordance with the GHG Protocol.

This fundamental step is crucial as it identifies and quantifies carbon reduction levers, providing a clear reference point for establishing realistic and effective decarbonisation targets.

In 2023, within the scope of this report, the Exclusive Networks group's consolidated greenhouse gas emissions amounted to 768,701 metric tonnes of carbon equivalent with 45% uncertainty, taking into account the limits described below.

	Retrospective data				Milestones and target years			
	Base year	Ref year data	N	% N/N-1	2025	2030	(2050)	Annual target in % / base year
Scope 1 GHG emissions	**2022**							
Scope 1 gross GHG emissions (tCO_2eq)		**1,194**	**1,136**	**95%**		**1,187**		**-5%**
Percentage of Scope 1 GHG emissions from regulated emissions trading systems (%)		0	0					
Scope 2 GHG emissions								
Market-based Scope 2 gross GHG *emissions* (tCO_2eq)		0	0					
Gross Scope 2 Location-Based GHG Emissions (tCO_2eq)		**1,448**	**1,596**	**110%**		**579**		**-5%**
Significant scope 3 GHG emissions								
Total gross indirect GHG emissions (scope 3) (tCO_2eq)		**782,926**	**765,968**	**97%**				
Cat. 1 Goods and Services Purchased [Optional Subcategory: Cloud Services & Data Centre]		397,082	489,189	123%				
Cat. 2. Capital Assets		51	237	465%				
Cat. 3. Fuel and energy activities (not included in SC 1 and 2)		405	987	244%				
Cat. 4 Upstream Transmission and Distribution		23,655	53,261	225%				
Cat. 5 Waste generated during operations		41	461	1.124%				
Cat. 6. Business travel		807	9.690	1.201%				
Cat. 7. Commuting for employees		2.584	1.375	53%				
Cat. 8. Upstream Leased Assets		0	0					
Cat. 9. Downstream transport and logistics		98	33	34%				
Cat. 10. Processing of Sold Products		0	0					
Cat. 11. Use of Products Sold		355,666	207,667	58%				
Cat. 12. End-of-life treatment of sold products		2,536	3,068	121%				
Cat. 13. Downstream Leased Assets		0	0					
Cat. 14. Deductibles		0	0					
Cat. 15. Investments		0	0					
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)		**785,568**	**768,701**	**97%**				
Total GHG emissions (market-based) (tCO_2eq)		0	0					





Energy consumption

Energy consumption of the Exclusive Networks group sites consolidated for this report (Scopes 1 and 2) - 2023:

Categories	Quantities	Units	Scope
Heating oil	7,000	L	1
Diesel fuel from mobile sources	328,117	L	1
Petrol fuel from mobile sources	326,783	L	1
City gas heating	839,550	kWh	2
Electricity from mobile sources	40,097	kWh	2
Electricity	2,525,510	kWh	2
Of which renewable electricity	505,102	kWh	2
Heating network	24,519	kWh	2

Energy consumed (MWh)	2022	2023	Variation
Total consumption of fossil fuel sourced energy	6,602.26	4,160.59	-37%
Share of fossil fuel sourced energy in total energy consumption (%)	90%	89%	-1%
Share of nuclear sourced energy in total energy consumption (%)	0	0	-
Total consumption of renewable energy	702,742	505,102	-28%
Share of renewable energy in total energy consumption (%)	10%	11%	+10%
Total energy consumption	7,305	4,665.7	-36%

Decarbonisation strategy

The process evolves through a dynamic cycle of analysis, adaptation, implementation and monitoring.

1. Environmental Impact Assessment

   The first phase involves an in-depth analysis of the environmental issues affecting the Company. By using scenario planning, Exclusive Networks can anticipate the impact of different environmental scenarios on its operations, enabling a tailored strategic response.

2. Adaptation of the Strategy and the Transition Plan

   The insights from scenario analysis guide the adaptation of the Company's strategy and transition plan. This ensures that the business remains resilient and adaptive to environmental changes while maintaining performance and competitiveness.

3. Implementation of mitigation actions in France

   Practical steps are taken to implement mitigation actions that can either realise or enhance environmental opportunities. This phase is about transforming strategy into action, with a focus on achieving short-term goals aligned with the 2025 targets and engaging relevant business departments to ensure that these actions are integrated across the Company.

4. Measuring the impact and monitoring progress

   The Company is committed to regularly measuring its performance in comparison with the transition strategy and plan. This involves a continuous cycle of updating and refining carbon footprint calculations, assessing progress annually, and adjusting the decarbonisation plan as necessary.

The decarbonisation journey at Exclusive Networks is not a linear path, but a strategic cycle that involves constant iteration and refinement. The Company is guided by a set of short-term (2025) and long-term (2030) goals, which are underpinned by both business as usual and transition scenarios.

In addition, the importance of communication and approval processes within the Company structure should be emphasised. A dialogue is established with the Executive Committee, ensuring that the transition plan receives the necessary executive support and that the strategic objectives are reported and integrated into the overall strategy of the Company.

Environmental scenarios

Exclusive Networks has established potential trajectories for its decarbonisation journey, based on two environmental scenarios.

Business-as-usual (BAU) scenario

In this scenario, we observe the continuity of economic trends without any constraints related to climate objectives.

This scenario includes:

- sustained growth in the cybersecurity market, with Exclusive Networks anticipating growth of up to $106 billion in 2027; and
- a stable split between hardware and cloud, with increased energy consumption due to the use of hardware products.

In this scenario, no significant actions or changes are undertaken by Exclusive Networks or external stakeholders to alter the current emissions trend.

Transition Scenario (T)

In contrast to the baseline scenario, the transition scenario describes a proactive approach where Exclusive Networks, in response to macroeconomic developments and the actions of external stakeholders, aligns with a greener business model. Sales follow the same growth trajectory as in the BAU scenario, but with a transition to a greater distribution of services/software over hardware products by 2030, in response to energy savings provided by suppliers.

In this scenario, Exclusive Networks implements:

- internal actions to reduce its carbon footprint, such as electrifying its vehicle fleet, converting gas boilers, limiting business air travel, optimising freight, and increasing the use of recycled plastics; and
- external actions such as the decarbonisation of the energy mix by countries, energy efficiency commitments by suppliers, and measures such as the ban on coal for urban heating networks in France.

It is assumed that this transition is indirectly propelled by increased awareness of environmental issues and suppliers' efforts to improve energy efficiency.

These scenarios are not mere projections, but serve as a strategic tool to navigate transition risks, capitalise on opportunities, and support the development of a 2024-2030 decarbonisation roadmap, reflecting Exclusive Networks' short- and long-term goals.

Results of the simulations

Chart A: comparing «Business-as-usual» and «transition» scenarios (emission intensity)

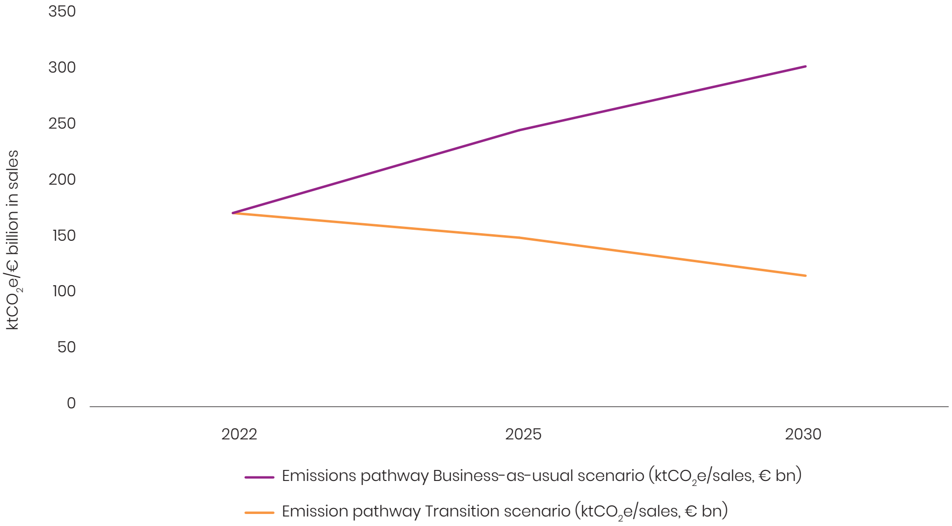
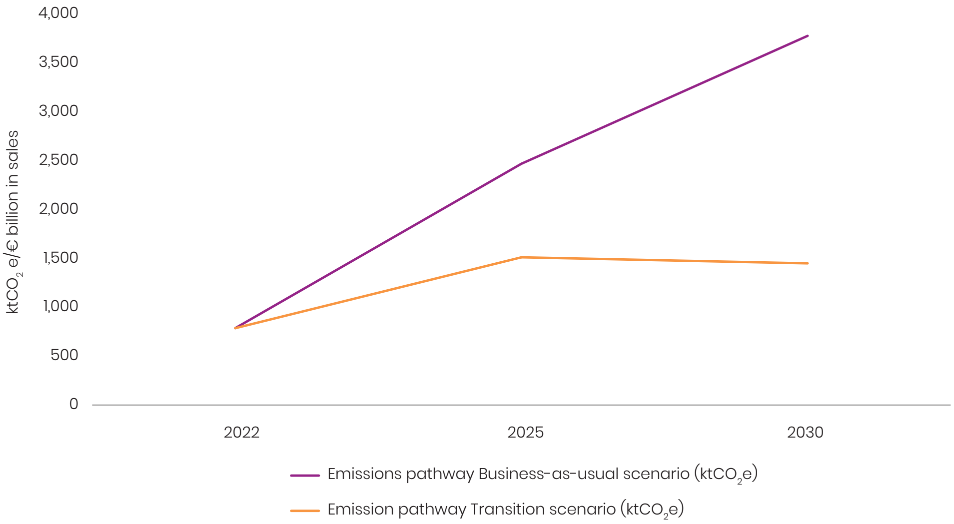


Chart B: comparing «Business-as-usual» and «Tansition» scenarios (absolute emissions)



- **Chart A** illustrates the Group's carbon intensity, which is the amount of CO_2e (carbon dioxide equivalent) emissions per billion euros of sales.

It compares the baseline scenario, which represents progress without significant strategic change, with a transition scenario that incorporates decarbonisation measures.

In the baseline scenario, carbon intensity increases, which is undesirable, while in the transition scenario, a slight downward trend is noted, thanks in particular to the reduction in the share of hardware products in revenue, suggesting a transition to cloud or carbon-efficient solutions.

- **Chart B** shows absolute emissions, which increase significantly in the baseline scenario due to assumed sales growth, while the transition scenario shows a stabilisation of emissions despite sales growth thanks to actions taken such as decarbonising electricity and improving energy efficiency, demonstrating that they are effective in stabilising emissions despite increased sales.

In the context of decarbonisation, the transition scenario is clearly the most favourable, as it assumes that the Company takes steps to reduce its carbon intensity and stabilise its emissions in absolute terms.

Chart C: emission reduction in the Transition scenario vs BAU, by category 2025 (tCO_2e)

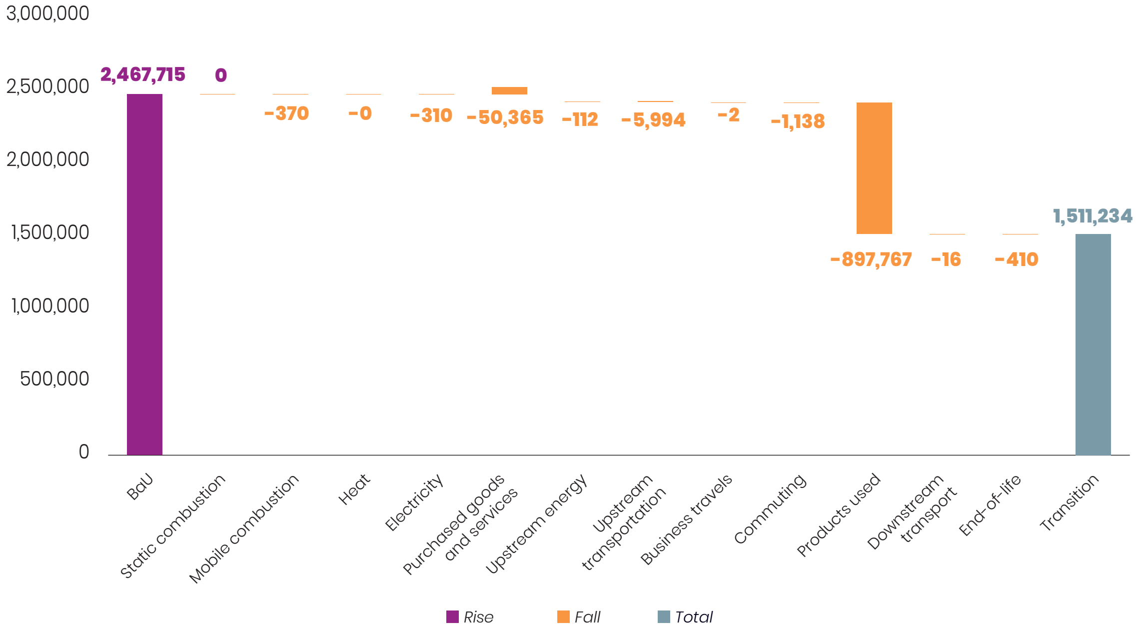
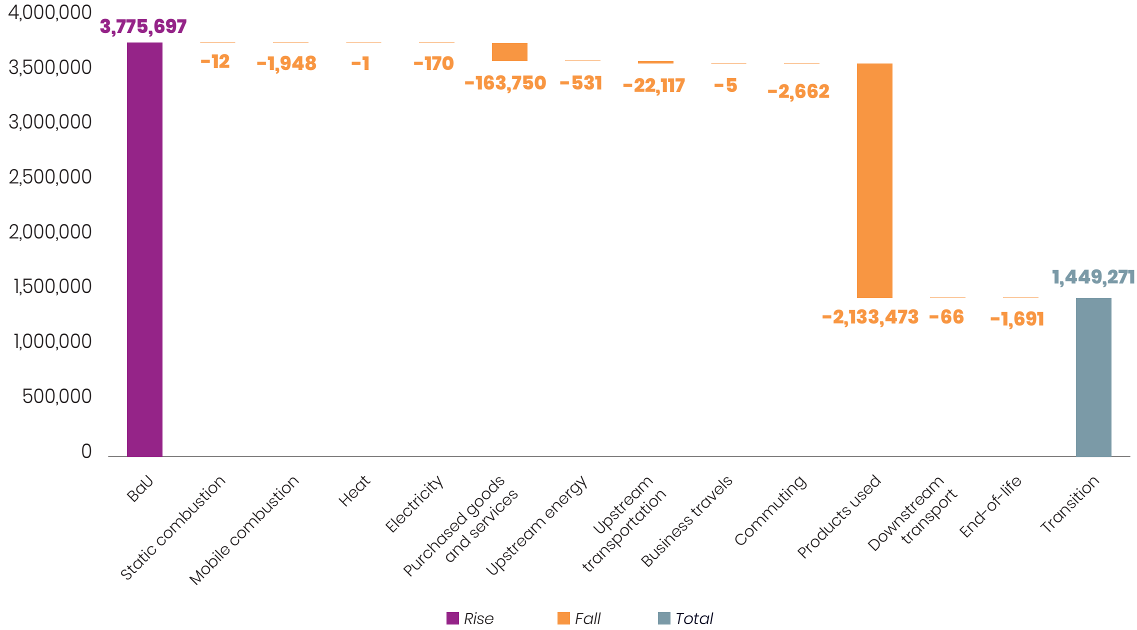


Chart D: emission reduction in the Transition scenario vs BAU, by category 2030 (tCO_2e)



- **Chart C** shows that, although absolute emissions increase in 2025, emissions intensity decreases relative to the baseline scenario. The reduction is quantified at 956 $ktCO_2e$/million euros of turnover, which represents a decrease of 13% compared to 2022. This suggests that even as the Company continues to grow and its total emissions increase, it becomes more efficient in terms of emissions per unit of revenue generated.
- **Chart D** provides a similar overview for the year 2030, where absolute emissions continue to increase, but emissions intensity decreases more significantly compared to the baseline scenario, with a 33% reduction from the 2022 base year. The total reduction is 2,326 $ktCO_2e$/million euros of turnover. This indicates a significant improvement in the Company's carbon efficiency over a longer period of time.

3.

The two graphs (C & D) confirm the importance of distinguishing between absolute emissions and emissions intensity: absolute emissions may indeed increase due to business growth, while emissions intensity decreases, which could mean that the Company is making progress towards its decarbonisation targets, Indicate that the measures taken are effective, and that the Company is becoming greener despite the expansion of its operations.

Chart E: impact of reduction actions in the Transition scenario vs BAU, 2025 (tCO_2e)

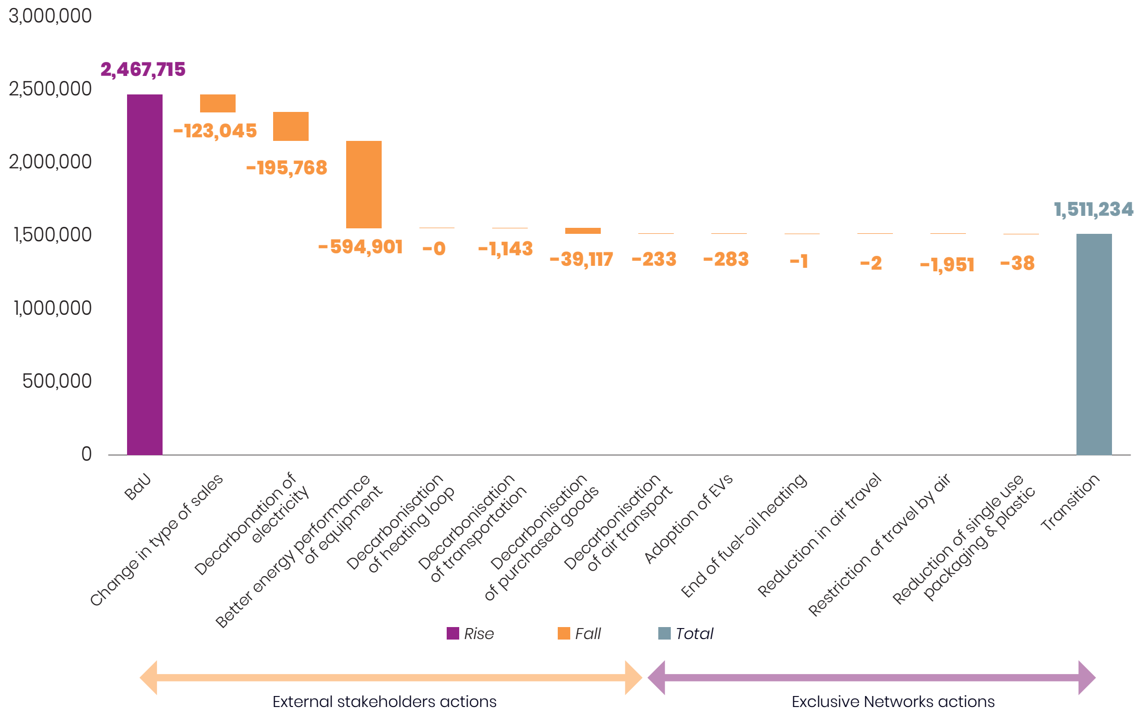
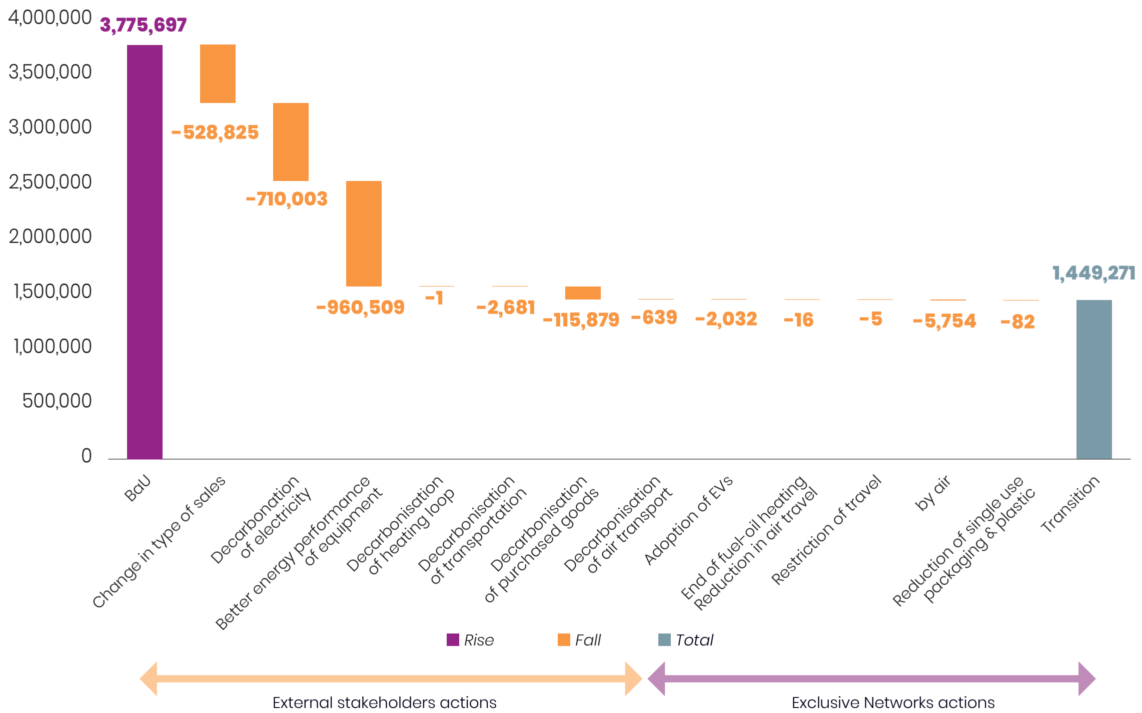


Chart F: impact of reduction actions in the Transition scenario vs BAU, 2030 (tCO_2e)



- **Chart E** illustrates the most impactful actions by 2025: the decarbonisation of electricity and the energy efficiency of IT equipment, with estimated reductions of 195,768 and 594,901 tCO_2e respectively over the period. These actions are followed by measures such as employee transportation. Interestingly, changing the sales mix to reduce the share of hardware products appears to have a significant effect, highlighting the importance of a shift to less emissive products and services (Cloud). The actions of external stakeholders, such as suppliers and consumers, also play a significant role.
- **Chart F** for 2030 shows a similar trend with even greater emission reductions through improved energy efficiency and the decarbonisation of electricity. In addition, the significant decrease in emissions due to the decarbonisation of manufactured goods indicates that changes in the Company's production or supply have considerable potential to reduce emissions in the long term.

In both cases, the Company's internal actions (EXN actions) are crucial to achieving decarbonisation goals, but the actions of external stakeholders are also essential or even more significant to reduce the Company's overall carbon footprint. This illustrates the importance of working collaboratively with the entire value chain, including suppliers, distributors and customers, to achieve a substantial reduction in greenhouse gas emissions.

Climate Trajectory and SBTi Commitment

Based on the simulations aligned with the SBTi initiative, the results of which have been presented above, Exclusive Networks commits through this report and through its SBTi commitment to reduce:

- Scope 1 and 2 absolute emissions of GHGs (Greenhouse Gases) by 40% in 2030, compared to base year 2022; and
- Scope 3 emissions per unit of value added revenue (emissions intensity Scope 3) by 33% in 2030, compared to base year 2022.

Emission reduction: strategies by scope

Exclusive Networks' strategy is based on targeted measures, the implementation of which is prioritised according to their potential impact and estimated cost.

It is important to remember that Scope 3 carbon emissions represent 99% of Exclusive Networks' total carbon footprint.

The key actions identified by scope are:

Scope 1: Direct Emissions

1. Transition to Electric or Hybrid Vehicles

   With the aim of reducing emissions from mobile sources by 10%, Exclusive Networks plans to gradually replace its current fleet with electric or hybrid vehicles, aiming for an estimated emission reduction of 300 tCO_2e per year.

2. Energy Efficiency Improvements in Operations:

   A 10% reduction in emissions from stationary combustion is expected, which would represent a reduction of 270 tCO_2e per year.

Scope 2: Indirect Emissions from Purchased Energy

1. Switching to Renewable Energy

   The aim is to eventually use 80% of electricity produced from renewable sources, which could reduce emissions by 1,200 tCO_2e per year.

2. Advanced Energy Management Systems

   By adopting a smarter use of energy, Exclusive Networks aims for an additional 10% reduction.

Scope 3: Other indirect emissions

1. Air Freight Optimisation

   Although costly, this measure is essential to reduce the carbon impact of transporting products. The Company plans to adopt greener logistics solutions and improve the efficiency of delivery routes.

   These efforts could reduce emissions by an average of 1,300 tCO_2e per year.

   In light of the fact that:

   - the products marketed are imported from the suppliers' manufacturing sites, mainly located in Asia, and
   - whereas there are few stocks due to the very large number of references and the speed with which this equipment evolves to ensure its efficiency, it is not yet possible to use rail and inland waterway transport;

2. Packaging Reduction & Recycling

   Exclusive Networks aims to minimise the use of packaging and promote recycled materials. This action is moderately expensive and has a multiplier effect, reducing waste and the carbon footprint associated with the production of new materials.

3. Phasing out internal combustion vehicles

   The Company is committed to replacing its fleet with electric vehicles, reducing emissions from business travel and after-sales services.

4. Reduction of business travel

   Exclusive Networks plans to significantly reduce business travel, encouraging virtual alternatives for meetings and conferences, which will help limit emissions from air travel.

5. Disposal of oil-fired boilers

   Although costly, replacing oil-fired boilers with cleaner alternatives is a necessary step in reducing the Company's direct emissions.

6. Supplier Commitment to Sustainable Practices

   Exclusive Networks will work with its suppliers to encourage sustainable practices, with a potential to reduce emissions by 6,000 tCO_2e.

7. Redesign of products for greater efficiency (eco-design)

   Promote energy-efficient products and work with our suppliers to redesign products to improve efficiency. An estimated reduction of 5,000 tCO2e is expected per year.

8. Incentives for teleworking and the use of public transport

   By promoting teleworking and the use of public transport, a reduction of more than 100 tCO_2e could be achieved.

3.6.4 Resource use and circular economy

Context

Recognising the scale of the challenge and the need for decisive action, Exclusive Networks has a clear ambition: **to achieve the recycling of 100% of end-of-life products by 2030, with 2022 as the base year**.

This ambitious initiative is part of a broader strategic framework, aimed at deeply embedding the principles of circularity within the Company's business model, illustrating a symbiosis between economic growth and environmental responsibility.

Integrating circularity into the business model

Exclusive Networks is committed to re-evaluating and enriching its circularity strategy, closely aligning it with its business model.

The aim is to create a symbiosis between economic growth and environmental responsibility, thus transforming the challenges of circularity into strategic opportunities.

Optimisation of the Take-Back Programme

Exclusive Networks takes a proactive approach to recycling through its take-back programme, which recovers end-of-life products sold to customers, as well as those used for training and demonstrations. This commitment is concrete in a multitude of countries, from France to the United States, including India and Australia. Each subsidiary processes an average of 1,500kg of recycled material, i.e. approximately 40 metric tonnes for the entire Group.

Exclusive Networks plans to enhance this programme in 2024 to maximise the efficiency of end-of-life product collection and recycling, ensuring that each product returns to the economic cycle in one form or another.

In-depth Impact, Risk and Opportunity Assessment (IRO)

Recognising the importance of a nuanced understanding of the issues, the Exclusive Networks group plans to conduct detailed assessments. These will help pinpoint the impacts, opportunities and risks associated with its circularity practices, thus illuminating the path to informed strategic decisions.

Exclusive Networks' impact is not limited to e-waste management (WEEE). The Company is also shaping the future through its support and maintenance business, extending the life of equipment. In addition, the eco-design of solutions and Green IT are at the heart of its strategy, significantly reducing the environmental footprint.

Management policy

To achieve these ambitions, the development of a robust management policy is crucial. Exclusive Networks is committed to developing and implementing a policy that will govern its circularity initiatives, ensuring consistency, accountability, and efficiency at all levels of the organisation.

This management would not be possible without the involvement of stakeholders.

Exclusive Networks' strength lies in its ability to forge strategic partnerships with experts in e-waste management, such as IWASTE (UK), Paprec (France), and NORMSRECYCLING (US). These collaborations not only ensure compliance and environmental responsibility, but also promote a cleaner, greener industry.

Exclusive Networks' vendors, such as Fortinet, are pioneers in product improvement. This is evidenced by the 66% reduction in average energy consumption of the new 2022 models. Resellers, like NTT Data, are also contributing to this momentum by integrating circular design into their operations to reduce waste and carbon emissions.

Revision of waste management targets

The Group plans to revise its targets for waste disposal, resource reuse and its contribution to the European circular economy. This effort aims to align its practices with the highest standards and position Exclusive Networks as a sustainability leader in the digital sector.

Exclusive Networks recognises the importance of raising awareness among its resellers and educating them on circularity principles, and is committed to implementing dedicated training programmes, to ensure a thorough understanding and effective application of these principles in their day-to-day operations.

In addition, by collaborating with non-profit organisations, Exclusive Networks will strive to give a second life to certain equipment, thus enhancing its social and environmental impact.

3.7 Social and societal information

3.7.1 Company Workforce

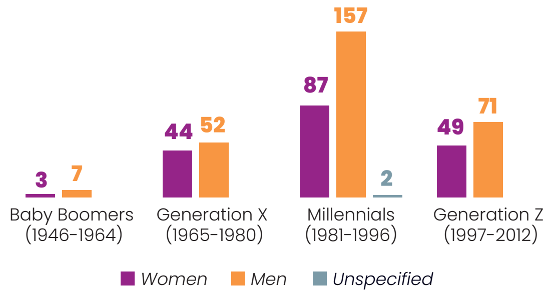
The Group had 2,163 employees[1] as of 31 December 2023 on the scope of consolidation used for this Non-Financial Performance Statement, up 4.64% compared to the previous year. The characteristics of the 472 hires and 376 departures are described below. This slowdown in hiring can be explained by the improvement in the retention rate combined with a historically low and controlled attrition rate, while supporting the Group's growth and performance.

Hires by region*	2022	2023
Americas	31	29
APAC	114	81
EMEA	478	362
Total	**623**	**472***

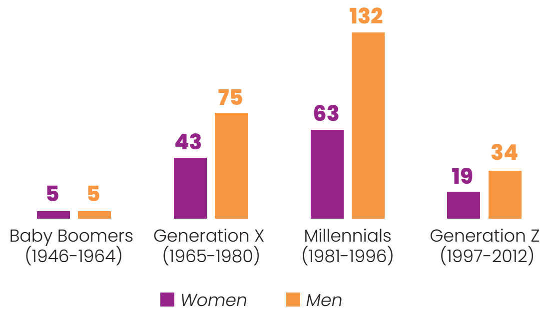
* Proforma information on an Equal perimeter.

Changes in the number of employees

Hires by generation and gender over the period in 2023



Departures by generation and gender over the period in 2023



Like the Group's workforce, 52% of the recruitments were Millennial employees (26 to 41 years old). 25% of recruitments concern generation Z (under 26 years old), linked to the recruitment of a large number of interns and apprentices.

These figures, which are stable compared to the previous year, demonstrate the Group's societal commitment to the training of young people.

The proportion in terms of gender parity is stable compared to the previous year, with 61% of the staff recruited being men.

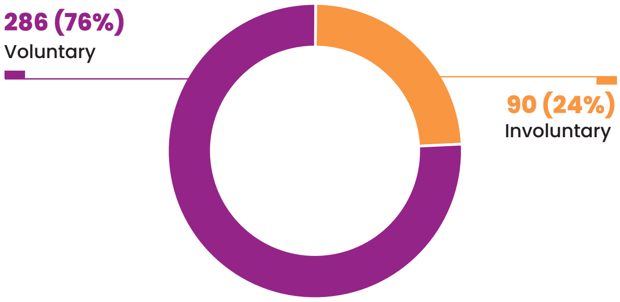
Like many players in the digital and cybersecurity worlds and more generally in digital companies, a certain number of employees are external consultants who bring their expertise to a wider territory where the Group is present, in specific functions, in particular finance and information technology. These experts choose to carry out their duties in the organisation under the status of "contractor". They are not part of the salaried workforce and are not included in the 2,163 employees identified in the scope of this performance report.

These employees will be included in the reporting under ESRS - S1. In accordance with the regulations resulting from the CSRD.

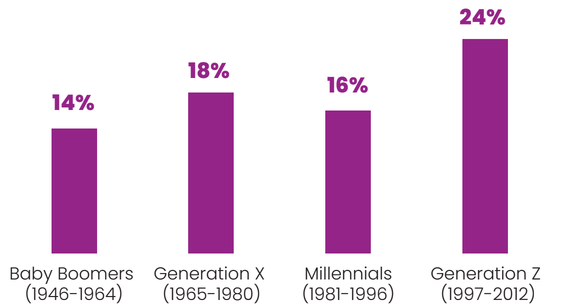
Geographically, the distribution of hires is similar to that of headcount with 80% for EMEA, 14% for Asia-Pacific, 6% for the Americas.

(1) 81.3% of the Group's employees are covered by this Statement of Non-Financial Performance.

Voluntary and involuntary departures 2023



Departure rate of permanent employees in 2023 by generation



The 2023 financial year is characterised by a significant decrease in departures compared to the previous year for all generations, with the exception of generation X.

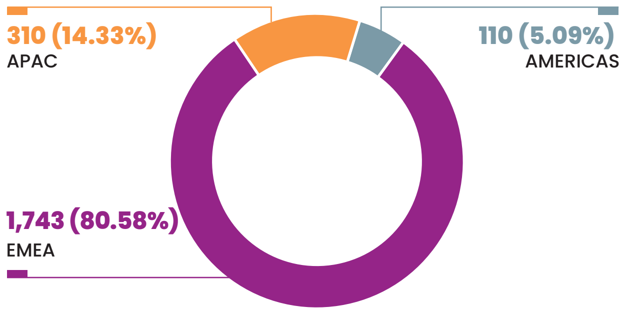
Characteristics of employees

Geographical distribution of employees

Evolution of the Group's workforce by geographical area	2022	2023
EMEA (excluding France)	1,423	1,482
France*	236	261
Asia Pacific	321	310
Americas	87	110
Total	**2,067**	**2,163**

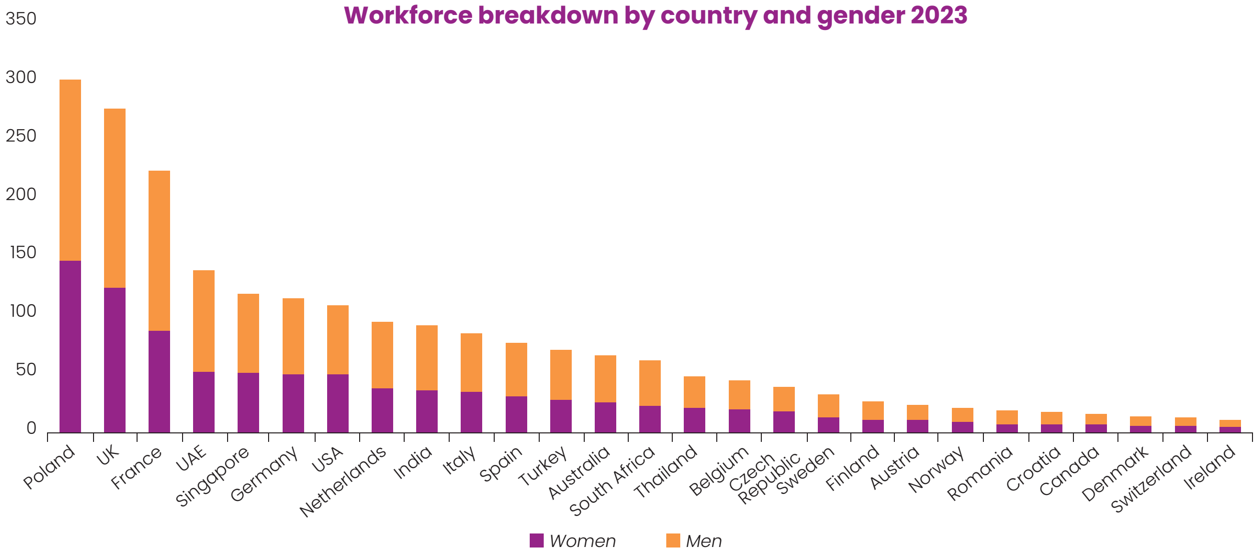
* Country with more than 50 employees or representing > 10% of the workforce Group.

Workforce by region 2023



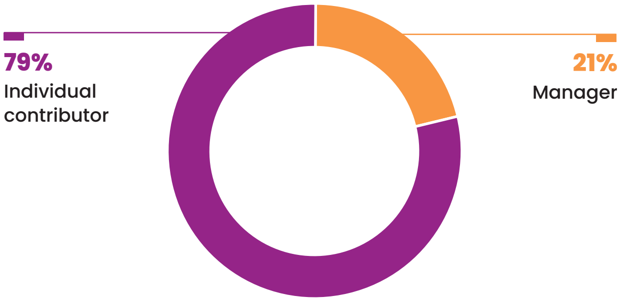
Geographical and gender distribution

Workforce breakdown by country and gender 2023

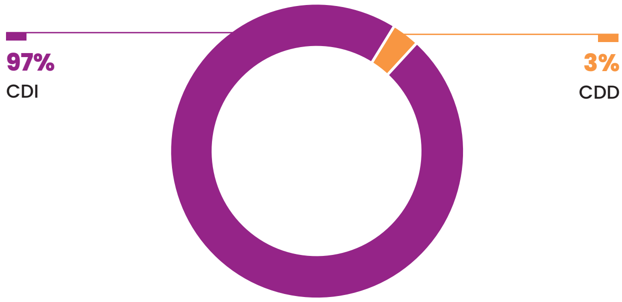


The distribution of employees by type of employee and the associated performance indicators are more fully detailed in the section 3.7.7 "*Diversity, Equity and Inclusion (DE&I)*" of this Statement of Non-Financial Performance.

Distribution of employees by category 2023



Distribution of employees by status 2023



Distribution of employees by category*	2022	2023
Individual Contributors	80%	20%
Managers	79%	21%

* Proforma information on an Equal perimeter.

This distribution remained stable compared to the previous year.

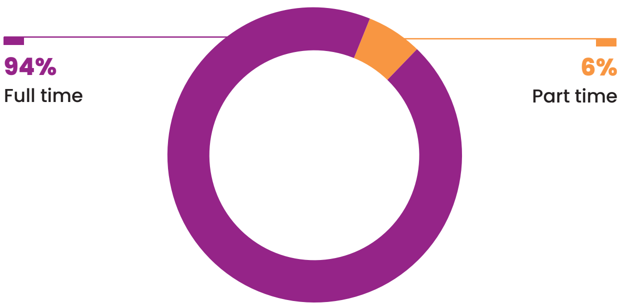
Distribution of employees by status*	2022	2023
Number of employees on permanent contracts	2,025	2,102
Number of employees on fixed-term contracts	42	61

* Proforma information on an Equal perimeter.

The Group favours the use of permanent contracts in order to increase employee loyalty and commitment: 97% of employees are on permanent contracts.

More than 80% of fixed-term contracts are for apprentices and trainees.

Breakdown of full-time and part-time contracts 2023



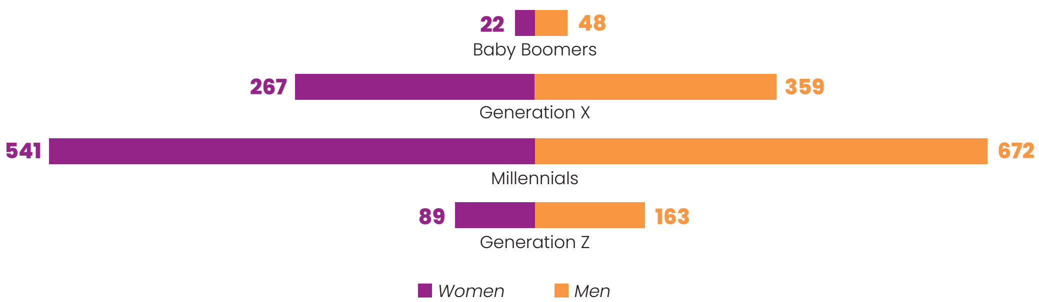
Breakdown of full-time and part-time contracts*	2022	2023
Full-time	1,950	2,038
Part-time	117	125

* Proforma information on an Equal perimeter.

The split between full-time and part-time contracts is stable, with full-time recruitment remaining the norm. A percentage amounting to 9% of women work part-time compared to 4% of men.

Distribution of employees by generation and gender

Age pyramid 2023*

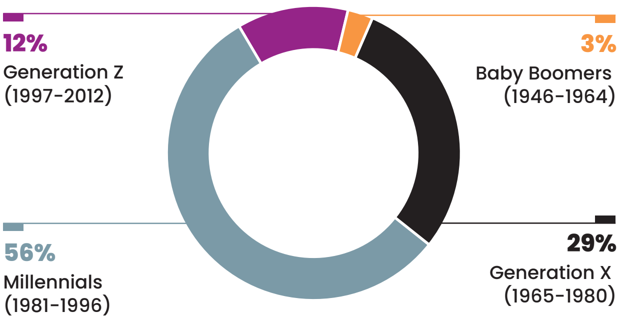


* *Generation Z (< 26 years), Millennials (26-41 years old), Generation X (42-57 years old), Baby-Boomers (58 years old and more).*

Category by age*	2023
Millennials (1981-1996)	1215
Generation X (1997-2012)	626
Generation Z (1997-2012	252
Baby-Boomers	70
Total	**2 163**

* Proforma information on an Equal perimeter.

Breakdown of the workforce by generation 2023



For the scope of this report, the average age is 38.29 years, more than half of the age of the Millennial generation (between 26 and 41 years old).

3.7.2 Governance of social issues

The Human Resources Department, whose mission is to "Anticipate and Guarantee the future of the Exclusive Networks group by attracting, developing and retaining talent and establishing the target organisations and effective processes of the future in order to contribute to the improvement of the Company's performance and ensure its sustainability" is headed by the VP Group's Director of Human Resources and Communication. She is a member of the Executive Committee and reports directly to the Chief Executive Officer, with whom she is in regular contact.

The Human Resources Department operates at two levels:

- at the head office level: the teams at the head office bring together the expertise of Tools, Data and Programmes, Compensation and Benefits, Recruitment and Skills Development, and aim to support and equip the HR operational teams in a homogeneous way; and
- at the Local/Regional level: the regional operational Human Resources Directorates, attached to the Country Managers, are responsible for implementing global programmes and supporting operational activities.

This organisational structure thus makes it possible to preserve the agility, specificities and uniqueness of the countries.

The Group Director of Human Resources and Communications oversees the Group's human resources policy by relying on the operational Human Resources Directors of the regions on the one hand, and on the expert Human Resources Directors at headquarters on the other (HR Development Department, Recruitment Department, Compensation and Benefits Department, etc.), and the Data and Human Resources Information System (HRIS) department).

Weekly meetings are held with all the directors in order to steer and define the strategic direction of the Group's human resources (around key issues such as recruitment, retention, compensation, development, and diversity and inclusion policy) and to monitor the successful implementation of programmes and initiatives at the local level.

The Executive Committee is responsible for approving diversity, equity and inclusion goals and initiatives. On the proposal of the Executive Committee, the Board of Directors determines the objectives of gender diversity in managerial functions.

In 2023, the Human Resources Department strengthened its governance with the recruitment of a Director of Talent Development allowing targeted, ambitious and impactful action on the integration and development of employees and managers. A Global Communication Director structures and articulates internal communication, with a view to unity. They ensure the sharing of information and practices between countries and departments and transparency on the Group's vision and strategy. They ensure full alignment and coherence with external communication.

Review and validation of the implementation of the social strategy

The social performance and initiatives implemented are reported at the Group level by the Director of Human Resources and are regularly presented to the Executive Committee for follow-up on the results achieved during the past year. These results are presented to the Board of Directors at least once a year. In the event that certain performances are not achieved, the reasons and remedial measures are also discussed in the meeting of the Board of Directors. The promotion of diversity, equity and equal opportunities is also carried out by the Director of Human Resources and presented to the same governance bodies.

Deployment

The human resources strategy is deployed in collaboration with the regional human resources teams in order to be adapted to local specificities and challenges.

Since 2021, in order to carry out its missions in a Group with strong international expansion and to equip itself with reliable indicators, the Group's Human Resources Department has deployed a unique Human Resources Information System (HRIS) at the global level ensuring a global and harmonised management and monitoring of all processes and performance:

- automation and optimisation of administrative tasks related to human resources management;
- centralisation and updating of information in real time;
- improvement and standardisation of processes and monitoring of employees' career paths from their recruitment to their departure; and
- automation and making leave requests, performance reviews, career development and remuneration processes more reliable.

This global management makes it possible to carry out real-time analyses on staffing, turnover, etc. or any other key indicator. It allows for monitoring developments and trends continuously thanks to dashboards that can be configured as needed via Power BI. The HRIS allows the connection to other external applications such as the platform used for the annual employee satisfaction survey or the management of interviews, or to give employees simple and autonomous access to all their administrative documents (contracts, training, leave balance, etc.).

Thanks to this tool, Human Resources teams see gains in efficiency, anticipation and projection and have reliable data at all times, allowing them to manage activity objectively and with hindsight, and to focus on higher value-added missions.

3.7.3 Social Dialogue and Engagement

Context

Employees are the Group's raw material. Exclusive Networks considers that social dialogue and engagement is an absolute challenge in that it contributes to supporting employee satisfaction, with a direct impact on the retention of talent and expertise and the performance of the Company more generally.

The commitment of each and every one of us, as well as the well-being of our employees at work, are key responsibilities of the Company. In 2023, competition in the labour market remained high, particularly in the cybersecurity sector, which is characterised by a shortage of resources. Throughout the year, the risk of key employees leaving was assessed and action plans were implemented to retain them. Too much turnover, particularly in key positions, could ultimately penalise the Group's growth.

Policy

Exclusive Networks makes every effort to ensure that there is a close relationship between management and operational teams on a daily basis, ensuring that employees are optimally listened to and giving them the opportunity to express their concerns. The strengthening of governance with the recruitment of a Global Communication Director is part of this policy of developing social dialogue and internal communication.

The Exclusive Networks group has set a goal of achieving a 77% engagement rate by 2025. This rate is measured by aggregating several questions relating to notably pride in belonging to the Group, recommending the Group as an employer, motivation to work for the Group and projecting oneself in the Company for more than 2 years.

Key monitoring indicators	2022	2023
Satisfaction survey participation rate	80	84
Engagement rate*	72	71
% of employees covered by collective agreements	N/A	18.9%

* Indicator with a target for 2025.

Actions implemented

Internal Surveys

Since 2021, an internal satisfaction survey "*Your Voice Counts*" has been open to all Group employees around the world. It is launched each year with the support of the Group Chief Executive Officer and is managed by the Human Resources Department. The survey allows everyone to share their experience and express their feelings on themes covering commitment and pride in belonging, the quality of supervision, work-life balance, the quality of collective life (communication and cooperation between teams), the ability to perform their function effectively, feedback and recognition, training and personal development.

A transparent presentation of the main results of the survey is made to all employees in the form of a webinar led by the Chief Executive Officer and the Director of Human Resources.

Based on the 2023 survey, the main and persistent strengths highlighted by employees are:

- relations with their direct manager;
- the fact that their work has a significant value for the Company and a direct impact on its performance;
- teamwork; and
- a clear role and clear missions.

The topics on which the Exclusive Networks group must maintain its attention and efforts are:

- recognition and differentiation of individual performance;
- communication; and
- training and personal development.

The response rate to the survey conducted in 2023 was 84% compared to 80% in 2022.

Key areas for improvement identified in the 2022 survey	Main actions carried out in 2023
Career management	Creation of a classification and levelling of the Group's jobs and implementation of salary bands by role/country.
Differentiating and individual recognition	Recognition programmes implemented at the regional level.
Internal communication	Launch of a quarterly webinar combining presentations of strategic topics with a transparent and open Q&A session with employees.

Key Highlights of the 2023 Survey	Main areas of work selected following the 2023 survey
Improvement in employee satisfaction with workload	Continued efforts to recognise and differentiate individual performance.
Differentiating and individual recognition	Continuation of the work initiated in 2022. Improved identification and recognition of individual performance.
Positive results of the actions put in place to automate and optimise many processes	Strengthening an internal feedback culture.
Internal communication	Continuation of the work initiated in 2022 with the development of an internal communication plan, built on the basis of employee feedback, aimed at creating a more direct link between the Chief Executive Officer, the Group's Executive Committee and all employees and relying on optimal channels and frequencies.
Employee satisfaction with training and personal development programme	Structuring and sharing career paths.

This annual measurement of employee engagement is essential for the relationship of trust that the Group wishes to maintain with its employees on a daily basis and supports the quality of its services. **The satisfaction rate is a key indicator of the human resources management policy.**

The Group's objective is to continue an annual monitoring of employee engagement in order to be as close as possible to their expectations and concerns.

In addition, since 2020, when leaving the Company, each employee can participate in a survey during which they will be able to express the reasons for their decision, share information about their experience within Exclusive Networks and their future professional prospects. This measure makes it possible to identify new practices that are likely to meet employees' expectations.

Institutional social dialogue

The Exclusive Networks group strives to establish a constant and high-quality social dialogue, in compliance with the legislation in force in each country where it operates, as well as in countries where it is not subject to a legal obligation. Social relations are placed in each country under the authority of the Country Manager and the Human Resources Manager, who are responsible for:

- setting up all legal bodies in accordance with local legislation; and
- facilitating regular meetings and dialogue with staff representatives and social partners, where they exist.

In France, 91% of employees benefited from this representation via the Social and Economic Committee (SEC) as of 31 December 2023. Discussions in these forums focussed on the following elements:

- information on the website made available by the SEC for social works;
- reorganisation and renovation of offices;
- presentation of the Gender Equality Index;
- presentation of the SEC's balance sheet; and
- remuneration agreements (profit-sharing and related payments).

Other channels of social dialogue

In addition to these bodies, the Group's Code of Conduct sets out the main principles applicable to all employees who have the opportunity to raise their concerns through the whistleblowing procedure detailed below in section 3.8.2 of this Chapter 3.

Coverage by collective agreements

Local agreements on working conditions and/or with an impact on employee remuneration are in force in a number of the Group's subsidiaries.

In France, 72% of employees were covered by a collective agreement, i.e. 12% of the workforce in the scope of this declaration.

Categories	Country	Nature of the agreement
Agreements with an impact on compensation	France	Participation Agreement Profit-sharing agreement
Agreements that have an impact on working conditions	France	Agreement on flat-rate pay in days over the year
	United Kingdom	Agreement on telework

3.7.4 Ensuring fair and attractive remuneration and benefits

Context

In a context of high competition in the global labour market, especially in the cybersecurity sector where there are not enough qualified employees, it is essential that the Group ensure the competitiveness of remuneration levels, which are rising. This is an important lever for attracting and retaining talent.

A higher turnover, particularly in key positions, could ultimately penalise the Group's growth.

Policy

The Group's policy is to offer everyone a fair and competitive remuneration in the market that reflects the performance and levels of responsibility associated with each person's roles. To this end, the Group aims to position itself at the level of benchmark best practices observed in comparable sectors. This policy takes into account local laws and business practices in each region. Thus, the skills and level of responsibility associated with the roles of employees are compensated by a fixed salary in line with the experience acquired and the practices observed for each profession on the market. Employees are also remunerated by variable remuneration schemes (bonus or commission), depending on the level of responsibility and the country. The purpose of these is to reward individual and collective performance (see the section above on collective agreements that have an impact on remuneration):

- for the majority of operational managers, bonuses are defined in a homogeneous way in each of the countries, with a share of collective objectives and a share of individual objectives.
- for all marketing and sales teams, including employees in operations, commission plans, mostly related to marketing objectives, are defined and represent a significant part of the compensation.

The remuneration policy includes performance incentive plans that must meet the objectives of mobilising key employees towards medium- and long-term performance by encouraging outperformance, associating these employees with the Company's valuation and building loyalty.

3.

Key monitoring indicators	2022	2023
Share of employees with a performance-related variable component in their remuneration	88%	90%
Share of employees who have been awarded performance shares	2%	3%
Share of employees benefiting from a voluntary collective remuneration scheme	23%	24%

Actions implemented & systems

Long-term profit-sharing scheme (LTIP)

Since its IPO in 2021, the Exclusive Networks group aims to associate and align the financial interests of management and a number of key contributors (Group executives, executive committee members, senior executives, talent and experts) with those of shareholders, including through long-term incentive plans (LTIPs). This additional remuneration mechanism aims to motivate and retain beneficiaries by directly involving them in the Group's development.

As a result, around 70 employees as of 31 December 2023 (senior managers, talents and experts) were allocated performance shares in order to link them to the Company's long-term performance and financial results. The definitive acquisition of the allocated shares is subject to the fulfilment of performance conditions and a condition of presence in the Group on the vesting date. The performance indicators used are based on the Group's financial performance (see section 4.3 of Chapter 4 of this Universal Registration Document which presents the history of share awards made by the Group since 2021).

Collective agreements with an impact on employees' remuneration

Collective performance remuneration schemes may exist in some countries, whether they are mandatory legal schemes (profit-sharing in France, for example) or voluntarily set up by the Group according to local practices, such as profit-sharing in France, these schemes, where they exist, are accessible to all employees.

As of 31 December 2023, the Group estimates that at least 18.9% of the workforce was covered by a mandatory and voluntary collective agreement that had an impact on compensation. **In the coming years, the Group will refine the reporting of this indicator.**

In 2023, the Group implemented a profit-sharing plan benefiting all employees based in France. A non-financial criterion related to CSR based on business ethics (Code of Conduct certification rate) has been introduced.

Remuneration and development

The 2023 annual payroll, including salaries and payroll taxes, extracted from the consolidated financial statements of the Exclusive Networks group, was €200 million, up 9% year-on-year (see *Note 5.3. Personnel Costs* to the 2023 consolidated financial statements in Chapter 5 of this Universal Registration Document). This increase is linked to, among other things, the increase in the number of employees, the impact of exchange rates and the increase in salaries.

Overall, more than 90% of the Group's workforce has performance-related compensation components.

In order to ensure that the Group's employees' salary positions are fair and relevant in relation to the local reference market, the Group relies on external information provided by specialised firms. In addition, it ensures compliance with the minimum wages applicable in the various countries in which it operates.

In 2023, the Group increased its salaries in order to increase its attractiveness in a particularly tight job market.

3.7.5 Career and Skills Development

3.7.5.1 Attracting – Identifying – Retaining Talent

Context

As cyber threats continue to multiply and become more sophisticated, the cybersecurity industry still suffers from a skills shortage. Globally, McKinsey estimates that more than 3 million positions are currently vacant (source: *The unsolved opportunities for cybersecurity providers | McKinsey*).

As a result, competition in the global labour market for cybersecurity skills has increased. Internationally, measures are being taken to address this shortage: in the United Kingdom, for example, the government has launched a €50 million cyber school to support the training of cyber experts. New schools and training courses dedicated to cybersecurity are also emerging in France and abroad (Guardia cyberschool, Oteria).

Faced with the skills shortage, it is therefore essential to identify, attract, retain and engage employees over the long term and to train experts to create a community of talent, develop the Group and anticipate the next generation of internal leaders.

Policy

Exclusive Networks' development and growth is based in particular on its ability to attract talent motivated by the Group's ambition, thus increasing and consolidating the expertise and complementarity of its employees. Exclusive Networks works to be recognised as an employer of choice that attracts and engages talent, in order to contribute to their development and ensure sustainable employability in all its forms. To achieve its objectives, the search and identification of candidates relies on the implementation of consistent and diversified solutions.

To achieve its objectives, the human resources policy is based on three pillars:

- attracting and retaining top talent;
- identifying and detecting talent; and
- developing employees' skills.

The search and identification of candidates is based on the implementation, by a dedicated team of experts, of effective, consistent and diversified solutions.

Key monitoring indicators		2022	2023
Attracting the best talent	Number of job vacancies filled	623	472
	Number of job vacancies filled on permanent contracts	567	418
	Percentage of job vacancies filled by co-optation	30	36
	Percentage of job vacancies filled by external candidates	70	64
	Turnover rate	25.1	17.7
Talent Identification & Retention	Number of employees integrated into the *Rise up programme*	35	31
	Percentage of employee retention integrated into the Rise up programme	83	100

Actions implemented

Increase the Group's visibility and employer brand

Exclusive Networks is committed to strengthening the visibility of its employer brand and its presence on all recruitment channels. Thus, the communication and human resources teams work together to ensure the notoriety of Exclusive Networks on various social networks, in particular LinkedIn and tools popular with the younger generations as part of its policy of attracting young talent. Articles, videos and photos are regularly posted to present the Company, develop the employer brand and communicate about job opportunities.

The Group publishes its offers on its website as well as on LinkedIn and Indeed and other local platforms such as Jobstreet or Glassdoor, Kununu (in Germany), Pracuj (in Poland), Magnent (in Dubai), etc.

Referral policy (Co-option)

In order to attract quality candidates, the Group has set up internal referral programmes allowing employees to promote positions and to recommend quality candidates from their network. Employees who use their network and enable the successful recruitment of an employee are rewarded.

This referral policy is a valuable, rich and highly effective recruitment channel for identifying very good candidates and filling positions while strengthening the employer brand. To date, co-optation is a key and major recruitment channel for the Company. **36% of recruitments were made by co-optation in 2023, up 6% compared to the previous year**.

Academic Relations

With a view to strengthening its reputation and constantly enriching its pool of candidates, the Group maintains privileged relationships with the best training courses (universities and schools) for all its professions, and in particular, with the academies in the field of cybersecurity training the cybersecurity engineers and salespeople of tomorrow. In addition, internships and apprenticeship contracts are offered to students in order to train them and prepare them for recruitment following their graduation.

Exclusive Academy

Exclusive Networks launched the Exclusive Academy in 2022 as a major concrete step forward in bridging the alarming talent and skills gap in the cybersecurity industry. Exclusive Networks sees it as its responsibility, and a societal responsibility, to prepare and train the next generation of cyber defenders.

The Exclusive Academy is reflected in two initiatives that were initially launched in France and the United States.

In France, about twenty students from the first class benefit from a three-year specialised training programme, provided by highly qualified and fully operational cyber-experts, thus meeting the needs of the labour market.

This training combines theoretical content with practical experience in the field, which leads to high-level certifying skills. Hands-on experience in the field is a key differentiator of the programme. Students spend approximately 9 weeks working on technical projects in the field in the first year, then 12 weeks in the second year and 14 weeks in the third year. This practical experience complements the theoretical training programme of 12 weeks of classes in the first year, then 10 weeks in the second year and 8 weeks in the final year. The courses are taught by Exclusive Networks' security and network trainers, who are intimately familiar with the brands and technologies distributed by the Group.

France welcomed the 2nd class in September 2023, with about fifteen students.

The students who are part of the Exclusive Academy come from partner schools Guardia (cybersecurity school based in Paris and Lyon), Oteria Cyber School (cybersecurity school based in Paris), and CalPoly in the United States.

The current Initiatives will be maintained and strengthened before considering an extension to other countries.

Internal mobility

The attractiveness of the Company is also based on its ability to support the professional development of employees, thus offering them the opportunity to achieve personal fulfilment. Internal mobility in all its forms (functional, geographical, lateral, vertical) makes it possible to increase the expertise and know-how of employees on the services offered by Exclusive Networks and the professions that the Group addresses and makes it possible to offer attractive and ambitious career paths to employees.

"Rise up" talent identification & retention programme

The human capital management policy includes an annual process for identifying the Company's key employees and developing succession plans covering major and high-responsibility positions.

The objective is to identify potential successors for each of these positions on variable time scales with development and preparation plans, as well as to target positions for which there is a lack or absence of internal succession.

The Group's Human Resources Department has continued and renewed its global programme for identifying and retaining Top Talent, called the "Rise up programme", which now runs over two years, including a year focussed on developing and realising the potential of Top Talents and a year dedicated to contributing to the Group's future strategic projects.

This programme aims to identify, recognise and develop a certain number of talents across the Group, covering different functions, technical or leadership skills, and thus build a talent pool that will be one of the key success factors for the Group to achieve the development objectives it has set for itself.

With the support of local Human Resources managers, country managers and managers, each year, the programme consists of identifying a certain number of employees with high added value, then evaluating their performance as well as their potential for development and career evolution. Once these people have been identified, an individualised development plan is put in place for each of them. Implemented at the local and Group level, it includes Group and individual components, and is associated with mentoring. The animation of a talent community makes it possible to strengthen team spirit, the link with the Company and the creation of a network of internal talents.

This process ensures that high-potential individuals are clearly identified, recognised and supported as part of an enriching development path, to achieve their full professional potential and bring their expertise to the Group.

The retention of employees integrated into the Rise up programme is the subject of a specific indicator, monitored by the Group's Executive Committee and the Board of Directors, which cannot be published for reasons of confidentiality.

Succession Plan

The Exclusive Networks group establishes a succession plan for a number of strategic functions, at a global and local level, thus anticipating the departure of a key employee performing an essential function requiring experience and whose replacement would be difficult, and to ensure the continuity of the organisation and the achievement of the Company's objectives.

This succession plan is built in several phases:

- identification of key functions – management positions, unique, specific and instrumental positions requiring highly specialised skills essential to the Group's development;
- identification of employees likely to move towards these positions in the short, medium or long term with the support of Human Resources managers and line managers; and
- implementation of specific measures and actions to support the development of identified employees' skills.

This succession plan is closely linked to the Rise up programme and is now part of an annual event. The Human Resources Department is also attentive to diversity in all its forms of the people identified in succession plans, whether in terms of gender, profile or nationality.

This process of identifying key positions, shared with the Executive Committee and the Appointments and Compensation Committee secures the continuity of the Group and the availability within it of the skills necessary for its development and sustainability.

3.7.5.2 Developing employees' skills

Context

Supporting professional development is an important lever for employee engagement and loyalty.

Policy

Exclusive Networks supports and is committed to promoting the development of its employees' skills, in particular through internal and external training or e-learning, which is essential for the transmission of knowledge and know-how and thus gives employees the opportunity to continue to learn and evolve. In addition, internal mobility offers are available to employees to enable them to enrich and diversify their professional experience.

Several action plans (collective and individual) have been implemented by the Group in order to support, encourage and guide the development of its employees' skills and to promote team performance:

- performance appraisal and career development processes in which employees share their desire for development and training with their managers;
- collective and individual training and development policies;
- internal mobility policies;
- succession plans (see above).

The strengthening of human resources governance with the arrival of a Talent Development Director allowing targeted and impactful action on the integration and development of employees is part of this policy (see section 3.7.2 "*Human Resources Governance*").

Key monitoring indicators		2022	2023
Maintain and develop employees' technical and professional skills	Percentage of employees who received an annual review	98	99
	Number of certified employees	674	420
	Number of new certifications	1,395	1,211
	Number of video courses	228	971 (completed courses)
	Number of hours of training per employee	10	2.8
	Number of employees who have taken at least one course	524	477
	Number of employees with at least 1 training course (over 3 hours)	152	102
	Amount committed to all training programmes (in euros)	955 K	840 K

Actions implemented

Performance Appraisal & Career Development

An annual interview is organised to enable all employees to discuss with their manager the appraisal of their performance, the objectives for the coming year, their work-life balance, training and development opportunities in their functions as well as career development prospects. This process concerns all Group employees present on 30 September of the previous year.

In 2023, 99% of employees benefited from a performance appraisal and career development interview with their manager.

Training & Individual Development

Training is a key success factor for the Group. Human Resources teams in each country have the opportunity to adapt their training to the challenges and opportunities specific to their scope. This gives them the flexibility to adjust and refine the local approach.

The Group offers a variety of comprehensive training programmes to enable employees to develop and improve their skills consistently. The programmes cover various themes such as public speaking, or the development of managerial or leadership skills. The proposed formats differ according to the themes addressed, the targets and the objectives pursued. Training sessions can be carried out face-to-face or remotely (e-learning, virtual classes), in Groups or individually.

Two types of training are offered to employees:

- "technical" training, which aims to stay at the cutting edge and support the maintenance and development of employees' technical skills in their profession. These courses are essential in cybersecurity, a sector in which innovation is constant. This may include, but is not limited to, training or certification provided by suppliers on new products or technologies, which in some cases may require personnel working on these products to be certified;
- training aimed at developing behavioural and personal skills ("soft skills").

At the global level, the pilot programme that was launched in 2021 in the form of an e-learning platform, under the slogan "*Learn, Engage, Grow: a unique experience to be at the heart of your personal development*" is being extended and renewed. This campaign targets a specific Group of employees, identified by their manager in collaboration with local Human Resources Managers.

The regular animation of the community of learners allows a good learning dynamic that the Group has reinforced by the structuring of impactful and specific recommended content. The Group is renewing this initiative in 2024 with a main focus on talents and managerial functions.

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

The benefits of this system are:

- unlimited personal access;
- multi-device access;
- multiple formats available (videos, courses, learning paths);
- flexible duration (from 2 minutes to several hours);
- different levels, from beginner to advanced; and
- personalised course recommendations.

Over the past year, the main training modules have focussed on leadership and management, security, business software and sales. Among the modules popular with employees, we can mention for example "The foundations of cybersecurity", "6 morning habits of high-performing people", "Improving concentration", "Expressing yourself confidently and effectively".

Internal mobility

Given the potential offered by its geographical and functional coverage, Exclusive Networks encourages its employees to take an active role in their mobility and professional development. In close collaboration with their human resources department, managers participate in the skills development plan and the management of their teams' career paths.

Given the Group's highly international activity, 88% of Exclusive Networks' workforce is located outside France as of 31 December 2023. Exclusive Networks considers the multicultural dimension to be a major asset in its international development. International, professional and geographical mobility contributes to the wide dissemination of the Group's values within its organisation.

3.7.6 Human and labour rights commitments

Context

Human rights are a key issue. Respecting, promoting and preventing their violations are at the heart of corporate social responsibility. Taking into account fundamental human rights concerns the Group as much as it concerns all companies and their value chains. The Company promotes a culture of respect for people, for its employees and in its business relationships, and is committed to respecting human rights in all the countries in which it operates.

Policy

In view of the Group's rapid growth in recent years, its international development and its presence on five continents, and the expectations of its stakeholders on this major issue, in 2023 the Group finalised the implementation of major policies relating to the respect of human rights. This work involved governance as well as all employees. The human rights commitments enshrined in the Code of Business Conduct and Human Rights Policy include:

- respect for fundamental human rights, as described in the Universal Declaration of Human Rights adopted by the United Nations General Assembly on 10 December 1948, and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work adopted in 1998 and amended in 2022;
- decent working conditions: the Group shall set up an organisation and the necessary resources to:
  - protect the health and safety of its employees,
  - comply with the laws and social regulations applicable in all the countries in which the Group operates, in particular with regard to working hours, rest and holidays,
  - ensure that its employees are fairly remunerated according to their qualifications and skills (see section 3.7.4 above);
  - equal opportunities: the Group has launched a policy and procedures aimed at prohibiting and remedying any situation of discrimination against people, both during their hiring and throughout their professional lives, and to promote diversity and inclusion, considering that it is a strength for the Company, (see the section 3.7.7 below "*Diversity, Equity and Inclusion*");
  - develop the skills of its employees, to enable them to continue to learn and develop their skills and abilities, levers for the Group's success in the cybersecurity sector;
  - respect and dignity in dealings with and between our employees, as described in the introduction to this Universal Registration Document.

The Group does not fall within the scope of Law No. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and ordering companies, but remains vigilant to the formal adoption of the European directive voted in June 2023, which extends the scope of the implementation of a vigilance plan to companies with 250 employees as well as to ultimate parent companies (until then, this obligation was limited to companies employing at least 5,000 employees in France, or 10,000 worldwide).

Key monitoring indicators		2023
Respect for human and labour rights	Share of permanent employees in countries without human rights risk	79%
	Share of turnover generated in countries without human rights risk	94%

The Group is mainly established in geographical areas without risks related to the violation of human rights ("free"), according to the source Freedom House. As a result, the Group has 79% of its permanent workforce in these risk-free areas and generates 94% of its revenue there.

Actions implemented

Whistleblowing procedure

Since 2021, the Group has had an outsourced whistleblowing system, which allows the reporting of any violation of the provisions set out in the Code of Conduct. This system is more specifically presented in section 3.8.3 of Chapter 3 of the 2023 Universal Registration Document. No incidents were reported via the whistleblowing system in relation to a human rights violation in 2023 or 2022. If a violation were to be reported, it would then be investigated and an associated action plan implemented.

Commitments to the prevention of psychological harassment

Exclusive Networks prohibits any attitude that may offend the dignity of persons, in particular any form of harassment. The whistleblowing procedure referred to above makes it possible to deal with such situations.

Outreach and communication

In terms of awareness-raising, "Social respect" training aimed at raising awareness and preventing all forms of harassment has been delivered to all employees in the United Kingdom and to the entire Human Resources function before a wider roll-out in 2024.

General organisation of working conditions

The organisation of working time is adapted to the needs of the Group. Within the various sites, the work of employees is organised within the framework of local regulations, which vary from one legislation to another. The elements associated with working conditions and social dialogue are more particularly detailed in the previous sections. In addition, the Group undertakes to comply with regulations on working conditions (working hours, rest periods, holidays).

The Group must constantly develop its sites in order to improve its operational performance and the working conditions of its employees (see section 3.7.8 below "*Health & Safety*", which describes the work carried out on certain sites).

3.7.7 Diversity, Equity and Inclusion (DE&I)

Context

The Group promotes a diverse, equitable and inclusive world free from bias, gender stereotypes and discrimination and where difference is valued and celebrated. Diversity, equity and inclusion are the daily reality of how we live and work within the Exclusive Networks group, and how we work with all business partners.

Diversity, equity and inclusion are fully integrated into the Company's organisation in all areas and at all stages of working life: recruitment, training, compensation, geographical mobility and career development.

The Group is convinced that its performance depends on the quality and commitment of its employees and that a pleasant and respectful working environment benefits everyone and makes the Group more efficient and productive. Respect for individuals and equal opportunities are core values of Exclusive Networks. All employees, managers and executives must take part for the strategy to be effective. Executives are the guarantors of this for all their employees.

Promoting this environment is an important lever for attracting, creating loyalty and retaining talent, ensuring their engagement and fostering and creating places and spaces where all employees thrive. It is by building on these values that the Group will continue to deliver superior business results, sustainable growth and drive innovation to maintain its competitive edge in its industry.

Policy

Exclusive Networks wanted to strengthen its commitment to diversity and inclusion with the launch of its first diversity, equity and inclusion policy on 8 March 2023, International Women's Day. In particular, the Group undertakes to:

- create an inclusive work environment;
- promote equal opportunities and combat all forms of discrimination;
- promote diversity and equality of resources in all their forms: creation of action plans focussed on career advancement, equal pay, training and work-life balance;
- promote cultural and ethnic diversity, and diversity of origins: Exclusive Networks expects its employees to recognise, respect, and welcome all cultural differences wherever it operates;
- respect and accept all sexual orientations and gender identities; and
- take into account intergenerational differences: it is important for Exclusive Networks to value both the experienced vision of seniors and the innovative spirit of young talent.

This policy, as well as the Code of Conduct, which sets out the commitments in terms of non-discrimination, formalise the commitments to mutual respect and diversity within the Group.

As part of this policy, Exclusive Networks is committed to fostering, adopting, encouraging and preserving a culture of diversity, equity and inclusion (DE&I) and to taking concrete actions to combat all forms of discrimination.

This policy supports and aims to contribute to the achievement of the United Nations Sustainable Development Goals, in particular Goal 5. The Group is committed to implementing a more sustainable way of working and living by respecting all employees, regardless of their origin, gender, sexual orientation, political point of view, religious belief, social status or any other personal condition.

As part of its DE&I journey, the Group is focussing its efforts on four major issues, which are associated with an action plan, performance indicators and a timetable for implementation:

- **ensure the representation of women in management positions** (members of the Executive Committee and their N-1s, Regional Managers, Country Managers and their Management Committees among countries with a turnover of more than €100 million);
- **improve employee awareness and understanding of diversity,** inclusion and equity through training modules;
- **promote equal access to opportunities** for all employees through a single, transparent access and process on the career page of the Company's website; and
- **ensure equal treatment** of men and women.

Despite the actions taken, the ability to recruit women in the field of engineering and cybersecurity remains constrained by their under-representation in educational courses and careers related to computer and digital technologies. Nevertheless, the distribution of men and women within the Company, which can be constantly improved, appears to be very positive.

Exclusive Networks may need to evolve its processes and objectives in response to progress on these topics, or to take into account new business needs and objectives.

A progress report is presented each year to the Board of Directors, covering the initiatives implemented as well as the progress of the various objectives.

As a sign of its commitment to this issue, the Group is working in particular on gender parity and has set itself a target of 40% of women executives or managers by 2025 as part of its 2025 programme.

Key monitoring indicators		2022	2023
Ensuring the representation of women in leadership roles	Number and percentage of women recruited	41%(253)	39%(183)
	Proportion of women in managerial positions*	34%	38%
	Proportion of women on the Board of Directors	38%	37.5%
Awareness and Understanding of DE&I	Percentage of employees and managers who have completed DE&I training and approved the DE&I policy	N/A N/A	67% 59.2%
Equal treatment of men and women	Proportion of women participating in the "Rise up" training programme	42%	45%
	Proportion of women benefiting from a performance share award	27%	39%
	Gender Equality Index (out of 100)(1)	86	97
	Average pay gap between men and women	11,6%	2.5%

* Indicator with a target for 2025.

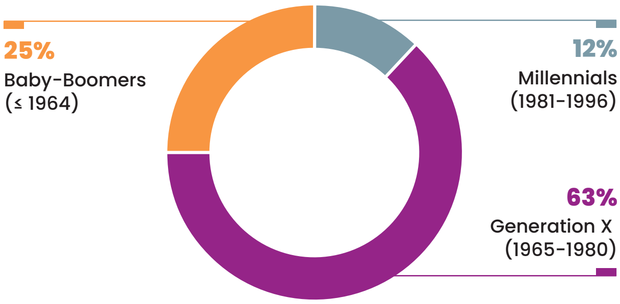
(1) Only Exclusive Networks (a simplified joint-stock company) is subject to the gender equality index, a regulatory indicator for French companies with more than 50 employees. The index is calculated each year in respect of the previous year.

The Group tracks the ratio of women in management positions (members of the Executive Committee and their N-1s, Regional Managers, Country Managers and their Executive Committees) among countries generating revenues above €100 million, which stands at 38% in 2023, up from the previous year.

Actions implemented

Ensuring the representation of women in leadership roles

Distribution of governance members by age 2023



Exclusive Networks' commitment to achieving a balanced representation of men and women is reflected in the composition of its management bodies. Thus, the proportion of women Directors on the Company's Board of Directors is 37.5% in accordance with the legal provisions and the AFEP-MEDEF Code. As of 31 December 2023, the Executive Committee had 2 women out of 8 members.

The Group conducted a study on the share of women in various management positions and proposed an action plan to the Executive Committee and countries to help accelerate the transformations underway. Various actions have been undertaken, in particular:

- specific monitoring of women in talent review: the annual performance review system makes it possible to identify professional development or mobility projects for employees, in particular, projects developed by women, including those aspiring to become managers. Nearly 14 employees make up the pool of female talent and participate in the Rise Up training programme to promote access to positions of responsibility. The 24-month Rise up programme (see section 3.7.5) contributes to the development of inclusive leadership skills in future managers. In 2023, 45% of programme participants were women. A mentorship programme supports high-potential women in their career development;
- particular attention is also paid to female profiles as part of the process of identifying key collaborators and drawing up the succession plan (see section 3.7.5 of this chapter);
- the Group has put in place an inclusive hiring process and ensures that shortlists for management positions include women, and actions are taken as part of the recruitment process to ensure that employees include female profiles, whether they are candidates or employees involved in the selection process for future talent.

Awareness and understanding of Diversity, Equity and Inclusion

In order to support the launch of its DE&I policy, raise employee awareness of the issues associated with it, and prevent any risk of discrimination, the Group developed two online training modules in 2023:

- the first module, "Diversity and Inclusion", provided employees with an overview of the importance of diversity and inclusion in their daily interactions and decision-making processes with the aim of enabling them to better understand how to foster an environment that values differences;
- the second module, "Unconscious Bias" allowed employees to explore this concept and its potential impact on their interactions and perceptions. By acknowledging and addressing these biases, Exclusive Networks is able to ensure fair and impartial treatment of all employees to enable them to better understand the issues, increase their knowledge of these topics, and fight against all forms of discrimination.

This training is carried out by local human resources teams, available in all countries, and is accessible to all employees. In 2024, this training will be an integral part of the mandatory training integrated into the onboarding of new employees.

Non-discrimination in all its forms is an integral part of recruitment and management training modules. Managers are thus made aware of professional equality between men and women.

In 2023, three inappropriate behaviours were identified, linked to discrimination or harassment, in particular through the whistleblowing procedure.

Equal treatment of men and women – Pay equity

In addition to actions to promote equal treatment of men and women in recruitment and access to training (see above), the Group strives to offer attractive and fair remuneration that contributes to employee loyalty and the Group's performance. In this sense, remuneration policies are based on the principles of non-discrimination and equity between employees regardless of their gender, and are structured by an evaluation based on required skills and shared objectives based on objective criteria. In France, the Group publishes an index that measures any pay gaps between women and men.

The Group measures the gender pay gap in two ways:

- based on a career salary index (men/women index) whose calculation and publication methods are regulated; the index stands at 97% for 2023;
- the difference between women's average total pay compared to men's average total pay by job level. The calculation is based on the employees' full compensation, including base salary, target variable

compensation, and other benefits. The number of employees taken into account includes permanent employees, regardless of their contract, and excludes trainees and apprentices (for reasons of relevance, when there are less than five male or female employees per level, the calculation is not made). In France, there is a pay gap of 2.5% in favour of men, the calculation not having been made on countries with small numbers given the minimum number of employees per level.

See above as well as the report on corporate governance which presents the equity ratios in terms of employee remuneration taking into account all Exclusive Networks employees in France (fixed-term and permanent contracts), continuously present over the year 2023 which constitute an extended scope representative of Exclusive Networks' activities in France.

Policy to attract young talent

The Group's actions in the recruitment of young people detailed above contribute to the implementation of the DE&I policy. The Group welcomed the 2nd class of the Exclusive Academy in September 2023, which has about fifteen students.

3.7.8 Health and Safety

Context

Exclusive Networks' commitments are aimed at providing all employees with working conditions that ensure their health and safety in compliance with laws and regulations.

The nature of the Group's activities as well as the small number of employees per company explains why very few of them are certified according to a health and safety standard, without reflecting the importance of this subject for the Group and the commitment of Human Resources Managers as close as possible to the local teams. As a result, 10% of the workforce is represented in a collective health or safety proceeding and 8% are employed in a company with health or safety certification.

Work-life balance is also an important driver of employee engagement and retention.

Policy

In terms of health and safety, the Group focusses its actions mainly on the mental health of its employees, more specifically, the reduction of stress at work.

Exclusive Networks also endeavours to ensure that its practices in terms of the organisation of work and other time spent in the Company aim as far as possible to maintain a good work-life balance, in particular allowing for the proper exercise of parenthood. This topic is an ongoing focus that echoes the pressure to which the entire cybersecurity sector is subject due to the skills shortage. The internal survey, which is carried out every year, measures the level of satisfaction of employees with regard to work-life balance.

The Group has put in place a global policy on hybrid work based on everyone's trust and responsibility. It encourages ways of organising work to improve the quality of life at work while reducing travel time.

Key monitoring indicators		2022	2023
Maintain the safety and security of employees	Absenteeism rate(1)	1.80	7.09
	Occupational injury frequency rate(2)	0.28	0.24
	Severity Rate(3)	0	0.05
	Satisfaction rate with the work environment	67%	66%
Work-life balance	Number of employees on permanent contracts working part-time	124	125

(1) Absenteeism rate = (number of hours of absences from the period/number of hours worked in theory over the period) x 100

(2) Frequency rate = ratio of the total number of accidents (at the workplace) resulting in death or total disability for at least one day (excluding the day of the accident) to the number of hours of exposure to the risk, multiplied by 1,000,000

(3) Severity rate = ratio of the number of calendar days actually lost as a result of accidents at work (at the workplace) to the number of hours of exposure to the risk, multiplied by 1,000

The absenteeism rate was particularly high in 2023 following several observed cases of Covid-19.

The frequency rate of accidents at work as well as the severity rate remain quite low, unsurprisingly in the sector of activity.

Actions implemented

Reducing stress at work

As part of its general risk prevention policy, Exclusive Networks is committed to promoting a quality environment for its employees, which reduces psychosocial risks. Through the annual satisfaction survey, Exclusive Networks measures employees' appreciation of their working conditions and thus detects situations that generate difficulties at work.

The major initiative launched in 2023 to better take into account stress at work and the potential need for support and guidance, particularly of a psychological nature, has been the implementation of an Employee Assistance Programme (EAP) in all our countries.

Local initiatives have also emerged with several tests related to the integration of animals in the workplace known for their positive impact on the body, reducing stress, easing tension and increasing concentration and interaction between colleagues. In the UK, in particular, tests have taken place with the integration of employees' pets or even the integration of llamas.

In the UK, Belgium and the Netherlands, free lunches were also introduced to reduce any financial stress.

In addition, a whistleblowing procedure has been introduced and cyberbullying is taken into account (see section 3.8.2 for more information on the whistleblowing system).

Hybrid work

Finding a balance between on-site and remote work is essential to ensure work-life balance.

The Group always allows employees to work from home as much as possible while preserving time in the office in order to maintain collaboration and strengthen the sense of belonging and teamwork. To this end, in addition to local collective agreements on working conditions, the Group has implemented a global hybrid work policy since 2021, intended to serve as a guide for management and employees alike.

This policy determines the Exclusive Networks group's philosophy on flexible working and is implemented and adapted at the local level, to take into account the applicable regulations and the specificities of each company. It can be formalised via teleworking or flexible working agreements in certain geographies where the Group is present, such as the United Kingdom.

This policy gives the possibility to agree to fixed and/or occasional teleworking days, thus allowing up to two teleworking days per week.

In 2023, this policy covered all countries in which Exclusive Networks is present with local adaptation where necessary.

In addition to enabling a better work-life balance, this policy also helps to limit the travel time and environmental impact of employees' commuting (see section 3.3.6 of this Non-Financial Performance Statement).

As part of the annual performance evaluation of employees, workload is taken into account in setting goals in order to reconcile professional and personal life, among other things, via the annual satisfaction survey.

Arrangement of working time

In addition to this hybrid way of working, Exclusive Networks ensures that requests for flexible working time, such as requests for part-time work as well as statutory or personal leave made by employees in compliance with applicable laws and regulations and when activities allow it.

Workspace layout: New premises offering space and well-being

Major works were undertaken on the premises of the Group's head office in Boulogne Billancourt in 2023, allowing employees to benefit from completely renovated, larger, more flexible and more collaborative spaces.

These spaces offer more places for exchanges, meeting rooms, more open and less formal discussion spaces and teleconferencing equipment in line with teleworking and above all spaces for conviviality. The premises also offer access to a room dedicated to the practice of sports activities.

The internal survey, which is carried out every year, measures the level of satisfaction of employees with their workspace. In 2023, it stands at nearly 66%.

3.7.9 Consumers and end-users

Policy

The increase in cyber threats against businesses represents a major risk in an increasingly digitised and dematerialised global context. The Group contributes to reducing malicious cyber-attacks, thus having a positive impact on data protection and the protection of healthcare systems, governments and companies.

As a global leader in the distribution of cybersecurity products and services, Exclusive Networks must put in place a governance and organisation to protect against and respond to attacks. Exclusive Networks is committed to strengthening its resilience and implements risk management methodologies in accordance with ISO 27000 standards and the main international standards (see below, paragraph 3.7.9.2 "Protection of the information system").

This procedure complies with the best practices and rules defined by the ISO/IEC 27005:2022 standard - Information Security Risk Management, which deepens the general concepts of risk management specified in the ISO/IEC 27001 standard.

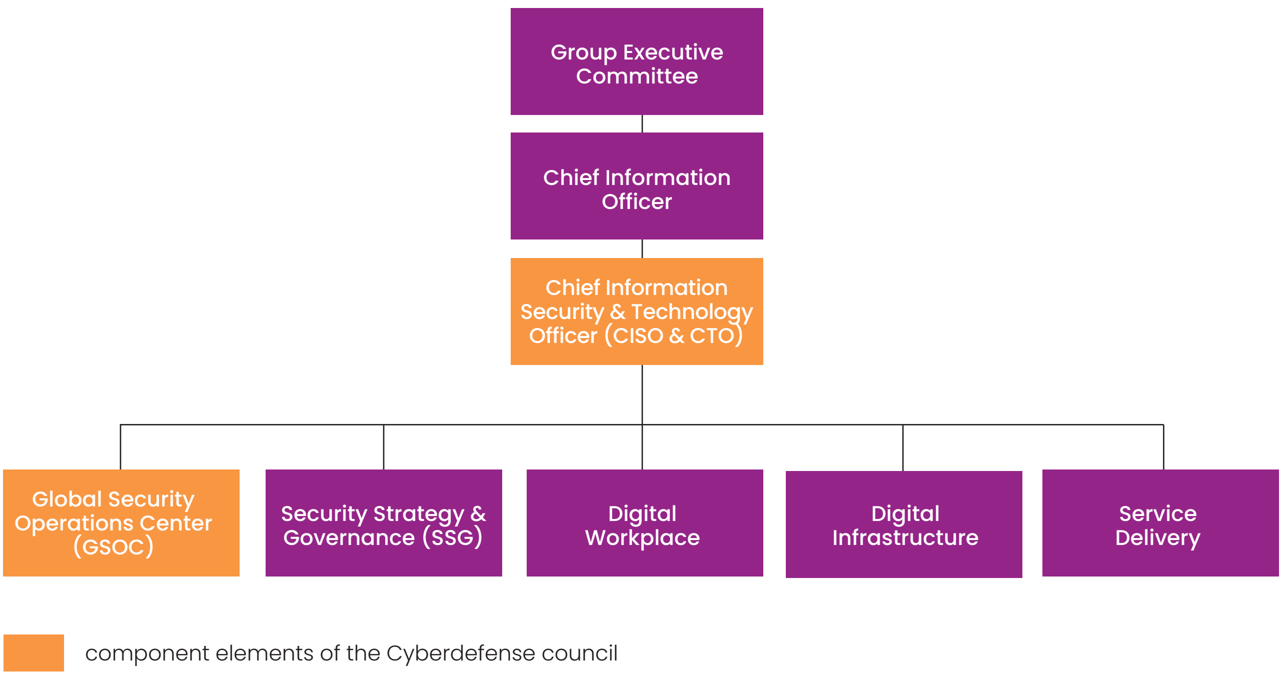
3.7.9.1 Governance and organisation of information systems security

The Information Systems Security Department relies on a multidisciplinary team as well as a centralised organisation, placed under the authority of the Chief Information Security Officer & Chief Technology Officer (CISO & CTO) composed of information systems security officers:

- the Global Security Operations Centre (GSOC) department in charge of managing security incidents throughout the Group, including local infrastructures and offices;
- this department has been bolstered by an external Managed Endpoint Detection & Response service, which monitors and responds to security incidents 24/7, and can initiate legal investigations if necessary;
- the Security Strategy & Governance (SSG) team was set up in 2023 with the aim of developing an operational model for IT security governance within Exclusive Networks (ISMS, AI Governance, Information Risk Management, etc.). The SSG is also responsible for the development and implementation of security strategies (device management, data security, etc.), access management and security identification and awareness.

All of these players thus contribute to securing the Group's Information Systems as well as the exchange of information with customers, suppliers and more generally Exclusive Networks' partners.

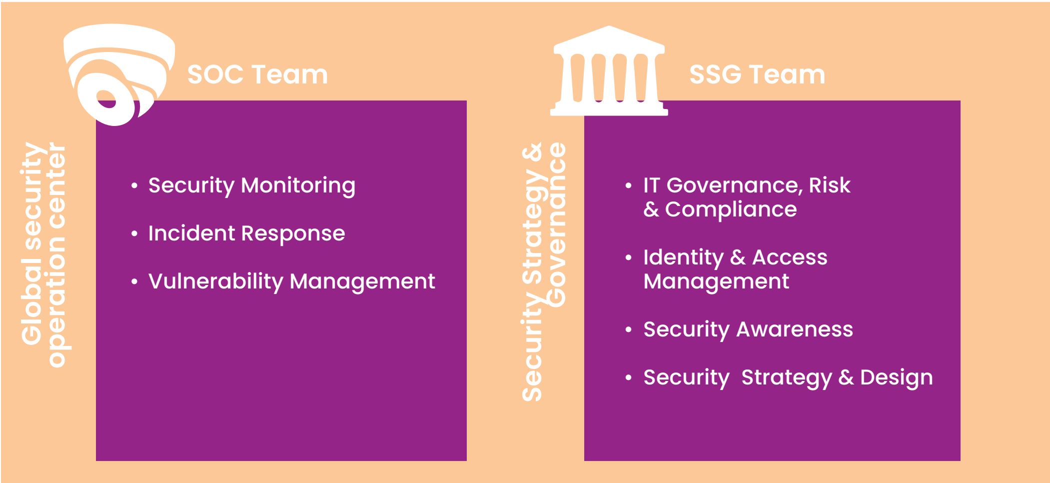
Organisation of the security of Information Systems



The CISO & CTO has full authority over the entire security infrastructure of the Group, both at their level and in the countries in which the Group operates. Combining CISO and CTO functions in the same person ensures an efficient deployment of policy and associated security systems, as well as proximity between IT and security teams.

The CISO & CTO reports directly to the Chief Information Officer, a member of the Group's Executive Committee, who is regularly informed of threats (see below the "*Protection of Information Systems*" section 3.7.9.2, "reporting" paragraph of this Universal Registration Document).

Security Teams & Responsibilities



The Cyber Defence Council

Although the Group's Cyber Defence Council is primarily aimed at staff trained in technical functions (IT managers) in order to support them in security initiatives, the Group has made structural changes to improve team cooperation. The Digital Infrastructure and Workplace teams, which previously reported to the CTO, have been consolidated under the leadership of the CISO.

This reorganisation has enabled the teams to improve their synergies and accelerate collaboration between security and technology, with cross-functional collaboration of teams and workgroups to improve and develop cybersecurity resilience overall.

Certification of the Global Security Operations Center

The Group's Global Security Operations Centre was officially certified at the end of 2023, as assessed and recognised by Trusted Introducer.

The Trusted Introducer Service (TI) was created by the European Computer Emergency Response Team (CERT) in 2000, to address common needs and set up a service infrastructure that provides essential support to all IT security and incident response teams. It is a not-for-profit organisation that lists, accredits, and certifies security teams in accordance with their demonstrated and verified maturity levels. In order to be certified, a team's maturity level is audited against the Security Incident Management Maturity Model (SIM3).

This industry-recognised standard evaluates the four areas of action of the teams responsible for responding to and handling security incidents: Organisation, Human, Tools and Procedures.

3.7.9.2 Information System Protection

In 2023, the Group rolled out its Information Security Risk Management procedure. It defines how the Group manages information security risks in order to adequately protect information and its information assets.

This management is structured around the following main steps: identification, prioritisation, management and monitoring of the Group's risks concerning its information assets, operations and projects. Through the IT risk management process, stakeholders will be consulted to oversee and control risk treatment and monitoring to ensure its effectiveness.

This procedure ensures the confidentiality, integrity and availability of the Group's systems, information and services. The scope of this procedure applies to the Group, its subsidiaries and its departments, and is aligned with the scope of the new Information Security Management System (ISMS) that has been deployed since the beginning of 2024.

This procedure complies with the best practices and rules defined by the ISO/IEC 27005:2022 standard - Information Security Risk Management, which deepens the general concepts of risk management specified in the ISO/IEC 27001 standard.

Deployment

In order to carry out its mission, the following security tools have been deployed and implemented in a centralised, standardised, and automated manner:

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

The majority of the selected vendors and solutions come from the Exclusive Networks portfolio of cybersecurity products and solutions, and are recognised as a "Magic Quadrant Leaders" by Gartner (a leading technology assessment consulting firm).

Cyber Exposure Score (CES)

The Cyber Exposure Score (CES) quantifies the Group's relative risk, based on the exposure to threats and the criticality of assets (workstations, servers). Keeping the CES at a "low" level (below 350) is one of the Group's key monitoring indicators, which it achieves by carrying out frequent patches and updates to the system.

Reporting

The Group has expanded the security information provided to the Executive Committee and Country Managers. This communication is based on regular security communication and reporting. This includes information on the latest security threats and trends, reporting via KPIs on the Group's cyber exposure as well as statistics on security alerts, attack simulation results and more.

As one of the tools used to assess the security of the information system is the Cyber Exposure Score, the Group has set itself the objective of achieving a score of "Low" or less on this index by 2025.

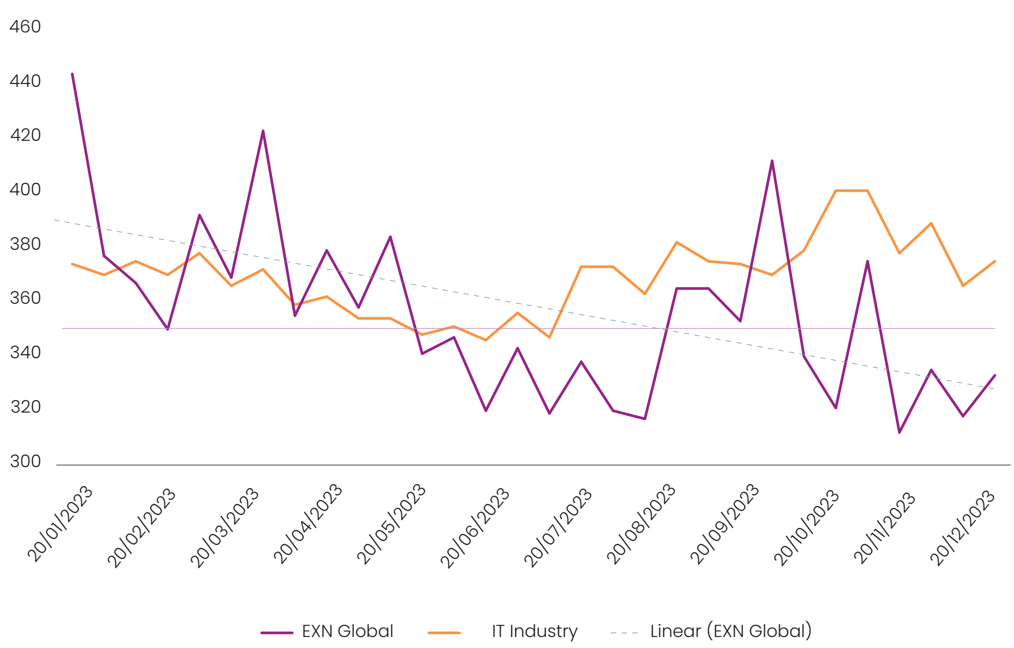
Key monitoring indicators		2022	2023
Control and follow-up of IT security incidents	Number of incidents reported through the reporting set up by the Group	2,254	2,846
	Number of attempted break-ins	262	389
	Number of successful break-ins	1(1)	0
Monitoring and controlling the level of risk in terms of exposure to threats	*Cyber Exposure Score* (CES)*	384	333

* Indicator with a target for 2025.
(1) With no substantial risk for the Group.

Thanks to the actions carried out by the various Global IT teams, Exclusive Networks managed to achieve an ATL (All Time Low) for CES in the last quarter of 2023 (312).

The overall trend for 2023 is downward, illustrating the added value of cooperation between infrastructure and security teams.

Evolution of the Cyber Exposure Score (CES) in 2023



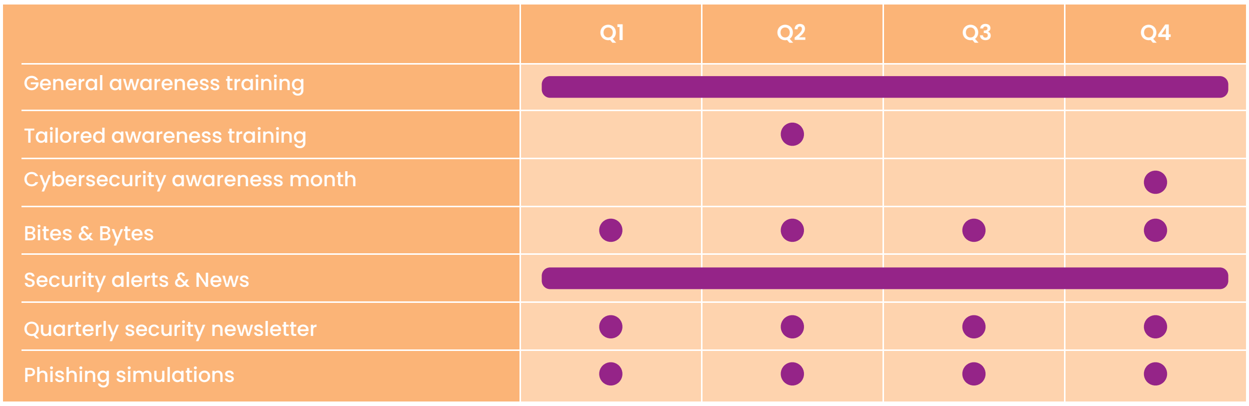
Actions implemented

Training and awareness-raising for employees

While technology is often an essential recourse against cyber threats, the Group deploys a number of initiatives with regard to its employees.

The Group is therefore conducting a training and awareness-raising campaign for resilient teams. In this regard, and in order to ensure that the training is carried out in a structured manner, a new awareness programme for the Group's employees has been developed (Cyber Awareness Programme). This programme consists of a set of initiatives that enable the management of the organisation's human risks by training users on potential threats related to cybersecurity. It aims to strengthen end-users within the Group to protect themselves against cyber threats, increase their awareness of cybersecurity best practices and develop a security culture, which will strengthen the one present within the Group. By implementing this programme, the Group seeks to reduce the likelihood and impact of potential security incidents.

Trainings carried out during the year 2023



In addition to the mandatory monthly training for all employees and the quarterly phishing campaign, the programme expanded on previously proposed initiatives.

One of the evolutions of the programme was the implementation of an annual Cyber Awareness Month, which was carried out for the first time in October 2023. The trainings during this month were focussed on digital security awareness and empowering employees on protecting their personal data from cybercrime.

During the month, the Group organised:

- 3 awareness trainings (Cloud Security, Secure Web Browsing and AI Chatbot Threats);
- 1 phishing simulation;
- 3 live sessions with tests and an exchange of questions and answers
  - SOC Threats and Trends,
  - The Art of Password Management,
  - Security & Technology Roadmap.

In addition, the Group has launched a new Security Awareness page on its Intranet to share best practices, security newsletters and security alerts with all its employees.

Key monitoring indicators		2022	2023
Employee training and awareness of IT security	Number of training modules provided to all Group employees	7	10
	Number of phishing campaigns delivered to all Group employees	4	4

3.7.9.3 Data protection

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

- on the one hand, as an employer, to comply with its legal obligations and to implement skills development policies (see section 3.7.5 of this Universal Registration Document);
- on the other hand, in the context of its activities, for the marketing of its products and services.

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

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

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

The objectives of this organisation are to:

- establish policies and procedures relating to the protection of personal data;
- provide operational staff with analysis and decision-making tools, as well as standard contractual clauses;
- ensure the presence and compliance of clauses relating to the confidentiality of personal data in contracts, whether with suppliers, customers or service providers of the Group;
- ensure the minimisation of the data collected and the principle of "Privacy by Design" from the design stage of a system involving the processing of personal data;
- respond to requests from any person wishing to exercise their rights of access, rectification, opposition, or deletion of data, whether an employee or a third party;
- design and deliver the employee awareness programme; and
- ensure regulatory monitoring.

At the end of 2023, the Group published its Data Classification Policy to define the structure that can be used to categorise and classify data from information assets within Exclusive Networks.

The objective of this policy is to assist data holders, business holders, IT custodians, contractors and third parties in the analysis of information assets in order to identify the level of security necessary to protect the data within the Group's information system, for which it is responsible.

During 2023, the Group organised a Cyber Security Awareness Month during which employees were offered mandatory training on the protection of personal data (see above).

All Group employees will be asked in 2024 to comply with and sign the classification policy to ensure a clear understanding of their role and responsibility in terms of data protection.

In addition to the Group's risk management procedure, this policy brings it closer to its objective of completing its ISMS in the first quarter of 2024.

New Device Management Strategy

Mobile devices, such as mobile phones, tablets and computers, have become an integral part of the means of accessing information. To contribute to the security of the Group's information and data, a strategy has been developed and specific security controls have been established.

The New Device Management Strategy is intended to establish a framework for the secure management of personal, semi-managed or fully managed devices within the Group. Its goal is to harmonise information security, compliance, and management control across all end-user devices to ensure a positive, secure, and seamless experience. With this new approach, the Group significantly reduces the risk of data breaches, break-ins by malware and the spread of malware.

3.8 Corporate culture and business conduct policies

3.8.1 Compliance governance and organisation

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

To deploy and manage the compliance programme, the Group relies on a dedicated organisation described below:

Governance and organisation of compliance

Management	Corporate	Local

• Board of Directors – Audit and Risks Committee
• Executive Committee
• Regional Risk Committee
 	
The management team works closely with all the Group's functions to validate the programme's orientations and action priorities.
It ensures the roll-out and development of compliance measures.
	• Risks & Compliance Department
	  • General Counsel & Group Compliance Officer
	  • Risks and Compliance Director
	  • Regional compliance managers (EMEA, NAM, APAC, META)
	
	Oversees the design of the compliance programme and leads and coordinates its roll-out across the Group's business processes and subsidiaries.
		• Country Managers
		
		In charge of the deployment and respect of the compliance programme in their legal entity.
		
		• Ethics Champions
		
		Work with the Risks & Compliance Department on the roll-out and proper understanding of the compliance programme.

At the corporate level

- **The Group's General Counsel and Chief Compliance Officer**, who reports to the Group Chief Executive Officer on these matters, defines and organises the Compliance function and oversees its implementation in the Group. In particular, its mission is to bring the subject before the various governance bodies (Group Executive Committee, Audit and Risks Committee, and the Board of Directors). It shall decide freely, and independently, on any internal investigation it deems appropriate and which shall be entrusted to internal audit.
- **The Risk and Compliance Director**, who reports to the Group's General Counsel and Chief Compliance Officer, designs the compliance programme, first and foremost the one relating to the anti-corruption system, manages and controls the deployment, implementation and updating of the system, and leads the Compliance network within the Group, ensures regulatory monitoring as well as best practices, organises and leads Compliance training courses in the Group. The Risk and Compliance director is the point of contact for operational functions. She/he participates, if necessary, in internal or external investigations relating to the programme, or likely to be initiated in the event of the use of the internal whistleblowing system.

At the local level

- **The Regional Risk Committee**

  The Regional Risk Committee brings together the SVP of the region concerned, the Group General Counsel and Chief Compliance Officer, the Director of internal control, the Director of internal audit, the Director of Risk and Compliance, the Regional Finance Director, the Regional HR Director and the Regional Risks & Compliance Manager. In place for the Asia Pacific region since 2022, it was implemented in 2023 for the EMEA (Europe, Middle East and Africa) region.

  Each Regional Committee provides an opportunity for its members to discuss ongoing business, implementation of the compliance programme, audits, and any other matter relevant to the region concerned. These discussions are followed up by the stakeholders responsible for the topic when necessary.
- **The Country Manager**

  They are responsible for the deployment and compliance of the compliance programme in the legal entities for which they are responsible.

- **The Ethics Champions Network**

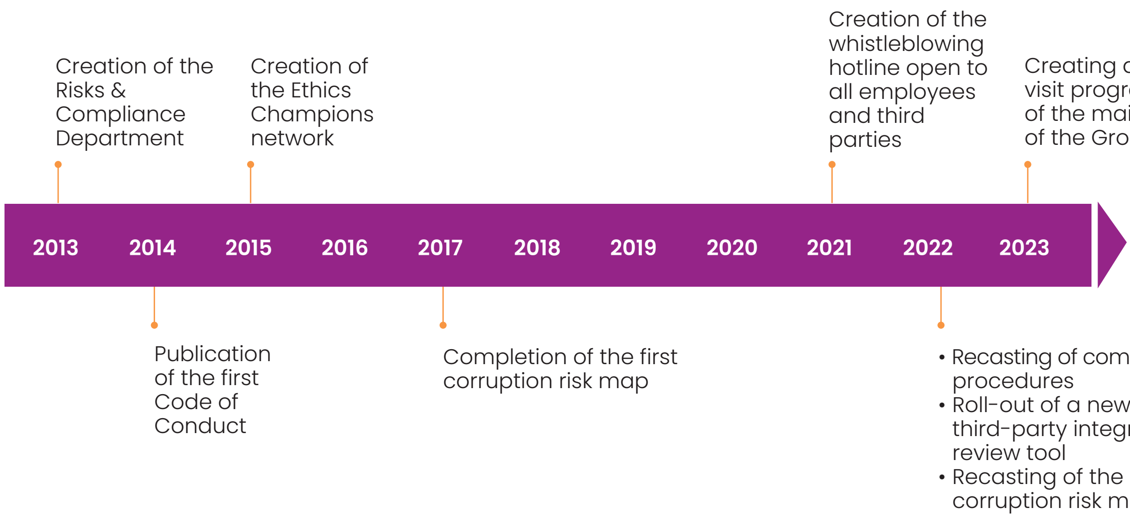
The main mission of the Ethics Champions Network, made up of around 50 employees, is to deploy the compliance programme in conjunction with the Risk and Compliance Department, and to ensure that it is properly taken into account and understood.

3.8.2 Ethics, prevention and the fight against corruption

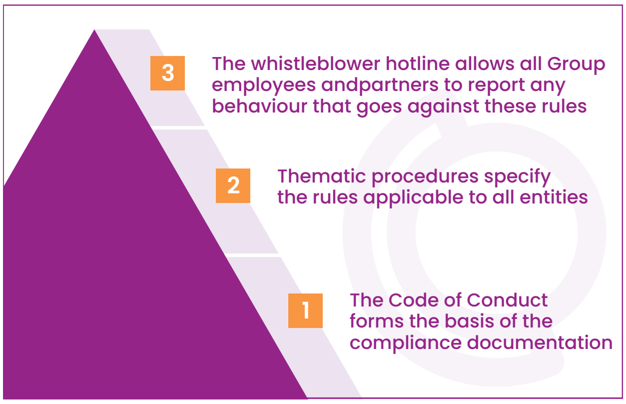
A mature compliance programme

Adopting and promoting honest and ethical behaviour in all its relations and with all its partners is a strong commitment of the Exclusive Networks group. This principle has led the Group to define rules of conduct in terms of ethics, intended for its employees as well as for all its business partners and stakeholders.

Key date in the Group's compliance policy



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



Some of the policies and procedures that make up the Exclusive Networks group's anti-bribery and corruption programme include the Code of Conduct, the Conflict of Interest policy, and the Gifts and Hospitality policy.

All procedures and policies are addressed individually to each employee as soon as they are hired through the Group's e-learning platform. They give rise to an acknowledgment of receipt as well as a questionnaire to ensure that they are properly understood.

In order to robustly address the risk of corruption or non-compliance with internal business ethics regulations and procedures, the Exclusive Networks group regularly updates and develops its compliance programme, to take into account its corruption risk map as well as new regulatory and legal requirements.

In 2023, the Group continued to update and complete its corruption risk management system on three major measures:

- re-execution of the corruption risk mapping in accordance with the remediation plan;
- creation of a programme for on-site visits to the Group's entities and review of the implementation of the elements of the compliance programme;
- review of the third-party onboarding system; and
- training of employees and more specifically of the Executive Committee.

Updating and centralising the corruption risk map

The Group's activities and processes are subject to regular risk analyses, which aim to provide appropriate and proportionate remediation solutions to detect and prevent these risks.

In 2022, Exclusive Networks undertook the complete overhaul of its specific mapping dedicated to corruption risks, in accordance with the recommendations of the supervisory authorities. This project, which was of major scope, covered all of the Group's operating companies. Based on all of the Group's functions and with the support of an independent consulting firm, the methodology has been designed taking into account the recommendations of the Agence Française Anticorruption and best practices according to international standards.

This project made it possible to map the corruption risks of each of its subsidiary companies carrying out an operational activity.

The updating of this mapping has led to the updating of the scope of the risks considered and the associated action plan. The results of this work and the consolidated remediation plans at Group level were presented to the Executive Committee and the Audit and Risks Committee on 28 April 2023.

During this update and consolidation, the Compliance Department was able to observe that some entities had underestimated risks. The entity concerned was then asked to review its risk mapping as part of its remediation plan. The re-execution was coordinated by the Risk & Compliance Department, which provided in-person training on bribery and corruption risks to all of the entity's employees. In addition, the risk scoring workshop was conducted in person, unlike the previous year when the scoring workshops were conducted remotely.

Key monitoring indicators		2022	2023
Carry out the re-execution of the corruption risk mapping in accordance with the remediation plan established in 2022	Number of entities for which risk mapping has been rerun	59	8
	Number of local employees involved in the risk assessment	463	63

Creating an On-site Visit Programme

In 2023, the Risk and Compliance Department inaugurated a new "On-site Visit" programme to ensure the effective deployment of the anti-corruption programme at the local level.

The visit programme includes:

- face-to-face training for all employees, with Groups of up to 20 participants. The topics covered are aimed at strengthening the understanding and awareness of risks within the organisation;
- targeted interviews with key functions such as Country Manager, Human Resources, Marketing, Sales, Finance, and Ethics Champion, deepening understanding of the risks specific to each area;
- monitoring the implementation of the programme, which involves in-depth discussions during which the practical application of the procedures is examined in detail. In some cases, examples of implementation can be requested as an indication, thus facilitating the identification of good practices or areas for improvement.

Each visit concludes with an email highlighting the best practices identified as well as areas in need of improvement.

Key monitoring indicators		2023
Establish a site visit schedule	Number of entities visited	9*

* The 9 entities visited cover the following regions where the Group operates: Europe, Asia, Middle East.

Third-Party Review

All third parties with whom the Exclusive Networks group intends to initiate or continue a business relationship are subject to a specific and appropriate onboarding process, aimed at determining the level of potential corruption risk posed by each third party, and implementing the necessary mitigation measures to ensure compliance with the ethical standards that the Group has set for itself.

Accessible to all employees, this system makes it possible to quickly identify whether, in the absence of any negative signal, the risk is low, or conversely if a risk in terms of corruption or ethics is detected. When the tool detects negative signals, the third party concerned is considered "at risk": additional checks are then initiated and submitted to the validation of the Risk and Compliance Department and the Country Manager concerned.

In 2023, the Group developed the process and included:

- updating internal and external questionnaires to conform to evaluation best practices;
- creating two new categories of third parties (payment agents and charities);
- updating the approval process; and
- implementing e-learning training for high-risk third parties.

This third-party integrity review system is being rolled out gradually, which will continue in 2024.

The Group's target of completing 100% of due diligence on high-risk third parties was achieved in 2023.

Key monitoring indicators		2022	2023
Assessment of the integrity of third parties with whom the Group has or will enter into a business relationship	Number of third parties assessed in the integrity review system	4,968	11,962
	Number of moderate or high risk third parties who have formally endorsed the Code of Conduct*	141	512

* Indicator with a target for 2025.

Communication, awareness-raising and training actions

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

- by the Risk and Compliance Department, in particular during seminars organised in person and more occasionally during the year, during face-to-face or online meetings;
- by the Ethics Champions, directly with their local teams, after having themselves been trained by the Risk and Compliance Department; and
- by the Risk and Compliance Department, when a new Chief Financial Officer or Country Manager is integrated.

The training courses organised by the Risk and Compliance Department are adapted whenever possible to the functions of the participants (marketing, finance, General Management or Ethics Champions). The training courses organised by the Ethics Champions are most of the time common to all employees in the region, based on the training materials prepared by the Risk and Compliance Department.

In 2023, the Risk and Compliance Department executed its training plan which included the following trainings:

- face-to-face training of the Executive Committee by a specialist speaker on 17 March 2023;
- face-to-face training for Country Managers on 19 April 2023;
- face-to-face training for employees of entities that have re-executed the corruption risk mapping exercise;
- training of all employees by the entity's Ethics Champion; and
- training of Ethics Champions, including the creation of the first Ethics Champions seminar for the EMEA region.

The Exclusive Networks group has set a goal for 100% of employees to have certified the Code of Conduct by 2025(1).

Key monitoring indicators		2022	2023
Employee training on ethics and anti-corruption	Number of training sessions	45	108
	Number of onboarding sessions(1) conducted with internal control	13	10
	Number of Ethics Champions training courses	1	1
	Proportion of employees who have certified the Code of Conduct(2) *	76%	79%

* Indicator with a target for 2025.
(1) Onboarding: processus d'int.gration de nouveaux Directeurs financiers ou Responsable Pays (Country Managers).
(2) Employees who left the Group during the period may have been counted as not having certified the Code of Conduct or the whistleblowing procedure.

Whistleblowing system

In accordance with the whistleblowing procedure, employees are invited to report to the Group facts that may constitute conduct that contravenes the principles of the Code of Conduct, in particular in cases of corruption. To this end, the Exclusive Networks group has set up an alert system in all the countries where it operates, allowing each employee and external collaborator to send a report in a confidential and secure manner, accessible from the websites.

This system complements the other reporting channels within each Group company, such as the line manager, the Human Resources Department, the Legal Department, etc.

All reported alerts are treated confidentially under the supervision of the Group's Ethics Officer, ensuring the principle of no sanction or retaliatory measure for any person who issues an alert in good faith. This principle is guaranteed by the Group and reaffirmed in the whistleblowing procedure.

Key monitoring indicators		2022	2023
Establish a procedure and a system for collecting and processing whistleblowing, allowing employees and third parties to report situations that are contrary to the Code of Conduct, or that may constitute a crime, an offence or a threat to the public interest	Proportion of employees certified(1) to the whistleblowing procedure(2)	62%	76%
	Number of alerts *received* via the alert receiving platform	4	4
	Number of admissible alerts	3	3

(1) Certified: Refers to employees who have acknowledged receipt of the procedure and have successfully passed the comprehension test.
(2) Employees who left the Group during the period may have been counted as not having certified the Code of Conduct or the whistleblowing procedure.

All alerts are of internal origin, with no alerts from an external stakeholder identified in 2023.

Managing the compliance programme

Audits are regularly conducted jointly by the Group's internal audit department. They carry out tests and interviews to identify risky practices or any deviations observed as well as corrective actions to be taken.

The Exclusive Networks group has set itself the objective of having all countries subject to an audit including an anti-corruption component at least every 5 years, with the net margin of the entities covered by the audit plan representing 30% of the Group's net margin.

Key monitoring indicators		2022	2023
Monitoring, follow-up and evaluation of the implementation of the Group's compliance programme	Number of entities covered by an audit with an anti-corruption component	14	13
	Number of proven cases of identified corruption	0	0
	Number of employees dismissed or disciplined for corruption	0	0
	Number of convictions for corruption against the Exclusive Networks group, or one of its subsidiaries	0	0

3.8.3 Transparency and the fight against tax evasion

Organisation of the tax function

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

The tax department's mission is to ensure compliance with applicable local and international tax laws and regulations, to minimise tax exposure by managing tax risk, to limit double taxation and to benefit from the tax incentives or concessions to which the Group is entitled.

Compliance, Transparency and Fiscal Accountability

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

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

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

In addition, each of the Group's locations abroad aims to expand the Group's activities by ensuring a local presence when operational and commercial needs require it.

3.8.4 Export Controls

As an international Company and taking into account the nature of the goods and services it markets (see section 2.1 for more details on the description of the risk in Chapter 2 of this 2023 Universal Registration Document.), the Exclusive Networks group implements all necessary measures to comply with applicable laws and regulations relating to:

- export controls on Dual-use goods and technology; and
- trade restriction measures against certain countries subject to sanctions or embargoes, decided by the United Nations Security Council, the United States via OFAC (Office of Foreign Assets Control), or the European Union in the context of foreign and security policy decisions (CFSP).

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

The Exclusive Networks group operates globally in compliance with these laws, which are often extra-territorial in scope, cumulative, and regularly evolving. Their objectives are to preserve global geopolitical balances, international, national or regional security, and to combat the diversion and proliferation of certain materials. Export control compliance is therefore an important issue for the Group.

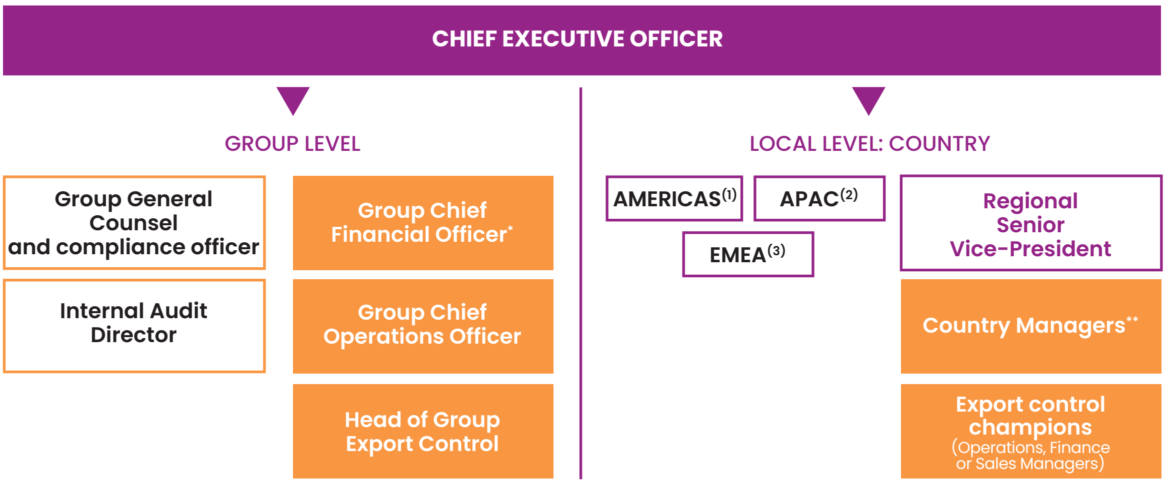
The Group applies these control regimes in all the countries in which it operates, and more specifically:

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

Since the export or re-export of certain equipment is subject to the prior obtaining of an export licence or an exemption granted by the authorities of the exporting countries, the Group is informed at all times by suppliers of restrictions on the goods and services supplied. To do this, they have a dedicated organisation, which allows them to exercise strict control over their manufacturing and sales processes, in order to comply with these same obligations.

Export Control Organisation in the Exclusive Networks group

To meet these challenges in a context of strong international expansion, the Group has maintained its organisation as represented below. In addition, the Internal Compliance Programme (ICP) is applied and is continuously adapted to reduce and control these risks.



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

Local operational entities:
(1) **AMERICAS:** *Canada, USA.*
(2) **APAC:** *Australia, Hong Kong, India, Indonesia, Malaysia, New Zealand & Pacific Islands, Philippines, Singapore, Thailand, Vietnam.*
(3) **EMEA:** *Austria, Belgium, Bosnia, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Italy, Kenya, Mauritius, Norway.*

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

The Internal Compliance Programme:

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

In addition, the Group regularly conducts audits, either by the internal audit Department or by independent firms.

In 2023, the major actions evolved following the arrival of the Export Control Group Manager and the main improvement actions undertaken consisted of:

- updating the Group's Export Control policy (certification rate of 96% of the Group's employees, including its subsidiaries);
- process review (know your end-user, resellers, etc.);
- the strengthening of coordination between the Export Control Champions with the implementation of regular communications and the coordination of the Export Control Champions network, its training and the systematic implementation of an export control clause in the Group's distribution and sales contracts; and
- the review of key export control points in coordination with the Group's internal control Department.

Prospects:

The 2024 improvement actions identified will focus on the IT tool for screening end-users, the deployment of training modules available on the Group's e-learning platform and the update of the Internal Compliance Programme.

3.9 Methodological note

Feedback was organised at the end of the previous 2022 financial year in order to identify areas for improvement, with a view to simplifying and making data collection more reliable, and to extend the number of countries taken into account for the 2023 Non-Financial Performance Statement.

In addition, the Group has mobilised the necessary resources to make the data more reliable and to prepare for the new reporting requirements resulting from the Corporate Sustainability reporting Directive (CSRD) by publishing certain indicators now required by the CSRD and by introducing the notion of double materiality.

3.9.1 Scope of consolidation

The scope of the Non-Financial Performance Statement for the 2023 financial year is 27 countries (four additional countries compared to the 2022 financial year identified in the list below with an (*), covering all the companies controlled by the Group in each of these countries (Australia, Austria, Belgium, Canada, Czech Republic, Spain, Ireland, Turkey(*), India(*), Thailand(*), South Africa(*), Croatia, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Poland, Romania, Singapore, Sweden, Switzerland, United Arab Emirates, United States (United Kingdom). The two companies newly acquired by the Group in 2023 in Spain and Ireland are not included in the scope of consolidation used for this statement.

These 27 countries account for more than 90% of the Group's consolidated revenue and more than 83% of the total workforce. The scope of consolidation shall be consistent for all the information published in the report, with the exception of certain data relating to the full scope of consolidation for reasons of consistency with the figures published in the Management report, in which case this difference shall be reported.

3.9.2 Preparation and compilation of this Statement of non-financial performance

This Non-Financial Performance Statement aims to comply with Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code, while preparing for the publication of a sustainability report in accordance with CSRD standards for the 2024 financial year.

Preparation follows a defined schedule, shared with key contributors, to allow for verification of information by the independent third-party body within the specified time frame. The data is stored and historicised, allowing consistency checks to be carried out and the results obtained to be put into perspective.

Where possible, the indicators and information in this report are prepared in accordance with the Guidelines of the Global reporting Institute (GRI), the Sustainability Accounting Standards Board (SASB), the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals (UNSDGs) according to the most recent versions of the standards available as of 30 January 2024.

Information deemed non-material within the meaning of Article L. 225-102-1 of the French Commercial Code

- Fight against food waste;
- Fight against food insecurity;
- Respect for animal welfare;
- Respect for responsible, fair and sustainable food;
- Actions to promote the nation-military link and support engagement in the reserves;
- Promotion of the practice of physical activities and sports; and
- Measures taken in favour of persons with disabilities.

Social Data Information

With regard to the social data published in this statement, the following should be specified:

- average annual headcount and other figures presented in the social section: all persons paid during the year 2023 in the 27 consolidated countries are taken into account, regardless of their employment contract (fixed-term or open-ended, apprentices and trainees). On the other hand, temporary workers and service providers are not taken into account;
- data on HSE (health, safety and environment), collective agreements, leave and absences are collected via forms sent to the 27 countries concerned by the scope of consolidation;
- the other data is collected from extracts from the PeopleHR Human Resources Information System, then consolidated using PowerBI. The average headcount is calculated from the average of each month with the help of mapping tables;
- health and safety: accidents that have resulted in a work stoppage of at least one day are taken into account for the calculation of the frequency and severity rates; and
- training: All categories of training are taken into account. They can be technical or regulatory, relate to adaptation to the workplace or have the objective of developing employees' skills.

Environmental Data Information

Information on environmental data may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Certain information is subject to the methodological choices, assumptions and/or estimates used for its preparation and set out below:

With regard to the environmental data published in this statement, the following should be specified:

- all data published in the environmental section comply with the GHG Protocol Corporate Standard 2015;
- some missing data for Scopes 1 and 2 have been extrapolated, representing less than 5% of the subtotal;
- improvements to the methodology for calculating Scope 3 emissions have been made in the following categories:
  - 3-7, Commuting: a detailed questionnaire was sent to all employees to assess the overall carbon footprint following commuting of all employees, the response rate of 25% and an extrapolation to the rest reduced uncertainty on this category compared to last year,
  - 3-11, Use of products sold: from the sales list of all products, the best-selling product was selected on the basis of the revenues generated, then from the technical characteristics and using the formula of the GHG Protocol-Cat.11, considering a recommended period of use of 3 years, the calculation of the emissions of the best-selling product is made, an extrapolation was made to deduct the rest of the emissions on the basis of % sales,

- as far as possible, a precise calculation method is used, where appropriate an extrapolation has been made on the basis of the available information. This is the method used for transport. A coefficient of +15% (corresponding to the growth in sales compared to the previous year) was applied to the quantity of emissions from the previous year;

- the Exclusive Networks group includes in the accounting of its greenhouse gas emissions the environmental footprint of all vehicles used in its activities, which are mainly leased;
- In the absence of inventory, the mass of materials purchased from suppliers, which is nearly 1,500 tons of electronic equipment, is considered equivalent to that of the products sold to customers.

GHG accounting:

- the following greenhouse gases were taken into account, converted into metric tonnes of CO2 equivalent (or tCO_2eq) according to their Global Warming Potential: CO_2, CH_4, N_2O, HFC, SF_6, PFC, NF_3 and CFCs;
- the calculation of the Group's carbon footprint was carried out with the ADEME-Association Bilan Carbone (ABC) calculation tool in its version 8.8 of October 2022, following the rules of the GHG Protocol and with a level of uncertainty for each item. This tool allows you to display results in several standard formats, including that of the GHG Protocol; and
- the emission factors are taken from the ADEME database, unless otherwise stated.

Type of the data collected:

- energy used in buildings, i.e. electricity, gas and fuel oil: based on invoices;
- vehicle fleets: fuel consumed (petrol or diesel), based on invoices or estimates;
- purchase and marketing of equipment: mass of equipment multiplied by a representative electronic equipment emission factor;
- upstream and downstream transport: extraction of bulk data, distances travelled and transport methods from logistics providers, and application of an emission factor per transport modality (air or road);
- business travel: data extracted from travel providers, extrapolated to the organisational scope;
- waste produced on sites: estimation of the mass of tertiary waste per employee per year based on the "Ecoresponsable au bureau" guide, ADEME September 2022;
- use of products sold: estimate of the average electricity consumption of a typical piece of equipment over a period of 3 years, multiplied by the electricity emission factor of the country of sale; and
- end-of-life of the products sold: mass of equipment sold multiplied by the emission factor of electronic waste from the ADEME database.

3.9.3 Correspondence table with Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code

Themes	Sections
Business model	3.1
Information on how the Company takes into account the social and environmental consequences of its activity	3.2, 3.3
Results of the policies applied by the Company, including key performance indicators	3.2 Interaction between sustainability strategy and model business
Social Information Working conditions Fight against discrimination and promotion of diversity	3.7
Environmental Information General environmental policy Climate change Circular economy	3.6
Societal information Societal commitments to sustainable development	3.2
Anti-corruption information	3.8.2
Information on human rights activities	3.7.6
Information on the fight against tax evasion	3.8.3
Collective agreements concluded in the Company and their impact on the economic performance of the Company as well as on the working conditions of employees	3.7.3
Attestation from the independent third-party body on the information contained in the NFPS	3.10

3.9.4 GRI correspondance table and alignment with SDGs

Statement of use	Exclusive Networks has reported the information cited in this GRI content index for the period from January 1, 2023, to December 31, 2023 with reference to the GRI Standards.. [GRI 2-3]
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	SDGs
GRI 2: General Disclosures 2021	2-1 Organizational details	URD- Chapter 1: Presentation of the Group: activities and strategy	
	2-2 Entities included in the organization's sustainability reporting	(3.) 9.1 Scope of consolidation	
	2-3 Reporting period, frequency and contact point	Statement of use above- contact us at: esg@exclusive-netowrks.com	
	2-4 Restatements of information	There are no restatements.	
	2-5 External assurance	(3.) 9.8 Opinion of an independant third party	
	2-6 Activities, value chain and other business relationships	(3.) 1 Business model	
	2-7 Employees	(3.) 7.1 Company workforce	5.1, 5.5, 8.5, 10.2, 10.3, 10, 4
	2-9 Governance structure and composition	URD- Chapter 4.1: Governance Structure	
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body		
	2-12 Role of the highest governance body in overseeing the management of impacts	(3.) 3.Sustainability Governance Framework	
	2-13 Delegation of responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting		
	2-15 Conflicts of interest	(3.) 8.2 Ethics, prevention and fight against corruption / Whistleblowing system URD-Chapter 4.2.6 Conflicts of interest	16
	2-16 Communication of critical concerns	(3.) 8.2 Ethics, prevention and fight against corruption / Whistleblowing system	16
	2-17 Collective knowledge of the highest governance body	(3.) 8.1 Compliance Governance & Organization	
	2-18 Evaluation of the performance of the highest governance body		
	2-19 Remuneration policies	(3.) 7.4 Ensuring fair and attractive remuneration and benefits	
	2-20 Process to determine remuneration	URD- 4.3 Compensation and benefits	
	2-21 Annual total compensation ratio		
	2-22 Statement on sustainable development strategy	(3.) 2 Sustainability Strategy 2024-2030	
	2-23 Policy commitments	3.7.6 Human and labour rights commitments	

GRI STANDARD	DISCLOSURE	LOCATION	SDGs
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Policies + (3.) 8.1 Compliance Governance & Organization	
	2-25 Processes to remediate negative impacts	(3.) 8.3 Ethics, prevention and fight against corruption	
	2-26 Mechanisms for seeking advice and raising concerns	(3.) 8.2 Ethics, prevention and fight against corruption / Whistleblowing system	16
	2-27 Compliance with laws and regulations	(3.) 8.1 Compliance Governance & Organization	
	2-28 Membership associations	N/A	16
	2-29 Approach to stakeholder engagement	(3.) 4 Analysis of material impacts, Risks and Opportunities related to ESG issues	
	2-30 Collective bargaining agreements	(3.) 7.3 Social Dialogue and Engagement	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	(3.) 4 Analysis of material impacts, Risks and Opportunities related to ESG issues/ Selec	7.2, 7.3, 7.a, 13.1, 13.2, 16
	3-2 List of material topics		
	3-3 Management of material topics		
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	(3.) 2 Sustainability Strategy 2024-2030/ Cybersecurity at the service of Sustainability	16
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	(3.) 8.2 Ethics, prevention and fight against corruption	16
	205-2 Communication and training about anti-corruption policies and procedures		16
GRI 302: Energy 2016	302-1 Energy consumption within the organization	(3.) 6.3 Climate Change / Energy Consumption	7.2, 7.3, 7.a, 13.1, 13.2
	302-3 Energy intensity		13.1, 13.2
	302-4 Reduction of energy consumption		13.1, 13.2
	302-5 Reductions in energy requirements of products and services		7.2, 7.3, 7.a, 13.1, 13.2
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	(3.) 6.3 Climate Change/ Carbon Footprint	13.1, 13.2
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	(3.) 6.4 Resource Use and Circular Economy	12
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	(3.) 7.1 Company Workforce	5.1, 5.5, 8.5, 10.2, 10.3, 10.4

GRI STANDARD	DISCLOSURE	LOCATION	SDGs
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		
	404-2 Programmes for upgrading employee skills and transition assistance programmes		
	404-3 Percentage of employees receiving regular performance and career development reviews	(3.) 7.5.2 Developping employees' skills	4.3, 4.4, 4.5
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		
	405-2 Ratio of basic salary and remuneration of women to men	(3.) 7.7 Diversity, Equity and Inclusion	5.1, 5.5, 8.5
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	(Chapter 2. Risk Factors) Screening through "My TrustedPartner" plateform	16

3.9.5 SASB correspondance table

Le tableau suivant établit une correspondance entre nos informations à fournir et les indicateurs du SASB dans les services logiciels et informatiques et les normes matérielles.

Topic	Accounting metric(s)	SASB code	Reference/disclosure
Environmental footprint of hardware infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SI-130a.1	Not Applicable. Exclusive Networks is a Value Added Distributor and does not own any data centers.
Data privacy & freedom of expression	Description of policies relating to behavioral advertising and user privacy	TC-SI-220a.1	3.7.9.3 Data protection
	Number of users whose information is used for secondary purposes	TC-SI-220a.2	Not Applicable
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	None
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5	Our vendors' products and services are not allowed for export to Cuba, Iran, North Korea, and the Crimea, Donetsk, and Luhansk egions of Ukraine.
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	TC-SI-230a.1	During Fiscal 2023, Exclusive Networks did not experience any material data breach that required disclosure.
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	3.7.9.1 Governance and organization of information systems security
Recruiting & managing a global, diverse & skilled workforce	Employee engagement as a percentage	TC-SI-330a.2	71%
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-SI-330a.3	3.7.7 Diversity, Equity and Inclusion
Managing systemic risks from technology disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	TC-SI-550a.1	Not Currently Reported
	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	2.1.2 Risks related to operations

3.10 Opinion of the independent notified body

Financial year ending 31 December 2023

To shareholders,

Following the request made to us by EXCLUSIVE NETWORKS SA (hereafter "entity") and in our capacity as an independent third party company ("third party"), accredited by COFRAC under number 3-2013 (Accréditation Cofrac Inspection, scope available on www.cofrac.fr) , we have carried out work designed to provide a reasoned opinion expressing a conclusion of moderate assurance on the historical information (observed or extrapolated) of the non-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Reporting Criteria"), for the year ended 31 December 2023 (hereinafter the "Information" and the "Statement" respectively), presented in the Group's management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French 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 have obtained, nothing has come to our attention that causes us to believe that the consolidated statement of non-financial performance is not prepared, in all material respects, in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is presented fairly in accordance with the Reporting Criteria.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment: The scope of consolidation used for the Extra-Financial Performance Declaration is presented in section 3.9.1. - Scope of consolidation. It covers 27 countries, representing 90% of the Group's consolidated sales and 83% of the total workforce.

Preparation of the declaration of non-financial performance

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of Information means that different, but acceptable, measurement techniques may be used, which may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Frame of Reference whose significant elements are presented in the Declaration.

Limits inherent in the preparation of information

As indicated in the Declaration in Chapter 3.9.2 - Methodological information on indicators, the Information relating to environmental data may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used to establish it and presented in the Declaration.

Responsibility of the entity

The Board of Directors is responsible for

- select or establish appropriate criteria for the preparation of Information;
- draw up a Declaration in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and, in addition, the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and to implement such internal control procedures as it determines are necessary to enable the preparation of information that is free from material misstatement, whether due to fraud or error.

The Declaration has been drawn up by applying the Group's Reference Document as mentioned above.

Responsibility of the independent third-party body

It is our responsibility, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of moderate assurance on:

- the compliance of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (recorded or extrapolated) provided in accordance with 3° of I and II of article R. 225-105 of the French Commercial Code, i.e. the results of policies, including key performance indicators, and actions relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of this Information, as this could compromise our independence.

It is not our role to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- the accuracy of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

We conducted the work described below in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, the professional standards issued by the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this work in lieu of an audit programme, and international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Code of Ethics of the profession of statutory auditor. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this activity.

Means and resources

Our work involved the skills of 2 auditors and took place between 15 January 2024 and 28 February for a total duration of 2 weeks.

We called on our specialists in sustainable development and corporate social responsibility. We conducted 9 interviews with the people responsible for preparing the Declaration, representing in particular the General Management, Administration and Finance, Risk Management, Compliance, Human Resources and Environment Departments.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the procedures we have performed in the exercise of our professional judgment enable us to provide a moderate level of assurance:

- we have reviewed the activities of all the entities included in the scope of consolidation and the description of the principal risks;
- we have assessed the appropriateness of the Standards in terms of their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, good industry practice;
- we have verified that the Declaration covers each category of information provided for in III of Article L. 225-102-1 relating to social and environmental matters;
- we have verified that the Declaration presents the information required by II of Article R. 225-105 when it is relevant to the principal risks and includes, where appropriate, an explanation of the reasons for the absence of the information required by paragraph 2 of III of Article L. 225-102-1;
- we have verified that the Declaration presents the business model and a description of the principal risks associated with the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as the policies, actions and results, including key performance indicators relating to the principal risks;
- we consulted documentary sources and conducted interviews to:
    - assess the process used to select and validate the main risks and the consistency of the results, including the key performance indicators selected, in relation to the main risks and policies presented, and
    - corroborate the qualitative information (actions and results) that we considered to be the most important, presented in Appendix 1. For certain risks, such as the fight against corruption, etc., our work was carried out at the level of the consolidating entity; for other risks, work was carried out at the level of the consolidating entity and in a selection of entities;
- We have verified that the Declaration covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16, with the limits specified in the Declaration;

- we familiarised ourselves with the internal control and risk management procedures implemented by the entity and assessed the data collection process aimed at ensuring the completeness and accuracy of the information;
- for the key performance indicators and other quantitative results that we considered to be the most important are presented in Appendix 1,
- we have implemented:
  - analytical procedures to check that the data collected has been properly consolidated and that trends are consistent;
  - tests of detail on the basis of sampling or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling data with supporting documents. This work was carried out on a selection of contributing entities[1] and covers more than 30% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Declaration in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures performed as part of 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; a higher level of assurance would have required more extensive verification work.

Lyon, 28 February 2024

FINEXFI

Isabelle Lhoste

Partner

APPENDIX 1

- Business model
- Code of Conduct
- Governance structure Sustainability
- Main risks and opportunities
- Review of the following social information
- Average total workforce
  - breakdown of workforce by geographic area
  - age pyramid,
  - breakdown of workforce by generation
  - genre
  - geographical area
- Recruitment by generation and gender
- Reason for leaving
- Environmental footprint
- Energy consumption - scopes 1 and 2
- Carbon footprint
- Breakdown of CO_2 emissions by scope

1 Exclusive Networks SA, Exclusive Networks France SA, Exclusive Holding, Exclusive on demand.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4. Corporate governance

Report of the Board of Directors on corporate governance

This report of the Board of Directors on corporate governance has been prepared in accordance with the provisions of Articles L. 225-37 et seq., and L. 22-10-8 et seq. of the French Commercial Code.

This report contains information relating to the compensation of the corporate officers and various aspects of the practices of the Company's administrative and management bodies. The Chairperson of the Board of Directors tasked the finance, legal and human resources Departments with carrying out preparatory steps for this report, which was then reviewed by the Nomination and Compensation Committee and approved by the Board of Directors on 28 February 2024. Factors that may be deemed significant in the event of a public offer are described in Chapter 6, section 6.1.5 "*Items that may have an impact in the event of a public offer*" of this Universal Registration Document for 2023.

Declaration relating to corporate governance

In order to prepare this Board of Directors' report on corporate governance, the Company has referred to the AFEP-MEDEF Code in its revised version of December 2022. This Code and a guide to its application are available in the Governance section of the AFEP and MEDEF websites: www.afep.com and www.medef.com.

In the context of the Comply or explain rule provided for in Article L. 22-10-10 of the French Commercial Code and Article 28.1 of the AFEP-MEDEF Code, and as a result of the Board of Directors' annual assessment performed on 28 February 2024 on the implementation by the Company of governance principles, the Company believes that its practices comply with the recommendations of the AFEP-MEDEF Code, with the exception of the following recommendations:

AFEP-MEDEF Code recommendation	Explain
Meetings of the Board of Directors and the Committees – It is recommended that at least one meeting not attended by the executive officers should be organised each year (Article 12.3)	The Board of Directors has organised no meetings not attended by the Chief Executive Officer, it being nevertheless specified that the latter does not participate in the Board of Directors' discussions concerning his compensation (in relation to performance policy and assessment). Moreover, the Board members meet the Auditors without the presence of the Chief Executive Officer during the Board meeting called to approve the financial statements.
Duration of Director's terms of office – Terms of office should be staggered so as to avoid replacement of the entire body and to favour a smooth replacement of Directors (Article 15.2)	According to the Article 12 of the Company's Bylaws, the Directors are appointed for a four-year term of office. By way of exception, the General Shareholders' Meeting may appoint one or more Directors, or renew their term(s) of office, for a different term not exceeding six years or reduce the term of office of one or more Directors in office to a period of less than four years, in order to allow for a staggered renewal of Directors' terms of office. All Directors currently in office were appointed for four-year terms following the General Shareholders' Meeting of 1 September 2021, which will expire at the closure of the General Shareholders' Meeting convened in 2025 to approve the financial statements for the year ending 31 December 2024. On expiry of the said terms of office, the Board of Directors will propose that the shareholders renew the term of office of certain Directors for a period of less than four years in order to allow for a staggered renewal of the terms of office. When Paul-Philippe Bernier was appointed as a Director in June 2023, the Board of Directors ensured that his term of office was staggered compared to the terms of office expiring in 2025.
Board of Directors and Corporate Social Responsibility (Chapter 5): On the recommendation of Executive Management, the Board of Directors determines the multi-year strategic direction that should be taken in relation to social and environmental responsibility. Executive Management describes to the Board of Directors how this strategy will be implemented by way of an action plan and a schedule. Executive Management reports annually to the Board on the results that have been achieved. Where climate matters are concerned, the strategy is accompanied by precise objectives over different time frames. Every year, the Board studies the results that have been achieved and considers whether there is scope to adapt the action plan or amend the objectives, particularly if there has been a change in the Company's strategy, technology, shareholder expectations and the financial capacity to implement them. The climate strategy mentioned in section 5.3 and the primary measures taken in this regard are presented to the General Shareholders' Meeting at least every three years or if there has been a material change in the strategy.	The Group implemented a plan to bring it into line with the recommendations of Chapter 5 of the AFEP-MEDEF Code in 2023, particularly with regard to the Group's climate strategy. To this end, a timetable was presented to the Executive Committee and a certain number of themes contributing to the Group's multi-year strategy in terms of social and environmental responsibility and its associated action plans were on the agenda of the Board of Directors in 2023. In 2023, the Executive Committee and the Board of Directors directly contributed to the materiality matrix and validated its conclusions. Since the beginning of the current fiscal year, the Board of Directors has validated the multi-year strategic guidelines on sustainability and the implementation of the action plans, which are detailed in Chapter 3 of this 2023 Universal Registration Document. Rather than being subject to preparatory work by a dedicated committee, CSR topics are discussed in plenary Board of Directors meetings as permitted by its current size. The Statement of Non-Financial Performance, which includes the Taxonomy, is submitted to the Board of Directors in the same way as the management report. Directors are invited to consider these issues and present their findings during Board of Directors meetings. Moreover, all risks (including extra-financial ones) are reviewed by the Audit and Risks Committee (see section 4.2.8.2 below).

4.1 Governance structure

4.1.1 Current governance structure

4.1.1.1 Separation of the roles of Chief Executive Officer and Chairperson of the Board of Directors

The Company was incorporated as a *société par actions simplifiée* (simplified joint-stock corporation) and was converted into a *société anonyme* (public limited company) governed by a Board of Directors through a decision at the General Shareholders' Meeting of 1 September 2021.

The Company's present mode of governance, decided by the Board of Directors on 27 September 2021, separated the responsibilities of the Chairperson of the Board of Directors, exercised by Barbara Thoralfsson, from those of the Chief Executive Officer, exercised by Jesper Trolle.

The Board of Directors considered that this structure corresponded to the most appropriate governance model for the Company, allowing separation of operational management under the Chief Executive Officer assisted by the Executive Committee to ensure coordination between the head office and the subsidiaries, in accordance with the Group's decentralised model, and the control function exercised by the Board of Directors representing the shareholders.

The Board of Directors believes that this governance structure is appropriate and that it will enable the Group to pursue its development under the best possible conditions. It allows the Chief Executive Officer to fully devote himself to operational and executive functions. It also allows the Group to benefit from the expertise and experience of the Chairperson of the Board of Directors. The complementary profiles and backgrounds of the Chairperson of the Board of Directors and the Chief Executive Officer are an additional asset for the Group.

In addition, the choice to appoint Jesper Trolle as a Director allows for regular exchanges between shareholders and Executive Management and ensures that the definition of the Group's strategy takes into account the expectations and interests of the shareholders.

4.1.1.2 Balance in the distribution of powers

In addition to the separation of offices of Chairperson of the Board of Directors and Chief Executive Officer, the following mechanisms ensure a good balance of powers and avoid any conflicts of interest:

- **the independence of the Board of Directors:** the independent Directors represent 50% of the Board of Directors (4 out of 8) as at the date of this 2023 Universal Registration Document;
- **two permanent Committees:** each is chaired by an Independent Director, namely the Audit and Risks Committee and the Nomination and Compensation Committee, 66.66% of whose members are independent;
- **the limitation of the powers of the Chief Executive Officer:** the Internal Rules of the Board of Directors specify the fields reserved for the Board of Directors and in this respect provides for limitations on the powers of the Chief Executive Officer that exceed the legal requirements. Thus, the Board of Directors must approve strategic investment projects and any operation of significant importance for the Group (see section 4.1.2 "*Executive Management*" below, which presents the list of decisions requiring the prior authorisation of the Board of Directors).

4.1.2 Executive Management

4.1.2.1 Powers of the Chief Executive Officer

According to Article 17 of the Company's Bylaws, the Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, as limited by the corporate purpose and those powers that the applicable laws and regulations expressly confer on the shareholders' meetings and on the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is also bound by acts of the Chief Executive Officer that are not within the Company's corporate purpose, unless the Company can prove that the third party knew that such acts went beyond the Company's corporate purpose or could not have been unaware thereof given the circumstances.

4.1.2.2 Limitations on the powers of the Chief Executive Officer

Article 3.2 of the Board of Directors' Internal Rules provides that the Chief Executive Officer must obtain the prior approval of the Board of Directors for any decision listed below:

- approval or amendment to the business plan or to the budget (including investment budgets together with the relating financing plan) of the Company, including the consolidated annual budget of the Group;
- any distributions by the Company and by other Group companies, excluding distributions between wholly owned subsidiaries;

- any operation that is not part of the Company's announced strategy or that could significantly affect or materially modify the financial structure of results of the Company;
- any acquisition, merger, spin-off, contribution in kind or divestiture insofar as the aggregate amount exceeds €10 million (or its equivalent in any other currency);
- any investment (except acquisition, merger, spin-off, contribution in kind or divestiture above mentioned) not approved in the business plan or the budget, for an amount exceeding €10 million (or its equivalent in any other currency);
- any decision to set up or to terminate a partnership or joint company where the contribution of the Company or the Group exceeds €10 million (or its equivalent in any other currency);
- any financing operation which exceeds €100 million (or its equivalent in any other currency) for new medium or long-term borrowing or €70 million (or its equivalent in any other currency) for short term commercial papers;
- any decision to grant guarantees or security interests to third parties (except guarantees granted to customs and tax authorities in the normal course of business) for an amount exceeding the annual aggregate amount to be determined each year by the Board of Directors and subject to any further authorisation granted by the Board of Directors with respect to guarantees or securities granted for the benefit of controlled companies within the Group or more generally to the Chief Executive Officer;
- any decision to settle or initiate a dispute relating to a claim for an amount exceeding €5 million (or its equivalent in any other currency) or a claim having a material reputational impact on the Company;
- any issuance of shares or securities giving access, whether immediately or in the future, to the Company's share capital based on any available delegation of competence granted by the Company's General Shareholders' Meeting;
- any launch of a significant activity not within the usual scope of the companies of the Group or any decision to stop or reduce significantly the main businesses of the Group;
- any amendment to the Company's Bylaws or to the bylaws or of any Material Subsidiaries (except for amendments of administrative nature); the term "Material Subsidiaries" means any subsidiary of the Company which consolidated revenue represents, for the previous financial year, more than 5% of the Company's consolidated annual revenue;
- any merger, demerger or winding up of a Material Subsidiary, excluding intra-Group reorganisations;
- the implementation of any insolvency procedure, dissolution or winding-up (or any similar procedure in each applicable jurisdiction), of the Company or any of its Material Subsidiaries;
- the appointment, renewal or dismissal of the Statutory Auditors of the Company;
- acquisition by the Company of its own shares; and
- the delisting of the Company or the listing of any Group company.

4.1.3 Executive Committee

The Executive Committee is responsible for the Group's Executive Management; it is involved in defining and implementing the Group's strategy.

Due to the Group's size, the acceleration of its growth, and the specific requirements of the various markets and geographical areas in which it operates, Executive Management's structure was reorganised in 2023.

The organisational structure is based on support functions and operational functions. The operating functions are headed by the regional Vice Presidents.

This organisation is directly aligned with the Exclusive Networks group's DNA, as it considers its centralised management team, combined with local autonomy, as essential to enabling agility and faster reaction to the changes that occur in the market.

As at the date of the present 2023 Universal Registration Document, the Executive Committee is composed of the seven following members and is chaired by the Chief Executive Officer[1].

(1) A detailed biography of Jesper Trolle, Chief Executive Officer of the Company, is given in Section 4.2.2 "*Information on Directors in office as at 31 December 2023*".

Jesper Trolle
Chief Executive Officer

Jesper Trolle is a highly accomplished retail manager who joined Exclusive Networks as Chief Executive Officer in 2020. From his beginnings in his native Denmark, where he built successful distribution and resale businesses, he has gained three decades of experience and has worked worldwide, leading Value-Added Distributor organisations worth several billion dollars. He was President of the Americas for ECS Arrow before joining Exclusive Networks. Jesper Trolle holds an Executive MBA in General Management from Henley Business School.

Andrew Assad
Vice-President Asia-Pacific

Andrew Assad joined Exclusive Networks in 2023, bringing remarkable experience in driving innovation and creating value across channels. Over the past 18 years, Andrew has successfully held a large number of senior positions at Arrows ECS, culminating in his role as Managing Director for Australia/New Zealand (ANZ). Throughout his career, Andrew has demonstrated inspiring leadership in managing high-performing teams and a solid track record of delivering exceptional business results.

Nathalie Bühnemann
Chief Financial Officer

Nathalie Bühnemann joined Exclusive Networks as Chief Financial Officer in January 2023. Before joining the Group, Nathalie was (i) Chief Financial Officer from 2016 to 2022, (ii) head of finance from 2015 to 2016, (iii) head of reporting, consolidation and integration of the Group from 2014 to 2016, and (iv) Financial Controller from 2013 to 2014 of the Akka Technologies Group where she also supervised the general structure and was a member of the Board of Directors. Before joining Akka Technologies, Nathalie was a financial consultant at PwC from 2011 to 2013. Nathalie holds an Audit and Finance degree from ESCP European School of Management (France) and is a certified public accountant in France (DEC).

Paul Eccleston
Vice-President Europe Middle East & Africa (EMEA) – Chief Executive Officer UK and Ireland

Paul Ecclestone joined Exclusive Networks in 2022 with a proven track record in building and growing successful delivery organisations, driving innovation and accelerating growth, particularly around cybersecurity, enterprise software, Saas and cloud technologies. Over the course of his career, Paul has accumulated extensive knowledge and experience of channels, having held senior positions at Computacenter, SCC and TechData. Paul founded Nuvias in 2015 and turned it into a company valued at several hundred million dollars in the EMA region in just five years.

Laurence Galland
Human Resources Director

Laurence Galland has more than 15 years of experience in Human Resources, during which she has built an impressive track record in talent development and business evolution within large international teams. At Exclusive Networks, Laurence is responsible for the human development of our best talents. Laurence joined Exclusive Networks in 2020. She creates business value from HR by applying data-driven strategies and supporting Exclusive Networks agile, inclusive and unique corporate culture: the Exclusive Spirit.

Vincent Savesi
General Counsel & Compliance Officer

Vincent Savesi joined Exclusive Networks in 2016 and is the Company's main legal authority. His combined roles as global general counsel and global compliance officer reflect the importance of strategic risk and compliance management to Exclusive Networks' global business activities. Vincent Savesi has more than 20 years of experience in law firms and in large companies, including Groupe Renault.

Brian Vincik
Vice-President North America

Brian Vincik is a US channel veteran of over 40 years, with a senior-level experience and success wealth. Brian joined Exclusive Networks in 2021 after serving as Chief Executive Officer of Securematics, where he delivered impressive growth in value-added distribution from Carlsbad, California. Previously, he led the pre-sales consulting business and contributed to the growth of the services business at Hewlett-Packard.

4.1.4 Gender equality in the Company's management bodies

During the 2023 financial year, the Board of Directors ensured that Executive Management applied its non-discrimination and diversity policy, particularly in terms of gender diversity within management bodies, and reviewed the actions implemented for this purpose as well as the results obtained. The Group's policy, strategy and actions undertaken in these domains are detailed in the Statement of Non-Financial Performance included in Chapter 3, section 3.7.7 "*Diversity, equity and inclusion*" in this 2023 Universal Registration Document.

4.2 The Board of Directors

4.2.1 Composition

4.2.1.1 Article 12 of the Company's Bylaws

The Company is governed by a Board of Directors composed of at least three members and no more than eighteen members, subject to the exceptions provided for by applicable laws and regulations.

Directors are appointed for a four-year term of office. By way of exception, the General shareholders' meeting may appoint one or more Directors for a shorter term, in order to allow for a staggered renewal of Directors' terms of office.

When a Director is appointed to replace another, he/she shall hold office only for the remainder of the predecessor's term.

The term of office of a Director expires at the end of the General shareholders' meeting convened to approve the financial statements for the previous financial year and held during the year in which the term of office of the Director expires.

4.2.1.2 Composition of the Board of Directors at 31 December 2023

Name and principal function	Nationality	Age	Gender	Function	Committees: Audit	Committees: NRC*	Indepen-dance	Offices held in a listed company (excl. EXN)	First appointment	End of term of office	Number of Company's shares held
Jesper Trolle Chief Executive Officer of Exclusive Networks		51	M	Director			✗	0	01/09/2021[1]	SM 2025	306,900
Barbara Thoralfsson Director of companies Co-founder and owner of Fleming Industries		64	F	Chair	Member	Member	✓	2	27/09/2021[3]	SM 2025	15,000[2]
Marie-Pierre de Bailliencourt Director of the Institut Montaigne		53	F	Director		Chair	✓	0	27/09/2021[3]	SM 2025	1,250
Paul-Philippe Bernier Deputy Director of Large Cap at BPIfrance Investissement		42	E	Director			✓	1	08/06/2023	SM 2027	1,000
Olivier Breittmayer Chief Executive Officer and Owner HTIVB Chairman of Colisée Group		59	E	Director			✗	0	01/09/2021	SM 2025	8,599,926[4]
Nathalie Lomon Director of companies		52	F	Director	Chair		✓	1	17/04/2023[5]	SM 2025	1,000
Pierre Pozzo Principal at Permira		34	E	Director	Member		✗	0	01/09/2021	SM 2025	1,500
Michail Zekkos Partner at Permira		47	E	Director		Member	✗	0	01/09/2021	SM 2025	1,500

* NRC = Nomination and Compensation Committees

(1) Jesper Trolle was Chairperson of the Company under its previous form of *société par actions simplifiée* (simplified joint-stock corporation), a function that he exercised from December 2020 onwards before being appointed on 1 September 2021 as Director and Chief Executive Officer of the Company under its form of *société anonyme* (public limited company).

(2) Through Fleming Industries AS (Norway).

(3) Date of settlement and delivery of the Company's shares following the Initial Public Offering.

(4) Including 8,582,100 held through HTIVB.

(5) Nathalie Lomon was co-opted by the Board of Directors on 17 April 2023, to replace Nathalie Bühnemann, who resigned, for the remainder of her predecessor's term of office. This co-option was ratified by the Company's 2023 Annual general meeting.

4.2.1.3 Lead Director

Given the decision to separate the functions of Chairperson of the Board of Directors and Chief Executive Officer, the Board of Directors decided not to appoint a lead Director. Any conflict of interest is managed by the Chairperson of the Board of Directors (see section 4.2.6 "*Conflicts of interest (extract from the Internal Rules of the Board of Directors)*" of this report).

4.2.1.4 Evolution of the composition of the Board of Directors and its Committees in 2023

The composition of the Board of Directors changed as follows during the 2023 financial year:

	Resignations		Appointments	
	Function	Date	Function	Date
Board of Directors	Nathalie Bühnemann (M)	17/01/2023	Nathalie Lomon (M)	17/04/2023
			Paul Philippe Bernier (M)	08/06/2023
Audit and Risks Committee	Nathalie Bühnemann (C&M)	17/01/2023	Barbara Thoralfsson (C)	25/01/2023
	Barbara Thoralfsson (C)(1)	17/04/2023	Nathalie Lomon (C)	17/04/2023
Nomination and Compensation Committee	Nathalie Bühnemann (M)	17/01/2023	Barbara Thoralfsson (M)	25/01/2023

(1) Barbara Thoralfsson has retained her role as a member of the Audit and Risks Committee.
(M) = Member (C) = Chair

4.2.1.5 Chairperson of the Board of Directors (Article 13 of the Bylaws)

The Board of Directors elects a Chairperson from among the members of the Board who are natural persons and determines the term of office, the duration of which may not exceed the Director's term.

The Chairperson organises and manages the work of the Board of Directors and reports on its work to the General shareholders' meeting, which he/she also chairs. The Chairperson of the Board of Directors oversees the proper functioning of the Company's management bodies and ensures that the Directors are able to carry out their duties.

The Chairperson of the Board of Directors is kept regularly informed by the Chief Executive Officer of any significant events in the life of the Company, and may ask him/her for any information likely to provide insights to the Board of Directors and its Committees.

The Chairperson of the Board of Directors is responsible for managing situations of conflict of interest and, if required, must refer such situations to the Nomination and Compensation Committee (see section 4.2.6 "*Conflicts of interest – Extracts from the Internal Rules of the Board of Directors*").

4.

4.2.2 Information on Directors in office at 31 December 2023

Barbara Thoralfsson

Professional address:
20, Quai du Point du Jour
92100 Boulogne-Billancourt
France

Number of shares:
15,000(1)

Date of birth (and age):
16 January 1959
(64 years old)

Nationality:
Norwegian, American

Date of 1st appointment:
27 September 2021(2)

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Chairperson of the Board of Directors
Member of the Audit and Risks Committee
Member of the Nomination and Compensation Committee
Independent

Biography – Professional experience – Fields of expertise

Barbara Thoralfsson has vast experience as a non-executive Director of public and private multinational companies in a wide range of sectors. Barbara Thoralfsson has served on the Boards of Tandberg, Electrolux, Telenor, Cable & Wireless Communications and Colart (where she was Non-Executive Chair), as well as the companies listed below. Barbara Thoralfsson has been Chief Executive Officer of Midelfart & Co AS, Norway's leading health and beauty care distributor for several multinational vendors (1995-2000) and Chief Executive Officer of NetCom ASA, a telecommunications company (2001-2005). Since 2006, she has been an entrepreneur in the industrial sector and has created the largest plastic recycling company in Scandinavia.

Barbara holds a BA in Psychology from Duke University (USA) and an MBA in Marketing and Finance from Columbia Business School (USA).

Main activities:

Director of companies

Co-founder and owner of Fleming Industries

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2023

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France: None

Other countries:

- Fleming Industries (Norway) – Co-Founder and Owner
- Essity* (Sweden) – Non-Executive Director, Chairperson of the Audit and Risks Committee and member of the Compensation Committee
- SCA* (Sweden) – Non-Executive Director and Chairperson of the Audit and Risks Committee
- Hilti Group (Liechtenstein) – Non-Executive Director

Other positions and offices held during the last five years

Within the Exclusive Networks group

France: Chairperson of the Audit and Risks Committee (January 2023 – April 2023)

Other countries: None

Outside the Exclusive Networks group

France: None

Other countries:

- G4S Plc* (United Kingdom): Non-Executive Director and member of the Nomination and Compensation Committees (July 2016–April 2021)
- EQT (Norway) – Industrial Advisor

* Listed company.
(1) Through Fleming Industries AS (Norway).
(2) Appointment effective as from the date of settlement/delivery of the shares offered in the Company's Initial Public Offering pursuant to the General shareholders' meeting held on 1 September 2021 and the decision of the Board of Directors on 27 September 2021.

Jesper Trolle

Professional address:
20, Quai du Point-du-Jour,
92100 Boulogne-Billancourt
France

Number of shares:
306,900

Date of birth (and age):
10 December 1972
(51 years old)

Nationality:
Danish

Date of 1st appointment:
1 September 2021[(1)]

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Director

Biography – Professional experience – Fields of expertise

Jesper Trolle has nearly 30 years of experience in the IT industry, both within the reseller community and with distributors. In 2001, he established Next Denmark A/S in the Danish market. The Company was acquired by DNS, and the latter 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 France, running north-west Europe and ANZ. He took up the role as Arrow's President Americas in 2017, based in Denver, Colorado.

Jesper Trolle holds an Executive MBA in General Management from Henley Business School.

Main activity:

Chief Executive Officer of Exclusive Networks*

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2023

Within the Exclusive Networks group

France: None[(2)]

Other countries: None[(2)]

Outside the Exclusive Networks group

France: None

Other countries: None

Other positions and offices held during the last five years

Within the Exclusive Networks group

France: Chairperson of Exclusive Networks*[(1)]

Other countries: None[(2)]

Outside the Exclusive Networks group

France: None

Other countries:

- ECS Arrow Electrics – various positions including President of the Americas (2020)

* Listed company.
(1) Chairperson of the Company under its former corporate form as a French société par actions simplifiée (1 December 2020 – 1 September 2021).
(2) With the exception of the mandates held in the Exclusive Networks group's entities for which Mr. Jesper Trolle does not receive any compensation.

Marie-Pierre de Bailliencourt

Professional address:
20, Quai du Point-du-Jour,
92100 Boulogne-Billancourt
France

Number of shares:
1,250

Date of birth (and age):
6 February 1970
(53 years old)

Nationality:
French

Date of 1st appointment:
27 September 2021(1)

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Independent Director

Chairperson of the Nomination and Compensation Committee

Biography – Professional experience – Fields of expertise

Marie-Pierre de Bailliencourt worked at the United Nations as the Secretary General's Sherpa in the mid-1990s before joining the corporate world and negotiating numerous international mergers and acquisitions, mainly in the industrial sector. Subsequently, she has held senior management positions at several large, international companies in the high technology sector. She has notably served as DNCS Naval Group's Deputy Chief Executive Officer from January 2015 to November 2017. She currently sits on the Boards of Directors of several French companies including Comgest and Groupe La Poste and teaches at the Paris Institute of Political Studies (Sciences Po).

Marie-Pierre de Bailliencourt, holds a doctorate in Geopolitics from Paris-Sorbonne University and studied International Affairs at Johns Hopkins University.

Main activities:

Director of the Institut Montaigne

Teacher at the Paris Institute of Political Studies (Institut de Sciences politiques de Paris)

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2023

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France:

- Director of the Institut Montaigne
- COMGEST – Director
- La Poste Group – Director
- La Poste Group – Chair of the Quality & Sustainable Development Committee

Other countries: None

Other positions and offices held during the last five years

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France:

- RUAG – Director (2018-2021)

Other countries: None

(1) Appointment effective as from the date of settlement and delivery of the shares offered in the Company's Initial Public Offering pursuant to the General shareholders' meeting held on 1 September 2021 and the decision of the Board of Directors on 27 September 2021.

Paul-Philippe Bernier

Business address:
6/8, Boulevard Haussmann,
75009 Paris

Number of shares:
1,000

Date of birth (and age):
6 February 1981
(42 years old)

Nationality:
French

Independent Director

Biography – Professional experience – Fields of expertise

Paul-Philippe Bernier, has been Deputy Director and a member of the Management Committee of the direct investment team of Bpifrance Large Cap since 2022. He has more than 15 years of experience in structured financing and equity investment. He joined Bpifrance Investissement in 2019 as an Investment Director. He has participated in many investments (or reinvestments) for Bpifrance, including the investments in the following listed and unlisted companies: Elis, Exclusive Networks, EssilorLuxottica, SPIE, SRS, Mediawan and Sulo.

Before joining Bpifrance, Paul-Philippe was Director within the structured finance team of Société Générale CIB for 12 years and was based in Paris and in London. He specialised in the TMT sector from 2014 to 2019. For Société Générale, Paul-Philippe completed more than 20 financing operations as Mandated Lead Arranger and Bookrunner, in Europe and Africa, on behalf of Private Equity funds and listed corporates.

Paul-Philippe started his career as a financial auditor for Mazars. He is a graduate of Neoma Business School.

Main activities:

Deputy Director of Large Cap at BPIfrance Investissement

List of positions and offices held in French and foreign companies

Other positions and functions held as at 31 December 2023

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France:

- Permanent representative of Bpifrance Investissement on the Supervisory Board of SRS
- Permanent representative of Bpifrance Investissement, itself a non-voting member of the Supervisory Board of Elis*
- Permanent representative of Bpifrance Investissement on the Supervisory Board of Sulo
- Permanent representative of Bpifrance Investissement on the Committee of AD Industries

Other countries: None

Other positions and offices held during the last five years

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France:

- SULO – Non-voting member (2022)
- Permanent representative of Bpifrance Investissement on the Supervisory Board of Indexia (2023)
- Permanent representative of Bpifrance Investissement, itself a non-voting member of the Supervisory Board of Colombe Holding (2023)

Other countries: None

* Listed company.

Olivier Breittmayer

Professional address:
Grand Route 2017, B-1428 Braine-l'Alleud, Belgium

Number of shares:
8,599,926(1)

Date of birth (and age):
9 March 1964
(59 years old)

Nationality:
French

Date of 1st appointment:
1 September 2021(2)

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Director

Biography – Professional experience – Fields of expertise

Olivier Breittmayer has more than 34 years' experience of working with fast-growth technology companies across sales, marketing, product development and management roles. He served as Chief Executive Officer of Exclusive Networks from 2005 to 2020. Since 2021, Olivier Breittmayer has been Chairman of the Board of Colisée Group. He also served as Chief Executive Officer of Cirel Systems from 1997 to 1999; Chief Executive Offer of Newlink from 1997 to 2000; and Managing Director of Alasso Southern Europe from 2000 to 2002.

Olivier is a graduate of the Ecole Supérieure de Gestion (France) and holds a degree in Economic Sciences from the Université Paris X (France).

Main activities:

Chief Executive Officer and Owner HTIVB

Chairman of Colisée Group

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2023

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France:

- Chairman of Colisée Group
- Exclusive Venture S.A. – Managing Director
- HTIVB – Chief Executive Officer and Owner
- Omada Conseil S.A. – President of the Board
- Sentinelle SAS – Chairman

Other countries: None

Other positions and offices held during the last five years

Within the Exclusive Networks group

France:

- Chief Executive Officer of Exclusive Networks* (2005-2020)

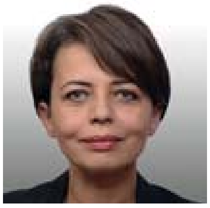
Other countries: None

Outside the Exclusive Networks group

France: None

Other countries: None

* Listed company.
(1) Including 5,582,100 held through HTIVB.
(2) Before being appointed a Director of the Company under its form as a société anonyme, Olivier Breittmayer was Chairperson and a member of the Company's Supervisory Board (2002-2020).



Nathalie Lomon

Professional address:
20, Quai du Point du Jour
92100 Boulogne-Billancourt
France

Number of shares:
1,000

Date of birth (and age):
6 November 1971
(52 years old)

Nationality:
French

Date of 1st appointment:
17 April 2023

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Independent Director

Chairperson of the Audit and Risks Committee

Biography – Professional experience – Fields of expertise

A graduate of Neoma Business School, Nathalie began her career in auditing at Mazars and in the General Inspection department of BNP Paribas. In 2002, she joined Pechiney where she held various financial and management positions. Nathalie Lomon worked at Ingenico, where she was notably Group Chief Financial Officer and a member of the Executive Committee before joining SEB Group as Deputy Chief Executive Officer. Nathalie Lomon has also been a Director of Coface since 2017 and Chairperson of the Coface Risks Committee since 2018.

Main activity:

Director of companies

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2023

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France:

- Director and Chairperson of the Risks Committee at Coface*

Other countries: None

Other positions and offices held during the last five years

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France:

- Senior Executive VP, responsible for financial, audit and legal affairs, Groupe SEB (2019-2023)
- Chief Executive Officer, SEB Internationale S.A.S. (2019-2023)
- Chief Executive Officer, Immobilière Groupe SEB S.A.S. (2019-2023)
- Director representing the founder members of the Groupe SEB endowment fund (2019-2023)
- Deputy Chief Executive Officer, Groupe SEB Ré (2019-2023)
- EVP Finance, Legal & Governance, Ingenico Group S.A. (2010-2019)
- Chairperson, Ingenico Business Support S.A.S. (2010-2019)
- Chairperson, Ingenico 5 S.A.S. (2010-2019)
- Director, Bambora Top Holding AB

Outside the Exclusive Networks group (continued)

Other countries:

- Member of the Supervisory Board, WMF G.m.b.H. (2019-2023)
- Director and member of the Audit Committee, ZHEJIANG SUPOR Co. Ltd. (2019-2023)
- Director, SEB Professional North America (2019-2023)
- Director, CEI RE ACQUISITION LLC (2019-2023)
- Director, WILBUR CURTIS CO.INC (2019-2023)
- Member of the Supervisory Board of Schaerer AG (2019-2023)
- Director, Ingenico Holdings Asia Limited (HK) (2010-2019)
- Director, Fujian Landi Commercial Equipment Co., Ltd.
- Manager, Ingenico e-Commerce Solutions B.V.B.A./S.P.R.L. (BE) (2010-2019)
- Director, Ingenico Financial Solutions N.V./S.A. (BE) (2010-2019)
- Director, Ingenico do Brasil Ltda. (2010-2019)
- Director, Ingenico Holdings Asia II Limited (HK) (2010-2019)
- Director, Stichting Beheer Derdengelden Ingenico Financial Solutions (IFS Fondation) (2010-2019)
- Chairperson of the Supervisory Board and member of the Audit Committee, Global Collect Services B.V. (2015-2019)
- Director, Fixed & Mobile Pte. Ltd. Ltd.
- Director, Fixed & Mobile Holdings Pte. Ltd.
- Director, Ingenico Corp. (2010-2019)
- Director, Ingenico International (Singapore) Pte. Ltd. (2010-2019)
- Director, Ingenico Japan Co. Ltd. (2010-2019)

4.

* Listed company.

Pierre Pozzo

Professional address:
80 Pall Mall London SW1Y 5ES, United Kingdom

Number of shares:
1,500

Date of birth (and age):
12 March 1989
(34 years old)

Nationality:
French

Date of 1st appointment:
1 September 2021

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Director

Member of the Audit and Risks Committee

Biography – Professional experience – Fields of expertise

Pierre Pozzo joined Permira in 2013 and is a principal. At Permira, Pierre Pozzo focuses on investment opportunities in technology businesses and has extensive experience in the sector. Prior to joining Permira, Pierre Pozzo worked for Credit Suisse and PAI Partners. He has served as a member of the Board of Directors of a number of companies including Teraco and Vacanselect. Pierre Pozzo holds a Law degree from the University of Versailles (France), a Master's in Management from HEC Paris (France), and a Master's in Economic and Social Sciences from Bocconi University (Italy).

Main activity:

Partner at Permira

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2023

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France:

- Perzea SASU – Corporate Officer

Other countries:

- Eightplatform I Limited – Director
- Everest UK HoldCo Limited – Director
- Magnesium Bidco Limited – Director
- Magnesium Midco Limited – Director
- Magnesium Topco Limited – Director
- Magnesium Midco 2 Limited – Director
- Permira Advisers LLP – Member
- Teraco Data Environments – Director
- Nighthawk UK HoldCo Limited – Director
- Artemilux Topco S.à.r.l. – Executive – Manager
- Kinailux S.à r.l. – Manager
- Springlux Topco S.àr.l. – Manager
- TigerLuxOne GP S.àr.l. – Manager
- TigerLuxOne S.à r.l. – Manager
- TigerLuxOne Midco S.à.r.l. – Manager
- Springlux Midco S.à.r.l. – Manager

Other positions and offices held during the last five years

Within the Exclusive Networks group

France:

- Member of the Supervisory Board of Exclusive Networks* (until 01/09/2021)

Other countries: None

Outside the Exclusive Networks group

France: None

Other countries:

- TigerLuxOne Topco S.à r.l. – Manager (27/03/2015-06/03/2020)

* Listed company.

Michail Zekkos

Professional address:
80 Pall Mall, London, SW1Y 5ES, United Kingdom

Number of shares:
1,500

Date of birth (and age):
20 December 1976
(47 years old)

Nationality:
British Greek

Date of 1st appointment:
1 September 2021

Date of renewal:
-

Term expires on:
2025 AGM ruling on the accounts of the 2024 financial year

Director

Member of the Nomination and Compensation Committee

Biography – Professional experience – Fields of expertise

Michail Zekkos joined Permira in 2007 and is a partner. At Permira, Michail Zekkos focuses on investment opportunities in technology businesses and has extensive experience in the sector. Michail Zekkos also chairs the Portfolio Monitoring Committee, which oversees the buyback and growth funding portfolio. Prior to joining Permira, Michail Zekkos worked in technology investment banking at JPMorgan. Michail Zekkos is a member of the Board of Directors of Mimecast, Curriculum Associates and has experience as a member of the Boards of several other companies including Teraco.

Michail Zekkos holds degrees in Political Sciences and Economics from Athens Law School (Greece) and the American College of Greece, respectively. He also holds a Master's in Economics and Finance from Warwick Business School (England) and an EMBA from INSEAD (France).

Main activity:

Partner at Permira

List of positions and offices held in French and foreign companies

Other positions and offices held as at 31 December 2023

Within the Exclusive Networks group

France: None

Other countries: None

Outside the Exclusive Networks group

France: None

Other countries:

- Mimecast – Director
- Permira Advisers LLP – Member
- CRC Purchaser Corporation –Director
- CRC Group Holdings MLP, Inc. – Director
- CRC Group Holdings GP, Inc. – Director
- Curriculum Associates, LLC – Director

Other positions and offices held during the last five years

Within the Exclusive Networks group

France:

- Chairperson of the Board of Directors of Exclusive Networks* (01/09/2021-27/09/2021)
- Member of the Supervisory Board of Exclusive Networks* (until 01/09/2021)

Other countries: None

Outside the Exclusive Networks group

France: None

Other countries:

- Teraco Data Environments – Director (02/02/2015-07/05/2020)

4.

* Listed company.

4.2.3 Profile of the Board of Directors

4.2.3.1 Director selection procedure

During its meeting of 12 October 2022, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, approved a procedure for the selection of Directors which must be followed for the appointment of all new Directors (other than salaried Directors and Directors representing the shareholders). This procedure is attached to the Internal Rules of the Board of Directors, available on the Company's website under the heading Governance.

The selection process consists of the following four main phases overseen by the Nomination and Compensation Committee:

1. **Identification of the Board of Directors' needs** based in particular on the results of the annual assessment of its composition and its functioning.

2. **Search for a candidate:** once the Board of Directors' need has been identified, the Nomination and Compensation Committee prepares a list of potential candidates to be met, drawn up on the basis of names suggested by the Committee, the Board of Directors, the members of the Executive Committee and spontaneous candidatures. The Nomination and Compensation Committee may be assisted by an external consultancy if it so requires.

3. **Assessment of candidates and pre-selection:** the Nomination and Compensation Committee ensures that the Board of Directors' needs are met in terms of the candidates' skills, experience, availability, motivation, potential conflicts of interest and independence.

4. **Proposal to appoint the candidate** made by the Board of Directors to the shareholders after due deliberation of the recommendations of the Nomination and Compensation Committee.

The Chief Executive Officer and the Chairperson of the Board of Directors are associated with this selection procedure.

The procedure for the renewal of Directors' terms of office is set out in the Company's Bylaws. The Nomination and Compensation Committee assesses the performance of each Director for whom renewal of their term of office is to be proposed to the Shareholders. The Directors' contributions are also assessed throughout their terms of office. This exercise was not carried out in 2023, given that no Director's term of office was due to expire at the time of the next General shareholders' meeting.

In accordance with the selection procedure described above, in the context of co-opting Nathalie Lomon and the appointment of Paul-Philippe Bernier as new members of the Board of Directors, the Nomination and Compensation Committee has issued recommendations to the Board of Directors for the appointment process for new Directors and for the profile and skills set required.

On the recommendation of the Nomination and Compensation Committee, the Board of Directors had expressed the desire to await the completion of a full year of the Board of Directors' activity with its composition as put in place following the Company's Initial Public Offering, in order to obtain a more coherent view of its functioning and needs in terms of skills, and so as to ensure as a first priority the fully integrated and collegial functioning of the Board. It is in the context of these discussions that the Board of Directors expressed the wish to await the 2023 general meeting to put the appointment of Mr. Paul-Philippe Bernier to the vote of shareholders.

In accordance with the selection procedure described above, each of the Directors appointed in 2023 met with the Chairperson of the Board of Directors and of the Nomination and Compensation Committee as well as the Group Chief Executive Officer.

4.2.3.2 Director training

All Directors may, at the time of their appointment or throughout their term of office, receive any training which may appear necessary for the exercise of their duties, in particular in relation to specific aspects of the Group, its business lines and sector of activity, and its accounting and financial functions. It is also planned to support the Directors in improving their skills on environmental, social and societal items, in particular following the entry into force of the Corporate Sustainability reporting Directive (CSRD) and its transposition into French law on 7 December 2023 (Order no. 2023-1142).

Training for Directors concerning the Group's specific aspects is organised for the Company by specialists. Training on social, societal and environmental subjects will be provided by external specialists who are recognised in their fields of competence. This training will be provided at the Company's expense.

During the 2023 financial year, the Directors were able to attend training sessions provided by experts internal and external to the Group, in particular as part of a day-long seminar on the Group's strategy to enable them to understand the Group's activities, risks and organisation of Exclusive Networks, or during a meeting of the Board of Directors.

The Directors appointed in 2023 benefited from an onboarding programme that focused on the stock market obligations applicable to directors of listed companies, ESG issues for the Group, a presentation on the compliance programme, accounting and financial operations and internal audit, as well as a presentation on the Group's activities and more generally the cybersecurity market and the Group's strategy.

The Directors regularly receive documents and information about the Company, its activity and its environment, and they are able to interact directly with Management if they wish.

4.2.3.3 Diversity policy of the Board of Directors

In accordance with Article 7.2 of the AFEP-MEDEF Code, the Board of Directors regularly assesses its composition and seeks to ensure that its own composition and that of its Committees reflects a good balance in terms of diversity, age, gender, skills, professional experiences, nationalities and independence.

The Directors of the Company come from different backgrounds and have varied experience and expertise reflecting the objectives of the Board of Directors.

It should be noted that the requirements of Article L. 22-10-10, Paragraph 2 of the French Commercial Code, which provide for a description of the Board of Directors' diversity policy, are not currently applicable to the Company, given that it has not yet attained the relevant thresholds in terms of revenue, assets and employees for such a requirement to be mandatory under current legislation.

Expertise represented on the Board of Directors

Industrial, technological & distribution expertise

- Cybersecurity
- Data Digital & Cloud
- High tech
- Industry

General Management of international companies

Experience as a managing director, executive committee member or senior manager, director in international groups including listed groups

Diversity of origins

- Private Sector
- Public Sector
- France and abroad

Complementary expertise

- Social & Environmental Responsibility
- Governance & Remuneration
- Finance - Audit - Risks
- Strategies - M&A

The Board of Directors' objectives with regard to its composition

Criteria	Objectives	Implementation and outcomes
Independence of the Board of Directors	To comply with the recommendations of the AFEP-MEDEF Code on the independence of the Board of Directors	The independence of the Board of Directors was strengthened in 2023 with the appointment of a new independent member by the Annual general meeting of 8 June 2023. As at 31 December 2023, independent Directors represented 50% of the Board of Directors.
Number of Directors	To maintain a proportionate number of Directors so as to foster coherence and a collegial spirit	As at 31 December 2023, the Board of Directors was composed of eight members (see Section 4.2.1.2 "*Composition of the Board of Directors at 31 December 2023*").
Age of Directors	Comply with the legal provision regarding the age of Directors which requires that no more than a third of Directors may be over 70 years of age (Article L. 225-19 of the French Commercial Code)	As at 31 December 2023, the age of Directors was between 34 and 64 years old, with an average age of 50. The Board of Directors considered that the age average was satisfactory.
Directors' nationality	To be in line with the geographical footprint of Exclusive Networks	As at 31 December 2023, 37.50% of Directors were foreign nationals representing six different countries. This rate reflects the Group's international dimension and the Group's European management. Consequently, the Board of Directors considered that the ratio was satisfactory and aims at upholding it in line with the Group's identity.
Complementarity of backgrounds in terms of expertise and experience	To include members with technical abilities from a variety of realms of expertise and experience	The Directors each have solid and extensive professional experience in various sectors of activity and in high-level positions of responsibility in French and other companies, both listed and unlisted. The diversity of their skills is reflected in profiles showing different experiences and training backgrounds. The Board of Directors considers that this diversity and complementarity of profiles and experiences must be maintained and enhanced so as to enable it to exercise its missions in an open, collegial spirit. The appointment of Paul-Philippe Bernier and of Nathalie Lomon in 2023 is in keeping with this objective.

4.2.3.4 Independent members of the Board of Directors

The AFEP-MEDEF Code defines a Director as independent when he or she has no relationship of any kind whatsoever with the Company, its Group or its management that may compromise the exercise of his or her freedom of judgement.

The AFEP-MEDEF Code, adopted by the Board of Directors as its Governance reference Code, also provides for a number of criteria that must be examined in order to determine whether a Director can be qualified as independent.

These criteria are detailed in Article 10 of the AFEP-MEDEF Code and are shown in the summary table below, which presents the results of the annual assessment of the independence of Directors conducted during the meeting of the Board of Directors held on 28 February 2024.

Examination of the business relationships between the Group and its Directors

In the context of its annual review of the independence of the Directors, the Board of Directors has in particular conducted an examination of any business relationships (Criterion 3) that may exist between the Exclusive Networks group and each Director, or each company in which the Directors hold management positions and/or corporate offices, with a view to assessing whether or not the business relationship is material in nature.

For the purposes of assessing the significance of the business relationship maintained between a Director and the Company or the Group, the Board of Directors has taken into account the following quantitative and qualitative criteria:

- **quantitative criteria:** the interconnected business flows existing as a vendor and/or customer with the Directors or the companies in which they hold positions and corporate offices;
- the amount of turnover generated by the Group or by the Company in which the Directors exercise their functions and the percentage of this turnover in relation to the consolidated turnover of the Group;
- **contextual and qualitative criteria**: linked to the positioning of the Directors within the contracting entity (as executives and executive Directors), their level of involvement in the negotiation of the business relationship at the time of forming the contractual relationship with the Group, the length of time the business relationship has existed and any situation of economic dependence that may exist accordingly.

This examination was conducted by the Nomination and Compensation Committee at its meeting of 23 February 2024 and by the Board of Directors during its meeting on 28 February 2024.

In the context of this assessment, all Directors received a questionnaire that, among other aims, made it possible to assess any potential situations of conflicts of interest that may exist. The Board of Directors noted that no Director has any significant business relationship with the Group.

Conclusions of the independence assessment of the Directors

- Jesper Trolle, who exercises executive duties within the Group, Pierre Pozzo and Michail Zekkos, who exercise executive duties within the Permira investment fund, which holds 57.4% of the Company's share capital and voting rights, and Olivier Breittmayer, a shareholder who held 9.36% of the Company's share capital and voting rights at 31 December 2023 through HTIVB, founder of the Group with an executive role in the Group from 2002 to 2020, cannot be qualified as independent members of the Board;
- Barbara Thoralfsson, Nathalie Lomon and Marie-Pierre de Bailliencourt have no direct business relationship with the Company, or through the companies in which they hold positions or offices such that they could be qualified as independent Directors;
- Paul-Philippe Bernier could be qualified as an Independent Director for the following reasons:
  - Bpifrance Investissement's holding in the Company's share capital, through the LAC I SLP fund, is below the 10% threshold indicated in the AFEP-MEDEF Code in its Recommendation 10.7,
  - Bpifrance Investissement is not a shareholder that is capable of exercising control over the Company, either alone or in conjunction with other shareholders,
  - the business links between the Group and Bpifrance, particularly three loan contracts, the first for €4 million in July 2020 (the outstanding principal due at 31 December 2023 totalled €762,835.66), the second for €15 million taken out in 2022 (the outstanding principal due at 31 December 2023 totalled €10,070,085.83), and the third for €15 million taken out in 2023, were negotiated at normal market terms. Paul-Philippe Bernier did not intervene in the discussions concerning the negotiation of these loans, and there is no exclusivity or economic dependence in this business relationship. The Group has used other sources of funding through other financial institutions to manage its cash flow and financing needs,
  - Paul-Philippe Bernier's actions as part of his role within Bpifrance Investissement when the latter acquired a stake in the Company are not sufficient to call his independence into question.

Summary of the assessment of the independence of Directors as at 31 December 2023

Director name	Not to be an employee or an executive officer of the Company (including over the last five years)	No cross-Directorships (including over the last five years)	No business relationships	No family ties	Not to be an Auditor of the Company (including over the last five years)	Not to have been a Director of the Company for more than 12 years	Not to receive any variable compensation or compensation related to the Company's or the Group's performance	Not to hold more than 10% of the shares or voting rights(1)	Independent
Barbara Thoralfsson	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jesper Trolle	✗	✓	✓	✓	✓	✓	✗	✓	✗
Marie-Pierre de Bailliencourt	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul-Philippe Bernier	✓	✓	✓	✓	✓	✓	✓	✓	✓
Olivier Breittmayer	✗	✓	✓	✓	✓	✓	✓	✓	✗
Nathalie Lomon	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pierre Pozzo	✓	✓	✓	✓	✓	✓	✓	✗(2)	✗
Michail Zekkos	✓	✓	✓	✓	✓	✓	✓	✗(2)	✗

✓: independence criterion satisfied
✗: independence criterion not satisfied
(1) See section 6.1.1 "*Company shareholding and voting rights*" in Chapter 6 of this 2023 Universal Registration Document.
(2) Pierre Pozzo and Michail Zekkos are connected to Everest UK HoldCo Limited, which holds more than 10% of the shares and voting rights of the Company.

The Internal Rules of the Board of Directors (Article 1.2) provide that independent Directors are required to inform the Chairperson of the Board of Directors, as soon as such members become aware of any change in their situation with respect to the above-mentioned criteria.

4.2.4 Obligation for the Directors to hold shares

In accordance with the terms of the AFEP-MEDEF Code, and independently of any statutory obligation to hold shares, the Internal Rules of the Board of Directors stipulate that all Directors (except the Directors representing employees' shareholders, if any) must personally be shareholders and hold a minimum number of 1,000 shares in the Company, either directly or indirectly through any legal entity that they may control, throughout their term of office as a Director of the Company.

As at 31 December 2023, all the Directors met this requirement (see sections 4.2.1 "*Composition of the Board of Directors at 31 December 2023*" and 4.2.2 "*Information on Directors in office at 31 December 2023*" of this chapter).

4.2.5 Declarations concerning executive and non-executive corporate officers

To the best knowledge of the Company, no executive or non-executive Corporate Officer:

- has been the subject of:
  - a criminal accusation or an official public sanction, pronounced by any statutory or regulatory authority (including officially designated professional bodies),
  - has been prohibited by any court over the course of the past five years from acting as a member of an administrative, managing or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer,
  - has been convicted of fraud over the course of the past five years;
- has taken part as an executive manager in any bankruptcy, receivership or liquidation of a company over the past five years.

4.2.6 Conflicts of interest (extract from the Internal Rules of the Board of Directors)

The Chairperson of the Board of Directors is responsible for managing conflict of interest situations that may exist within the Board of Directors. Where necessary, he/she shall refer to the Nomination and Compensation Committee.

The Internal Rules of the Board of Directors of the Company stipulate an obligation for Directors to comply with Recommendation no. 21 of the AFEP-MEDEF Code in questions of ethics. Directors shall inform the Board of Directors of any conflicts of interest, including potential conflicts of interest, in which they may be involved, whether directly or indirectly.

They must abstain from attending the debate and taking part in voting any decision of the Board of Directors or any Committee on the topics concerned.

Each Director shall also inform the Chairperson of the Board of Directors and the Chairperson of the Nomination and Compensation Committee of any new appointment (including his/her participation in a committee) he/she has accepted in a company in France or abroad.

Each Director shall also inform the Chairperson of the Board of Directors of any conviction for fraud, any offence and/or public sanction, of any prohibition to manage or administer that may have been pronounced against him/her as well as any bankruptcy, sequestration or liquidation proceedings to which he/she may have been associated.

Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to above:

- when taking up his period of office;
- every year, in reply to a request by the Secretary to the Board of Directors when the latter is preparing the Annual report;
- at any time if the Secretary to the Board of Directors asks him/her to do so; and
- within 10 calendar days following the occurrence of any event that may render the previous declaration made by the Director concerned wholly or partially inaccurate. The Chairperson of the Board of Directors may refer, when necessary, this issue to the Board of Directors.

A Director shall resign in the event this conflict of interest cannot be resolved to the satisfaction of the Board of Directors, or if he/she finds himself/herself in a situation of permanent conflict of interest.

As of the date of this report and to the best of the Company's knowledge, there are no:

- potential conflicts of interest between the duties of the members of the Board of Directors and the Chief Executive Officer and their private interests;
- arrangements or understandings with major shareholders, customers, suppliers, or others, pursuant to which executive officers and Directors of the Company were selected as a member of the administrative, management or supervisory bodies or member of senior management;
- familial relationships within the Board of Directors and between its members and those of the Executive Management team.

4.2.6.1 Directors representing employees

No Director representing employees is currently present on the Board of Directors insofar as:

- the Company and its direct or indirect subsidiaries, whose registered office is located in France, employ no more than one thousand permanent employees;
- the Company and its direct or indirect subsidiaries, whose registered office is located in France and abroad, employ no more than five thousand permanent employees.

In addition, as employee shareholders do not represent more than 3% of the Company's share capital and voting rights, no employee shareholder is represented on the Board of Directors.

4.2.7 Function, operation and duties of the Board of Directors

4.2.7.1 Internal Rules

On 27 September 2021, the Board of Directors of Exclusive Networks adopted a set of Internal Rules that specify the rules relating to the composition of the Board of Directors, the organisation of its meetings, its operating methods and the assessment of its work, the ethical standards expected and the compensation of the Directors, together with the operating rules and function of each of the Board of Directors' Committees.

A copy of the Internal Rules is given to the Directors on their appointment. The Internal Rules are available on the Company's website (www.exclusive-networks.com).

The Internal Rules of the Board of Directors are regularly updated and, where necessary, are supplemented to adapt to regulatory constraints. They include in the appendix the Director selection procedure implemented in 2022.

Articles 6.2 and 6.3 of the Internal Rules of the Board of Directors regarding the composition of the Committees were amended following a decision taken by the Board of Directors on 25 January 2023 that each Committee could be composed of as few as two members.

4.2.7.2 Functioning and organisation

Functions

The function of the Board of Directors is to determine the strategy and orientation of the Company's operations and to ensure they are conducted in accordance with its corporate interest, taking into consideration, in particular, the social and environmental impacts of its activity. The Board of Directors is also responsible for appointing the Company's executive corporate officers. The Board of Directors rules every year on the independence of the Directors; sets the potential limitations to the powers of the Chief Executive Officer, and of the Deputy Chief Executive Officer if appropriate; issues every year a corporate governance report; determines the compensation policy for the executive corporate officers; prepares and convenes shareholders' general meetings; carries out the checks and controls that it deems appropriate; verifies the management and accuracy of corporate accounting; undertakes the review and closure of the annual accounts; communicates with shareholders; and verifies communications with the market.

The Board of Directors is keen to foster the creation of long-term value by the Company, taking into account the social and environmental impact of its activities. In line with its defined strategy, it regularly examines potential opportunities and risks, such as financial, legal, operational, social and environmental risks, together with the corresponding measures adopted by the Company. The Board of Directors may perform any audit and verification it deems appropriate to fulfil its missions.

The Board of Directors ensures the establishment of a structure for the prevention and detection of corruption and traffic of influence within the Group.

The Board of Directors ensures that the executive corporate officers establish a policy of non-discrimination and diversity, particularly with respect to the balanced representation of men and women within the Company's governing bodies.

Operating rules – Notice of meeting (Article 15 of the Company's Articles of Association)

The Board of Directors shall meet at least four times per year and as often as the Company's interests require.

The Board of Directors is convened by the Chairperson of the Board of Directors by any means, including verbally. Notices of meetings may be sent by the Secretary of the Board of Directors or by the Chairperson. They include a specific agenda set by the Chairperson in consultation with the Chief Executive Officer and, where applicable, with the Chairperson of each Committee.

Depending on the agenda, the Chairperson of the Board of Directors may also convene persons other than the Directors to the Board of Directors meeting in order to have a constructive debate and to be able to provide all relevant expertise necessary for the Board of Directors to make decisions.

The meetings of the Board of Directors are chaired by the Chairperson who shall conduct the discussions.

Each meeting of the Board of Directors should dedicate sufficient time to provide a useful and in-depth discussion about each item on the agenda.

The decisions are taken by a majority of the votes of the Directors present or represented.

Except in the cases excluded by applicable laws and regulations, Directors may attend the Board of Directors meeting by means of video conference or telecommunication which transmit at least the voice of the participants and present technical characteristics allowing the continuous and simultaneous retransmission of the deliberations. In this case, the Directors are deemed present for the purposes of calculating the quorum and majority.

The Directors may also take certain decisions by written consultation under the conditions provided for by Article L. 225-37 of the French Commercial Code.

Organisation and preparation of the functions of the Board of Directors

The meetings of the Board of Directors are organised and prepared by the Chairperson in conjunction with the Chief Executive Officer and the Secretary of the Board of Directors.

An annual calendar, prepared by the Chairperson of the Board in conjunction with the Chief Executive Officer and the Secretary of the Board of Directors at least six months before the beginning of each financial year for the coming year, defines the main points to be discussed and examined by the Board and its Committees. Board meetings are convened at least eight days before the date of the meeting concerned. The invitation to attend shall include the agenda jointly agreed by the Chairperson of the Board and the Chief Executive Officer.

The documents relating to the meetings of the Board (and also those of its Committees) are transmitted via a secure platform within a reasonable time frame and if possible at least eight days before the meeting concerned. The members of the Board also have access to the documents provided to back up the recommendations of the Committees.

The press releases issued by the Company are regularly brought to the attention of the Directors, together with any appropriate case studies.

4.2.7.3 Activities of the Board of Directors in 2023

Attendance of Directors at meetings of the Board of Directors and its Committees in 2023

	Board of Directors		Audit and Risks Committee		Nomination and Compensation Committee	
Members	**Attendance rate**	**Number of meetings**	**Attendance rate**	**Number of meetings**	**Attendance rate**	**Number of meetings**
Barbara Thoralfsson	100%	11/11	100%	7/7	100%	3/3
Jesper Trolle	100%	11/11	N/A	N/A	N/A	N/A
Marie-Pierre de Bailliencourt	100%	11/11	N/A	N/A	100%	3/3
Paul-Philippe Bernier	100%	4/4(1)	N/A	N/A	N/A	N/A
Olivier Breittmayer	91%	10/11	N/A	N/A	N/A	N/A
Nathalie Lomon	86%	6/7(2)	100%	4/4(2)	N/A	N/A
Pierre Pozzo	100%	11/11	100%	7/7	N/A	N/A
Michail Zekkos	91%	10/11	N/A	N/A	100%	3/3

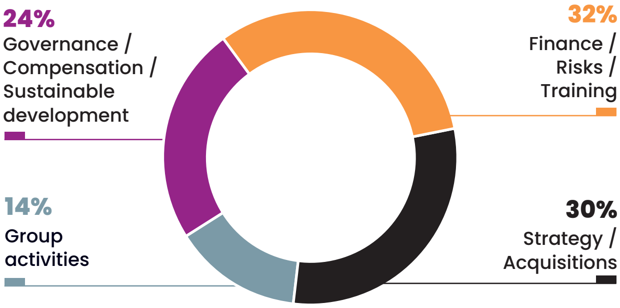
(1) Paul-Philippe Bernier was appointed a member of the Board of Directors at the General shareholders' meeting of 8 June 2023.
(2) Nathalie Lomon was co-opted by the Board of Directors as a member of the Board of Directors on 17 April 2023 and appointed as a member of the Audit and Risks Committee at the same date..

During the 2023 financial year, the Board of Directors met 11 times following a planned schedule. In addition, a day-long strategic seminar was organised.

Board of Directors	
NUMBER OF MEETINGS	ATTENDANCE
11	97%

During the course of these meetings, the Board deliberated mainly on the following items:

Activities of the Board of Directors in 2023



Finance/Risks

- Finance:
  - review of the financial information, annual, semi-annual and quarterly financial reports and forecasts,
  - review of financial presentations and press releases,
  - review and approval of the 2024 budget;
- Stock market:
  - review of changes in the share price (market capitalisation, share liquidity) and of brokers,
  - management of the share buyback programme and increases in the amount of liquidity allocated to the programme,
  - implementation of the share buyback programme.

Strategy/Acquisitions

- Audit – risks:
  - monitoring of risks and their management,
  - monitoring of internal control and internal auditing,
  - monitoring of the various actions of the Group in terms of compliance.

- Strategic projects and operations:
  - review of the Group's performance and activities,
  - review of strategic trends,
  - review of the offer portfolio;
- M&A:
  - review of the Group's acquisition projects,
  - monitoring of integrations.

Governance and compensation of executive corporate officers

- Governance:
  - review of the Group's compliance with the rules of governance of the AFEP-MEDEF Code,
  - changes in the composition of the Board of Directors;
  - review of the independence of the Board of Directors,
  - review of the applications from Nathalie Lomon and Paul-Philippe Bernier as Directors, in accordance with the procedure for selecting Directors,
  - assessment of the functioning of the Board (see section 4.2.9 "*Functional assessment of the Board of Directors*" of this corporate governance report).
- Compensation:
  - review of the compliance of the Executive Officers' compensation policy,
  - review of 2022 performance and definition of the variable compensation applicable to the Chief Executive Officer for 2022 paid in 2023,
  - setting of the compensation policy applicable to the Chairperson of the Board of Directors, the Directors and the Chief Executive Officer for 2024,
  - implementation of a programme for the allocation of performance shares in favour of employees and executive corporate officers;
- Human Resources:
  - monitoring of the Group's talent management,
  - review of the succession plan for key executives and employees,
  - review of the diversity policy of the governing bodies and the actions implemented by the Group.

Annual general meeting

- Preparation of the Annual general meeting for 2023 (preparation of the reports to be presented to the Shareholders).

Executive session of the Board of Directors (without the presence of the Chief Executive Officer)

As indicated in the preamble to this report "Declaration relating to corporate governance", the Board of Directors held no formal meetings in the absence of the Chief Executive Officer during the course of 2023. It should be noted, however, that the Chief Executive Officer did not attend Board of Directors discussions about his compensation policy or the assessment of the performance targets and how far they had been achieved. At the Board meeting that approved the annual financial statements, the Board met with the Statutory Auditors without the presence of the Chief Executive Officer and other executive members.

Activities of the Chairperson of the Board of Directors

The Chairperson organises and manages the work of the Board of Directors and reports on such work to the General shareholders' meeting. The Chairperson oversees the proper functioning of the Company's governing bodies and ensures that the Directors are able to carry out their duties.

As part of their duties, the Chairperson of the Board of Directors convenes the meetings of the Board of Directors and prepares the agendas of the meetings, jointly with the Chief Executive Officer. The Chairperson of the Board of Directors is responsible for managing conflicts of interest.

No specific mission in addition to those described above and conferred by law was entrusted to the Chairperson of the Board of Directors during the 2023 financial year.

4.2.8 Board of Directors' Committees

4.2.8.1 Operating rules of the Committees

In application of the Internal Rules, the Board of Directors can, upon a proposal by the Chairperson of the Board of Directors, set up Committees – whose composition and members' terms of office are defined by the Board – as often as required in the best interests of the Company.

The Board of Directors is thus assisted by two permanent specialised Committees:

- the Audit and Risks Committee; and
- the Nomination and Compensation Committee.

Each of the Audit and Risks Committee and the Nomination and Compensation Committee is defined as a "Committee" and together the "Committees".

The terms of office of the members of each Committee coincide with the terms of office of the Directors concerned.

The Board of Directors may also create one or more ad hoc Committees.

The respective operating rules and functions of the Committees are described in the Internal Rules of the Board of Directors.

Any decision of the Board of Directors relating to a subject within the area of competence of a Committee shall be examined by the latter prior to its deliberation by the Board of Directors. The Committees issue non-binding written or oral recommendations to the Board of Directors. As part of their functions, the Committees may hear the managers of any Group company. Each Committee may also request external technical studies on matters in their areas of competence, at the Company's expense, after having notified the Chairperson or the Board itself.

The Committees are only consulted during the preparation for the deliberations of the Board of Directors, which is the sole responsible decision-making body. The Committees' recommendations are discussed at length during the meetings of the Board of Directors, if appropriate relying on any documentation they have prepared. All the Directors have access to any back-up documents presented during the meetings of the Committees.

The deliberations of each Committee are deemed valid on condition that at least half of its members participate in its meetings. Committee meetings may be held in person, via conference telephone calls or via video conference calls, under identical conditions to those applying to meetings of the Board of Directors.

Convening notices of Committee meetings must include an agenda and may be given verbally or by any other means.

Each Committee takes its decisions on the basis of a simple majority of the votes of those members present or represented.

Each Committee is chaired by a Chairperson appointed by the Board of Directors upon proposal by the Nomination and Compensation Committee.

The composition, the allocations and the activities of the Committees are as described below.

4.2.8.2 Audit and Risks Committee

Composition

The Audit and Risks Committee includes at least two members chosen freely from the Board of Directors, on the following conditions, being specified that:

- the members of the Audit and Risks Committee must have appropriate accounting and financial expertise;
- no member may exercise a management function for the Exclusive Networks group;
- the Audit and Risks Committee must include the required number of independent members specified in the AFEP-MEDEF Code.

As at 31 December 2023, the Audit and Risks Committee was composed of three members: Mrs. Nathalie Lomon (Chairperson), Mrs. Barbara Thoralfsson and Mr. Pierre Pozzo.

The composition of the Audit and Risks Committee, in accordance with the AFEP-MEDEF Code, was modified in 2023 following the appointment of Nathalie Lomon as Chairperson, in place of Nathalie Bühnemann who resigned in January 2023 following her appointment as Group Chief Financial Officer. At its meeting of 25 January 2023, the Board of Directors temporarily entrusted the chairmanship of the Audit and Risks Committee to Barbara Thoralfsson, an independent Director who held this position until 17 April 2023, date of the co-option of Nathalie Lomon. Nathalie Lomon has proven expertise in finance, particularly as Chief Financial Officer of major listed Groups, such as the SEB and Ingenico Groups.

All the members of the Audit and Risks Committee have the appropriate accounting and financial expertise (see section 4.2.2 above "*Information concerning currently serving Directors as at 31 December 2022*").

The Audit and Risks Committee holds meetings with the Statutory Auditors and the managers responsible for internal control, internal auditing, cash flow, risk management and compliance.

Functions

The Audit and Risks Committee, acting under the responsibility of the Board of Directors, will have the following main duties:

- review of the financial statements in order to ensure the relevance and coherence of the accounting policies and methods applied to prepare the consolidated corporate financial statements;
- supervision of the process of preparation of the financial information, the formulation of all proposals for improvement, followed by the application of corrective measures in the event of any dysfunction in this process;
- formulation of recommendations for the appointment or renewal of Statutory Auditors and the amount of their fees;
- review of the working programme of the Company's Statutory Auditors, and more generally, the supervision of the legal audit of the statutory and consolidated financial statements by the Company's Statutory Auditors;
- the Statutory Auditors' compliance with the conditions of independence stipulated in the French Commercial Code (approval of the legal audit functions, fees, review of the network of the Statutory Auditors);
- review of the internal control and risks management systems; advice and recommendations for the application of corrective and complementary measures.

Presentation of work performed in 2023

Audit and Risks Committee	
NUMBER OF MEETINGS	ATTENDANCE RATE
7	100%

Activities of the Audit and Risks Committee in 2023

During financial year 2023, the Audit and Risks Committee reviewed and made recommendations on the following points:

Activities relating to the review of the financial statements

- review of the process to close the 2022 accounts and of the allocation of the 2022 net income;
- review of the work undertaken by the Statutory Auditors and the results of the controls conducted, of their recommendations and of the follow-up pursued in the context of the legal verification of the accounts;
- approval of the services provided and the associated fees for the conducting of the audit and services other than the certification of the accounts;
- review of the Management report for the 2022 financial year;
- follow up of contacts with the AMF (the French financial market regulator) for the purpose of the preliminary review of the 2022 Universal Registration Document;
- review of the 2023 quarterly and half-yearly accounts;
- review of external financial publications.

Activities relating to internal control and compliance

- monitoring of deficiencies reported by the Statutory Auditors.
- review of IT security systems (and their costs);
- analysis of the Exclusive Networks' compliance framework;
- review of the risks register including risk mapping (for corruption);
- monitoring of internal audits; approval of the internal audit programme for 2024; approval of the internal audit charter;
- approval of the internal control programme; monitoring of the effectiveness of internal controls and of the progress made for action plans for 2023 and for draft plans for 2024.

4.2.8.3 Nomination and Compensation Committee

Composition

The Nomination and Compensation Committee includes at least two members freely chosen from the Board of Directors, on the following conditions:

- no member may exercise any management function for the Exclusive Networks group;
- the Nomination and Compensation Committee must include the required number of independent members specified in the AFEP-MEDEF Code.

As at 31 December 2023, the following persons were members of the Nomination and Compensation Committee: Mrs. Marie-Pierre de Bailliencourt (Chairperson), Mrs. Barbara Thoralfsson and Mr. Michail Zekkos.

The composition of the Nomination and Compensation Committee, in accordance with the AFEP-MEDEF Code, was modified in 2023 following the appointment of Barbara Thoralfsson as a new member, replacing Nathalie Bünhemann who resigned.

Functions

The main duty of the Nomination and Compensation Committee is to assist the Board of Directors with governance matters and the compensation and benefits paid or awarded to the Group's executives (including any deferred benefits and/or compensation for voluntary or involuntary departures from the Group). The review of the succession plan for key executives is also one of the Committee's main functions.

In this context, the Nomination and Compensation Committee, acting under the responsibility of the Board of Directors, will include the following specific duties:

- identification of candidates and the formulation of proposals for changes to the composition of the Board of Directors and of its Committees (the appointment and renewal of Directors);
- preparation of the diversity policy for the Board of Directors;
- conducting of the annual assessment of the functioning of the Board of Directors;
- recommendations and opinions concerning the compensation of corporate officers (both executive and non-executive) and the members of the Executive Committee (annual assessment of the principles of the compensation and benefit policy);
- reviewing and recommendations concerning employee shareholding plans (performance shares);
- reviewing of succession plans for key executives within the Group.

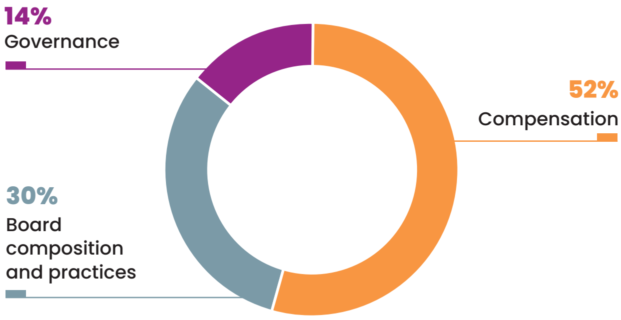
The Chief Executive Officer is associated with the work undertaken by the Nomination and Compensation Committee for the selection of Directors (see section 4.2.3.1 "*Directors selection procedure*" of this report) and the works relating to proposals for a long-term motivation policy.

Presentation of work performed in 2023

Nomination and Compensation Committee	
NUMBER OF MEETINGS	ATTENDANCE RATE
3	100%

Activities of the Nomination and Compensation Committee in 2023

During financial year 2023, the Nomination and Compensation Committee reviewed the following points in particular:



- compensation for the Chief Executive Officer: proposals relating to the setting of the targets corresponding to short-term and long-term variable compensation for 2023; review of the compensation policy for 2023; review of the performance corresponding to variable compensation for 2022;
- compensation for Directors: proposal relating to compensation for Directors for 2023 and review of their global compensation package;
- proposals relating to the establishment of a performance share allocation plan in favour of Group employees;
- preparation and conducting of the assessment of the functioning and composition of the Board of Directors, in conjunction with the Chairperson and the Secretary of the Board of Directors;
- recommendations regarding changes to the composition of the Board of Directors in connection with the appointment of Nathalie Lomon and Paul-Philipe Bernier as directors;
- reviewing of the independence of the Directors; recommendations to the Board concerning the quantitative and qualitative criteria to be taken into account in order to assess the materiality of the business relationships of the Directors with the Company in the context of the reviewing of the independence of the Board of Directors;
- following of the recommendations of the AFEP-MEDEF Code in terms of governance and compensation:
- diversity targets in the Group's management bodies;
- discussions and recommendations relating to the succession plan for key executives and individuals in the Company.

4.2.9 Assessment of the functioning of the Board of Directors

In accordance with the rules of good governance and in application of its Internal Rules, the Board of Directors dedicates a point on the agenda to its own functioning and that of its Committees at least once per year, the results of which are presented to shareholders in this corporate governance report, together with any follow-up measures that may be adopted subsequently to the assessment. Furthermore, at least once every three years, the Board of Directors carries out or commissions a formal assessment of its work.

The Board of Directors undertook a review of its own functioning for the second consecutive year since its establishment in September 2021. This assessment, conducted under the supervision of the Chairperson of the Nomination and Compensation Committee and the Secretary of the Board of Directors, took place in the autumn of 2023 using the same methodology as the previous year, structured in four phases:

- Launch of the assessment process: preparation of the assessment (internal questionnaire) in coordination with the Chairperson of the Board of Directors and the Chairperson of the Nomination and Compensation Committee;
- Written survey: written questionnaire sent to all directors by the Secretary of the Board of Directors;
- Compilation of the results carried out by the Legal Department and reviewed with the Chairperson of the Nomination and Compensation Committee;
- Overall report on the results to the Nomination and Compensation Committee and the Board of Directors.

As part of the 2023 internal assessment, the questionnaire sent to the Directors covered the same topics as those covered during the previous assessment, thus allowing better comparability with the results of the assessment carried out in 2022. In view of the entry into force of the CSRD directive, additional questions on sustainable development were included in the 2023 questionnaire. In addition, certain new questions were more specifically addressed to new Directors in connection with their integration and training.

Topics covered by the annual assessment:

Among the subjects about which Directors were asked to give their opinion in relation to this review of composition and functioning of the Board of Directors were the following:

- the relevance of the composition of the Board of Directors and of its Committees, particularly concerning the diversity of profiles (in terms of nationality, experience and skills);
- the relevance of the agendas of the meetings of the Board of Directors and the quality of the information provided to the Board to back up its decisions;
- the quality of the presentations of the Committee's work to the Board and the recommendations formulated;
- the quality of the debates, the time dedicated to discussions compared to presentations;
- the quality of the contacts between the Chairperson of the Board of Directors and Executive Management;
- the contributions of the Chairperson of the Board of Directors, the Chief Executive Officer, the Chairpersons of each committee and the Board Secretary;
- the raising of the Board of Directors' awareness of risks & opportunities as well as of sustainable development issues;
- the onboarding & training of Directors.

During the 2023 financial year, the Directors took the following actions to respond to the results of the assessment carried out for the 2022 financial year:

- preparation of the calendar and agendas of the meetings of the Board of Directors for year n +1 in advance by the Chairperson of the Board and the Chief Executive Officer;
- increased visibility of management teams by the Board of Directors through the organisation of workshops with members of the Executive Committee and other experts;
- deepening of discussions vs presentations;
- deepening of discussions on long-term strategy and topics related to the Group's business; and
- organisation of a strategic day in 2023; and
- development of an induction programme for new Directors.

The results of this assessment were delivered in the context of a detailed report that was the subject of a summary presented by the Chairperson of the Nomination and Compensation Committee during the meeting of the Board of Directors of 19 December 2023, the agenda of which included a point dedicated to the assessment of the Board, thus making it possible for Directors to discuss the satisfactory points, the recommendations for improvement and the actions to be implemented.

Positive points of the 2023 annual assessment	Areas for improvement identified
• Good composition of the Board with the reinforcement of experience by the presence of the Banque Publique d'Investissement (BPI); • Effective collaboration between Directors, with honesty and respect, as well as with key functions; • Better understanding of M&A execution and strategies; • Better structuring of Board meetings with a good balance between formal and business topics; • Quality interactions with members of the Executive Committee. Strategic meetings are considered key meetings by the Directors.	• In-depth discussions on strategy, M&A, the ecosystem (evolution of the cybersecurity market) and competition analysis; • Continuation and deepening of discussions *vs* presentations; • Continuation and increase in the involvement of internal and external experts (members of the Executive Committee, consultants, etc.); • More in-depth monitoring of sustainability issues in view of the entry into force of the CSRD directive.

4.

4.3 Compensation and benefits

The compensation policy for Exclusive Networks' corporate officers was established in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code and of the recommendations of the AFEP-MEDEF Code. The policy applies to all the Company's corporate officers. Whenever necessary, the components and principles of the specific compensation policy for Executive Corporate Officers are detailed.

4.3.1 General principles of the compensation policy for Executive Corporate Officers

As at the date of this Universal Registration Document, the Executive Corporate Officer is understood to refer to the Chief Executive Officer, Jesper Trolle.

4.3.1.1 Setting, amending and implementing the compensation policy

Setting the compensation policy

The compensation policy for the Executive Corporate Officers is defined to be in the Company's best corporate interest and to attract, motivate and retain highly qualified individuals who have the potential to contribute to the Group's success and sustainability, which depend on the achievement of its strategic, commercial and financial objectives in both the medium term and long term.

When setting the compensation policy for Executive Corporate Officers on the basis of the recommendations of the Nomination and Compensation Committee, the Board of Directors ensures the coherence and competitiveness of the compensation proposed in comparison with market practices, in terms of both level and structure.

For this purpose, the Nomination and Compensation Committee:

- relies on compensation studies carried out by specialised consultancy analysing market practices in general, and specifically the practices of a panel of companies considered the most comparable, especially in terms of market capitalisation, business sector and international environment. The Nomination and Compensation Committee will propose changes to the panel as the Group, its businesses, its market capitalisation and the companies in the panel evolve;
- ensures that the principles that govern the compensation of the Chief Executive Officer are aligned with the Group's strategic priorities and tailored both to the Group's financial objectives and to the personal performance of the Chief Executive Officer.

Since the Company's initial public offering in 2021, the Company has commissioned various compensation studies from a specialised consultancy in order to help to set the compensation of the corporate officers, particularly that corresponding to the Chief Executive Officer, in accordance with current practices within the Group, the benchmark model and market practices.

The following five key principles govern the global compensation policy applicable to the Chief Executive Officer, with an objective of transparency and thoroughness in the level of details provided for each element of compensation:

- **balance**, ensuring that no element of compensation is disproportionate.

  The global compensation policy also reflects the balance between the Company's corporate interest, market practices, and the performance of the corporate officers as well as other stakeholders of the Company.

  The fixed portion of the compensation for Executive Corporate Officers is determined by taking into account the level and complexity of their responsibilities, their experience and seniority, particularly within the Group; and market analysis for similar positions;
- **company performance:** a significant part of the Chief Executive Officer's compensation is closely linked to the Group's performance, mainly through annual variable compensation paid in cash and long-term compensation paid in equity, the definitive acquisition of which depends on the achievement of clear, measurable and quantifiable objectives based on financial and extra-financial performance criteria, linked to the Group's both short-term and long-term commercial, financial and sustainability strategy, among other factors;
- **alignment with shareholders' interests,** ensuring that the performance criteria associated with long-term compensation are ambitious, complementary and stable;
- **competitiveness,** taking into account both the level of responsibility of the Executive Corporate Officers concerned and market practices; the level of total compensation for Executive Corporate Officers is reviewed and compared with market practices;
- **compliance** with the governance rules recommended by the AFEP-MEDEF Code adopted by the Group.

Amending the compensation policy

In accordance with the recommendations of the AFEP-MEDEF Code, the compensation policy for executives and non-executives is only reviewed on a relatively long-term basis, in particular their fixed compensation of the Chief Executive Officer. As an exception to this principle, the compensation policy for Corporate Officers may be reviewed in advance in specific situations, such as a change in control of the Company, a change in the responsibilities of the executives, or a difference in the positioning of the executives' compensation in relation to comparable companies which have been used as benchmarks for determining the compensation of the Company's own executives.

If the compensation policy were to be reviewed over a short period, the Company would provide details of the reasons for such a review.

Implementing the compensation policy

The compensation policy for the Company's corporate officers is reviewed every year by the Board of Directors on the basis of the recommendations of the Nomination and Compensation Committee, and then in accordance with Article L. 22-10-8 II of the French Commercial Code. It is submitted to a vote by shareholders every year in the form of an ex-ante vote.

Taking into account the compensation and employment conditions of employees

The Company's compensation policy ensures that the various components of the compensation for the Chief Executive Officer remain coherent with the compensation policy applied to the Company's employees. In this respect, the performance conditions for long-term compensation in the form of share grants are identical for all beneficiaries and for the Chief Executive Officer. These alignments ensure that efforts made to achieve the Group's performance objectives remain consistent. For more information, see Chapter 3 section 3.7.4 of this 2023 Universal Registration Document, which describes the compensation policy applicable to employees within the Group.

Exception to the application of the compensation policy

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, may alter the global compensation policy of the Chief Executive Officer at its own discretion, in exceptional circumstances, for a temporary period and insofar as such a difference is in accordance with the corporate interest of the Company and is necessary to guarantee the sustainability and viability of the Company.

It is specified that any exceptional circumstances that may justify a change in the Chief Executive Officer's compensation policy will be circumstances of external origin to the Company (not related to its strategy) that are unforeseeable, constituting a major event and an unexpected change that affects the Company's sector of activity and has significant consequences on the level of achievement of one or more performance criteria.

This discretionary power of the Board of Directors to adjust and modify the compensation policy in these exceptional circumstances may allow the Board of Directors, on the recommendation of the Nomination and Compensation Committee, to adjust certain objectives or criteria (threshold and/or target and weight) of the annual variable compensation and/or the multi-year equity compensation.

Whatever the changes and adjustments that may be made, it is specified that the cap on annual variable compensation and on multi-year equity compensation cannot be increased under any circumstances.

Methodology for assessing performance criteria of the annual and pluri-annual compensation

The indicators used for determining the annual and multi-year variable portion of the Chief Executive Officer's compensation and the level of the targets to be achieved are defined each year at the beginning of the reference period to which they apply.

The targets are determined on the basis of the Group's key (quantitative and qualitative) financial and extra-financial indicators in line with the Group's activities, strategy and goals.

The financial targets are set on the basis of the budget pre-approved by the Board of Directors, in line with market guidance in the case of annual variable compensation targets, and with the business plan in the case of financial targets relating to long-term compensation.

For each of the financial indicator settings for the variable compensation of the Chief Executive Officer (annual and pluri-annual), a trigger threshold below which no compensation is paid, a target achievement level, and a maximum level reflecting outperformance relative to the targets set are defined.

Qualitative targets based on extra-financial indicators may be based on a qualitative and quantitative assessment of the Chief Executive Officer's performance. The performance of the extra-financial indicators is appreciated globally. Of the indicators used, some are governed by a quantitative logic approach and are based on one or more quantifiable factors determined each year according to the Group's scope, strategy, objectives, and priorities.

The achievement of the targets based on extra-financial indicators is assessed by the Board of Directors in accordance with the recommendation of the Nomination and Compensation Committee, which is guided by assessment factors provided by the Human Resources Department and the Finance Department.

Only outperformance relative to the financial indicators can give rise to a bonus amount higher than the target level. With regard to performance measurement through financial indicators, the target variable portion is achieved if an indicator is equal to the budget.

If the Chief Executive Officer leaves the Group during the financial year, the amount of the variable cash portion of his compensation for the current year will be determined prorata to his time of presence during the year concerned.

Should the Chief Executive Officer leave during the vesting period of the performance shares awarded as part of their long-term compensation, they will lose their entitlement to any performance shares that they were awarded since being appointed as Chief Executive Officer and that were not vested upon termination of their duties as a corporate officer except in the case of death, disability or retirement, where the long-term compensation rights are maintained as set out in the rules of the relevant performance share plans. That said, on the recommendation of the Nomination and

Compensation Committee, the Board of Directors shall have the option to waive the condition that the Chief Executive Officer still be present at the Company and to maintain entitlement to any performance shares awarded since their appointment as Chief Executive Officer that were not vested upon termination of their duties as a corporate officer. There must be grounds for such a decision by the Board of Directors, in compliance with the AFEP-MEDEF Code. In such a case, the vesting of the performance shares remains subject to the fulfilment of the performance criterion or criteria established in the rules of the relevant plans. The reasons behind the Board of Directors' decision to maintain rights will be published.

Handling conflicts of interest

The Company complies with the conditions set out in the AFEP-MEDEF Code relating to the management of conflicts of interest. It provides that a corporate officer or Director must make every effort to avoid any conflict that may exist between his moral and material interests and those of the Company.

The Board of Directors has established a procedure for the management of conflicts of interest. This is described in its Internal Rules, in accordance with which all Directors are required to notify the Chairperson of the Board of Directors of any conflicts of interest (including any potential conflicts of interest) in which they could be directly or indirectly involved. In cases where the Directors concerned cannot avoid finding themselves in a conflict of interest, they must abstain from participating in discussions and in any decision on the matters concerned. The Chairperson of the Board of Directors, pursuant to the Internal Rules, shall arbitrate any conflict of interest that may concern a Director (see section 4.2.6 above in this report "*Conflicts of interest extract from the Internal Rules of the Board of Directors*"). In addition, each year, the Directors are asked by means of a questionnaire to report any conflict-of-interest situation in which they may find themselves.

Allocation of the global compensation package to members of the Board of Directors

The General shareholders' meeting which was held on 21 June 2022 approved the amount of the global compensation package for the Directors, which was increased to €235,000. This reassessment was particularly intended to reflect more accurately the workload of the Chairpersons of each Committee.

The Board of Directors sets the rules for allocating this package among the Directors, based on the proposal of the Nomination and Compensation Committee. These rules provide for the payment of fixed compensation (prorated for terms of office starting or ending during the year) and variable compensation that is predominant and linked to Directors' attendance at Board of Directors and Committee meetings. For further information, see section 4.3.3 "*Compensation policy for the Directors*".

Restitution of the variable compensation of the executive corporate officers

There is no possibility of restitution of the variable compensation paid to the executive corporate officers.

Compensation policy for the newly appointed executive corporate officers

In the event of the appointment of a new corporate officer (executive or non-executive) during the financial year, the compensation policy applicable to the corporate officer concerned shall be applied. If appropriate, any supplementary or specific function that the Board of Directors may entrust to the new corporate officer (particularly that of the Chief Executive Officer, the Chairperson of the Board of Directors or the Lead Director) may be taken into account, especially with regard to the Internal Rules.

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, may also take into account specific situations and responsibilities with respect to each of the Company's executive corporate officers.

4.3.2 Compensation policy for the Chairperson of the Board of Directors

4.3.2.1 General principles and term of office

Barbara Thoralfsson was appointed Chairperson of the Board of Directors with effect from 27 September 2021 for the duration of her term of office as a Director. The mandate of the Chairperson of the Board of Directors may be terminated at any time by the Board of Directors.

Barbara Thoralfsson has vast experience as a Director and Chairperson of the Boards of Directors of both listed and unlisted companies. These different experiences have enabled her to acquire significant skills in this field.

In accordance with the general principles of compensation policy for corporate officers, the purpose of the compensation policy for the Chairperson of the Board of Directors is to offer a transparent, competitive and motivating global compensation consistent with market practices. To preserve the independence of his/her judgement on the activity of the executive management of the Company, the compensation of the Chairperson of the Board of Directors does not include any variable component tied to Group performance.

The Board of Directors determines the structure and amount of compensation for the Chairperson of the Board of Directors, on the recommendation of the Nomination and Compensation Committee, after reviewing comparable roles in other companies similar to the Company and taking into account any special functions entrusted to the Chairperson in addition to his/her statutory functions.

In this respect, an analysis was commissioned in 2021 to help to set the compensation of the Chairperson, in terms of both the total amount and of how it should be structured. An updated analysis of this study was conducted in 2023 with the help of the Willis Towers Watson consultancy to verify the positioning of the compensation of the Chairperson of the Board of Directors. As part of this study, the compensation of the Chairperson of the Board of Directors was compared to various compensation packages of non-executive Chairpersons of Boards of Directors (Mid 60).

4.3.2.2 Components of the compensation policy for the Chairperson of the Board of Directors

The compensation policy applicable to the Chairperson of the Board of Directors was approved by the General shareholders' meeting held on 8 June 2023. This policy, which was introduced immediately after the appointment of Barbara Thoralfsson on 27 September 2021 and has remained unchanged since that date, stipulates that the Chairperson of the Board of Directors is eligible for the following:

- an annual fixed compensation of a total of €240,000 paid every month; this amount is calculated on a prorata basis for terms of office starting or finishing during the course of the year, for whatever reason;
- a compensation corresponding to her functions as a Director of the Company and her functions on the Committees of the Board of Directors' Committees, in application of the compensation policy for Directors.

The Chairperson is entitled to a reimbursement of expenses in connection with her mission, such as travel expenses.

The Chairperson of the Board of Directors does not receive any other compensation or benefit in kind and is not eligible for the elements of compensation below:

- variable compensation linked to the performance of the Group;
- exceptional or long-term compensation;
- severance payment (severance or other benefits due or likely to become due as a result of termination or change of office);
- commitment corresponding to indemnities in return for a non-competition clause;
- compensation for other positions and offices held in other companies in the Group;
- additional pension scheme beyond the basic and supplementary mandatory schemes.

In accordance with the compensation policy described above, Barbara Thoralfsson received fixed compensation of a total of €240,000 corresponding to her functions as Chairperson of the Board of Directors in 2023 (see section 4.4.2 of this Chapter 4 "*Elements of compensation due or paid in respect of financial year 2023 to the Chairperson of the Board of Directors*").

Components of the 2024 compensation policy for the Chairperson of the Board of Directors

On 19 December 2023, at the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to propose to the Shareholders that they should renew on identical terms the compensation policy for the Chairperson of the Board of Directors for 2024. The study undertaken by Willis Towers Watson showed that the compensation policy for the Chairperson of the Board of Directors approved by shareholders with a 99.83% vote in 2023 is aligned with current market practices in terms of both its structure and its total amount.

4.3.3 Compensation policy for Directors

The compensation policy for Directors was approved by shareholders during the Annual General shareholders' meeting of the Company held on 8 June 2023, with a vote of over 99% in favour.

This policy depends on an allocation formula including a component of fixed compensation and a component of variable compensation based on the rate of attendance at the meetings of the Board of Directors and of its Committees, in accordance with the AFEP-MEDEF Code.

The compensation policy applicable to Directors stipulates a supplementary compensation for the Chairpersons of the two Committees, bearing in mind the additional workload and responsibility that they assume with respect to the Board of Directors. They organise and direct the work undertaken by the Committees, which they then report on to the Board of Directors.

The overall annual compensation package to be allocated to the Directors and members of the Committees, decided by the General shareholders' meeting of 21 June 2022 is set at €235,000.

Directors are entitled to reimbursement of expenses related to their mission, such as travel expenses.

It should be recalled that the compensation policy for Directors stipulates that only independent Directors receive compensation.

Allocation of the overall compensation package for Directors and Committee members for 2023

	Fixed compensation (annual lump sum) (in euros)	Variable compensation (per meeting) (in euros)	Maximum variable compensation Amount per year (in euros)
Board of Directors			
• Members*	22,000(1)	7,000(2)	28,000(2)
Audit and Risks Committee			
• Chair	15,000(1)	3,500(3)	21,000(3)
• Members*	0	2,000(3)	12,000(3)
Nomination and Compensation Committee			
• Chair	15,000(1)	3,500(4)	14,000(4)
• Members*	0	2,000(4)	8,000(4)

* Non-independent Directors are not eligible for compensation.
(1) As the fixed amount is determined on an annual basis, the amount is calculated pro rata temporis for terms of office ending or starting during the course of the year, for any reason whatsoever.
(2) Within the limit of four meetings per financial year, it being specified that in the event of additional meeting(s), the amount per meeting will be reduced accordingly in order not to exceed the overall limit of €28,000.
(3) Within the limit of six meetings per financial year, it being specified that in the event of additional meeting(s), the amount per meeting will be reduced accordingly in order not to exceed the overall limit of €21,000 for the Chairperson of the Audit and Risks Committee and €12,000 for the independent members of the Audit and Risks Committee.
(4) Within the limit of four meetings per financial year, it being specified that in the event of additional meeting(s), the amount per meeting will be reduced accordingly in order not to exceed the overall limit of €14,000 for the Chairperson of the Nomination and Compensation Committee and €8,000 for the independent members of the Nomination and Compensation Committee.

Components of the 2024 compensation policy for the Directors and Committee members

At its meeting of 19 December 2023, the Board of Directors, on the recommendations of the Nomination and Compensation Committee, decided to propose to the Shareholders to vote on the following decisions within the framework of the remuneration policy applicable to the Directors for 2024:

- to renew the same compensation policy for Directors and therefore, not to change the amount of the global package for the compensation of the Directors nor the rules and amounts to be allocated for this purpose;
- not to change the overall compensation ceiling for the members of the Nomination and Compensation Committee (including the Chairperson of this body), nor the rules for allocating amounts due to them;
- not to change the overall cap on the compensation of Audit and Risks Committee members but to adjust the rules for allocating the budget among the members in order to take into account the organisation of the Audit and Risks Committees, in particular, a reduction in the number of meetings to a maximum of five and an increase in their duration to three hours. Thus, the compensation of the Chairperson of the Audit and Risks Committee currently set at €3,500 per meeting would be increased to €4,200, and that of the members from €2,000 to €2,400.

The analysis undertaken by the Nomination and Compensation Committee and the results of the update to the comparability study performed in 2023 showed that the compensation for the Directors, the rules for its allocation and the level of compensation for the Directors and Committee members (including their Chairpersons) continue to be in line with current market practices.

In accordance with the AFEP-MEDEF Code, in the event that the members eligible for compensation attend all the Board of Directors and Committee meetings, the variable portion will thus be structurally larger than the fixed portion of their compensation.

Current members of the Board of Directors do not hold options or financial instruments giving access to the Company's share capital and the Company has made no other commitments to members of the Board of Directors corresponding to elements of compensation or benefits due or potentially due and linked to a termination or change in role, with the exception of Jesper Trolle in consideration of his duties as Chief Executive Officer of the Company.

In application of the rules above, the total amount of gross compensation due to the eligible Directors in respect of their term in office as Directors totalled **€223,500** for financial year 2023.

4.3.4 Components of the 2024 compensation policy for the Chief Executive Officer

4.3.4.1 General principles and term of office

Jesper Trolle was appointed Chief Executive Officer with effect from 1 September 2021, the date of the conversion of the Company into a limited liability corporation *(société anonyme)*. Prior to this date, he had been the President of the Company under its previous form as a simplified joint-stock company *(société par actions simplifiée)* since 1 December 2020.

The General shareholders' meeting held on 8 June 2023 voted in favour of the general principles and the following elements making up the compensation for Jesper Trolle corresponding to his position as Chief Executive Officer of the Company, as determined by the Board of Directors at its meeting on 27 February 2023 on the recommendation of the Nomination and Compensation Committee.

The compensation of the Chief Executive Officer is composed of:

- a cash compensation, consisting of a fixed portion and an annual variable portion directly linked to individual performance and contribution to the Group's performance; and
- an equity-based compensation, in the form of a free share award whose vesting is subject to the achievement of performance conditions assessed over several consecutive financial years and to a condition of continuous service with the Group.

This compensation structure is consistent with the one offered to the Group's senior executives. All of these components of compensation are complementary, targeting different objectives, and together form a balanced compensation in line with the principle of balance mentioned above.

The compensation policy for the Chief Executive Officer contributes to the lasting success of the Company and to the strategy of the Group, and integrates elements of profitable and sustainable growth in both the short term and the long term.

The Chief Executive Officer receives benefits in kind and could receive exceptional compensation in specific circumstances.

The Chief Executive Officer is also eligible for a severance indemnity in the event of forced departure under certain conditions.

To set the on-target global compensation structure and the level of its components, the recommendations of the Nomination and Compensation Committee are based on market positioning studies for similar functions and take into account the Group's main competitors' practices in France and abroad as well as the internal practices applicable to senior executives and managers.

As part of the review of the compensation policy for the Chief Executive Officer for 2024, and with the help of the external consulting firm Willis Towers Watson, the three panels taken into account to determine the compensation policy underwent a new study to ensure the correct positioning of the compensation package for Jesper Trolle for his duties as Chief Executive Officer. As a reminder, the benchmarks are:

- the companies of the Mid 60 index;
- the companies of the SBF 120 index;
- an IT panel created to capture the Company's unique market position.

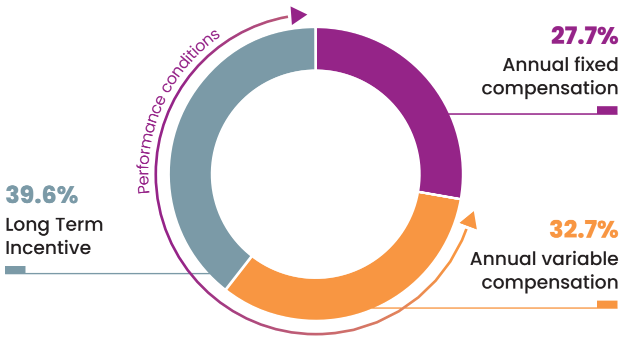
The panel used to determine the 2024 compensation policy is unchanged. The 2024 compensation policy was thus established on the basis of a panel of approximately 15 European/international IT companies to capture the unique positioning of Exclusive Networks in the market. The companies in the panel were selected on the basis of EBIT, market capitalisation, headcount and revenues. Compared to this panel, Exclusive Networks is in the median range. The companies in the panel are all established in Europe (Germany, France, Italy, Sweden, Switzerland, Norway, United Kingdom) with the exception of one company of similar size to the others based in the United States.

4.3.4.2 Components of the 2024 compensation policy for the Chief Executive Officer

The elements of the compensation of the Chief Executive Officer for 2024 were confirmed by the Board of Directors meetings held on 19 December 2023 and 28 February 2024, as follows:

Compensation structure

The Chief Executive Officer's compensation is predominantly subject to performance conditions.



The compensation structure for the Chief Executive Officer, the amount of each component, the quantitative and qualitative nature of criteria used to determine the annual variable and long-term portion, which include financial and extra-financial elements aligned with the Group's strategy, as well as the complementarity and continuity of those criteria, ensure consistency with the Company's performance.

4.

This motivating compensation structure, a significant proportion (72%) of which (annual variable and long-term compensation) is based on individual and financial performance, encourages, contributes to and furthers the Company's development.

Fixed compensation

The objective of fixed compensation is to recognise the importance and complexity of the duties as well as the experience and the career path of the Chief Executive Officer.

Since 1 January 2022, the fixed compensation of the Chief Executive Officer amounts to €550,000. This compensation is paid in 12 monthly instalments. It is only to be reviewed after several years, in accordance with the AFEP-MEDEF Code.

For 2024, in application of the compensation policy applicable to the Chief Executive Officer, the Board of Directors proposes to shareholders to make no change to the Chief Executive Officer's fixed compensation.

Annual variable compensation

The objective of annual variable compensation is to encourage the Chief Executive Officer to reach the annual performance objectives set by the Board of Directors, upon recommendation of the Nomination and Compensation Committee, in close connection with the Group's ambitions as regularly disclosed to the market. Variable compensation depends on certain conditions and is linked to the achievement of clear and demanding quantitative and qualitative objectives based on financial, operational, strategic and sustainability performance criteria.

The Nomination and Compensation Committee made its recommendation to the Board of Directors taking into account the strategy and corporate context, and the objective of fostering the Company's performance and competitiveness.

Performance indicators

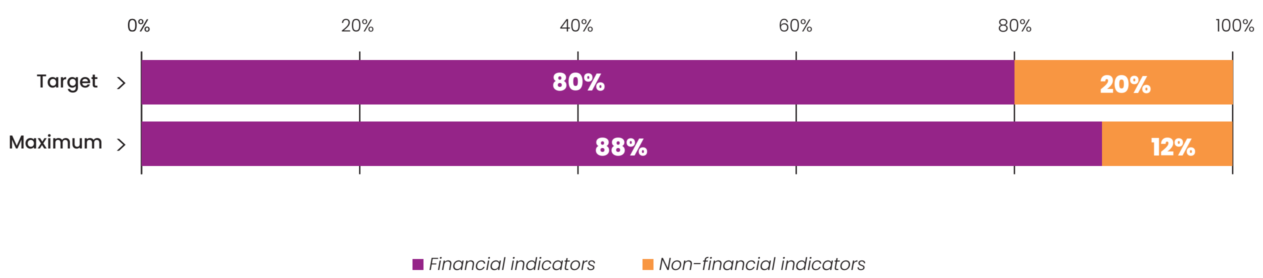
The nature of the financial and extra-financial indicators used for determining the variable portion and the level of the targets to be achieved are defined each year at the beginning of the reporting period to which they apply. The targets are determined based on the Group's key financial and extra-financial indicators in line with the Group's activities, strategy and goals.

The targets based on financial indicators are determined on the basis of the budget pre-approved by the Board of Directors. They represent 80% of the target annual variable compensation.

The targets based on extra-financial indicators may be based on qualitative and quantitative criteria determined in accordance with the Group's scope, strategy, objectives and priorities. They include at least one sustainable development indicator. The non-financial indicators represent 20% of the annual variable compensation target.

The values of the specific and predetermined objectives that underpin these indicators are strategic and economically sensitive information that is not made public for confidentiality reasons. The percentages of achievement of objectives are transmitted annually for each objective. The level of achievement of the objectives and the corresponding amounts are determined on the recommendation of the Nomination and Compensation Committee.

Annual variable compensation – breakdown



Components of the Chief Executive Officer's compensation policy for 2024

For **2024**, the Board of Directors, on 19 December 2023, on the recommendation of the Nomination and Compensation Committee, voted to:

- change the percentage of the annual variable portion targeted at objectives achieved and increase it to 118% of fixed compensation (i.e. 54% of total annual compensation in cash), i.e. €650,000, thus increasing the portion of compensation subject to performance from 71% to 72%.

  The Board of Directors took into account:

  - the exceptional performance and excellent work achieved by the Chief Executive Officer in a complex environment, and therefore wished to promote the role of performance in the compensation of the Chief Executive Officer;
  - the evolution of the cybersecurity market;
  - the need to maintain a competitive level of compensation for the Chief Executive Officer;
- maintain the conditions governing the variation of this variable compensation, which may therefore range between 0% and 172% (i.e. between €0 and €1,118,000 maximum), unchanged from the previous two financial years;
- renew on identical terms the weighting between financial and extra-financial indicators used to determine the variable compensation of the Chief Executive Officer, counting respectively for 80% and 20% of the annual variable compensation target, and proposed the following:
  - for the financial indicators:
    - not to modify the nature of the financial indicators and their respective weighting in a desire for stability for measuring financial performance. The Board concluded that the complementarity and continuity of the financial indicators ensure consistency with the Group's performance;
  - for the extra-financial indicators:
    - maintain at 10% of the total variable compensation the weighting allocated to the performance condition, focused on the sustainable development of the Company, and which would be measured according to a qualitative approach linked to the definition of the sustainability strategy, such as the one detailed in Chapter 3 "Extra-financial performance statement" of this 2023 Universal Registration Document,
    - to maintain at 10% of the total variable compensation the weighting of the performance condition linked to strategic and development criteria as well as the indicators as described below.

4.

Breakdown of financial and non-financial indicators used to determine the annual variable compensation of Mr. Jesper Trolle for 2024, together with the weighting of each indicator

	Weight		
Indicators	**Minimum**	**Target**	**Maximum**
Financial objectives	**0**	**80%**	**88%**
Adjusted EBIT	0	40%	51%
Net Margin	0	40%	37%
Extra-financial objectives	**0**	**20%**	**12%**
Sustainable development indicators • CSRD Strategy Readiness	0%	10%	6%
Strategic and development indicators • Optimisation of vendor portfolio management • M&A: robustness of the M&A pipeline and implementation of the M&A strategy in line with guidance • Evolution of the share price for Exclusive Networks SA • Development and implementation of the cloud solutions strategy: assessment and preparation of the three year strategic plan	0	10%	6%
TOTAL	**0**	**100%**	**100%**

The Board of Directors considered that the financial and extra-financial indicators on which the targets for the 2024 annual variable compensation of the Chief Executive Officer are based, as well as their weighting, establish a direct link between the compensation of the Chief Executive Officer, and the overall performance of the Group.

The indicators selected contribute to achieving the objective of a balanced compensation policy.

It should be noted that the outperformance of non-financial indicators does not give rise to additional compensation.

The financial criteria do not offset each other. Financial and non-financial criteria do not compensate each other.

Measurement of performance

Financial criteria

For each of the financial indicators, the Board of Directors sets:

- a trigger threshold below which no compensation is paid;
- a target achievement level;
- and a maximum level reflecting outperformance relative to the targets set.

Depending on the level of achievement of financial performance, the amount likely to be paid to the Chief Executive Officer in relation to financial performance indicators is established as follows:

Adjusted EBIT	Threshold	Target objective	Maximum
Level of achievement	80%	100%	130%
Payout as a %	60%	100%	220%
Payout amount (in €)	156,000	260,000	572,000

Net Margin	Threshold	Target objective	Maximum
Achievement	80%	100%	130%
Payout as a %	60%	100%	160%
Payout amount (in €)	156,000	260,000	416,000

Non-financial criteria

Strategic and sustainable development criteria are based on a combination of indicators of which the performance is globally appreciated. The achievement of objectives based on non-financial indicators depends on a qualitative appreciation. Among these indicators, some are structured by a quantitative logic based on one or more quantifiable elements, determined every year in relation to the Group's scope, strategy, objectives and priorities. The amount of the payment on targets achieved (100%) would amount to €180,000.

Payment condition of the variable compensation

In accordance with Article L. 22-10-34 II of the French Commercial Code, variable compensation can only be paid if it has been approved by shareholders in the form of an ex-post vote.

Long-term compensation

The Group has implemented a long-term compensation policy which aims at retaining and motivating the Group's talent and associating managers with its performance, including notably through a free share allocation plan subject to performance criteria related to the Group's long-term strategy and to confirmed presence (see table no. 10 AMF nomenclature, section 4.4 below).

Vesting conditions of the shares granted

Continuous service condition

Vesting of the shares is subject to continuous service within the Group from the date of the share grant and throughout the entire vesting period (except under special circumstances). Should their duties as a corporate officer be terminated, the Chief Executive Officer will lose their entitlement to any performance shares that they were awarded since being appointed as Chief Executive Officer and that were not vested upon termination of their duties as a corporate officer (except in the case of death, disability or retirement, where the long-term compensation rights are maintained as set out in the rules of the relevant performance share plans).

Having said that, on the recommendation of the Nomination and Compensation Committee, the Board of Directors shall have the option to waive the condition that the Chief Executive Officer still be present at the Company and to maintain entitlement to any performance shares awarded since his appointment as Chief Executive Officer that were not vested upon termination of their duties as a corporate officer (except in the case of departure due to gross negligence or wilful misconduct). There must be grounds for such a decision by the Board of Directors, in compliance with the AFEP-MEDEF Code, and these grounds will be communicated. In such a case, the vesting of the performance shares remains subject to the fulfilment of the performance criterion or criteria established in the rules of the relevant plans.

Performance conditions

Nature of the performance indicators

The performance indicators are based solely on the Group's financial performance, notably profitability and cash flow, to ensure a strong focus on value creation.

Nevertheless, given the importance of questions of sustainable development in the values and strategy of Exclusive Networks, the Nomination and Compensation Committee continues its reflections on the inclusion of sustainable development indicators in the future long-term compensation plans. For 2024, the Board of Directors has chosen to introduce a performance indicator linked to sustainable development applied only to the annual variable compensation for 2024 for the Chief Executive Officer, bearing in mind the Group's short-term sustainability challenges.

Measurement of performance

The expected level of performance for each of the indicators chosen for the vesting of the shares allocated is determined based on the business plan approved by the Board of Directors, itself in line with the guidance communicated to the market and reflected in analysts' consensus recommendations.

The Board of Directors defines a threshold below which no shares will vest. The threshold is not made public for confidentiality reasons.

Since these are performance conditions attached to the roll-out of the free share allocation plan for 2024, the Board of Directors, at its meeting held on 28 February 2024, on the recommendation of the Nomination and Compensation Committee, decided to renew on identical terms the nature and weighting of the performance indicators. Thus, for the free performance share allocation plan implemented in 2023, performance will be fully measured on two financial indicators each counting for 50%.

Financial performance indicators attached to the long-term compensation plan for 2024

		Payout		
Financial Performance indicators	**Weight**	**Threshold**	**Target**	**Cap**
Adjusted EBIT	50%	35%	100%	170%
Free Cash-Flow (FCF) adjusted	50%	35%	100%	170%

The objectives to achieve in order to trigger the vesting of shares thus allocated are not notified at the time of the allocation for confidentiality reasons. The Company will indicate the level of satisfaction of each of the performance indicators at the closure of the vesting period.

As indicated in the compensation policy applicable to the Chief Executive Officer, the performance shares allocation plans will have a "cliff-vesting" period of a minimum of three years, which will align with the Group's strategy.

The 2024 LTIP plan, which will be implemented by the Company in April 2024, provides for a block acquisition period at the end of a three-year period, subject to the satisfaction of performance conditions measured over three consecutive financial years (at end 2026).

It should be reminded that the first two long-term compensation plans following the Company's initial public offering, whose vesting periods were less than three years for all or part of the shares granted, were intended (i) to serve as a transition between the initial public offering and the future payment in full of the Long-Term Compensation Plans; and (ii) to offer the appropriate level of incentive to key Group employees following the initial public offering.

Calculation of the number of shares vested

The number of shares that will vest at the end of the vesting period is calculated by applying a coefficient to the number of shares granted that measures the performance of each of the criteria.

Rules for conservation of the shares vested

The shares that will be allocated in the context of the 2024 LTIP are not subject to a minimum conservation period at the closure of the vesting period, except for the periods referred to as closed periods established by the Company as part of the rules relating to insider trading and the applicable legal provisions (L. 225-197-1 of the French Commercial Code) during which it is not allowed to trade on the Company's shares.

The Chief Executive Officer has an obligation to retain shares on a plan-by-plan basis. In this respect, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, decided that the Chief Executive Officer must keep, in registered form, 30% of the shares vested in his Company share portfolio reaching 100% of Total Cash (fixed compensation + target annual variable compensation) until the end of his term as Chief Executive Officer. The same retention rule applies to the members of the Executive Committee.

Pursuant to this policy, the Board of Directors decided on 19 December 2023 the principle to grant, in 2024, to Jesper Trolle under the 2024 LTIP Plan, a number of performance shares corresponding to an amount of €788,888 with objectives 100% achieved, that is, an amount identical to the two previous plans. The shares thus granted will vest at the end of a three-year vesting period subject to the satisfaction of the presence condition and the performance conditions measured at the end of three consecutive financial years (at the end of 2026). The shares under the 2024 LTIP Plan will be allocated in the second quarter of 2024.

Benefits in kind

In addition, the Chief Executive Officer benefits from a company car and school tuition fees for children. Jesper Trolle continues to benefit in full from the Group's pension and health insurance contracts during his term of office.

Elements of compensation related to termination or change in control

Severance pay in the event of departure

In the context of the compensation policy for the Chief Executive Officer for 2024, the Board of Directors has maintained the possibility for the Chief Executive Officer, in the event that he leaves his position (regardless of the reason for departure), to receive a severance indemnity equal to 12 months of his fixed and variable compensation, the payment of which will be subject to the satisfaction of performance conditions linked to the achievement of objectives set for his annual variable compensation.

This severance will be calculated based on the fixed and variable compensation paid over the last 12 months preceding the termination of his functions. The amount of the indemnity will depend on satisfying the performance conditions established for calculating his annual variable compensation.

The Chief Executive Officer will not be entitled to receive such severance indemnity in the following cases:

(i) in the event of serious misconduct or gross negligence committed by the latter within the Group, as these terms are defined and interpreted by French jurisprudence;

(ii) if he or she leaves the Company on his or her own initiative to perform new duties;

(iii) if he or she takes on new duties or changes duties within the Group; or

(iv) if he or she asserts his or her rights to retirement.

Compensation relating to a non-compete clause

None.

Supplemental retirement plans

The Chief Executive Officer does not receive a specific retirement plan beyond those legally required. Therefore, the Company has not reserved any specific amounts to pay pensions, retirement or other similar benefits to the Chief Executive Officer.

Compensation paid by a Group Company

The Chief Executive Officer receives no compensation for any corporate office held at an entity within the Group.

Exceptional compensation

On the recommendation of the Nomination and Compensation Committee, the Board of Directors proposed the principle whereby the Chief Executive Officer may be eligible for exceptional compensation if warranted by extraordinary circumstances or events, for example, in terms of their importance to the Group, the commitment they require and the difficulties they pose (for example, the success of a major structural acquisition for the Group). The Board of Directors must justify its decision. In any event, the amount of special compensation may not exceed the maximum amount of the annual monetary compensation (fixed + maximum variable).

Such compensation may only be paid if it has previously been approved by the shareholders through an ex-post vote, as provided for under Article L. 22-10-34 II of the French Commercial Code.

Compensation allocated to Directors

The Chief Executive Officer receives no compensation in respect of their Directorship.

4.4 Elements of compensation due or paid in respect of financial year 2023 to the Company's corporate officers, subject to a vote by the shareholders at the Annual General Shareholders' Meetings for 2024

By virtue of Article L. 22-10-34 of the French Commercial Code, the amounts and elements of compensation paid and allocated during the course of, or corresponding to, financial year 2023, which will be submitted to a vote by shareholders at the Annual General shareholders' meeting for 2024 in accordance with the implementation of applicable compensation policies approved by shareholders during the Annual General shareholders' meeting of 8 June 2023, are presented below. They form an integral part of the Board of Directors' report on Corporate Governance.

4.4.1 Elements of compensation due or paid to members of the Board of Directors

The Directors' compensation due for, and paid in, financial years 2022 and 2023 is presented below:

Table 3 (AMF nomenclature)

COMPENSATION PAID TO DIRECTORS CORRESPONDING TO THEIR TERMS OF OFFICE AND FUNCTIONS IN THE COMPANY AND OTHER COMPENSATIONS RECEIVED BY DIRECTORS OTHER THAN EXECUTIVE CORPORATE OFFICERS

	2022		2023	
Members of the Board of Directors	**Amounts allocated in respect of 2022*** (in euros)	**Amounts paid in 2022*** (in euros)	**Amounts allocated in respect of 2023** (in euros)	**Amounts paid in 2023*** (in euros)
Jesper Trolle				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation(1)	1,217,774	892,087	1,232,148	1,217,644
Olivier Breittmayer				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	N/A
Barbara Thoralfsson				
Director's compensation	62,000	11,333(2)	81,000(3)	62,000
Other compensation	240,000	240,000	240,000	240,000(3)
Marie-Pierre de Bailliencourt				
Director's compensation	79,000	0	75,500	79,000
Other compensation	0	0	0	0
Nathalie Bühnemann(4)				
Director's compensation	94,000	14,250(2)	0	94,000
Other compensation	0	0	0	0
Michail Zekkos				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	N/A
Pierre Pozzo				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	N/A
Nathalie Lomon(5)				
Director's compensation	N/A	N/A	67,000	N/A
Other compensation	N/A	N/A	0	N/A
Paul Philippe Bernier(6)				
Director's compensation	N/A	N/A	N/A	N/A
Other compensation	N/A	N/A	N/A	N/A
Total				
• Director's compensation	235,000	25,583	223,500	235,000
• Other compensation	1,457,774	1,132,087	1,472,148	1,457,644
GENERAL TOTAL	**1,692,774**	**1,157,670**	**1,695,648**	**1,692,644**

N/A: Boxes show "N/A" when Directors do not receive compensation.

* Gross amount (before social security contributions of 17.2% and 12.8% as a tax instalment payment for residents and withholding tax for non-residents).

(1) Amount corresponding to the compensation for Jesper Trolle for his duties as Chief Executive Officer of the Company.

(2) Amount corresponding to the compensation allocated for financial year 2021 but not paid during 2021.

(3) Compensation due or paid for the duties of Chairperson of the Board of Directors - Barbara Thoralfsson acted as Chairperson of the Audit and Risks Committee from 25 January to 25 April 2023. In addition, Barbara Thoralfsson was appointed as a member of the Nomination and Compensation Committee on 25 January 2023 to replace Nathalie Bühnemann, who resigned (see footnote 4).

(4) Nathalie Bühnemann resigned from her duties on 17 January 2023.

(5) Nathalie Lomon was co-opted as a Director and appointed Chairperson of the Audit and Risks Committee by the Board of Directors on 17 April 2023.

(6) Paul-Philippe Bernier was appointed as a Director at the Annual General shareholders' meeting of 8 June 2023. He receives no compensation.

4.4.2 Elements of compensation due or paid in respect of financial year 2023 to the Chairperson of the Board of Directors

The compensation policy applicable to the Chairperson of the Board of Directors for 2023 was approved by the Annual General shareholders' meeting held on 8 June 2023, under the 11th Resolution (approval rate: 99.83%).

The elements making up the global compensation and benefits in kind of all varieties paid or allocated to Barbara Thoralfsson for financial year 2023 for her duties as Chairperson of the Board of Directors are in accordance with this policy, which provides for an annual fixed compensation of €240,000 as the sole component in the form of a monthly payment.

Mrs. Barbara Thoralfsson is eligible for compensation for her function as a Director and as a member of the Audit and Risks Committee and of the Nomination and Compensation Committee in addition to her compensation as Chairperson of the Board of Directors. In this respect, an amount of €81,000 was paid to her since the beginning of the current financial year for her participation in meetings of the Board of Directors and those of the two Committees above held in 2023 (see Table 3 (AMF nomenclature) in section 4.4.1 above "*Elements of compensation due or paid to members of the Board of Directors*"). It should be noted that Barbara Thoralfsson chaired the Audit and Risks Committee for the period from 25 January 2023 to 17 April 2023.

4.4.3 Elements of compensation due or paid in respect of financial year 2023 to the Chief Executive Officer

The elements making up the global compensation and benefits in kind of all varieties paid or allocated to Jesper Trolle for financial year 2023 are in accordance with the compensation policy as approved at the Annual General shareholders' meeting held on 8 June 2023 by virtue of the 10th Resolution (approval rate: 95.95%) and as described in section 4.3.4 of the 2022 Universal Registration Document.

Fixed compensation

The annual fixed compensation paid for financial year 2023 amounts to €550,000 and is unchanged compared to the previous financial year.

Variable compensation

The target-based annual variable compensation paid for financial year 2023 amounts to €550,000.

The nature and weighting of each of the indicators chosen to determine the annual variable compensation for the Chief Executive Officer for financial year 2023 were established by the Board of Directors at its meeting on 27 February 2023 and approved at the General shareholders' meeting on 8 June 2023.

The level of achievement of each of the performance indicators linked to the annual variable compensation for financial year 2023 and the amount of variable compensation that is derived from it, equivalent to €606,591 (that is, 110.3% of the target-based variable compensation), were approved by the Board of Directors at its meeting on 28 February 2024, on the recommendation of the Nomination and Compensation Committee.

In this respect, it should be recalled that for each of the financial indicators the following elements have been set:

- a target objective has been set in accordance with the budget, corresponding to the 100% achievement of the objective;
- a threshold that triggers compensation once a level of achievement of 80% of the target objective is attained;
- a ceiling which reflects an outperformance of the objectives set, which has been set at 130% of the target objective.

On this basis, the levels of satisfaction of the financial and non-financial objectives for 2023 and the corresponding amount of compensation are as follows:

Indicators	Weight at target achieved (%)	Level of achievement (%)	Payout		Comments
			%	Amount in euros	
Financial indicators	**80**				**All the yield and profitability criteria are satisfied**
Adjusted EBIT	40	103.3%	113.1%	248,720	The Group attained an Adjusted EBIT that was €186 million above the guidance level.
Net Margin	40	103.2%	112.7%	247,871	The Group achieved a net margin of €468 million, an amount above the guidance level.
Non-financial indicators	**20**	100%	100%	110,000	**On the recommendation of the Nomination and Compensation Committee, the Board deemed that the qualitative targets had been 100% achieved.**
ESG Construction of the baseline of the Group's carbon footprint (5%). Employee engagement. **Strategic and management criteria** • Optimisation of vendor portfolio management • M&A: robustness of the M&A pipeline and implementation of the M&A strategy in line with guidance • Evolution of the Exclusive Networks share price • Development of the cloud solutions strategy: assessment and preparation of the 3-year strategic plan					**ESG** Carbon footprint: the Group has carried out an in-depth inventory of its carbon footprint, which includes Scope 3, and has finalised its decarbonisation trajectory. **Employee engagement:** The employee engagement rate remains at a satisfactory and stable level (71%). **Strategic and management criteria:** Optimisation of vendor management: quality improvements to the vendors portfolio and 2023 achievements on this front. **M&A:** robustness of the M&A pipeline and implementation of the M&A strategy in line with guidance. Two acquisitions in 2023: Ingecom in Spain and Consigas in Ireland, both of which complement our strategic offering. **Evolution of the Exclusive Networks share price:** Evolution of share price vs. Market. **Cloud strategy development:** Assessment carried out and strategic plan drawn up.

Allocation of shares

In accordance with the policy applicable to the Chief Executive Officer for 2023, the Board of Directors decided on 17 April 2023 to grant 41,451 performance shares to Jesper Trolle with objectives achieved at 100%. 50% of the shares thus granted will vest at the end of a two-year vesting period subject to the satisfaction of performance conditions measured at the end of two successive years, i.e. after the 2024 financial year and 50% will vest at the end of a three-year vesting period subject to the satisfaction of performance conditions measured at the end of three successive years, i.e., the 2025 financial year.

See Table 6 (AMF nomenclature) for further information about the vesting conditions for these shares.

Should their duties as a corporate officer be terminated, the Chief Executive Officer will lose their entitlement to any performance shares that they were awarded since being appointed as Chief Executive Officer and that were not vested upon termination of their duties as a corporate officer (except in the case of death, disability or retirement, where the long-term compensation rights are maintained as set out in the rules of the relevant performance share plans).

That said, on the recommendation of the Nomination and Compensation Committee, the Board of Directors shall have the option to waive the condition that the Chief Executive Officer still be present at the Company and to maintain entitlement to any performance shares awarded since his appointment as Chief Executive Officer that were not vested upon termination of his duties as a corporate officer (except in the case of departure due to gross negligence or wilful misconduct).

There must be grounds for such a decision by the Board of Directors, in compliance with the AFEP-MEDEF Code. In such a case, the vesting of the performance shares remains subject to the fulfilment of the performance criterion or criteria established in the rules of the relevant plans.

Exceptional compensation

Jesper Trolle received no exceptional compensation in 2023.

Benefits in kind

In 2023, Jesper Trolle continued to receive benefits in kind (car and school fees) in accordance with the compensation policy, the amount of which for 2023 amounted to €75,557.

The Chief Executive Officer also enjoys social benefits equivalent to those of the Company's employees (in terms of health and insurance).

4.4.4 Compensation tables

AMF Tables 1 & 2 – Summary of the compensation due or paid to corporate officers by the Company

Table 1 (AMF nomenclature)
SUMMARY OF COMPENSATION OR BENEFITS, OPTIONS AND SHARES GRANTED TO EACH CORPORATE OFFICER*

(in euros)	2023	2022
Jesper Trolle, Chief Executive Officer		
Compensation or benefits granted during the year, (see Table 2 below for further details)	1,232,148*	1,217,774*
Evaluation of multi-year variable compensation granted in the course of the financial year	N/A	N/A
Evaluation of options granted during the financial year (see Table 4 below)	N/A	N/A
Evaluation of free shares granted during the financial year (see Table 6 below for further details)	787,569*(1)	281,317*(1)
Evaluation of other long-term incentive plans	N/A	N/A
TOTAL	**2,019,717***	**1,499,091***
Barbara Thoralfsson, Chairperson of the Board		
Compensation or benefits granted during the year (see Table 2 below for further details)	321,000*	302,000*
Evaluation of multi-year variable compensation granted in the course of the financial year	N/A	N/A
Evaluation of options granted during the financial year (see Table 4 below)	N/A	N/A
Evaluation of performance shares granted during the financial year (see Table 6)	N/A	N/A
Evaluation of other long-term incentive plans	N/A	N/A
TOTAL	**321,000***	**302,000***

* The amounts are indicated in gross value.
(1) The value of the free shares is equal to that used to prepare the consolidated financial statements calculated in accordance with the requirements of IFRS 2. This evaluation does not necessarily reflect the value of the shares at the end of the vesting period.

Table 2 (AMF nomenclature)

SUMMARY OF COMPENSATION OR BENEFITS GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

	2022		2023	
(in euros)	Amounts granted**	Amounts paid***	Amounts granted**	Amounts paid***
Jesper Trolle, Chief Executive Officer				
Fixed compensation	550,000	550,000	550,000	550,000
Annual variable compensation	592,087(1)	266,400(2)	606,591(3)	592,087(4)
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Director's fees	N/A	N/A	N/A	N/A
Benefits in kind	75,687(5)	75,687(5)	75,557(5)	75,557(5)
TOTAL*	**1,217,774**	**892,087**	**1,232,148**	**1,217,644**
Barbara Thoralfsson, Chairperson of the Board				
Fixed compensation	240,000	240,000	240,000	240,000
Annual variable compensation	N/A	N/A	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Director's fees	62,000(7)	11,333(6)	81,000(7)	62,000
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL*	**302,000**	**251,333**	**321,000**	**302,000**

* The amounts are indicated in gross value.

** Gross amount allocated for the financial year in question not subject to change.

*** All compensation paid during the fiscal year, that is, after application of the performance rate to the variable compensation base for the previous financial year.

(1) In accordance with the 2022 compensation policy approved by the General shareholders' meeting held on 21 June 2022, applicable since 1 January 2022, the annual variable compensation of the Chief Executive Officer for financial year 2022 is based on ambitious targets and precise predefined financial performance criteria, accounting for 80%, and extra-financial performance criteria, accounting for 20%. The Chief Executive Officer's compensation policy for 2022, the components of the compensation for 2022 as well as the level of satisfaction with the indicators used and the corresponding payment for each indicator, are described in section 4.4.3 "*Components of compensation due or awarded to the Chief Executive Officer for financial year 2022*" of the report on corporate governance in Chapter 4 of the 2022 Universal Registration Document. During the meeting of the Board of Directors held on 27 February 2023, the amount of variable compensation was set at €592,800.

(2) Amount of the annual variable compensation paid to Jesper Trolle based on targets for the 2021 financial year paid in 2022 (for more information on the compensation of the Chief Executive Officer for 2021, the elements of the annual compensation and the level of performance achievement, see section 2.2.3 "*Compensation components due or awarded to the Chief Executive Officer for the 2021 financial year*" of the 2021 corporate governance report).

(3) In accordance with the 2023 compensation policy approved by the General shareholders' meeting of 8 June 2023, applicable since 1 January 2023, the variable portion of the Chief Executive Officer's annual compensation for 2023 is based on ambitious objectives and precise predefined performance criteria of a financial nature accounting for 80%, and non-financial nature accounting for 20% set by the Board of Directors on 27 February 2023. The nature of the criteria and the associated indicators, as well as the rate of satisfaction of each of the objectives and the corresponding payment, are described in section 4.4.3 "*Components of compensation due or awarded to the Chief Executive Officer in respect of the 2023 financial year*" of this corporate governance report. At the Board of Directors' meeting of 28 February 2024, the amount of variable compensation was set at €606,591 corresponding to a satisfaction rate of 110.3%. This amount will be paid at the closure of the Annual General shareholders' meeting, which will submit to a vote the accounts of the financial year ended 31 December 2023, subject to its approval by the shareholders. For more information on the satisfaction of the performance conditions related to the annual variable compensation.

(4) Amount of annual variable compensation paid to Jesper Trolle based on targets for 2022 paid in 2023 (for more information on the compensation policy for the Chief Executive Officer for 2022, the components of the annual compensation and the level of achievement of performance, see section 4.4.3 "*Components of compensation due or awarded to the Chief Executive Officer in respect of financial year 2022*" of the 2022 corporate governance report).

(5) The benefits in kind correspond to the use of a company car and the payment of school fees for children.

(6) Compensation for Barbara Thoralfsson's role as Director for the 2021 financial year.

(7) Compensation for Barbara Thoralfsson's role as Director for the 2022 financial year.

AMF Tables 4 & 5 – Options to subscribe to or purchase shares granted to, or exercised by, executive Directors during the course of the financial year

None.

AMF Table 6 (AMF nomenclature) – Performance shares granted to Executive corporate officers or awarded during the financial year

The table below shows the performance shares granted during the year to the Chief Executive Officer.

FREE SHARES GRANTED DURING THE 2023 FINANCIAL YEAR TO EACH CORPORATE OFFICER BY THE ISSUER OR ANY GROUP COMPANY

Corporate officers	Plan no. and date	Number of shares granted during the financial year	Valuation[1] (in euros)	Vesting date	Availability date	Performance conditions
Jesper Trolle	Plan no. 3 17/04/2023	41,451[2] 0.049% of the share capital as at 31/12/2023	395,847.50 391,721.40	17/04/2025[3] 17/04/2026[4]	17/04/2025 17/04/2026	Financial performances[5]

(1) Valuation of the shares according to the method used for the consolidated financial statements. This valuation does not necessarily reflect the value of the shares at the end of the vesting period.

(2) The Chief Executive Officer received shares in the context of Performance Share Allocation Plan No. 3 introduced by the Company on 17 April 2023 in accordance with the applicable compensation policy 2023, as approved by shareholders on 21 June 2022.

(3) 50% of the shares will vest after a two-year performance review period.

(4) 50% of the shares will vest after a three-year performance review period.

(5) 50% of the shares granted under Plan No. 3 will vest after two years and the remaining 50% after three years. Vesting is subject to the fulfilment of internal financial performance conditions assessed at the end of two consecutive financial years (2023 and 2024) for 50% of the shares granted and at the end of three consecutive financial years (2023, 2024 and 2025) for the other 50%, and to a condition of continuous service with the Group throughout the vesting period. The financial performance conditions are defined in relation to two absolute criteria linked to Adjusted EBIT and adjusted operational cash flow (as these indicators are defined in Plan no. 3), determined in relation to the business plan approved by the Board of Directors in line with the guidance communicated to the market. The number of fully vested shares will thus depend on the number of targets achieved. The Company will notify shareholders of the number of shares definitively vested at the end of the vesting period, and also of the level of satisfaction for each of the performance criteria.

The Chairperson of the Board of Directors is not eligible for multi-annual compensation in accordance with the applicable compensation policy.

AMF Table 7 – Free shares made available for each Corporate officer during the course of the 2023 financial year

None.

AMF Table 8 – Historical record of allocations of subscription options or share purchase options

None.

AMF Table 9 – Stock options granted to the top 10 non-executive employees and options exercised by them during the 2023 financial year

None.

AMF Table 10 – Historical record of free shares

Historical record of granting of free shares

	Plan no. 1	Plan no. 2	Plan no. 3
Date of General shareholders' meeting	30/06/2021	01/09/2021	21/06/2022
Date of the Board of Directors	30/06/2021[1]	20/01/2022	17/04/2023
Total number of shares granted	193,750[2]	284,184	389,224
Of which number of shares granted to corporate officers[3]: Jesper Trolle	125,000[2]	42,049	41,451
Vesting date	30/06/2022	15/05/2024	17/04/2025[4] 17/04/2026[5]
Retention period end date	30/06/2023	N/A[6]	N/A[6]
Performance conditions	N/A	Yes[7]	Yes[7]
Number of shares vested as at 31/12/2023	193,750	0	0
Including Corporate officer (Jesper Trolle)	125,000	0	0
Total number of cancelled or lapsed shares	0	64,136	27,955
Number of shares in the process of vesting as at 31/12/2023	0	221,401	357,190

(1) Decision of the Chairperson of the Company under its former corporate form as a French société par actions simplifiée (simplified joint-stock corporation).
(2) Number of shares after reverse stock split (see Chapter 6, section 6.4.3 "*Change in share capital over the last three financial years*" of the Universal Registration Document for 2023).
(3) The Chairperson of the Board of Directors is not eligible for multi-annual compensation in accordance with the applicable compensation policy.
(4) 50% of the shares will vest after a two-year performance review period.
(5) 50% of the shares will vest after a three-year performance review period.
(6) With the exception of the Chief Executive Officer and the members of the Executive Committee who must keep, in registered form, 30% of the shares vested until their Company share portfolios reach 100% of total compensation in cash (fixed compensation + target-based annual variable compensation) until the end of their term of office in the case of the Chief Executive Officer, and until the end of their functions in the case of the members of the Executive Committee (see section 4.3.4.2 of this Chapter 4 "*Components of the 2023 compensation policy for the Chief Executive Officer*").
(7) The vesting of shares granted under Plans no. 2 and no. 3 is subject to the satisfaction of internal financial performance conditions assessed over the following financial years (2023 for Plan no. 2 and 2024 and 2025 for Plan no. 3) and a condition of continuous service in the Group during the entire vesting period. The financial performance conditions are defined in relation to two absolute criteria linked to the Adjusted EBIT and cash flow determined in relation to the business plan approved by the Board of Directors in line with the guidance communicated to the market. The number of vested shares will depend on the number of targets achieved.

AMF Table 11 – Commitments made towards the Chief Executive Officer and the Chairperson of the Board of Directors

	Employment contract		Supplementary pension plan		Severance or other benefits due or likely to become due as a result of termination or change of office		Compensation under a non-compete clause	
Executive Corporate officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Jesper Trolle Chief Executive Officer 1 September 2021 Annual general meeting to be held in 2025		✗[1]		✗	✓[2]			✗
Barbara Thoralfsson Chairperson of the Board of Directors 27 September 2021 Annual general meeting to be held in 2025		✗		✗		✗		✗

(1) Mr. Jesper Trolle had an employment contract with the Company from 15 September 2020 to 30 November 2020.
(2) In the event of the termination of the office of Jesper Trolle in his capacity as Chief Executive Officer of the Company, he will be entitled to receive a severance indemnity equal to 12 months of fixed and variable compensation based on the fixed and variable compensation paid to the Chief Executive Officer over the last 12 months preceding said termination. This indemnity shall not be paid in the event that he leaves his office under the following circumstances: (i) because of gross misconduct (faute grave) or serious and wilful misconduct (faute lourde) committed by the Chief Executive Officer within the Group as these terms are defined and interpreted by French case law, (ii) 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 decides to take his retirement (see Section 4.3.4.2 of the report).

4.4.5 Presentation of the "Say on Pay" resolutions relating to compensation

Pursuant to Articles L. 22-10-34 and L. 22-10-8 of the French Commercial Code, the compensation policy for executive corporate officers, as well as the compensation components to be paid or awarded to corporate officers, are submitted annually for shareholder approval.

The draft resolutions related to the compensation of the corporate officers that will be submitted for voting at the next General shareholders' meeting in 2024 are presented below (note that the numbering of the draft resolutions is for reference only; the definitive numbering will be published in the notice of the meeting that will appear in the French bulletin of mandatory legal announcements). *(Bulletin des annonces légales obligatoires)*.

The results of the shareholder voting will be published on the Company's website on the first business day after the General shareholders' meeting for 2024.

8th Resolution

Approval of the information on compensation mentioned in Article L. 22-10-9 of the French Commercial Code paid during financial year 2023 or awarded for the same year to all corporate officers

The General shareholders' meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the information mentioned in Article L. 22-10-9 I. of the French Commercial Code, as it appears in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2023 Universal Registration Document.

9th Resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid during the financial year ended 31 December 2023 or awarded for the same year to Mr. Jesper Trolle, Chief Executive Officer

The General shareholders' meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves the fixed, variable and exceptional elements making up the total compensation and benefits of any kind paid during financial year 2023 or awarded for the same year to Mr. Jesper Trolle, Chief Executive Officer of the Company, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2023 Universal Registration Document.

10th 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 2023 or awarded for the same year to Mrs. Barbara Thoralfsson, Chairperson of the Board of Directors

The General shareholders' meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves the elements of compensation paid during financial year 2023 or awarded for the same year to Barbara Thoralfsson, Chairperson of the Board of Directors of the Company, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2023 Universal Registration Document.

11th Resolution

Approval of the compensation policy applicable to the Chief Executive Officer for financial year 2024

The General shareholders' meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves, pursuant to Article L. 22-10-8-II of the French Commercial Code, the compensation policy for Mr. Jesper Trolle for financial year 2024, corresponding to his term of office as Chief Executive Officer of the Company, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2023 Universal Registration Document.

12th Resolution

Approval of the compensation policy applicable to the Chairperson of the Board of Directors for financial year 2024

The General shareholders' meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves, pursuant to Article L. 22-10-8-II of the French Commercial Code, the compensation policy for Mrs. Barbara Thoralfsson for financial year 2024, corresponding to her term of office as Chairperson of the Board of Directors of the Company, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2023 Universal Registration Document.

13th Resolution

Approval of the compensation policy applicable to non-executive Directors for financial year 2024

The General shareholders' meeting, ruling under the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report, hereby approves, pursuant to Article L. 22-10-8-II of the French Commercial Code, the compensation policy for the Directors for financial year 2024, as described in the Board of Directors' corporate governance report referred to in Article L. 225-37 of the French Commercial Code and appearing in Chapter 4 of the 2023 Universal Registration Document.

4.4.6 Equity ratio table

The information provided in the table below has been prepared in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code and the guidelines of the AFEP-MEDEF (Recommendation 26).

It is specified that financial year 2023 is the second full financial year in which the Company appears as a listed company. Before 23 September 2021, the date of its initial public offering, the Company was incorporated as a French simplified joint-stock corporation *(société par actions simplifiée)*, the governing bodies of which were different from those of a French limited-liability company *(société anonyme)*: the Company was thus headed by a Chairperson assisted by a Chief Executive Officer from December 2020 to September 2021, and management was controlled by a Supervisory Board. The functions of Chairperson of the Board of Directors and of Chief Executive Officer did not exist. In addition, the Company was not subject to the same level of legal requirements as it is now faced with as a company listed on Euronext Paris's regulated market.

Mr. Jesper Trolle, who was appointed General Manager of the Company under its former corporate format as a *société par actions simplifiée* and became Chief Executive Officer of the Company under its current corporate format as a *société anonyme,* was recruited in December 2020 in order to prepare the management transition and ultimately to replace Mr. Olivier Breittmayer in his executive functions.

As a result of the above, the presentation of ratios over a five-year period did not seem relevant. However, for information purposes and in a spirit of transparency and good governance, it was decided at the time of the publication of the first Universal Registration Document in April 2022 to present the ratios for the financial years 2020 and 2021, it being specified that the information concerning the Chairman and the Chief Executive Officer of the Company under its corporate form of *société par actions simplifiée* are presented together as these two functions are the equivalent of the Chief Executive Officer in a société anonyme.

For the coming years, the continuity of its corporate form and its corporate bodies since 2022 allows the Company to present complete ratios and relevant comparative data.

The figures shown below include all Exclusive Networks Group employees in France (with fixed-term or open-ended contracts) who were present continuously in 2020, 2021, 2022 and 2023 and provide an expanded scope representative of Exclusive Networks' operations in France. Since the Company had only one employee serving continuously during the above financial years, as a consequence, the calculation of the equity ratios on the sole basis of the Company's employees was not possible because this would require the publication of the compensation of the sole employee.

The average and median compensation were established on a Full-Time Equivalent basis for all employees other than the Chairperson and Chief Executive Officer, and the calculation was conducted for a 12-month period for each of the compared financial years. The elements of compensation of the Chairperson of the Board of Directors and that of the Chief Executive Officer used to calculate this ratio include all fixed, variable and exceptional compensations granted during the said financial years, as well as the valuation of the shares granted. The compensation for the role of Chairperson and Chief Executive Officer used to calculate this ratio includes all fixed and variable amounts paid.

This compensation, taken into account on a gross basis, includes the following elements paid in 2020, 2021, 2022 and 2023: base pay, commissions, bonus, exceptional bonus, free shares granted during the financial year, benefits in kind and profit sharing.

The Exclusive Networks performance criteria shown were determined in light of their relevance to the Company's strategy.

Equity ratio between the level of compensation of the Chairperson and the Chief Executive Officer, and the average and median compensation of the Company's employees with the Company's performance

	2020	2021	2022	2023
Ratio of Chairperson's compensation to average compensation	N/A[(1)]	3	3	3
Ratio of Chairperson's compensation to median compensation	N/A[(1)]	4	4	3
Annual evolution (in %) of the compensation of the Chairperson of the Board of Directors	N/A[(1)]	N/A[(1)]	0%	0%
Ratio of Chairman and Chief Executive Officer 's compensation to average compensation	13[(2)]	N/A[(3)]	N/A[(3)]	N/A[(3)]
Ratio of the Chief Executive Officer's compensation to average compensation	N/A[(1)]	35[(4)]	18[(7)]	22[(8)]
Ratio of Chairman and Chief Executive Officer 's compensation to median compensation	16[(2)]	N/A[(3)]	N/A[(3)]	N/A[(3)]
Ratio of Chief Executive Officer's compensation to median compensation	N/A[(3)]	49[(4)]	25[(7)]	27[(8)]
Annual evolution (in %) of the compensation of the Chief Executive Officer	N/A[(1)]	N/A[(5)]	-47.50%	+26.70%
Annual evolution (in %) of the average compensation of employees	N/A[(6)]	14.60%	5.30%	3.80%
Annual evolution (in %) of the median compensation of employees	N/A[(6)]	2.20%	5.30%	14.40%
Company performance Annual evolution (in %) of company performance Adjusted EBIT	N/A[(6)]	25.20%	29.30%	20.60%

(1) The boxes contain the abbreviation N/A as a result of the conversion of the Company into a société anonyme carried out in the context of Exclusive Networks SA's' Initial Public Offering (IPO) in September 2021, which led to a change in the Company's corporate bodies. Thus, before this conversion, the Company did not have a Board of Directors but a Supervisory Committee, for which the Chairperson did not receive compensation in 2020 and 2021.
(2) For the calculation of this ratio, the following were included: the compensation paid in 2020 when the Company was still incorporated as a French société par actions simplifiée to both (i) Olivier Breittmayer, the legal representative of HTIVB, as Chairperson of the Company, and (ii) Jesper Trolle as Chief Executive Officer, it being specified that he was appointed in December 2020 for management transition purposes with a view to eventually succeeding Olivier Breittmayer in his executive functions.
(3) N/A since (i) in 2020, the Company did not have a Chief Executive Officer, and (ii) in 2021, after its conversion into a société anonyme, the Company no longer had a Chairperson and Chief Executive Officer.
(4) For the calculation of this ratio, the compensation paid to Jesper Trolle with respect to financial year 2021 was included.
(5) N/A because no change can be shown as the Company did not have a Chief Executive Officer before 2021.
(6) N/A since no information is shown prior to 2020.
(7) For the calculation of this ratio, the compensation paid to Mr. Jesper Trolle with respect to financial year 2022 was included.
(8) For the calculation of this ratio, the compensation paid to Mr. Jesper Trolle with respect to the financial year 2023 was included.

4.5 Delegations and authorisations granted by the General Shareholders' Meeting in respect of capital increases

To enable the Company to gain access to the financial markets and, if necessary, to ensure the continued development of the Group, the Board of Directors benefits from financial delegations as presented in the table below:

Financial delegations in force as at 31 December 2023 and used by the Board of Directors in 2023

Nature of the delegations of authority and authorisations granted to the Board of Directors	Maximum nominal amount authorised (in euros)	Date of authorisation	Date of expiry	Duration	Use as of 31 December 2023	Comments
Capital increase through an issue of shares and/or other securities giving access to the Company's share capital						
Share capital increase **with Preferential subscription right** through public offerings or through public exchange offerings	50% of the share capital*(1)	8 June 2023 (15th Resolution)	8 August 2025	26 months	-	May not be used during a public offering
Share capital increase **without Preferential subscription right** 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	10% of the share capital* (1 2)	8 June 2023 (16th Resolution)	8 August 2025	26 months	-	May not be used during a public offering
Share capital increase **without Preferential subscription right** through public offerings mentioned in Article L. 411-2 1° of the French Monetary and Financial Code	10% of the share capital* (1 2)	8 June 2023 (17th Resolution)	8 August 2025	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 Preferential subscription right	15% of the initial issue* (2 3)	8 June 2023 (18th Resolution)	8 August 2025	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 Preferential subscription right	10% of the share capital per year	8 June 2023 (19th Resolution)	8 August 2025	26 months	-	May not be used during a public offering
Share capital increase through incorporation of premiums, reserves, benefits or other	Amount that may be capitalised at the date of the Board of Directors' decision to use this financial delegation	8 June 2023 (14th Resolution)	8 August 2025	26 months	-	May not be used during a public offering
Authorisation to issue shares or securities giving access to the capital **without Preferential subscription right as consideration for contributions in kind of equity securities or securities giving access to the capital**	10% of the share capital* (2)	8 June 2023 (20th Resolution)	8 August 2025	26 months	-	May not be used during a public offering

Nature of the delegations of authority and authorisations granted to the Board of Directors	Maximum nominal amount authorised (in euros)	Date of authorisation	Date of expiry	Duration	Use as of 31 December 2023	Comments
Share buyback programme						
Authorisation granted to the Board of Directors to carry out transactions on the Company's shares	10% of the share capital Global maximum purchase price: €100,000,000 Maximum purchase price authorised per share: €30	8 June 2023 (13th Resolution)	8 December 2024	18 months	20 March 2023(4)	May not be used during a public offering
Capital reduction through the cancellation of treasury shares	10% of the share capital per 24-month periods	1 September 2021 (12th Resolution)	1 September 2026	5 years	-	-
Transactions reserved for employees and corporate officers						
Capital increase reserved to employees of Group companies that are members of a French company savings plan	1% of the share capital* (5)	8 June 2023 (21st Resolution)	8 August 2025	26 months	-	-
Capital increase without preferential subscription rights (Preferential subscription right) for the benefit of a category of employees as part of an employee shareholding transaction.	1% of the share capital* (5)	8 June 2023 (22nd Resolution)	8 December 2024	18 months	-	-
Authorisation to allocate free shares to employees and corporate officers	1.7% of the share capital as at 21 June 2022 (Sub-cap of 11.14% of the cap of 1.7% for the Chief Executive Officer)	21 June 2022 (13th Resolution)	21 August 2025	38 months	17 April 2023(6)	-

* Share capital on the day of the General shareholders' meeting of 8 June 2023.

(1) Global cap for share capital increases carried out with and without Preferential subscription right under the 15th, 16th, 17th, 18th, 20th, 21st and 22nd Resolutions. Any share capital increase pursuant to these resolutions shall be deducted from this aggregate cap of 50% of the share capital on 8 June 2023. The maximum nominal amount of the debt securities or other securities giving access to the share capital of the Company carried out under the 15th, 16th and 17th resolutions shall not exceed €400,000,000 or the counter value of this amount in the event of an issue in another currency.

(2) Global cap for share capital increases without Preferential subscription right carried out under the 16th, 17th, 18th and 20th Resolutions of the AGM of 8 June 2023.

(3) The nominal amount of share capital increases carried out pursuant to the 18th resolution will be deducted from (i) the ceiling of the resolution under which the initial issue was decided, (ii) the overall ceiling equal to 50% of the share capital provided for under the 15th resolution of the Annual general meeting of 8 June 2023, and (iii) in the event of a share capital increase without preferential subscription rights, the amount of under-capitalisation equal to 10% of the share capital under the terms of the 16th resolution of the Annual general meeting of 8 June 2023.

(4) The share buyback programme is described in Chapter 6, section 6.4.5 "*Share buybacks*" of this 2023 Universal Registration Document.

(5) Common cap for the share capital increases without preferential subscription rights carried out under the 21st and 22nd resolutions adopted by the AGM of 8 June 2023.

(6) At its meeting on 17 April 2023, the Board of Directors allocated 389,224 performance shares (including 41,451 to the Chief Executive Officer) for which the definitive vesting conditions are subject to the satisfaction of performance conditions (see section 4.4.3 of this corporate governance report "*Elements of compensation due or paid in respect of financial year 2023 to the Chief Executive Officer*").

4.6 Regulated agreements

4.6.1 Related-party transactions

Agreements and commitments authorised and entered into in 2023 and previous financial years

In accordance with the provisions of Article L. 225-38-1 of the French Commercial Code, at its meeting on 28 February 2024, the Board of Directors reviewed the regulated agreements signed and authorised in 2023 and during previous financial years that remained in effect in 2023.

In this respect, during the 2023 financial year, the Board of Directors, at its meeting of 23 May 2023, authorised the purchase by the Company of 526,315 Exclusive Networks SA shares representing 0.6% of the shares comprising its share capital at the unit price of €19 as part of the sale of a block by private placement by HTIVB of approximately 3.7% of the Company's share capital and voting rights. These shares were purchased as part of the Company's share buyback programme (see Chapter 6, section 6.4.5 "*Share buybacks*" of this 2023 Universal Registration Document).

The Board of Directors also duly noted that no agreements entered into and authorised in previous years continued during the 2023 financial year.

Agreements entered into by a company controlled by the Company as defined by Article L. 233-3 of the French Commercial Code (Article L. 225-102-1, paragraph 13)

Loan granted to Jesper Trolle

Networks BeLux BV granted, on 21 April 2021, a €1.5 million seven-year non-mortgage term loan to 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 amounted to €901,372.68 (principal amount) as at 31 December 2023 (see *Note 19.4.2. Transactions with related parties* in the Notes to the 2023 consolidated accounts).

Agreements entered into by the Company and any of its subsidiaries

The agreements entered into by the Company and any of its subsidiaries that are wholly owned, directly or indirectly, are excluded from the scope of regulated agreements and therefore are not discussed in this Section or in the Statutory Auditors' special report.

Service agreements between members of the administrative, management or supervisory bodies and the Company and its subsidiaries

As at the date of this corporate governance report and to the best of the Company's knowledge, there are no:

- service agreements binding members of the Board of Directors and executive corporate officers;
- pacts or agreements signed with the shareholders, customers, suppliers or other parties under which any of the members of the Board of Directors or executive officers were appointed to their positions;
- service agreements signed by the Company or its subsidiaries and any of the members of the Board of Directors or the Chief Executive Officer.

4.6.2 Procedure for the assessment of agreements on transactions which are deemed usual and carried out at arm's length

The Board of Directors, in accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, will establish a procedure for the annual assessment of agreements on transactions which are deemed usual and carried out at arm's length.

This procedure thus provides for a review of certain agreements by an ad hoc committee consisting of the Group Chief Financial Officer, the Group General Counsel and the Director of internal control. The work undertaken by the committee is presented to the Board of Directors once per year, during the annual review of the regulated agreements that have arisen during the course of the financial year.

In the context of these analyses to assess the normal, day-to-day character of the Agreement, the qualification committee uses an analytical framework defining the aspects to be reviewed depending on the type of agreement. In this respect, a list of agreements and of criteria of analysis was drawn up on the basis of the agreements regularly reached within the Group at the date of the establishment of the procedure. These agreements will be regularly reviewed by the Group and the Board of Directors in order to monitor the evolution of the conditions in which the Company operates. Examples would be the potential modification of the pre-defined thresholds for the qualification of "standard agreements"; or the reorganisation of certain functions of the Company.

The committee meets as often as necessary and whenever convened by one of its members. Meetings may be convened by any means (including orally). The committee takes its decisions on a simple majority basis. The committee's decisions may be adopted by written consultation or via exchanges of email messages.

The information concerning the regulated agreements and commitments concluded by Exclusive Networks SA during the course of the financial year are published on the Company's website and in the Statutory Auditors' special report.

4.6.3 Statutory Auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Exclusive Networks SA Shareholders' Meeting,

In our capacity as Statutory Auditor of your Company, we hereby report to you 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 were advised of the following agreements entered into during the year and previously authorized by the Board of Directors.

Acquisition of Company shares from HTIVB

Person involved: Mr. Olivier Breittmayer, as director of Exclusive Networks SA and Chief Executive Officer of HTIVB; shareholder with more than 10% of the Exclusive Networks SA share capital.

Purpose of the agreement: Under its share buyback program, the Company acquired 526,315 Exclusive Networks SA shares, representing 0.6% of its shares at a unit price of €19, during the sale of a block of shares via an Accelerated Blockbuilding (ABB) performed by HTIVB for around 3.7% of the Company's share capital and voting rights.

Main terms and conditions: The transaction totaled €10 million.

Reasons adopted by the Board justifying the agreement is in your Company's interest: The Board of Directors considered that it was in the Company's interest to accelerate the acquisition of shares as part of its share program under favorable financial conditions. The shares were acquired to enable the Company to satisfy its obligations arising from the stock options program or other share grants to employees or corporate officers and deliver shares in connection with external growth transactions.

Date of previous authorization: Board of Directors' meeting of May 23, 2023.

Agreements already approved by the Shareholders' Meeting

Previously approved agreements that remained in force during the year

We inform you that we have not been advised of any agreement previously approved by the Shareholders' Meeting that remained in force during the year.

Paris La Défense, February 29, 2024

The Statutory Auditors

Mazars	**Deloitte**
Marc Biasibetti Partner	Nadia Laadouli Partner

We Are Trusted

5. Financial information

5.1 Comments on the consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as published by the IASB (International Accounting Standards Board) and adopted by the European Union (EU) on 31 December 2023.

Refer to "General comments - Financial measures and alternative performance indicators" for more information.

The Deloitte & Associés and Mazars' review report on the 2023 Consolidated Financial Statements can be found in Section 5.2.2 of this Chapter 5.

The following information on the Group's results should be read in conjunction with the consolidated financial statements, as set out in Sections 5.1., 5.2. and 5.3. of this Chapter 5.

5.1.1 Definitions

The Group presents several alternative performance indicators, including Gross Sales, Adjusted EBIT, Adjusted EBITDA, Adjusted Net Income, Net Debt and Adjusted Operating Free Cash-Flow, defined as follow:

- Gross Sales: represent revenue recognized by the Group on a gross basis before restatements resulting from the application of IFRS 15 - Revenue from Contracts with Customers, on performance obligations for the resale of software licences, and support and maintenance activities, for which the Group operates as an agent;
- Adjusted EBIT: refers to Recurring operating profit before amortization of intangible assets, adjusted of certain costs that do not impact the current operations (including costs of information systems' implementation for support functions, restructuring costs and non-recurring costs);
- Adjusted EBITDA: refers to the Adjusted EBIT restated of depreciation and amortization;
- Adjusted Net Income: refers to the Adjusted EBIT less the adjusted financial result and less the tax related to recurring items;
- Net Debt: corresponds to the bank borrowings, bank overdrafts, short-term loans and factoring liabilities less cash and cash equivalents;
- Adjusted Operating Free Cash-Flow: corresponds to the Adjusted EBIT restated from the other non-cash items, change in net working capital – trade, Capex and repayment of lease liabilities.

These performance measures are alternative indicators and do not have standard definitions. Consequently, the definitions used by the Group may not correspond to the definitions for these same terms used by other companies. These performance measures should not be used in isolation or instead of IFRS indicators.

(In millions of euros)	31/12/2023	31/12/2022
Gross Sales	5,145	4,528
Adjusted EBIT	186	154
Adjusted EBIT growth%	*20.6%*	*29.3%*
Adjusted EBIT as a percentage of Net Margin	*39.7%*	*37.5%*
Adjusted Net Income	108	100
Adjusted Operating Free Cash-Flow	254	201
Net Debt	158	260

5.1.2 Gross Sales and profitability

5.1.2.1 Group financial performance

(In millions of euros)	31/12/2023	31/12/2022	Change in %
Gross Sales	5,145	4,528	14%*
Revenue	1,559	1,466	6%
Net Margin	468	411	14%
Adjusted EBIT	186	154	21%
% Net Margin	*39.7%*	*37.5%*	
Adjusted Net Income	108	100	8%

* 16% at constant rate.

Gross Sales reached €5,145 million, increasing by 16% at constant rate and 14% at current rate. The bulk of the growth was organic, with existing vendors in current geographies (13.9%), and vendor expansion (+0.5%), composed of vendors entering into new geographies (+0.3%) and new vendors (+0.2%). The remainder of the growth is attributable to pricing effect (+1%), to recent acquisitions (+0.8%) and to currency effect (-2.7%).

Revenue, as defined by IFRS standard, is reported in the consolidated financial statements. Regarding the sales associate to the performance obligations related to distribution of software licences and support and maintenance activities, the Group operates as an agent, and so recognized a revenue based on the net margin of the transactions. Revenue growth is linked to Gross Sales growth.

Net Margin reached €468 million in 2023, a sharp increase of 13.9% year on year, reflecting the strong execution with a consistent mix evolution of geography and deal size.

Adjusted EBIT rose to a record €186 million, up 21% year over year. Adjusted EBIT margin over Net margin was up 225 BPS year on year to 39.7% as the Group benefits from a decrease in the weight of OPEX by 170 BPS at regional level.

Adjusted Net Income was €108 million, representing an increase of 8% year over year, resulting mainly from the sound Adjusted EBIT.

5.1.2.2 Performance by segment

(In millions of euros)		31/12/2023	31/12/2022	Change in%
EMEA	Gross Sales	4,036	3,539	+14%
	Adjusted EBIT	191	160	+19%
Americas	Gross Sales	689	532	+30%
	Adjusted EBIT	17	14	+26%
APAC	Gross Sales	420	457	-8%
	Adjusted EBIT	19	20	-5%
Corporate	Adjusted EBIT	(41)	(40)	+3%
TOTAL	**GROSS SALES**	**5,145**	**4,528**	+14%
	ADJUSTED EBIT	**186**	**154**	+21%

EMEA: Gross Sales were €4,036 million, up 14% year on year, the region benefitted from a consistent positive market demand. Profitability outpaced top line growth and increased significantly, with Adjusted EBIT rising to €191 million, up 19% year on year.

Americas: Gross Sales were €689 million, up 30% year on year. The Region pursued its fast organic development, with the progressive ramp up of both new and existing vendors and supported by the continued high local market demand. Operational gearing increased +26% for Adjusted EBIT, resulting from the business model in the US and reflecting the constant focus to drive profitable growth.

APAC: Gross Sales reached €420 million, a decline of 8% year on year. The initiatives implemented locally have managed to bolster the business activity trend that improved towards the second half of the year. The high focus on cost control resulted in protecting the profitability with an Adjusted EBIT of €19 million for 2023.

Corporate: The operating costs of the Corporate segment remain under control, with an increase by 3% year on year.

5.1.3 Cash flow and financial structure

5.1.3.1 Adjusted cash flow and Group debt leverage

Adjusted Operating Free Cash-Flow reached a strong level, amounted to an inflow of €254 million in 2023, compared to €201 million in 2022, mainly driven by business growth and working capital improvement.

Leverage: Exclusive Networks' **Financial Gross Debt** at 31 December 2023 was €516 million (vs. €523 million at 31 December 2022), with **Cash & Cash Equivalents** standing at €369 million and **Net Debt** improvement at €158 million. This resulted in a significant deleveraging of the Company with a **leverage ratio** of Net Debt/Adjusted EBITDA of 0.8x.

5.1.3.2 Group consolidated statement of cash flows

The following table shows the Group's cash flows for the years ended 31 December 2023 and 31 December 2022, based on the consolidated financial statements, prepared in accordance with IFRS.

(In millions of euros)	31/12/2023	31/12/2022
Net cash from operating activities	220	186
Net cash from investing activities	(20)	(9)
Net cash from financing activities	(103)	(33)
Effects of exchange rate fluctuations on cash and cash equivalents	(2)	(6)
Increase (decrease) in net cash and cash equivalents	**96**	**138**
Net cash and cash equivalents at the beginning of the period	263	125
Net cash and cash equivalents at the end of the period	358	263

At 31 December 2023, the Group's Net cash and cash equivalents amounted to €358 million, compared to €263 million at 31 December 2022, i.e. a cash generation of €96 million over the year. The main variations are as follows:

(a) Net cash from operating activities

The Group's net cash flow from operating activities amounted to €220 million for the financial year ended 31 December 2023, compared to €186 million for the financial year ended 31 December 2022. This mainly results from the change in net working capital – trade with a cash generation of €76 million in 2023 compared to a cash consumption of €58 million in 2022, i.e. a cash improvement of €18 million year on year.

The net working capital corresponds to the working capital for current activities (inventories, trade receivables, trade payables, other receivables and debts including tax and social liabilities). The Group primarily finances its net working capital through cash flow from operating activities.

The Group also uses various factoring programmes which allow the derecognition of trade receivables. In accordance with IFRS 9, trade receivables transferred under these programmes no longer appear on the balance sheet.

The Group entered into a pan-European programme meeting the deconsolidation conditions and under which it transfers receivables resulting from the sale of cybersecurity solutions in several countries. During the 2023 financial year, the Group continued the deployment of this programme which extends, at 31 December 2023, to France, Spain, the Netherlands, Belgium, the United Kingdom and Germany. The receivables transferred under this pan-European programme amount to €267 million as at 31 December 2023, compared to €189 million as at 31 December 2022.

(b) Net cash from investing activities

The Group's net cash flow from investing activities amounted to €(20) million for the year ended 31 December 2023, compared to €(9) million for the year ended 31 December 2022. These investments reflect the acquisitions of the companies Ingecom and Consigas, made during the financial year.

The Group's investments over the past three years, excluding acquisitions, mainly concern licenses, IT equipment and office furniture.

(c) Net cash from financing activities

The Group's net cash flow from financing activities amounted to €(103) million for the financial year ended 31 December 2023 compared to €(33) million for the financial year ended 31 December 2022. In 2023, these mainly include the share buyback programme for €(25) million, the acquisition of non-controlling interests of Nuaware Ltd for €(25) million, the reimbursement of factoring debt for €(31) million and interests paid for €(28) million.

In 2022, the net cash flow from financing activities mainly included interests paid amounted to €(17) million and the distribution of dividend for €(19) million.

5.1.3.3 Net Debt

The following table shows the breakdown of the Group's gross and Net Debt as follows:

	31/12/2023	31/12/2022
Bank borrowings	476	462
Short-term loans	37	26
Factoring liabilities	4	35
Bank overdraft	11	6
Financial Gross Debt	**527**	**529**
Cash & cash equivalents	(369)	(268)
NET DEBT	**158**	**260**

On 16 July 2021, Everest SubBidCo S.A.S. entered into a new senior loan agreement negotiated with a syndicate of international banks. This senior loan agreement consists of i) a long-term loan for an aggregate amount equal to €450 million, which is split between a "Facility B1" tranche of €315 million and a "Facility B2" tranche of £120 million ii) a multi-currency revolving credit line whose total commitments (original and additional revolving facility) correspond to an aggregate amount of €120 million.

The senior loans *(Facility B1 and B2)* as well as the secured revolving credit facility mature on 27 September 2026.

The revolving credit facility for an initial amount of €120 million is intended to finance external growth transactions and working capital needs. It is not undrawn as at 31 December 2023, nor it was undrawn as at 31 December 2022.

The senior facilities agreement contains a financial covenant for the benefit of the lenders of the senior debt. To comply with this financial covenant, the Group must perform a test at the end of each financial half-year period or any period of 12 consecutive months. This test determines whether the total Net Debt of the Group (as defined in the contract) exceeds 4.75:1 of proforma consolidated EBITDA. The leverage is reduced to 4.00:1 from March 2024.

Total Net Debt defined in the contract means the aggregate outstanding amount of all borrowings of the Group, including the capital value of the lease and deducting (i) the borrowings in relation to the non-controlling interests and (ii) all contingent liabilities under a guarantee, indemnity, bond, standby or documentary letter of credit, less the aggregate amount of cash and cash equivalents held by the Group.

As at 31 December 2023, as well as at 31 December 2022, this financial covenant is respected.

See the note to the consolidated financial statements *14.2. Financial liabilities (excluding derivatives and lease liabilities)* for more information on the financial debt.

5.1.4 Recent developments and outlook

5.1.4.1 Recent developments

To the Company's knowledge, there has been no significant change in the Group's financial position since 31 December 2023.

5.1.4.2 Outlook

The Group's outlook is based on data, assumptions and estimates that the Group considers reasonable at the date of issue of this Universal Registration Document 2023, in light of anticipated future economic conditions and the expected impact of the successful implementation of its strategy. The data, assumptions and estimates on which the Group has based its objectives are likely to change or to be modified during the period in question, in particular, due to changes in the economic, financial, competitive, fiscal or regulatory environment, the market developments or other factors of which the Group is not aware or which it has not accurately anticipated on the date of this Universal Registration Document. In addition to these changes, the occurrence of one of the risks described in Chapter 2 "Risk factors" of this Universal Registration Document 2023 could affect the Group's business, competitive position, financial situation, results or outlook, and therefore its ability to achieve the objectives presented below.

The Group's assumptions include in particular (1) continued general growth of the cybersecurity market, based on data for the past five years and on the analysis of growth presented in Market reports, and growth of certain Group suppliers, (2) the continued growth of the Group through other levers, such as the expansion of the representation of existing suppliers in new territories and the signing of new suppliers (some already established with significant volumes and others in the start-up phase with higher margins), (3) the continuation of small and medium-sized acquisitions, (4) that the Group's business model will continue to promote high renewal rates of its suppliers and its customers, (5) that exchange rates will remain stable in 2024, that there will be no medium-term translation effects, and that there will be no impact of inflation given that, historically, the Group has been able to pass on inflation-related effects to its customers, (6) any consequences of the global geopolitical situation, (7) any further major deterioration in transportation issues and product shortages experienced by the industry and (8) no material risk materializes that would prevent the Group from operating in any of its current countries of operation.

The Group cannot give any assurance or provide any guarantee that the objectives set out below will be achieved and does not undertake to publish corrections or communicate updates to this information in the future. The forecasts presented below and the underlying assumptions have also been established in accordance with the provisions of Delegated regulation (EU) No. 2019/980 supplementing regulation (EU) No. 2017/1129 and ESMA's recommendations on forecasts.

The forecasts presented below have been established on a basis comparable to historical financial information and in accordance with the accounting methods applied to the Group's consolidated financial statements.

The Group's outlook for the 2024 financial year is as follows:

- Gross Sales growth in a range between +10% and +12% at constant currency;
- Net Margin in the range between €500 million and €515 million;
- Adjusted EBIT in the range of €200 million and €210 million;
- Adjusted Operating Free Cash-Flow above 80% of Adjusted EBITDA.

5.2 Consolidated accounts

5.2.1 Consolidated financial statements

Consolidated statement of income

(In millions of euros)	Notes	31/12/2023	31/12/2022[1]
Revenue	5.1	**1,559**	**1,466**
Costs of purchases goods and services	5.2	(1,084)	(1,048)
Freight on sales		(7)	(6)
Net Margin		**468**	**411**
Personnel costs	5.3	(200)	(183)
Other operating costs	5.4	(81)	(71)
Amortization of intangible assets	5.5	(60)	(60)
Depreciation and amortization of tangible assets	5.5	(13)	(13)
Recurring operating profit		**114**	**85**
Non-recurring operating income and expenses	5.6	(3)	(5)
Operating profit		**111**	**79**
Net financial debt costs	14.4	(28)	(18)
Interest on lease liabilities	14.4	(1)	(1)
Other financial income and expenses	14.4	(26)	(9)
Financial result		**(55)**	**(27)**
Income before taxes		**56**	**52**
Income taxes	6	(11)	(13)
NET INCOME		**45**	**39**
• Attributable to the owners of the parent company		43	36
• Attributable to non-controlling interests		2	3
Earnings per share attributable to parent company (in €):			
• Basic earnings per share	15.4	0.47	0.40
• Diluted earnings per share	15.4	0.47	0.40

(1) The prior year comparatives have been restated in line with the change in accounting treatment for the IFRS IC agenda decision - IFRS 15 Revenue from Contracts with Customers, treatment of Software revenue as agent revenue. For further information, see *Note 3.3. Change in accounting treatment: IFRS 15 - Revenue from contracts with customers.*

5.

Consolidated statement of comprehensive income

(In millions of euros)	Notes	31/12/2023	31/12/2022
Net income		**45**	**39**
Exchange differences on translation of foreign operations net of income tax		(17)	6
Cash flow hedges		(1)	2
Items that might be reclassified subsequently to profit or loss		**(18)**	**7**
Remeasurements of post-employment benefit obligations net of deferred tax	*17*	0	1
Items that cannot be reclassified subsequently to profit or loss		**0**	**1**
Other comprehensive income/(expense)		**(18)**	**8**
COMPREHENSIVE INCOME/(EXPENSE)		**27**	**47**
• Attributable to the owners of the parent company		26	44
• Attributable to non-controlling interests		2	3

Consolidated statement of financial position

(In millions of euros)	*Notes*	31/12/2023	31/12/2022
Assets			
Goodwill	*7.1*	297	295
Intangible assets	*7.3*	1,055	1,112
Property, plant and equipment	*7.4*	8	7
Right-of-use assets	*8.1*	26	26
Other non-current financial assets	*14.1*	51	40
Deferred tax assets	*6*	7	8
Non-current assets		**1,444**	**1,488**
Inventories	*9*	220	271
Trade receivables and related accounts	*10*	1,381	1,132
Income tax receivables		10	12
Other current financial assets	*14.1*	9	19
Cash and cash equivalents	*13*	369	268
Current assets		**1,989**	**1,703**
ASSETS		**3,433**	**3,191**
Equity and liabilities			
Share capital and share premium	*15.1*	976	976
Retained earnings and other reserves		(4)	(27)
Foreign currency translation reserve		(13)	4
Equity attributable to the owners of the parent company		**959**	**952**
Non-controlling interests	*15.3*	2	3
Equity		**961**	**956**
Non-current financial liabilities	*14.2*	500	488
Non-current lease liabilities	*8.2*	19	20
Non-current provisions	*16*	3	4
Other non-current liabilities		0	0
Deferred tax liabilities	*6*	253	274
Non-current liabilities		**776**	**785**
Trade payables and related accounts	*11*	1,583	1,304
Other current financial liabilities	*14.2*	91	128
Current lease liabilities	*8.2*	8	8
Current provisions	*16*	0	0
Current tax liabilities		14	11
Current liabilities		**1,696**	**1,450**
EQUITY AND LIABILITIES		**3,433**	**3,191**

Consolidated statement of cash flows

(In millions of euros)	Notes	31/12/2023	31/12/2022
Operating activities			
Net income		**45**	**39**
Adjustments for:			
• Depreciation, amortization, impairment and change in provisions		73	74
• Financial debt costs & interests on lease liabilities	*14.4*	29	19
• Share-based expenses	*18.2*	5	2
• Income tax expenses	*6*	11	13
• Other non-cash items		8	6
Income taxes paid		**(26)**	**(25)**
Cash flows from operating activities before change in working capital		**144**	**129**
Change in working capital	*12*	76	58
NET CASH FROM OPERATING ACTIVITIES		**220**	**186**
Investing activities			
Additions to property, plant and equipment and intangible assets	*7*	(7)	(6)
Disposals of fixed assets	*7*	0	0
Changes in other financial assets		(10)	(2)
Interests received	*14.4*	2	0
Acquisition/(disposal) of subsidiary, net of cash acquired/(disposed of)	*2.1*	(5)	(2)
NET CASH FROM INVESTING ACTIVITIES		**(20)**	**(9)**
Financing activities			
Dividends paid		(1)	(19)
Disposal (acquisition) of Treasury shares	*15.2*	(25)	(1)
Acquisition of non-controlling interests	*15.3*	(25)	(3)
Proceeds from issuance of bank borrowing	*14.2*	17	15
Proceeds from issuance of other financial liabilities	*14.2*	28	29
Factoring liabilities	*14.2*	(31)	12
Short-term financing	*14.2*	8	(14)
Interests paid		(28)	(17)
Financial derivatives		-	(3)
Repayment of bank borrowing	*14.2*	(8)	(1)
Repayment of other financial liabilities	*14.2*	(28)	(23)
Payment of lease liabilities	*8.2*	(10)	(9)
NET CASH FROM FINANCING ACTIVITIES		**(103)**	**(33)**
Effects of exchange rate fluctuations on cash and cash equivalents		(2)	(6)
INCREASE (DECREASE) IN NET CASH AND CASH EQUIVALENTS		**96**	**138**
Net cash and cash equivalents at the beginning of the year		263	125
Net cash and cash equivalents at the end of the year	*13*	358	263

Consolidated statement of changes in equity

(In millions of euros)	Share capital	Share premium	Treasury shares	Consolidated reserves	Foreign exchange differences	Reserves related to pension obligations	Net income	Group equity	Non-controlling interests	Equity
Balance at 31 December 2021	**7**	**968**	**0**	**(27)**	**(2)**	**0**	**(14)**	**932**	**2**	**934**
Allocation of Net income from the prior year				(14)			14	-		-
Increase/(decrease) in capital	0	(0)						-		-
Cancellation of treasury shares			(1)					(1)		(1)
Net income							**36**	**36**	**3**	**39**
Actuarial gain/(losses) net of deferred tax						1		1	-	1
Cash Flow Hedges				2				2		2
Foreign exchange difference					6			6	(0)	6
TOTAL COMPREHENSIVE INCOME /(EXPENSE)				**2**	**6**	**1**	**36**	**44**	**3**	**47**
Dividends				(18)				(18)	(0)	(19)
Equity-settled share-based payment				2				2		2
Acquisition of non-controlling interests				(1)				(1)	(1)	(2)
Other				(7)				(7)	0	(7)
Balance at 31 December 2022	**7**	**968**	**(1)**	**(64)**	**4**	**1**	**36**	**952**	**3**	**956**
Allocation of Net income from the prior year				36			(36)	0		0
Cancellation of treasury shares(1)			(25)					(25)		(25)
Net income							**43**	**43**	**2**	**45**
Actuarial gain/(losses) net of deferred tax						0		0		0
Cash Flow Hedges				(1)				(1)		(1)
Foreign exchange difference					(16)			(16)	0	(17)
TOTAL COMPREHENSIVE INCOME /(EXPENSE)	**0**	**0**	**0**	**(1)**	**(16)**	**0**	**43**	**26**	**2**	**27**
Dividends								-	(1)	(1)
Equity-settled share-based payment				5				5		5
Acquisition of non-controlling interests(2)				(4)				(4)	(3)	(7)
Other(3)				6				6	1	7
Balance at 31 December 2023	**7**	**968**	**(26)**	**(22)**	**(13)**	**1**	**43**	**959**	**2**	**961**

(1) Cancellation of treasury shares: see *Note 15.2. Treasury shares.*
(2) Corresponds to the acquisition of Nuaware Ltd non-controlling interests, see *Note 2.1. Change in the scope of consolidation in the current year.*
(3) Corresponds mainly to the impact on consolidated reserves of the loss on net monetary positions related to hyperinflation in Turkey in application of the standard IAS 29 - Financial reporting in Hyperinflationary Economies for €7.0 million 2023 compared to €5.7 million in 2022.

5.2.2 Notes to the consolidated statements

Contents

Note 1. General information

1.1 Presentation of the Group

Exclusive Networks S.A. was initially incorporated on 19 April 2018 for the purpose of acquiring, through its subsidiary Everest SubBidCo S.A.S., all outstanding shares in Exclusive France Holding S.A.S. on 4 July 2018.

As a global specialist in innovative cybersecurity technologies, Exclusive Networks S.A., and its subsidiaries (the "Group" or "Exclusive Networks") buy and sell cybersecurity solutions and adjacent products of the vendors it represents, including hardware, licenses, and software, as well as support and maintenance services. The Group also provides other services such as training, support, and installation. With offices in over 48 countries across five continents, the Group operates through three regions EMEA (Europe, Middle East, Africa), Americas and APAC (Asia-Pacific).

Exclusive Networks S.A., whose registered office is located at 20, Quai du Point du Jour, 92100 Boulogne-Billancourt, is a French corporation (Société Anonyme) whose shares have been listed on the Euronext Paris, compartment A, since 23 September 2021.

1.2 Significant events of the year

Acquisition of Ingecom

Exclusive Networks SAS (France) acquired 70% of Informatica y comunicaciones Ingecom S.L., a spanish value-added distributor, specialized in cybersecurity and cyber intelligence solutions for emerging and disruptive technologies. The headquarter is located in Spain and Ingecom operates in Southern Europe, particularly in Spain, Portugal and Italy. Its 2023 annual Gross Sales are in the range of €55 million.

After the acquisition, the founders remain minority shareholders. The acquisition price has been paid on the date of acquisition and an earn-out that should be paid in 2024.

The main impacts in the Group consolidated financial statements are the recognition of a *Goodwill* for €2.3 million, recognition of vendor's relationships for €4.3 million with related deferred tax liabilities of €1.1 million (see *Note 2.1. Change in the scope of consolidation in the current reporting year*).

Acquisition of Consigas

The 18 December 2023, Exclusive Networks Ireland Ltd acquired 100% of Consigas Ltd., a global cybersecurity services provider specialised in training an consulting, whose headquarter is in Ireland. Consigas in a Certified Professional Service Provider (CPSP) and Global Authorized Training Partner (ATP) for Palo Alto Networks. Its annual Gross Sales are in the range of €3 million.

As of 31 December 2023, the entity is not consolidated in the Group consolidated financial statements as it is considered as not material. The main impacts in the Group consolidated financial statements are the recognition of investments in non-consolidated compagnies for €10.8 million and a liability for price adjustment of €4.6 million.

Loan BPI

On 3 July 2023, through its subsidiary Everest SubBidCo S.A.S., the Group contracted a four-year loan agreement with Bpifrance Investissement for €15.0 million. The principal will be amortized in six half-yearly instalments.

Share buyback programme

The Group has signed a contract with an investment services provider for the purchase of its own shares, for a maximum amount of €25 million over a period starting 20 March 2023 and extending to 4 July 2023.

On 23 May 2023, the Board of Directors authorized the Company to buy back its own shares in connection with the sale of a block of shares by HTIVB through an Accelarated Book Building (ABB), up to a maximum amount of ten million euros. Hence, Exclusive Networks S.A. bought back 0.6% of its shares on 24 May 2023, at a unit price of €19, on the occasion of the sale by HTIVB of a stake of circa 3.7%. This €10 million transaction has been financed by the Group's liquidity and has resulted in a change in Group shareholders' equity detailed in *Note 15.2. Treasury shares*.

The General shareholders' meeting on 8 June 2023 renewed for a further period of 18 months the authorization given to the Board of Directors to purchase a certain number of shares of the Company according to the following criteria:

- a number of shares representing up to 10% of its share capital;
- a maximum price per share of €30 and a maximum amount of €100 million.

2023 Long-term incentive plan ("LTIP")

The Group set up a new free-share plan on 17 April 2023 (see *Note 18. Share-based payment)*.

The shares are granted based on certain conditions:

- continued employment for the duration of the plan until the vesting date;
- performance conditions based on non-market performance indicators.

In accordance with IFRS 2, an expense of €4.8 million as of 31 December 2023, was recorded in personnel costs.

Change in the Executive Committee

In January 2023, Ms Nathalie Bühnemann has been appointed as Group Chief Financial Officer to replace Mr Pierre Boccon-Liaudet.

Note 2. Changes in the scope of consolidation

The changes in the scope of consolidation result from business combinations as defined by IFRS 3R - Business combinations and acquisitions of assets and Groups of assets.

Accounting policy

The accounting treatment of acquisitions resulting in control being obtained is as follows in accordance with the Revised IFRS 3 - Business combinations:

- the acquisition costs are recorded as expenses in the income statement in Non-recurring operating income and expenses and presented within Investing activities in the statement of cash flows when incurred. The only exception is the treatment of costs to issue debt or equity, which are treated as reduction of the related instruments;
- the price adjustments are initially recognized 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 recognized in the income statement in Non-recurring operating income and expenses;
- when control is obtained, non-controlling interests are recognized, either at their share of the fair value of the assets and liabilities of the acquired entity, or at their fair value. In the latter case, the *Goodwill* is then increased by the portion relating to these non-controlling interests. The treatment adopted is selected on an individual basis for each acquisition.

Changes in equity interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a gain or loss of control are accounted for as equity transactions. Thus, the difference between the fair value of any consideration paid and the carrying amount of the share of the subsidiary's net assets acquired or disposed of is recorded in equity.

2.1 Change in the scope of consolidation in the current year

Acquisition of Ingecom

Exclusive Networks SAS completed the acquisition of Ingecom S.L. for an acquisition price of €5.4 million. An earn-out based on financial performance conditions estimated at €1.3 million is scheduled to be paid in 2024. As at 31 December 2023, the Group owns 70% of Ingecom S.L which is consolidated in the financial statements and integrated in the Other Services Cash Generating Unit. Exclusive Networks benefits from an operational control over Ingecom S.L. The Group concluded that the acquisition met the definition of a business combination under IFRS 3R - Business combinations, and thus the acquisition of the transferred assets and liabilities was subject to a Purchase Price Allocation exercise.

At acquisition date (In millions of euros)	
Consideration paid (A)	**7**
Adjusted net assets acquired (B)	**4**
Including (at 100%):	
• Vendor's relationships	4
• Net deferred tax	(1)
***Goodwill* (A) - (B)**	**2**
Impact in the cash flow statement (cash paid, net of cash acquired)[1]	**(5)**
Including cash acquired	1

Change in non-controlling interests

Following the exercise of a put option by minority shareholders on 6 October 2023, the Group acquired 30% of Nuaware Ltd for a total purchase price of €24.9 million and, consequently increasing the interest held by Exclusive Networks UK in Nuaware Ltd to 100%.

Creation and disposal

On 6 March 2023, the Group has sold its shares in Networks Unlimited (Mauritius) Ltd a dormant entity. This sale has no impact on the consolidated financial statements.

On 11 September 2023, the Group has created Exclusive Networks Iceland ehf. This entity is consolidated as at 31 December 2023.

2.2 Change in the consolidation scope in the comparative year

Change in non-controlling interests

On 4 February 2022, Spinnaker and La Lune Rousse exercised their put options for €0.2 million and €1.1 million, respectively, increasing the interest held by Exclusive Networks S.A.S. in Exclusive Capital S.A.S. to 100%, following to the merger of Exclusive Capital Holding and Exclusive Capital S.A.S.

JJ-Net Taiwan exercised two put options, a 10% for HKD 4.1 million (€0.5 million) on 20 April 2022 and a 10% for KHD 4.5 million (€0.6 million) on 8 November 2022, thus increasing the interest held by Exclusive Networks Asia in Exclusive Networks JJ-Net Hong Kong Ltd to 100%.

Creation and liquidation

Exclusive Networks Information for IT was registered on 19 January 2022, giving effect to the partnership agreement entered between the Company Al Hejailan and Exclusive Networks for the distribution of the Group's activities in Saudi Arabia. Exclusive Networks Information for IT was consolidated as at 31 December 2022.

During 2022, the Group has created:

- Ignition France S.A.S., on 28 January 2022;
- Exclusive Networks Distribution Nigeria Ltd, on 12 April 2022;
- Exclusive Networks North West Africa SARLAU in Morocco, on 19 December 2022;
- and Exclusive Networks Portugal Unipessoal Lda, on 21 December 2022.

The entity TSM Network SDN in Malaysia was liquidated on 1 April 2022.

Note 3. Accounting policies

3.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2023 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 2023.

The consolidated financial statements for the year ended 31 December 2023 were reviewed by the Audit and Risks Committee and approved by the Board of Directors on 28 February 2024. The accompanying notes are integral part of the consolidated financial statements.

The consolidated financial statements are presented in euro currency. Unless otherwise stated, all amounts are stated in millions of euros. Rounding differences on totals may occur between the different financial statements.

The main accounting policies applied in the preparation of these consolidated financial statements are set out below.

Measurement principles

The consolidated financial statements have been prepared using the historical cost convention, except for:

- certain financial assets and liabilities measured using the fair value model (see *Note 14.5. Fair value of financial assets and liabilities*);
- assets acquired and liabilities assumed in business combinations, measured using the fair value model (see *Note 2. Changes in the scope of consolidation)*.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy defined in IFRS 13 - Fair Value Measurement is presented in *Note 14.5. Fair value of financial assets and liabilities*.

3.2 Accounting policies

IFRS standards, amendments, and interpretations effective from 1 January 2023

The IFRS standards, amendments and interpretations published by the IASB and whose application is mandatory as at 1 January 2023 include:

- amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of significant accounting policies;
- amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates;
- amendments to IAS 12 - Income taxes: Deferred tax related to assets and liabilities arising from a single transaction;
- amendments to IAS 12 - Income taxes: International tax reform - Pillar two model rules;

These amendments did not significantly impact the Group's financial statements as at 31 December 2023.

IFRS standards, amendments, and interpretations adopted by the European Union and effective from 1 January 2024

- amendments to IAS 1 - Presentation of Financial Statements: Classification of liabilities as current or non-current, and non-current Liabilities with covenants;
- amendments to IFRS 16 - Leases: Lease liability in a sale and leaseback;
- amendments to IAS 7 - Statement of cash flows and IFRS 7 - Financial instruments: disclosures: Supplier finance arrangements.

The Group is performing an assessment of the potential impact of these amendments on its annual consolidated financial statements.

IFRS Standards, amendments and interpretations not yet adopted by the European Union as at 31 December 2023

- amendments to IAS 21 - The effects of changes in foreign exchange rates: Lack of exchangeability.

The Group is performing an assessment of the potential impact of these amendments on its annual consolidated financial statements.

3.3 Change in accounting treatment: IFRS 15 - Revenue from contracts with customers

The IFRS Interpretation Committee (IC) and the ESMA (European Securities and Markets Authority) provided clarification on the recognition of the revenue from the resale of software licenses under IFRS 15 - Revenue from contracts with customers. They provided further guidance on the "control" criteria which is used by the Group to determine whether it acts as principal or as an agent. As result of this guidance and considering that the vendors remain the primary obligors to fulfil the performance obligation related to the sales of software licenses via the EULA (the end-user license agreement), the Group decided to change the accounting treatment. For this performance obligation, the Group considers now acting as an agent.

As prescribed in IAS 8 - Accounting policies, changes in accounting estimates and errors, the Group applied this accounting treatment change retrospectively, so the prior year and current year are presented consistently.

The impacts of this change in accounting treatment on the prior year financial statement are as follow:

(In millions of euros)	After change in accounting treatment 31/12/2023	After change in accounting treatment 31/12/2022	Impact of the change in accounting treatment 31/12/2023	Impact of the change in accounting treatment 31/12/2022	Before change in accounting treatment 31/12/2023	Before change in accounting treatment 31/12/2022
Revenue (A)	**1,559**	**1,466**	**(2,304)**	**(1,939)**	**3,863**	**3,404**
Licenses, software and hardware associated to software	1,410	1,162	(2,304)	(1,939)	3,714	3,101
Other	149	303	-	-	149	303
Costs of purchases goods and services (B)	**(1,084)**	**(1,048)**	**2,304**	**1,939**	**(2,366)**	**(2,987)**
Purchase of goods and services	(1,033)	(1,170)	2,304	1,939	(2,315)	(3,109)
Change in inventories	(44)	127	-	-	(44)	127
Net allowance for stock depreciation	(6)	(4)	-	-	(6)	(4)
Freight on sales (C)	**(7)**	**(6)**	**-**	**-**	**(7)**	**(6)**
NET MARGIN (A) + (B) + (C)	**468**	**411**	**-**	**-**	**468**	**411**

This change in accounting treatment has no impact on the Group's net income, earnings per share, on the statement of financial position or cash flows.

3.4 Consolidation method

Controlled entities

The consolidated financial statements include the financial statements of Exclusive Networks S.A. and its directly or indirectly controlled entities.

As at 31 December 2023, all subsidiaries owned by the Group have been consolidated using the full consolidation method. Furthermore, all consolidated entities have a 31 December year-end, except Exclusive Networks Sales India Pte Ltd (India), whose year-end is 31 March. Accounts as at 31 December 2023 were drawn up for this entity for the purposes of preparing the Group's consolidated financial statements.

Intra-Group transactions

All intercompany transactions and balances are eliminated for consolidation purposes in the consolidated accounts.

Foreign currency transactions and translation

The consolidated financial statements are presented in euros, the Group's presentation currency. The functional currency of each entity of the Group is the currency of the primary economic environment in which the entity operates. The functional currency is mainly the local currency. However, for a limited number of cases, a functional currency other than the local currency may be used as long as it reflects the currency used for the main transactions and economic environment of the entity.

Foreign currency transactions are converted into the functional currency using the rate prevailing at transaction date.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income.

The results and financial position of Group entities that have a functional currency different from the presentation currency are converted into the presentation currency as follows:

- assets and liabilities (including *Goodwill*) are converted at the closing balance-sheet rate;
- income and expenses are converted at the average exchange and;
- all resulting exchange differences are recognized as Exchange differences within Other comprehensive income.

3.5 Use of judgements and estimates

Estimates

The preparation of the consolidated financial statements requires Group management to use estimates and assumptions that could affect the reported amounts of assets and liabilities, equity, income and expenses and accompanying disclosures. Management also needs to exercise judgement in applying the Group's accounting policies. The actual amounts may ultimately differ from those estimates owing to changes in events and circumstances.

The areas that are more likely to be materially affected by estimates and changes in assumptions are presented below. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The key estimates used in preparing the Group's consolidated financial statements relate mainly to:

- measurement of the recoverable amount of *Goodwill* and intangible assets (see *Notes 7.1. Goodwill* and *7.2. Impairment tests*);
- measurement of the fair value of assets acquired and liabilities assumed in a business combination (see *Note 2. Changes in the scope of consolidation);*
- allocation of total transaction price amongst the distinct performance obligations under IFRS 15 -Revenue from Contracts with Customers (see *Note 5.1. Revenue*);
- measurement of liabilities related to put options granted to non-controlling interests (see *Note 14. Financial assets and liabilities, financial result*);
- measurement of derivatives and other financial instruments at fair value (see *Note 14.5. Fair value of financial assets and liabilities*);
- measurement of right-of-use assets and lease commitments in accordance with IFRS 16 - Leases (see *Note 8. Leases*).

Judgements

Group management also makes judgements in determining the appropriate accounting policies to apply to certain activities and transactions, particularly when the IFRS standards and IFRIC interpretations in force do not specifically deal with the related accounting issues.

In particular, the Group exercised its judgement in:

- identifying the distinct performance obligations of contracts with customers and assessing whether the Group acts as principal or agent (see *Note 5. Operating income and expenses*);
- determining whether certain financing arrangements may result in derecognition or not (see *Notes 9. Trade receivables and related accounts* and *14. Financial assets and liabilities, financial result*).

Following the clarification published by The IFRS Interpretation Committee (IC) and the ESMA (European Securities and Markets Authority), the Group has changed its judgment to assess whether it acts as principal or agent compared to the prior year for the resale of software licenses (see *Note 3.3. Change in accounting treatment: IFRS 15 - Revenue from contracts with customers).*

Climate risks

The Group takes climate risks into consideration, based on its best knowledge, as part of its accounts closing assumptions and reflects their potential impact in the financial statements. Effects of climate change do not impact the five-year business plans prepared by the Management used for the impairment tests of its intangible assets.

Note 4. Segment information

Accounting policy

The Group activity is organized by geographical regions, called "Regions": EMEA (Europe, Middle East and Africa), Americas and APAC (Asia-Pacific) supervised by Senior Vice Presidents who are responsible for each of them of the local relationship with vendors and customers. Regions constitute the operating segments.

The Chief Executive Officer is the Chief Operating decision maker of the Group and assesses each of the reported segments separately for the purposes of evaluating performance and allocating resources.

Gross Sales and Adjusted EBIT are the key performance indicators reviewed by the Chief Operating decision maker on a monthly basis. These indicators are not a substitute for IFRS indicators and should not be considered as such. They are used in addition to the IFRS indicators.

These key performance indicators are defined as:

- Gross Sales represent revenue recognized by the Group on a gross basis before restatements resulting from the application of IFRS 15 - Revenue from contracts with customers;
- Adjusted EBIT represents Recurring operating profit before amortization of intangible assets and adjusted for non-recurring items. These include implementation costs for IT systems, restructuring costs, costs related to long term incentive plans and some one-time costs.

The "Corporate" segment represents Corporate Group functions.

Gross Sales and Adjusted EBIT by operating segments

For the year ended 31 December 2023:

(In millions of euros)	EMEA	Americas	APAC	Corporate	Total
Gross Sales	4,036	689	420	-	**5,145**
Adjusted EBIT	191	17	19	(41)	**186**

For the year ended 31 December 2022:

(In millions of euros)	EMEA	Americas	APAC	Corporate	Total
Gross Sales	3,539	532	457	-	**4,528**
Adjusted EBIT	160	14	20	(40)	**154**

Gross Sales reconcile to IFRS Revenue as follows:

(In millions of euros)	31/12/2023	31/12/2022
Revenue	**1,559**	**1,466**
Agent vs Principal - IFRS 15	3,586	3,063
Gross Sales	**5,145**	**4,528**

For revenue by type of product and service and by geography, see *Note 5.1. Revenue*.

Adjusted EBIT reconciles to Operating profit as follows:

(In millions of euros)	31/12/2023	31/12/2022
Operating profit	**111**	**79**
Non-recurring operating income and expenses - IFRS(1)	3	5
Amortization of intangible assets(2)	60	60
Implementation costs(3)	5	4
Share-based payment(4)	5	3
Other non-recurring operating income and expenses - Non-GAAP	1	3
Adjusted EBIT	**186**	**154**

(1) See *Note 5.6. Non-recurring operating income and expenses.*
(2) Amortization of intangible assets mainly relates to amortization of vendor's relationships (see *Note 5.5. Depreciation and amortization*).
(3) Implementation costs mainly relate to information technology projects associated with setting up the new management system for the Group's finance and operations functions.
(4) See *Note 18. Share-based payment.*

Note 5. Operating income and expenses

5.1 Revenue

Accounting policy

The Group's revenues primarily result from the sale of cybersecurity solutions and services. Software licences, hardware, vendors' support and maintenance, other services (installation, training, and other professional services) have been identified as distinct performance obligations as they can be sold separately and are distinct within the context of the contract.

Revenue is recognized 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 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, licenses or services to be provided by another party. In these arrangements, the Group recognizes an agency relationship in the transaction. Revenue is therefore recognized in the amount of the net fee associated with serving as an agent. In arrangements that primarily relate to sales of vendors' maintenance and support/extended warranty services, the Group acts as an agent (see *Note 3.3. Change in accounting treatment: IFRS 15 - Revenue from contracts with customers*).

A performance obligation is satisfied when control of the promised good or service is transferred to the customer which may be either at a "point in time" or "over time":

- for software licences and hardware, control to customers is generally transferred at the point of delivery. Software products are made available through electronic delivery of activation keys. Hardware products are shipped from the Group's facilities or drop shipped directly from the vendor;
- for installation, training and other services performed by the Group, control to customers is transferred overtime as the services are performed and revenue is recognized accordingly.

Significant judgement is required in determining whether the Group is acting as principal, reporting revenue on a gross basis, or as agent, reporting revenue on a net basis. The Group evaluates each revenue stream against the following indicators when determining whether it controls the solutions and services before they are transferred to the customer and then whether it is acting as principal or agent in a transaction: (i) primary responsibility for fulfilling the promise to provide the specified goods or service, (ii) inventory risk supported by the Group before the specified good or service has been transferred to a customer and (iii) discretion in establishing the price of a specified good or service. Certain revenue streams present a more balanced judgement than others when assessed against the above criteria and the conclusion may be reliant on the weighting applied to the responses to these three criteria.

Revenue can be analyzed by nature of products and services as follows:

(In millions of euros)	31/12/2023	31/12/2022 restated
Licenses, software and hardware associated to software	1,410	1,162
Other[1]	149	303
REVENUE	**1,559**	**1,466**

(1) This includes vendors' maintenance and support/extended warranty services, finance lease revenue and professional services performed by the Group (installation, training, etc.).

Geographic areas representing more than 10% of total revenue are the followings:

(In millions of euros)	31/12/2023	31/12/2022 restated
Revenue by geography		
United Kingdom	161	182
France	151	141
United States of America	219	168
Poland	126	148
Rest of the world[(1)]	901	827
REVENUE	**1,559**	**1,466**

(1) No other country represents more than 10% of the Group's consolidated revenue individually.

For each of presented period, no single customer represents more than 5% of the Group's consolidated revenue.

5.2 Costs of purchases goods and services

(In millions of euros)	31/12/2023	31/12/2022 restated
Purchase of goods and services	(1,033)	(1,170)
Change in inventories	(44)	127
Net allowance for stock depreciation	(6)	(4)
COSTS OF PURCHASED GOODS AND SERVICES	**(1,084)**	**(1,048)**

5.3 Personnel costs

The personnel costs recorded in the consolidated statement of income are as follows:

(In millions of euros)	31/12/2023	31/12/2022
Wages and salaries	(171)	(155)
Social security costs	(29)	(27)
PERSONNEL COSTS	**(200)**	**(183)**

The average workforce expressed as Full-Time Equivalent in 2023 was 2,546 people compared to 2,367 in 2022.

5.4 Other operating costs

(In millions of euros)	31/12/2023	31/12/2022
External fees	(27)	(27)
Other operating expenses[(1)]	(54)	(44)
OTHER OPERATING COSTS	**(81)**	**(71)**

(1) Includes travel expenses, marketing and advertising costs, insurance, rental expenses excluded from IFRS 16 - Lease scope of application, and bank fees.

5.5 Depreciation and amortization

Amortization of intangible assets mainly relate to amortization of vendors' relationships identified in the context of business combinations over a period reflecting the expecting pattern of consumption of the future economic benefits. These intangible assets resulted mainly from the acquisition of Exclusive France Holding Group by Exclusive Networks S.A. on 4 July 2018.

(In millions of euros)	31/12/2023	31/12/2022
Amortization of intangible assets	(60)	(60)
Depreciation and amortization of tangible assets	(4)	(4)
Depreciation and amortization of right-of-use assets	(9)	(9)
DEPRECIATION AND AMORTIZATION	**(73)**	**(73)**

5.6 Non-recurring operating income and expenses

Non-recurring operating income and expenses include items which are defined as unusual, abnormal, infrequent and with significant amounts. They are limited in number and presented separately in order not to distort the understanding of the Group's underlying performance.

In 2023, Non-recurring operating income and expenses were mainly composed of integration costs of the acquisitions.

(In millions of euros)	31/12/2023	31/12/2022
IPO related costs	-	(0)
Acquisition costs	(1)	(1)
Integration costs	(1)	(4)
Litigations	(0)	(0)
Gain and losses on disposals of property, plant and equipment	(0)	(0)
Other	(0)	(0)
NON-RECURRING OPERATING INCOME AND EXPENSES	**(3)**	**(5)**

Note 6. Income taxes

Accounting policy

"Income taxes" caption includes current and deferred taxes.

Current taxes include the taxes due on profit. The Group considered that the Contribution on the Added Value ("Cotisation sur la Valeur Ajoutée des Entreprises - CVAE"), based on the added value recognized in the statutory financial statements, fulfilled all the characteristics of an income tax as defined by IAS 12 - Income taxes. Therefore, the tax expense for the year also includes the CVAE expenses.

Deferred taxes are recognized on the temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the statement of financial position, as well as on the tax losses carried forwards when it has been possible to define the timing of reversal of these temporary differences against profit.

Deferred taxes are determined using tax rates and laws that have been enacted or substantially enacted in accordance with IAS 12 - Income Taxes at the balance-sheet date and expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized up to the amount of the deferred tax liabilities and, for any remainder, if taxable profits are expected, during their unwinding period.

Deferred taxes are included in Deferred tax assets and Deferred tax liabilities in the statement of financial position.

Deferred tax liabilities on valuation differences result from temporary differences arising from the Fair value accounting for intangible assets (vendor's relationships and trademarks) in accordance with IAS 12 - Income Taxes. These deferred tax liabilities cover the tax consequences of any capital gains in the event of a separate disposal of the intangible asset and shall be included in the profit and loss account as and when the assets to which they are report, are, where appropriate, depreciated.

Applying IFRIC 23 - Uncertainty over Income Tax Treatments, any uncertainties over income tax positions are considered by the Group to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

6.1 Detailed breakdown of income taxes

Income tax expenses are broken down as follows:

(In millions of euros)	31/12/2023	31/12/2022
Current tax expense	(32)	(25)
Deferred taxes	21	12
INCOME TAXES	**(11)**	**(13)**

The reduction in the Group's income tax expense resulted from:

- an increase in the current tax expense, mainly due to higher earnings for Group entities.
- an increase in deferred tax income related to the recognition of deferred tax assets on losses carried forward and on financial charges carried forward, mainly in France and the UK.

6.2 Analysis of the income taxes

(In millions of euros)	31/12/2023	31/12/2022
Income before taxes	**56**	**52**
Current tax rate in France	25,83%	25,83%
Theoretical tax expense (A)	**(14)**	**(13)**
Impact of permanent differences	(5)	(2)
Differences in tax rates	5	3
Recognition or utilization of tax income on previously unrecognized tax losses carried forward	2	1
Effect on unrecognized deferred tax assets on tax losses carried forward generated in the year and on other non-deductible temporary differences taxes	1	(2)
Other differences	(0)	(0)
Total tax effect (B)	**3**	**1**
EFFECTIVE TAX (EXPENSE) /INCOME (A + B)	**(11)**	**(13)**

In 2023, the difference between the theoretical tax expense and the actual tax expense arises mainly from tax income linked to the difference in tax rates between France and other countries for 5 million euros, and to the capitalization of deferred tax assets on tax losses carried forward in France for 2.3 million euros following a change in intra-Group financing.

In 2022, differences between the theoretical and actual tax expense mainly came up to €3.5 million from differences between the tax rate in France and abroad and € (2.3) million from the tax losses for the year recorded at Exclusive Networks S.A., the Group's parent company.

6.3 Deferred tax in the statement of financial position

(In millions of euros)	Deferred tax assets	Deferred tax liabilities
At 31 December 2022	**8**	**274**
Net impact in the statement of income	11	(10)
Changes in scope	–	1
Translation adjustments	(0)	(0)
Reclassification and other	(12)	(12)
At 31 December 2023	**7**	**253**

Deferred tax assets and liabilities recorded in the consolidated statement of financial position are broken down as follows:

	31/12/2023		31/12/2022	
(In millions of euros)	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
On temporary differences	12	5	5	4
On tax losses carried forward	7	–	3	-
On valuation differences	-	260	-	270
TOTAL BEFORE SET OFF	**19**	**265**	**8**	**274**
Set off by tax entity further to IAS 12	(12)	(12)	-	-
DEFERRED TAXES IN THE BALANCE SHEET	**7**	**253**	**8**	**274**

Deferred tax assets on tax losses carried forward

As at 31 December 2023, the tax losses carried forward amounted to €61.6 million, of which €31.5 million have been recognized generating a €7.2 million of deferred tax assets. Their expiry date is shown in the table below:

	31/12/2023			31/12/2022		
(In millions of euros)	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2023				-	0	0
2024	-	0	0	-	0	0
2025	0	0	0	-	0	0
2026	0	0	0	1	0	1
2027	0	0	0	-	-	-
Tax losses available for carry forward for five years and more	4	0	5	7	1	8
Ordinary tax losses carried forward	**5**	**1**	**5**	**8**	**1**	**9**
Evergreen tax losses carried forward	27	30	56	8	37	45
TOTAL TAX LOSSES CARRIED FORWARD	**32**	**30**	**62**	**15**	**38**	**54**

6.4 Tax audits

In the normal course of their activities, some subsidiaries are subject to audits by local tax authorities. These inspections were still ongoing as at the date the consolidated financial statements were approved by the Board, and their outcome is not known at this stage. The Group on-going tax audits are taken into account when measuring the income tax liability under IFRIC 23 - Uncertainty over Income Tax treatments. Where applicable, uncertain tax positions are presented as tax expenses in the statement of income, and as current or deferred taxes in the statement of financial position.

6.5 International tax reform - OECD Pillar Two Model Rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted in France and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 - Income taxes issued in May 2023. The Group has performed an assessment of its potential exposure to Pillar Two income taxes. According to this assessment, the Group does not expect any significant exposure.

Note 7. Fixed assets

7.1 *Goodwill*

Accounting policy

Upon a business combination in accordance with the Revised IFRS 3 - Business combinations, *Goodwill* is measured as the difference between:

- the consideration transferred;
- the amount of non-controlling interests in the acquire;
- and the net fair value of the identifiable assets acquired, and liabilities assumed.

The amount of *Goodwill* recognized at the acquisition date can be adjusted by the end of the 12-month measurement period, retrospectively and on the basis of existing facts and circumstances as at the transaction date.

When the difference is negative, a badwill is recognized 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* recognized 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 recognized ("partial *Goodwill*" method). This method is used for non-material acquisition.

The method used is determined on a transaction-by-transaction basis.

Acquisition-related costs are recorded as expenses when incurred in Non-recurring operating income and expenses in the consolidated statement of income.

Goodwill result from previous business combinations.

(In millions of euros)	Gross	Impairment	Net carrying value
At 31 December 2022	**295**	**-**	**295**
Acquisition	2	-	2
Translation adjustments and other	0	-	0
Au 31 December 2023	**297**	**-**	**297**

7.2 Impairment tests

Accounting policy

In accordance with IAS 36 - Impairment of Assets, the carrying amounts of *Goodwill* and intangible assets with indefinite useful lives are tested for impairment annually and whenever events or changes in circumstances indicate that they may be impaired. The objective of testing is to ensure that the net carrying value does not exceed the recoverable amount. The recoverable amount of an asset or a Group of assets is defined as the higher of its fair value less costs of disposal and its value in use.

Goodwill and intangible assets with indefinite useful lives are assigned to the cash-generating unit (CGU) or Group of CGUs liable to benefit from the synergies of business combinations. A CGU is defined as the smallest identifiable Group of assets generating cash inflows largely independent of the cash inflows generated by other assets or Group of assets; and the level at which the Management monitors its activities and determine the level retained for the follow-up of the return in investment.

The value in use of a CGU is determined by reference to the value of the discounted future cash flows expected from these assets, taking into account assumptions, judgements and estimates such as discount rates, perpetual growth rates, and expected cash flows. All of them were determined based on an assessment of the economic and financial environment related to geographical areas where the CGU/Group of CGU operates, in particular the differing markets maturity levels. "Corporate" overheads and the net assets of the holdings (Corporate assets) are allocated to each CGUs/Group of CGUs for impairment testing purposes based on respective levels of Gross Sales. In particular:

- cash flows used are derived from five-year business plans of each CGU/Group of CGUs prepared by the Management;
- discount rates are determined based on weighted average cost of capital (WACC), based on financial return and industry-specific risk metrics for the markets and business sectors in which the Group operates;
- the terminal values are calculated by considering that the Group will continue, through its activities, to generate cash flows over an indefinite period, based on a uniform growth over time and not exceeding that of the business sector in which the Group operates.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated statement of financial position. An impairment loss is recorded when the recoverable amount less costs of disposal is less than the carrying value of the CGU. Impairment losses are recorded in Non-recurring operating expenses.

Goodwill allocation, trademark and main assumptions used by CGU/Group of CGUs

Regions (In millions of euros)	CGUs/Group of CGUs	31/12/2023 *Goodwill*	31/12/2023 Trademark	31/12/2023 Discount rate	31/12/2022 *Goodwill*	31/12/2022 Trademark	31/12/2022 Discount rate
EMEA	France (incl. Africa)	40	22	11.46%	40	22	10.85%
	UK and Ireland	60	49	10.24%	60	48	10.04%
	DACH(1)	26	40	9.46%	26	40	9.30%
	Northern Europe	16	37	9.65%	16	37	9.46%
	Southern Europe(2)	14	13	14.44%	15	13	13.63%
	Middle East(3)	2	9	10.30%	2	9	9.96%
	Central & Eastern Europe	16	-	11.38%	16	-	10.97%
	Other services(4)	77	4	11.15%	74	4	10.77%
APAC	APAC	31	19	10.89%	31	20	10.49%
Americas	Americas	15	28	9.35%	14	30	9.20%
TOTAL		**297**	**220**		**295**	**221**	

(1) Germany, Austria and Switzerland.
(2) Spain, Italy, Turkey and Israel.
(3) Middle East and Sub-Saharan Africa.
(4) Includes Ignition, Nuaware, Itec, Exclusive Capital, Exclusive On-Demand et Ingecom.

The perpetual growth rate used in the estimation of the recoverable amounts is 2.00% in 2023 and 2022.

As at 31 December 2023 and 2022, the recoverable amounts of each CGU/Group of CGUs were determined on the basis of value in use. No *Goodwill* impairment was recognized either in 2023 or 2022.

Sensitivity analysis

The Group analyzed the sensitivity of its impairment tests to the main assumptions used to determine the recoverable amount of each CGU/Group of CGUs to which the *Goodwill* and intangible assets with indefinite useful lives is allocated, namely the discount rate and the long-term growth rate used to determine the terminal value and the terminal year cash flows as they represent a significant portion of the recoverable amount.

The Group deems that an increase of 50 basis-point in discount rates or a decrease of 50 basis-point in long-term growth rates, would represent the worst-case scenarios, considering the market environment as at 31 December 2023.

No impairment risk was recognized on any CGU/Group of CGUs based on these assumptions.

7.3 Intangible assets

Accounting policy

Intangible assets mainly comprise the "Exclusive Networks" trademark and the portfolio of vendor's relationships which concerns relationships with suppliers. Vendor's relationships have defined useful lives. They are amortized on a straight-line basis over a period reflecting the expected pattern of consumption of the future economic benefits.

The Group uses the following average useful lives for the amortization of vendor's relationships:

- Fortinet: 20 years;
- Palo Alto: 22 years;
- other: from 10 to 20 years.

Vendor's relationships are tested for impairment at each CGU/Group for CGU level (similar to *Goodwill* or trademark) or individually if events or changes in circumstances indicate that they may be impaired. The trademark is deemed to have an indefinite useful life, an impairment expense is recorded in the event of confirmed indications (see *Note 7.2. Impairment tests*). The other intangible assets are predominantly composed of licenses and amortized using the straight-line method over their estimated useful life (one to three years).

Intangible assets are broken down as follows:

	31/12/2023			31/12/2022
(In millions of euros)	Gross	Accumulated amortization	Net	Net
Trademark[1]	220	-	220	221
Vendor's relationships[2]	1,138	(305)	833	888
Other intangible assets	10	(9)	2	3
TOTAL INTANGIBLE ASSETS	**1,369**	**(314)**	**1,055**	**1,112**

(1) The trademark corresponds to "Exclusive Networks" commercial brand.
(2) The value of the customer/resellers relationships portfolio is implicitly captured in the vendor's relationships valuations since the termination of a partnership with a vendor would also break the relationship with the associated resellers.

Changes in the gross value of intangible assets are broken down as follows:

Gross value of intangible assets (In millions of euros)	Trademark	Vendor's relationships	Other intangible assets	Total intangible assets
At 31 December 2022	**221**	**1,137**	**9**	**1,367**
Acquisitions	0	-	2	2
Disposals and retirements	-	-	(0)	(0)
Changes in scope	-	4	0	4
Translation adjustments	(1)	(3)	(0)	(4)
Reclassification and other	0	0	(0)	0
At 31 December 2023	**220**	**1,138**	**10**	**1,369**

Changes in the accumulated amortization of intangible assets are broken down as follows:

Accumulated amortization of intangible assets (In millions of euros)	**Trademark**	**Vendor's relationships**	**Other intangible assets**	**Total intangible assets**
At 31 December 2022	**-**	**(249)**	**(6)**	**(255)**
Increase	-	(57)	(3)	(60)
Disposals and retirements	-	-	0	0
Translation adjustments	-	1	(0)	1
Reclassification and other	-	(0)	0	(0)
At 31 December 2023	**-**	**(305)**	**(9)**	**(314)**

7.4 Property, plant, and equipment

Accounting policy

Property, plant, and equipment are recorded on the balance-sheet at their purchase price (including directly attributable costs) or production cost excluding financial costs. Depreciation is calculated using the straight-line method to allocate the cost or revalued amount of the assets, over their estimated useful lives as follows:

- Leasehold improvements: 5 to 10 years;
- Transport equipment: 3 to 5 years;
- Office equipment and furniture: 3 to 10 years;
- Demonstration equipment: 3 years.

Property, plant, and equipment are broken down as follows:

	31/12/2023			**31/12/2022**
(In millions of euros)	**Gross**	**Accumulated depreciation**	**Net**	**Net**
Leasehold improvements and furniture	7	(4)	3	1
Hardware	11	(9)	3	3
Transport equipment	1	(1)	0	0
Other tangible assets	10	(8)	3	3
TOTAL PROPERTY, PLANT, AND EQUIPMENT	**30**	**(22)**	**8**	**7**

Changes in the gross value of property, plant and equipment are broken down as follows:

Gross value of property, plant and equipment (In millions of euros)	**Leasehold improvements and furniture**	**Hardware**	**Transport equipment**	**Other tangible asset**	**Total property, plant and equipment**
At 31 December 2022	**5**	**11**	**1**	**9**	**26**
Acquisitions	1	1	0	3	5
Disposals and retirements	(0)	(1)	(0)	(1)	(2)
Scope variations	-	0	-	-	-
Translation adjustments	(0)	(0)	0	(0)	(0)
Reclassification and other	2	(1)	(0)	(1)	0
At 31 December 2023	**7**	**11**	**1**	**10**	**30**

Changes in the accumulated depreciation of property, plant and equipment are broken down as follows:

Accumulated depreciation of property, plant and equipment (In millions of euros)	**Leasehold improvements and furniture**	**Hardware**	**Transport equipment**	**Other tangible asset**	**Total property, plant and equipment**
At 31 December 2022	**(3)**	**(9)**	**(1)**	**(6)**	**(19)**
Increase	(1)	(1)	(0)	(2)	(4)
Disposals and retirements	0	1	0	1	2
Scope variations	-	(0)	-	-	-
Translation adjustments	0	0	(0)	0	0
Reclassification and other	(0)	0	(0)	(1)	(1)
At 31 December 2023	**(4)**	**(9)**	**(1)**	**(8)**	**(22)**

Note 8. Leases

Accounting policy

When entering into a lease, a lease liability is recognized 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 the discount rate. The lease term generally used to calculate the liability is the initial contractual lease term, excluding any early termination options, except in special circumstances. When leases contain extension options, the term used for the calculation of the liability may include these periods, mainly when the anticipated period of use of the fixed assets, whether under a new or existing lease, is greater than the initial contractual lease term. According to the December 2019 IFRS Interpretations Committee (IC) decision, the Group also considers:

- the economics of a lease (rather than just the legal form) to determine the enforceable period of a lease;
- the relationship between the lease term under IFRS 16 - Leases and the useful life of non-removable leasehold improvements.

The discount rate is determined for each lease contract using the incremental borrowing rate of the subsidiary entering into the lease. Rates take into account a base rate that considers the Group's credit risk, risk free rates for each country, and depending on the contracts' durations in order to reflect the specific economics of the contract. The lease liability is subsequently increased by the interest expense and reduced by the amount of rent paid. It is remeasured in the event of an amendment to future lease payments resulting from a change in an index or rate used to determine those payments, a new estimate of the amounts expected to be paid under a residual value guarantee or, where applicable, a remeasurement on the exercise of an option to purchase the underlying asset or extend the lease term or on the non-exercise of a termination option (which thus become reasonably certain).

The cash flows related to leases are presented as follows in the statement of cash flows:

- cash payments for the principal portion of the lease liabilities as Cash flows from financing activities;
- cash payments for the interest portion are presented as Cash flows from financing activities, consistent with the presentation of interest payments chosen by the Group; and
- payments for short-term leases, low-value assets and variable lease payments not included in the measurement of the lease liabilities (excluded from the scope of application of IFRS 16 – Leases) are presented in Cash flows from operating activities.

The Group leases mainly offices and cars.

8.1 Right-of-use assets

The right-of-use assets are broken down as follows:

	31/12/2023			31/12/2022
(In millions of euros)	Gross	Accumulated depreciation	Net	Net
Offices	42	(20)	22	23
Cars	8	(5)	3	3
Other	1	(0)	0	0
TOTAL RIGHT-OF-USE ASSETS	**51**	**(25)**	**26**	**26**

Changes in gross value of right-of-use assets are broken down as follows:

Gross value of the right-of-use assets (In millions of euros)	Offices	Cars	Other	Total
At 31 December 2022	**42**	**6**	**1**	**49**
Acquisitions (new and revaluations)	6	2	0	9
Lease terminations	(6)	(1)	(0)	(7)
Change in scope	0	0	-	0
Translation adjustments	(0)	(0)	(0)	(0)
Reclassification and other	0	0	(0)	0
At 31 December 2023	**42**	**8**	**1**	**51**

Changes in accumulated depreciation of right-of-use assets are broken down as follows:

Accumulated depreciation right-of-use assets (In millions of euros)	Offices	Cars	Other	Total
At 31 December 2022	**(19)**	**(4)**	**(0)**	**(23)**
Increase	(7)	(2)	(0)	(9)
Lease terminations	5	1	0	6
Translation adjustments	0	0	0	0
Reclassification and other	(0)	0	0	0
At 31 December 2023	**(20)**	**(5)**	**(0)**	**(25)**

8.2 Lease liabilities

(In millions of euros)	31/12/2023	31/12/2022
Current lease liabilities	8	8
Non-current lease liabilities	19	20
TOTAL LEASE LIABILITIES	**27**	**27**

(In millions of euros)	Total liabilities
At 31 December 2022	**27**
Increase (new and revaluations)	9
Payment of lease liabilities	(10)
Change in scope	0
Translation adjustments	(0)
Reclassification and other	1
At 31 December 2023	**27**

The maturity analysis of undiscounted rental expenses is as follows:

(In millions of euros)	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Undiscounted future rental expenses by maturity	9	11	6	5

Future cash flows from lease liabilities are broken down as follows:

(In millions of euros)	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Lease liabilities	8	9	5	5

8.3 Amounts recognized in the statement of income

(In millions of euros)	31/12/2023	31/12/2022
Depreciation of right-of-use assets ***(see Note 5.5. Depreciation and amortization)***	**(9)**	**(9)**
Interest on lease liabilities	**(1)**	**(1)**
Rental expenses related to IFRS 16 – Leases exemptions	**(4)**	**(3)**
Including:		
Expense related to leases of low-value assets	(1)	(0)
Expense related to short-term leases	(0)	(0)
Expense related to services payments not included in lease liabilities	(1)	(1)
Expense related to taxes payments not included in lease liabilities	(0)	(0)
Other expenses not included in lease liabilities	(1)	(1)
TOTAL OF RENTAL EXPENSES	**(4)**	**(3)**

Note 9. Inventories

Accounting policy

Materials and goods are valued at their purchase price, using the First In, First Out (FIFO) method, including directly attributable costs.

In accordance with IAS 2 - Inventories, an allowance is accounted for when the purchase price of materials and goods exceed their net realizable value. The net realizable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The change in value of inventories is analyzed as follows:

(In millions of euros)	Gross value	Depreciation	Net book value
At 31 December 2022	**285**	**(14)**	**271**
Changes	(44)	(7)	(51)
Changes in scope	4	-	4
Translation adjustments	(6)	0	(5)
Reclassification and other	(0)	0	0
At 31 December 2023	**240**	**(20)**	**220**

Note 10. Trade receivables and related accounts

Accounting policy

Trade receivables correspond to amounts due from customers for goods sold or services performed in the ordinary course of business and are all classified as current asset. Trade receivables are classified as financial assets measured at amortized cost (see *Note 14. Financial assets and liabilities, financial result*). The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. Trade receivables and related accounts are recognized at their net carrying value which, given that payments are generally due in less than three months, is close to their fair value.

Impairment of trade receivables

Trade receivables are impaired based on the total lifetime expected losses resulting from a payment default (Expected Credit Loss/ECL method), pursuant to the simplified approach allowed under IFRS 9 - Financial instruments. Impairment is calculated using a provision matrix, which is applied to receivables past due and not yet past due. The expected credit loss rates are based on the payment profiles of sales.

Transferred receivables

The carrying value of the trade receivables include receivables which are subject to a factoring arrangement. Under this type of arrangement, the Group has transferred the relevant receivables to a factor in exchange for cash and is prevented from selling or pledging the receivables. However, when the Group has not transferred substantially all risks and rewards, it continues to fully recognize the transferred assets in its balance-sheet. Amounts repayable under the factoring agreement are presented as financial liabilities (see *Note 14. Financial assets and liabilities, financial result*). The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortized cost.

Factoring programmes

The Group operates several receivables factoring programmes. In accordance with IFRS 9 - Financial instruments, receivables sold under these programmes are derecognized 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 are transferred.

Trade receivables and related accounts are broken down as follows:

(In millions of euros)	31/12/2023	31/12/2022
Trade receivables - gross	1,319	1,086
Expected Credit Losses	(16)	(12)
Total trade receivables - net amount	**1,304**	**1,074**
Advanced payments	30	23
Prepaid expenses	39	28
Tax and social security receivables other than income tax	7	7
Other receivables	1	1
Total related accounts	**77**	**59**
TOTAL TRADE RECEIVABLES AND RELATED ACCOUNTS	**1,381**	**1,132**

The breakdown of the trade receivables by maturity is as follows:

(In millions of euros)	Trade receivables - gross		Expected Credit Losses		Total trade receivables - net amount	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Non overdue receivables	1,143	868	(1)	(0)	1,143	868
1 to 30 days	67	133	(0)	(0)	67	132
31 to 60 days	37	39	(0)	(0)	37	39
More than 61 days	72	46	(15)	(12)	58	35
TOTAL	**1,319**	**1,086**	**(16)**	**(12)**	**1,304**	**1,074**

The net of allowances and reversals of impairment for losses on trade receivables and bad debts is an expense of €6.1 million as at 31 December 2023, compared to an expense of €4.1 million as at 31 December 2022. This expense is recognized in Other operating costs (see *Note 5.4. Other operating costs*).

Changes in gross amounts of trade receivables are as follows:

(In millions of euros)	Trade receivables - gross	Expected Credit Losses	Trade receivables - net amount
At 31 December 2022	**1,086**	**(12)**	**1,074**
Increase (decrease)	240	(4)	237
Changes in scope	16	(0)	16
Translation adjustments	(22)	0	(22)
Reclassification and other	0	(0)	(0)
At 31 December 2023	**1,319**	**(16)**	**1,304**

Receivables transferred and derecognized

The receivables transferred and financed under the pan-European programme have been analysed and the related receivables assignment agreements meet the conditions necessary for their deconsolidation in particular the assignment of substantially all the risks and rewards attached to the receivables. These receivables amounted to €284.9 million as at 31 December 2023 compared to €188.5 million as at 31 December 2022. In 2023, these programmes were extended to Germany, in addition to France, the United Kingdom, the Netherlands, Belgium and Spain.

Note 11. Trade payables and related accounts

(In millions of euros)	31/12/2023	31/12/2022
Trade account payables	1,362	1,098
Advances and down payments received	5	6
Deferred income	46	45
Payable to customers	23	23
Tax and social security receivables other than income tax	139	131
Other payables	8	2
TRADE PAYABLES AND RELATED ACCOUNTS	**1,584**	**1,304**

As at 31 December 2023, trade payables and related accounts are due within less than one year. Trade payables and related accounts are recognized at their net carrying value which, regarding the payment due dates, is close to their fair value.

Note 12. Operating Working Capital

(In millions of euros)	Notes	Net Working Capital 31/12/2022	Variation: Net Working Capital	Variation: Changes in scope	Variation: Translation Adjustments	Variation: Other Movements	Net Working Capital 31/12/2023
Inventories	*9*	271	(51)	4	(5)	0	220
Trade receivables and related accounts(1)	*10*	1,132	254	16	(22)	(0)	1,381
Trade payables and related accounts(2)	*11*	(1,304)	(277)	(16)	17	(4)	(1,584)
OPERATING WORKING CAPITAL		**100**	**(73)**	**3**	**(10)**	**(4)**	**17**
Other operating assets and liabilities(3)			(3)				
CHANGE IN WORKING CAPITAL			**(76)**				

(1) The trade receivables and related accounts exclude income tax receivables, which are set out separately in the consolidated statement of financial position.
(2) The trade payables and related accounts include withholding payables.
(3) The other operating assets and liabilities mainly relate to financial derivatives.

The net change in operating working capital set out above highlights a €72.9 million cash increase in 2023 in comparison with a €48.8 million increase in 2022. This variation is mainly explained by a strong growth in the Group's activity in 2023, the improvement of inventories management, the increase in the use of factoring without recourse.

Note 13. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include immediately available liquid assets (cash at bank and in hand) and highly liquid investments with an original maturity of less than three months, readily convertible into known amounts of cash and subject to an insignificant risk of changes in value (cash equivalents with an initial term of less than three months).

Bank overdrafts are shown within borrowings in current liabilities in the balance-sheet (see *Note 14. Financial assets and liabilities, financial result)*.

(In millions of euros)	31/12/2023	31/12/2022
Cash equivalents	216	1
Cash at bank	153	267
CASH AND CASH EQUIVALENTS	**369**	**268**
Bank overdrafts	(11)	(6)
NET CASH AND CASH EQUIVALENTS	**358**	**263**

As at 31 December 2023 and as at 31 December 2022, there were no restricted cash.

Note 14. Financial assets and liabilities, financial result

14.1 Financial assets (excluding derivatives)

Accounting policy

Financial assets consist of trade and other receivables (see *Note 10. Trade receivables and related accounts*), guarantee deposits, loans and other financial securities.

In accordance with IFRS 9 - Financial instruments, guarantee deposits and loans are initially measured at fair value plus transaction costs that are incremental and directly attributable to the acquisition of the financial asset and subsequently at 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. Therefore, they are measured initially and subsequently at fair value, with transaction costs expensed in profit or loss.

The Group has no financial asset measured at fair value through Other comprehensive income.

The following table shows the breakdown of financial assets:

	31/12/2023			31/12/2022		
(In millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Trade receivables and related accounts	-	1,381	1,381	-	1,132	1,132
Other financial assets:						
Exclusive Capital financial asset	28	7	35	31	14	45
Guarantee deposits	10	-	10	7	-	7
Loans	3	-	3	3	-	3
Other	11	3	13	0	5	5
TOTAL FINANCIAL ASSETS	**51**	**1,390**	**1,441**	**40**	**1,151**	**1,192**

Exclusive Capital financial asset corresponds to the receivables generated from the sales of IT solutions through Exclusive Capital financing arrangements.

The Group's exposure to the various risks associated with financial instruments is discussed in *Note 19.1. Financial risk management*.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

14.2 Financial liabilities (excluding derivatives and lease liabilities)

Accounting policy

Bank borrowings

Bank borrowings acquired are recognized initially at fair value (i.e. the cash received), net of transaction costs incurred (broker, advisors…). Subsequently, bank borrowings are recognized at amortized cost, using the effective interest rate method, with any difference between cash received (net of transaction costs) and the redemption value being recognized in the statement of income based on the expected term of the borrowings. Financial liabilities that are due within 12 months after the end of the reporting period are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Factoring arrangements and liabilities

The Group entered into factoring agreements to transfer receivables to the factor in exchange for cash. For some of these contracts, as substantially all the risks and rewards of the receivables are not fully transferred to the bank, the receivables remain in the consolidated balance-sheet.

Cash received from the factor is recorded as a financial asset in the balance-sheet and the amount repayable under the factoring agreement is recorded as a financial liability (secured borrowing for the same amount). These financial liabilities decrease progressively together with the payment of the transferred receivables (and the related decrease of the trade receivables). Cash inflows and outflows related to factoring agreements for which the Group does not derecognize receivables are presented on a net basis in the statement of cash flows related to financing activities.

The Group also entered into factoring programmes which allow the full transfer of the risks and rewards to the factor and then the derecognition of receivables (see *Note 10. Trade receivables and related accounts*).

Other financial liabilities, Exclusive Capital

The Group provides financing solutions to its customers through the entity Exclusive Capital. The solutions consist of finance lease agreements (usually over a three-year period) sold by Exclusive Capital to financial institutions together with the assets. The Group analyzed sales of lease contracts to financial institutions under IFRS 9 - Financial instruments criteria for derecognition and concluded that not all risks and rewards were transferred to the financial institutions. Therefore, the net discounted investments in the finance lease and the related financing from financial institutions are recognized in the balance-sheet. Any prOCEeds received from the financial institutions are recognized in Other current 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 certain of its subsidiaries. These put options are recorded as financial liabilities at present value of the redemption amount. At each reporting period, subsequent changes are recognized in Equity and the put options in Other current financial liabilities.

14.2.1 Debt by type

(In millions of euros)	31/12/2023 Non-current	31/12/2023 Current	31/12/2023 Total	31/12/2022 Non-current	31/12/2022 Current	31/12/2022 Total
Bank borrowings	465	11	476	456	6	462
Non-controlling interests put options	-	8	8	-	24	24
Short-term loans	-	37	37	-	26	26
Factoring liabilities	-	4	4	-	35	35
Other financial liabilities[1]	35	20	56	32	31	62
Bank overdrafts	-	11	11	-	6	6
TOTAL FINANCIAL LIABILITIES	**500**	**91**	**591**	**488**	**128**	**616**

(1) As at 31 December 2023, this mainly relates to solutions specific third-party financing agreements.

Details of the Group's exposure to risks arising from current and non-current borrowings (especially interest rate risk) are set out in *Note 19.1. Financial risk management*.

On 16 July 2021, Everest SubBidCo S.A.S. entered into a new senior loan agreement negotiated with a syndicate of international banks. This senior loan agreement consists of i) a long-term loan for an aggregate amount equal to €450 million, which is split between a "Facility B1" tranche of €315 million and a "Facility B2" tranche of £120 million ii) a multi-currency revolving credit line whose total commitments (original and additional revolving facility) correspond to an aggregate amount of €120 million.

The senior loans (Facility B1 and B2) as well as the secured revolving credit facility mature on 27 September 2026.

The revolving credit facility for an initial amount of €120 million, included in the senior loan agreement entered into July 2021, is intended to finance external growth transactions and working capital needs. It is not undrawn as at 31 December 2023, nor it was undrawn as at 31 December 2022.

In November 2022, the Group has decided to hedge the cost of its senior debt against an increase in interest rates (see *Note 14.3.2. Interest rate hedging instruments*).

14.2.2 Change in debt and debt by maturity date

(In millions of euros)	31/12/2022	Cash Increase	Cash Decrease	Non-cash Change in scope	Non-cash Other	31/12/2023	Less than 1 year	1 to 5 years
Bank borrowings	462	17	(8)	1	4	476	11	465
Non-controlling interests put options	24	-	(25)	2	7	8	8	-
Short-term loans	26	8	-	3	(0)	37	37	-
Factoring liabilities	35	-	(31)	-	0	4	4	-
Other financial liabilities	62	28	(28)	-	(7)	56	20	35
Bank overdrafts	6	5	-	-	(0)	11	11	-
TOTAL FINANCIAL LIABILITIES	**616**	**58**	**(92)**	**6**	**(4)**	**591**	**91**	**500**

The change in financial liabilities during the 2023 financial year is mainly due to the decrease in factoring liabilities for €(31.2) million, to the exercise of a put option on non-controlling interests generating a cash outflow of €(24.9) million (see *Note 2.1. Changes in the scope of consolidation in the current year*) and a four-year loan agreement for €15 million with Bpifrance Investissement (see *Note 1.2. Significant events of the year*).

14.2.3 Financial covenants

The senior facilities agreement dated 16 July 2021, contains a financial covenant for the benefit of the lenders of the senior loan. To comply with this financial covenant, the Group must perform a test at the end of each half-year. This test determines whether the total Net Debt of the Group (as defined in the contract) exceeds 4.75:1 of proforma consolidated EBITDA. The leverage is reduced to 4.00:1 from March 2024.

If the financial covenant is breached, the Group must receive, on its balance-sheet, the cash proceeds of a new shareholder investment.

Total Net Debt defined in the contract means the aggregate outstanding amount of all borrowings of the Group, including the capital value of the lease and deducting i) the borrowings in relation to the non-controlling interests and ii) all contingent liabilities under a guarantee, indemnity, bond, standby or documentary letter of credit, less the aggregate amount of cash and cash equivalent held by the Group.

As at 31 December 2023, as well as at 31 December 2022, this financial covenant is respected.

14.3 Derivatives and hedge accounting

Accounting policy

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of business, mainly interest rates and currency risks. The Group's derivatives are initially recognized at fair value. They are subsequently measured at fair value with the resulting unrealized gains and losses recorded in the profit and loss statement (currency risk) and in the Total comprehensive income/(expense) (interest rate risk).

Derivatives designated as hedging instruments

Hedge accounting is applied if, and only if, the following conditions are met:

- the hedging instrument and hedged item forming the hedging relationship are eligible for hedge accounting;
- at the inception of the hedge, there is a clearly identified and formally documented hedging relationship and the effectiveness of the hedge can be demonstrated (qualitative and prospective tests);
- there is formal designation and structured documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

The derivatives used by the Group qualify as fair value hedge or cash flow hedge.

All derivatives of the Group are designated as hedging instruments.

14.3.1 Foreign exchange hedging instruments

To hedge against foreign exchange risk (mainly purchases denominated in U.S. dollar made by a large number of Group's subsidiaries), the Group holds forward currency purchase contracts that qualify as fair value hedge.

As at 31 December 2023 the outstanding currency hedging position on U.S. dollar was as follows:

- nominal value of forward purchase contracts: $456.8 million;
- nature of the hedged items: dollar-denominated purchases of goods and services and euro-dollar currency swaps on dollar cash positions at the closing date;
- the fair value of the contracts at the 31 December 2023 exchange rate amounts to €(6.6) million;
- maturity of the contracts mostly staggered between January and June 2024.

The net notional amount of derivative instruments hedging the main currencies and their respective mark-to-market values are detailed below:

	Nominal		Market value	
(In millions of euros)	31/12/2023	31/12/2022	31/12/2023	31/12/2022
USD/AUD	13	19	(0)	0
USD/EUR	328	291	(5)	(11)
USD/GBP	20	21	(0)	(1)
USD/NOK	5	10	(0)	(0)
USD/SEK	13	15	(1)	(0)
USD/PLN	13	14	(0)	(0)
Other currencies	31	27	(0)	(0)
TOTAL	**424**	**396**	**(7)**	**(13)**

As at 31 December 2023 and as at 31 December 2022, all the Group's net foreign exchange risk exposure was hedged.

The Group has estimated the following impacts of a decrease or increase of 10% in the exchange rates against the U.S. dollar on the mark-to-market value of the forward currency contracts:

	31/12/2023		31/12/2022	
Currency of the exposure (in € million equivalent)	Decrease of 10%	Increase of 10%	Decrease of 10%	Increase of 10%
EUR	36	(29)	28	(23)
GBP	2	(2)	2	(2)
AUD	1	(1)	2	(2)
Other currencies	6	(5)	7	(6)
TOTAL IMPACT ON NET INCOME	**46**	**(37)**	**40**	**(33)**

14.3.2 Interest rate hedging instruments

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 3-month compounded Sonia.

In November 2022, the Group has decided to hedge its senior debt against an increase in interest rates through two CAP's options agreements and a SWAP contract.

The CAP contracts cover the totality of the principal of the Facility B1 (€315 million) and enable to cap the floating interest rate (Euribor 3 months) to a maximum of 3%.

The SWAP contract covers the totality of the principal of the Facility B2 (£120 million) and consists in exchanging the floating interest rate (3-month compounded Sonia) against a fix interest rate.

The maturity of the CAP and SWAP contracts is 31 December 2024. CAP and SWAP contracts have been qualified as cash flow hedging instruments under IFRS 9 - Financial Instruments standard. As at 31 December 2023, the Group recognized active financial derivative instruments related to interest rate hedging for €2.2 million.

14.3.3 Fair value and nominal amounts

The fair value of financial instruments that are not quoted in an active market (level 2 of the fair value hierarchy defined in IFRS 13 - Fair value measurement, see *Note 14.5. Fair value of financial assets and liabilities*), such as Exclusive Networks' derivatives and financial liabilities, is determined by reference to commonly used valuation techniques such as the discounted cash flow method, based on observable market inputs.

	31/12/2023			31/12/2022		
(In millions of euros)	Assets at fair value	Liabilities at fair value	Nominal amount	Assets at fair value	Liabilities at fair value	Nominal amount
Fair value hedges (foreign exchange risk)	1	(7)	424	1	(14)	396
Cash flow hedges (interest rate risk)	2	(0)	453	4	-	450
TOTAL	**3**	**(7)**	**877**	**5**	**(14)**	**846**

14.4 Financial result

(In millions of euros)	31/12/2023	31/12/2022
Net financial debt costs (A)	**(28)**	**(18)**
Interest on lease liabilities (B)	**(1)**	**(1)**
Other financial Income and expenses (C)	**(26)**	**(9)**
Net interest expenses on retirement benefit plans	(0)	(0)
Realized and unrealized foreign exchange gains & losses	(4)	1
Other financial expenses	(23)	(10)
Other financial income	1	0
FINANCIAL RESULT (A) + (B) + (C)	**(55)**	**(27)**

5.

The net financial debt costs include interests related to the senior debt that started on 27 September 2021 for €23.8m and €1.7m of interest income on cash and cash equivalents. The Other financial expenses include the expenses related to factoring programmes and the losses on net monetary positions related to hyperinflation in Turkey.

14.5 Fair value of financial assets and liabilities

The table below presents a breakdown of financial instruments recognized at fair value by measurement method. The different levels of fair value are defined as follows:

- level 1: prices quoted on an active market (unadjusted). The types of assets carried at level 1 fair value are equity and debt securities listed in active markets;
- level 2: observable data other than prices quoted on an active market (financial data), derived from valuation techniques using inputs for the asset or liability that are observable market data, either directly or indirectly. Such valuation techniques include the discounted cash flow method and option pricing models;
- level 3: unobservable data derived from valuation techniques using inputs for the asset or liability that are not based on observable market data.

Depending on whether they qualify as hedges, derivatives are classified in accordance with IFRS 9 - Financial instruments.

(In millions of euros)	Classification under IFRS 9	31/12/2023 level 1	31/12/2023 Level 2	31/12/2023 Level 3	31/12/2022 level 1	31/12/2022 Level 2	31/12/2022 Level 3
Financial assets at fair value		**-**	**-**	**-**	**-**	**-**	**-**
Other financial securities	FVPL(1)	-	-	-	-	-	-
Derivatives - Assets		**-**	**3**	**-**	**-**	**5**	**-**
Currency	FVPL(1)	-	1	-	-	1	-
Interest rate	FVOCI(2)	-	2	-	-	4	-
Derivatives - Liabilities		**-**	**(7)**	**-**	**-**	**(14)**	**-**
Currency	FVPL(1)	-	(7)	-	-	(14)	-
Interest rate	FVOCI(2)	-	(0)	-	-	-	-

(1) "FVPL" stands for "fair value through profit or loss".
(2) "FVOCI" stands for "fair value through Other comprehensive income".

The fair value of short-term financial assets and liabilities is considered equivalent to their net value due to their close maturity dates.

Note 15. Equity and earnings per share

15.1 Share capital

There were no changes in share capital between 31 December 2022 and 31 December 2023. The number of shares is equal to 91,670,286. As at 31 December 2023 the share capital amounted to €7 million and share premium amounted to €968 million. The share capital is fully paid-up.

15.2 Treasury shares

As part of the share buyback programme detailed in *Note 1.2. Significant events of the year*, Exclusive Networks S.A. bought back 1,288,819 shares at an average price of €19.46 between 20 March 2023 and 4 July 2023 for an amount of €25.0 million. This amount includes the purchase from HTIVB of 0.6% of its shares at a unit price of €19.00 on 24 May 2023. This €10 million transaction is financed by the Group's liquidity.

As at 31 December 2023, a total amount of €26.0 million was invested in EXN treasury shares, corresponding to 1,339,758 shares and the cash balance of the liquidity account stood at €1.2 million.

15.3 Non-controlling interests

Accounting principles

In accordance with IAS 32 - Financial Instruments: Presentation, when non-controlling interests hold put options enabling them to sell their investment to the Group, a financial liability is recognized in an amount corresponding to the present value of the redemption amount, and the liability arising from these obligations is offset by:

- a reduction in the carrying value of the non-controlling interests;
- a reduction in the equity that equals the liability that exceeds the carrying value of the corresponding non-controlling interests. This item is adjusted through equity at the end of each reporting period to reflect changes in the value of the options and the carrying value of non-controlling interests.

As at 31 December 2023 and 31 December 2022, non-controlling interests amounted respectively to €2.1 million and €3.4 million.

As mentioned in *Note 14.2. Financial Liabilities (excluding derivatives and lease liabilities)*, the Group granted certain put options to non-controlling interests, giving the holders the right to sell part or all of their investment in these subsidiaries. These put options will be paid in cash.

On 6 October 2023, following the exercise of a put option by the minority shareholders, the Group has acquired 30% of Nuaware Ltd for a total purchase price of €24.9 million and, consequently increasing the interest held by Exclusive Networks UK in Nuaware Ltd to 100%.

The Group has recognized non-controlling interests of €0.9 million on Ingecom SL acquisition.

15.4 Earnings per share

Accounting principles

Basic earnings per share is calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding, less treasury shares held.

For the diluted earnings per share calculation, the weighted average number of shares and basic earnings per share are adjusted to take into account the impact of the conversion or exercise of any potentially dilutive equity instruments in accordance with the methodology set out in IAS 33 - Earnings per Share

	31/12/2023	31/12/2022
Net result attributable to the owners of the parent company (In millions of euros)	43	36
Number of ordinary shares outstanding before dilution	**91,670,286**	**91,575,013**
Number of treasury shares outstanding(1)	860,141	24,252
Weighted average number of ordinary shares and similar	**90,810,145**	**91,550,486**
BASIC EARNINGS PER SHARE (EPS) (in €)	**0.47**	**0.40**
Net result attributable to the owners of the parent company for diluted earning per share calculation (In millions of euros)	43	36
Dilutive instruments: free shares	431,796	105,168
Weighted average number of ordinary shares (diluted)(1)	91,241,941	91,655,653
DILUTED EARNINGS PER SHARE (in €)	**0.47**	**0.40**

(1) Treasury shares held at closing date: 1,339,758 as at 31 December 2023 and 42,844 as at 31 December 2022.
(2) The dilution effect comes from the long-term incentive plans (see *Note 18. Share-based payment*).

5.

Note 16. Current and non-current provisions

Accounting policy

In accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when there is an obligation (legal or implicit) with respect to third parties resulting from past events whose measure can be reliably estimated and that it is likely to result in an outflow of resources. They mainly relate to litigation, personnel costs and post-employment benefit arrangements.

The amount recognized as a provision corresponds to the Group's management's best estimate of the expenditure required to extinguish the present obligation at the closing date.

Provisions for liabilities or disputes which will be extinguished within 12 months of the closing date, and those linked to the normal operating cycle, are recorded as current liabilities. Other provisions for contingencies are recorded as non-current provisions.

(In millions of euros)	31/12/2023	31/12/2022
Provisions for contingencies	0	0
Provisions for pensions and other employee benefits	0	0
Current provisions	**0**	**0**
Provisions for contingencies	0	1
Provisions for pensions and other employee benefits	3	3
Non-current provisions	**3**	**4**
TOTAL CURRENT AND NON-CURRENT PROVISIONS	**4**	**4**

Current and non-current provisions are mainly composed of provisions for pensions, see *Note 17. Employee benefit obligation.*

In 2022, the Group was informed of the opening of a preliminary investigation by the French National Financial Prosecutor's Office ("PNF") that could lead to charges based on violation of French anti-corruption law, in connection with events alleged to have taken place in India, Malaysia, Indonesia, Vietnam and Thailand between 2017 and 2020 approximately following an acquisition in Asia. It is not possible at this time to predict the outcome of this investigation. The Group is fully cooperating with the PNF and continues - as before - to reinforce its compliance programme. The Management is confident that they have taken appropriate actions to address the matter. At this stage of the investigation, no significant impact has been identified on the financial statements.

Note 17. Employee benefit obligation

Accounting principles

The Group operates pension and other employee benefit schemes depending on local legislation and regulations. The actuarial assumptions used to calculate these obligations consider the economic conditions specific to each country. For defined contribution schemes, the Group recognizes 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 recognized in the statement of financial position and measured using the projected unit credit method. The main assumptions are presented below.

Expenses recorded in the income statement include:

- the additional rights acquired by employees during the reporting period (the "service cost");
- the impact of any change to existing schemes on previous years or of any new schemes (the "past service cost");
- the net interest component of the pension costs (the "interest cost").

The two first items are presented in personnel costs (see *Note 5.3. Personnel costs*), the third is presented within the Financial result (see *Note 14.4. Financial result*). Actuarial gains and losses for experience and changes in actuarial assumptions are recorded in "Other comprehensive income".

Group pensions and other employee benefit schemes mainly relate to United Arab Emirates, Italy and France. The main assumptions in 2023 were as follows:

31/12/2023	United Arab Emirates	Italy	France	Others
Discount rate	5.2%	3.2%	3.2%	3.6% - 7.4%
Salary increment rate	4.2%	0.5%	2.0%	3% -10.5%
Normal retirement age	65	First requirement coming for the AGO(1) retirement	65	57 -65

(1) Assicurazione Generale Obbligatoria / "General Compulsory Insurance Scheme".

The pension reform in France promulgated on 14 April 2023 had no significant impact on the Group's consolidated financial statements.

The main assumptions in 2022 were as follows:

31/12/2022	United Arab Emirates	Italy	France	Others
Discount rate	4.6%	3.4%	3.2%	3.8% - 7.5%
Salary increment rate	2.0%	0.5%	2.0%	3% -10%
Normal retirement age	65	First requirement coming for the AGO(1) retirement	65	57 -65

(1) Assicurazione Generale Obbligatoria / "General Compulsory Insurance Scheme".

Changes of the period were as follows:

(In millions of euros)	31/12/2023	31/12/2022
Defined benefit obligation at the beginning of the year	**3**	**3**
Service cost	0	1
Interest cost	0	0
Benefit paid	(0)	(0)
Actuarial (gains)/losses	0	(1)
Translation adjustments	(0)	0
Reclassification and other	0	(0)
DEFINED BENEFIT OBLIGATION AT THE END OF THE YEAR	**3**	**3**

Note 18. Share-based payment

Accounting principles

In accordance with IFRS 2 - Share-based payment, services acquired in exchange for equity instruments are recognized as personnel expenses against an increase in equity. These services are measured at fair value of the instruments granted. All the share-based plans granted within the Group are settled as equity instruments.

Free ordinary shares

In 2023, the Group set up a free share allocation programme whose vesting period will end in April 2026 (see *Note 1.2. Significant events of the year*).

In 2022, the Group had set up a free share allocation programme whose vesting period will end in May 2024.

18.1 Number of instruments granted during the year

The terms of the free share and call options plans outstanding as at 31 December 2023 are set out in the tables below:

Number of instruments	Outstanding as at 31/12/2022	Rights issued	Rights exercised	Rights forfeited	Outstanding as at 31/12/2023
Free ordinary shares -2022 plan	257,889	-	-	36,488	221,401
Free ordinary shares -2023 plan	-	389,224	-	32,034	357,190

Free share plan

The terms of the free share plan are set out in the table below:

Type of instruments	Grant date	Expected vesting date	Maximum vesting period	Number of options	Value of the shares (in euros) at the grant date	Value of the underlying (in euros)
Free ordinary shares	20-Jan-2022	15-May-2024	3 years	284,184	16.79	16.41
Free ordinary shares	17-April-2023	17-April-2025 17-April-2026	2 years and 3 years	389,224	19.30	19.10 18.90

The granting conditions of these free shares were defined by the Nomination and Compensation Committee based on non-market performance.

18.2 Impacts of Share-based payment in the financial statements

As at 31 December 2023, an expense of €4.8 million for share-based plans was recognized in Personnel costs (see *Note 5.3. Personnel costs*) against an increase in Equity. An expense of €3.0 million for share-based plans had been recognized in Personnel costs as at 31 December 2022.

Note 19. Other information

19.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including foreign exchange, liquidity and interest rate risk.

The Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's risk management system is predominantly supervised by the Treasury Department which identifies, evaluates and hedges financial risks in close co-operation with the Group's entities. The policies implemented by the Group define the principles not only for overall risk management but also for the management of specific areas such as interest rate risk, foreign exchange risk, the use of financial derivative instruments and the centralization of cash.

19.1.1 Foreign exchange risk

The Group conducts its business internationally and is therefore exposed to an operational foreign exchange risk that potentially affects Operating profit and cash flows. Foreign exchange risk mainly results from purchases of products and services from suppliers essentially located in the United States. These transactions are therefore sensitive to the fluctuations of the U.S. dollar. The Group's sales, mainly done in local currency, do not present any significant exposure to transactional foreign exchange rate risk.

The Group has implemented a hedging policy aiming at mitigating the effects of currency volatility, particularly the one of the U.S. dollar. The Group hedges its exposure to transactional foreign exchange risk using standard financial derivative instruments (forward purchases/sales, currency swaps) dealt with top-ranking banking institutions. These hedging instruments reduce most transactional risks, but residual effects of foreign currency exposures may remain in the Group's Financial result.

The Group, which presents its consolidated financial statements in euros, is exposed to the risk of conversion into euros of the accounts in foreign currencies of its subsidiaries located outside the euro zone. Fluctuations of the euro, particularly upwards, against foreign currencies may affect the countervalue in euros of the Assets, Liabilities and Net income of the subsidiaries, even if their intrinsic value denominated in the original currency has not changed. To protect itself against the risk of converting the net Assets of foreign subsidiaries into euros, the Group's Treasury Department favors the set-up of financing in foreign currencies.

The Group does not enter into any transactions using derivative financial instruments or other financial transactions that are not related to its business needs.

19.1.2 Liquidity risk

Liquidity risk is the risk that the Group be unable to settle its financial liabilities when they fall due. The Group must have available liquid assets to deal with its day-to-day business and to maintain its investment capacity.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due, whatever the conditions in the market. Liquidity comes mainly from cash flow from operating activities, factoring solutions and a senior loan contracted with financial institutions, bank overdrafts, and lines of credit.

The senior loan agreement carried by Everest SubBidCo S.A.S. contains a debt ratio covenant. Any failure by the Group to comply with the clauses of the financing contracts could result in or authorize the lenders to demand the reimbursement of the amounts due under the financing agreements, or the implementation of the guarantees and securities associated therewith (pledge of shares and bank accounts).

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

- centralization of cash excess positions of certain subsidiaries with the holding entity Everest SubBidCo S.A.S.;
- centralization of the financing at the level of the holding company Everest SubBidCo S.A.S. which transfers liquidity to its subsidiaries through intra-Group financing agreements;
- a permanent and significant retention of undrawn credit lines, including a confirmed multi-currency syndicated line of credit;
- a diversification of financing solutions negotiated with various international financial institutions whose maturities can be staggered between one and four years (loans, bank overdrafts, lines of credit) and the development of factoring programmes;
- as well as frequent and regular monitoring of the Group's liquidities and the evolution of the financial markets.

19.1.3 Interest rate risk

Interest rate risk mainly includes the risk of fluctuations in cash flows relating to senior loan floating-rate debt, which is linked to Euribor and Sonia indices. An increase in interest rates could have an adverse impact on the Financial result.

The interest rate risk management policy is centralized within the Group's Treasury Department, which may deal derivative financial instruments related to interest rate risk hedging depending on changes in market rates.

The effects of derivative financial instruments related to interest rate risk hedging are detailed in *Note 14. Financial assets and liabilities, financial result*.

19.2 Off-balance-sheet commitments

Accounting policy

Commitments given and received by the Group and not recognized in the statement of financial position correspond to contractual obligations not yet fulfilled and subject to the fulfillment of conditions or operations subsequent to the current financial year. These commitments are of three types: those related to financing activities, those related to operating activities and those related to acquisitions and divestments.

As at 31 December 2023, the Group had not entered into any commitment likely to have a material effect on its current or future financial position other than those mentioned in this note.

Commitments given (In millions of euros)	31/12/2023	31/12/2022
Related to financing activities	**131**	**180**
Related to banks	111	129
Related to factoring companies	20	51
Related to operating activities	**264**	**380**
Related to the scope of consolidation	**-**	**-**
TOTAL	**395**	**559**

Commitments given related to financing activities consist mainly of guarantees given to banks in return for short-term loans granted to subsidiaries and of securities granted on assets as part of the debt Refinancing on 27 September 2021. Exclusive Networks S.A. and its subsidiaries have granted the banks securities over the shares or over receivables of certain subsidiaries, some of which with limited recourse.

Commitments given relating to operating activities mainly consist of guarantees granted in the course of business and of guarantees given to lessors under rental agreements entered into by subsidiaries.

Commitments received (In millions of euros)	31/12/2023	31/12/2022
Related to financing activities	**243**	**236**
Related to banks(1)	144	156
Related to factoring companies(2)	99	80
Related to operating activities	**4**	**4**
Related to the scope of consolidation	**48**	**30**
TOTAL	**294**	**269**

(1) Commitments received from banks: confirmation of lines of credit for €221m of which €77m were used as at 31 December 2023.
(2) Commitments received from factoring companies: confirmation of factoring lines for €384m of which €284m were used as at 31 December 2023.

Commitments received related to financing activities are mainly composed of available credit lines representing confirmed and unused credit lines at the closing date made available to the Group by banks and factoring companies.

Commitments received related to operating activities mainly consist of guarantees received from clients.

Commitments received related to the scope of consolidation consist of liability commitments received from sellers in connection with acquisitions.

19.3 Statutory Auditors' fees

(In millions of euros)	31/12/2023	31/12/2022
TOTAL AUDIT FEES	**3**	**4**
Exclusive Networks S.A.	1	2
Controlled entities	2	2
Deloitte	**2**	**2**
Statutory audit fees, certification, auditing of the accounts	2	2
% of total audit fees	*53%*	*52%*
o/w issuer - Exclusive Networks S.A.	*1*	*1*
% of total audit fees for issuer	*50%*	*52%*
Mazars	**1**	**2**
Statutory audit fees, certification, auditing of the accounts	1	1
% of total audit fees	*40%*	*41%*
o/w issuer - Exclusive Networks S.A.	*1*	*1*
% of total audit fees for issuer	*50%*	*48%*
Other firms	**0**	**0**
Statutory audit fees, certification, auditing of the accounts	0	0
% of total audit fees	*7%*	*7%*
o/w issuer - Exclusive Networks S.A.	–	-
% of total audit fees for issuer	–	-
Other services rendered by auditors' networks	**0**	**0**
Deloitte	0	0
Mazars	0	0

5.

19.4 Related parties

19.4.1 Parent entities

As at 31 December 2023, the Group is controlled by the following entities:

Entity	Ownership % in 2023
Everest UK HoldCo Limited (UK)(1)	57.3%
HTIVB(2)	9.4%
Executives and managers (including the Selling Managers)	1.4%
Free-float(3)	31.9%

(1) Immediate parent entity ultimately controlled by Permira Limited.
(2) of which the founder and former Chief Executive Officer , Olivier Breittmayer.
(3) of which 5.63% held by Bpifrance Investissement through the fund LAC I SLP.

The Group is backed by entities that collectively comprise the Permira Fund which is ultimately controlled by Permira Limited. Permira Limited is related to the Company due to common control.

19.4.2 Transactions with related parties

For the Group, related parties within the definition of IAS 24 - Related party disclosures are persons or entities who have control or a significant influence over the Group. Accordingly, the direct and indirect parent companies of Permira Fund and the members of the Management Board are considered as related parties. Moreover, all portfolio companies held by funds advised by Permira are considered related parties. Transactions with related parties include settlements of consulting and management services. All transactions were entered into on an arm's length basis.

Since 18 April 2023, through the intermediary of Jean-Philippe Bernier appointed as a new member of the Board of Directors, Bpifrance et Investissement is considered as a related party by the Group.

(In millions of euros)	31/12/2023	31/12/2022
Service expenses	–	–
Sales of assets	–	–
Interest income	–	0
Loan(s) granted	1	1
Loan(s) received	26	–

On 23 May 2023, the Board of Directors authorized the Company to buy back its own shares in connection with the sale of a block of shares by HTIVB through an Accelarated Book Building (ABB), up to a maximum amount of ten million euros. Hence, Exclusive Networks S.A. bought back 0.6% of its shares on 24 May 2023, at a unit price of €19.00, on the occasion of the sale by HTIVB of a stake of circa 3.7%. This €10 million transaction is financed by the Group's liquidity.

Exclusive Networks BeLux BV granted on 21 April 2021 a €1.5 million 7-year non-mortgage term loan to Jesper Trolle, Chief Executive Officer , this loan was partially reimbursed during the 2nd semester 2021. At closing date, this loan amounts to €1.0 million.

On 3 July 2023, Everest SubBidco S.A.S. received a €15 million loan from BPI to be reimbursed in six biannual instalments until 31 July 2026.

19.4.3 Key management personnel compensation

The key management personnel are the members of the Executive Committee. Detailed compensation disclosures are provided in the remuneration report (see *Note 5.3. Personnel costs*).

(In millions of euros)	31/12/2023	31/12/2022
Short-term benefits excluding employer's social security contributions	5	5
Short-term benefits: employer's social security contributions	1	1
Share-based payment benefits	2	2
TOTAL KEY MANAGEMENT COMPENSATION	**8**	**7**

19.5 Ukraine conflict

The Group confirms that its exposure to the conflict in Ukraine remains extremely limited. The Group does not generate any revenue neither has any employee in Russia. In Ukraine, the Group generated less than €1 million of revenue in 2023 and does not have any employee.

The Group has no subsidiary or equity investment in Ukraine.

19.6 Subsequent events

None

19.7 Scope of consolidation

The list of the consolidated companies is presented below:

		2023		2022	
Entity	**Country**	**Consolidation method**	**% of interest**	**Consolidation method**	**% of interest**
Exclusive Networks S.A.	France	Parent company	100	Parent company	100
Exclusive Networks PTY Ltd	Australia	FC	100	FC	100
Exclusive Networks Austria GmbH	Austria	FC	100	FC	100
Exclusive Networks BeLux	Belgium	FC	100	FC	100
Exclusive Networks BH d.o.o. Sarajevo	Bosnia and Herzegovina	FC	100	FC	100
Exclusive Networks Bulgaria Eood	Bulgaria	FC	100	FC	100
Exclusive Networks Canada Inc.	Canada	FC	100	FC	100
Exclusive Networks Croatia d.o.o.	Croatia	FC	100	FC	100
Exclusive Networks Czechia s.r.o.	Czech Republic	FC	98	FC	98
Exclusive Networks Denmark A/S	Denmark	FC	100	FC	100
Ignition Technology Northern Europe OÜ	Estonia	FC	38	FC	38
Exclusive Networks Finland OY	Finland	FC	100	FC	100
Ignition Technology Finland Oy	Finland	FC	37	FC	38
Exclusive France Holding S.A.S.	France	FC	100	FC	100
Exclusive Capital S.A.S.	France	FC	100	FC	100
Exclusive Networks S.A.S	France	FC	100	FC	100
Exclusive On Demand S.A.S.	France	FC	100	FC	100
Everest SubBidCo S.A.S.	France	FC	100	FC	100
Ignition France S.A.S.	France	FC	77	FC	100
Exclusive Group GmbH	Germany	FC	100	FC	100
Exclusive Networks Deutschland GmbH	Germany	FC	100	FC	100
Exclusive Networks Deutschland Beteiligungs GmbH	Germany	FC	100	FC	100
Exclusive Networks Hong Kong Ltd	Hong Kong	FC	100	FC	100
Exclusive Networks JJNet Hong Kong Ltd	Hong Kong	FC	100	FC	100
Exclusive Networks Hungary kft	Hungary	FC	90	FC	90
Exclusive Networks Iceland ehf	Iceland	FC	100	-	-
Exclusive Networks Sales India Private Ltd	India	FC	100	FC	100
PT Exclusive Networks Indonesia	Indonesia	FC	100	FC	100
Exclusive Networks Ireland Ltd	Ireland	FC	100	FC	100
Exclusive Networks Israel Ltd	Israel	FC	70	FC	70
Exclusive Networks SRL	Italy	FC	100	FC	100
Exclusive Networks Kenya Limited	Kenya	FC	57	FC	57

5.

		2023		2022	
Entity	**Country**	**Consolidation method**	**% of interest**	**Consolidation method**	**% of interest**
Exclusive Networks Malaysia Sdn Bhd	Malaysia	FC	100	FC	100
Exclusive Networks Mauritius	Mauritius	FC	57	FC	57
Networks Unlimited Mauritius Ltd	Mauritius	-	-	FC	57
Exclusive Networks North West Africa (SARLAU)	Morocco	FC	100	FC	100
Exclusive Networks BV	Netherlands	FC	100	FC	100
Exclusive Networks (NZ) PTY Ltd	New Zealand	FC	100	FC	100
Exclusive Networks Distribution Nigeria Ltd	Nigeria	FC	57	FC	57
Exclusive Networks Norway A/S	Norway	FC	100	FC	100
Exclusive Networks PH Inc	Philippines	FC	100	FC	100
Compendium Centrum Edukacyjne Spółka z.o.o.	Poland	FC	100	FC	100
Exclusive Networks Poland SA	Poland	FC	100	FC	100
Exclusive Networks Portugal, Unipessoal Lda.	Portugal	FC	100	FC	100
Exclusive Networks Technology Romania SRL	Romania	FC	94	FC	94
Exclusive Networks Company for Information Technology	Saudi Arabia	FC	75	FC	75
Exclusive Networks Beograd d.o.o.	Serbia	FC	100	FC	100
BridgingMinds Singapore Pte Ltd	Singapore	FC	100	FC	100
Exclusive Networks Asia Pte Ltd	Singapore	FC	100	FC	100
Exclusive Networks Singapore PTE Ltd	Singapore	FC	100	FC	100
ITEC Intelligent Services Pte Ltd	Singapore	FC	100	FC	100
Exclusive On Demand APAC Pte Ltd	Singapore	FC	100	FC	100
Exclusive Networks Slovakia s.r.o.	Slovakia	FC	98	FC	98
Exclusive Networks Slovenia, Informacijske Tehnologije, D.o.o.	Slovenia	FC	100	FC	100
Exclusive Networks Topco South Africa (Pty) Ltd	South Africa	FC	79	FC	79
Networks Unlimited Africa (Pty) Ltd	South Africa	FC	36	FC	36
Exclusive Networks South Africa (Pty) Ltd	South Africa	FC	56	FC	56
Exclusive Networks SL	Spain	FC	100	FC	100
Informatica y comunicaciones Ingecom S.L	Spain	FC	70	-	-
Exclusive Networks Sweden AB	Sweden	FC	100	FC	100
Exclusive Networks Switzerland AG	Switzerland	FC	100	FC	100
Agile Distribution (Thailand) Co. Ltd	Thailand	FC	92	FC	92
Exclusive Holding (Thailand) Co. Ltd	Thailand	FC	74	FC	74

Entity	Country	2023 Consolidation method	2023 % of interest	2022 Consolidation method	2022 % of interest
Pink Lake Systems (Thailand) Co. Ltd	Thailand	FC	86	FC	86
Super Holding Exclusive (Thailand) Co. Ltd	Thailand	FC	49	FC	49
Transition Systems and Networks (Thailand) Co. Ltd	Thailand	FC	87	FC	87
Exclusive Networks Bilisim A.S.	Turkey	FC	100	FC	100
Exclusive Group Mena Ltd	United Arab Emirates	FC	100	FC	100
Networks Distributors FZ LLC	United Arab Emirates	FC	100	FC	100
Nuaware Ltd	United Kingdom	FC	100	FC	70
Everest UK Finco Limited	United Kingdom	FC	100	FC	100
Everest UK Hedgeco Limited	United Kingdom	FC	100	FC	100
Exclusive Networks Ltd	United Kingdom	FC	100	FC	100
ITEC Intelligent Services Ltd	United Kingdom	FC	100	FC	100
Vadition Ltd	United Kingdom	FC	100	FC	100
Ignition BidCo Ltd	United Kingdom	FC	75	FC	75
Ignition Technology Ltd	United Kingdom	FC	75	FC	75
Ignition Technology Group Ltd	United Kingdom	FC	75	FC	75
Exclusive Networks USA Inc.	United States	FC	100	FC	100
ITEC Intelligent Services Inc.	United States	FC	100	FC	100
Exclusive Americas Holdings Inc.	United States	FC	100	FC	100
Exclusive On Demand USA	United States	FC	100	FC	100
Exclusive Networks Vietnam Co. Ltd	Vietnam	FC	100	FC	100

5.2.3 Statutory Auditors' report on the Consolidated Financial Statements

For the year ended December 31, 2023

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 required by European regulation 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 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 Exclusive Networks SA Shareholders' Meeting,

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, 2023.

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 at December 31, 2023 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 and Risks Committee.

Fondement de l'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, 2023 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.

Emphasis of matter

Without qualifying the opinion, we draw your attention to the matter outlined in Note 3.3 to the consolidated financial statements regarding the change in the accounting treatment of income from software license sales pursuant to IFRS 15 - "Revenue from contracts with customers".

Justification of Assessments - Key Audit Matters

In accordance with the requirements of articles L.821-53 and R.821-180 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 the audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of *Goodwill* and trademarks

Notes 7.1"*Goodwill*", 7.2 "Impairment tests", 7.3 "Intangible assets" and 3.5 "Use of judgments and estimates" to the consolidated financial statements

Identified risk

As of December 31, 2023, *Goodwill* and trademarks were recorded in the net amount of €297 million and €220 million, respectively, representing significant line items in the consolidated statement of financial position.

Goodwill represents the difference, on the acquisition date, between:

- the sum of (i) the fair value of the consideration transferred (including the earn-out), (ii) the amount of non-controlling interests in the acquiree, and
- the net amount of identifiable assets acquired and liabilities assumed measured at acquisition-date fair value.

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 methodology and the main assumptions adopted in measuring *Goodwill* and trademarks are presented in Note 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 perpetual growth rate used for cash flow projections and the applicable discount rate.

Audit response

We obtained an understanding of the key procedures and controls set up by management to conduct impairment tests and particularly to identify the Group's CGUs or groups of CGU and determine the cash flows used to calculate the recoverable amounts.

We analyzed the compliance of the methodology used by the Group with prevailing accounting standards.

We verified the completeness of the items comprising the carrying amount of the CGUs or groups of CGU and the consistency of the carrying amount calculation with how cash flow forecasts were determined for the value in use. We compared the net carrying amount of the assets of each tested CGU or group of CGU with the consolidated financial statements.

We assessed the reasonableness of the cash flow forecasts for the CGUs or groups of CGU, in particular the preparation of the 5-year business plans by management with regard to the economic and financial context of the various geographical locations where the CGUs or groups of CGU operate, by analyzing the reasons for differences between forecasts and past results as well as the consistency of Adjusted EBIT projections with management's most recent estimates validated by the Board of Directors.

Regarding the models used to determine the recoverable amounts, we called on our valuation experts to:

- 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 perpetual growth rate and discount rates.

Finally, we verified the appropriateness of the disclosures in Notes 7.1, 7.2, 7.3 and 3.5 to the consolidated financial statements, and particularly Note 7.2 which describes the main assumptions used to determine the recoverable amounts and sensitivity analyses.

Revenue recognition

Notes 5.1 "Revenue" and 3.5 "Use of judgments and estimates" to the consolidated financial statements

Identified risk

In 2023, consolidated revenues amount to 1,559 million euros.

Customer contracts may comprise several separate 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 set out in Note 5.1. to the consolidated financial statements. The Group acts as principal for hardware sales and as agent for software, 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 correct cut-off;
- the correct allocation of contract prices to the various performance obligations when they include several separate performance obligations. 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 the requirements of IFRS 15;
- Assessing the design and implementation of the internal control procedures relating to revenue flows set up by the Group;
- Conducting audit procedures on information systems and the database used to ensure revenue is correctly allocated to the various performance obligations, particularly those relating to software, maintenance and support services. Our IT system specialists recalculated a portion of the revenue relating to software, 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 laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to 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 (code de commerce) is included in the Group's 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 Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements 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 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 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 consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements in accordance with the European single electronic format, the content of certain tags in the notes to the consolidated financial statements may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Exclusive Networks SA by the Shareholders' Meeting held on June 4, 2019 for Deloitte & Associés and on April 19, 2021 for Mazars.

As of December 31, 2023, Deloitte & Associés and Mazars were in the 6th and 3rd year of total uninterrupted engagement, respectively, which is the 3rd year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, 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 and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 5.

As specified in Article L.821-55 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 and Risks Committee

We submit a report to the Audit and Risks 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 and Risks Committee includes the risks of material misstatement that, in our professional judgment, 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 and Risks 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 defined in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*code de commerce*) and in the French Code of ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Risks Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, February 28, 2024

The Statutory Auditors

Mazars	**Deloitte & Associés**
Marc Biasibetti Partner	Nadia Laadouli Partner

5.3 Annual accounts of the Company

5.3.1 Financial Statements

Balance-sheet - Assets

Financial period from 01/01/2023 to 31/12/2023 (in € thousand)	31/12/2023 Gross	31/12/2023 Accumulated impairment	31/12/2023 Net book value	31/12/2022 Net book value
Capital subscribed but not called				
FIXED ASSETS				
Intangible assets:	**1,349**	**(48)**	**1,301**	**2**
Land				
Buildings				
Machinery, equipment and industrial tools	1,349	(48)	1,301	
Other tangible assets				**2**
Tangible assets in progress				
Advances and instalments	**1,040,115**		**1,040,115**	**1,034,548**
Financial fixed assets:	844,741		844,741	960,065
Investments in subsidiaries and affiliates	120,891		120,891	
Investment-related receivables				
Other fixed investments				
Loans				
Other financial assets	74,483		74,483	74,483
Total I	**1,041,464**	**(48)**	**1,041,416**	**1,034,550**
CURRENT ASSETS				
Inventories and work in progress:				
Payments on account on orders Prepayments	**203**		**203**	**253**
Receivables:	**16,899**		**16,899**	**4,576**
Trade receivables	884		884	2,574
Other Receivables	16,015		16,015	2,002
Subscribed capital - called but not paid				
Short-term investment securities:	**28,872**	**(888)**	**27,984**	**2,010**
Treasury shares – own shares	25,822	(888)	24,933	713
Other securities				
Marketable securities	3,051		3,051	1,297
Cash at bank	**189**		**189**	**67**
Prepaid expenses	**448**		**448**	**258**
Total II	**46,611**	**(888)**	**45,723**	**7,164**
Deferred charges (III)				
Loan redemption premiums (IV)				
Currency translation gains/losses and valuation differences - Assets (V)	1,627		1,627	
TOTAL (I + II + III + IV + V)	**1,089,703**	**(937)**	**1,088,736**	**1,041,713**

5.

Balance-sheet - Liabilities

Financial period from 01/01/2023 to 31/12/2023 (in € thousand)	31/12/2023	31/12/2022
SHAREHOLDERS' EQUITY		
Share capital	7,334	7,334
Share premium, premium from merger and transfer	968,414	968,414
Revaluation variance		
Equivalence difference		
Reserves:		
Legal reserve	732	732
Statutory or contractual reserves		
Regulated reserves		
Others	53,677	53,677
Retained earnings	(8,736)	
Profit/(loss) for the year	(1,152)	(8,736)
Investment grants		
Regulated provisions		
Total I	**1,020,268**	**1,021,420**
OTHER SHAREHOLDERS' EQUITY		
Total I bis	**1,020,268**	**1,021,420**
PROVISIONS		
Total II		
LIABILITIES		
Convertible bonds		
Other bonds		
Loans and debts with credit companies		
Other loans and borrowings		
Advances and instalments received on outstanding orders		
Trade payables	5,511	8,006
Tax and employment related liabilities	16,522	1,485
Creditors for fixed assets and related accounts		
Other payables	44,458	10,743
Forward financial instruments		
Deferred income	380	60
Total III	**66,871**	**20,293**
Currency translation gains/losses and valuation differences - Liabilities (IV)	1,627	
TOTAL (I + II + III + IV)	**1,088,766**	**1,041,713**

Income statement

Financial period from 01/01/2023 to 31/12/2023 (in € thousand)	France	Export	31/12/2023 TOTAL	31/12/2022 TOTAL
Operating income				
Sale of goods				
Production vendue biens				
Sales of services	8,325	284	8,609	7,445
Revenue	**8,325**	**284**	**8,609**	**7,445**
Reversals of provisions (and depreciation), transfer of charges			99	69
Autres produits				
Total I	**8,325**	**284**	**8,708**	**7,514**
Operating costs				
Other purchases and external expenses			(7,338)	(8,046)
Taxes and similar			(50)	(197)
Wages and salaries			(2,584)	(2,137)
Social security contributions Depreciation on fixed assets			(749) (48)	(1,324)
Other expenses			(272)	(174)
Total II			**(11,041)**	**(11,877)**
1. OPERATING INCOME (I - IL)			**(2,333)**	**(4,363)**
Share of joint venture profits/losses:				
Financial income:				
Income from investments in subsidiaries and affiliates			7,690	299
Other interest received and similar			153	85
Foreign exchange gains			49	39
Net prOCEeds on disposals of marketable securities				8
Total V			**7,893**	**432**
Financial expenses:				
Depreciation, impairment, and provisions			(888)	
Interest expenses			(1,140)	(40)
Foreign exchange losses			(84)	(140)
Net expenses on disposals of marketable securities				
Total VI			**(2,112)**	**(180)**
2. FINANCIAL RESULT (V - VI)			**5,781**	**252**
3. PROFIT/LOSS FROM ORDINARY ACTIVITIES BEFORE TAX (I – II + III - IV + V – VI)			**3,448**	**(4,111)**
Extraordinary income:				
Total VII				
Extraordinary costs:				
Extraordinary costs on revenue transactions			(4,599)	(4,625)
Extraordinary costs on capital transactions				
Extraordinary depreciation, impairment, and provisions				
Total VIII			**(4,599)**	**(4,625)**
4. EXTRAORDINARY PROFIT (OR LOSS) (VII - VIII)			**(4,599)**	**(4,625)**
Employee profit-sharing (IX)				
Corporate income tax (X)				
Total income (I + III + V + VII)			**16,601**	**7,936**
Total expenses (II + IV + VI + VIII + IX + X)			**(17,753)**	**(16,681)**
PROFIT (LOSS) FOR THE YEAR			**(1,152)**	**(8,736)**

Significant information

Activity

Exclusive Networks S.A. (formerly Everest HoldCo SAS) ("the Company") registered since 19 April 2018 operates as a holding company with shareholding interests in any business or company.

The Company's registered office is located at 20 Quai du Point du Jour – 92100 Boulogne Billancourt

Significant events of the year

Share buyback programme

The Group entered into an agreement with an investment services provider in order to acquire its own shares for a maximum amount of €25 million over the period from 20 March 2023 to 4 July 2023.

On 23 May 2023, the Board of Directors authorized Exclusive Networks S.A. to buy back its own shares within the framework of the sale of a block of shares by the Company HTIVB via an Accelerated Book Building (ABB), up to a maximum amount of €10 million. Consequently, on 24 May 2023, Exclusive Networks S.A. bought back 0.6% of its shares at a unit price of €19 when HTIVB sold around 3.7%. of its shares. This €10 million transaction was financed by drawing on the Group's cash.

In a decision dated 8 December 2023, Exclusive Networks S.A and Everest UK FINCO Limited, both Everest Subbidco SAS' stakeholders, decided to:

- distribute the available reserves of Everest Subbdico S.A.S amounted to €10,326,554.03

- reduce the share capital, not due to losses, of Everest Subbidco SAS by €167,135,736.00

As regards the Company, these transactions were realized through the allocation by Everest Subbdico SAS to the Company of a receivable of a nominal amount of £105 million, held on Everest UK FINCO Limited.

Subsequent event

None

Other legal information

Since 25 May 2018, the major shareholder of the Company is Everest UK HoldCo Limited, an English company.

As at 31 December 2023, Everest UK HoldCo Limited owns 57.3% of the Company share capital, HTIVB owns 9.3% and 32.0% of the share capital correspond to the "free-floating part", shares available in compartment A of the regulated market of Euronext Paris and 1.4% is owned by the executive managers.

The financial statements cover the 12-month period from 1 January 2023 to 31 December 2023.

The following notes are an integral part of the annual financial statements.

These financial statements were adopted on 28 February 2024 by the Board of Directors.

Accounting principles and methods

The financial statements for the period ended 31 December 2023 were prepared in accordance with the legal provisions and generally accepted practices in France, and in accordance with ANC regulation 2018-07 modifying regulation 2014-03 relating to the revision of the French general chart of accounts.

Unless otherwise specified, the amounts indicated in the notes to the financial statements are expressed in thousand euros.

General accounting conventions have been applied in accordance with the following underlying assumptions:

- going concern;
- continuity of accounting methods from one period to the next;
- independence of financial periods.

The basic method used in the evaluation of accounting items is the historical cost method.

The main methods used are as follows:

Fixed assets

Tangible and intangible assets are valued at their purchase price (incidental costs included), net of rebates and discounts and excluding financial costs.

Tangible assets are depreciated over their estimated lifetime using the straight-line method:

Type of fixed asset	Duration
Office and computer equipment	3 years
Furniture	5 to 8 years

Fixed assets are, where appropriate, depreciated to take account of their value in use or their market value at the end of the financial year.

Investments in subsidiaries and affiliates and investment-related receivables

Investments in subsidiaries and affiliates are initially recognized at their purchase price, which includes incidental costs. Periodically, the net carrying amount of the investments is compared with their 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 business plan.

Investment-related receivables are recognized at nominal value. When their realizable value, based on the probability of recovery, is less than their net carrying amount, an impairment is recorded for the difference.

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 2023.

Other financial assets

Other financial assets are valued at their nominal value.

A provision for depreciation is recorded when the inventory value is less than the net carrying amount.

Receivables and payables

Receivables and payables are valued at their nominal value.

Receivables, where appropriate, are subject to a provision for impairment, to take the credit risk into account. The analysis of the credit risk is individualised. No provision for impairment is recorded on statistical criteria.

Foreign currency transactions

Foreign-currency payables and receivables at the end of the period are converted to their equivalent value in euros, based on the closing rate at that date.

Translation adjustments are stated on the balance sheet under “Translation gains” and “Translation losses”. Furthermore, provisions are made for unrealised foreign exchange losses.

Income and expenses in foreign currencies are recognised at their equivalent value on the date of the transaction based on the average exchange rate for the previous month.

Cash and cash equivalents

Cash at bank is recorded at nominal value.

Bank accounts in foreign currencies at the end of the financial year are converted into their equivalent in euros at the closing rate. The foreign exchange differences thus recognised are recorded in the profit and loss statement (foreign exchange gains or losses).

Provisions for contingencies and charges

Provisions are recorded as soon as an obligation exists (either legal or implicit) to third parties resulting from past events whose amount can be reliably estimated and that will likely result in an outflow of resources.

At the closing date, all known claims and litigation involving the Group are examined by the Management and further to advice from the Group’s counsel if needed, the provisions are assessed and recognised if necessary to cover the related risks.

The recorded provision corresponds to the Group Management’s best estimate to settle the current obligation as at the closing date.

Revenue recognition

Revenue corresponds to services rendered to Group subsidiaries, recognised upon completion of the services.

Extraordinary income and expenses

Extraordinary items are comprised of any unusual events or transactions separate from the business and those that, due to their nature or amount, are not expected to occur frequently or regularly.

5.3.2 Notes to the financial statements

Contents

Notes to the financial statements - Assets

Note 1. Fixed assets

The movements of the financial year are detailed in the tables below:

Fixed assets - Gross	Opening	Increase	Decrease	Closing
Concessions and similar rights				
Intangible fixed assets				
General facilities		1,165		1,165
Office and computer equipment		10		10
Furniture		174		174
Tangible assets in progress	2	1,163	(1,165)	
Tangible fixed assets	*2*	*2,512*	*(1,165)*	*1,349*
Investments in subsidiaries and affiliates	960,065		(115,324)	844,741
Investment-related receivables		120,891		120,891
Other financial assets	74,483			74,483
Financial assets	*1,034,548*	*120,891*	*(115,324)*	*1,040,115*
TOTAL	**1,034,550**	**123,403**	**(116,489)**	**1,041,464**

Fixed assets - Depr./impairment	Opening	Increase	Decrease	Closing
Concessions and similar rights				
Intangible fixed assets				
General facilities		(36)		(36)
Office and computer equipment		(0)		(0)
Furniture		(12)		(12)
Tangible assets in progress				
Tangible fixed assets		*(48)*		*(48)*
Investments in subsidiaries and affiliates				
Investment-related receivables				
Other financial assets				
Financial assets				
TOTAL		**(48)**		**(48)**

Fixed assets – Net Booked Value	Opening	Increase	Decrease	Closing
Concessions and similar rights				
Intangible fixed assets				
General facilities		1,129		1,129
Office and computer equipment		10		10
Furniture		162		162
Tangible assets in progress	2	1,163	(1,165)	
Intangible fixed assets	*2*	*2,464*	*(1,165)*	*1,301*
Investments in subsidiaries and affiliates	960,065		(115,324)	844,741
Investment-related receivables		120,891		120,891
Other financial assets	74,883			74,483
Financial assets	*1,034,548*	*120,891*	*(115,324)*	*1,040,115*
TOTAL	**1,034,550**	**123,355**	**(116,489)**	**1,041,416**

Nature of fixed assets	Duration
Concessions and similar rights	1 to 3 years
General facilities	5 years
Office and computer equipment	3 years
Furniture	5 to 8 years

Receivables and Prepaid expenses	Gross Amount	< 1 year	> 1 year
Financial assets-related receivables	120,891	69	120,822
Trade receivables and prepaid expenses	17,550	17,550	-
TOTAL	**138,441**	**17,619**	**120,822**

Change in Investments in subsidiaries and affiliates are driven by:

- the capital decrease of Everest SubBidCo S.A.S.: € 115,324 thousands;
- the transfer of UK Finco receivables amounted to €122,449 thousands (excluding the impact of exchange rates) to Everest SubBidCo S.A.S in remuneration of its decrease in capital (*Note 1.2 Significant events*)

Note 2. Receivables and prepaid Expenses

Receivables and Prepaid expenses	Total Amount	< 1 year	> 1 year et < 5 years	> 5 years
Payments on account on orders	203	203		
Trade receivables and other receivables	16,899	16,899		
Prepaid expenses	448	448		
TOTAL	**17,550**	**17,550**	**-**	**-**

As at 31 December 2023, the Receivables and Prepaid expenses are composed of:

- payments on account on orders: €203 thousands mainly related to payment made to the external auditors;
- trades receivables and other receivables: € 16,899 thousands are mainly composed of tax receivables (VAT, Income tax) for € 15,893 thousands;
- prepaid expenses € 448 thousands mainly related to building rent.

Note 3. Short-term investment securities

Short-term investment securities correspond to the liquidity contract signed with Parel S.A., a subsidiary of Société Générale, in charge of managing sales and purchases of Exclusive Networks S.A. shares., and to company shares acquired within the framework of the share buyback programme (note 1.2 Significant events).

As at 31 December 2023, € 25,822 thousands (1,339,758 shares) correspond to own-shares and € 3,051 thousands correspond to short-term available cash.

Notes to the financial statements – liabilities

Note 4. Share capital

As at 31 December 2023, share capital in terms of number of shares are down as follows:

Changes on shares	Number	Nominal value	Capital
At 31 December 2022	91,670,286	0.08	7,333,623
Capital increase	-		-
At 31 December 2023			
TITRES EN FIN D'EXERCICE	**91 670 286**	**-**	**7 333 623**

Note 5. Statement of changes in shareholders'equity

Items	Opening	Allocation of prior year Net result	Profit/loss for the year	Closing
Capital	7,334			7,334
Share premium	968,414			968,414
Legal reserve	732			732
Other reserves	53,677			53,677
Profit/loss for the year		(8,736)		(8,736)
Retained earnings	(8,736)	8,736	(1,152)	(1,152)
SHAREHOLDERS' EQUITY	**1,021,420**		**(1,152)**	**1,020,268**

Note 6. Detail of liabilities

Detail of liabilities	Total amount	< 1 year	> 1 and < 5 years	> 5 years
Trade payables	5,511	5,511		
Personnel related liability	1,036	1,036		
Social security payables	796	796		
Tax payables	14,689	14,689		
Current account - Everest SubBidCo S.A.S	41,606	41,606		
Other payables	2,852	2,852		
Deferred income	380	48	192	140
TOTAL	**66,871**	**66,539**	**192**	**140**

Notes to the financial statements - Income statement

Note 7. Revenue breakdown

Breakdown by business sector	31/12/2023	31/12/2022
Services	8,609	7,445
TOTAL	**8,609**	**7,445**

Breakdown by geographical area	31/12/2023	31/12/2022
France	8,325	7,445
Exports and European Union	284	-
TOTAL	**8,609**	**7,445**

Revenue is generated with Group subsidiaries and corresponds to support services notably from Chief Executive Officer office and other centralized departments.

Note 8. Operating expenses

Operating expenses	31/12/2023	31/12/2022
Other purchases and external expenses	7,338	8,046
Taxes and similar	50	197
Wages and salaries	2,584	2,137
Social security contributions	749	1,324
Other expenses	272	173
Depreciation on fixed assets	48	
TOTAL	**11,041**	**11,877**

As at 31 December 2023, Operating expenses are composed of:

- external expenses of which: audit fees (€ 1,335 thousands), insurance fees (€ 954 thousands), other fees (€ 3,694 thousands) mainly for temporary staff and IT developments;
- wages and salaries for Chief Executive Officer , CFO and the Board members.

Note 9. Financial result

Financial result	31/12/2023	31/12/2022
Income from investments	**7,690**	**299**
Income from investments in subsidiaries and affiliates	*7,690*	*299*
Other interest received and similar	**153**	**85**
Other financial income	*153*	*85*
Reversals on provisions and expense reclassification	**-**	**-**
Foreign exchange gains	**49**	**39**
Foreign exchange gains	*49*	*39*
Net income from sales of marketable securities	**-**	**8**
TOTAL FINANCIAL INCOME (1)	**7,893**	**432**
Allowances for amort./depr. and provisions	**888**	**-**
Interest expenses	**1,140**	**40**
Interests on financing transactions	*1,140*	*40*
Foreign exchange losses	**84**	**140**
Foreign exchange losses	*84*	*140*
Net expenses on sales of marketable securities	**-**	**-**
TOTAL FINANCIAL EXPENSES (2)	**2,112**	**180**
FINANCIAL RESULT (1) –(2)	**5,781**	**252**

Financial income mainly consists of dividends received from Everest SubBidco S.A.S. amounted to €7,125 thousand.

Financial expenses mainly comprise interests on current account paid to Everest SubBidco S.A.S.

Note 10. Extraordinary profit or loss

As at 31 December 2023, the Extraordinary loss amounts to € (4,599) thousands in comparison to € (4,625) thousands as at 31 December 2022. This amount is mainly related to costs incurred post integration of acquisitions for € (4,455) thousands.

Note 11. Increase or decrease in future tax liability

None

Note 12. Off-balance-Sheet commitments

Financial commitments given and received

Commitments related to pension obligation

The commitment is calculated for all employee present at the end of the financial year regardless of years of service. It is evaluated using the projected unit credit method based on a retirement age of 65.

As at 31 December 2023, the commitment to retirement benefits amounted to € 21 thousands (vs. €7 thousands at the end of 2022), the primary assumption being the discount rate of 4.06% used for the valuation of the commitments (3.2% in 2022) and salary increase rate of 2.00%.

Note 13. Subsidiaries and equity interests

Subsidiaries and interests	Share capital	Reserves and retained earnings	Share of capital held (%)	Gross value of securities held	Net value of securities held	Loans and advances granted by the Company	Guarantees given by the Company	Turnover excl. tax during the last fiscal period ended	Income/loss during the last fiscal period ended	Dividends received by the Company during the period
A – Detailed information about subsidiaries and shareholdings										
Subsidiaries (over 50% owned)										
Everest SubBidCo S.A.S.(1)	818,702,424 €	35,475,991 €	69%	620,544,567	620,544,567			33,202,977	(13,131,255)	
Everest UK Finco Ltd(2)	195,209,148 £	(41,884,824 £)	100%	224,196,587	224,196,587			0	(6,290,403 £)	
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										

(1) Everest SubBidCo S.A.S. – 20 Quai du Point du Jour – 92100 Boulogne Billancourt
(2) Everest Uk Finco Ltd – Mill Lane – Alton – Hampshire GU342QJ

Note 14. Related parties

Net values	2023		2022	
	Related companies	Other related parties	Related companies	Other related parties
Investments in subsidiaries and affiliates	844,791	-	960,065	-
Investment-related receivables	120,891	-		-
Trade debtors and related accounts	411	-	2,621	-
Other receivables	7	-		-
Miscellaneous receivables - tax consolidation	15,340	-		-
Financial debts		-		-
Trade creditors and related accounts	309	-	1,134	-
Other debts	44,273	-	10,331	-
Revenues from operations	8,609	-	7,445	-
Financial income	7,690	-	299	-
Financial expenses	1,440	-	-	-
Fees	108		443	-
Other operating income		-		-
Other operating expenses	-	-	-	-

Note 15. Miscellaneous information

Number of Employee

	31/12/2023	31/12/2022
Executives	1	2
Supervisors and technicians	0	0
Employees	0	0
Blue collar workers	0	0
TOTAL	**1**	**2**

Information on executive compensation is provided in the Universal Registration Document.

5.3.3 Statutory Auditors' report on the Financial Statements

For the year ended December 31, 2023

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 European regulation and 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 Exclusive Networks SA Shareholders' Meeting,

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, 2023.

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, 2023 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 and Risks 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 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, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code (*code de commerce*) 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 the 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 annual 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 "Investments in subsidiaries and affiliates and investment-related receivables", 3.1 "Fixed assets" and 8. "Subsidiaries and affiliates" to the financial statements)

Identified risk

As of December 31, 2023, equity investments and related receivables are respectively recorded for a net amount of €845 million and €121 million, representing as a whole 89% 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.

At the year-end, an impairment loss is recorded if the carrying amount exceeds the value in use or fair value. The fair value of the related receivables is determined according to the probability of their recovery.

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.

We also verified that Notes 2.2, 3.1 and 8 to the financial statements provide appropriate disclosure.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to shareholders.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D.441-6 of the French Commercial Code (*code de commerce*) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by L.225-37-4, L. 22-10-10 and L.22-10-9 of the French Commercial Code (*code de commerce*).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*code de commerce*) relating to remunerations and benefits received by or awarded to the directors 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 your Company from controlled companies included in the scope of consolidation. Based on this work, we attest 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 (*code de commerce*), we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements 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 Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Exclusive Networks SA by the Shareholders' Meeting held on June 4, 2019 for Deloitte & Associés and on April 19, 2021 for Mazars.

As of December 31, 2023, Deloitte & Associés and Mazars were in the 6th and 3rd year of total uninterrupted engagement, respectively, which is the 3rd year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of 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 and Risks 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 have been 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.821-55 of the French Commercial Code (code de commerce), 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 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.821-27 to L.821-34 of the French Commercial Code (*code de commerce*) and in the French Code of ethics (*code de déontologie*) 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, February 29, 2024

The Statutory Auditors

Mazars	**Deloitte & Associés**
Marc Biasibetti Partner	Nadia Laadouli Partner

5.4 Maturity of amounts owed to suppliers and from customers

Pursuant to Article D. 441-6, the breakdown at closing of the balance of the amounts owed to suppliers and from customers can be analysed as follows by maturity:

	D.441 I.-1: Overdue invoices from suppliers unpaid on the closing date of the financial year						Article D. 441 I.-2: Overdue invoices to customers unpaid on the closing date of the financial year					
	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Overdue by delay												
Number of invoices	0					41						30
Total value of invoices incl. VAT	11,106 €	630,963 €	595,704 €	170,653 €	411,819 €	1,820,245 €	0 €	0 €	147,283 €	75,724 €	5,720 €	228,728 €
ercentage of total purchases of the financial year incl. VAT	0.15%	8.60%	8.12%	2.33%	5.61%	24.80%						
Percentage of sales of the financial year incl. VAT							0.00%	0.00%	1.69%	0.87%	0.07%	2.63%
(B) Invoices excluded from (A) relating to disputed or unrecognized payables/receivables												
Number of invoices excluded												
Total value of invoices excluded incl. VAT												
(C) Method used to calculate overdue invoices (contractual or statutory period - Article L. 441-6 or L.443-1 of the French Commercial Code)												
Method used to calculate overdue invoices	Due date of the invoice						Due date of the invoice					

5.

5.5 Last five years financial summary

Period from	01/01/2023	01/01/2022	01/01/2021	01/01/2020	01/06/2018
To	**31/12/2023**	**31/12/2022**	**31/12/2021**	**31/12/2020**	**31/12/2019**
Financial position at the end of the year					
Share capital	7,333,623	7,333,622.88	7,318,122.88	7,317,129.00	7,317,129.00
Number of common shares outstanding	91,670,286	91,670,286.00	91,476,541.00	731,712,944.00	731,712,944.00
II. Results of operations (in euros thousands)					
Sales	8,609	7,445	2,948	3,699	2,585
Income before tax, depreciation, amortization and provisions	(2,139)	(8,804)	(2,217)	32,362	42,475
Income tax			170	(152)	(2)
Income after tax, depreciation, amortization and provision	(1,152)	(8,736)	(2,112)	32,278	42,571
Dividends	-	-	18,295	0.00	0.00
III. Earnings per share (in euros)					
Income after tax but before depreciation, amortization and provision	(0.02)	(0.10)	(0.02)	0.04	0.06
Income after tax, depreciation, amortization and provision	(0.01)	(0.10)	(0.02)	0.04	0.06
Net dividend per share	–	–	0.20	0.00	0.00
IV. Employee information					
Number of employees	1	2	1	2	2
Total payroll for the year	2,584	2,137	755	507	554
Total benefits paid for the year	749	1,324	82	184	229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6.

Capital and shareholding

6.1 Shareholding

6.1.1 Company shareholding and voting rights

Breakdown of the Company's capital and voting rights at the end of the last three financial years

To the best of the Company's knowledge, as at 31 December 2023:

- the number of registered shareholders was 123 individuals or legal entities;
- no shareholder other than those mentioned above held, directly or indirectly, 5% or more of the Company's share capital and voting rights.

	31 December 2021				31 December 2022				31 December 2023			
Shareholders	Number of shares	% of share capital	% of theoretical voting rights	% of exercisable voting rights	Number of shares	% of share capital	% of theoretical voting rights	% of exercisable voting rights	Number of shares	% of share capital	% of theoretical voting rights	% of exercisable voting rights
Everest UK HoldCo Limited(1)	52,509,374	57.4	57.4	57.4	52,509,374	57.28	57.28	57.28	52,509,374	57.28	57.28	57.28
HTIVB(1) (2)	11,982,095	13.1	13.1	13.1	11,982,095	13.1	13.1	13.1	8,582,100	9.36	9.36	9.36
Executives and managers(3)	8,370,682	9.2	9.2	9.2	418,809	0.46	0.46	0.46	420,809	0.46	0.46	0.46
Treasury shares	5,391	NS	NS	0	42,884	NS	NS	0	1,339,758(4)	1.46	1.46	0
Floating, including:	18,608,994	20.3	20.3	20.3	26,717,124	29.14	29.16	29.16	28,818,245	31.44	31.44	31.90
BPI(5)	5,152,977	5.63	5.63	5.63	7,329,803	8.01	8.01	8.01	7,935,873(5)	8.6	8.6	8.6
TOTAL	**91,476,536**	**100**	**100**	**100**	**91,670,286**	**100**	**100**	**100**	**91,670,286**	**100**	**100**	**100**

(1) Shareholders who have disclosed that they are bound by a shareholders' agreement (see section 6.1.3 "*Shareholders' agreements and other agreements*" of this 2023 Universal Registration Document).
(2) Based on the notification of the crossing of the legal threshold on 26 May 2023 (223C0785), HTIVB is a limited company under Belgian law with a share capital of €239,700 whose registered office is located at Grand Route 2017, B-1428 Braine-l'Alleud, Belgium, registered under number BE 0867.024.206. HTIVB is ultimately controlled by Olivier Breittmayer. Olivier Breittmayer directly holds 17,826 Exclusive Networks SA shares.
(3) In connection with the IPO of the Company, the Selling Managers (as these terms are defined in the prospectus) and certain other executives have undertaken, subject to certain exceptions, not to sell shares of Exclusive Networks SA for a period of 360 days from the date of settlement/delivery (that is, 27 September 2021). The lock-up period ended on 23 September 2022 so that the shares that were held by the Selling Managers are now included in the free float.
(4) Of which 50,939 shares held under the liquidity contract.
(5) Through the LAC I SLP fund, on the basis of the legal notification of crossing of the statutory threshold sent to the Company on 13 January 2022.

Exercise of voting rights, double voting rights, voting rights limitations

According to Article 8 of the Company's Bylaws, each share confers, with respect to ownership of the Company's assets, the right to a portion of the Company's profits and net assets in proportion to the percentage of the share capital it represents. In addition, each share carries the right to vote and the right to representation at General shareholders' meetings, in accordance with the applicable laws and regulations, and the Company's Bylaws.

The double voting right provided for by Article L. 225-123 of the French Commercial Code is expressly excluded by the Company's Bylaws.

When it is required to hold several shares in order to exercise a particular right, holders who do not have the relevant number of shares shall have no rights against the Company; shareholders have the option to combine shares and, if necessary, to purchase or sell the relevant number of shares.

Interests of Executives and Directors in the capital

See Chapter 4, section 4.2.1.2 "*Composition of the Board of Directors at 31 December 2023*" of this 2023 Universal Registration Document.

Company stock subscription or purchase options

None.

Arrangements that could lead to a change of control

To the Company's knowledge, there is no agreement as of the date of this 2023 Universal Registration Document the implementation of which might lead to a change of control.

6.1.2 Threshold crossing

6.1.2.1 Article 11 of the Company's bylaws

In addition to the thresholds provided for by applicable laws and regulations, and as long as the Company's shares are listed for trading on a regulated market, any shareholder, acting alone or in concert, who comes to hold, directly or indirectly, a number of shares or voting rights (calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the general regulation of the *French Autorité des marchés financiers*) equal to or greater than 1% of the Company's share capital or voting rights, must inform the Company within four trading days after crossing such threshold.

The declarant must also specify at the time of such a declaration, their/its identity and that of the natural or legal persons acting in concert with the declarant, the total number of shares or voting rights they hold directly or indirectly, alone or in concert, the number of securities held giving ultimate access to the Company's share capital, the date and origin of the threshold crossing, and, where applicable, the information referred to in the third paragraph of Article L. 233-7 of the French Commercial Code.

Over and above 1%, each upward or downward crossing of 1% of the share capital or voting rights must also be notified to the Company under the conditions set out above.

Failure to comply with the above-mentioned notification obligations regarding statutory thresholds will be sanctioned in accordance with the laws and regulations applicable to a failure to meet the notification obligations regarding legal thresholds upon the request, recorded in the minutes of the General shareholders' meeting, of one or more shareholders holding at least 5% of the Company's share capital or voting rights.

The Company reserves the right to inform the public and the shareholders either of the information disclosed to it or of the failure of the person concerned to comply with the above-mentioned requirement.

6.1.2.2 Crossing thresholds disclosures made to the AMF

In 2023, the Company was informed of the following legal threshold crossings declared to the *Autorité des Marchés Financiers (AMF)*:

	Threshold crossing				AMF statement	
Name	**Date**	**Direction**	**Capital**	**Voting rights**	**Date**	**Reference number**
HTIVB	24 May 2023	↘	10%	10%	26 May 2023	223C0785

6.1.3 Shareholders' agreements and other agreements

On 22 September 2021, Everest UK HoldCo Limited and HTIVB entered into a new shareholders' agreement to govern their relationship as shareholders of the Company (the "**shareholders' Agreement**"). This shareholders' Agreement entered into force on 27 September 2021, the date of the settlement and delivery of the shares offered in the Company's initial public offering, and will remain in full force and effect for so long as Everest UK HoldCo Limited and HTIVB, together with any of their respective affiliates, each hold at least 3% of the Company's share capital and voting rights.

The shareholders' Agreement stipulates rules of governance and for the transfer of the respective holdings in the Company, including the following:

- in terms of corporate governance:
  - the right for Everest UK HoldCo Limited to appoint (i) three directors for as long as it holds at least 15% of the Company's share capital and voting rights, (ii) two directors for as long as it holds at least 10% of the Company's share capital and voting rights, and (iii) one director for as long as it holds at least 5% of the Company's share capital and voting rights,
  - the possibility for HTIVB to appoint one director for as long as it holds at least 5% of the Company's share capital and voting rights,
  - Everest UK HoldCo Limited and HTIVB each undertake to (i) vote in General shareholders' meetings in favour of the appointment of the candidates to a directorship on the Board of Directors of the Company designated by the other party and (ii) instruct its representatives on the Board of Directors to vote in favour of such appointments in the event of any co-option to the Board of Directors,
  - Everest UK HoldCo Limited and HTIVB each undertake to instruct their representatives on the Board of Directors to vote in favour of the appointment of any director designated by the other party on a committee of the Board of Directors,
  - except where otherwise stipulated above regarding the appointment of their respective representatives, Everest UK HoldCo Limited and HTIVB, and their respective representatives on the Board of Directors and Committees of the Board of Directors, will freely exercise their voting rights without any voting arrangements;
- stipulations for an orderly sell down pursuant to which:
  - Everest UK HoldCo will be able to initiate a disposal at any time from the date of admission of the shares to trading on Euronext Paris (the **"Admission"**),
  - Everest UK HoldCo Limited shall be consulted in advance of any proposed disposal of shares in the Company by HTIVB for a period of 24 months following Admission (except for customary exceptions),
  - each party will have the right to participate in any disposal initiated by the other party in accordance with the above principle; this right is prorated between Everest UK HoldCo Limited and HTIVB in accordance with their respective shareholdings at the time of Admission, calculated immediately after the IPO and any disposal completed in the context of the IPO (the **"Agreed Proportions"**). The Agreed Proportions shall thereafter remain fixed for the duration of the shareholders' Agreement, it being specified however that (x) the Agreed Proportion at the time of a given disposal shall be a maximum and not a minimum for the party which is not at the initiative of the disposal, so that such party will have the option dispose of a lower number of Shares in the context of the proposed disposal compared to its Agreed Proportion, in which case (y) the party proposing the disposal will then have the possibility to sell dispose of a higher number of Company shares so that in aggregate the number of disposed Company shares equals the number of contemplated disposed shares.

Everest UK HoldCo Limited and HTIVB declared that they did not act in concert pursuant to the Shareholders' Agreement and any other contractual or non-contractual arrangements.

It is specified that since 23 September 2023, the authorisation of Everest UK HoldCo for any proposed sale of Company shares initiated by HTIVB is no longer required.

Following the completion of the sale by HTIVB of shares of the Company under the ABB (see section 6.4.5 below), Everest UK HoldCo Limited and HTIVB have agreed under an agreement dated 21 May 2023 that Everest UK HoldCo would benefit from a priority right on any transfer of shares carried out by HTIVB until 31 December 2024, up to an amount representing at least the payment received by HTIVB under the ABB.

To the Company's knowledge, there are no other agreements likely to have a material impact on the Company's capital in the event of a public offer for the Company's shares.

In accordance with the shareholders' Agreement, two Directors were appointed on the proposal of Everest HoldCo Holding on 1 September 2021, and HTIVB is represented on the Company's Board of Directors by one Director from that same date (see Chapter 4, section 4.2.1.2 "*Composition of the Board of Directors as at 31 December 2023*" of this 2023 Universal Registration Document).

Following the admission of the Company's shares to trading on Euronext Paris, and to ensure that Everest UK HoldCo Limited does not unfairly use its control of the Company, the Company intends to follow the recommendations of the AFEP-MEDEF Code applicable to controlled companies. In accordance with those recommendations, at least one-third of the members of the Board of Directors are independent directors. Thus, following the AFEP-MEDEF recommendations on corporate governance, and in particular on the composition of the Committees of the Board of Directors, the Company will protect the interests of minority shareholders.

6.1.4 Summary of transactions on the Company's shares performed by senior executives

The following transactions on the Company's shares were carried out in 2023 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	Unit share price/Unit sold price (in euros)
HTIVB[(1)]	-	3,400,000[(2)]	24 May 2023	19.00
Nathalie Lomon[(3)]	1,000	-	16 October 2023	17.34
Paul-Philippe Bernier[(4)]	1,000	-	8 December 2023	– [(5)]

(1) Legal entity close to Olivier Breittmayer, Director of the Company.
(2) This transaction is the result of an off-market sale of the Company's shares as part of an accelerated book building placement.
(3) Co-opted by the Board of Directors on 17 April 2023 and ratified by the General shareholders' meeting of 8 June 2023.
(4) Appointed by the General shareholders' meeting of 8 June 2023.
(5) Equity loan between Paul-Philippe Bernier and Banque Publique d'Investissement (BPI).

6.1.5 Items that may have an impact in the event of a public offer

Structure of the Company's share capital	See section 6.1.1 "*Company shareholding and voting rights*" of this 2023 Universal Registration Document.
Statutory restrictions on the exercise of voting rights and transfers of shares or the provisions of agreements brought to the Company's attention pursuant to Article L. 233-11 of the French Commercial Code.	The Bylaws do not contain any restrictions on the exercise of voting rights or share transfers. The Company has not been informed of any contractual clauses pursuant to Article L. 233-11 of the French Commercial Code.
Direct or indirect equity interests in the capital of the Company of which it is aware under Articles L. 233-7 and L. 233-12 of the French Commercial Code.	See section 6.1.1 "*Company shareholding and voting rights*" of this Chapter 6, which presents the Company's shareholding structure over the last three financial years.
List of holders of any security granting special control rights and the description of those rights and control mechanisms provided for in a potential employee ownership scheme, when the control rights are not exercised by the employees.	None.
Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights.	See section 6.1.3 "*Shareholders' agreements and other agreements*" of this Chapter 6.
Powers of the Board of Directors in respect of capital increases and share buybacks.	See section 4.5 "*Delegations and authorisations granted by the General shareholders' meetings in respect of capital increases*" in Chapter 4 of this 2023 Universal Registration Document, which presents the delegations and authorisations granted by the General shareholders' meeting to the Board of Directors in office on 31 December 2023 and their use in by the Board of Directors in 2023. The share buyback programme and its use in financial year 2023 are described below in section 6.4.5 "*Share buybacks*" of this Chapter 6.
Rules applicable to the appointment and replacement of the Board of Directors and the amendment of the Company's Bylaws.	The rules applicable to the nomination and replacement of the members of the Board of Directors are set out in Article 12 of the Company's Bylaws and the Internal Rules of the Board of Directors. These statutory provisions are supplemented by a procedure for the selection of Directors applicable to any nomination of a new Director (see section 4.2.3.1 "*Directors selection procedure*", Chapter 4 of this Universal Registration Document). The extraordinary general meeting is the only body empowered to amend any of the provisions of the Bylaws (Article 19 of the Bylaws).

Agreements entered into by the Company that are amended or terminated in the event of a change in control of the Company.	As at 31 December 2023, the financing agreements entered into by the Company with its financial creditors include clauses with specific provisions in the event of a change in control of Everest SubBidCo SAS, such change of control being defined as (i) any person or Group of persons acting in concert (other than, directly or indirectly, Everest HoldCo SAS and/or any of its Subsidiaries, the Directors, officers or management of the Group or Permira Funds and Permira Co-Investors) to gain control of the share capital granting the right to hold more than 50% of the votes at a general meeting of Everest SubBidCo SAS, (ii) the fact that the Company and/or Everest UK FinCo Limited ceases to own directly 100% of the issued share capital of Everest SubBidCo SAS, or (iii) a sale (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Group. Accordingly, under the terms of the New Senior Credit Facilities Agreement, it is stipulated that in the event of a change in control, each lender may request the early repayment of all amounts it is owed under the New Senior Credit Facilities Agreement (particularly accrued interest), subject to certain terms and conditions.
Control mechanisms provided for under an employee share ownership scheme.	None.
Agreements providing for indemnifying members of the Board of Directors or employees of the Company if they resign or are dismissed without real and serious cause or if their employment ends due to a public offer.	None, subject to the commitments made by the Company in favour of the Chief Executive Officer (see Chapter 4, section 4).

6.2 Stock market data

Listing market	**Euronext Paris (compartment A)**
Number of shares	**91,670,286**
Par value	**0.08 euro**
ISIN Code	**FR0014005DA7**
Industry classification	**Technologies**
Indices*	**CAC Small, CAC Mid&Small and CAC All-Tradable* MSCI Global Small Cap Index**
Market capitalisation at 31 December 2023 (*in euros*)	**1,780,236,954**
Highest share price (*in euros*)	**21.15 euros**
Lovest share (*in euros*)	**15 euros**
Share price at end of period (*in euros*)	**19.420 euros**

* *The Company joined the CAC Small, CAC Mid & Small and CAC All-Tradable indices on 23 September 2023, and the MSCI Global Small Cap index on 30 November 2023.*

6.2.1 Change in the Company's share price and monthly trading volumes in 2023

	Share price (€)			Volumes		
	High	**Low**	**Closing price (last day of the month)**	**Number of securities traded per month**	**Daily average securities traded**	**Market capitalisation (end of month)** (€ million)
January	19.61	18.22	19.00	18,688	849.45	1,326,410
February	20.5	18.88	20.3	14,862	874.24	1,287,075
March	20.31	18.24	19.54	182,388	7,929.91	1,578,519
April	19.99	19.13	19.57	164,858	9,158.78	1,653,896
May	21.15	19.00	19.52	814,088	37,004	1,573,396
June	20.17	19.08	19.95	389,409	17,700.41	1,357,512
July	19.70	18.97	19.32	71,274	3,394	1,456,307
August	19.56	18.09	18.57	53,698	5,334.70	1,578,885
September	18.96	16.97	17.25	52,057	2,478.90	1,491,068
October	17.00	15.00	15.00	59,727	2,844.14	1,487,409
November	18.30	15.02	17.48	93,980	4,271.82	1,529,488
December	19.69	17.53	19.45	95,335	5,017.63	1,657,399

(Source: Euronext Paris)

6.2.2 Management of the register of registered shares

Uptevia

Registered office: Cœur Défense Tour A -90 -102 Esplanade du Général de Gaulle

92400 - Courbevoie

6.3 Dividends

6.3.1 Dividend distribution policy

The Group is committed to providing an attractive shareholder return, in line with its expectations in terms of value creation resulting from the implementation of its growth strategy. The Group's attractive shareholder return policy includes, but is not limited to, the payment of dividends or the buyback of shares, and it may be adjusted should growth opportunities to complement organic growth arise or should other mechanisms to return value to shareholders be assessed as more compelling.

The amounts of future distributions will be determined on the basis of various factors, including the Company's general business conditions and in particular its strategic objectives, financial position, the opportunities it wishes to pursue and applicable statutory provisions.

At its meeting of 28 February 2024, given the Group's strategic priority to pursue its development, the Board of Directors decided to propose to the next General shareholders' meeting, which will be called to approve the financial statements for the year ended 31 December 2023, that no dividend be paid.

6.3.2 Dividend paid over the last three financial years

(In euros)	2021	2022	2023
Distribution	None	18.3 million (€0.20 per share)	None

Time frame for claiming dividends

Dividends not claimed within five years from the payment date are time-barred and must be paid over to the French government.

6.4 Share capital

6.4.1 Share capital subscribed and authorised but not issued

At 31 December 2023, the Company's share capital amounted to €7,333,622.88, divided into 91,670,286 fully paid-up ordinary shares with a par value of €0.08 each.

To enable the Company to access the financial market and, if necessary, for the pursuit of the Group's development, the Extraordinary general meeting held on 8 June 2023 granted delegations and financial authorisations to the Board of Directors (see Chapter 4, section 4.5 "*Delegations and authorisation granted by the General shareholders' meeting in respect of capital increases*" of this 2023 Universal Registration Document).

6.4.2 Non-equity securities

As at 31 December 2023, the Company had not issued any securities that did not represent the share capital.

6.4.3 Change in share capital over the last three financial years

Date	Type of transaction	Number of shares	Transaction amount (in euros)	Share premium (in euros)	Share capital (before transaction)	Number of shares (before transaction)	Amount of the share capital (after transaction) (in euros)	Par value (in euros)	Number of shares (after the transaction)
As at 31 December 2020							**7,317,129.44**		**731,712,944**
13/09/2021	Share capital increase	24	0.24	0.00	7,317,129.44	731,712,944	7,317,129.68	0.01	731,712,968
13/09/2021	Reverse stock split(1)	0	0.00	0.00	7,317,129.68	731,712,968	7,317,129.68	0.08	91,464,121
27/09/2021	Share capital increase as consideration for asset contribution(2)	6,236,568.00	498,925.44	124,245,517.30	7,317,129.68	91,464,121	7,816,055.12	0.08	97,700,689
27/09/2021	Share capital increase as consideration for asset contribution(3)	3,657,061.00	292,564.88	72,868,503.61	7,816,055.12	97,700,689	8,108,620.00	0.08	101,357,750
27/09/2021	Share capital decrease(4)	(3,657,826.00)	(292,626.08)	0.00	8,108,620.00	101,357,750	7,815,993.92	0.08	97,699,924
27/09/2021	Share capital decrease(5)	(4,308,362.00)	(344,668.96)	0.00	7,815,993.92	97,699,924	7,471,324.96	0.08	93,391,562
27/09/2021	Share capital increase(6)	455,782.00	36,462.56	0.00	7,471,324.96	93,391,562	7,507,787.52	0.08	93,847,344
27/09/2021	Share capital decrease(7)	(2,375,648.00)	(190,052.00)	0.00	7,507,787.52	93,847,344	7,317,735.52	0.08	91,471,696
27/09/2021	Share capital decrease(8)	(12,995,155.00)	(1,039,612.64)	0.00	7,317,735.52	91,471,696	6,278,122.88	0.08	78,476,541
27/09/2021	Share capital increase(9)	13,000,000	1,040,000.00	258,960,000	6,278,122.88	78,476,541	7,318,122.88	0.08	91,476,571
As at 31 December 2021								**0.08**	**91,476,571**
30/06/2022	Share capital increase(10)	193,750	15,500	0	7,318,122.88	91,476,571	7,333,622.88	0.08	91,670,286
AS AT 31 DECEMBER 2022								**0.08**	**91,670,286**
AS AT 31 DECEMBER 2023								**0.08**	**91,670,286**

(1) Under the Company's reverse stock split (8:1 ratio), the share's par value was multiplied by 8, bringing it from €0.01 to €0.08 per share, while the number of shares making up the share capital was divided by 8, taking it to 91,464,121 composed of:
- 14,907,825 ordinary shares per a nominal value of €0.08;
- 5,331,183 preferred shares of category 1 PS1 per a nominal value €0.08;
- 42,735,072 preferred shares of category 2 PS2 per a nominal value of €0.08;
- 28,490,040 preferred shares of category 3 PS3 per a nominal value of €0.08;
- 1 preferred share of category 4 per a nominal value of €0.08.

(2) Merger by absorption of EM Networks 1.
(3) Merger by absorption of EM Networks 2.
(4) Following the cancellation of the Company's treasury shares as a consequence of the completed merger by absorption of EM Networks 1.
(5) Following the cancellation of the Company's treasury shares as a consequence of the completed merger by absorption of EM Networks 2.
(6) As a result of the conversion of the PS1 shares into ordinary shares.
(7) As a result of the conversion of the PS2 shares into ordinary shares.
(8) As a result of the conversion of the PS3 shares into ordinary shares.
(9) Capital increase in the context of the Company's IPO.
(10) Capital increase by capitalisation of reserves in order to cover the free share plan implemented on 30 June 2021 and which vested on 30 June 2022.

6.

6.4.4 Shares held by or on behalf of the Company

As at 31 December 2023, the Company held 1,339,758 of its own shares.

6.4.5 Share buybacks

Description of share buyback programme

The Combined Ordinary And Extraordinary shareholders' meeting held on 8 June 2023 renewed, for a period of 18 months, the authorisation given to the Board of Directors, with the option 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 AMF general regulation and regulation (EU) No. 596/2014 of 16 April 2014 on market abuse **("MAR regulation")** and Delegated regulation (EU) No. 2016/1052 of 8 March 2016 supplementing the MAR regulation. The authorisation can be used to carry out the following transactions:

- cancel shares subject to the adoption of the resolution authorising cancellation of the shares by the Extraordinary shareholders' meeting;
- meet obligations arising from stock option programmes, or other allocations of shares to employees or corporate officers of the Company or of an affiliated company;
- provide shares upon the exercise of rights attached to securities giving access to the share capital of the Company;
- ensure that there is a market or liquidity for the shares of the Company through an accredited financial services provider under a liquidity agreement, in accordance with a market practice recognised by the AMF;
- carry out any market practice authorised by the law or by the AMF;
- remit shares in connection with external growth transactions.

Shares may be bought, sold, or transferred by all means, on regulated markets or multilateral trading facilities, through systematic internalisers or over the counter, including through block trades or derivative financial instruments, in accordance with applicable laws and regulations.

The portion of the buyback programme that can be carried out through block trades may represent the entire programme. The total amount allocated to the share buyback programme shall not be greater than €100,000,000.

Under this programme, purchases, sales or transfers of the Company's shares may take place at any time in accordance with legal and regulatory requirements, with the exception of public offers for the purchase or exchange of the Company's shares.

The Board of Directors may decide and implement this authorisation, specify, if necessary, the terms and conditions and, more generally, do whatever is necessary for the successful completion of the planned transactions.

Use of the share buyback programme in 2023

During the 2023 financial year, in addition to the use of the share buyback programme under the liquidity contract managed by Kepler Cheuvreux, the Board of Directors, making use of the delegation granted to it by the General shareholders' meeting of 21 June 2022 (12th resolution), decided to implement a share buyback programme with the aim of delivering the shares acquired (i) to serve management package plans such as the granting of long-term incentive plans represented by free performance shares, and (ii) in the context of acquisitions.

This programme was entrusted to an investment services provider through a share buyback mandate for a maximum amount of €25 million over a period beginning on 20 March 2023 and extending until 21 December 2023. The Company thus acquired 1,288,819 shares as part of the implementation of its programme (excluding the liquidity contract) which ended on 4 July 2023.

As part of this programme, the Company purchased on 24 May 2023, 526,315 shares representing 0.6% of its shares at a price of €19 per share on the occasion of the sale by HTIVB of a stake of approximately 3.7% of the share capital and voting rights of the Company, achieved through the construction of an order book (Accelerated Book Building, ABB). This €10 million transaction was financed by the Group's liquidity. This transaction resulted in a change in Group shareholders' equity detailed in *Note 15.2. Treasury shares.*

Transactions conducted by the Company under the share buyback programme

Treasury shares held as at 31 December 2022	42,884
Number of shares purchased in 2023	1,653,619[1]
Average purchase price (in euros)	18,919
Number of shares sold in 2023	356,745
Average selling price (in euros)	18,845
Number of shares cancelled in the last 24 months	0
Treasury shares held directly and indirectly as at 31 December 2023	1,339,758

(1) Of which 50,939 allocated for liquidity purposes.

Description of the share buyback programme submitted for authorisation to the 14th resolution at the 2024 General Shareholders' Meeting

At the Combined general meeting called for 6 June 2024, shareholders will be asked to terminate the 12th resolution approved by the general meeting of 8 June 2023 and to vote on a new authorisation to be granted to the Board of Directors to trade in the Company's shares under a share buyback programme.

Objectives of the buyback programme

Under the programme, purchases will be made to:

- meet obligations arising from stock option programmes, or other allocations of shares to employees or corporate officers of the Company or of an affiliated company;
- provide shares upon the exercise of rights attached to securities giving access to the share capital of the Company;
- ensure the market or liquidity of the Company's shares through an investment services provider through a liquidity contract in accordance with market practice accepted by the French Financial Markets Authority *(Autorité des marchés financiers)*;
- remit shares in connection with external growth transactions;
- cancel shares in accordance with the authorisation granted by the shareholders' meeting of 1 September 2021 under the 12th resolution and/or any other resolution voted by the shareholders' meeting having the same purpose and replacing it;
- implement any market practice that may be permitted by law or the *Autorité des marchés financiers (AMF)*.

Maximum share of capital, maximum number and characteristics of the shares that the Company proposes to acquire and maximum purchase price

In application of the law, the maximum share that Exclusive Networks could hold under the programme that will be put to the vote of the shareholders on 6 June 2024, would be 9,167,028 Company shares, corresponding to 10% of the share capital.

The maximum authorised purchase price would be set at €30 per share. The cumulative amount of acquisitions net of costs may not exceed €100 million.

Duration of the share buyback programme

The duration of the programme would be 18 months from the approval of the General shareholders' meeting of 6 June 2024, that is, until 6 December 2025. It would replace the one granted by the 12th resolution of the shareholders' meeting of 8 June 2023.

6.4.6 Liquidity agreements

On 6 December 2021, Exclusive Networks SA entered into a liquidity agreement with Kepler Cheuvreux, which complies with the Code of Conduct issued by the French Association of Financial Market Professionals *(Association française des marchés financiers – AMAFI)* on 8 March 2011. This liquidity contract entered into force on 6 December 2021 for an initial period of 12 months renewable by tacit renewal for successive periods of 12 months.

As part of the implementation of this liquidity agreement, an initial amount of €500,000 was credited to the liquidity account, which was increased to €2 million during the 2022 financial year. This amount remained unchanged in 2023.

The half-year statement of the liquidity agreement is available on the Exclusive Networks group's website (www.exclusive-networks.com).

6.4.7 Other securities giving rights to share capital

None.

6.4.8 Terms of any acquisition rights and/or any obligation over authorised but unissued capital

See Chapter 4, section 4.4.4 "*Remuneration tables*" – AMF Table 10 (Record of free shares awarded).

6.4.9 Share capital of any member of the Group subject of an option or of an agreement to put it under option

As at 31 December 2023, the conditional or unconditional agreements to option the capital of the Subsidiaries were as follows:

Exclusive Networks Canada (formerly Fine Tec Distribution Inc. ("Fine Tec"))	
Type of instruments	Warrant Certificates under the terms of which the Company's employees are authorised to acquire ordinary shares in Exclusive Networks Canada (a "**Warrant Certificate**").
Date	7 February 2019
Quantity of shares under option	31,572
Exercise price (subject to adjustments)	CAD 12
Rational	Objective of retention and motivation of employees who are key persons.
Exercise period	Within 30 days of the occurrence of a Triggering Event (that is, (i) a Change of Control, or (ii) the termination of the Holder's employment contract by Exclusive Networks Canada without cause, or (iii) the Holder ceases to be employed by Exclusive Networks Canada due to their retirement, or (iv) the expiration of seven (7) years from the date of the warrant certificate, when the Holder is an employee of the Company).
Date of expiry of the exercise period	23 September 2024
Dilution	3%

6.5 2024 Financial Calendar

29 April 2024	Q1 2024
6 June 2024	General shareholders' meeting
1 August 2024	2024 Half results
5 November 2024	Q3 2024

This schedule is given as an indication; it is subject to change if necessary.


We Are
Global

7. Additional Information

7.1 Legal information

7.1.1 Legal and corporate name of the Company

The corporate name of the Company is Exclusive Networks S.A.

7.1.2 Registration location and number and LEI

The Company is registered with the Nanterre Trade and Companies Register under number 839 082 450.

The LEI number of the Company is the following: 969500GFM1C4M1KMPL74.

7.1.3 Date of incorporation and term of the Company

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

The Company has a financial year of 12 months, beginning on 1 January and ending on 31 December of each year.

7.1.4 Registered office, legal form and applicable legislation

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

The Company is a *société anonyme* (public limited company) incorporated under French law. Originally incorporated as a French *société par actions simplifiée* the Company was transformed into a French *société anonyme* on 1 September 2021.

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 2023 Universal Registration Document and has not been reviewed or approved by the AMF.

7.2 Bylaws

The Company's Bylaws were prepared in accordance with the laws and regulations applicable to French limited liability companies with a Board of Directors (*société anonyme à conseil d'administration*). The main provisions of the Bylaws described below have been extracted from the version adopted by the general meeting of 1 September 2021 and updated by the general shareholders' meeting of 8 June 2023.

7.2.1 Corporate purpose (Article 3 of the Bylaws)

The purpose of the Company, in France and abroad, directly or indirectly, is to:

- acquire, hold, manage and dispose of securities giving rights, directly or indirectly, immediately or in the future, to the capital, in any form whatsoever, of other companies;
- to acquire securities, rights and assets through investment, contribution, subscription, purchase or purchase option, negotiation and any other manner, and to acquire, manage and develop patents and licences. The Company may borrow and raise funds, including borrowing money in any form and obtaining loans in any form and raising funds through the issuance of bonds and any other convertible or non-convertible debt or equity securities, for the purpose described above;
- manage the Company's cash, in particular through the acquisition, subscription, holding and/or sale of securities in undertakings for collective investment in transferable securities (UCITS) and cash investment funds;
- grant any security interests, guarantees and, more generally, any operation authorised under the terms of Article L. 511-7, 3° of the French Monetary and Financial Code;
- provide consulting and assistance services in financial, accounting, legal, tax, technical, administrative, commercial and/or IT matters, and in the negotiation of all types of contracts, and to provide any other services to companies, entities or Groups;
- more generally, to carry out all financial, commercial, industrial, real estate and/or personal property transactions that may be related, directly or indirectly, to the above-mentioned purposes or to any other related or complementary purpose.

7.2.2 Administrative and management bodies (Articles 12 to 18 of the Bylaws and Articles 1 to 4 of the Internal Rules of the Board of Directors)

Board of Directors

The description below summarises the main provisions of the Company's Bylaws governing the Board of Directors, in particular its mode of operation and its powers.

In addition to the provisions relating to the Board of Directors mentioned below, the Internal Rules of the Board set out how the Board of Directors' Committees are organised, as well as defining their powers and responsibilities (see Chapter 4, section 4.2.7 "*Internal Rules*" of this 2023 Universal Registration Document).

The Company's Bylaws and the Internal Rules of the Board of Directors can be consulted on the Company's website: www.exclusive-networks.com.

Composition of the Board of Directors

The Company is governed by a Board of Directors composed of at least three (3) members and no more than eighteen (18) members, subject to the exceptions provided for by applicable laws and regulations.

Appointment and term of office of Directors

Directors are appointed for a four-year term of office. By way of exception, the General shareholders' meeting may appoint one or more Directors for a different term not exceeding six years or reduce the term of office of one or more serving Directors to a period of less than four years, in order to allow for a staggered renewal of Directors' terms of office.

When a Directors is appointed, in accordance with the applicable laws and regulations, to replace another Director, he/she shall hold office only for the remainder of the predecessor's term.

The term of office of a Director expires at the end of the General shareholders' meeting convened to approve the financial statements for the previous financial year and held during the year in which the term of office of said Director expires.

Chairperson of the Board of Directors

The Board of Directors elects a Chairperson from among the members of the Board who are natural persons and determines the term of office, the duration of which may not exceed the Director's term.

The Chairperson organises and manages the work of the Board of Directors and reports on its work to the General shareholders' meeting. The Chairperson oversees the proper functioning of the Company's governing bodies and ensures that the Directors are able to carry out their duties.

Powers of the Board of Directors

The Board of Directors defines the Company's strategic orientation and monitors its implementation, taking into account the social and environmental implications of its activity. Subject to the powers expressly granted to the General shareholders' meeting and within the limit of the Company's corporate purpose, the Board of Directors deliberates on any question affecting the proper operation of the Company and settles matters though its deliberations.

Notice of meeting and Board of Directors meetings

The Board of Directors meets as often as the Company's interests require on notice from its Chairperson by any means, even verbally depending on the urgency. A meeting can be convened at the request of the Directors or the Chief Executive Officer under the conditions provided for by applicable law and regulations.

The meetings of the Board of Directors take place at the Company's registered office or at any other place indicated in the notice.

Except in cases excluded by applicable law and regulations, the Internal Rules of the Board of Directors may stipulate that Directors attending the meeting of the Board of Directors by videoconferencing or telecommunications, provided these meet the technical characteristics required by applicable law and regulations, are deemed present for the calculation of the quorum and the majority.

Decisions relating to the Board of Directors' own powers referred to in Article L. 225-37 of the French Commercial Code may be taken by written consultation with the Directors.

The person convening the Board meeting may decide to apply this method of consulting the Directors in writing.

In the event of a tied vote, the Chairman or the Director appointed as Chairman of the meeting will not have the casting vote.

The Board of Directors sets out its Internal Rules in accordance with applicable law and regulations and the Company's Bylaws. It may decide to set up Committees to study issues that it or its Chairman submits for their consideration. 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.

Minutes of meetings or written consultations of the Board of Directors are drawn up, and copies or extracts are issued and certified in accordance with the law.

Executive Management

Organisation of the Executive Management

At the option of the Board of Directors, the Company may be managed either by the Chairperson of the Board of Directors or a natural person appointed by the Board of Directors with the title of Chief Executive Officer.

The Board of Directors determines the term of the Chief Executive Officer's appointment.

Chief Executive Officer

If the Chairperson of the Board of Directors is in charge of the Company's general management, the legal, regulatory and Bylaws provisions concerning the Chief Executive Officer apply to the Chairperson.

The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, as limited by the corporate purpose of the Company and those powers that the applicable laws and regulations expressly confer to shareholders' 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 of it given the circumstances; publication of the Bylaws is not sufficient to constitute such proof.

Deputy Chief Executive Officers

On the proposal of the Chief Executive Officer, the Board of Directors may appoint up to five natural persons to assist the Chief Executive Officer with the title of Deputy Chief Executive Officer.

The Deputy Chief Executive Officer(s) may be removed at any time by the Board of Directors only and on the recommendation of the Chief Executive Officer.

If the Chief Executive Officer ceases or becomes unable to perform his or her duties, the Deputy Chief Executive Officer(s) will retain those duties and powers until the new Chief Executive Officer is appointed, unless otherwise decided by the Board of Directors.

The Board of Directors determines with the Chief Executive Officer the scope and duration of the powers granted to the Deputy Chief Executive Officer(s). The Deputy Chief Executive Officer(s) has/have the same powers with regard to third parties as the Chief Executive Officer.

7.2.3 General shareholders' meeting (Article 19 of the Bylaws)

General shareholders' meetings are convened and held in accordance with the applicable laws and regulations.

Any shareholder has the right to attend general meetings and participate in the deliberations personally or through an agent, under the conditions defined by the applicable laws and regulations, with proof of identity and the ownership of shares.

Shareholders' Meetings are held at the registered office or at any other place indicated in the notice of meeting.

On decision of the Board of Directors published in the notice of meeting to use such telecommunications methods, shareholders who attend the meeting via videoconference or other telecommunication or electronic transmission methods, including the internet, which allow identification under the conditions required by the applicable legal and regulatory provisions, are deemed present for the calculation of quorum and majority.

On the decision of the Board of Directors, any shareholder may vote remotely or give his/her proxy, pursuant to applicable laws and regulations, using a form prepared by the Company and sent to the Company under the conditions defined by the applicable laws and regulations, including electronic or broadcast transmission methods. This form must be received by the Company in accordance with the applicable laws and regulations.

General meetings are chaired by the Chairperson of the Board of Directors, or in his/her absence, by a Director specifically delegated for this purpose by the Board of Directors. If not, the general meeting elects its own Chairperson.

7.2.4 Rights, preferences and restrictions attached to shares (Articles 7, 8 and 9 of the Bylaws)

Fully paid-up ordinary shares shall be in registered or bearer form, at the shareholder's option, under the conditions provided for by applicable laws and regulations.

Each share confers the right to a share of the Company's profits and net assets in proportion to the percentage of the share capital it represents. In addition, each share carries the right to vote and the right to representation at General shareholders' meetings, in accordance with the applicable laws and regulations, and with the Company's Bylaws.

The double voting right provided for by Article L. 225-123 of the French Commercial Code is expressly excluded.

When it is required to hold several shares in order to exercise a particular right, holders of isolated shares or holders who do not have the relevant number of shares shall have no rights against the Company, the shareholders being responsible in this case for Grouping and, as necessary, the purchase or sale of the relevant number of shares.

Shares are indivisible with regard to the Company. Joint owners of shares must arrange to be represented by one of the joint owners or by a common agent of their choice in all dealings with the Company. If shares are subject to beneficial ownership, this should be indicated when they are entered in the share register.

Shares, whether in registered or bearer form, are freely negotiable, unless otherwise provided for by applicable laws or regulations. Shares are registered in an account, and their transfer shall be carried out by transfer from one account to another, under the conditions provided for by applicable laws and regulations.

7.2.5 Modifications of the rights of shareholders

The rights of shareholders may be modified in accordance with applicable laws and regulations.

The Bylaws do not contain any particular provisions with respect to modification of the rights of the shareholders that are more stringent than the law.

7.2.6 Share transfers

There is no clause in the Bylaws that restricts transfers, with the exception of rules relating to the prevention of insider trading imposing restrictions on share transfers (blackout periods related to financial publications and prohibition on the sale of shares granted under the provisions set out in Article L. 225-197-1 of the French Commercial Code), as well as rules requiring corporate officers to retain shares throughout their term of office (see Chapter 6, section 6.1.5 "*Items that may have an impact in the event of a public offer*").

7.2.7 Changes in the share capital of the Company

The Bylaws do not contain any particular provisions with respect to modification in the share capital of the Company.

7.2.8 Provisions that may delay, postpone or prevent a change of control of the Company

The Bylaws and the Internal Rules of the Board of Directors do not contain any provisions that delay, postpone or prevent a change of control of the Company.

7.2.9 Identification of securities holders

The Company may at any time make use of all applicable laws and regulations to require the identification of holders of securities conferring the right to vote immediately or in the future at its General shareholders' meetings.

7.3 Information concerning the Statutory Auditors

Deloitte & Associés

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

6, place de la Pyramide

92908 Paris la Défense Cedex

Represented by Ms Nadia Laadouli.

Date of appointment: 4 June 2019.

End of term of office: General shareholders' meeting convened to approve the financial statements for the year ended 31 December 2023.

On the next General Shareholders' Meeting, the shareholders will be proposed to vote on the appointment of KPMG, whose registered office is located at Tour EQHO, 2 avenue Gambetta, 92066 Paris La Défense CEDEX, for a duration of six years, of which the mandate will expire at the General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2029.

Mazars

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

Tour Exaltis – 61, rue Henri-Regnault

92075 Paris la Défense Cedex

Represented by Mr Marc Biasibetti.

Date of appointment: 19 April 2021.

End of term of office: General shareholders' meeting convened to approve the financial statements for the year ended 31 December 2026.

7.4 Documents available to the public

The Company's Bylaws, the minutes of general shareholders' meetings and other statutory documents, as well as any valuation or statement made by an independent expert at the Company's request, which must be made available to shareholders in accordance with applicable regulations, may be consulted at the Company's registered office.

Information is available on the Company's website (www.exclusive-networks.com).

7.5 Persons responsible

7.5.1 Person responsible for the Universal Registration Document

Mr Jesper Trolle, Chief Executive Officer of the Company.

7.5.2 Declaration by the person responsible for the Universal Registration Document

"I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no material likely to affect its import.

I also declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the Management report (here attached) gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted".

Boulogne-Billancourt, 4 April 2024

Mr Jesper Trolle

Chief Executive Officer

7.5.3 Contact person for the financial information

Ms Nathalie Bühnemann, Chief Financial Officer of the Company.

7.6 Third-party information, experts' reports and declarations of interests

This Universal Registration Document contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, including market studies commissioned by the Company.

With respect to statements based on the Company's analysis or calculations of such information, the Company cannot guarantee that another party using different methods to analyse or calculate the data on these markets would obtain the same results.

7.7 Intellectual property

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

Brand and Trademark Licences

The Group's significant brands and trademarks are Exclusive Networks and Exclusive On Demand (X-OD).

In addition, the Group continuously monitors the brands registered by third parties in order to take action if a trademark is damaging to the Group.

Domain Names

The principal domain names registered by the Group are exclusive-networks.com, supervadnet.com, X-OD.com, itec-is.com, exclusive-networks.de and exclusive-capital.com, ignition-technology.com, ignition-technology.uk and ignition-technology.eu.

The Group's domain names are all reserved and hosted by the same service provider and renew automatically.

7.8 Material contracts

None.

Glossary

2021 Consolidated Financial Statements
The Group's consolidated financial statements for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union (EU) on 31 December 2021

2022 Consolidated Financial Statements
The Group's consolidated financial statements for the year ended 31 December 2022, prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and adopted by the European Union (EU) on 31 December 2022

2023 Consolidated financial statements
The Group's consolidated financial statements for the year ended 31 December 2023, 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 2023

Adjusted EBIT
Recurring operating profit before amortisation of intangible assets, as adjusted for certain costs that do not impact the day-to-day operations and which are of an unusual nature. These include information system implementation costs, restructuring costs, costs relating to the allocation of free shares and certain one-time costs

Adjusted EBIT as a percentage of Net Margin
Adjusted EBIT divided by Net Margin

Adjusted EBITDA
Adjusted EBIT restated for depreciation, amortisation and impairment

Adjusted Net Income
Net income restated for non-GAAP and non-recurring operating income and expenses, net of taxes

AEB
A trade compliance management tool that is one of the company AEB's solutions for shipping, customs clearance, import/export management, sanctions list screening and export controls (Source: https://www.aeb.com/en).

AMF
Autorité des marchés financiers, the French Financial Markets Authority

APAC
Refers to the Asia-Pacific region

ASC
Authorised Support Centre

BIS
Bureau of Industry and Security. Part of the U.S. Department of Commerce

CAGR
Compound Annual Growth Rate: a statistical measure for estimating the average annual growth between two dates

CapEx
Operating capital expenditure

CASB
Cloud Access Security Broker (CASB): a software tool or service that sits between an organisation's on-site infrastructure and a cloud service provider's infrastructure. The CASB is a gatekeeper that enables the organisation to extend the reach of its security policies beyond its own infrastructure

CDC
Cyber Defence Council, composed of our Global Vendor Alliances SVP, the CSOs of our specialist subsidiaries Ignition and Nuaware, our CISO, the Group's engineers and the Group's IT Infrastructure Director, which meets on a monthly basis to discuss best practices across the regions, new technology, cybersecurity solutions coming to the market, network monitoring, fraudulent access attempts (if any, the specific business case is reviewed), sometimes cyber surveillance and many other cybersecurity topics

Churn Rate
The percentage of salespeople generating over €1 million of revenue in a given year but then generating less than 95% of the revenue from said year in the following year

CORE
Commercial & Operations Roadmap for Excellence. The plan launched in September 2018 to harmonise processes and systems around the globe through the deployment of the Oracle solution NetSuite and hosting on the cloud

CSRD
Corporate Sustainability Reporting Directive. Transposed into French law on 7 December 2023 (Presidential Order no. 2023-1142) requiring companies to report on sustainability

Dual-use items
Sensitive assets (items, equipment, software, technology, intangible expertise) with one or more civilian and military (proliferation, traditional weapons or weapons of mass destruction) applications. For this reason, they are state-controlled by way of special laws and regulations and may be subject to authorisation prior to export

EAR
Export Administration Regulations. The U.S. Export Administration Regulations (EAR, 15 C.F.R. section 730 et seq.)

EBITDA
Recurring operating profit restated for depreciation, amortisation and impairment

EFH
Refers to Exclusive France Holding SAS

EMEA
Refers to the Europe, Middle East, and Africa region

ERP
Enterprise Resource Planning. The programme located on cloud, regional and local servers

ESRS
European Sustainability Reporting Standards

Euronext Paris
Refers to the regulated market of Euronext Paris

EXN TAC
Exclusive Networks Technical Assistance Centre

GDPR
Refers to the Regulation (EU) 2016/679 of the European Parliament and of the Council of 25 May 2016 on Data Protection

Gross Sales
Revenue recognised by the Group on a gross basis for each revenue stream, net of returns, discount and rebates

Group
Refers to (i) the Company, its consolidated subsidiaries, branches and its direct and indirect equity interests, collectively, or (ii) prior to the date of incorporation of the Company, Exclusive France Holding SAS, its consolidated subsidiaries, branches and its direct and indirect equity interests, collectively

GSO
Global Service Operations. The professional services operations carried out worldwide, an offer including installations, deployments, releases and maintenance, as well as the full lifecycle available to the Group's resellers as and when needed

HoldCo
Everest HoldCo S.A.S., the former name of Exclusive Networks S.A. when it was a société par actions simplifiées (simplified joint stock corporation)

IaaS
Infrastructure as a Service. IaaS is one of the four components of **Cloud Computing**, the others being:

- SaaS (Software as a Service);
- DaaS (Desktop as a Service); and
- PaaS (Platform as a Service).

IaaS is a platform that hosts information resources online in a virtual environment such as a cloud. It enables a third-party vendor to host other companies' servers and resources

IFRS
International Financial Reporting Standards

IOR
Importer of Record. An authorised entity responsible for ensuring that exported goods comply with legal requirements and regulations in the country of import

IoT
Internet of Things. The methods of protection used to secure internet-connected or network-based devices

IPO
Initial public offering of the Company's shares on the Euronext Paris market

IPO Price
The price of the shares offered in the proposed IPO

Market Reports
Market studies commissioned by the Company from Bain & Company, Inc. and information otherwise obtained from International Data Corporation (IDC), Gartner, AV-Test, Crunchbase, Cybersecurity Ventures, Hampleton, Momentum Cybersecurity Group, PitchBook, Canalys and Cleveland Research Company

MSP
Managed Security Services Provider. The Group's managed security service dedicated to creating value within the distribution channel for the needs of our MSSDs and VARs

Net Debt
Bank borrowings, bank overdrafts, short-term loans and factoring liabilities, less cash and cash equivalents

Operating FCF before Tax
Net income deducted from Net financial income/expense, Income Tax, Depreciation, amortisation, impairment and provisions, Gains/losses on disposal of fixed assets, Other non-cash items, Change in Net Working Capital trade and Net Operating CapEx and Repayment of lease liabilities.

OpEx
Operational expenditure required for the day-to-day functioning of a business, as opposed to CapEx

Permira VI
Refers to the Permira VI Fund

Renewal Rate
The gross sales generated in year N from vendors or customers active in year N-1 divided by gross sales from the same vendors or customers in year N-1

SASB
Sustainability Accounting Standards Board

SDG
United Nations sustainable development goals

SIs
System Integrators. Businesses specialised in the organisation of sub-systems that form the component parts of systems. They also ensure that those sub-systems work together, a practice known as system integration, on a global scale

Telcos
Telecommunications companies, providing telecommunications services such as telephony and data communications access

VARs
Value-added resellers. These resell vendor products along with complementary products or services (e.g. installation and consulting)

X-OD
Exclusive On Demand, the platform that enables resellers to subscribe to the solutions offered by the Group's vendors

Cross-reference tables

Cross-reference table for the Universal Registration Document

The following cross-reference table aims to facilitate access to the sections of this Universal Registration Document that describe the information referred to in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or Chapter
1	**Persons responsible, third-party information, experts' reports and competent authority approval**	**7**
1.1	All persons responsible for the information or any parts of it, given in the Universal Registration Document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	7.5.1
1.2	A declaration by those responsible for the Universal Registration Document that to the best of their knowledge, the information contained in the Universal Registration Document is in accordance with the facts and that the Universal Registration Document makes no omission likely to affect its import.	7.5.2
1.3	Where a statement or report attributed to a person as an expert, is included in the Universal Registration Document, provide the following details for that person: (a) name; (b) business address; (c) qualifications; (d) material interest if any in the issuer. If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the Universal Registration Document with the consent of the person who has authorised the contents of that part of the Universal Registration Document for the purpose of the prospectus.	3.10 5.2.3 5.3.3 7.3
1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	7.6
1.5	A statement that: (a) the Universal Registration Document has been approved by the French Financial Markets Authority, as competent authority under Regulation (EU) 2017/1129; (b) the French Financial Markets Authority only approves this Universal Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; (c) such approval should not be considered as an endorsement of the issuer that is the subject of this Universal Registration Document.	Cover page
2	**Statutory Auditors**	**7**
2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	7.3
2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A
3	**Risk Factors**	**2**

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or Chapter
4	**Information about the issuer**	**7.1**
4.1	The legal and commercial name of the issuer	7.1.1
4.2	The place of registration of the issuer, its registration number and legal entity identifier ("LEI")	7.1.2
4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite	7.1.3
4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	7.1.4
5	**Business overview**	**1.2**
5.1	Principal activities	1.2
5.1.1	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information.	1.2.2 1.2.3 1.2.4
5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of their development	1.2.2 1.2.3 1.2.4
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.	1.3
5.3	The important events in the development of the issuer's business.	5.1
5.4	Strategy and objectives A description of the issuer's business strategy and objectives, both financial and extra-financial (if any). This description shall take into account the issuer's future challenges and prospects.	Introduction 1.5
5.5	If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.	7.7
5.6	The basis for any statements made by the issuer regarding its competitive position.	1.4
5.7	Investments	1.6
5.7.1	Main investments	1.6
5.7.2	Material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).	1.6.1 1.6.2
5.7.3	Joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	N/A
5.7.4	Environmental issues that may affect the issuer's utilisation of the tangible fixed assets.	3.6
6	**Organisational structure**	**1.7**
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	1.7.2
6.2	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.	1.7.1
7	**Operating and financial review**	**5**

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or Chapter
7.1	Financial condition	Introduction - 5.1
7.1.1	To the extent not covered elsewhere in the Universal Registration Document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes. The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business. To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, extra-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.	Introduction - 5.1.
7.1.2	To the extent not covered elsewhere in the Universal Registration Document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of: (a) the issuer's likely future development; (b) activities in the field of research and development. The requirements set out in item 7.1 may be satisfied by the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU of the European Parliament and of the Council.	N/A
7.2	Operating results	5.1
7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations and indicate the extent to which income was so affected.	5.1
7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	5.1
8	**Capital resources**	**5.1.3**
8.1	Information concerning the issuer's capital resources (both short term and long term).	5.1.3
8.2	An explanation of the sources, amounts of and a narrative description of the issuer's cash flows.	5.1.3
8.3	Information on the borrowing requirements and funding structure of the issuer.	5.1.3
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	5.1.3
8.5	Information regarding the anticipated sources of funds needed to fulfil current commitments.	5.1.3 5.2.2 Note 10 5.2.2 Note 12 5.2.2 Note 13 5.2.2 Note 14
9	**Regulatory environment**	**1**
9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	1.3

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or Chapter
10	**Trend information**	**5**
10.1	A description of: (a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Universal Registration Document; (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the Universal Registration Document, or provide an appropriate negative statement.	5.1.4.1
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	5.1.4.2
11	**Profit forecasts or estimates**	**N/A**
11.1	Profit forecast or a profit estimate.	N/A
11.2	Statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.	N/A
11.3	Statement that the profit forecast or estimate has been compiled and prepared on a basis comparable with the historical financial information and consistent with the issuer's accounting policies.	N/A
12	**Administrative, management and supervisory bodies and senior management**	**4**
12.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital; (c) founders, if the issuer has been established for fewer than five years; (d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business. Details of the nature of any family relationship between any of the persons referred to in points (a) to (d). In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information: (a) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies; (b) details of any convictions in relation to fraudulent offences for at least the previous five years; (c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years; (d) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. If there is no such information required to be disclosed, a statement to that effect is to be made.	4.1 4.2
12.2	Conflicts of interests	4.2.6

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or Chapter
13	**Remuneration and benefits**	**4.**
13.1	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the persons referred to in point 12 by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.	4.4
13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits.	5
14	**Board practices**	**4**
	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 12.1.	
14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	4.2.1 4.2.2
14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.	4.2.2 4.6.2
14.3	Information about the issuer's Audit and Risks Committee and Remuneration Committee, including the names of committee members and a summary of the duties carried out by the Committees.	4.2.8
14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	4
14.5	Potential material impacts on the corporate governance, including future changes in the board and Committees composition (in so far as this has been already decided by the board and/or shareholders meeting).	4.1.2 4.1.3 4.2.2
15	**Employees**	**3**
15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the Universal Registration Document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	Introduction 3.7.1
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.	4.2.2 4.4.4 6.1 5.2, Note 18
15.3	Description of any arrangements for involving the employees in the capital of the issuer.	3.7.4 4.3
16	**Major shareholders**	**6**
16.1	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as at the date of the Universal Registration Document or, if there are no such persons, an appropriate statement to that effect that no such person exists.	6.1.1
16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.	6.1.1
16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	6.1.1
16.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	6.1.3

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or Chapter
17	**Related party transactions**	**4.6** **5.2 Note 19.4**
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	**5**
18.1	Historical financial information	
18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.	5.2 – 5.3
18.1.2	Change of accounting reference date If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.	N/A
18.1.3	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with: (a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002, the financial statements shall be restated in compliance with that Regulation.	5.2 Note 3 et 5.3
18.1.4	Change of accounting framework The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the Universal Registration Document. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.	N/A
18.1.5	Where the audited financial statements is prepared according to national accounting standards, it must include at least the following: (a) the balance sheet; (b) the income statement; (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; (d) the cash flow statement; (e) the accounting policies and explanatory notes.	5.2 5.3
18.1.6	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the Universal Registration Document.	5.2
18.1.7	Age of financial information The balance sheet date of the last year of audited financial information may not be older than one of the following: (a) 18 months from the date of the Universal Registration Document if the issuer includes audited interim financial statements in the Universal Registration Document; (b) 16 months from the date of the Universal Registration Document if the issuer includes unaudited interim financial statements in the Universal Registration Document.	31 December 2023
18.2	Interim and other financial information	N/A

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or Chapter
18.2.1	If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the Universal Registration Document. If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, state that fact. If the Universal Registration Document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year. Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002. For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.	N/A
18.3	Auditing of historical annual financial information	5
18.3.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU of the European Parliament and Council and Regulation (EU) No 537/2014 of the European Parliament and of the Council. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the Universal Registration Document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard; (b) if audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	5
18.3.2	Indication of other information in the Universal Registration Document that has been audited by the statutory auditors.	N/A
18.3.3	Where financial information in the Universal Registration Document is not extracted from the issuer's audited financial statements, state the source of the information and state that the information is not audited.	N/A
18.4	Pro forma financial information	N/A
18.4.1	In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. This requirement will normally be satisfied by the inclusion of proforma financial information. This proforma financial information is to be presented as set out in Annex 20 and must include the information indicated therein. Pro forma financial information must be accompanied by a report prepared by independent accountants or statutory auditors.	N/A
18.5	Dividend policy	6.3
18.5.1	A description of the issuer's policy on dividend distributions and any restrictions thereon. If the issuer has no such policy, include an appropriate negative statement.	6.3.1
18.5.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	6.3.2
18.6	Legal and arbitration proceedings	2.1
18.6.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	2.1.4
18.7	Significant change in the issuer's financial position	N/A
18.7.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.	N/A

No.	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	2022 Universal Registration Document section or Chapter
19	**Additional information**	**6 et 7**
19.1	Share capital	6.4
19.1.1	The amount of issued capital.	6.4.1
19.1.2	Shares not representing capital.	6.4.2
19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	6.1.1
19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	N/A
19.1.5	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	4.5
19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	6.4.9
19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	6.4.3
19.2	Memorandum and Articles of Association	7.2
19.2.1	The identification number within the Trade and Companies Register, a description of the corporate purpose of the issuer and references to the Articles of Association.	7.2.1
19.2.2	Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class.	7.2.4
19.2.3	A brief description of any provision of the issuer’s articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	7.2.8
20	**Material contracts**	**7.8**
21	**Documents available**	**7.4**

Cross-reference table for the Annual Financial Report

To facilitate the reading of this document, the cross-reference table below identifies in this 2022 Universal Registration Document the information which constitutes the Annual Financial Report and needs to be published by listed companies in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulation.

Information	Chapters/ Sections
Person responsible for the Annual Financial Report	7.5.1
Company financial statements	5.3
Consolidated financial statements	5.2
Management report	Cf. cross-reference table above (page 317)
Declaration from the person responsible for the Annual Financial Report	7.5.2
Statutory Auditors' report on the Company financial statements	5.3.3
Statutory Auditors' report on the consolidated financial statements	5.2.3
Statutory Auditors' fees	5.2 Note 19.3
Report of the Board of Directors on corporate governance	4
Statutory Auditors' report on regulated agreements	4.6.3

Cross-reference table for the Management Report

The cross-reference table below identifies in the 2023 Universal Registration Document the information included in the annual management report to be provided by the Company's Board of Directors, as required by Articles L. 225-100 et seq. of the French Commercial Code.

Articles	Chapters/Sections
1. Activity report	
Position, activities and business developments of the Company and its subsidiaries during the past financial year	5.1, 5.2 and 5.3
Results of the Company and its subsidiaries during the past year (including debt situation)	5.1, 5.2 and 5.3
Key financial performance indicators	Introduction – 5.1
Key risks and uncertainties	2.1
Information on market risk and financial risk management	2.1 and 2.2
Five-year financial summary for the Company	5.5
Acquisition of equity interests	5.2 Note 2.1
Research and development, patents, licences	7.7
Predictable developments and future outlook	5.1.4
Subsequent events	5.2, Note 19.6 and 5.3
2. Capital and shareholding	
Composition and evolution of ownership and capital	6.1
Summary table of the outstanding delegations regarding capital increases and the use made of those delegations during the financial year	4.5
Acquisitions and disposals of treasury shares by the Company	6.4.5
Employee ownership of shares in the Company's capital	4.4.4
Transactions carried out by executives and corporate officers on the Company's securities	6.1.4
Items that may have an impact in the event of a public offer	6.1.5
The name of controlled companies and the share of the Company's capital held	1.7.1 1.7.2 5.2.2 Note 19.7
Disposals of shares in order to sort out cross-shareholdings	N/A
3. Governance	
Executive management structure	4.1.2
Composition of the Board of Directors	4.2.1
4. Remunerations of corporate officers and executives	
Remuneration of corporate officers and executives	4.2
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	4.4
5. Social and environmental responsibility of the Company	
Information on how the Company takes into account the social and environmental consequences of its business	3
Key extra-financial performance indicators, including environmental and social	Introduction - 3
6. Other legal and tax information	
Dividends distributed	6.3.2
Information on payment times for vendors and customers	5.4
Key characteristics of internal control and risk management procedures relating to the development and processing of accounting and financial information	2.2

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Exclusive Networks SA
French *Société anonyme* with a share capital of €7,333,622.88
Registered office : 20, Quai du Point du Jour – 92100 Boulogne Billancourt (France)
Phone +33 1 41 34 53 04 – Fax. 01 41 31 47 86
RCS Nanterre 839 082 450